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11Jun89 CUBA: GIANT CUBAN OIL REFINERY TO BEGIN PRODUCTION IN 1990.

By Lionel Martin

HAVANA, June 11, Reuters - Cuba's biggest oil refinery, still under construction, is scheduled to begin production in 1990, the Cuban news agency AIN reported on Sunday.

The refinery, being built with Soviet aid, is located on the shore of Cienfuegos Bay in south-central Cuba.

Some 20 km from the refinery is the construction site of Cuba's first nuclear power plant. The first of its four reactors is scheduled to go into operation in 1991.

AIN said the Cienfuegos refinery was expected to process 750,000 tonnes of crude oil in 1990.

A Cuban official told Reuters it was hoped the refinery would reach its first-stage target of processing three million tonnes of crude annually by 1992 or 1993. The annual processing capacity at full production is six million tonnes, he said.

When completed the refinery will almost double Cuba's present processing capacity, now about seven million tonnes a year, the official said.

The refinery will produce petrol, airplane fuel, kerosene, naphtha and liquid gas.

The agreement with the Soviet Union to build the refinery was signed in 1977. Construction began in 1981.

The official said the investment for first-stage operation would be on the order of 500 million dollars.

Part of this investment, he said, was used to build the infrastructure of the refinery, which should reduce the cost of completing the second stage.

About 15 per cent of the investment is being spent to ensure environmental controls, the official said.

Following an oil spill in Cienfuegos Bay several years ago, President Fidel Castro insisted that no cost or effort should be spared to prevent contamination of the bay, a rich fishing ground.

The refinery will receive most of its oil through a 120-mile (200 km) overland pipeline.

The line begins at a supertanker terminal, now in the final stage of construction, in the northern port city of Matanzas, some 60 miles (100 km) east of Havana.

The supertanker facilities will make possible the use 150,000-tonne tankers. At present Cuban ports can not accommodate tankers larger than 45,000 tonnes.

Since 1960 Cuba has received virtually all of its oil from the Soviet Union's Black Sea ports.

In 1986, the last year that official figures are available, Cuba imported over seven million tonnes of crude oil and over six million tonnes of petroleum derivatives, according to Cuban government statistics.

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