

Russia as the main corridor for oil export from Kazakhstan

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On 15 December, the Caspian Pipeline Consortium (CPC), which is the owner and the operator of the Tengiz–Novorossiysk oil pipeline, made the final decision to increase the pipeline's flow capacity from the present level of 28 million tonnes of oil annually to 67 million tonnes in 2015. The consortium's decision means that the pattern of oil export from Kazakhstan will be preserved, and the key roles will still be played by Russia as the transit country and Europe as the outlet.

At present, around 75% of the oil exported from Kazakhstan is transported through Russian territory, the Tengiz–Novorossiysk pipeline being the key transport route (carrying around 40% of Kazakh oil exports). Increasing the pipeline's capacity means that within a decade, Astana will have guaranteed its oil export routes and may feel free to increase production. Moreover, Europe will remain the main destination for Kazakh oil exports (especially its southern part, the Black and Mediterranean Sea basins). The significance of the Tengiz–Novorossiysk pipeline may decrease, and exports via the Caucasus may develop only by the end of the next decade, when production in the Kashagan field starts and the planned large export of oil via the Caspian Sea is launched.

The decision to enhance the Tengiz–Novorossiysk route increases Kazakhstan's dependence on Russia in the area of oil exports; this will restrict its independence on Europe's oil market and possibilities of competing with Russian producers. The fact that Russia will be Kazakhstan's main partner in this area within the next decade means that Astana will be extremely careful before taking any decisions which the Kremlin may perceive as affecting its interests (such as participation in the Odessa–Brody–Płock project). <ola, wol>