

New Baltic Oil Terminal Likely Facing Delay

By The Moscow Times

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The opening of the Ust-Luga Baltic oil terminal has been postponed until next year, industry sources said Friday, days after Russia's safety watchdog said the port was so badly damaged by landslides that it risked a serious environmental accident.

The terminal, expected to handle 10 million tons to 20 million tons in 2012, is meant to let Moscow export crude directly to Europe, undercutting the negotiating power of countries with transit pipelines like Ukraine.

"The launch was postponed to the end of the first quarter," said one industry source with knowledge of a meeting Friday, called by Deputy Prime Minister Igor Sechin, to discuss the future of the terminal, which had until recently been expected to open on Nov. 30 or in mid-December.

Another source on Friday put the potential opening date a bit earlier. "It's February."

Earlier this week, the head of the country's industrial safety regulator Rostekhnadzor wrote in a letter, seen by Reuters, that as of Nov. 16 the port's quayside had been mauled by three major landslides of the shore into the sea.

The watchdog's head, Nikolai Kutyin, wrote that it saw a danger of "an accident while using this site, with heavy economic and ecological consequences."

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