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POTENCIALIDADES DE NEGÓCIO PARA A FILEIRA DAS TECNOLOGIAS DE PRODUÇÃO

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ÍNDICE/CONTENTS

SUMÁRIO EXECUTIVO

A Rússia moderna entrou numa nova era de tecnologia e economia de mercado com uma forte propensão para a indústria pesada e um grande atraso na indústria ligeira.

Durante a última década os investimentos na economia foram diminutos e, como resultado, muitas das indústrias tornaram-se ultrapassadas.

O actual governo do Partido Rússia Unida está a tentar dividir o Orçamento entre vários sectores da economia em simultâneo, o que nem sempre resulta num eficiente e eficaz utilização de recursos e alocação de capital.

A instabilidade que se sente na gestão em algumas empresas obriga o governo russo a comprá-las e torna as mesmas em subsidiárias. Por esta razão as indústrias com melhor desempenho, e as mais fechadas relativamente a efectuar subcontratações são a do gás, petróleo, novas tecnologias de informação, sector militar e da electricidade.

As melhores oportunidades para a importação de bens estrangeiros estarão no sector do equipamento e construção, enquanto graves problemas infra estruturais abrem as portas a um grande número de ofertas para projectos mais complexos de novas estradas, especialmente de auto-estradas.

O estudo que se segue tem como objectivo fornecer uma visão geral do sector industrial na Rússia e analisar cada um dos principais sub-sectores individualmente. A pesquisa permitiu ainda fornecer o perfil das cidades com maior desempenho e a divisão das indústrias por região, assim como os nomes dos vários *players* de cada sector económico.

A indústria russa é caracterizada pela sua diversidade. A entrada na OMC permitiu reduzir as taxas de importação e abrir diferentes oportunidades em quase todos os sub-sectores.

Contudo, a Rússia é um mercado emergente com muitas particularidades que devem ser tidas em conta antes da abordagem ao Mercado

EXECUTIVE SUMMARY

Modern Russia has entered a new era of technology and market economy with a serious bias towards heavy industry and a total delay of light industry.

There was a short investment in the economy till the last decade and as a result many industries became outdated.

Current government of the United Russia Party is trying to split budgeting among several sectors at the same time, which not always results in an efficient allocation of funds and capital.

High level of non stability in some enterprises makes Russian government buy out companies, which it subsidizes, that is why among best preforming and most closed for sub-contracting are gas, oil, it-technologies, military sector and electricity.

Biggest opportunities for foreign imports of goods and services are in machinery and construction segment, while infrastructural problems open big number of tenders for complex project of roads design, especially in toll-highways construction.

The following research aims to give a broad overview of the Russian industry and analyses each of the key subsectors individually. The research outlines biggest performing cities and regions for each industry as well as names a number of key players in each sector.

Russian industry is very diverse, while its recent entrance of WTO reduced import taxes and opened different opportunities for almost every subsector, however Russia is an emerging market with various peculiarities, which should be carefully considered before entering the market.

PARTE 1. PARTICULARIDADES DO MERCADO RUSSO

O próximo capítulo do relatório fornece uma visão geral do mercado Russo, e inclui alguns dos pontos mais importantes que devem ser considerados para apoiar a tomada de decisão relativamente à aboradagem do mercado. Entre estas peculiaridades estão factores políticos, económicos, as relações entre Portugal e a Rússia, questões educacionais e sociais, a geografia e as infra-estruturas, aspectos legais de importação como condicionantes da expansão rápida dos produtos e serviços.

Principais Conclusões:

1.1. Contexto Político

- A Federação Russa é uma república federal constituída por 83 divisões administrativas.
- A recente instabilidade política resultante da reeleição de Putin como Presidente não atingiu desenvolvimentos relevantes.
- A Rússia é um país com sérios problemas de corrupção encontrando-se no 133º lugar, numa escala em que o máximo é 175, deixando para trás alguns países africanos e sul-americanos (The Guardian, 2012).

1.2. Desenvolvimento económico

- Entre 1999 e 2007 o PIB aumentou em média por ano 6.8%, enquanto que os valores reais dos rendimentos pessoais aumentaram a uma taxa média anual de 12% (McKinsey, 2012). Uma pequena redução foi observada em 2008-2009 devido à crise financeira mundial mas que rapidamente estabilizou, tendo em 2012 registado já um crescimento de 3.7%.
- No final de 2011, a Rússia ingressou oficialmente a Organização Mundial do Comércio.

1.3. Desigualdade nos Rendimentos

- Um aumento significativo do nível de vida apenas é evidente em Moscovo, seguido de St. Petersburgo e Ekaterinburgo, enquanto a maioria do país se mantém com níveis significativos de pobreza.
- A fatia mais rica da sociedade russa viu a sua fortuna dobrar nos últimos 20 anos, enquanto 2/3 da população vive da mesma forma que viviam no período da União Soviética.

1.4. População e Contexto Educacional

- A população da Federação Russa é de aproximadamente 143 milhões.
- A maior cidade na Rússia é Moscovo, com uma população aproximada de 11.2 milhões, seguida de St. Petersburgo, com uma população de 4,8 milhões aproximadamente.
- A Rússia tem uma das populações com mais elevada taxa de

escolarização do mundo.
- O domínio de línguas estrangeiras continua a ser uma debilidade e uma barreira ao estabelecimento de negócios.
- Apenas as áreas urbanas têm acesso constante à internet e conexão telefónica estável.

1.5. Unidade monetária e Pagamentos Internacionais

- Todas as transações internas têm de ser realizadas no Rublo Russo.
- Pagamentos internacionais são efectuados normalmente em US$, EURO, GBP, de acordo com a taxa de câmbio diária, ou taxa interna acordada entre todas as partes e fixada nos contractos.

1.6. Relações entre Portugal e Rússia

- Tanto a Rússia como Portugal são membros em pleno direito do Conselho da Europa e da Organização para a Segurança e Cooperação na Europa, e possuem embaixadas em ambas as capitais.
- O total de trocas comerciais entre a Rússia e Portugal, em 2011, atingiu 702.8 milhões de Euros. As importações (140 milhões de euros) de Portugal para a Rússia mantiveram-se ainda particularmente moderadas comparativamente às exportações para Portugal (562.8 milhões de Euros).
- Os principais produtos russos são predominantemente do sector da energia (80%). As bases das importações com origem em Portugal são a maquinaria e os equipamentos (20%), a madeira e a cortiça (17.65%).

1.7. Geografia e Infra-estruturas

- A Rússia representa um dos maiores mercados emergentes na Europa do Leste.
- É composta por 83 divisões administrativas: 21 estados, 9 territórios, 46 regiões, 1 região autonoma, 4 provincias autónomas e 2 cidades federais.
- Inclui 9 fusos horários.
- A comunicação entre algumas regiões continua a ser difícil, e os transportes são bastante imprevisivéis, pouco fiáveis devido à falta de investimentos em boas auto-estradas e caminhos-de-ferro.
- A maioria das importações com origem em países da Europa Ocidental são normalmente efectuadas através de transporte por avião, cuja base se localiza em Moscovo; por inúmeros portos, sendo o de maior dimensão de St. Petersburgo, e através de transporte rodoviário com vários serviços aduaneiros em Moscovo.

1.8. Aspectos Legais na Importação

- A legalização dos serviços aduaneiros é baseada nas regras uniformes e comuns entre a Rússia, Bielorrússia e Cazaquistão. Não existem barreiras alfandegárias ou controlo interno de transações entre a Rússia e a Bielorrússia e a Rússia e o Cazaquistão.

- A Rússia é membro da Organização Mundial das Alfândegas e participa na Convenção Internacional sobre o Sistema Harmonizado de Designação e Codificação de Mercadorias, na Convenção Internacional sobre Admissão Temporária e na Convenção Internacional para a Simplificação e a Harmonização dos Regimes Aduaneiros.

1.9. Língua dos produtos importados

- Sob a regulamentação da protecção do consumidor, este deve ser informado de forma clara e acessível, e em russo sobre os detalhes do fabricante, modo de funcionamento e sobre os produtos que produz ou vende.
- Línguas estrangeiras ou línguas oficiais dos estados individuais, na Federação Russa podem ser utilizadas adicionalmente ao russo, nunca em substituição.

PART 1. RUSSIAN MARKET PECULIARITIES

The following part of the report gives an overview of the Russian market in general and covers some of the most important issues, which need to be considered before taking a decision of market approach. Among these peculiarities are: political, economical, Portuguese-Russian relations; education and social questions; geography and infrastructure as a barrier to quick product expansion; complexity of legal aspects of importing various products.

1.1. Political Background

The Russian Federation is a federal republic consisting of 83 constituent entities. Constitutionally, the President of the Russian Federation is elected for a six-year term and is limited to two terms in succession. Current president, reelected on the 4th of March 2012 is Vladimir Putin.

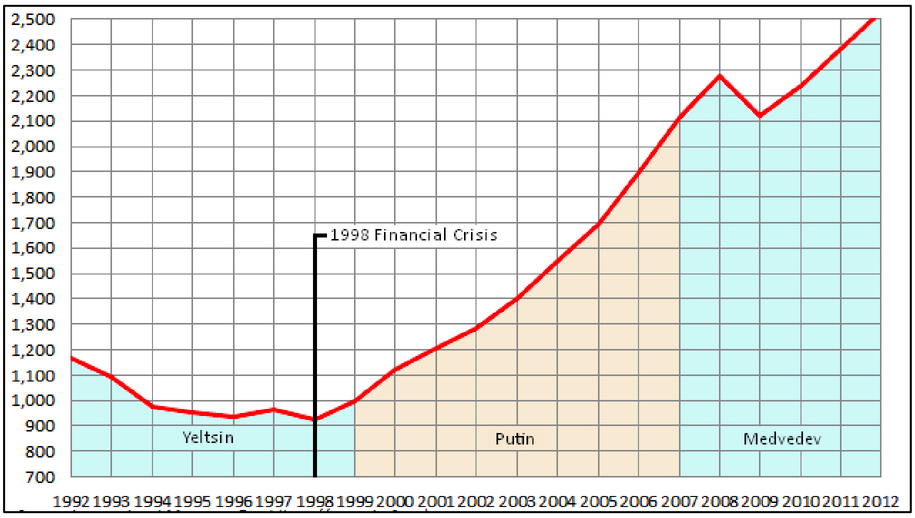
Recent reelection of Putin for the third term rose major rebels in Moscow and St. Petersburg mainly, which showed political instability and national disagreement with the new president election. However suburbs did not support such tendency and that is why the enforcement did not achieve any further development. Furthermore Russian government policy aims to build peaceful environment within the country as well as reliable and open relations with the EU and the rest of the world.

Russia is a highly corrupted country. Russian index is 133 out of 175 and leaves behind only some of the African and South American countries.

1.2. Economic Development. Income Difference in Regions

The beginning of the XXI century was marked by a rapid economic growth (2000-2008).

The GDP between 1999 and 2007 rose by an average of 6.8% annually, while real personal incomes rose at an annual average rate of 12%. Slight reduction was observed in 2008-2009 because of the financial crises, but over the past decade its GDP has grown by an annual average of 4.9%, doubling real disposable income and enabling the emergence of a middle class (picture 1).



Picture 1. Russian GDP Growth, 1992-2012 (billion of USD)

This growth has been fueled primarily by revenues from commodity producers. Russia's emerging economy depends on oil and gas commodities, which in 2012 accounted for about half of federal revenue and nearly two thirds of all exports.

The following SWOT analysis can be applied to the general economic situation in Russia (picture 2).

Strengths	▪ Russia maintains enviable external account dynamics, with a robust current account surplus, limited foreign debt and high reserve holdings. This will continue to provide significant stability as the economy recovers from the financial crisis. ▪ Russia's large resource base will provide a strong foundation for foreign investments and export growth over the long term.
Weaknesses	▪ The economy's dependence on the oil sector makes it particularly vulnerable to a sustained decline in energy prices. ▪ The deterioration of Soviet-era infrastructure is a constraint to private sector activity, especially outside major cities.
Opportunities	▪ A revitalisation of the structural reform agenda, including support for small and medium-sized businesses, restructuring of the banking sector, administrative reform to tackle red tape and corruption, and a revamp of the 'natural monopolies', would go a long way towards developing the non-oil economy and improving long-term growth prospects. ▪ A US$1trn public-private investment plan over the long term will substantially modernise Russia's transport, communications, electricity and utilities infrastructure.
Threats	▪ The Russian economy is in a state of transition, with large current account and fiscal surpluses to be eroded significantly. With this will come new challenges to macroeconomic stability.

Picture 2. Russian Economy SWOT

In the end of 2011 Russia officially joined the World Trade Organization and had to adapt to its international rules and obligations, especially to reduce some of the import tariffs, which made it easier for companies all over the world to settle their business in

Russia. According to Ernst and Young (2011) more than the half of global foreign direct investment (FDI) in 2010 was allocated to emerging markets, while Russia attracted US$37 billions and was called 'Europe's forth-largest FDI destination'.

Regional Inequality

Introduction of loans and mortgages immediately reflected on consumption and as a result attracted a huge amount of foreign investors. Meanwhile significant increase in living standards can only be observed in Moscow, followed by St. Petersburg and Yekaterinburg, while the majority of the country stays in poverty. Though a minimum salary in Moscow is around 800 Euros, over 29 regions still cope with a salary of 250 Euros and 7 regions with a minimum salary of 150 Euros.

According to Evgeniy Yasin, former economics minister, richest slices of Russia have doubled their wealth in the last 20 years, while 2/3 of the population lives as in the Soviet Union. "The principal issue for Russia's economy and society today is the level of inequality. Only 20% of the population is successfully enjoying the rise of prosperity, which became possible in the result of new market economy" - Evgeniy Yasin.

Doing business in various cities and regions is also very different due to local barriers and inequity in starting new projects. Some cities still have problems with electricity, constructions permits and complicated registration process. Picture 3 summarizes the key aspects of doing business in Russia and highlights top-30 cities, where Moscow is the most difficult city for business operations.

City	Region	Agreggate rank	Ease of starting a business	Ease of dealing with construction permits	Ease of getting electricity	Ease of registering property
Ulyanovsk	Ulyanovsk Oblast	1	3	4	5	8
Saransk	Republic of Mordovia	2	20	8	1	8
Vladikavkaz	Republic of North Ossetia– Alania	3	27	11	2	2
Rostov-on-Don	Rostov Oblast	4	26	15	3	4
Kazan	Republic of Tatarstan	5	4	14	17	4
Kaluga	Kaluga Oblast	6	17	9	15	1
Stavropol	Stavropol Kray	7	4	2	9	19
Yaroslavl	Yaroslavl Oblast	8	7	17	6	16
Surgut	Khanty-Mansiisk Autonomous Okrug – Yugra	9	30	1	19	8
Irkutsk	Irkutsk Oblast	10	8	6	10	18
Petrozavodsk	Republic of Karelia	11	6	16	21	8
Kirov	Kirov Oblast	12	13	5	4	20
Omsk	Omsk Oblast	13	19	20	13	4
Vyborg	Leningrad Oblast	14	10	23	12	8
Vladivostok	Primorsky Kray	15	18	22	23	3
Volgograd	Volgograd Oblast	16	2	27	26	4
Voronezh	Voronezh Oblast	17	15	28	16	8
Tver	Tver Oblast	18	21	25	14	8
Kaliningrad	Kaliningrad Oblast	19	11	3	22	22
Tomsk	Tomsk Oblast	20	15	6	10	25
Samara	Samara Oblast	21	22	24	28	8
St. Petersburg	St. Petersburg	22	1	9	24	27
Khabarovsk	Khabarovsk Kray	23	24	29	8	17
Yekaterinburg	Sverdlovsk Oblast	24	29	13	19	20
Perm	Perm Kray	25	13	12	18	27
Murmansk	Murmansk Oblast	26	12	19	27	23
Kemerovo	Kemerovo Oblast	27	28	21	7	29
Yakutsk	Republic of Sakha – Yakutia	28	8	26	25	30
Novosibirsk	Novosibirsk Oblast	29	23	18	29	24
Moscow	Moscow	30	25	30	30	26

Picture 3. Doing Business in Russia, 2012

Currency and International Payments

The Russian Civil Code recognizes only one national currency – Russian Rubles. All transactions within the country must be done in this currency, as stated in the law. Meanwhile all international payments are usually done in US$, EURO, GBP or some other currencies in the accordance with day-to-day exchange rate or internal rates, agreed between parties and fixed in contracts.

1.3. Population and Education Environment

The population of the Russian Federation is approximately 143 million of people. Although approximately 80% of the country's population is ethnically Russian, the Russian Federation is a multinational state and is home to numerous ethnic minority groups, including sizeable Tatar (3.8%) and Ukrainian (2%) populations. Roughly 73% of the population lives in urban areas and 12 cities have a population of over 1 million. The largest city in Russia is Moscow, with a population of approximately 11.2 millions, followed by St. Petersburg, with a population of approximately 4.8 millions.

Russia has one of the most highly educated populations in the world. The country has more than 70,000 primary and secondary schools and more than 82,000 pre-schools. Furthermore, the literacy rate in Russia is one of the highest in the world: 99.4% of the total population. This high literacy rate signifies that there is a large educated workforce in the economy.

However educational system is very focused on the Russian history and peculiarities that is why foreign language for example is still very often a barrier to doing business. Most of the Russian companies prefer to have Russian-speaking representatives in each foreign company, otherwise in some cases it can become a serious problem of communication and will lead to failure.

Another result of educational localness is terms and conditions of actual business doing, which often results in unexpected orders, strict and unreal deadlines, as well as various penalty systems. Russians might loose interest in a new contract in the beginning, if the process is slow and all the needed information about prices or other terms takes weeks to be collected. They can also very quickly cancel already existing contracts, if there are any delays in product delivery or if products have even small percentage of spoilage.

Another important aspect of population awareness level is NEWS. Only urban areas have constant access to Internet and stable mobile connection; this creates a big gap between urban and regional awareness of international trends and news. People outside Moscow rarely have access to international press or international journals and very often rely on “word of mouth”.

1.4. Portuguese-Russian Relations

As part of Russia’s process of defining its global positioning, one of the primary goals lies in improving relations and reconsidering its policy agenda with Western Europe and the United States.

Both Russia and Portugal are full members of the Council of Europe and the Organization for Security and Co-operation in Europe and have their embassies in both capitals. The cooperation between countries increased after the civil revolution in Portugal (1974), and authorities of both countries have been meeting and discussing possible cooperation since then.

According to the Russian Embassy in Portugal statistics, trade turnover between Russia and Portugal in 2011 amounted to 702.8 million euros. Imports (140 million euros) from Portugal to Russian remained still rather moderate, compared to exports to Portugal (562.8 million euros). Russian key products are dominated by energy (80%). The bases of Portuguese imports are machinery and machinery equipment (20%), wood and cork (17.65%).

1.5. Geography and Infrastructure

Russia represents one of the biggest emerging markets in the Eastern Europe and the largest in terms of scale. If all developing countries occupy about half of the world's surface, then Russia represents its third part with a territory of 17,075,200 sq. km.

According to the fifth article of the 1993 Constitution, the Russian Federation is composed of equal subjects. The structure consists of 83 subjects: 21 republics, nine territories, 46 province, one autonomous oblast, four autonomous and two federal cities (picture 4). In addition to that Russia rents Baikonur space station, together with Baikonur city till 2050. In the following report all of the 83 subjects are called regions for simplicity of readers' understanding.

Picture 4. 83 subjects of the Russian Federation

Starting from November 2009, Russia is divided into nine time zones (instead of previous eleven), as shown on picture 5.

Picture 5. Russian Time Zones

Despite the reduction of time zones, communication between some regions is still rather difficult, while transportation between the regions is unpredictable and not reliable due to the lack of investment in good highways and railroads.

Majority of imports in Russia from Western European counties are usually done through air customs, based in Moscow Sheremetevo airport; a number of sea ports, with one of the biggest in St. Petersburg and via trucks and railway with several customs in Moscow. Other customs can be also found along the borders of Russia, however it is very important to understand that **document procedure in each of them can vary, that it is why it is again highly recommended to use local representatives.** Local distributors are usually used for transportation of goods within the country.

1.6. Legal Aspects of Importing Products to Russia

Customs legislation in Russia is based on the unified rules of the Customs Union (i.e., Russia, Belarus and Kazakhstan, hereinafter – the "CU") that started its operation on the 1 January 2010. The CU has unified rules for foreign trade activity, including the importation and exportation of goods. Once goods are imported and released in any CU member state such goods may be freely moved within the CU. There is no customs clearance or customs control at the internal state border between Russia and Belarus and between Russia and Kazakhstan.

Russia is a member of the World Customs Organization and participates in the International Convention on Harmonized Commodity Description and Coding System, the Convention on Temporary Admission and the International Convention on the Simplification and Harmonization of Customs Procedures (hereinafter - the "Kyoto Convention").

