

A NEW MULTI-CLIENT STUDY

**THE COMMERCIAL IMPLICATIONS
OF RUSSIA'S BPS 2 PIPELINE**

In September, we previewed this multi-client study, designed to assess in detail the implications of prospective new Russian-led crude oil pipelines in terms of:

- Future pricing and trading of Russian and competing crude oils
- Impact on producers from inside and outside the region
- Impact on refining and transportation companies operating in the region

Our study is now complete and includes several innovative findings.

We highlight the following:

- Improved flexibility and opportunities opened for Russian exporters, in terms of infrastructure usage for net revenue optimisation and exploitation of alternative export markets
- The potential effects, both structural and dynamic, on flows and prices of crude supplied through the Druzhba system and elsewhere and the financial benefits available to crude producers/ exporters
- Options open to refining companies for running substitute crudes, the relative economics and the regional differences
- Effects on the competitive advantage of certain refiners relative to others and the implications for security of supply
- Capabilities and shortcomings in infrastructure for refiners to accommodate the new situation, providing pointers for future strategies and investment in pipeline and storage capacities
- Forward supply balances and product import/ export/ trading challenges and opportunities

This work is founded on a detailed database and analysis of the crude oil supply, transportation, storage and refining infrastructure in Europe, which is included in the report.

Russia is due to decide on the BPS-2 project in the next month.

This study is available now in pdf format at a price of €5,000.

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