

# Azerbaijan Ready to Discuss New Oil Transit Deal With Russia

By [The Moscow Times](#)

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BAKU — Azerbaijan is ready to discuss a new deal to pump its oil across Russia on acceptable terms, the head of Azeri state energy company SOCAR said following termination of a transshipment contract.

"The company will continue oil deliveries in case of economic suitability of new [contract] conditions for SOCAR," Rovnag Abdullayev told reporters on Wednesday. "In case of economic unsuitability, deliveries won't be implemented."

Russia terminated a 1996 contract with Azerbaijan on Tuesday, as Azerbaijan failed to ship agreed quantities.

The contract allowed Azerbaijan to pump oil through a 1,330-kilometer pipeline from the capital, Baku to the Russian Black Sea port of Novorossiisk.

Under the agreement, Azerbaijan promised to ship no less than 5 million tons a year by 2002 through the pipeline, but it now pumps about 2 million tons annually.

Abdullayev said SOCAR was also ready to discuss with Russia the possibility of oil shipments from third countries and other oil transportation schemes.

Most Azeri oil is exported via the pipelines to Turkey and Georgia, operated by British company BP, with only a relatively small amount passing through Russia. Former Soviet republic Azerbaijan lies between Russia and Iran on the western coast of the Caspian Sea.

"There will be no problems with oil exports. We have Baku-Tbilisi-Ceyhan route, Baku-Supsa and a railway," Abdullayev said, referring to the pipelines to Turkish and Georgian ports on the Black Sea.

Russian oil pipeline monopoly Transneft, which operates the Russian section of the route and has a separate commercial contract with Azerbaijan, said Tuesday that deliveries of Azeri oil would not be affected this year, but its terms of transit could change substantially from 2014.

Transneft also said it might offer a new contract to Azerbaijan based on a "pump or pay" principle.

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