

Test transmission of oil to Belarus along the Odessa-Brody pipeline

On 8 November, the Belarusian deputy prime minister Uladzimir Siemashka announced that in the second half of this month a test transmission of oil to Belarus via Ukrainian territory will be carried out along the Odessa-Brody pipeline, and then along the southern branch of the Druzhba pipeline. This is the result of an agreement between Belarus and Ukraine on the use of the latter's pipelines to transport oil to Belarusian refineries. For Kyiv, this is an opportunity to fill the Odessa-Brody pipeline as Russia has stopped using it. Minsk, for its part, has the chance of cheaper transport via an alternative pipeline to Russian oil supplies. Due to Russia's significant limitation of on price reductions for oil this January, Belarus has for several months imported crude oil by sea from Venezuela through, among others, the Ukrainian port of Odessa. Up till now the oil was transported from Odessa to Belarus by rail, which has significantly increased the total costs (according to unofficial information, the average price for one tonne of oil between May and September amounted to US\$645). However, the announcement that Russian oil companies will stop sending oil by pipeline to Odessa has enabled Ukraine to sign an agreement on 1 November with Belarus on the transit of oil by pipeline. Neither Kyiv nor Minsk have revealed the details of the agreement. According to information from the press, the volume of annual transmission along this route is to be from 5 to 9 million tonnes (the agreement with Venezuela provides for the delivery of 10 million tonnes per annum). At the same time, Siemashka announced that oil from Azerbaijan or Kazakhstan will be sent along this pipeline, and be swapped for Venezuelan oil. Thanks to this move, these oil supplies (which up till now were seen as a political gimmick of the Belarusian authorities) may become a viable alternative to the import of oil from Russia. <kam>