

Russia and Belarus Agree on Oil Duties

By [The Moscow Times](#)

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Lukashenko touching Medvedev during a Moscow meeting Thursday with Kazakh President Nursultan Nazarbayev. **Alexander Natruskin**

Russia said Thursday it will drop duties on crude oil exports to Belarus from next year if Minsk hands Moscow the duties it gets from exporting products made from Russian oil, cooling fears of an energy standoff that could hit Europe.

Crude oil deliveries to Europe via Belarus — over 40 million ton a year — had been hanging in the balance as Moscow and Minsk haggled over the terms of pipeline transit across the former Soviet state to export markets in Europe.

Not only does Belarus enjoy cheaper oil from Russia for its own use, it has also been importing cut-price crude for its plants to process into oil products that are exported westward, meaning Moscow has been subsidizing the Belarus refining sector.

Now Belarus has agreed to Moscow's demand that oil products it sells abroad should bear the Russian export duty rate and the tax revenues from this should go back into the Russian

budget.

“We have agreed to cancel oil export duties. We will supply Belarus with duty-free crude oil while the fees on oil products will be imposed on the outer borderline and sent to Russia,” Economic Development Minister, Elvira Nabiullina, told reporters on Thursday.

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