

Putin backs regular use of Northern Sea Route, says it will be open to all

By admin On September 7, 2021 In Cargo, Insurance Marine News, Keep, Marine Liability, Political Risk, Credit & Finance

Russia should start regular container shipments via the Northern Sea Route across its northern flank from Vladivostok to St Petersburg in 2022, Russian President Vladimir Putin said on Friday September 3rd at an economic forum in Vladivostok.

“We must carefully, but without delays, consider the perspectives of such a transport corridor, this is an extraordinarily important issues”, he underlined in a speech and added that the route undoubtedly constituted “the future for international shipping between Asia and Europe”, said Putin, adding that “already next year, we must open the first regular voyages with goods, including containers, between Vladivostok and St Petersburg, in order to test out route and establish a goods basis.”

Putin insisted that Russia would not restrict other countries using the Northern Sea Route across its northern flank. He was presumably referring to the fact that the US had accused Russia in the past of demanding that foreign vessels request permissions to pass in the Arctic region. It was also alleged that Russia would require local maritime pilots to board the ships, while threatening to use force against any vessels failing to comply.

The Northern Sea Route is a shipping route officially defined by Russian legislation as lying east of Novaya Zemlya, specifically running along the Russian Arctic coast from the Kara Sea, along Siberia, to the Bering Strait. The entire route lies in Arctic waters and within Russia’s exclusive economic zone.

Meanwhile, Russia was reporting to be considering subsidies for shippers sailing the Northern Sea Route. Aleksei Chekunkov, Minister of the Far East and Arctic, said in a newspaper interview that trans-Arctic container traffic was crucial for the successful development of the Northern Sea Route, and active measures needed to be taken to get things going.

“The Northern Sea Route must become a global transport corridor, and that will only happen when we launch regular container shipments from the Far East to Murmansk or St. Petersburg,” Chekunkov said in an interview with newspaper RBC. He said that subsidies would be necessary in the initial phase, because shipping companies retained a lack of confidence in the new route.”

Chekunkov said that shipments on the Northern Sea route should not be more expensive than by railway or through the Suez Canal.

“We are aim at a model which includes subsidised container shipments on a testing base already from 2022,” he told the newspaper. “In the initial phase, the shipments will be unprofitable for the operators and the government will cover the losses,” he added.

He said that the strategic logic was to boost shipping volumes and efficiency “in order to later on sail on the Northern Sea Route with profits under Russian flag. Then this will become a true alternative to the southern route.”

Russian authorities hope to get annual shipping volumes up to 80m tons by 2024, and to make it a year-round operation.

Chekunkov’s Ministry of the Far East and Arctic has claimed that year-round shipping will be possible within five years. Currently, ships make trans-Arctic voyages on the route only about eight months of the year because of the complicated sea-ice. The building of the new Lider-class icebreakers will be a key component in the move to year-round shipping.