On average the final legally binding tariff ceiling for the Russian Federation will be 7.8% compared with a 2011 average of 10% for all products: the ceiling average for manufactured goods will be 7.3% vs. the 9.5% average today on manufactured imports (Russian Customs, 2013). Additionally to **that Customs Union is responsible for quality control of all imported products and issuing of permits for selling products** (or various certificates) on the territory of the Customs Union. Special restrictions are set for the food industry products, chemical and medical products. Other restrictions concern animal and plant products, such as leather and wood products; kids products and others. Sometimes special regulations occur on products, which compete with local manufacturers and can be seasonal. Furthermore, some of the certificates have to be obtained in the manufacturing country by inviting Russian experts to the manufacturing unit. This kind of procedures can take at least half a year.

As Russian customs is a very complicated body, which does not always directly fulfill all local rules and tariffs, most of foreign companies prefer to work through local importers or local Russian partners. This helps to avoid additional costs and delays in delivery, , while even big multinationals, who have been doing business in Russia for many years, still use help of local companies in order to pass the customs quickly. In some cases local manufacturers or end-customers have their own representatives in customs – in this case they can import products themselves, whoever this is more an exception and each company will have to be contacted directly to understand their capabilities of dealing with customs.

1.7. The Language of Imported Goods

Under Article 68 of the Constitution of the Russian Federation, the state language throughout the territory of the Russian Federation is Russian. All official election materials, legislation, and other legal acts (including contracts), must be published in the official state language.

All advertising in the Russian Federation must be either in Russian or in the particular state language of the individual republic in which the advertising appears.

Under the consumer protection regulations a consumer should be informed in a clear and accessible manner in the Russian language about the manufacturer (seller), the operating mode of its work and the goods (works, services) it produces or sells.

Foreign languages or state languages of individual republics within the Russian Federation may be used in addition to the Russian language, in which case communication in Russian and in the other language must be identical in their content, sound and form of presentation.

PARTE 2. VISÃO GERAL DA INDÚSTRIA NA RÚSSIA

A Rússia sempre teve abundância de recursos naturais, incluindo a madeira, metais preciosos e, em especial, combustíveis fósseis (petróleo, gás natural e carvão). Por isso, o factor chave do desenvolvimento económico da Rússia tem sido focado nestes recursos naturais, enquanto o sector da indústria apenas desempenha um papel secundário.

As mais avançadas indústrias na Rússia são as Tecnologia de Informação, Petróleo, Gás e Electricidade. Taxas de crescimento bastante positivas são também observadas no sector da construção e infra-estruturas. Os fabricantes russos com maior dimensão estão nos sectores metalúrgico, do carvão, e novamente no do petróleo. A Rússia é menos competitiva na indústria automóvel, militar e engenharia mecânica.

Principais conclusões

Situação actual da Indústria por Regiões

- Durante 2012, o volume de produção industrial na Rússia subiu 20%.
- As principais cidades industriais continuam a ser Moscovo (51.9 mil milhões de Euros) e St. Petersburgo (45.9 mil milhões de Euros).
- No top 10 das cidades mais industrializadas podemos ainda encontrar Surgut, Nizhnevartovsk, Omsk, Perm, Ufa, Almetevsk, Cherepovec e Chelyabinsk.
- A lista dos 400 maiores representantes da indústria do mercado russo pode ser encontrada no anexo 3.
- A capacidade industrial russa é também possível de perceber em detalhe através da sua distribuição geográfica (figura 4): produção de petróleo e gás, centros de processamento, extracção de metais e minas, indústria química.

Principais exportações e Importações

- Em 2012, as exportações com maior destaque foram para produtos como o combustível e produtos do sector da energia.
- Ainda em 2012, as importações com maior destaque focaram-se na maquinaria e equipamento.
- De acordo com a União Aduaneira na Rússia, as importações mais importantes na primeira metade de 2013 estiveram focadas no sector alimentar (figura 10) e alguns dos recursos naturais como o carvão, alumínio e produtos petrolíferos.

Rússia na OMC (Organização Mundial do Comércio): Oportunidades e Riscos para a Indústria Russa

- Existem poucos especialistas nos procedimentos da OMC no mercado russo.
- Os maiores problemas estão directamente relacionados com as

ferramentas de correcção, mecanismos de apoio e adaptação.

- Apesar de integrar a OMC, a Rússia adoptou uma atitude proteccionista do mercado, de forma a proteger-se da entrada de bens e serviços de preços competitivo.
- A indústria russa está sob ameaça, dado que as reformas e reestruturação industrial não foi efectivamente levada a acabo antes da entrada na OMC.
- Durante o primeiro ano como membro na OMC, mais de metade das empresas russas não sentiram qualquer impacto na integração.

Privatização e Aquisição pelo Estado

- Em geral o investimento estrangeiro é bem-vindo, excepto nas principais indústrias dominadas pelo Estado.
- O governo está actualmente a considerar uma lei, segundo a qual as empresas pertencentes a alguns sectores da economia não terão a possibilidade de adquirir participações de controlo maioritário. As indústrias são: energia, extração de minerais, armamento, indústria aeroespacial e nuclear – indústrias que são apontadas como fulcrais para a economia da Rússia, e que por isso devem ser geridas maioritariamente pelo governo.

Oportunidades, Objectivos e Planos de Investimento

- O novo Programa de Estado "Desenvolvimeno da Indústria e Aumento da sua Competitividade" aponta para a criação de uma indústria russa competitiva, estável e estruturalmente equilibrada até 2050. O programa inclui 17 sub-programas, em particular o "Sector automóvel", "Maquinaria Pesada", "Indústria do Aço", "Indústria da Madeira", "Engenharia do Transporte" entre outros.
- Indústrias de forte pendor exportador, tais como, gás, petróleo e madeira terão as suas bases financeiras individuais. Os sectores científicos e técnicos terão disponíveis investimentos públicos, subsídios e créditos de exportação.
- Segundo o programa, 25 milhões de postos de trabalhos de alto desempenho serão criados até 2020, enquanto a produtividade global do país está prevista aumentar até 1.5 até ao ano de 2018.
- Os cidadãos irão desempenhar um papel importante no desenvolvimento da indústria na Rússia, e a maioria dos jovens profissionais não atingem os requisitos da área de produção, a maioria dos pós-graduados não conseguem candidatar-se para os bons cargos neste momento.
- Durante o ano passado 30% das empresas falharam com os seus planos de produção, como resultado da falta de experiências e de colaboradores qualificados. Este factor é em grande parte uma das principais razões pela qual o estado da indústria na Rússia tem vindo a deteriorar-se, dado que muitas das linhas de produção com grandes

encomendas não conseguem aumentar a produtividade.

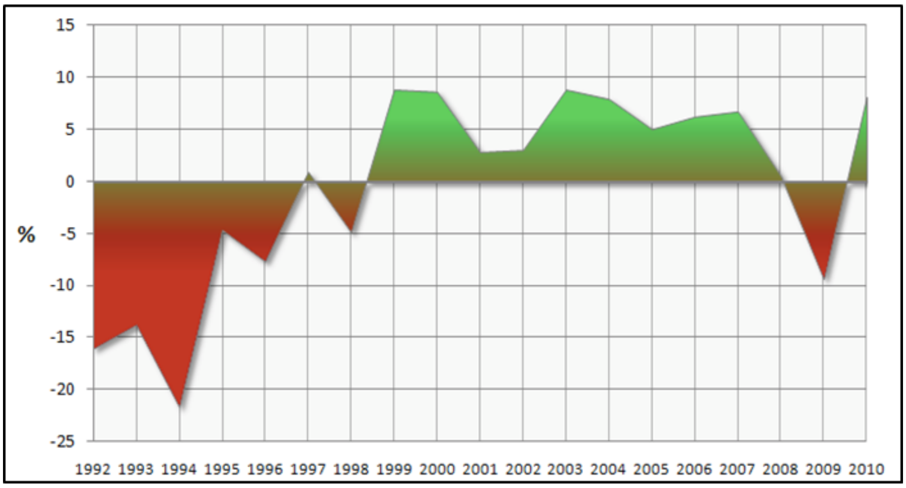
Contratos e Participação em Concursos Públicos

- O objectivo dos contractos públicos é assegurar a optimização do preço, qualidade, e a rápida entrega de forma a apoiar a eficiência do programa da actividade principal da empresa.
- Actualmente os problemas com as compras públicas estão sob escrutínio severo do governo, media e devido à entrada da Rússia na OMC, também da comunidade dos negócios internacionais. Entre os factores negativos discutidos estão: as complexidades injustificadas, sobreregulação da estrutura legislativa focada no preço na hora de seleccionar o vencedor, falta de controlo abrangente a todas as fases da aquisição, reduzida opacidade dos processos e factos de comportamentos pouco escrupulosos dos clientes e concorrentes.
- Algumas dicas fundamentais na abordagem ao Mercado estão apontadas no anexo 4.
- Toda a informação com fonte em sites mencionada neste estudo está disponível apenas em russo pelo que as empresas estrangeiras podem participar em concursos públicos com importadores ou parceiros locais. De outra forma podem tentar utilizar websites estrangeiros que são mais focados em fornecimentos estrangeiros e podem ainda fornecer vários concursos públicos actuais em diferentes segmentos da indústria.

PART 2. STATE OF RUSSIAN INDUSTRY

Industry is considered to be the backbone of the economic reproduction. However historically, Russia has always had an abundance of natural resources, including timber, precious metals, and particularly fossil fuels (oil, natural gas, and coal) that can be developed without the constraint of OPEC production quotas and other rules. That is why the key focus of Russian economic development has recent been focused on natural resources, while industry sector development gained only a secondary place. As the result Russia's oil and gas production and pipeline projects have been not only a primary source of Russia's economic growth, but also a geostrategic lever in the country's relationship with Europe and Asia.

Furthermore due to the economic crisis of the early 90's state of the industry in Russia has worsened. Products of domestic production were associated with the products of poor quality, and people were more interested in imported goods. 1999-2005 years were characterized by extensive development that provided significant capital investment. As a result, the commodity market got a big diversity of producers, and the populations trust in local manufactures increased again, while in some industries companies even try to avoid using foreign suppliers (picture 6).



Picture 6. Industrial Growth of Russia, 1992-2011

Apart from resource based industries (gas, oil and coal), the biggest growth can be seen in construction, metallurgy, food and some of the machinery sub-segments. The most advanced among all industries in Russia are it-technologies, and electricity, while some of biggest investments are in military, machinery and infrastructure.

2.1. State of Industry by Regions

Annually Russian Economy department works on the analysis of industrial production data and municipal statistics, reporting the largest manufacturing companies in order to determine the most important industrial centers of the Russian economy, and to identify the largest "donor towns" basic "points of growth" and "depressed areas" on the map of the country. Appendix 1 includes top 100 cities and towns with biggest manufacturing indexes and companies, operating in those regions.

Over the past year, the volume of industrial production in Russia increased by 20%. Compared to the previous year, 62 cities have demonstrated rapid growth of industrial production - 30% and above, one and a half times more than the all-Russian industrial growth. 31 cities, on the contrary, worsened their performance compared to last year. According to the latest report of 2012, top industry cities remain Moscow (51,9 billion Euros) and St. Petersburg (45,9 billion Euros). Together with them in the top ten are such cities as Surgut, Niznevartovsk, Omsk, Perm, Ufa, Almetevsk, Cherepovec and Cheliabinsk (picture 3). However, if one had access to the list of regions within the last ten years, it would be obvious, that though some of the cities move from one position to another, this ranking is rather chaotic and a city, which moved two or three positions higher in 2012, can easily fall down the same three positions next year. This is mainly due to unstructured policy towards industry from the government side and as a result most of industry representatives have unsystematic success or regress in production, which is influenced by buyers' purchasing power.

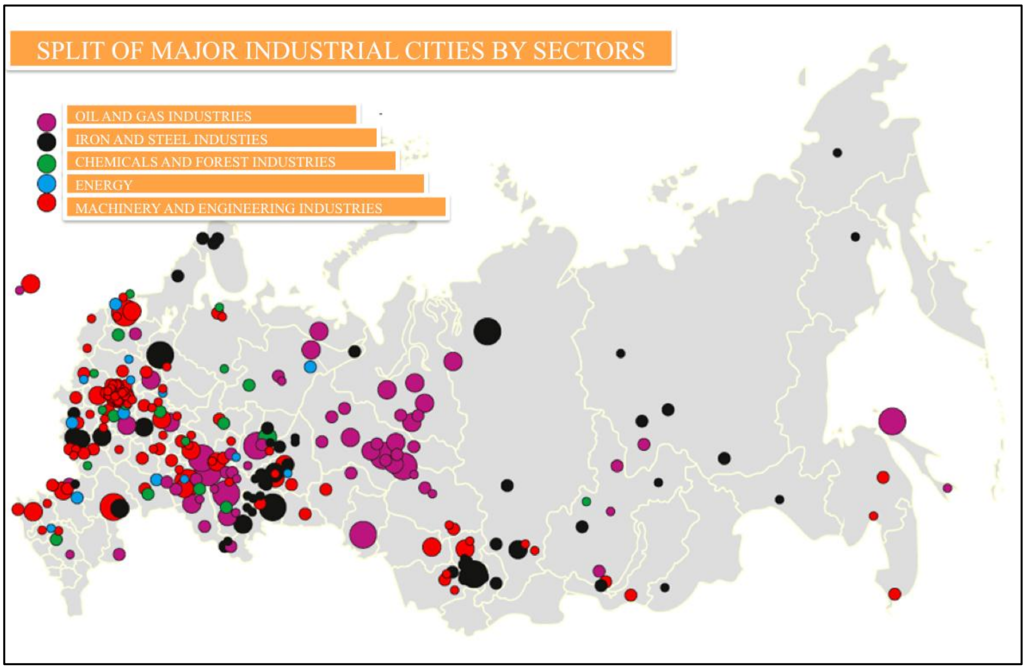
Another interesting aspect of this ranking is the amount of population in regions (Appendix 1). If one compares Moscow (no.1) to Surgut (no.3) and Omsk (no.6), it is obvious, that Surgut has the biggest production capacity if we compare population to production. Moscow has population of 111,514 thousand people, while Surgut only 307 thousands (363 times less populated), but Surgut production is only twice less, than in Moscow – 26,2 billion rubs. The same is with Omsk, where population is four times higher, than in Surgut, but production is more, than twice less.

Such difference is first of all due to narrow manufacturing focus in some small cities and big clustering density, while on the other hand the production index of the city is highly influenced by companies, which are based there, as in fact, the rating of the industrial centers is the projection of the business of the largest companies on the Russian territory. So, there are 28 cities in the zone of Gazprom influence, Lukoil is presented in 18 industrial centers, Rosneft - in 16, Rusal - in 10 cities, TNK-BP - in 9 cities, Severstal - in 8 cities (the list of the 400 biggest industry representatives can be found in Appendix 2). The largest Russian companies do not have their business in only 18 industrial centers mentioned in Appendix 1.

Picture 7. The Biggest Industrial Regions in Russia

Another way of geographical understanding of Russian industry capacity is sectorial (picture 7). Among the leading cities of growth can be noted oil and gas production, as well as processing centers (Surgut, Perm, Omsk, Almetievsk, Niznekamsk, Busuluk, Salavat, Usinsk, Uhta, Astrakhan, Novoshahtinsk, Strezhevoi). The second biggest group is metals and mining (Gubkin, Belovo, Zheleznogorsk, Prokopyevsk, Pervoural'sk, Polevskoi, Neryungri Kachkanar Myski, Leninsk-Kuznetsk, Chrysostom, Berezovsky). The centers of chemical industry include Berezniki, Kemerovo, Velikii Novgorod, Novomoskovsk, Apatiti, Engels, Kirov-Chepetsk.

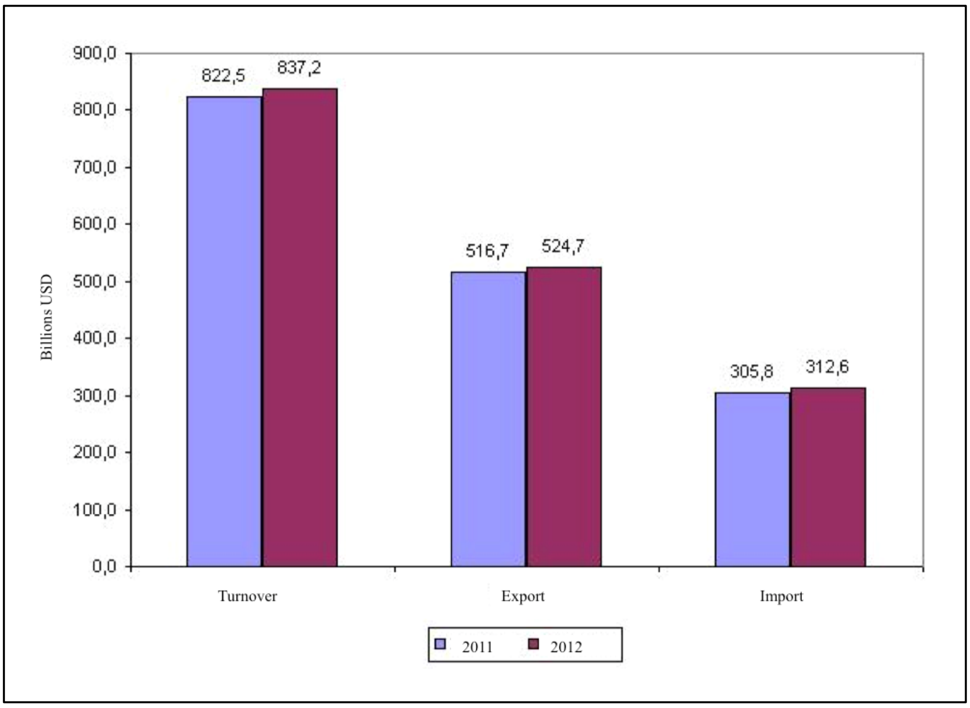
Particular focus should be stressed on multifunctional industrial growth centers, mostly non-primary specialization, such as St. Petersburg, Toliatti, Kaliningrad, Nabereznie Chelni, Kaluga, Nizhnii Novgorod, Kazan, Krasnodar, Tyumen, Borovsk, Komsomolsk-on-Amur, Bryansk, Vladivostok, Severodvinsk, Miass, the Eagle, Tambov, Yelabuga, Kolomna, Gatchina, Obninsk). 14 new cities also appeared in the ranking, such as engineering centers Severodvinsk, Armavir, Pskov, Lysva and coal and steel centers Leninsk-Kuznetsk, Gubaha, Polisaevo.



Picture 8. The Biggest Industrial Regions in Russia, split by sector

2.2. Major Exports and Imports in Russia

According to Russian Customs statistics Russia's foreign trade turnover amounted to 837.2 billion U.S. dollars in 2012 and increased by 1.8% compared to 2011. Russian exports in 2012 amounted to 524.7 billion U.S. dollars and compared to the previous year increased by 1.6%. 85.2% of all imports come from abroad (outside CIS), the share of CIS countries is only 14.8%. Russian imports in 2012 amounted to 312.5 billion U.S. dollars, and increased by 2.2% compared to 2011. (picture 9).



Picture 9. Major Exports and Imports in Russia, 2011-2012

Exports

The key exports in 2012 to foreign countries were in fuel and energy products, which share in the commodity structure of exports to foreign countries amounted to 73.0% (in 2011 - 72.7%). Among the products of the fuel and energy complex key increase volume was in coal - 18.8% and liquid fuels - 3.5%. The volumes of exports of motor gasoline - 42.4%, coke - 15.6%, diesel fuel - 0.5%, natural gas - 3.9%, electricity - 30.2%, crude oil - 1 3%.

General metal products accounted 8.3% (previous year - 9.1%). Volume of exports of ferrous metals and their products increased by 2.7%, including semi-finished products of iron or non-alloy steel - 16.7%, ferroalloys - 15.4%. Volume of exports of copper increased by 35.0%, nickel and aluminum - by 12.0% and 3.5%, respectively.

Chemical products in 2012 amounted 5.6% (in 2011 - 5.8%). Compared with 2011 the value of exports of these products decreased by 1.0% and increased physical - by 4.6%, including the increased volume of exports of potash fertilizers - by 20.6%, methanol - 19.8%, organic chemical compounds - by 10.9%, mixed fertilizers - by 4.6%.

Exports of machinery and equipment in 2012 remained at the level of the previous year and amounted 3.6%. Compared with 2011 the value of the supply of machinery and equipment increased by 2.2%, including railway equipment - by 20.1%, mechanical equipment - by 11.8%, optical instruments and apparatus - by 6.3%, electrical equipment - by 2.0%.

Exports of food products and raw materials for food production amounted to 2.8% (in 2011 - 2.1%). Compared to exports in 2011 value of these products increased by 36.6%, and physical amount - by 30.2%. Volume of exports of food products increased primarily due to the export of grain crops. Significantly increased volume of exports of sunflower seeds and vegetable oils.

Exports of timber and pulp and paper products in 2012 amounted to 1.8% (in 2011 - 2.1%). Comparing to 2011, the exports of this commodity group decreased by 11.6%, the physical - by 7.7%. Volume of exports of raw timber decreased by 16.8%, timber - by 3.4%. newsprint - by 6.5%.

