
OMV may open new pipeline between Bratislava and Vienna

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The Moscow Times reported that OMV, central Europe's biggest oil company, wants to open a delayed pipeline between Bratislava and Vienna as early as next year, giving it direct access to Russian oil for the first time and helping to boost refining profits.

Mr Gerhard Roiss OMV's head of refining and marketing who will take over the role of CEO in 2011 said the link will connect OMV's main refinery in Schwechat near Vienna with the existing Druzhba pipeline from southeast Russia. Transpetrol, Slovakia's state-run pipeline company will help to build the 50 kilometer link.

He said that "You have thousands of kilometers of the Druzhba pipeline system and then there's a piece missing that you can hardly see on a map. The pipeline will be very important for the security of supply for both countries, as it will allow crude to be pumped in both directions."

Since 2003, OMV has been trying to close the gap in its pipeline system to diversify supplies and gain better access to Russian crude. It currently relies on shipments through the Italian port of Trieste, resulting in high transportation costs that curb profit margins.

Druzhba, the world's longest oil pipeline, was built to supply former communist countries with oil from Russia. It carries oil from eastern Russia to countries such as Slovakia and Ukraine.

(Sourced from The Moscow Times)

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