

Construction and operation

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Construction of the pipeline began in April 2010. The first of the two lines was inaugurated in November 2011 in the presence of German Chancellor Angela Merkel, Russian President Dmitry Medvedev and the prime ministers of France and the Netherlands. The second line followed in October 2012.¹ With a total capacity of 55 billion cubic metres of gas per year, the pipeline was one of the largest infrastructure projects in Europe. The investment amounted to about 7.4 billion euros, financed largely by loans from a consortium of banks and export credit agencies.²

The operation of the pipeline was managed from Zug, where the company employed a relatively small staff, with technical operations handled in Russia and Germany. It reported its revenues and its results in its annual reports. The transport fees paid by Gazprom and its customers produced a steady income, from which the company paid its debts and distributed dividends to its shareholders. For a decade, Nord Stream AG was a profitable and uncontroversial part of the Zug economy.

1 Notes

1. Nord Stream AG, press release "Nord Stream Pipeline Inaugurated – Major Milestone for European Energy Security", 8 November 2011, nord-stream.com: start of construction in April 2010 and inauguration of line 1 on 8 November 2011 at Lubmin with Merkel, Medvedev, Fillon and Rutte; Wikipedia, "Nord Stream 1", en.wikipedia.org: second line inaugurated and operational on 8 October 2012. ↩

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2. Nord Stream AG, inauguration press release, 8 November 2011, nord-stream.com: capacity 55 billion cubic metres a year, two lines of 1,224 km each, project cost EUR 7.4 billion, of which 30 per cent from the five shareholders and 70 per cent from bank loans. ↩

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