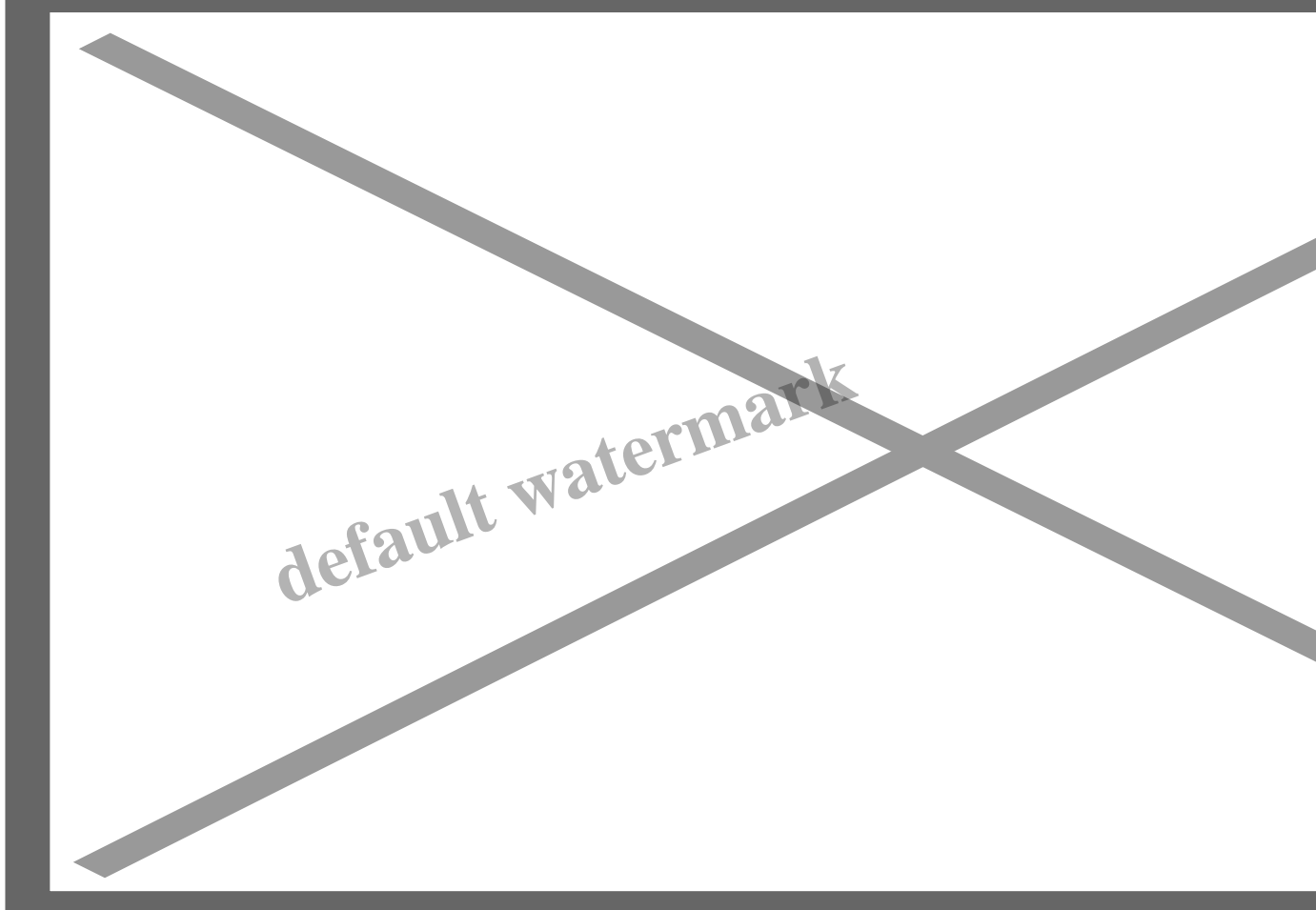


In desperate need for more Arctic tankers, Novatek sends 200 of its engineers to shipyard

Description

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The Sergei Vitte is one of the Arc7 LNG carriers under construction at Zvezda Yard. Photo: sskzvezda

According to newspaper Kommersant, Russia's biggest producer of LNG has decided to move 200 workers from its natural gas field in far northern Gydan Peninsula to the Zvezda Yard outside Vladivostok.

Novatek's grand plans for liquified natural gas (LNG) production in the Arctic are crumbling under the weight of international sanctions.

The company appears paralysed in its Arctic LNG 2 project, and the construction of a new fleet of ice-class LNG carriers has almost come to a halt.

The company that is headed by Putin's companion Leonid Mikhelson has now reportedly decided to

move up to 200 of its engineers and workers to the Zvezda Yard. The work force is to help speed up the building of two LNG carriers currently under construction at the yard.

The workers will be moved from Novatek's major natural gas field at Utrenneye in the Gydan Peninsula. At the Zvezda Yard, they are believed to engage mostly in electric installation works and test and commissioning, Kommersant [reports](#).

