

Siemens Stops Turbine Sales to Russia in Crimea Sanctions Dispute **Bus./Industry**

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A Siemens gas turbine plant in Berlin in 2012. The industrial giant once saw Russia as a promising export market. Credit Johannes Eisele/Agence France-Presse — Getty Images

By JACK EWING for the New York Times, JULY 21, 2017 FRANKFURT — A dispute between Berlin and Moscow escalated on Friday after Siemens, the German industrial giant, said it would stop delivering power plant equipment to Russia after gas turbines were moved to the disputed territory of Crimea against the company's wishes. Siemens also acted to cut ties with a Russian partner, a further sign of deteriorating trade relations with Russia, once seen as a promising market for German cars, machinery and other goods. The company's decision to stop deliveries of gas turbines, at least temporarily, comes less than two weeks after it complained that a Russian customer had shipped electrical generation machinery to Crimea instead of its intended destination in southern Russia. The relocation of the turbines defied a contractual agreement not to violate international sanctions, Siemens said. On Friday, the German company said four gas turbines sold to Technopromexport had been illegally moved to Crimea, twice as many as previously known. "This development constitutes a blatant breach of Siemens' delivery contracts, trust and E.U. regulations," the company said in a statement. The Kremlin's spokesman, Dmitri S. Peskov, had said that the turbines moved to Crimea were made in Russia from Russian parts, and so were not subject to sanctions restrictions. Siemens has disputed that interpretation, saying the equipment was by contract subject to the sanctions. […]

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