

Gas Companies to Benefit from Melting Arctic

By [The Moscow Times](#)

July 28, 2013

The  Moscow Times

Oil and gas companies stand to profit from thawing in the Northeast Passage, the frozen sea lanes between the arctic and east Asia that open during summer months.

Gas firm Novatek in particular stands to gain as the receding ice opens the door to deliveries of liquefied natural gas to China, The New York Times reported.

China National Petroleum Corporation Novatek and French oil giant Total are already building a \$20 billion liquefied natural gas plant, Yamal LNG, on the central Arctic coast of Russia that will capitalize on the melting icecaps.

Novatek has secured President Vladimir Putin's backing for the Yamal LNG project, as well as for the necessary legal changes to remove Gazprom's monopoly on the export of gas.

Due to higher temperatures and melting ice, the gas tankers will no longer require nuclear-

powered icebreakers except on the most northern sea lanes.

Increasing access to the Arctic passageway will make shipping gas to Asia much easier during the summer. For the winter months, Novatek has already begun negotiating a contract with Qatar, under which the company would provide gas to the Middle Eastern country's European customers, while Qatar would fulfill Novatek's Asian contracts.

However, despite possible benefits to some companies, the melting ice is likely to exacerbate climate change, which will cause havoc to the global infrastructure, Vedomosti reported, referencing a study by scientists at Cambridge and the Erasmus University of Rotterdam.

In the end, global warming may result in costs that will be significantly higher than the possible benefits, said Chris Hope, from Cambridge's Judge Business School.

Original url:

<https://www.themoscowtimes.com/2013/07/28/gas-companies-to-benefit-from-melting-arctic-a26196>