Imports

The key imports to Russia are in the machinery and equipment segment - 52.1% (in 2011 - 51.0%) in 2012. The value of imports of machinery products, compared to 2011 increased by 6.5%, including mechanical equipment - by 4.9%, electrical equipment - by 7.1%, rail transport - by 2.0 times, ground transportation (excluding rail) - by 14.6%, optical instruments and apparatus - by 24.2%. Volume of import of passenger cars increased by 13.7%, trucks - by 16.0%.

The share of chemical product imports remained at the level of the previous year and amounted to 16.1% in 2012. The value of imports of chemical products increased compared to 2011 by 4.2%. Physical supply inorganic chemicals increased by 14.6%, organic chemical compounds - by 16.2%, varnishes and paints - by 8.5%, cosmetic products - by 6.0%, soaps and detergents – 11.0%, rubber and rubber products - by 14.7%, plastics and articles - by 8.3%.

The share of imports of food and raw materials for their production in 2012 amounted to 13.0% (in 2011 - 13.8%). Physical supply of food compared to 2011 decreased by 12.3%, including butter - 2.1%, citrus fruits - by 5.8%, tea - 4.2%, significantly decreased the amount of supplies raw sugar. However, some increase of volume could be seen in fresh and frozen meat by 5.9% (including cattle meat - by 3.7%, pork by 8.0%), poultry - by 6.4%, fish - by 4.0%, cheese and cottage cheese - by 18.5%, coffee - by 9.2%, cereals - by 24.4%, including barley and maize by 37.8% and 13.8%

respectively.

The share of imports of metals and products from them in 2012 was 5.6% (in 2011 - 5.9%). The physical volume of purchases of ferrous metals and their products have decreased by 6.6%, including pipes - by 62.9%. However, the import of flat rolled products of iron or non-alloy steel increased by 5.4%.

The share of imports of textiles and shoes in 2012 was 5.4% (in 2011 - 5.5%). The physical volume of purchases of clothing fell by 10.2%, footwear with uppers of leather - by 10.9%, cotton textiles - by 1.8%.

According to the Russian Customs Union, the most important imports in the first half of 2013 were in food sector (picture 10) and some of the natural recourses, like coal, aluminum and oil products. Unfortunately Russian Customs Union doesn´t explain, why these products were chose as most important imports. Some other statists on imports and exports can be found in Appendix 3.

CUSTOMS CODE	NAME OF THE PRODUCT	TOTAL AMOUNT		FARAWAY COUNTRIES		CIS COUNTRIES	
		TOUSANDS TONS	BILLIONS USD	TOUSANDS TONS	BILLIONS USD	TOUSANDS TONS	BILLIONS USD
	total value	-	150676.8	-	130258.7	-	20418.1
0201-0204	Meat (fresh and frozen)	555.5	2,192.5	512.5	2024.3	43.0	168.2
0207	Bird meat (fresh and frozen)	214.4	340.3	166.4	241.5	48.1	98.8
0302-0304	Fish (fresh and frozen)	337.3	1,004.5	332.0	986.7	5.2	17.9
0402	Milk and Milk Products	80.5	256.5	12.7	44.7	67.8	211.8
0405	Butter	62.6	266.7	48.4	202.9	14.2	63.7
0805	Citrus Fruit	854.0	869.9	850.9	868.1	3.1	1.7
0901	Coffee	62.2	232.0	61.2	221.2	1.0	10.8
0902	Tea	84.6	343.7	82.2	304.1	2.3	39.5
10	Wheat Products	-	386.8	-	232.3	-	154.5
1001	Wheat	483.2	136.7	10.2	2.0	473.0	134.7
1003	Barley	192.3	65.6	188.8	64.7	3.5	0.9
1005	Corn	42.6	119.5	26.9	103.6	15.7	15.9
1512	Sunflower Oil	8.0	10.9	0.6	0.9	7.5	10.0
1602	Meat Canned Products	16.2	79.3	11.6	59.2	4.6	20.0
170112 - 170114	Raw Sugar	350.3	170.9	350.0	170.7	0.3	0.2
1701991000	White Sugar	34.4	21.1	22.1	13.4	12.3	7.7
1801	Какао-бобы	24.6	85.4	24.3	69.4	0.3	16.1
1806	Cacao Products	77.6	318.2	27.1	147.9	50.6	170.4
22	Drinks/Beverages (Alcoholic, Non-alcoholic)	-	1,289.9	-	1044.0	-	245.9
2402	Sigarets	-	55.4	-	54.4	-	1.0
2606	Aluminium	30.0	7.6	27.4	7.0	2.6	0.5
2701	Coal	8,166.1	331.9	254.8	62.1	7911.3	269.7
2709	Raw Oil	519.7	89.9	0.0	0.0	519.7	89.9
2710	Oil Products (including Chemicals)	549.8	800.4	212.8	544.8	336.9	255.6

Picture 10. Most Important Imports in Russia in January-June, 2013

The main trade partners of Russia in 2012, among the foreign countries were: China, trade with trade turnover of 87.5 billion U.S. dollars, the Netherlands - 82.7 billion U.S. dollars, Germany - 73.9 billion U.S. dollars, Italy - 45.8 billion U.S. dollars, Turkey - 34.2 billion U.S. dollars, Japan - 32.2 billion U.S. dollars, the United States - 28.3 billion U.S. dollars, Poland - 27.4 billion U.S. dollars, Republic of Korea - 24.9 billion U.S. dollars, France - 24.3 billion U.S. dollars.

Some other statists on imports and exports can be found in Appendix 3.

2.3. Russia in the WTO: Opportunities and Risks for the Russian Industry

The first year of Russia's membership in the WTO was not easy, as it revealed some contradictions and "childhood diseases" in the industry, which were hard to predict in advance, as many would say. However according to some industry players, the main problematic areas of new market relations were partially offset by the efforts made by the Government of the Russian Federation and industry associations. One of such examples is a coordination committee, which was introduced to adapt the economy to accession of the WTO by creating new tools to support key industries, such as subsidies to industry and agriculture. But can the whole industry be adapted within one or two year and what will be the impact of the foreign companies, which will be meantime establishing their presence in the country, raises a lot of debates and arguments.

There are still very few experts in the WTO in Russia. One of them is Alexander Shokhin (President of the Russian Union of Industrialists and Entrepreneurs), who was the first to speak out, that after joining the WTO, Russia is obligated to protect its market from cheap goods. Alexander Shokhin laid emphasis on the fact that the year 2012 allowed to designate a serious problem in the management of Russia's presence in foreign markets: it is very difficult for the Russian producers to gather all the documentation for the anti-dumping investigation, while foreign manufacturers have a clear advantage here.

Furthermore Alexander Shokhin pointed to the danger of some agreements, which Russia had to sign, while negotiating access to the WTO. Due to these agreements Russia had to outsource some of its production to other countries and in order to keep the money close, the government chose to give away some of the procedures to the neighboring Kazakhstan, which position in front of most Russian’s common foreign partners lacks good quality and hardness. This achievement is fraught with unfavorable Russian agreements that later it will be obliged to recognize as part of the total perimeter of the relationship. And apart from protecting Russian industry, Russia will have to think about another important task now – how to help the Kazakh partners in the formulation of the requirements and their future standing.

According to Alexander Shokhin summary of the first year of Russia's membership in the WTO, more than half of Russian companies still do not feel the impact of accession to the WTO. But those who feel have to respond to largely negative experience. Some of the major problems are in correction tools, support mechanisms and adaptation. In particular, the tools should be established to work with foreign competitors to determine a mechanism for resolving disputes in international trade, while the whole old-fashioned and stagnated industry, which very often was competing due to low prices, has to look for other unique selling propositions now, as reduced tariff barriers allow international brands to stand out in almost all segments.

One of the main advantages of joining the WTO lies in an emerging opportunity for Russian companies to access foreign markets, as well as compulsory necessity to adapt to rules and business standards, universal and recognized throughout the world. Meanwhile both sounds rather difficult to imagine at the moment, as first of all the country will have to destroy the harmful stereotype that Russia is a country with a non-market economy, while adaptation to international business rules involves at least a ten-year hard work reconstruction of the entire industry.

Other negative concerns on the entrance of the WTO can be seen from the companies already. So Oleg Sienko, General Director of "UralVagonZavod" criticized the effects of Russia's accession to the WTO. Despite the fact that "UralVagonZavod" is one of the leading companies in Russia with stable positions and growth, he expressed concern that: "We have bought a ticket to the wrong train." In his view, neither the existing infrastructure in the country and industry nor the technology is ready to full competition in the WTO. Oleg Sienko gave an example of metal parts, produced by "NMC". According to him, “NMC” produces unique quality product that exceeds European models, however, Chinese automakers have come to Russia and most of the customers preferred low-price products, not even comparing the quality.

Sienko also pointed to the difficulties caused by the easy obtaining process of internal certifications by foreign firms, while in Russia the product certification takes years, as most of the manufacturers do not meet international standards.

In conclusion, the general director of "UralVagonZavod" stressed that in general the entry into the WTO was done in a hurry and no sufficient time was allocated to analyze the negative effects of Russian entrance of WTO. Russian industry is under big threat, as all the reforms should have taken place before accession to WTO, not after.

2.4. Privatization and State Takeovers.

After the collapse of the Soviet Union, Russian government decided to introduce a number of privatization laws, which were supposed to make Russian economy stronger. When the government gave ownership to private hands in 90s, it was thought that such companies would work more efficiently and be more attractive for investment, than the Soviet-era industrial dinosaurs. However the new government with V.Putin in early 2000 considered such kind of privatization rather useless and not bringing proper results. Massive privatization of 90s left the state without any source of income or any strategic assets, which would determine the country's security. Furthermore in order to strengthen the role of the state in the economy, it is necessary to create a state-owned strong company, which will be able to compete in the global economy (according to the new Kremlin government), that is why a wave of state takeovers occurred in early 2000 and is still happening from time to time.

However, from the moment when the state began to play a significant role in business again, the Kremlin became known for its capture of companies or strict impose of the state presence, even if the partners did not want that. The Kremlin is also often accused of using inherited economic resources for both enrichment of a small group of courtiers, and as a foreign policy weapon (for example gas and oil).

The growing influence of the state in the economy began with oil when the state-owned energy company Rosneft took control of the main assets of the company "YUKOS", founded by Mikhail Khodorkovsky. Oligarch himself was imprisoned for charges of tax evasion and fraud, and his company had been dismembered. Energy giant Gazprom, which since 2005 belongs to the state, used to be part of Roman Abramovich's oil company Sibneft. In both cases, primary owners of the companies and companies' board of directors were never considered.

Yet acquisition of a number of companies was not the final goal of the government and today even some of the major Western oil corporations are accused of violations of license conditions and environmental legislation. Some analysts say, that these actions are motivated by a desire to increase the government's stake in power projects, which means, that international companies will be able to stay in Russia only, if they are ready to obey new rules of the Russian government. In particular at big risk of losing the license project worth 22 billion dollars are Shell and other international companies in the north of Japan, on the island of Sakhalin. It is possible that the same fate awaits another billionaire company British Petroleum. From 2004 to 2006, the state's share of oil production has risen from 10 to 30 percent, and in the coming year, according to a report in the British research firm Control Risks Group, it can rise to 50 percent.

According to the government, foreign investments are welcome, but not in the key industries of the state. The government is currently considering a law according to which the companies, belonging to certain sectors of the economy, will not be able to acquire controlling stakes. Energy, mining, production of weapon, aircraft, aerospace, and nuclear industries – all of these industries are considered to be crucial for Russian economy and so have to be controlled by the government.

Finally merger of politics and business has led to the fact that for companies such as Gazprom were suspected in using their positions in the market for punitive actions against Ukraine, Georgia and other countries trying to get out of Russia's orbit.

2.5. Prospects. Goals and Investment Plans.

The new State Program "Development of the Industry and Increase its Competitiveness", approved by Russian Prime-Minister Dmitrii Medvedev in 2012 aims to create in Russia a competitive, stable and structurally balanced industry by 2050. The program includes 17 sub-programs, in particular the "Automotive", "Heavy Machinery", "Steel Industry", "Timber Industry", "Transport Engineering" and others. This policy is targeted at both problematic and some of the most promising sectors. For example, the steel industry plan is in expanding the range and improving the quality of steel products. Exportable industries such as gas, oil and timber, will have to use their own financial bases. Large scientific and technically potential sectors will get public investments, subsidies and export credits. By 2015, the total investment of the gross domestic product should increase by at least 27%. To achieve this and many other programs the government is planning to provide funding of (878 billion Euros).

Apart from the financial aspects, the help of technical re-equipment, automation, and quality control tools should also make production safer, attracting highly qualified personnel. People play an important role in the development of the industry in Russia, and majority of young professionals do not meet the requirements of production and post-graduates cannot apply for good jobs right away. Experts of the Institute, named after Gaidar, reported that about 30% of companies last year failed in their product plans due to lack of experienced and qualified staff. Because of this issue, Russia has deteriorated state of the industry, as many plants with big amounts of orders, cannot increase output. Most of this was reflected in the light industry and mechanical engineering. One of the biggest examples of such influence of low recruitment quality is in automobile industry, which is considered to be the most problematic at the moment. Despite all investments, Russian automobile products cannot compete with Western models. This primarily occurs due to lack of technical workers, while the existing staff needs additional training, as technologies are changing everyday. Low salaries also do not attract new employees.

Improving the condition of the industry in Russia is impossible without the development and application of new methods that can improve the efficiency of production. In order to improve the state of the industry, Russian government also plans to implement the necessary measures designed to support local manufacturers: reformation of tax system; promotion of private, public and foreign investment; formation of the legal environment.

According to the program, 25 million high-performance workplaces will be created by 2020, while overall productivity should be increased by 1.5 by 2018. The positive results will result in the creation of healthy competition in the market and stimulate entrepreneurship.

2.6. Public Procurement and Participation in Tenders

The aim of the procurement service is to ensure optimum price, quality and quick delivery in order to support efficient running of the company's core business. Hence, the procurement service must have a competitive base of suppliers meeting the requirements of the company, a transparent procurement process, and the best price offer in the market.

Nowadays the problems of public procurement are under severe scrutiny of the government, mass media and, due to Russia's accession to the WTO, the foreign business community. Among the negative factors discussed are the following: undue complexity and overregulation of the legislative framework focus on price in choosing the winner, lack of comprehensive control over all procurement stages, not clear procedures and facts of unscrupulous behavior of both customers and counteragents.

There **are four sources of risks existing** in the sphere of public procurement in Russia:

1. **Customers** – unsatisfactory planning, tailoring documents to the needs of specific suppliers, unreasonable requirements regarding the procured goods (services), ill-founded initial pricing, restriction of access to open information, low contractual discipline;

2. **Committees** – unreasonable behavior in evaluation and selection of winners;

3. **Electronic tender platform** – technical failures, disclosure of information about bidders, blocking access of participants;

4. **Suppliers** (contractors, providers) – submitting unreliable information and documents, unfair competition, collusion (both with other bidders and with customers), substandard contract performance, etc.

Some of the key tips for approach tenders in Russia are pointed in Appendix 4.

The information about actual tenders can be found on the website of each of the companies or specific industry portals. For example Lukoil Company offers a number of tenders for each region individually (http://www.td.lukoil.com/main/static.asp?art_id=3599). Foreign companies can participate in tenders on their own or can be represented by a local distributor. However, unfortunately, when applying directly on the websites of the manufacturers, foreign companies face the language problem, as this kind of information is usually provided in Russian language only.

Less time consuming approach to tenders search can be done via special government or commercial websites. Government institutions include Ministry of Industry Trade (http://www.minpromtorg.gov.ru/ministry/concours) and Russian Institute of Tenders and Purchases (http://zakupki.gov.ru), which highlight all current government tenders and keep track on biggest purchasing and supplying companies. Commercial organizations usually give access to middle and small tenders, which are launch by commercial institutions. Furthermore, such companies help foreign and local suppliers to take part in tenders. Among some of them are http://rostender.info/tender or http://www.bicotender.ru or http://www.tendery.ru. However as all information on all of mentioned above websites is provided only in Russian, many of the foreign companies can participate in tenders only with local importers and partners. Otherwise, they can try to use international websites.

Some international websites are more focused on foreign supplies and also provide a big range of up-to-date tenders in different industry segments, so, for example – Global Tenders (http://www.globaltenders.com/search.php?notice_type_new[]=1,2,3,7,10,11,16,9,4,8&region_name[]=RU&sector=02). This website allows to see the existing tenders in different industry segments and gives access to all needed information about the products, deadlines and price segment (picture 11).

Tender Notice Type:	Tender Notice	**Country :**	Russian Federation
Tender Category:	Industry,Science & Technology		
Description:	Supply of laboratory equipment		
Action Deadline:	04 Sep 2013	**Ref. no.:**	17846440
View Tender Details:	**View Details**		

Tender Notice Type:	Tender Notice	**Country :**	Russian Federation
Tender Category:	Industry,Science & Technology,Healthcare and Medical		
Description:	measurement hardware and software biofeedback to correct emotional state i		
Action Deadline:	06 Sep 2013	**Ref. no.:**	17846375
View Tender Details:	**View Details**		

Picture 11. Samples of Tenders in Different Sectors in Russia

PARTE 3. PRINCIPAIS SECTORES DE PRODUÇÃO

- Os principais sectores de produção estão sobre controlo estatal, mas também pelo sector privado.
- As exportações mais significativas continuam a ser a da energia, combustível e gás, enquanto os maiores investimentos são feitos no sector militar e da electricidade.
- Ainda se destacam entre os fabricantes nacionais, a exploração mineira de carvão, indústria metalúrgica, automóvel, alimentar e a agrícola. Estas indústrias demonstram grande potencial e área de expansão mas estão a perder presença no mercado global devido à falta de investimento. O grande foco tem sido o sector da construção e das infra-estruturas.

Energia combustíveis minerais: Gás, Petróleo, Carvão

- A produção de gás é 2 vezes mais barata que a do petróleo, e 10-15 vezes mais barata que a do carvão.
- A responsabilidade da produção de gás está concentrada apenas numa empresa, a Gazprom, uma das maiores estruturas de produção de gás mundial e um dos mais importantes monopólios do país.
- O sector do petróleo está representado por 17 empresas diferentes.
- Os serviços de design e consultoria tecnológica na indústria do gás e petróleo são fornecidos por 800 empresas (incluindo fornecedores de equipamento que ainda disponibilizam os seus serviços de design num segmento particular).
- Os principais fornecedores de equipamento e serviços no sector do petróleo e gás incluem: Schlumberger, Baker Hughes, Smith International ou Halliburton. Normalmente tais fornecedores são de grande dimensão, empresas altamente diversificadas os ajudam a ter grande poder de negociação no mercado.

Entre os pontos básicos e fundamentais do desenvolvimento de negócio para empresas de engenharia estrangeiras no sector estão:

- O mercado russo de serviços gerais sub-contractados para empresas no sector da energia está dominado por subsidiárias de monopólios controlados pelo Estado, ou subsidiárias de corporações estrategicamente adquiridas pelo governo.
- Empresas internacionais não têm informação sobre o mercado local e não possuem qualquer experiência em parcerias com os intervenientes locais. Não têm ainda acesso à informação sobre as especificações legais e regulamentação técnica das actividades de engenharia neste sector, e por isso limitam a área de responsabilidade e o portfolio de serviços para design básico.
- Devido à grande dimensão da Rússia, empresas estrangeiras sentem dificuldades tendo em conta as especificações de produção e das

atividades económicas nas diferentes regiões do país, e das diversas condições climáticas, geológicas, entre outras.

Por causa destas barreiras, as empresas internacionais escolhem as áreas mais enfraquecidas, onde as empresas russas quase não competem.

- A nova política de Estado a longo-prazo (até 2020) no sector do carvão pretende fornecer uma " alteração fundamental do nível técnico e económico da produção de carvão, mudando a produção para uma nova capacidade, equipada com a mais desenvolvida tecnologia". Os principais investimentos serão para a compra de novos equipamentos.
- Se há 10 ano atrás as empresas de carvão costumavam comprar maquinaria russa ou dos países da CEI, por terem custos mais baixos, hoje em dia preferem confiar nos fabricantes ocidentais dado que a duração dos equipamentos é maior e as tecnologias são mais confiáveis.

Sector Eléctrico

- Actualmente o sector da energia é maioritariamente controlado pelo governo e está representado por inúmeras empresas, supervisionadas pela organização governamental RAO UES.
- A reforma nesta indústria pretendeu prioritizar a melhoria da eficiência das entidades do sector criando condições para o desenvolvimento da mesma, estruturado pelo investimento, e assegurando o fornecimento fiável e sem interrupções aos consumidores.
- Neste contexto, o sector da rede eléctrica na Rússia submeteu-se a uma transformação radical: o sistema de regulamentação do governo no sector foi modificado, foi criado um mercado competitivo e novas empresas foram iniciadas.
- Vários participantes no mercado da energia estão interessados na experiência dos profissionais e fabricantes de equipamento estrangeiros, dado que a cooperação com os principais players no mercado internacional lhes permitirá aceder a novas tecnologias e desenvolvimentos.
- 80% estações de produção de energia na Rússia são construídas com equipamentos e recursos estrangeiros. A importação de equipamento aumentou de $110 milhões para $408 milhões nos últimos cinco anos.
- Entre as maiores importações estão as turbinas de vapor, turbinas hidráulicas, rodas hidráulicas, turbinas de gás, caldeiras de vapor e os seus componentes. Muitos dos participantes do mercado da energia na Rússia estão interessados na experiência dos empreiteiros e fabricantes de equipamento estrangeiros porque estas cooperações significam ganhar acesso a novas tecnologias e desenvolvimento.

