The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

# Sechin Accuses Foreign Firms of Plotting Against Russia

By Anatoly Medetsky

September 01, 2013




The chief of the world's biggest oil producer, Rosneft, has floated a theory suggesting that foreign companies could conspire to outplay their Russian rivals.

Igor Sechin voiced his suspicions at a broad meeting with President Vladimir Putin in Vladivostok to hammer out a plan that would allow the oil and gas industry to rely more on locally built tankers and drilling rigs.

"We don't rule out that foreign manufacturers of this equipment might block supplies if the contracts are placed abroad," Sechin said Friday. "It's easy to do and is used regularly in competition."

The devious ways for stalling Russian companies include going short on contracted deliveries or letting the schedules slip, he said. Foreign suppliers would do that to increase the odds of foreign oil producers to get to the market first, Sechin said.

Rosneft would not be pleased if it suffered this sort of setback in its effort to start deliveries of liquefied natural gas, or LNG, in 2018 from a plant it aims to build in Sakhalin jointly with U.S. partner ExxonMobil, he said.

"Any contractual violations in the conditions of the fiercest competition will lead to losing a market, while the country won't receive the social and economic effect that it needs," Sechin warned.

Following the description of the daunting prospect, Sechin offered a plan: Rosneft must team up with the country's third largest lender, Gazprombank. They should also invite the likes of U.S. engineering giants General Electric and Parker Drilling and South Korean shipbuilder Daewoo Shipbuilding and Marine Engineering to join the consortium, which will then build a plant in the region around the Pacific port of Vladivostok to produce the rigs and ships that Rosneft will require, he said.

In addition, Sechin named foreign shipbuilders and engineering companies STX, Kvaerner and Technip as potential consortium members. Other Russian companies, such as shipping company Sovcomflot, could also become members.

Sechin's proposal is giving a new lease on life to an effort by Russia's state-owned United Shipbuilding Corporation to build the plant, estimated to cost $1.5 billion, with Daewoo Shipbuilding and Marine Engineering, which is the world's second biggest shipbuilder. The Russian corporation was unable to finance its obligations, and the South Koreans pulled out last year.

Putin backed Sechin's proposal and demanded that officials prepare the paperwork to set up the consortium by the end of September.

He also ordered that the government communicate to potential foreign partners in the plant effort that they should not count on Russian contracts unless they committed to invest in production here.

"They should be clear that we will stop buying from them at a certain point if they don't cooperate with us. End of story," he said.

Gazprom deputy chief Valery Golubev stated the stance of the world's largest natural gas producer.

"Why should we buy abroad? Let them buy from us. Our tankers will be no worse," he said.

Golubev traveled with Putin in lieu of Gazprom chief Alexei Miller, who is now often absent from such industry meetings or the president's foreign trips.

Sechin used the occasion of being in the same room with Putin to take a dig at Prime Minister Dmitry Medvedev's Cabinet. The Rosneft chief complained that in July the Cabinet nixed a state program to finance the development of offshore oil and gas deposits.

Putin said he would look into the matter.

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Original url:
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