

Summa Affiliate Loses Urals Oil Business

By [The Moscow Times](#)

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Soyuz Petroleum, an oil trader affiliated with port investor Summa, will handle no Urals crude oil in January, traders said, feeding speculation that Soyuz may be losing its grip on trade to some European destinations.

The trader's loss of lucrative business this month via the Soviet-built Druzhba pipeline is a sign of shifting alliances in the export of Russia's Urals blend, one of the world's largest and most stable streams of crude oil.

Soyuz is the second home-grown trade house with ties to Russian tycoons to be dislodged from an entrenched position in the export of oil after Gennady Timchenko's Gunvor, which once handled as much as 40 percent of seaborne Urals crude.

Summa is the vehicle of Ziyavudin Magomedov, a port and construction magnate who controls the largest shareholding in Russia's main port group, Novorossiisk Commercial Sea

Port, together with Transneft, the Russian pipeline monopoly.

In January, Hungary, Slovakia and Poland, whose refiners were longtime buyers of Russian crude oil delivered by Soyuz via the Druzhba pipeline, switched to other suppliers. Soyuz has shipped no crude to those destinations this month, several sources said.

Soyuz also lost a tender to buy 140,000 tons of Urals crude oil from Bashneft to be shipped from Novorossiisk at the end of January.

The cargo went to international oil trader Vitol, even though Soyuz had dominated previous Bashneft tenders and had been seen as Bashneft's preferred buyer.

"Soyuz Petroleum participated in the [January] tender on the same terms as other bidders," a trading source said.

Market players said Bashneft switched traders because it wanted to serve other export destinations.

"Bashneft was having trouble getting the [export] schedule for the destinations it wanted, and it may hold the trader responsible for that," a source at a large trading house said.

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