

Russia's Rosatom Confirms Business in Crimea, Risks Western Sanctions

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Russia's Rosatom State Atomic Corporation has confirmed in its annual report that it will supply equipment for thermal power stations in Crimea operated by Rostech, the Kommersant newspaper reported on Thursday.

These plans mean that Rosatom risks being included in Western sanctions, according to Kommersant. The U.S. and the EU since 2014 have sanctioned businesses operating in the annexed Crimean peninsula.

“It’s a risk, because sanctions automatically hit businesses active in Crimea,” managing partner at the Bartoilus law firm, Yuliy Tai, told Kommersant. However, other lawyers quoted by Kommersant said that Rosatom may be able to avoid the sanctions if their business activity on the peninsula can be classed as a social project.

An unidentified source in Rosatom told Kommersant that the corporation believes that there are no risks of sanctions after winning the tender to supply the equipment.

The specific details of Rosatom's plans for the peninsula are unclear and as yet there are no details on the government procurement website.

The All-Russia Research Institute of Automatics, as part of Rosatom, in May won a tender to supply equipment for power stations to be constructed in Kuban, according to the government procurement website.

These power stations could be used to supply power to Crimea, according to Kommersant. The Kuban region neighbors the annexed peninsula, but is not subject to sanctions.

Since the peninsula was annexed by Russia in March 2014, it has experienced severe energy shortages. Power stations in Sevastopol and Simferopol are powered by the Rostech state corporation, which is under Western sanctions.

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