

Financing Nord Stream

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The financing of the first pipeline was one of the largest project financings in Europe. About 70 per cent of the cost was financed by loans from commercial banks and export credit agencies, secured by the shipping contracts with Gazprom and by guarantees from the export credit agencies of Germany and Italy.¹ The shareholders provided the remaining 30 per cent as equity. Nord Stream AG in Zug acted as the borrower and was also the party that concluded the contracts with the pipe manufacturers, the pipe-laying contractors and the operators.

Nord Stream 2 was financed differently. Since the European partners could not hold equity, they provided loans to Nord Stream 2 AG, while Gazprom provided the rest. When the project ended in 2022, the European lenders had to write off these loans in their accounts.² Uniper's write-down of about one billion euros contributed to the crisis that led to its nationalisation by the German state.

1 Notes

1. Nord Stream AG, press releases "Nord Stream Completes Phase I Financing", 16 March 2010, and "Nord Stream Completes Phase II Financing", 4 March 2011, nord-stream.com: phase I EUR 3.9 billion (70 per cent debt, about EUR 3.1 billion covered by Hermes, SACE and the German UFK scheme), phase II EUR 2.5 billion (about EUR 1.75 billion covered by Euler Hermes, SACE and UFK). ↩

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2. Uniper, press release of 24 April 2017, [uniper.energy](https://www.uniper.energy): financing agreements between Nord Stream 2 AG and Engie, OMV, Shell, Uniper and Wintershall; Wikipedia, "Nord Stream 2", en.wikipedia.org: the loans of these five companies cover 50 per cent of the projected costs of EUR 9.5 billion; Uniper recorded a full impairment of EUR 987 million on its loan and Wintershall Dea wrote off its financing of around EUR 1 billion. ↩

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