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CENTRE FOR EASTERN STUDIES 20.10.2010 www.osw.waw.pl

Hugo Chavez and Viktor Yanukovych: the beginning of friendship?

On 18 October the President of Venezuela, Hugo Chavez, paid a visit to Kyiv. The talks mainly concerned expanding economic cooperation. Ukraine and Venezuela are supposed to prepare a plan for bilateral cooperation which will probably be signed during a visit by Yanukovych to Venezuela, planned for the beginning of 2011. The expansion of this cooperation is also to be helped by the opening of a Venezuelan embassy in Kyiv. Chavez declared his readiness to allow Ukraine into the exploitation of Venezuelan oil and gas deposits. However, this will be difficult to bring about in the immediate future because of Naftogaz' financial situation. No information was given on the subject of possible arms deals, which Ukraine has been interested in.

The realisation of a plan to deliver Venezuelan oil to Belarusian refineries via the Odessa-Brody pipeline seems increasingly likely. Currently these deliveries are being made by rail, but at the end of November, 80,000 tonnes of oil is to be sent as a test via the pipeline. In 2011, Ukraine is ready to transport 9 million tonnes of Venezuelan oil via the Odessa-Brody pipeline and the Druzhba pipeline section to Mazyr. At the same time, it has announced that port charges at the Pivdenny terminal will be halved. The reversal of the pipeline, through which Russian oil currently flows from Brody to Odessa, has been justified by a fall-off in TNK BP's interest in using it. It was initially stated that 9 million tonnes of oil would be transmitted annually, but over the first nine months of this year only 2.8 million tonnes were sent, and in June and September transit was halted completely. Previously, Russia had effectively blocked the use of the pipeline in the Odessa-Brody direction; currently, it seems that no such actions are being taken, although the Russian energy minister Sergei Shmatko has demanded that technical agreements concerning the use of the Druzhba pipeline section be made. <AnG>