

Rosneft Ups Delivery Commitment to China by 9M Tons

By [The Moscow Times](#)

February 09, 2014

The  **Moscow Times**

Rosneft will export an additional 9 million tons, or 180,000 barrels per day, of oil to China this year and is continuing talks to increase eastbound crude supplies further, the company said.

President Vladimir Putin has made cooperation with energy-hungry Asia a priority for Russian companies as their business with fragile European economies falters and as nascent deposits in East Siberia are being developed.

A Rosneft spokesman said late last week the company, which supplied more than 300,000 bpd to China last year, would increase deliveries by 2 million tons to China National Petroleum Corp, or CNPC, via a spur of the East Siberia-Pacific Ocean, or ESPO, pipeline.

It would also ship 7 million tons to CNPC via Kazakhstan in 2014, the spokesman said in an e-mail.

State-controlled Rosneft, for the first time revealing its plans for supply to China this year, said it was still in talks with China's top refiner Sinopec over additional oil flows in the coming decade.

Rosneft's president Igor Sechin, a close ally of Putin, has said that supplies of 1 million barrels per day to China in future was "realistic."

By increasing its oil deliveries to China, Rosneft has sent ripples through the global trading community and raised fears of undersupply to Europe, where refineries are suffering from high oil prices and low margins.

China has already outstripped Germany as Russia's largest buyer of oil with pipeline shipments totaling about 1.949 million in January, according to the Russian Energy Ministry.

Russia expects to export up to 5 million tons of oil to Germany in the first quarter.

Rosneft plans to further ramp up oil flows to China and has signed a memorandum with Sinopec with a view to supply it with 10 million tons of oil in the next 10 years.

The Rosneft spokesman said the company is still in discussions with Sinopec over a final oil-supply agreement.

"Currently, both sides are continuing work over adjustment of supply conditions. It is too early to speak about possible supply routes before the signing of the agreement," he said.

Rosneft has also been considering joint development with CNPC of Russia's vast offshore hydrocarbon resources.

Sechin told reporters on Thursday that Rosneft and CNPC are in discussions over "new proposals" on CNPC's participation in tapping Arctic and Far Eastern deposits.

Rosneft declined to reveal how much crude oil it is shipping to China via the Russian Pacific port of Kozmino, which expects to increase total exports from 440,000 to 460,000 barrels per day this year from 426,000 bpd last year.

A spokesman for Rosneft said the company sells oil at Kozmino only via spot tenders, not under long-term contracts.

According to the port's data, Japan was the prime destination for oil supplies last year, accounting for 35.5 percent of crude cargoes from the terminal. China was second with 23 percent, and the share has been growing steadily.

Original url:

<https://www.themoscowtimes.com/2014/02/09/rosneft-ups-delivery-commitment-to-china-by-9m-tons-a31870>