

Medvedev Pledges to Defend Russian Companies From Western Sanctions

By [The Moscow Times](#)

September 09, 2014



Russia will continue to support its companies under Western sanctions, irrespective of their ownership structure, Prime Minister Dmitry Medvedev was quoted as saying on Tuesday.

"This is the government's responsibility — to protect Russian business if it is facing unfair and unlawful actions by foreign states or foreign companies," Medvedev was quoted by news agencies as telling Novatek CEO and co-owner Leonid Mikhelson.

Novatek and its other co-owner, Gennady Timchenko are under U.S. sanctions for Moscow's policy on Ukraine. Novatek leads the Yamal-LNG project that has an estimated cost of \$27 billion. The project should become Russia's second plant to produce liquefied natural gas, or LNG.

Medvedev did not say, however, if Novatek or Yamal LNG will get any state aid as a result of the sanctions. A number of Russia's companies, including state oil giant Rosneft, have already asked the government for the help.

Asia-focused Yamal should more than double Russia's share on the global LNG market at times when Moscow — the world's top energy producer — is trying to diversify its energy flows eastwards amid stance with the West over Ukraine crisis.

Novatek and other shareholders with Yamal, France's Total and China's CNPC, plan to ship the first LNG cargo from Yamal in 2018.

Mikhelson told Medvedev on Tuesday that Novatek did not plan to change its plans, including for Yamal LNG.

"I think that putting us on the sanctions list will not force us to change our plans," Mikhelson said. "All orders are being placed. Almost all [LNG] volumes are covered by contracts."

He added that some 200 billion rubles (\$5.39 billion) have already been invested in the project and 80 billion rubles more will be put in by the end of the year.

Novatek declined to comment.

Timchenko said in May that Chinese banks expected to provide up \$20 billion at a time when European lenders were less willing to do so. The first tranche of investment from China was expected in the fourth quarter.

Chinese financing is coordinated by China Development Bank Corporation. Russia's state development bank VEB and Gazprombank — both under Western sanctions — are coordinating financing from the Russian side.

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