
Kazakhstan seeks to export oil via Russia

RIA Novosti - 22/9/2008

Kazakhstan will increase oil production by 12 million metric tons in 2009 and is interested in pumping it via Russia, the Kazakh president said Monday.

"It is very important that Kazakh oil should pass through Russia. We expect oil production to increase next year. It will grow by 12 million tons during the year," Nursultan Nazarbayev said at the end of a Russian-Kazakh border region forum.

The Kazakh leader said that oil production would be increased at the Kashagan deposit, where the Russian company LUKoil operates, in 2012-2013. At the same time, he said, Kazakhstan was ready to increase oil deliveries via other pipelines than the Caspian.

"This is beneficial for all of us," Nazarbayev said.

The Caspian Pipeline Consortium (CPC), designed to carry Kazakh and Russian crude to a terminal on the Black Sea, was commissioned in October 2001. Its capacity currently stands at around 30 million metric tons of oil per year and is expected to double by 2012.

Earlier the Kazakh energy and mineral resources minister said Kazakhstan planned to produce 70 million tons of oil and gas condensate in 2008, or 1.8% of world oil production, against 67 million tons in 2007 - a 4.5% rise. By 2015, the country intends to produce about 100 million tons of oil, most of it for export.

Kazakhstan possesses proven extractable oil reserves of 4.8 billion tons (about 3% of the world's total oil reserves).

Russia is the Central Asian country's major trade partner, with trade volume totaling \$16.6 billion in 2007, and rising 27% year-on-year to \$9.6 in the first half of 2008.

Both countries are members of several regional alliances, including the Commonwealth of Independent States, Eurasec, the Collective Security Treaty Organization (CSTO), and the Shanghai Cooperation Organization (SCO).

Russian President Dmitry Medvedev is currently on a visit to Kazakhstan to attend the forum and discuss bilateral relations. The visit is Medvedev's second trip to the oil-rich ex-Soviet state since he was sworn in as president on May 7.

Medvedev said Monday that Moscow and Astana would continue producing and exporting hydrocarbons, building new pipelines, and attracting huge investment into the fuel and energy sector.

"We will keep building up the production and the export of hydrocarbon raw materials, build new pipelines when it is beneficial and necessary, and attract large-scale investment into the fuel and energy sector," Medvedev said.

Nazarbayev suggested border regions create joint scientific and research centers to implement large hi-tech projects in the fields of nuclear, biological and agricultural technology.
