

Russia Halts Oil to Belarus, but Transit to Europe Still Flowing

By Reuters

January 03, 2020



Pixabay

Russia has halted oil supplies to refineries in Belarus, the Belarusian state energy firm said on Friday, amid a new contract dispute that is also threatening large Russian oil deliveries to Western Europe crossing the country.

Belarus's state firm Belneftekhim said deliveries had been halted as of Jan. 1.

Two trading sources told Reuters Russian oil transit to Europe via Belarus was so far continuing uninterrupted.

Europe receives around 10 percent of its oil via the transit link, known as the Druzhba pipeline, which can supply more than 1 million barrels per day to countries including Germany, Poland, Slovakia, Hungary and the Czech Republic.

Moscow and Minsk have had several oil and gas spats over the past decade, in what has been

described as a love-hate relationship between presidents Vladimir Putin and Alexander Lukashenko.

Putin and Lukashenko have repeatedly toyed with the idea of political integration of the countries, but the autocratic Belarusian leader who came to power in 1994 has backtracked repeatedly.

Russia has cut subsidies to Belarus over many years and is now charging close to international prices for oil and gas, but contracts negotiations are often protracted.

"Deliveries have been suspended... Plants are reducing their workload to the technical minimum," a spokesman for Belneftekhim said.

Related article: Russian Firms Divert Oil From Belarus as No 2020 Supply Deal Signed

Russian pipeline operator Transneft said Russian oil companies have not sent any oil to Belarus since Jan 1, the TASS news agency reported.

"Since Jan. 1, we have not had any applications from oil companies to deliver to Belarusian refineries. However, oil transit through Belarus is continuing in full volumes," Transneft spokesman Igor Dyomin was cited as saying.

It was not clear when Moscow and Minsk could resume talks on their 2020 contract. Russia is on a long New Year holiday until Jan. 9.

Original url:

https://www.themoscowtimes.com/2020/01/03/russia-halts-oil-to-belarus-but-transit-to-europe-still-flowing-a68808