

Russia Resumes Oil to Belarus

By The Moscow Times

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Russia started pumping crude oil to Belarus refineries for the first time in 2011 after a halt that hit European fuel supplies and raised fears of a political flap that could leave Europe short of Russian crude.

A spokesman for Russia's state oil pipeline monopoly, Transneft, said the oil began to flow toward Belarus at 5:50 p.m. Moscow time. A spokeswoman for the Belarus refinery operator said new supply deals were signed.

"Agreements on crude oil delivery have been concluded between Belarusian refineries and Russian oil companies," Belneftekhim spokeswoman Marina Kostyuchenko said.

Two refineries provide Belarus and its struggling economy — heavily dependent on cut-price energy supplies from Moscow — with crucial export revenue from motor fuel sales to Europe.

By Monday, the country's two refineries, with a total capacity of 360,000 barrels per day, were left with only one week's worth of oil stocks.

The halt also forced Russia to send more crude into European markets, in particular to the Baltic port of Gdansk, putting pressure on oil prices in Europe. At the same time, exports of diesel from Belarus dried up.

But Russian crude customers further down the Soviet-built Druzhba pipeline, which passes through Belarus, continued to receive shipments as normal, and Moscow and Minsk were at pains to emphasize their problems were technical.

The depth of the pricing disagreement was highlighted last week when a meeting between Russian Prime Minister Vladimir Putin and his Belarusian counterpart yielded no tangible results, despite a recent thaw in relations between Moscow and Minsk.

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