Indústria Metalúrgica

- As oportunidades do sector na Rússia são essencialmente determinados pela situação do mercado global do aço, onde o país tem tido perdas graduais.
- A indústria do aço está caracterizada por um alto nível da concentração da produção. Esta conta com mais do que 1.5 mil empresas e organizações, 70% das quais estão unidas em pequenos clusters.
- Actualmente a indústria metalúrgica requer modernização, o nível de automação nas empresas é diferente e a maioria não detém sistemas ERP ou MES.
- É necessária uma transformação que toca todas as componentes da produção de metal: equipamento moderno, optimização dos processos de gestão, standardização da automação, a reconsideração da gestão da cadeia de fornecedores, transparência e programas TI eficientes.
- A indústria metalúrgica é muito complicada em termos de abordagem porque cada planta tem diferentes requisitos em diferentes produtos e combina-se com equipamento estrangeiro já existente. Como resultado um fornecedor terá que adaptar-se a cada fabricante. Isto demonstra que abordagem individual, empresa por empresa será a mais aconselhável nesta indústria. A maioria dos fabricantes locais podem importar também produtos, enquanto as comunicações directas permitirão a ambas as partes manter os preços baixos e rapidamente adaptar-se a cada pedido separadamente.

Indústria Metalomecânica

- A fabricação de artigos metálicos de consumos intermédios está muitas vezes internalizado nas próprias indústrias consumidoras.
- O sector está pulverizado e em geral as unidades de fabrico existentes são de reduzida dimensão.

Indústria do Equipamento

A engenharia de equipamento inclui uma variedade de sub-sectores. Entre os maiores estão o militar, construção naval, indústria automóvel, engenharia aeroespacial e maquinaria ferroviária.
A entrada na OMC abriu ainda grandes oportunidades para pequenas empresas já que as tarifas de importação em maquinaria pesada e equipamento de engenharia foram eliminados.

Indústria Militar

- A indústria militar, a par da do petróleo e gás, é a principal direcção da economia russa.
- Empresas estrangeiras estão a investir pouco na indústria militar russa. A principal razão para esta atitude é a imperfeição do mecanismo económico, em particular a opacidade dos negócios.

Construção Naval

- A Rússia tem a necessidade de reconstruir a frota marinha para que consiga utilizar por completo todas as vantagens do recurso mar.
- A qualidade dos produtos está a deteriorar-se e a tecnologia e o equipamento estão em condições críticas e desgastadas.
- O governo russo tenta ainda atrair empresas estrangeiras avançadas para participação no programa de desenvolvimento tecnológico e técnico " Desenvolvimento da Engenharia da Marinha Civil.
- Apesar do aumento dos impostos e taxas alfandegárias aplicadas na importação de equipamento, a quota de fornecimento externo não diminui.

Indústria Automóvel

- A indústria automóvel não se relaciona apenas com carros de passageiros. Camiões e autocarros fabricados também integram a indústria automóvel na Rússia.
- Considera-se que a produção de veículos de mercadorias tem bastante qualidade e a maioria das empresas confiam plenamente nos fabricantes russos.
- A maioria das marcas internacionais escolhe executar a montagem dos carros na Rússia devido aos preços operacionais mais competitivos, enquanto alguns dos componentes são comprados em países europeus próximos.
- Apesar de alguns dos maiores fornecedores internacionais do sector estarem já presentes na Rússia, fabricantes locais precisam de apoio dos peritos estrangeiros, de forma a repensar por completo o design, a engenharia, o software, e o processo de produção, assim como o requisito de bons programas de formação para todos os colaboradores.

Indústria Aeroespacial

- O desenolvimento da indústria aeroespacial é muito similar ao da indústria automóvel. Contrariamente a muitos países estrangeiros, nomeadamente a China e os Estados Unidos, a indústria aeroespacial russa tem o controlo civíl e não por parte do governo.
- Como resultado a engenhria especial na Rússia sentiu um tremendo decréscimo na sua capaciade de produção, nos últimos 20 anos.

Equipamento Ferroviário

- A engenharia ferroviária russa oferece grandes possibilidades de desenvolvimento.
- No entanto, fabricantes estrangeiros não são muito bemvindos na indústria dado que toda a produção está concentrada nas mãos de empresas domésticas. Os produtos destas são mais baratos e adaptados às condições russas.

Oportunidades para Empresas Estrangeiras na Indústria de Equipamento

- As empresas russas não procuram fornecedores para alguns produtos específicos mas estão interessados em parcerias a longo-prazo que possam aconselhá-los e apoiá-los na importação do processo de produção completo.
- Entre os produtos mais procurados estão as bases dos componentes e aparelhos electrónicos. Em particular: aparelhos semicondutores, circuitos integrados, uma variedade de módulos - fonte de alimentação, microondas- todos utilizados para a criação de sistemas hardware com vários propósitos.

Alimentação e Agricultura

Indústria alimentar

- O desempenho da indústria alimentar russa, nos últimos anos, aumentou em comparação com o período anterior à crise financeira mundial.
- A distribuição de produtos alimentares é realizada através de várias cadeias de retalho locais e internacionais.
- A Rússia mantém-se como grande exportador de trigo, peixe, óleo vegetal, milho e vodka.
- Os principais parceiros no sector são países como a China, Países Baixos, Alemanha, Itália, Japão, Estados Unidos e França.

Indústria Agrícola

- O estado da agricultura na Rússia no período entre 2000-2010 esteve caracterizado por duas fazes:

  1) Rápido crescimento nos primeiros cinco anos devido ao aumento dos fundos públicos disponíveis;

  2) Decréscimo da produção resultante da falta de investimento nos restantes cinco anos;

- Actualmente apenas sobrevivem alguns agricultores, na sua maioria financiados por investidores russos privados.

- O baixo investimento do governo resultou em baixa qualidade da engenharia, o que levou as empresas locais a comprarem tecnologias internacionais.

Futuras Oportunidades na Indústria Alimentar

- Um novo programa de desenvolvimento agrícola para o período entre 2013-2020 tem como objectivo triplicar as quantidades de bebidas e alimentos produzidos nos anos que se avizinham.

Sector da Construção

- Em 2012 o plano geral do sector da construção foi cumprido a 100.7% e novos 284 000 apartamentos ficaram disponíveis.
- Uma importante parte deste sector são as moradias que se tornaram muito populares na Rússia durante a última década.
- A maioria dos materiais de construção podem ser encontrados em "mercados de construção" locais. O segmento de nicho deste sub-sector é representado por materiais estrangeiros, contudo são importados para a Rússia por representantes locais e distribuidos exclusivamente pelos mesmos, sem a participação directa das marcas internacionais, principalmente devido a "complicadas" questões alfandegárias.
- 79% do equipamento para a construção é importado.

Desenvolvimento de infra-estruturas na Rússia

- O mercado russo de construção de infra-estruturas de transportes tem experienciado históricamente uma falta de investimento que conduziu a baixos níveis de disponíbiliade e qualidade.
- Devido a esta falha, o governo considera as infra-estruturas dos transportes como sendo um dos segmentos, do sector de construção, com melhores oportunidades.
- Um problema flagrante é o nível alto de monopolização de cada um dos sub-sectores: as auto-estradas, ferróvias e aeroportos são geridos por um número limitado de empresas que preferem utilizar os serviços das suas próprias subsidiárias, apesar da qualidade dos mesmos não ser tão boa.
- Entre todos os meios de transporte, a comunidade de fabricantes de produtos para o sector ferroviário é a menos transparente. Por isto, o governo dcidiu abrandar os investimentos neste sector, e em primeiro lugar desenvolver uma reforma adequada. Contudo tendo em conta os vários sectores problemáticos e urgentes, adicionalmente à ferróvia, tornou-se claro que este sub-sector dificilmente sofrerá alterações nos próximos 5-10 anos.
- O segmento dos aeroportos está a concentrar esforços na modernização das pistas nos aeroportos centrais, e na reconstrução de alguns

aeroportos regionais, de forma a assegurar a conectividade dos voos.

- A partir do início de 2014, a Rússia estará envolvida em grandes contratações devido à organização da Copa do Mundo em 2018, e este evento irá fazer aumentar o número de oportunidades envolvendo a construção de estradas e edificios, nas cidades onde serão realizados os encontros do campeonato, assim como o desenvolvimento dos transportes de conecção entre as maiores cidades – Moscovo, St. Petersburgo, Nizhny Novgorod, Rostov-on-Don, e Kazan.
- A maior prioridade do governo russo é o desenvolvimento de auto-estradas.
- É recomendável o estudo em detalhe da lista dos projectos governamentais para as próximas infra-estruturas, assim como a abordagem de importadores locais de equipamento para a construção.

PART 3. KEY PRODUCTION SECTORS

Key production sectors are represented by both government-controlled and private-owned industries. The major split of private and state sectors is based on the export and investment indexes. Major Russian exports are still in fuel energy – gas and oil, while biggest investments are in the military and electricity energy sectors. Therefore these four industries are highly supervised by the government, where more than 50% of the shares of the key companies belong to the state. Among other biggest producers are coal mining, metallurgy, automobile industry, food and agriculture. These industries have big potential and scope, but are loosing their presence on the global market because of the lack of investment and attention from the government side. Construction industry opens some of the biggest opportunities, as the industry is growing very quickly, it is rich and independent. Infrastructure are attracting the biggest amount of foreign investment and imports, government subsides are not enough for the whole problematic industry, that it is why it regularly launches a big range of various tenders.

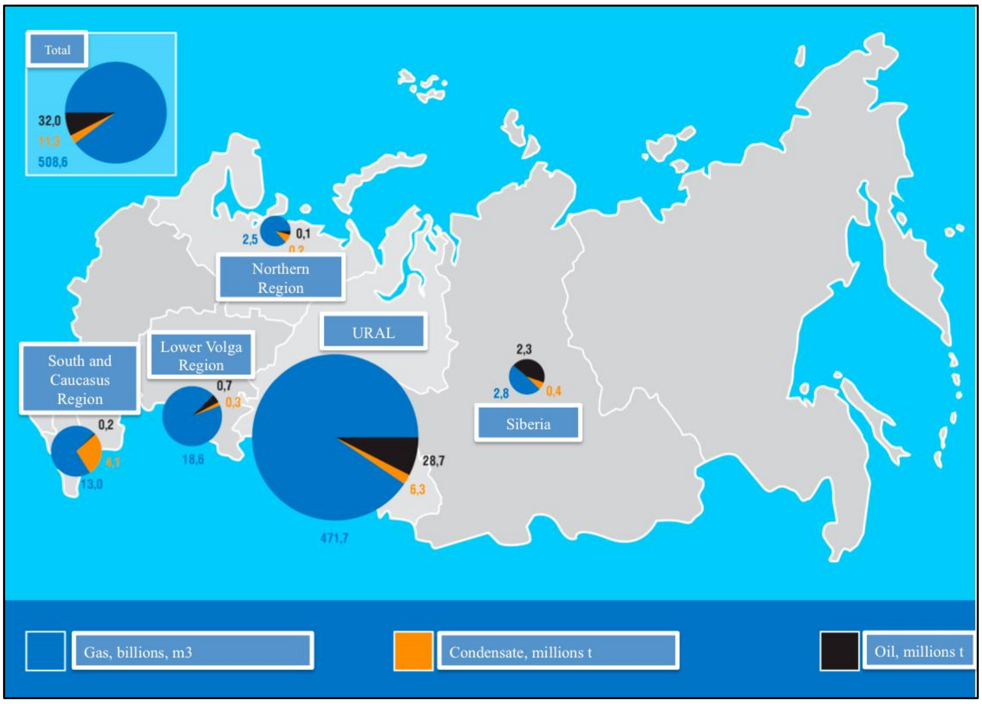
All of these industries are explained in details in this part of the report and all of them open different opportunities for foreign companies. The only exception is probably the military sector, which due to its high secret level is very closed to any partnership, while the new government policy aims to decrease the amount of subcontractors even more.

3.1. Fuel Energy Minerals: Gas, Oil, Coal.

Gas and Oil

Gas industry is the youngest and most rapidly growing sector of the fuel industry (25% growth in 2010 and 15% in 2011). It is engaged in the production, transportation, storage and distribution of natural gas. Gas production is 2 times cheaper than oil and is 10-15 times cheaper than coal.

About 1/3 of the world's natural gas reserve is concentrated on the territory of the Russian Federation. Over 90% of the natural gas is produced in Western Siberia, including 87% - in the Yamal-Nenets Region and 4% - in the Khanty-Mansi Autonomous Region. Here are the biggest fields: Urengoiskoye, Yamburgskoe, Zapolarnoye, Bear, etc. Among other gas-producing areas are Urals (Orenburg gas-condensate field - more than 3% of production) and Northern Region (Vuktylskoe deposit). There are resources of natural gas in the Lower Volga (Astrakhan gas condensate field), in the North Caucasus (North Stavropol, Kuban-Azov deposits) and the Far East (Ust-Viljujsky and Tungor in Sakhalin). Some of these gas production regions are shown on the map (picture 12).



Picture 12. Biggest Gas Production Regions in Russia

Promising areas of gas production are considered to be waters of the Arctic shelf and the Sea of Okhotsk. Some of the giant fields Leningrad, Rusanovskoe, the Shtokman can be found in the Barents and Kara seas.

Russian government has invested a lot of money in the transportation of gas within the country and abroad by creating a unified gas supply system, including the developed fields, gas pipeline network (143 million km), compressor stations, underground storage facilities and other installations. The responsibility over all gas production is concentrated in one company. Gazprom is the world's largest gas producer structure and one of the most important natural monopolies of the country, which managers 94% of Russian gas production (picture 13).

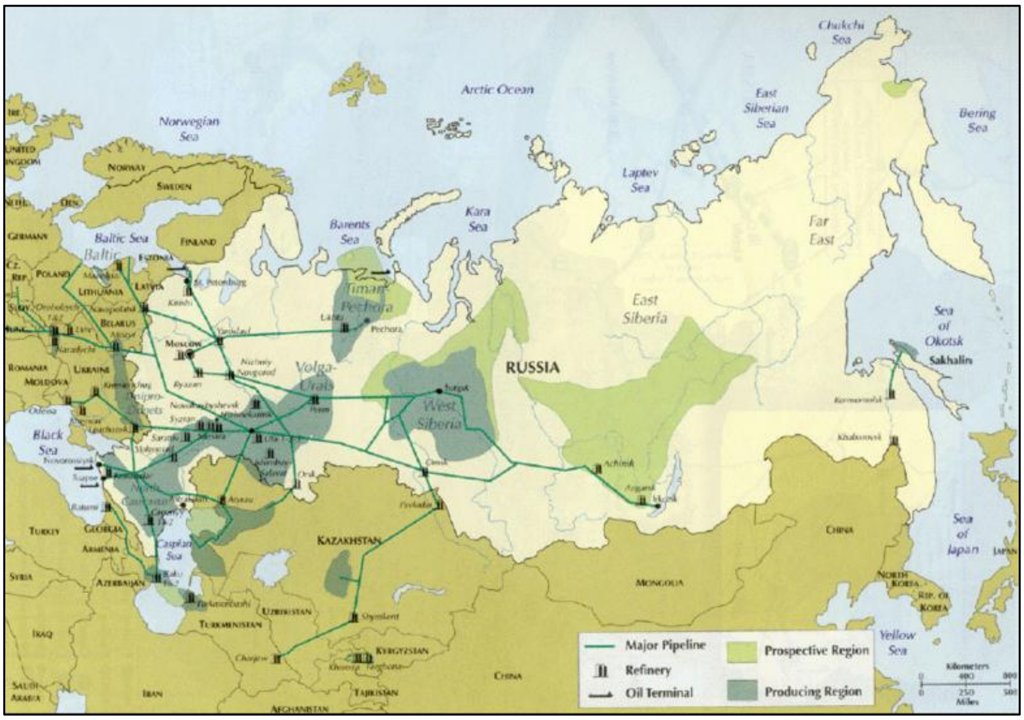
$ million	2006	2007	2008	2009	2010
Revenues	55,664.4	60,516.9	123,360.6	101,975.5	122,639.5
Net income (loss)	11,717.6	12,289.3	5,899.1	27,063.9	34,026.0
Total assets	155,240.3	178,021.3	210,755.9	285,139.1	314,896.0
Total liabilities	30,611.2	43,160.0	48,005.4	92,643.8	92,042.4
Employees	232,200	222,000	221,300	386,000	393,000

Picture 13. Key Financials of Gazprom Company, 2006-2010

The oil industry is engaged in production and transportation of oil, as well as associated gas production. Russia has rather large reserves of oil (about 8% of the world's storage – and is placed, as the sixth largest in the world).

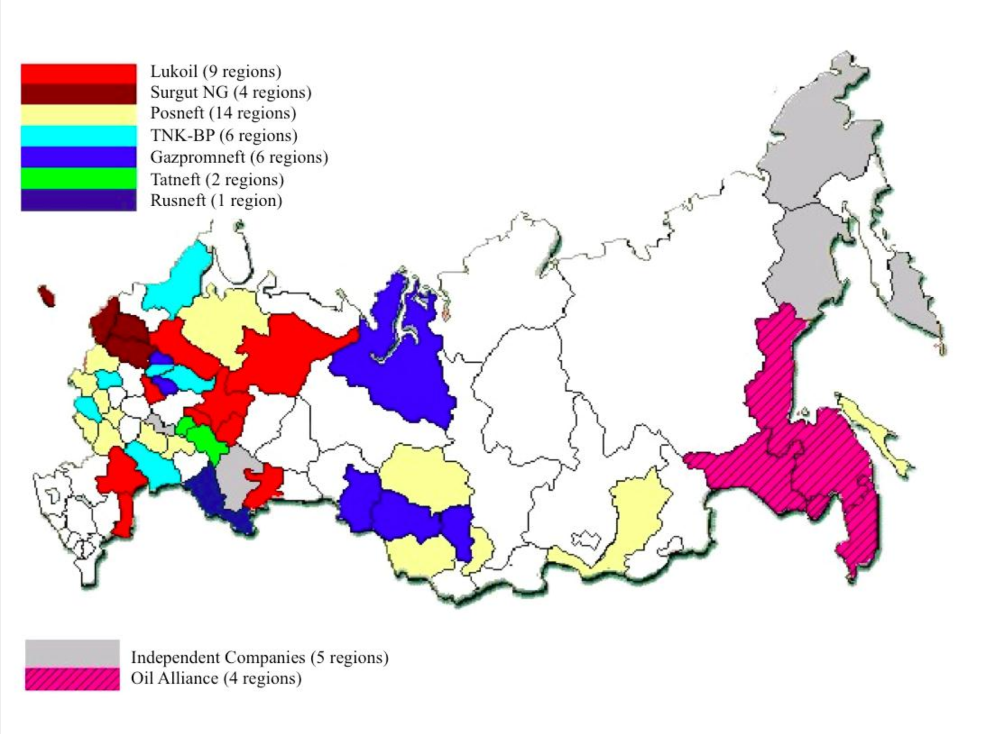
The biggest resources are concentrated in Volga-Ural oil and gas province. Here one can find some of the largest deposits: Romashkinskoye - in Tatarstan, and Shkapovskoe Tuimazinskoye - in Bashkiria, Muhanovskoe - in the Samara region. etc. The other big reserves are concentrated in the West Siberian oil and gas province: Samotlor, Ust-Balykskoye, Megionskoye, Yuganskoye, Kholmogorskoye, Varegonskoe etc.

Timan-Pechora oil base, with the largest field Usinskoe, produces heavy oil (mining method) - the most valuable raw material for the production of low-temperature oils necessary for the machinery in the harsh climate. Oil can also be found in other parts of Russia: in the North Caucasus, the Caspian lowlands. Sakhalin shelf areas in the Barents Sea, Kara Sea, Sea of Okhotsk, the Caspian Sea (picture 14)



Picture 14. Biggest Oil Production Regions in Russia

The Russian oil sector is represented by 17 companies. The largest among them are "LUKOIL" (18.7%), TNK-BP (18.5%), "Rosneft" (15.6%) and "Surgut NG" (13.6%) and others (picture 15).



Picture 15. Biggest oil production regions in Russia, split by companies

Lukoil is a vertically integrated oil and gas company based in Russia. The company's core activities include exploration and production of oil and gas, and production and marketing of petroleum products and petrochemicals. Lukoil is the second largest private oil company worldwide by proven hydrocarbon reserves (picture 16).

