
TNK-BP plans USD 1.3 billion refinery upgrades

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Reuters reported that TNK-BP, the country third largest oil producer plans to invest USD 1.3 billion over the next five years to modernize refineries in Russia and Ukraine.

Mr Didier Baudrand CEO of TNK-BP executive said that the upgrades would be implemented at refineries in the Russian cities of Saratov and Ryazan as well as in Ukraine, where TNK-BP controls the Lysychansk refinery. He said that the modernizations would improve refining margins and allow the company to comply with safety laws and regulations.

Mr Baudrand said when asked whether TNK-BP planned to acquire more refineries that "We want to be present in areas where demand is significant."

He said after the financial crisis he expected demand for fuel in Russia to increase by about 5% a year in the longer term. He added that "As people get richer, they want to upgrade their cars. We want to be ready for the future."

Russia had been expected to overtake Germany as the largest car market in Europe before the financial crisis struck, though car sales have plunged 51% in the first nine months of the year.

(Sourced from Reuters)

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