

Oil Deliveries to Czechs Dwindle Further

By The Moscow Times

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The Czech Republic is readying for a third straight month of reduced oil deliveries through its eastern Druzhba pipeline, raising flow from an alternative pipeline to deal with Russia's shift to new export outlets.

A government official said Friday that the country would likely receive lower deliveries of Russian oil through Druzhba in June.

But the reduced flow is not causing difficulties for refiners, who have compensated for the drop with more deliveries via the IKL pipeline from Germany, said Vaclav Bartuska, a special Czech government envoy for energy security.

"The confirmed deliveries [through] Druzhba for June are even lower than May," he said. "We don't have any problems at the moment, it is more a question of what is going on on the Russian side."

Russian companies have been gradually shifting away from the Soviet-era Druzhba pipeline

in favor of other outlets, particularly the new Baltic terminal at Ust-Luga launched in March.

Druzhba delivers over 1.2 million barrels per day to refiners in Poland, Germany, the Czech Republic, Slovakia and Hungary.

Russia's oil pipeline monopoly Transneft said Friday that the situation with June deliveries was still unclear.

"The Czechs asked for 150,000 [tons] in June," spokesman Igor Dyomin said. "We have no confirmation so far from Russian companies."

He said 73,000 tons of oil was sent to the Czech Republic via Druzhba in May, in line with what the company said last month but far below 345,500 tons nominally scheduled.

In April, Russian companies supplied the Czech Republic with only 280,000 tons of 410,000 tons scheduled. Market sources have said Russian companies have chosen other destinations for their oil due to more attractive prices.

Czech newspaper Hospodarske Noviny reported Friday that Druzhba has not delivered a single drop of oil to the Czech Republic since mid-May. Pipeline operator Mero declined to comment.

Russia's European customers face abrupt changes of direction for their oil as the world's top producer has built too many ports and pipelines and now lacks crude to feed them all.

The government is pushing for clearer answers as to why deliveries to the Czech Republic are dropping but not those to other countries along the route, Bartuska said.

Czech deliveries are being made with raised capacity through the IKL pipeline bringing oil from the Mediterranean.

"There is no shortage at all. ... We are using IKL at the moment," said Mikulas Duda, a spokesman for downstream oil group Unipetrol. He said talks with Russian partners were ongoing.

Unipetrol is the majority owner of the country's main refinery along with Shell and Eni.

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