

Oil pipeline from Russia to China turned on

1 January saw the start of the operation of the new Skovorodino-Daqing pipeline, which will export Russian crude oil onto the Chinese market. This quickly-built pipeline is the first route for the transmission of Russian raw materials to China. Thanks to its creation, at least 6% of total Russian crude oil exports will reach the Chinese market over the next 20 years. The pipeline's activation demonstrates that energy cooperation is one of the key dimensions to Russian-Chinese relations.

The Russian-Chinese contract to construct the Skovorodino-Daqing pipeline, which is a branch off the Eastern Siberia/Pacific Ocean pipeline (ESPO), was signed in October 2008 after several years of negotiations. Under the agreement, the Russian pipeline monopoly Transneft and the oil company Rosneft received Chinese loans (of US\$10 billion and US\$15 billion respectively), and Beijing was given a guarantee that 15 million tonnes of oil would be supplied per year for a period of 20 years. In November 2010 the process of filling the Skovorodino-Daqing pipeline (1023 km in length, of which 63 km is in Russia) with technological oil began. The pipeline's technical specifications allow for a significant increase in transmission (up to 30 million tonnes), which seems likely over the next five years. A new refinery is to be built in Tianjin by 2015 with the proprietary participation of Rosneft (with a capacity of 13 million tonnes per year), to which the Russian company is obliged to provide 70% of the crude oil. <WojK>