$ million	2007	2008	2009	2010	2011
Revenues	82,238.0	107,680.0	81,083.0	104,956.0	133,650.0
Net income (loss)	9,511.0	9,144.0	7,011.0	9,119.0	9,826.0
Total assets	59,632.0	71,461.0	79,019.0	84,017.0	91,192.0
Total liabilities	18,419.0	21,121.0	22,640.0	24,409.0	23,726.0

Picture 16. Key Financials of Lukoil Company, 2007-2011

Rosneft Oil Company (Rosneft) is involved in the prospecting and exploration of hydrocarbon deposits, crude oil and gas extraction, processing of natural hydrocarbons, and sales of gas and oil products in Russia and overseas. The state holds 75.16% in the company, while approximately 15% of shares are in free-float (picture 17).

$ million	2007	2008	2009	2010	2011
Revenues	49,216.0	68,991.0	46,826.0	61,942.0	90,102.0
Net income (loss)	12,862.0	11,120.0	6,514.0	10,400.0	12,452.0
Total assets	74,805.0	77,513.0	83,232.0	93,829.0	105,968.0
Total liabilities	46,365.0	37,915.0	37,695.0	38,325.0	39,166.0

Picture 17. Key Financials of Rosneft Company, 2007-2011

Gas and Oil processing

Gas and Oil processing industry is engaged in the primary processing of associated gas and oil fields located in the major centers of oil production - Surgut, Nezhnevartovsk, Almetevsk, Ukhta. However, the most powerful gas processing centers in Russia are the centers of gas condensate fields - Orenburg and Astrakhan. Accommodation businesses in refining industry are dependent on the size of the consumption of petroleum products in different areas, machinery processing and transportation of oil, territorial relations between resources and places of consumption of liquid fuels. Currently, there are 28 refineries (refinery) with a total capacity of 300 million tons per year. Almost 90% of the capacity refining industry is located in the European part of Russia, due to its primary attraction to the consumer. It is much cheaper to send crude oil by pipeline, than to transportoil products, so most of the country's oil refineries are located on the Volga River and its tributaries (Volgograd , Saratov, Nizhny Novgorod, Yaroslavl), along the trails and at the end of pipelines (Tuapse, Ryazan, Moscow, Kirishi, Omsk, Achinsk, Angarsk, Komsomolsk-on-Amur). A significant amount of oil is also processed at the point of production: Ufa, Salavat, Samara, Perm, Ukhta, Krasnodar.

Gas and Oil Engineering

The market of engineering services for the oil and gas complex of Russia is actively growing. According to INFOLine in 2006-2012 the total amount of work on the design and field facilities, pipelines and processing facilities has increased by 80% - up to $ 5.3 billion total growth trend, which was only broken in the crisis year of 2008, when the volume of work has decreased compared to 2007 by 18%. Over the next 5-10 years, Russia will remain one of the fastest growing markets in the world in terms of demand for advanced technology for hydrocarbon and petrochemicals.

Design services and technology consulting in the Russian oil and gas industry are provided by 800 companies (including suppliers of equipment, which perform design services in a particular scale). This includes 20 subsidiaries of international engineering companies, more than 65 public research institutes, more than 100 Research and Design Institute of vertically integrated oil companies, and more than 500 independent organizations.

Major suppliers of oil and gas equipment and services providers include:

Schlumberger, Baker Hughes, Smith International or Halliburton. Typically, such suppliers are large, highly diversified companies which affords them greater bargaining power within the market. Baker Hughes, for example, has a wide product portfolio catering to the worldwide oil and natural gas industry. The company manufactures and supplies drill bits, primarily roller cone bits, and fixed-cutter polycrystalline diamond compact (PDC) bits. It supplies them to the oil and natural gas industry worldwide. Baker Hughes also supplies drilling and evaluation services, which include directional drilling, measurement-while-drilling (MWD), and logging-while-drilling (LWD) services. The company provides formation evaluation and wire line completion and production services for oil and natural gas wells. Such suppliers are small in number, which, combined with high demand from the oil and gas industry, enhances their supplier power.

Drilling equipment for the oil and gas industry usually is identical. The main manufacturers of drilling equipment in Russia are of "Uralmash", part of Russia's largest engineering company JSC "United Plants" and " Volgogradskii Zavod Burovoi Techniki". Russia is also very good at pipes production and local manufacturing supplies 60% of all pipe network construction. 40% is imported from Ukraine, Germany and Japan – mostly straight pipes of big diameter (1420x1220 mm) and width (38 mm). Only in 2012 Gazprom bought 900 thousands tons of such pipes from abroad. 98% of fittings are produced in Russia by chemical and nuclear plants. Gas compressor units are produced in Russia, but on foreign equipment, local manufacturers are always looking for mutual opportunities with foreign companies in this sector. The biggest producers of gas compressor units are "Gazprom", "Zavod Salut", "Motorstoitel", "Pemskii Stroitelniy Zavod" and "Rybinskii Stroitelniy Zavod".

The competition between the players in the market of engineering services is mainly regional and depends on scope of work, while the projecting market is highly consolidated and the share of the TOP-10 Russian companies in terms of revenue in this market is about 45%.

Access Barriers In Oil and Gas Industries

Leaders of the international market of engineering services have shown great interest in the implementation of projects in Russia: almost all of them are involved (or previously attended) in the implementation of investment projects on the territory of the Russian Federation. However, the expansion of foreign engineering companies in the services market to the oil and gas complex of Russia is limited by a number of difficulties. Among the basic, fundamental issues of business development of foreign engineering companies in the Russian oil and gas sector are the following:

- **Russian market of general contracting services for oil and gas companies is dominated by subsidiaries of state-owned monopolies, or subsidiaries of strategic state-owned corporations contractors.** According to the agency INFOLine 70% of the funds allocated to the construction of the oil and gas industry are split between Russian engineering companies;

- International companies do not have information about the local Russian contractors market and do not have experience working with them, which prevents an objective assessment of the feasibility and effectiveness of such cooperation;

- Companies do not have information about specific legal and technical regulation of engineering activities in the oil and gas sector in Russia, whereby tend to limit the area of responsibility and their range of services to basic design;

- They face the challenge of combining the proposed facilities of imported equipment with equipment produced in Russia;

- The companies have a limited capacity to optimize the cost of the project if there is a competitive Russian analogue of imported equipment and components;

- Because of the huge scale of Russia, foreign companies have difficulty taking into account the specifics of production and economic activity in different regions of Russia on climatic, geological, economic and other conditions;

- Finally reduced amount of demand from Russian customers to international companies leads to a redistribution of majority of the work (for surveys, preparation of detailed documentation, project tracking, etc.), and makes it even more difficult to control the projects as well as take any responsibility for some small parts of the big production chain.

Distribution channels

Due to these barriers international companies chose most weakened areas, where Russian companies almost do not compete, for example - a segment of the design of

deep processing of hydrocarbons. Another way of approaching Russian gas and oil segment is through joint ventures or mutual international projects. In order to improve the efficiency of business models and the development of modern, efficient design practices, leading Russian companies in the oil and gas industry cooperate with foreign engineering companies in international projects or develop the next phase of cooperation - attract such partners in projects in Russia, including creating joint ventures. Some foreign engineering companies already have experience of joint planning organizations with Russian companies. An example of most successful works with Russian engineering is SNC-Lavalin Company, which was directly involved in the management of Russian engineering companies of "VNP" and LLC "VEB Engineering" and now has a share in these companies.

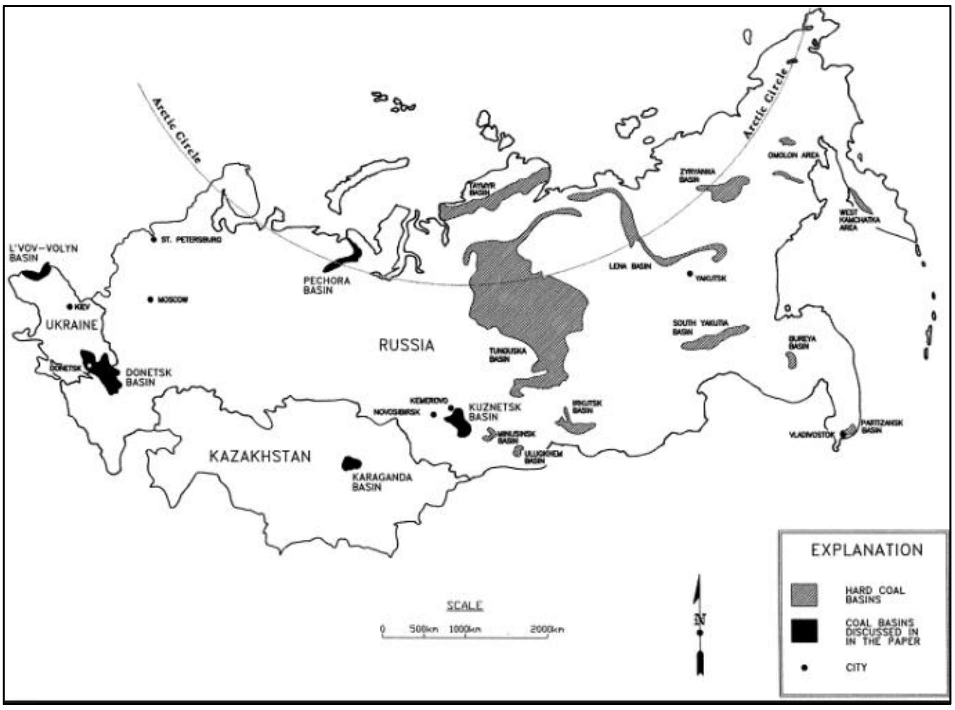
In case of small foreign manufacturers it can also be suggested contacting already existing local suppliers of oil and gas industry and try to establish relations with them. In this case foreign companies do not need to participate in tenders or run after big manufacturers. On the other had local suppliers will try to push down the prices of foreign manufacturers, as they in their turn will need to add mark up on the imported products before selling them local industry manufacturers.

Generally speaking, as Russian design organizations are able to adapt international techniques, work and use them in the follow-up, foreign player only get transferred technology guarantees compatibility with the requirements of the design and construction of oil and gas industry. As the result specialists note that the involvement of foreign partners in the Russian capital companies is extremely complicated process and most successful example of such a partnership were distinguished by direct state involvement in the transaction only.

Coal

Russia extracts various types of coal: brown, stone, anthracite and it is ranked number five in the world in terms of coal production (after China, the U.S., India and Australia). Three quarters of mined coal is used to produce energy and heat and a quarter - in metallurgy and chemical industry. Russia almost does not export coal abroad and uses it for domestic purposes. Some minor exports go to Japan and Republic of Korea only.

The total geological reserve of coal amounts for 6421 billions of tons. The distribution of coal throughout the country is extremely uneven. 95% of the reserves are in the eastern regions, mainly in Siberia (60%). The main part of the general geological coal reserves is concentrated in the Tunguska and Lena basins. Other mining bases can be found in Kan Achinsky and Kuznetsk basins (picture 18). Among the leading coal companies are SUEK, KRU, Mechel, SDS-Ugol, Vostsibugol, Sibuglemet. More information about these companies can be found in Appendix 2.



Picture 18. Biggest coal production regions in Russia in 2012

Surface mining or open mining is used in 2/3 of the total coal production volume in Russia. This method of extraction is considered to be the most productive and cheap. However, this does not take into account the associated strong violation of nature - the creation of deep pits and extensive overburden dumps. Because of this mine production becomes more expensive in terms of future prospects and has a high failure rate, which is largely determined by the worn-out mining equipment (40% of its outdated and needs urgent modernization).

The problem of worn out mining equipment is very sharp. The actual lack of investment in fixed assets of coal enterprises throughout the 1990s led to the fact that the majority of Russian coal producers are now forced to work on the equipment, which age ranges from 20 to 50 years. Stepan Dubkov, spokesman for the second largest coal producer in Russia and Russia's largest coal exporter MC "KRU" (CRU) explained that the majority of the mining machinery and transport equipment in his company was purchased during the Soviet era.

The new long-term state policy for 2011-2020 in the coal sector aims to provide "fundamental change of technical and economic level of coal production by moving production to a newly introduced capacity, equipped with a new generation of technology". Meanwhile the new owners of the coal enterprises are investing in the renewal of production assets themselves, not waiting for government support for several reasons. The high degree of wear and tear threatens business losses and raises number of death accidents due to failure of equipment. With outdated, no longer used machines companies are unable to achieve high efficiency and good quality coking coal. The low productivity of coal companies in conjunction with a reduction in the competitiveness of their products - is synonymous to profit loss in the current favorable situation on the world energy markets.

In the last years private owners of coal companies carried out large-scale investment program aimed at modernization of their enterprises. **The key investment goes into purchasing of new machinery and equipment, furthermore if ten years ago, coal companies used to buy Russian or CIS machinery because of its low price, these days they prefer to trust western manufacturers, as the life-cycle of their equipment is longer and technologies seem to be much more reliable. Among some of the industry suppliers/importers are FamBell, FMSmidth, Outotec, Trelleborg Sealing Solutions, Unitools and others.**

According to official estimates, the total investment in fixed assets in the coal industry is around 375 million Euros, while the new government-supporting scheme should at least double this amount.

Distribution Channels

Distribution Channels within this industry may range from contacting Russian manufacturers directly to using local importers and distributors. Coal industry provides fewer amounts of tenders, which are usually initiated by the biggest players of the segment only.

Coal equipment, as well as another imported industrial machinery requires a number of certificates from Russian State Institutions. Among them: 1) Certificate of “Meeting Local Standards”; 2) Declaration of Equipment and Machinery “Safety

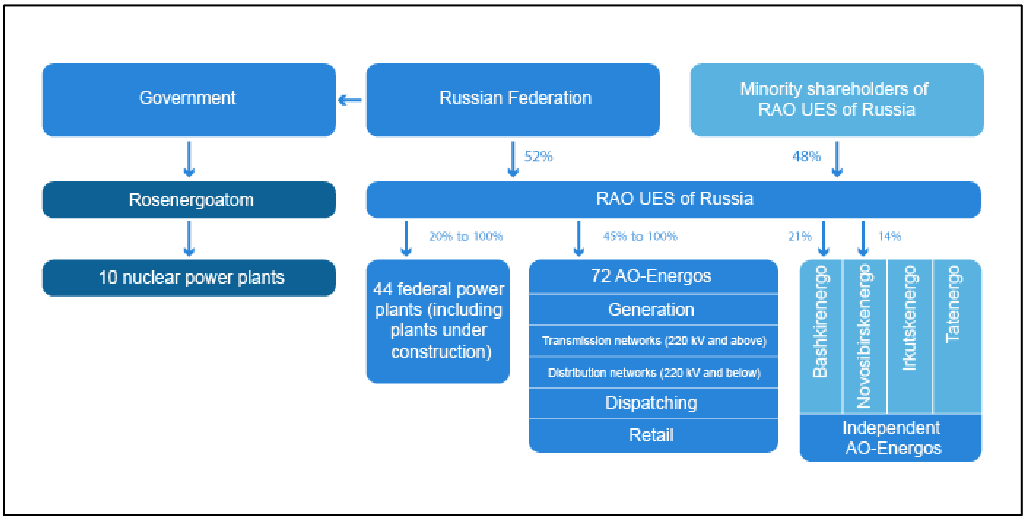
Proof"; 3) Fire Safety Declaration; 4) Usage Allowance from RosTechNadzor; 5) Expert Certificate of Product Acceptance by International Customs; 6) Local Import Allowance. Further certificates will be needed for machinery, which includes radio-electronic elements. Due to this big range of certificates majority of foreign companies prefer to use consultancy companies or importers.

3.2. Electricity Market

Energy Reform System

Russian Energy sector has witnessed a number of reforms in the last years and is rather young in its new look. Today energy sector is highly controlled by the government and is represented by a big number of companies, supervised by the state organization RAO UES.

As early as the 1980s, the electric power industry of the country started showing some signs of stagnation: generation facilities were renewed slower than electricity consumption increased. During Russia's economic crisis in the 1990s, electricity consumption fell substantially while the renewal of facilities came to a stop almost completely. On the whole, the situation in the electricity sector was rather dramatic and the new government of V. Putin decided, that electricity industry had to be restructured as well as far-more investment had to be enhanced, otherwise, the further expansion of economic relations with foreign counterparties would result in Russian companies' losing economic competition not only in foreign markets but also domestically. The following picture 19 shows the new electricity industry structure, which appeared in early 2000.



Picture 19. Electricity Industry Structure

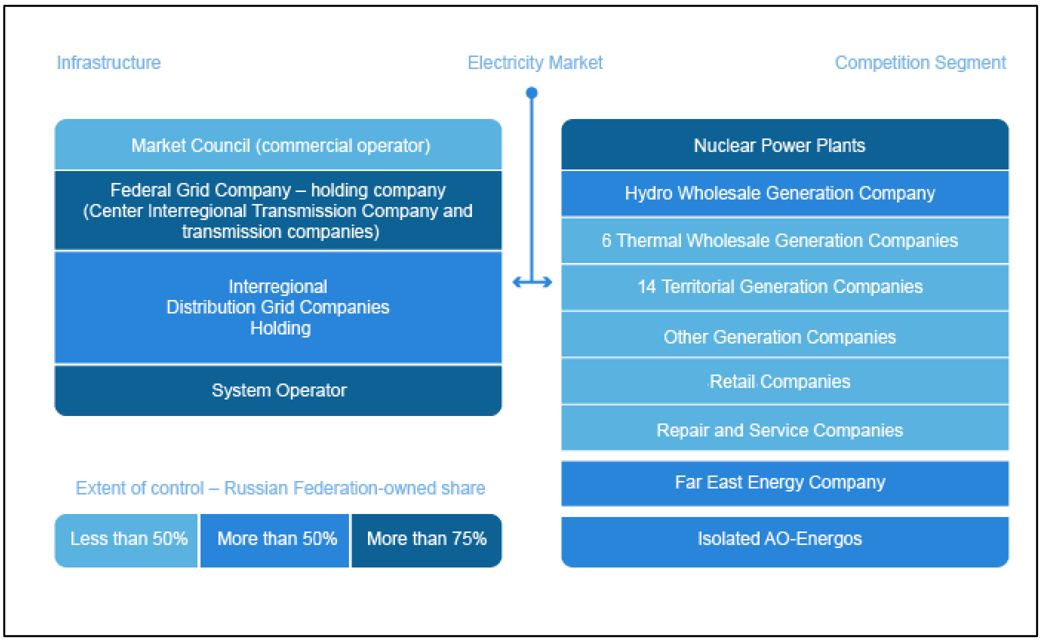
Russia's electricity industry reform was aimed primarily at enhancing the efficiency of the sector's entities, creating conditions for the industry's development built on stimulated investment, and securing a reliable and uninterrupted power supply for customers. In this connection, the Russian electric power sector underwent a radical transformation: the government regulation system in the sector was modified, the competitive electricity market was formed, and new companies were set up.

The reform changed the industry's structure: natural monopoly operations (electricity transmission, dispatching) were separated from potentially competitive operations (electricity generation and retail supply, repair and maintenance services) to replace the vertically integrated companies responsible for all of these functions by new entities engaged in specific business activities.

The companies that emerged from the reform process are entities engaged in certain business activities (generation, transmission, etc.) and controlling the relevant core assets. In terms of the scope of their core business, the new companies outstrip former regional monopolies: the new companies comprise entities operating in several different regions or operate nationwide.

Therefore, conditions were created for the development of a competitive electricity market where prices are determined by supply and demand rather than regulated by the government and where competition compels market participants to reduce their costs.

Meanwhile some of the key areas are still under high government control (picture 20) and some of the biggest entities are still more than 50% in the state stake.



Picture 20. Target Industry Structure

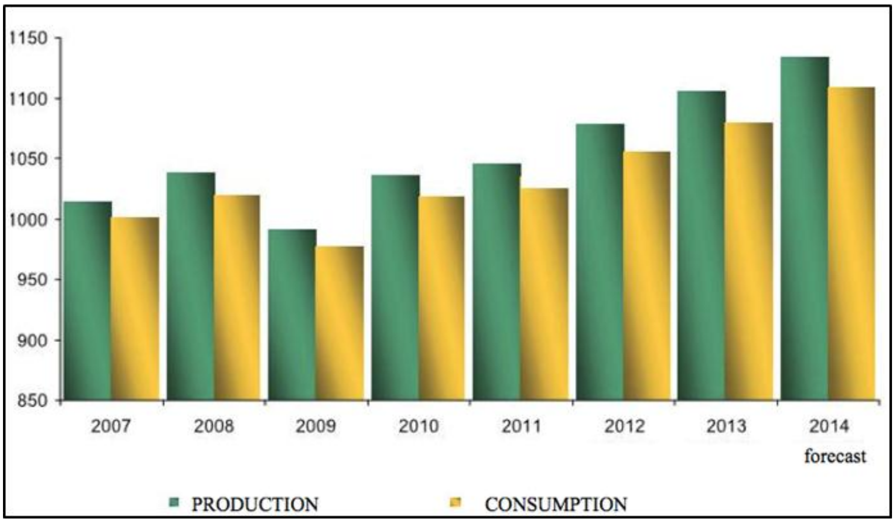
Transmission networks were transferred to the control of the Federal Grid Company, distribution networks were integrated into Interregional Distribution Grid Companies (IDGCs), and the functions and assets of regional dispatching administrations passed to the nationwide System Operator.

