Gunvor Group Ltd

Torbjörn Törnqvist quits Gunvor after pressure over Russia links

Co-founder to hand $6.6bn commodities trader to group led by US head Gary Pedersen

Torbjörn Törnqvist owns 86% of the company, which he co-founded with Gennady Timchenko, a close ally of Vladimir Putin © Walaa Alshaer/Bloomberg

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Torbjörn Törnqvist, the billionaire co-founder of commodities trader Gunvor, will exit the company and sell his majority stake to its senior staff, after his failed deal with Lukoil raised questions about his Russian ties.

The news of Törnqvist's departure comes after the US called the company a "Kremlin puppet" and blocked its attempt to buy $22bn of international assets from the sanctions-hit Russian oil company.

The 72-year-old Swede will sell his 86 per cent stake in Gunvor to a group of 60 senior employees and provide a 10-year loan to help finance their purchase.

The company said in a statement on Monday that “misperceptions about its past have become an impossible distraction”, and that the buyout would establish a “definitive reset”.

Gunvor, which has 2,000 employees and an equity value of $6.6bn, is one of the world’s largest energy traders, generating $136bn in revenues last year.

Gary Pedersen, who joined last year as head of its Americas business, will lead the buyout and become Gunvor chief executive.

Gunvor’s audacious, and unsuccessful, bid for the sprawling portfolio of Lukoil assets last month was scrapped after the US moved to block the deal — a high-profile embarrassment that led to mounting pressure from bankers and from staff who sought a change in leadership.

The Lukoil transaction would have transformed the Swiss-based trader, but in the end it only served to renew long-held suspicions about Törnqvist’s ties to the Kremlin. He co-founded Gunvor with Gennady Timchenko, a close ally of Russian President Vladimir Putin, who was hit with sanctions in 2014.

Törnqvist bought out his partner at that point and has tried to distance Gunvor from Russia. The company stopped buying Russian crude in 2022. The US Treasury, responding to Gunvor’s attempt to buy Lukoil’s business, described the company as a “Kremlin puppet” in a post on social media platform X.

While Gunvor said it had been discussing a management buyout since 2022, the Treasury post added to the pressure from the company’s lenders and trading partners to resolve questions over its Russian ties, particularly as it builds its business in the US.

JF Lambert, founder of Lambert Commodities, said those events increased the pressure on Törnqvist to step aside.

“It was a catastrophe. He put Gunvor in a dangerous position,” said Lambert. “That is probably why he has to now take this very extreme step — which is stepping out.”

Gunvor said the “guiding principle” of the buyout was to “ensure it does not inhibit the company’s growth or ability to pursue its ambition to grow in the US, as well as other core regions”. It added that there would be “no outside ownership or interests” in the group.

After decades of being controlled by Törnqvist, Gunvor said its new structure would “avoid any dominant shareholder and spread the key decision-making processes across all partners”. Törnqvist and his son will both step down from the board.

The portion of the buyout not funded by partners' existing equity would take the form of a "vendor loan" from Törnqvist at a fixed rate of interest that would be paid annually to his family foundation for "up to 10 years".

The changes will pave the way for Gunvor to expand further in the US, where it already has assets in Texas, Montana and Colorado.