

EU Firms Supply \$630Mln in Equipment to Russia's Arctic LNG 2 Project Despite Sanctions

By [The Moscow Times](#)

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Project Arctic LNG 2. **Novatek**

European companies have supplied over \$630 million worth of equipment according to the current exchange rate to Russia's Arctic LNG 2 project since the invasion of Ukraine despite it being under Western sanctions, The Moscow Times' Russian service and the Arctida NGO [reported](#) Tuesday in a joint investigation.

Arctic LNG 2, whose key stakeholders include President Vladimir Putin's close friend, the billionaire Gennady Timchenko, received a total of 580 million euros' worth of European equipment between May 2022 and the end of January 2024, the investigation found.

The EU banned the supply of equipment to Russia for the production of liquefied natural gas (LNG) in May 2022, while the United States sanctioned Arctic LNG 2 at the end of 2023.

But in January 2024 alone, 24 million euros' (\$26.2 million) worth of spare parts and equipment for Arctic LNG 2 were imported into Russia from EU countries, according to Russian customs data seen by The Moscow Times' Russian service.

In 2023, over 220 million euros' worth of equipment was imported. The largest suppliers were companies from Italy (112 million euros), France (31.6 million euros), Germany (25 million euros), the Netherlands (12.8 million euros) and Spain (8 million euros).

The main equipment supplier for Arctic LNG 2 in 2023 was Italian firm Nuovo Pignone, which produces equipment for the energy industry. It shipped products worth 41 million euros (\$44.7 million) to Russia that year.

The leader among French suppliers was Optaperiph, which shipped thermal insulation products, valves and other equipment worth 6 million euros (\$6.5 million).

Germany's Siemens supplied goods worth over 4.8 million euros (\$5.2 million) for Arctic LNG 2 in 2023.

Siemens halted its supplies of equipment to Russian Railways in March 2022 following the invasion of Ukraine. In May 2022, the company [announced](#) it was terminating operations in Russia, and in February 2024 [began](#) the liquidation of its Russian subsidiary.

However, deliveries for Arctic LNG 2 have continued throughout the war, with the company supplying valves, washers, nuts, radiators and ferrous metal products.

Arctic LNG 2 last received Siemens equipment on Sept. 28, 2023.

Spanish technology company Ampo supplied more than 2 million euros' (\$2.2 million) worth of products for Arctic LNG 2.

European equipment for Arctic LNG 2 is mainly imported via China. But some equipment comes directly from the EU. For example, 11% of Italian equipment shipments in 2023 came directly from Italy.

At the end of 2023, Arctic LNG 2's foreign shareholders [declared](#) force majeure on their obligations to finance the project due to U.S. sanctions. France's Total said it had "frozen" its stake in Novatek.

In October 2022, Novatek Chairman Leonid Mikhelson said that all the needed equipment for Arctic LNG 2 had been delivered before the start of the war.

However, France's Le Monde and Germany's Spiegel reported that French and German companies continued to supply equipment for Arctic LNG 2 until mid-2023 to fulfill pre-sanctions contracts.

According to the Financial Times, the project is close to launch, with the first shipments of LNG for export coming as early as this year.

In February, Reuters reported that Novatek was opening a unit in China to find LNG buyers in Asia.

The Moscow Times sent requests for comment to all the companies mentioned in this article, but none responded.

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