Generation assets were also consolidated into interregional companies. These are two types: Wholesale Generation Companies (OGKs) and Territorial Generation Companies (TGKs). OGKs comprise power plants specializing primarily in electricity generation. TGKs are mainly made up of combined heat and power plants (CHPPs) that produce both electricity and heat. Six of the seven OGKs operate thermal power plants and one (RusHydro), hydraulic generation assets. Thermal OGKs were formed on an extraterritorial basis while TGKs comprise power plants located in neighboring regions.

In December 2007–January 2008, the target structure of all thermal OGKs and TGKs was formed and the first phase of RusHydro's consolidation was completed. The process of spinning off grid companies is complete. AO-Energos were reorganized, and all 56-transmission companies came into existence. The reorganization of RAO UES of Russia finished on June 30, 2008. As a result of the reorganization of RAO UES of Russia, JSC IDGC Holding was established through a spin-off.

Foreign Investment in Russian Energy

The growth of the energy capacity in Russia in recent years has gained significant momentum, and experts predict, that the market will keep on growing stably at least until 2015 (picture 21).



Picture 21. Electric Energy Production and Consumption, 2007-2014 in billion kW.h

Such growth attracts a big number of foreign companies to the market, even though foreign engineering companies and equipment manufacturers are forced to adapt to the unusual rules of Russian energy construction. **80% of Russian power plants are built on foreign equipment and resources. Import of equipment for power plants has increased from 110 mln. USD to 408 mln. USD in the last five years. Among biggest imports are steam turbines, hydraulic turbines and water wheels, gas turbines, steam boilers and their components. Many Russian energy market participants are interested in the experience of foreign contractors and equipment manufacturers, because cooperation with well-known foreign companies means gaining access to new technologies and developments.** For example, high power gas turbines (200 MW) are produced mainly abroad. It is very unlikely, that Russia will be able to catch up with the West on this technology in the near future. Therefore the organizations of licensed production of gas turbine are most welcome to Russia. Entrance of WTO will reduce import tariffs for many products. For example, transformer equipment will be reduced from 20% to 8% by 2017. Already in 2014 the segment of "switches" import duties with reduce from 15% to 10%, electric meters - from 20% to 13%. Biggest foreign suppliers of the sector are Siemens, Alstorm, Sulzer, NOOTER/ERIKSEN, Shanghai Electric Power Generation Group, Foster Wheeler, Tetra Energie Technologie

Transfer GmbH, GE, Mitsubishi Heavy Industries and others.

Meanwhile things are much better in other types of machinery, for example: coal-fired boilers for supercritical steam turbines and generators. Domestic manufacturers of this equipment have the ability to deliver solutions for the market and are quite competitive in price and quality, so it is very unlikely, that similar foreign products will be successful on the market. Among biggest Russian manufacturers for power plants are: "Silovye Machines", "Saturn", "Uralskii Turbine Plant", "MAlliance", "RosTechnologii".

Of course, foreign companies have to deal with many issues, when they enter energy sector. First of all starting from 2010 any electricity market participant engineering services - Russian and foreign - must be approved by SRO local body. This is a fairly complex process, which is sometimes hard to accomplish even for local companies. The need to study Russian legislation, norms and standards for the design and construction - are still very different for Western countries. Foreign equipment manufacturers also have to pay duty on the import and face problems in passing the certification process.

An important role is played by Russian customers' peculiarities. Urgent and not well scheduled projects, constant document examination and lack of advanced payments – all these are the problems, which international companies face, when they enter energy segment.

Distribution Channels

Different companies choose different ways of entering the Russian market: some companies are opening offices, hiring domestic managers and technical staff. Others choose to purchase the shares of local companies or open joint ventures (like Siemens, GE and Alstom).

Another way is also developing partnerships with Russian engineering companies or cooperation through importers and local distributors. Russian electric energy sector is also well represented by a number of tenders.

3.3. Metallurgy Industry

The prospect of accession to the WTO, inadequate business processes, outdated technology base and the need for innovation are only some of the key milestones in

the metallurgy industry. Prospects of the Russian metals are largely determined by the situation in the global steel market, where the country is gradually losing grounds. Back in 2009, Russia was the third largest producer of steel, followed by the U.S. However, in 2010 the Americans regained their positions, pushing Russia into fourth place, while 2011 brought the country only fifth place.

In the post-crisis period, the production of steel and cast iron in the world is the fastest growing segment. Emerging markets remain the main stimulants sector: for example, demand in China for steel is 60% higher than in pre-crisis times, while in the United States and Europe, demand remains at 10-20% below pre-crisis levels. It is expected that demand growth in emerging markets in the near future will be 5-10% per annum, and the demand for steel in the developed markets will reach pre-crisis levels before the end of 2013. Such international demand does not allow Russia to keep on falling down in the international ranks and various measures for industry recovery should be taken.

Steel Industry Production within the Country

Russian steel industry is characterized by high degree of concentration of production. The industry accounts more than 1.5 thousand enterprises and organizations, 70% of which are united into small clusters (picture 22), where about 90% of production of black steel belongs to only nine companies. Color steels are produces only by five companies. Among major steel representatives are "Evraz", "Severstal", NLMK, MMK, "Metalloinvest", "Mechel", as well as pipe companies - "TMK", "United Metallurgical Company," the group "Chelyabinsk Tube Rolling Plant". “Russian Aluminum” and “Sual-Holding” control about 90% of the Russian market of alumina and aluminum and represent aluminum industry. Leading vertically integrated structures of “Norilsk Nickel”, “Ural Mining and Metallurgical Company” and “Russian Copper Company” represent copper-nickel sub-sector. Most of these companies can be found in Appendix 2.

Picture 22. Biggest Metallurgy Clustering Centers in Russia

Evraz Group is engaged in steel, mining, and vanadium business and is one of the largest steel producers globally. IThe company recorded revenues of $16,400 million in the fiscal year ending December 2011, an increase of 22.4% compared to fiscal 2010. Its net income was $453 million in fiscal 2011, compared to a net income of $470 million in the preceding year (picture 23).

$ million	2007	2008	2009	2010	2011
Revenues	12,887.0	20,408.0	9,772.0	13,394.0	16,400.0
Net income (loss)	2,179.0	1,859.0	(292.0)	470.0	453.0
Total assets	18,637.0	19,451.0	16,925.0	17,601.0	16,975.0
Total liabilities	12,687.0	14,779.0	11,483.0	11,603.0	11,194.0

Picture 23. Key Financials of Evraz Group in 2007-2011

Severstal is an international, vertically-integrated metals and mining company. The company is the world's fourteenth largest steel producer. It is a full production cycle company comprising ore mining enterprises, steel mills, and rolled product plants as well as downstream production businesses. The company recorded revenues of $15,812 million in the fiscal year ending December 2011, an increase of 16.5% compared to fiscal 2010. Its net income was $2,035 million in fiscal 2011, compared to a net loss of $577 million in the preceding year (picture 24).

$ million	2007	2008	2009	2010	2011
Revenues	15,244.9	23,422.0	13,054.0	13,573.3	15,812.4
Net income (loss)	1,936.4	2,034.0	(1,037.0)	(577.0)	2,034.8
Total assets	16,717.4	22,480.0	19,643.9	19,408.4	17,909.8
Total liabilities	8,027.0	12,927.0	11,267.9	12,374.4	11,230.8

Picture 24. Key Financials of Severstal in 2007-2011

Norilsk Nickel is the world's leading producer of nickel and palladium, and one of the largest global producers of platinum and copper. The group also produces a variety of by-products, such as cobalt, rhodium, silver, gold, iridium, chromium, selenium, tellurium, sulfur, and ruthenium. The company recorded revenues of $14,122 million in the fiscal year ending December 2011, an increase of 10.5% compared to fiscal 2010. Its net income was $3,626 million in fiscal 2011, compared to a net income of $3,089 million in the preceding year (picture 25).

$ million	2007	2008	2009	2010	2011
Revenues	15,909.0	11,799.0	8,075.0	12,775.0	14,122.0
Net income (loss)	5,276.0	(555.0)	2,504.0	3,089.0	3,626.0
Total assets	35,696.0	20,823.0	22,760.0	23,909.0	18,912.0
Total liabilities	13,875.0	9,038.0	8,005.0	5,935.0	7,690.0

Picture 25. Key Financials of Norilsk Nickel in 2007-2011

Key Problems and Necessity of Foreign Products and Experience

The main problem of the Russian metallurgical industry is in low end-material production volume for export. Russian metallurgy focuses on raw production only, because of the inside country demand, as a result the main exports are also raw materials and semi-finished products. Non-ferrous metals accounted for 80% of all metal exports, while added value products were only 10%. Most of the Russian metal manufacturers are independent companies, which would like to extend their product line, but lack experience of competing on the world market in the added-value metal segment, as well as do not meet international production standards. Some big companies, like "Evraz" can afford to fulfill joint projects with international companies (in their case Australia and New Zealand), but big majority of the enterprises does not have sufficient funding and is highly development of the metallurgical industry demand of the domestic market.

In order to help Russian companies to learn to produce added-value metal products from the West, the Russian government created a number of tenders for the right to enter into contracts with local manufacturers for the evaluation and development of solid mineral resources of Russia. The total investment of the program accounted for 17 million Euros in 2012-2013. However some experts find this kind of program threatening for the whole industry as there is danger, that foreign companies very quickly will flood the Russian market with their products and technologies: it is much easier for Russian manufacturer to buy foreign equipment, than to learn to produce it.

Such kind of market monopolization by foreign companies is also possible because of Russia's accession of the WTO. **Current Russian metallurgy industry requires modernization of all enterprise. The level of automation in all companies is different and most of the companies do not have ERP-systems or MES-systems.** Only the biggest companies like "Norilsk Nickel" or "United Metallurgical Company" have already adapted to the rules of international competitions, but many middle size and small enterprises will have to invest in new equipment, electronic document systems, security and software products.

The situation on the world metallurgy market is changing and Russian companies need transformation, which will touch all sides of the metal production: new modern equipment, optimization of business processes, standardization automation, reconsideration of supply chain management, transparency and efficient IT programs. This all opens huge opportunities for international companies.

Some of the suppliers/importers of Metallurgy industry and raw materials are SMS Group, Siemens VAI and Danieli, BHP Billiton, CVRD and Rio Tinto, Walter, «TaeguTec», MITSUBISHI, Kennametal, ISCAR, «KORLOY Inc.», VARGUS (Vardex), CERATIZIT, WIDIA, «PRAMET TOOLS», Stellram, KOMET, Sumitomo, FANAR, FENES, BAILDON, DOLFAMEX and others. **Entrance to WTO also opened big opportunities for small companies as import tariffs on major machinery and engineering equipment were eliminated.**

Distribution Channels

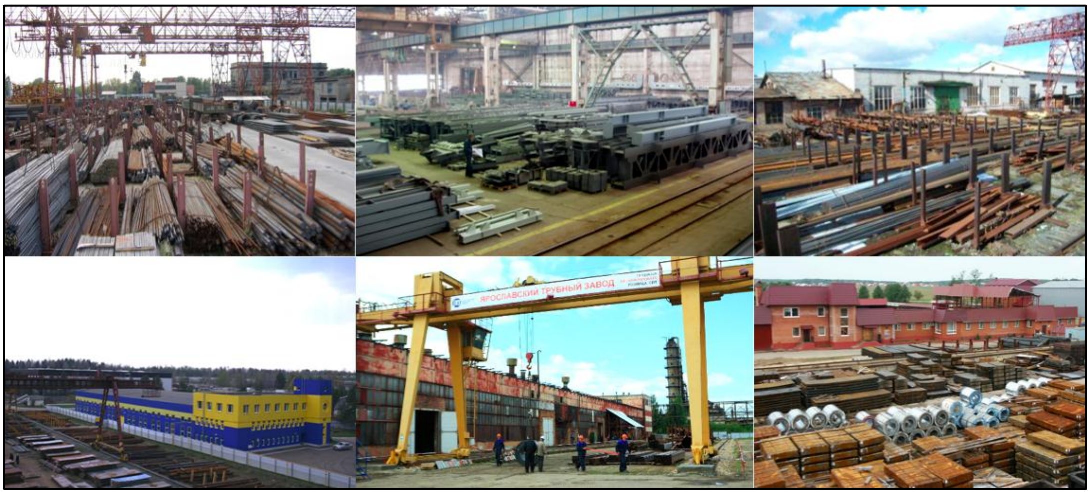
Metallurgy industry is very complicated in terms of approach, because each plant has different demand in various products and will be uniting already existing equipment with foreign supply. **As the result a supplier will have to adapt to each manufacturer.** Furthermore majority of representatives from this segment are price sensitive, as they invest in their companies themselves. This all shows, that direct company-by-company approach is the best one for the industry. Most of the local manufacturers can import products themselves, while direct communication will allow both parties to keep the prices low and quickly adapt to each request separately.

However such approach can be time consuming and will not allow to reach big sales in short period of time, that is why local distributors and government tenders could be also considered.

3.4. Metalworking Sector

As mentioned above, Russian internal demand does not request value-added metallurgy products, because most of them are imported due to their high-quality and low price. As the result most of the biggest metallurgy company, which were mentioned in this chapter produce minor amounts of metal products for specific orders only, while some the key industrial leaders in engineering and building have their own subsidiaries, which provide them with all necessary for construction elements. For example Russian Railway produces steel rails and steel railway carriages in one place; some leading oil and gas companies have their own manufacturing of key elements as well.

However there is also a big amount of small metalworking companies, which deal with day-to-day small orders. This kind of companies usually specialize in black metalworking, stainless steel working, tubes, construction fittings and steel sheets. Among some of the companies are SPC, MC, GK-Project, TK-Rapid, ARS-SPS, Shery, Sibmet, Region-metal, Stalintex and others. The biggest problem of these companies is that most of them are very local and are represented by one manufacturing unit and one office, which cover only a very small district in a city. Such companies do not invest in advertising or any service improvement. Customers visit them, because they know or saw the manufacturing unit before and see no sense in looking for something different – so they just visit the nearest one. Another problem lies in the specifics of Russian construction markets (see chapter 3.8), which prevent from competition and development of the sub-industry. Some visual example of such metal working manufacturing can be seen on picture 26.



Picture 26. Examples of Metalworking Plants in Russia

As it can be seen from the imagery, the companies almost do not invest in new equipment or new technologies, simply, because they do not have any money for that.

Additionally, Russian metalworking is not represented by any other even more added-value products, like cutlery, household utensils or bathroom accessories. Some aluminum cutlery can be found in the depth of Russia regions: Casta (http://posudka.ru/casta), Jarko (http://gvura.ru), Kukmara (http://www.kukmara.com), Vari (http://vari.ru/), Alitta (http://www.alitta.ru/), Amet (http://www.tnp-amet.ru/), Gurman (http://www.salda.ru), Neva-Metal-Cutlery (http://nmp.ru) and some others. However these products are usually very old-fashioned and not very good quality - as a result, rather cheap and lacking demand. Most of the cutlery and kitchen accessories are imported from abroad. Among cheapest manufacturers are China, Finland, Croatia, Turkey and Serbia. Some cheap imports also come from CIS countries. More expensive and sophisticated kitchen stuff comes from Germany, UK, Italy and France.

Russian bathroom accessories are represented even by a less amount of companies (for example Santehpribor in Kazan; Sanlin in Kolpino and Santarm in Rostov). Absolute majority of sanitary steel accessories are imported from China, Italy, Germany, USA, Spain, Turkey and other countries. Some of the most well-spread brands are: AlcaPlast, Am.Pm, Aquanet, BelBagno, Bravat, Caprigo, Cezares, E.C.A., Fima Carlo Frattini, Fiore, Gattoni, Gessi, GPD, Grohe, Hansa, Hansgrohe, Ideal Standard, Indeo, Jacob Delafon, Kanggu, Keuco, Kludi, Kolpa San, Lemark, Mamoli, Nicolazzi, Roca, Rossinka, Sanita luxe, SMARTsant, Steinberg, Toto, Tres, Triton, Vidima, Villeroy & Boch, VitrA, Zenta and others.

Biggest Russian manufacturers can be found in door-lockers sector (mortise, rim and electromechanical locks). Some minor imports come from China and Turkey (as cheap representatives) and Italy and Germany (as expensive representatives), meanwhile Russian companies hold the biggest share in this industry. Among major manufacturing units are Vega-Lux, Gardian, Gerion, Gural, Daaz, Zenit, Iset, Kinoavtomatika, Klass, Krit, KEMZ, LAVA, Mettem, NPO Machinostroenia, Procam, Reductor, Rigel, Selmasch, Simenko, Start, Cerber, Chaz, Electropribor, Electroschit, Elbor and others. These companies are spread all over the country and usually have only one manufacturing unit, however they have good distributional chains and their products can be found almost in every shop.

3.5. Machinery Industry

Machinery engineering in Russia includes a wide range of subsectors. But among the biggest are military, ship building, automobile industry, space engineering and railway machinery.

Military Sector

There are 129 military towns-organizations and businesses, which employ more than 2 millions of people in Russia. Many of them produce wide range of products: military equipment and machinery, armory, ships and even civilian products, such as computers, refrigerators, televisions, cameras and more (picture 26). Such plants produce nearly 30% of domestic engineering.

Picture 26 Major Defense Industry Facilities in Russia

Russian military industry, along with oil and gas, is the main direction of the economy. Priority is determined not only by high-income market weapons, but also the fact that its development entails the development of other sectors of the economy. However despite huge investments, the industry is not working very well as it lacks young, well educated and motivated professionals. The increase in financial spending in the last years failed to lead to desired results, because of lack of transparency and a large number of subcontractors. Furthermore General Sergei Fridinsky reported that about 20% of allocated funds are annually stolen.

In the end of 2012 V. Putin made a replacement of the Minister of Defense and started a new reform of the sector. The key idea of this reform is in reducing the number of enterprises and optimizing their quality composition. The state budget for 2013 was increased by 25.8% compared to the previous year – 80 billions of Euros, and in 2014 will be twice bigger, than in 2013. Russia has become third most spending on military sector country in the world and some experts estimate that such funds in the coming years might make the rearmament program possible for the first time since the collapse of the Soviet Union.

Foreign companies are investing little in the Russian military industry. The main reason for this behavior is the imperfection of the economic mechanism, in particular, the opacity of the business, because many of the funds allocated to producers hardly ever reach them, while the new reform aims to even reduce the amount of subcontractors.

Ship Building

Navy activities have always been very profitable in Russia both in terms of ship selling and fishing. Not less profitable is also production of oil and gas from the seas. However Russia needs to rebuild navy in order to be able to use all of these sea advantages.

According to Director of Academician Krylov Shipbuilding Research Institute, Valentin Pashin, **Russian navy industry needs good investment and shipbuilding is the capital-intensive industry,** which today gets it main funding from Western bank loans only. According to the international ship building law, issued by the Organization for Economic Cooperation and Development (OECD) all companies, involved in the shipbuilding have the same right in front of the international financial subsidiaries. However, Russian navy for many years could find support from foreign banks only, which made these funding rather moderate, while other countries were getting additional subsidiaries from the local governments and therefore developed strong navy clusters.

Yet the Russian shipbuilding industry is alive and growing, though not always as good, as it could be. 168 different companies, participating in the industry, all together employing about 160,000 people. The main facilities are located in the north-west Russia. Industry interacts with more than 2 thousands of businesses and acquisition librarians. In addition, more than a hundred private local and foreign enterprises are engaged in ship repair.

Russian ship engineering includes products of warships, icebreakers, research vessels, submarines, special civil emergency ships, floating nuclear power plants, various commercial civilian products, platforms, and other marine equipment for offshore development, marine and river transportation. Russia is a very famous ship exporter, mainly in military segment, while it is especially know for its submarines, some of which are the biggest in the world.

However, the quality of the products is getting worse and both technologies and equipment are in critical, worn out conditions. 60% of the manufacturing is done on low maintenance equipment; the industry is not set for the construction of transport vessels of over 100 tons (this is the best selling civilian customers tonnage). Most of the companies are fighting for their own survival by looking for better investment from abroad. Nizhny Novgorod plant "Red Sormovo" launched two new types of tankers with deadweight of 5600 tons each and a tanker with deadweight of 1300 tons in 2011. “Nevsky Shipyard” launched the tanker chassis for a customer from Norway. "Oka Shipyard" builds 6600 tons tankers for Malaysia.

Despite increasing taxes on imported equipment, the share of foreign supply is not decreasing. Most of the domestic shipbuilders organize a full cycle of production in the country, but with the active use of the foreign ship and industrial equipment. Imported equipment in Russia, in particular, marine pumps, marine engines must comply with all standards and requirements of the PC, and be approved by the Russian Maritime Register of Shipping. Foreign manufacturers should be also interested in the modernization and ready at any time to make the necessary changes in product specifications. Special strict requirements can be seen for equipment used for building decks of Arctic ships. The biggest importer of marine equipment is "Dialog-Tech", which has all the necessary certificates and imports equipment and parts for almost all navy needs. The company’s biggest international partners are: Baudouin in marine engines; KRAL and Bornemann in ship screw pumps; Garbarino in centrifugal pumps. Another biggest navy industry suppliers is CNRG Group, which specializes on design, building and establishment of offshore oil mining platforms.