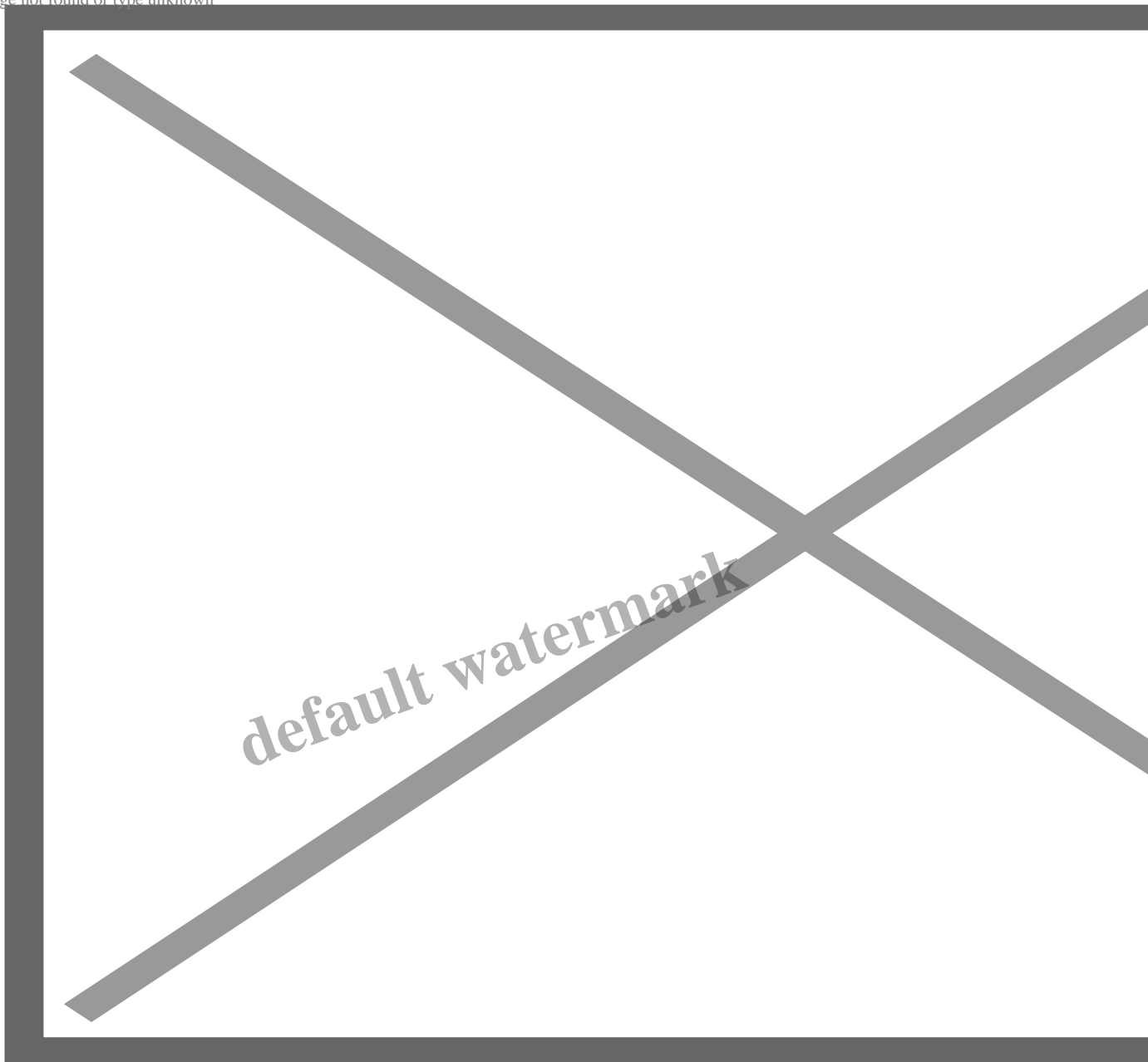
Russian industry is currently experiencing a rapidly growing work force deficit triggered by the departure of men to the frontline and the Kremlin's introduction of war economy.

The additional 200 workers at Zvezda could cover a labor shortage at the yard.

Novatek might also have decided to move the workers away from Gydan following the standstill at the Arctic LNG 2. The project that is built to be able to produce almost 20 million tons of LNG per year is today paralysed by sanctions.

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The first of Novatek's projected three Arctic LNG 2 production units in August 2023 arrived in Utrenneye, Gydan Peninsula. Photo: Belokamenka51 at VK

Despite the [arrival of a 640,000 ton heavy production unit in Gydan](#) in August 2023, Novatek has not been able to launch normal production on site.

In November 2023, Arctic LNG 2 was [put on the U.S State Treasury's sanctions list](#). Before that, the *Saam*, a 400 meter long vessel projected to serve as transshipment hub for the project, [was also sanctioned](#). In early May 2024, the US Treasury [took aim also at several heavy lift carriers](#) of paramount importance for Novatek's delivery of project components.

Sources affiliated with the plans argue that the 200 workers from Novatek will allow Zvezda to complete one tanker before the end of 2024 and another in 2025.

When in operation, the two carriers are believed to enable Novatek to ship up to 2 million tons of LNG per year to the market.

It remains an open question what will happen with the additional 13 tankers projected built by Zvezda. Novatek also ordered six tankers from Hanwha Ocean, the South Korean yard formerly known as Daewoo Shipbuilding & Marine Engineering.

Located in Kirkenes, Norway, just a few kilometres from the borders to Russia and Finland, the [Barents Observer](#) is dedicated to cross-border journalism in Scandinavia, Russia and the wider Arctic.

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Date Created

2024/06/07

Author

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