



MMC Norilsk Nickel, the world's largest producer of palladium and high grade nickel, and one of the largest producers of platinum and copper, and Russia's oil major Rosneft, have today signed an agreement during the St. Petersburg International Economic Forum to develop logistical services for cargo and passenger traffic on the Taimyr Peninsula using Norilsk Nickel's infrastructure. Cooperation will facilitate the implementation of Rosneft's oil and gas Vostok Oil investment project in the north of the Krasnoyarsk Territory.

Norilsk Airport staff handle incoming cargo

The parties plan to involve Nornickel Group's transport branches and enterprises, as well as to jointly use Norilsk Airport's infrastructure.

Nornickel and Rosneft foresee an increase in passenger and cargo traffic through the Norilsk Airport as Vostok Oil progresses. As a result, the Norilsk Airport will need to be expanded through a number of development projects on its territory. The advent of the giant oil and gas project is expected to open opportunities to expand air traffic, step up the quality of services, make full use of the currently available airport's territory and capacity, and to build new infrastructure.

A new service centre for aircraft maintenance is planned, as well as additional infrastructure for timely and high-quality services at the Norilsk Airport for shift workers and air carriers involved in the Vostok Oil project. In the near future, the airport may switch to a 24/7 operation mode, which will make it possible to eliminate Sunday breaks and extend the aircraft reception time, including for daytime flights arriving in Norilsk.

In addition to the Norilsk Airport, the agreement also covers other logistical opportunities for Nornickel in the region. In particular, the parties will assess the capacity for year-round delivery of Vostok Oil project cargoes via the sea transport corridor, as well as for delivery of cargoes from the ports of Krasnoyarsk and Lesosibirsk to the ports of the Yenisei Basin during the navigation period on the Yenisei River. In this respect, the agreement envisages the use of the Dudinka Port, as well as possible upgrade and expansion of the port's transshipment capacities for additional cargoes for the Vostok Oil project.

The most important part of the agreement will be the cooperation in import substitution and local sourcing of equipment and technologies.

A competitive advantage of Nornickel and Rosneft cooperation in Taimyr logistics is the proximity of the Northern Sea Route. Its use thanks to Nornickel's logistics capabilities in the region opens up two directions at once for Vostok Oil's project: to the European and Asian markets — and adds to the traffic load of the Northern Sea Route. Such synergy will have a multiplying effect for both the region and the entire Russian economy.

Sergey Dubovitsky, Senior Vice President for Strategy, Strategic Projects, Logistics & Procurement at Nornickel, commented: "We welcome all modern projects on Taimyr. New projects create jobs and improve the quality of life. Cooperation with Rosneft will improve the quality of services for passengers at the Norilsk Airport, and will lead to the upgrade and expansion of the airport itself. Along with the aviation, the project will create prerequisites for the further development of river and sea logistic. The cargo traffic to the Norilsk logistic hub has already increased 1.5 times thanks to the expansion of Nornickel's investment programme, including the implementation of large-scale environmental projects in the region. In this context, the modernization and expansion of transport infrastructure is more pressing than ever. Cooperation between Russia's top businesses in the region and synergy from an integrated approach to transport infrastructure development helps to strengthen Russia's position in the Arctic and guarantees strict compliance with environmental standards in this fragile ecosystem.

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