In order to improve the ship building industry and to increase amount of ship building for Russian navy, the Russian government launched a new program of Centralized Marine Subsidizing till 2030. Its main goal is the creation of new competitive image of the industry based on modernization and technical upgrading and improvement of the legal framework. First of all the government set up a "United Shipbuilding Corporation" (USC), which now includes leading ship design bureaus, such as "CDB ME", "Rubin", "Northern Design Bureau", "Malachite", "Diamond", and created three Centers of Shipbuilding and Ship Repair - West, North and Far East - as subsidiaries.

Picture 27. Russian Ship Building Imagery

The Russian government is also attracting advanced foreign companies for participation in technical and technological development program "Development of Civil Marine Engineering" till 2016, as well as leaves a choice of international equipment engineering partners to the United Shipbuilding Corporates and companies, which it includes.

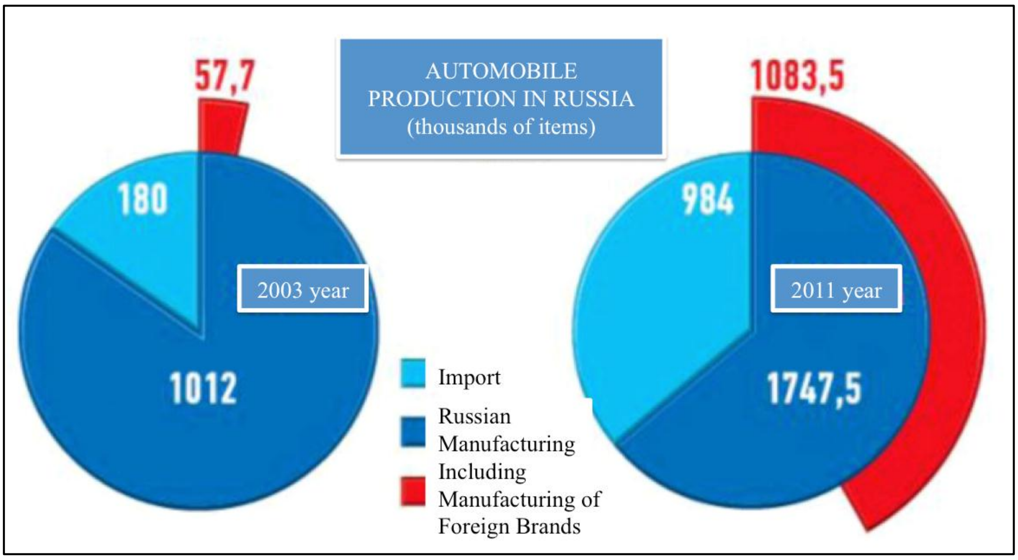
Automotive Industry

2012 became the best in Russia in terms of sales – 2.9 million, which is 11% more, than in 2011 and 5% more, than before crises of 2008. Russian automotive industry today is represented by 16 large companies, which produce cars of domestic and foreign brands. In 2011, plants located on the territory of the Russian Federation, released 1.7 million cars, and more than a million belonged to foreign brands manufacturers. However international brands are in much bigger demand, than Russian-origin cars. The biggest success in 2012 was in Audi - 44%, VW - 40% и SsangYong - 37%. While Suzuki lost 8%, Lada (Russian brand) lost 7% и Daewoo - 5%.

Russian automotive industry today is represented by 16 large companies, which produce cars of domestic and foreign brands. In 2011, plants located on the territory of the Russian Federation, released 1.7 million cars, and more than a million belonged to foreign brands manufacturers. The leader of the domestic auto industry is OAO "Avtovaz", which in 2012 produced 700 000 vehicles. The second largest producer of cars in Russian is Kalinigrad region and company called "Autotor" (more than 250 thousands vehicles produced in the last year).

Threat from International Manufacturers in Automobile Industry

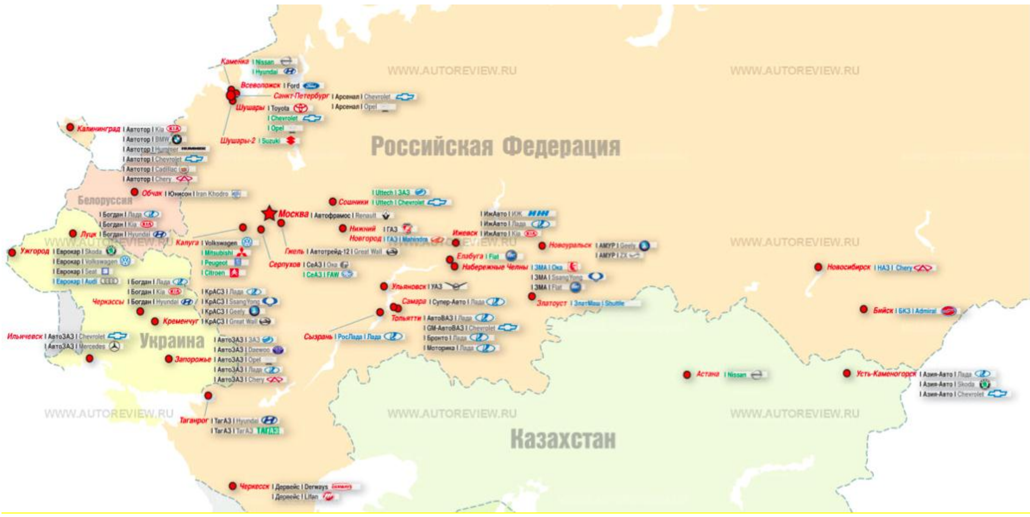
Despite relatively good indexes of the automobile industry, Russian manufacturers are facing threat from the international brands, which presence and demand on the market is rapidly growing (picture28).



Picture 28 Automobile Production Indexes in Russia, 2003-2011.

Russian manufacturing technologies are very old-fashioned and companies lack good qualified and inspired employees, who would help to bring the design and engineering of cars to a new level. The only competitive side of the Russian automotive industry at the moment is the price, which is very attractive to many people, living outside big millionaire cities. However even this competitive benefit is threatened by Russia's entrance of WTO. Industry and Trade Minister Viktor Khristenko acknowledged that Russia's accession to the World Trade Organization will be painful for a number of Russian industries, especially automotive and the government will have to find tools to reduce the risks of industry collapse. By joining WTO Russia has agreed to reduce customs duty on new cars from 30% to 25% in 2012 and keep on declining the tax by about 2.5 percentage points every four years, so that the final tax of only 15% will be reached by 2019. The used cars imports will face even a bigger duty fall from 35% to 25% till 2014 and to 20% by 2016.

This quickly damaged the stable sales of all Russian passenger car manufacturers, because customers prefer to trust international brands and would be happy to buy a five year old used car, which belongs to an international brand, rather than purchase an Avtovaz new car. Furthermore, most of the international brands prefer to assemble cars in Russia, because of cheap operational prices, while some parts can be bought in the nearby European countries, but controlled by international players (picture 29). Over the past few years a significant number of component manufacturers revealed in Russia - Magna, Lear, Tenneco, etc. In the next 3-4 years more and more new business assembling businesses will open. Foreign suppliers find it very cheap to import raw materials to Russia and use them for automobile assembling, especially - exhaust systems, plastic and metal interior and exterior elements, glass, seats, tires, etc. Typically, manufacturers of seats, exhaust systems, large plastic or metal stamped components are located in the same region as the automaker. Such companies as Magna, Lear, Tenneco, Gestamp have little competition on the market so far and work with several automakers. Russia assembling materials manufacturers cannot compete with international imports or local foreign production, because of high price, low quality and constant delays in production.



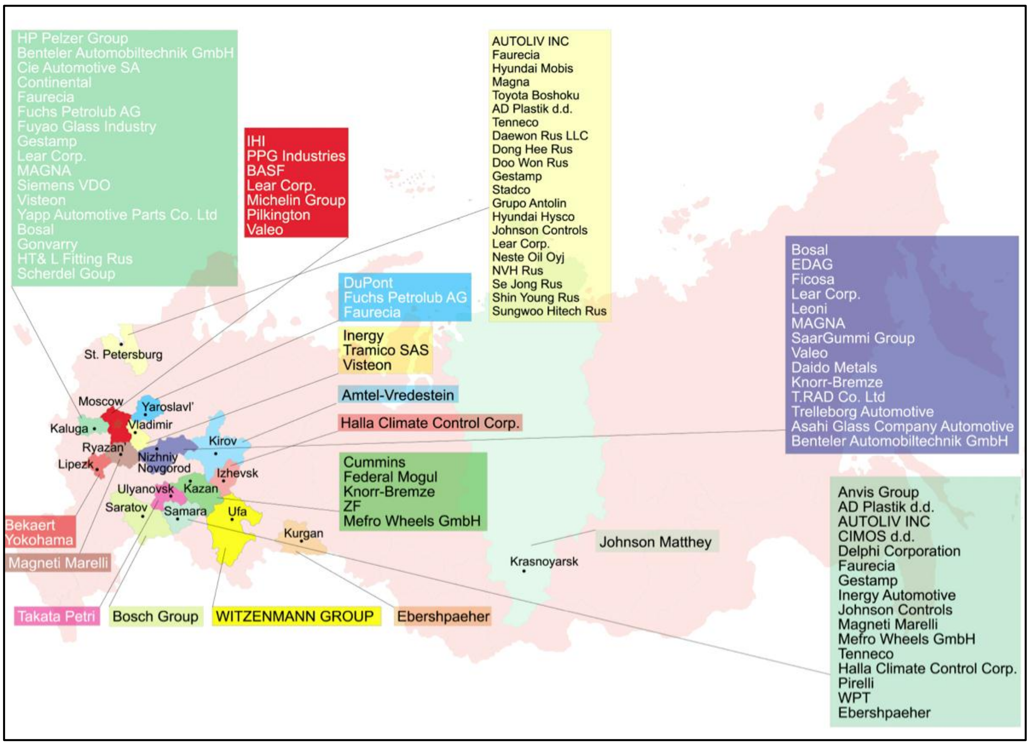
Picture 29. International and Local Automobile Assembling Plants in Russia

As the result the decline in Russian passenger automobiles was marked immediately. By May 2013, the volume of passenger cars declined by 18.1% or 139 000 vehicles. As the result largest manufacturer of passenger cars in Russia have reduced the production of machines for more than 50%. Automakers limit the production of machines to avoid a crisis of overproduction. According to the adjusted forecast of the AEB, sales of passenger cars and light commercial vehicles in Russia in 2013 may decline compared to the previous year by 5% to 2.8 millions.

The Russian government replied to this threat and increased its support to Russian car plants until 2020. **This kind of subsides aims to compensate all Russian automakers and subsidiaries the costs on borrowed credits till 2014, which were aimed at the**

implementation of investment and innovation projects. The government is also subsidizing part of the income on bonds issued by automotive companies until 2014. Total projected support of the automotive industry from 2012 to 2015 is supposed to reach 740 millions Euros, while financial support pack for the period of 2015 to 2020 - is not specified yet.

Meanwhile there are some doubts regarding the real effect of such financial support. Russian government has being trying to recover the automobile industry for at least ten years already by increasing import taxes and subsidizing different project. However, low transparency of managment and small effect from minor partnerships, like launch of a new SUV together with Chevrolet group, does not fundamentally change the poor level of the industry performance. **While some of the major international suppliers of the industry are already present in Russia (picture 30), local manufacturers need radical help from international experts on the rethinking of the entire design, engineering, software and production process, as well as it requires good training programs for the whole employment stuff.**



Picture 30 Manufacturing Assets of International Automobile Industry Suppliers in Russia

Busses and Trucks Manufacturing

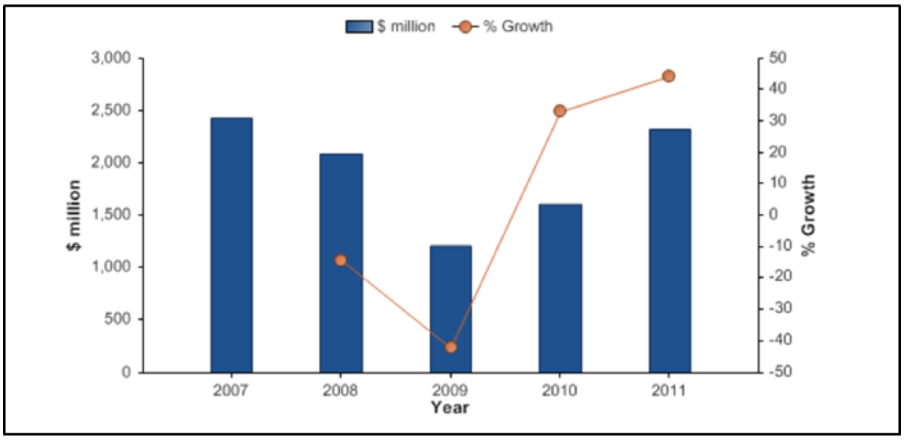
Automotive industry – does not only relate to passenger cars. Trucks and buses manufacturing is also part of the Russian automobile industry (picture 31).

Picture 31. Russian Automobile Building Imagery

Commercial vehicles of various capacities and appointments were produced by more than 12 plants with different production capacity in Russia in the last years. Production of trucks is considered to be very qualitative and most of the companies rely on Russian manufacturers a lot. In the truck manufacturing segment, Russian companies hold 80% of the market, while the key players are three companies: GAZ, KAMAZ and UAZ.

Production of buses meanwhile was severely hit by the crisis and is considered to be the most weak part of the Russian automotive industry. In 2010 domestic enterprises produced 45.1 thousand buses, which amounted to only a half (50.9%) of the previous years national records. This subsector of the industry never managed to recover from the economic slowdown.

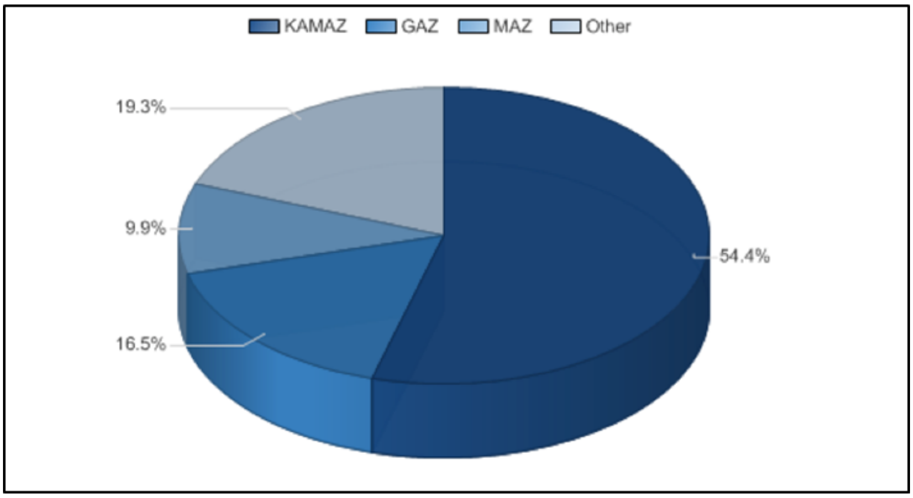
Production of trucks is considered to be very qualitative and most of the companies rely on Russian manufacturers a lot. The Russian medium and heavy trucks market experienced strong growth in 2011, although substantial decline in earlier years means that overall market contraction occurred between 2007 and 2011. The Russian medium & heavy trucks market had total revenues of $2.3 billion in 2011, representing a compound annual rate of change (CARC) of -1.1% between 2007 and 2011 (picture 32).



Picture 32. Russia medium & heavy trucks market value: $ million, 2007–11

A lack of switching costs strengthens buyer power, although players are able to differentiate in terms of quality, reliability and after-sales service, which slightly offset this. New entrants may be put off by the need for significant capital outlay, extensive factory space and a skilled workforce.

In the truck manufacturing segment, Russian companies hold 80% of the market, while the key players are three companies: GAZ, KAMAZ and MAZ (picture 33).



Picture 33. Russia medium & heavy trucks market value: $ million, 2007–11

KAMAZ is a joint stock company engaged in manufacturing and marketing of automobiles. The company produces a range of trucks with 40 models, 1,500 kits, right-hand vehicles; trailers, buses, tractors, engines, power units, and different tools. It operates through a dealer network of 136 dealers and nine agents. The company's clients include Russian Ministry of Defense, GAZPROM, LUKOIL, SUEK, and TNK. The company primarily operates in Russia, where it is headquartered in Naberezhnye Chelny and employs around 55,000 people.

GAZ manufactures commercial vehicles in Russia. Its range of activities includes the manufacture of small and light weight trucks and buses, heavy and medium range trucks and coaches, engines, agricultural equipment, power plants, earth moving equipment and specialist heavy commercial vehicles. The company is based in Nizhny Novgorod, Russia. GAZ Group operates as a subsidiary of GAZ JSC

Switching costs in the trucks and busses are low, as there is fairly low differentiation of primary raw materials, such as aluminum, copper and steel, between suppliers. However, truck manufacturers may have limited power to influence the price of these commodities. Suppliers' position in this market is strengthened by their lack of reliance on single manufacturers: one truck manufacturer will only constitute a small part of suppliers' overall revenues. Other important inputs are much less commoditized. Components such as electronic assemblies and powertrain parts are supplied by a more limited range of specialized companies. Sometimes, truck manufacturers effectively outsource substantial portions of their production. Truck manufacturers often use long-term supply contracts to defend against volatility in raw material and component prices. However, this will also tend to raise switching costs. Where components are highly specialized, it may be difficult to find new suppliers capable of offering genuine alternatives.

Space Industry

Space Industry development is very similar to Automobile industry. Opposite to many foreign countries, especially China and the US, Russian space industry is civil, not government controlled. After the collapse of the USSR, the industry continued further development without sufficient government funding and in the last decades introduced a number of very interesting projects, like autonomous space station on the moon for local resources mining and several spaceships with nuclear power plants on them. However similarly to the Automobile industry this segment lacks modern thinking and well-educated, inspired professionals. 40% of all employees in the industry are over 60, while only 10% represent 25-30 year old generation.

As the result, **Russian space engineering has decreased tremendously in its production capabilities in the last twenty years. So for example the industry is still unable to produce the elements of the PHM-base (payload module) components. That is why this and many other necessary equipment is bought from abroad. Russia has also lost ability to create element base for the production of radio components of spacecraft. This led to the fact that all radio equipment for domestic communications and broadcasting satellites is now purchased from international partners.**

Russian government annually invests around 20 million Euros in the industry, spaceship and rocket building, however these funds are very small to cover all companies involved in the industry. The key player in the industry is Russian Federal Space Agency, which includes 66 companies. The largest enterprises of space industry are: RSC "Energia" named after Korolev"; Samara Space Center Progress; Scientific and Production Corporation "Precision Instrument Systems"; “NGOs Engineering”; JSC "NPO Energomash named after academician VP Glushko"; JSC "State Rocket Center named after Academician VP Makeev" (JSC "Makeev State Rocket"); Scientific and Production Association.

Railway Machinery

The Russian railway engineering has the biggest prospects for development. This is due to the recovery in the domestic market sales and partly due to a return to the traditional exterior. **Foreign manufacturers are not very welcome into the industry, as all production is concentrated in the hands of the domestic companies. Their products are cheaper and more adapted to Russian conditions and usually belong to the subsidiaries of the Russian key railway operators.**

The Russian railway engineering can be divided into 4 sectors: locomotives engineering, freight and passenger railroad cars, and production of railway equipment. Biggest representative of locomotive production is "Sinara Group"; state company "Uralvagonzavod" specializes in freight railcar, while private monopolist "Transmashholding" covers all segments of the industry.

Foreign Opportunities in the Russian Machinery Industry

As it can be seen from the report, most of the subsectors of the Machinery Industry need or are at the beginning of reformation of all stages of production chain. This opens big opportunities for international companies in several categories of products and services.

First of all Russian companies are not looking for suppliers of some specific products only, but they are interested in long-term partnerships and good advice from advanced companies, which will help Russian manufacturers to import the whole production process. Many of the subsectors need to learn how to compete on the international market and change the whole understanding of machinery production.

Most of the manufacturers are looking for good training and educational programs though exchange of specialists or mutual projects. Among the most demanded products are electronic component bases and electronic devices, in particular: semiconductor devices, integrated circuits, a variety of modules - power, microwave - all used for creating hardware systems for various purposes. Russian industry is only at the stage of design and testing of such kind of equipment, but it will take years, before they will be sent to mass production. In constant demand are manufacturing equipment, security systems, automatization and reliable software.

Distributional Channels

Machinery industry opens big opportunities for all kinds of suppliers from all over the world. It is very difficult to outline one or two specific distribution channels, as foreign companies are welcome to use importers, approach manufacturing companies directly or participate in tenders. However, similar to coal machinery imports, a number of certificates will need in order to pass Russian customs. As the result, Small and Middle Companies (SMCs) prefer to cooperate with importing partners.

