

Oil Trader Gunvor Looking to Divest From Russia

By [The Moscow Times](#)

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Gunvor chief executive Torbjorn Tornqvist.

LONDON — Oil trading house Gunvor is seeking to cut exposure to Russia by selling assets in the country that had long been one of the main generators of its growth and profit before the U.S. imposed sanctions on its co-founder.

Swiss-based Gunvor, one of the world's top five oil trading houses, was hit by short-lived turmoil in March when the U.S. imposed sanctions on its co-founder Gennady Timchenko and other Russian businessmen close to Russian President Vladimir Putin over the crisis in Ukraine.

Several U.S. companies briefly stopped trading with Gunvor but resumed after the trading house said its chief executive Torbjorn Tornqvist had bought out Timchenko's stake in Gunvor one day before the sanctions had been imposed.

Now the company, led by the veteran Swedish oil trader, is looking to rebalance its asset portfolio and divest a significant part of business in Russia to acquire new assets in Europe, the U.S., Asia and South America.

"Since a significant portion of our investments are in Russia, over time Gunvor will be looking to sell selectively part of those assets. We do not expect this will have any impact on our existing trading activities in Russia," the company said Sunday.

"We have a clear opportunity to rebalance our portfolio to reflect our growing global ambitions," it added.

As recently as the middle of the last decade, Gunvor handled as much as one-third of Russian oil exports, but during this decade it significantly cut the share as state oil firm Rosneft and private companies such as TNK-BP and Surgut sold oil to other customers.

When the U.S. Treasury imposed sanctions on Timchenko in March it said it believed Putin was a secret investor in Gunvor, which the company, Timchenko and Putin repeatedly denied.

Gunvor's most significant assets in Russia are stakes in the Baltic oil terminal Ust-Luga, the Black Sea terminal of Novorossiisk as well as a stake in coal mining firm Kolmar.

Divesting those assets to companies other than Russian firms will be difficult as multiple U.S. and EU sanctions against Russia have brought to a total halt all Western lending and deal making since the middle of this year.

Gunvor said it was in dialogue with U.S. and EU authorities: "We will be undertaking this process in an orderly and responsible manner, adhering to all relevant sanctions considerations."

The trading house added that it did not expect the divestment to "have an impact on trading activities in Russia, which remains a significant and important energy producer."

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