80 Million Tons of Freight on the Northern Sea Route in 2024: Cargoes, Shipping and Shipbuilding

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GECON

14th ARCTIC PASSION SEMINAR
February 28th, 2019, Helsinki
RUSSIAN ARCTIC SHIPPING - STAKEHOLDERS AND DECISION MAKERS

State commission for development of the Arctic
- ensuring national security
- social and economic development
- development of education and sciences
- development of transport infrastructure
- international cooperation
- development of energy
- development of the industry and technologies
- ensuring ecological safety and rational use of natural resources
- indigenous ethnic groups of the North

Business council
Scientific advisory council

President of the Russian Federation
- Security Council of the Russian Federation
  - Scientific council
  - Member of council
  - Cooperation

Ministries and organizations
- Ministry of Natural Resources and Environmental Protection
- Ministry of Transport
- Ministry of Energy
- Ministry of Economic Development
- Russian Academy of Sciences
- Administration of the Northern Sea Route of the Ministry of Transport
- Directorate of the Northern Sea Route of ROSATOM State Corporation
- Rosatomflot (administration and Headquarters of sea operations)
- Sovcomflot
- Arctic and Antarctic scientific research institute
- Oil and gas and mining companies
- Shipyards and design enterprises

Subjects of the Arctic zone of the Russian Federation
- Republic of Karelia
- Murmansk region
- Arkhangelsk region
- Nenets AO
- Komi Republic
- Yamalo-Nenets AO
- Krasnoyarsk Krai
- Sakha (Yakutia) Republic
- Chukotka AO

Cooperation

Ministry for the Far East and Arctic Development

Resources licensing
Production approval
Ecology
Hydrometeo
RUSSIAN ARCTIC DEVELOPMENT

Tasks of NSRA-1936

1. final development of the Northern Sea Route from the Barents Sea to the Bering Strait;
2. the organization of sea, river and air traffics, a radio communication and research work in the Soviet Arctic;
3. development of natural resources of the Far North,
4. assistance to economic and cultural raising of indigenous people of the Far North

Data sources: Government of the Russian Federation; analysis of GECON
ARCTIC MINERAL PROJECTS WITH MARITIME TRANSPORTATION (NMTC)

Data sources: Government of the Russian Federation, Ministry of Natural Resources and Environmental Protection, Ministry of Transport, NPD, companies; analysis of GECON
### ARCTIC PROJECTS AND CONDITIONS OF SHIPPING

<table>
<thead>
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<th>Readiness of transport infrastructure</th>
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<th>Arrangement of license areas</th>
<th>Icebreaking providing by Atomflot</th>
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<th>Data sources: Government of the Russian Federation, RMRS, Rosnedra, companies; analysis of GECON</th>
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#### Navigation

- **Seasonal**: Peschanoozerskoye, Sandbinskoye, Mayskoye
- **Year-round**: Varandey, Prizidonnovoye, Novgorodovskoye, Norlax, Pelyatlinskoye
- **Under construction**: Chaika, Fandashkinskoye pole and Ammaminskoye
- **Projected**: Pavlovskoye, Tanaisu
- **Announced**: Peschanoka, Tomtor
- **Not defined**: Pechora LNG, Schtoman

### Logistics Schemes

- **Crude oil**: not defined
- **Coal**: not defined
- **Condensate**: not defined
- **Ores**: not defined
- **Transshipment abroad**: not defined
- **Transshipment in RF**: not defined
- **LNG**: export

### Conditions

- **Winter and spring**: independent
- **Under the ice breaker assistance**: extreme, heavy, intermediate, easy

### Possibility of shipping

- **Not defined**: not defined
YAMALMAX GAS CARRIERS ROUTES (2018)

Data sources: Ministry of Transport, companies; analysis of GECON
DURATION OF ROUND VOYAGES OF YAMALMAX GAS CARRIERS (2018)

- China: 40 days
- Europe: 21 days
- Honningsvag: 13 days

Data sources: Ministry of Transport, companies; analysis of GECON
NORTHERN SEA ROUTE SECTOR
RETROSPECTIVE AND FORECAST OF TRANSPORTATION OF MINERAL RESOURCES

w/o allocation of freights of Norilsk Nickel

approved projects and projects provided with reserves

Uncertainty of volumes of extraction of coals of the Western Taimyr and crude oil of the Payakha field

Data sources: Ministry of Natural Resources, Ministry of Transport, companies; analysis of GECON
EXPECTED VOLUMES OF TRANSPORTATIONS IN 2024

Data sources: Ministry of Natural Resources, Ministry of Transport, companies; analysis of GECON
SHARES OF PROJECTS IN PROVIDING FREIGHT TRAFFIC IN 2024

- 26 mln. t; 41%
- 8 mln. t; 12%
- 9 mln. t; 14%
- 21 mln. t; 33%
- Total 63 mln.t

- Production project is approved, acting
- Production project is approved, under construction
- Statement of the company, production is provided with reserves
- Statement of the company, production is not provided with reserves

Data sources: Ministry of Natural Resources, Ministry of Transport, companies; analysis of GECON
ROSNEFT: PLUS 25 MILLION TONS OF CRUDE OIL TO THE NORTH (DIKSON PIPELINE)

Data sources: Government of the Russian Federation, Ministry of Natural Resources, Ministry of Transport, NPD, companies; analysis of GECON
SHIPPING OF THE MINERAL RESOURCES OF THE ARCTIC ZONE

Data sources: Ministry of Natural Resources, Ministry of Transport, oil and gas, mining and transport companies; analysis of GECON
### The status of the project: Freight Cargo in 2024, Mt

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<th>Freight</th>
<th>Cargo in 2024, Mt</th>
<th>Vessel type</th>
<th>Dwt, Kt</th>
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<th>In operation</th>
<th>In construction</th>
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*Data sources: Ministry of Natural Resources, Ministry of Transport, RMRS, companies; analysis of GECON*
17.06.2018 Sea channel of Gulf of Ob. Drift of fields of the fast ice. The channel laid by the nuclear Vaygach icebreaker squeezes at once. Transit of Yamalmax across the Sea canal was suspended for 7 days.

Everything is not so simple
1. Development of mineral resources is the main incentive motive of development of the Arctic shipping for Russia, as well as for other countries - Canada, Denmark, USA, Norway.

2. Priority of development of navigation in the sector of the Northern Sea Route is ensuring transportation of mineral resources and ensuring activity of the mining companies.

3. Creation of a steady system of transportation of the Arctic mineral resources defines problems of development of icebreaking, navigation and hydrometeorological providing.

4. Transit voyages, both internal, and international, will have irregular character and are limited on freight traffic volume (Ministry of transport evaluation for 2024: internal and international transit 1 Mt).

5. Creation of a system of transportation of LNG from Kara to the Bering Sea on the sector of the Northern Sea Route within expanded or year-round navigation will allow to create the regular system of escort of transit and coasting vessels as a part of caravans.
Thank you for attention!

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