3.6. Food And Agriculture

Food Industry and Financial Crises

During 2006 - 2012 years Food industry as a whole showed a steady and rapid growth – largely thanks to the carried out in the last years modernization of production. However, this period also saw the global financial crisis in 2008, which slightly slowed down the development of enterprises. In 2006 the industry was represented by

50 million companies in food, beverage and tobacco sectors, but only 43 million managed to stay afloat by 2010. The weakened economy of 2008-2009 also opened good opportunities for mergers and acquisitions in Russia. Before 2010 juice manufacturing market was split between seven big Russian companies, when now all of them belong to Pepsi Co and Coca-Cola.

Financial crisis also caused a sharp reduction in the number of workers in many industries, especially food industry: the number of people employed in this sector fell to 1.3 million people. Crisis had a negative impact on the wages of employees: an average worker's salary in 2012 was around 500 euros per month. In terms of food, this is an equivalent of 88 pounds of meat, 79 kg of cheese or 647 liters of milk.

However, the performance of the Russian food industry in the last years increased in comparison with the pre-crisis period. This was mainly due to the increase in work intensity. In 2012 Russian manufacturers produced 7.2 million tons of bread and bakery products; 3.38 million tons of meat; 2.78 million tons of confectionery and nearly 11 million tons of dairy products – all this accounted for 101 billion Euros, which is 2.5 times more, than in 2006.

The need for modern equipment in food industry has been stably growing since 1980s, and today 70% of all food manufacturing is relying on international brands. Biggest importers can be found among brewing companies, which 100% rely on foreign equipment. Imports of cooking fats and oils increased by 91 %, and equipment for confectionery industry - by 71 % in the last years, while some reduction of imports can be observed in bakery products - 15 % and foreign equipment for pasta production fell by 9 %.

Among some of importers and suppliers of Russian food manufacturing are AG Engineering, Begarat, Buler AG, CRV, Dinatep, ITAL Technology, OMAG, Peter Binder GMbH, Vexma Group and others.

Biggest Food Producers and Retailers

Among the most important players in the Russian consumer market in 2010-2012 were United Confectionery, Concern "Babaev," AIC "Cherkizovsky", "Wimm-Bill-Dann Foods" (now belongs to Pepsi Co.), brewing company "Baltika", Moscow Beer and Soft Drinks Plant "Ochakovo", and Mikoyan meat processing plant. All of the major international companies, like Unilever, Procter and Gamble, Kaft Foods, Nestle and other have manufacturing assets in Russia.

Distribution of food products in Russia is done through a number of local and international shop chains. The biggest player on the retail market is “X5”, which is represented by a number of different retail chains for different customers and wallets and retail chain “Magnit” or “Dixi” Among international brands, one can find Auchan, Spar, Metro Cash & Carry, Billa and others.

The Russian food retail industry grew by 8.2% in 2012 to reach a value of $329.9 billion. The compound annual growth rate of the industry in the period 2008–12 was 11.1% (picture 34).

Year	$ billion	RUB billion	€ billion	% Growth
2008	216.2	6,340.1	156.2	
2009	238.4	6,991.8	172.2	10.3%
2010	267.9	7,857.5	193.5	12.4%
2011	304.8	8,940.8	220.2	13.8%
2012	329.9	9,675.0	238.3	8.2%

Picture 34. Russian Food Retail Industry Value, 2008-2012

Agricultural Industry

State of Russian agriculture in the 2000-2010 period was characterized by two phases: 1) quick growth in the first five years due to the rise of public funds; 2) decreases of production because of the lack of investment in the second five years. Only in 2000 Russian government allocated about 2 billion U.S, dollars to the agricultural industry. As a result, from 2000 to 2005, the total volume of gross agricultural output was 26%. However, funding from the state was not enough and by 2006 15,000 farms stopped their existence.

Today only a few farms remain afloat, mostly due to Russian or foreign private investors. Agricultural industry has always attracted foreign companies and in the period from 2000 to 2011 they invested more, than 10 billion U.S. dollars in the industry. This led to a change in the proportion of profitable and loss-making enterprises, but the situation was not fundamentally solved. According to statistics, from 2000 to 2010, an average number of profitable agricultural enterprises decreased by 2.3 times. Many local enterprises could not provide the necessary amounts of production and as a result Russia started importing agricultural products. By 2013 the amount of imported products reached 50%. In 2012 the share of grain production was

22%, sunflower seeds - 29%, vegetables - 10%, and potatoes did only 5%.

Agricultural Machinery Engineering

Low government investment resulted in low engineering quality and as a result local enterprises choose foreign engineering technologies. Agricultural engineering continues to be one of the most depressive sub machine-building complex. The decline in production in May 2013, compared with the same month of 2012 was 28% - the worst result among all sub-sectors of engineering. Such decline in production dynamics is associated with a significant increase of products in warehouses, which in turn, is due to an increase of demand for international agricultural equipment after Russia joined the World Trade Organization (WTO).

In order to support domestic producers the Eurasian Economic Commission for Europe (ECE) has decided to introduce a final special protective duty on grain combines and harvesters modules for 3 years. The duty will be active till March 7, 2016, inclusive. In 2013, its size will be 26.7% for the customs value of imported equipment, in 2014 - 26.2%, in 2015 - 25.7%, in 2016 - 25.2%.

Among some suppliers and manufacturers are “Zavod Avtotechnologii”, “Haarslev Indastries”, “Prado Transformados Metalicos”, “Roxell”, “SKIOLD”, “Agro Service”, “Agrolla”, “Obedinennye Zernovye Technologii” and others.

Imports and Exports of Food

Despite Russia’s entry of WTO, the number of food imports in Russia reduced in 2012. The country imported food products for the average of 36 billions U.S. dollars, which is 6% less, than in 2011 and exported agricultural products for the amount of 15 364 billion U.S. dollars, which is 1.3 times more, than in 2011.

Main decrease of import was due to reduced purchases of foreign meat (excluding poultry) by 3.5%, canned meat products - by 14.3%, and butter - by 17.2%. Russia also managed to achieve some breakthrough increase production of sunflower oil by 82%, raw sugar - by 80.9% and white sugar - by 76%. However, Russia still cannot exist without the import of chicken, which in 2012 increased by 12.6% and foreign fish - 4.1%. But the biggest record import increase was in cereals - 37.7 %. (This is due to bad harvest year in 2012.)

Russia remains big exporter of wheat, fish, vegetable oil, corn and vodka. The biggest food partners are China, the Netherlands, Germany, Italy, Turkey, Japan, the US and France.

Future Prospects of Food Industry

According to the adopted in 2011 Strategy of Food Industry Uplift, the government is going to allocate big investment to the food industry. New agricultural development program for the period 2013-2020 aims to triple amount of produced drinks and food in the coming years.

Within the next eight years Russia is planning to produce 115 million tons of grain annually. This is about 30 million tons more than it is now. Among the potential leaders of national agriculture is sugar beet. By 2020 production of this product should reach 20 million tons per year. The same increase is also planed for livestock production: meat (14 million tons per year) and milk (40 million tons per year). The new investment program will touch production of eggs, cheeses, sausages, vegetable oil, rice and convenience foods.

In order to achieve such ambitious goals the government is planning to direct its investments in several routs. The first is in increasing the average monthly salary from 300 Euros to 500 by 2014. The second inflow will be to agricultural sector, where the budget will be split between inland working enterprises and agricultural machinery engineers. The government is also interested in development of food processing industry, which is why another part of the investment will be allocated to companies, working in that sub-sector. If Russia wants to start selling abroad and become a major player in the global food market, it should learn to produce not only raw materials but also its derivatives, for example – products of deep processing.

The total funding for the state program for eight years should amount to 57 billion Euros. The subsidies will be split between the involved parties based on the size, potential of each company and approved business plan, proposed by each institution. The Central Bank of Russia will be responsible for paying the money to each institution.

Distribution Channels

Food Industry is the second most complicated markets after pharmaceuticals in terms of import legislation. This refers not only to read-to-consume food products, but also food manufacturing equipment, which requires a number of certificates like "Russian Standard Certificate", "Safety Certificates", "Usage Allowance Certificates", "Health Standard Approval Certificate", and others. Because of such complexity, most of the Russian manufacturers prefer to buy most of the equipment, which is already imported to Russia. As the result foreign suppliers, in their turn, use local representatives, who would buy their products and supervise import procedures and distribution on their own.

3.7. Construction Sector

The Russian construction & engineering industry (including infrastructure) grew by 3.3% in 2011 to reach a value of $41.2 billion. The compound annual rate of change of the industry in the period 2007–11 was -2.1% (picture 35).

Year	$ billion	RUB billion	€ billion	% Growth
2007	44.9	1,317.3	32.4	
2008	47.1	1,380.8	34.0	4.8%
2009	48.6	1,425.1	35.1	3.2%
2010	39.9	1,170.3	28.8	(17.9%)
2011	41.2	1,209.3	29.8	3.3%

Picture 35. Russian Construction and Engineering Industry Value, 2007-2011

Construction sector of the Russian Federation first of all relates to the contraction of new blocks of houses (picture 36), which are planned in advanced and approved with Russian state authorities.

Picture 36: Samples of Different Types of New Flats in Russia

In 2012 the general construction plan was fulfilled by 100.7% and 284 000 new apartments were released. Even in crises times of 2008 - 2009 only a few big constructions in business sector (like "Moscow City" – picture 20) were paused for some time. Generally housing construction has always been in demand in Central region, especially Moscow (3.1 million square meters annually), which is followed by St. Petersburg, Tatarstan, Bashkortostan and Krasnodar. These cities account for 31% of new houses building in Russia.

The lowest production rates are in the federal subject building, which can be found in the Eastern Districts. Apparently, the financial crisis affected construction in those regions a lot, as it highly depended on the government subsidies.

56% of the total input of apartment buildings account for individual or private constructors, which gives customers a big choice of different prices and flat options in terms of size, location and contraction materials. Among the biggest construction companies are: "CU-155" (Moscow), "DSK-1" (Moscow), "PIK" (Moscow), "Don-Stroi" (Moscow), "Inteko" (Moscow), "Tatstroi" (Tatarstan Region), "Atomstroi Complex" (Ural Region) and others.

Private Houses Construction

Another important part of construction industry refers to private houses, which became very popular in Russia in the last decade. These houses are constructed around big cities and people choose them instead of a flat inside the city or use them during summer (picture 37).

Picture 37: Example of Private Houses Outside Big Cities in Russia

Such kind of houses are built from scratch according to personal taste of each costumer and cost from 15 000 to several hundreds of thousands of Euros. Such projects are usually fulfilled by local small design and construction companies (the Russian market represents at least 500 000 of such companies, which operate in different regions and another 200-300 thousand individual foremen, who provide similar services), which import various construction and decoration materials from abroad, based on specifics of each project. However not all customers are ready to spend a hundred thousand of Euros, and used local building materials in order to avoid extra spending.

Russian DIY market is represented by a big number of shops, which are spread all over the country. Some of the biggest examples are – Leroy Merlin, Build Bazar, OBI, Hottabych and many others. Yet these kinds of shops are usually rather expensive and people prefer to buy only finishing products there. The biggest majority of construction materials can be found on special local "construction markets" (picture 38). Such markets are organized in a form of big cluster of small outside shops, which sell all kinds of raw building materials and accessories, used for inside and outside construction especially wood, stone and metal products. This niche construction segment is represented by a big number of foreign products, however they are imported in Russia by local representatives only and are distributed in such markets without foreign companies participation, mainly due customs issues and domination of groups from Caucasia in such places.

Picture 38: Example of Construction Materials Markets in Russia

Construction Equipment

79% of the Russian constructions equipment is imported from abroad (78 million units annually). Russia has always been a net importer of construction equipment. After the crisis of 2009, the imports increased significantly, while in 2012 the growth of import was observed in all types of vehicles.

Half of all imports in Russia are forklifts, mainly coming from China. Fifth of the imports are excavators, which are mainly imported from Korea, the UK and Japan. Almost the same number of loaders was imported both from Asia and Europe in 2012. China and Japan remain the biggest importers of construction equipment and account for two-thirds of total imports of this type of technology.

According to various forecasts, imports of construction machinery will grow in 2013-2017 by 2% per year and by 2017 will reach 86 million units.

Construction Materials

Due to the constant growth in construction market, consumption in construction materials sector has also increased by 20-30% in recent years, which gives opens big opportunities for development for the production market and supply of construction and finishing materials, as well as the strengthens commercial networks segments

DIY and Household.

The market of construction and finishing materials and DIY trade is currently one of the most promising and fastest growing segments of the retail industry. According to preliminary estimates of 2012, its volume exceeded 22.5 billion Euros, an increase of more than 17% compared to 2011. Some of the construction materials are described below:

- Concrete. Prices for concrete are very low level, as demand for this product had reduced in the last years. In 2012, the price of concrete fell by 9.5%. There are around 80 Russian manufacturers of this product, and most of them have already frozen production, because the existing capacity in warehouses is 4 times higher than the market demand. The biggest manufacturers are "LSR-Base", "Beaton" and "Lenstroy-piece".

- Brick. Opposite to concrete brick is in big and constantly growing demand and local manufacturers review selling prices of brick every 2 or 4 weeks. At the moment the price has already reached 202 Euros per 1000 pieces and will keep on rising.

- Aggregates. Beginning of 2013 showed some slight decline in production of non-metallic building materials. Domestic manufacturing of such kinds of products is often substituted by imports, which in 2013 increased by 22%. Generally speaking consumption of non-metallic building materials in Russia increases annually by 1.5% and the share of imports is around 6.5% of the whole consumption. Major imports come from Ukraine. The price of crushed stone increased by 1.5% to 10.4 Euros/m3, gravel - by 10.4% to 10.6 Euros/m3, sand - by 7.1% to 5.2 Euros/m3.

- Cement. Annual country demand in cement exceeds 63 million tons and it is constantly growing. Russia has very big cement production capacity, which could cover the entire demand and even more, however imports increase every year, mainly from Turkey (38%), Belorussia (17,4%), Iran (11,7%), Romania (7,2%), Lithuania (4,6%) and Latvia (4,6%). This is mainly due to the fact, that most of the Russian manufacturers are at the stage of factory rebuilding from production of wet cement to dry cement. Average price for a ton of cement is 77.5 Euros.

- Ceramics. Russia has always had very strong local manufacturing of ceramics products, but not in all subsectors or not for all purposes. According to market research of ceramic tiles in the past few years, the production of ceramic tiles in

Russia has been growing at an average of 8% annually. The positive dynamics of growth is typical for the production of tiles for the interior lining of the walls, and for the production of ceramic floor tiles. 56% of all Russian works with ceramics is allocated to tiles, while the absolute leader in the production of all types of ceramic tiles is Central federal districts of Russia. The remaining volume of production in almost equal proportions distributed between the four federal districts: the Volga Federal District, the Ural Federal District, the Southern Federal District and the North-West Federal District.

The biggest manufacturers of ceramic-grant and ceramic tiles in Russia are “KM Group Company”, “"KERAMA MARAZZI", “Sokol”, “Seranit”, “Nefrit Keramika”, “Shahtinskaya Plitka”, “Keramin”, “Kontakt”, “CeraDim” and others.

Meanwhile, Russian production of ceramic sanitary ware is very small and in 2011, seven countries - China, Ukraine, Bulgaria, Poland, Turkey, Italy and Spain - together accounted for nearly 91% of total Russian imports of ceramic sanitary ware. The largest volumes of sanitary ceramic products come from China (over 43%) and Ukraine (over 25%).

- Glass. In 2011, Russia produced 220 million m2 of glass, while in 2012 production of glass amounted to 270 million m2. In 2011, 64% of the total glass production was headed by a Group of "Heat-polished sheet glass and flat glass with brushed or polished finish".

The average level of prices for flat glass in 2011 was 35 Euros per m2, compared with the data for 2010 - 25 Euros per m2. The average level of producer prices for glass containers (bottles, cans, bottles and other containers of glass) in 2011 amounted to 72 Euros. per a thousand. Most of the Russian production of glass is focuses on glass bottles - 89.5% of total production in 2011.

However Russian glass manufacturing cannot supply the whole market demand, that is why import of glass increases annually. In 2011, Russia imported 424 thousand tons of glass worth $ 444 millions, while in 2012 import of this kind of goods amounted to 480 thousand tons in volume and $ 480 millions in value.

Distributional Channels

Construction segment remains one of the most chaotic segments in terms of distributional channels and opens a big variety of partnerships through local importers, agents, small design companies, big construction holdings and tenders. Furthermore some of the Russian companies have their own agents, which look for foreign manufacturers of specific products themselves.

However Constructions sector is also one of the most tricky in terms of high level of fraud, that is why foreign companies should be very careful in choosing local partners, as well as double checking all contract terms and payments.

3.8. Infrastructural Development in Russia

The Russian market of transport infrastructure construction has historically experienced a lack of investment, which leads to low levels of availability and quality of transport infrastructure in the country. Infrastructural transportation segment includes highways, railroads, airports and sea and river ports.

Small Funding and lack of transparency

There is only 6.9 km of roads for every 1000 people, while in the United States and Brazil, this figure stands at 21.0 km and 8.9 km respectively. Development of a network of roads in Russia is much lower and slower than in most Western countries. More than 59% of already existing railway roads and 35% of roads are in need of renovation and modernization (picture 39). The quality and sophistication of the transport network in Russia does not meet the pace of economic development of the country.

Picture 39: Examples of Old and Roads, which Need Urgent Reconstruction

According to this gap in the infrastructural development the development considers transport infrastructure to be one of the largest segments of the construction market in Russia. The construction and repair of roads, bridges, railways, airports, ports and coastal infrastructure in 2012 accounted for about 11% of all state spending on construction industry - 142 billion Euros.

However these budgets are not enough, they do not always reach the actual construction works in their full and the diversity of problematic segments is so big, that the final amounts are very small. So the last State Program "Development of transport system for the period 2013-2020" aims to support a big verity of different projects at the same time: 1) Modernization of the Unified Air Traffic Management System of the Russian Federation; 2) Civil aviation and air navigation services; 3) Sea and River Transport; 4) Railway development funding; 5) Development of high-speed roads on public-private partnership; 6) Transport support the Olympic Games in 2014 and finally 7) Traffic management of big cities will get 27% of the proposed budget.

Of course such wide split does not allow to achieve good results, that is why the government also tries to attract investment in the transport sector, which would provide implementation of the following measures: long-term contracts (life cycle) for the design; construction and subsequent maintenance of transport infrastructure;

including the development of optimal organizational; managerial and financial schemes of the contracts; improve the rules and regulations for the design, pricing, and state examination; development schemes to improve public-private partnership; development of mechanisms for infrastructural project financing.

Another big problem is high level of monopolization of each of the subsectors: highways, railroads and airports are managed by a limited number of companies, which prefer to use its own subsidiaries, even though the level of their quality might be not good.

Roads and Bridges

Construction and reconstruction of roads and bridges received the larger part of the financing - 73% of the total expenditure on the development of transport infrastructure in 2012 (as usual). The costs of key federal highways increased by 9% compared to last year. The main regions of concentration of investments were Moscow, St. Petersburg and South Russia in connection with the construction in Sochi.

The total length of public roads of federal importance is around, which is 43% of the total length of all roads. Among these federal important roads are highways around Sochi and development of Vladivostok roads, as a center for international cooperation in the Asia-Pacific region. Moscow and St. Petersburg always get sufficient funding.

In 2012 only 50 000 km of roads were repaired. It is important to highlight, that most of the roads can be only repaired during summer, as biggest part of Russia is covered with snow 8 months of the year. This is another very important factor, which does not allow to fasten the process of road repair.

Railways

Railway serves as a major freight transport in Russia. According to the Federal State of Statistics Service, railway accounted for 85% of total turnover in 2012, excluding pipelines. In 2012 only 15% of the infrastructural budget was allocated to railroads, this is 57% less, than in 2011. The main reason for the reduction of costs for the construction of railway facilities was in previous failures of implementation of a number of projects, such as the construction of the railway line Kyzyl – Kuragino; high-speed railway line Moscow - St. Petersburg; railway bridge over the River Lena;

construction of the Olympic facilities in Sochi, including railway lines Ulak-Elga, Naryn - Lugokan.

Among all transport facilities railway manufacturing community is who use more illegal methods to do business. That is why the government decided to slow down investments in this sector and develop a proper reform for the industry first. However taking into account a big range of other urgent and problematic sectors, besides railway, it becomes clear that this sub-sector will be hardly touch within next 5-10 years.

Airports

Airport development got 6% of the infrastructural budget in 2012. According to the Ministry of Transport of Russia, in 2012 the Russian air carriers transported 74.0 million passengers (+16% compared to the previous year), the passenger turnover was 195.7 billion pass.km, which is 17% more than in 2011.

Major developments for airport segment are concentrated on modernization of runways in the Russian hub airports and reconstruction of some regional airport in order to ensure airport network connectivity, development of new hub airports in Krasnoyarsk, Magadan and Sochi.

Sea Ports and Inland Waterways Infrastructure

The volume of cargo handling in the ports of Russia in 2012 amounted to 565.5 million tons, an increase of almost 6% more, compared to 2011. The growth of cargo handling is ensured by constant build-up of port facilities. Last year they commissioned 72.0 million tons, which is 1.5 times more than in 2011.

Such positive dynamics are associated with the implementation of federal program "Development of Transport System of the Russian Federation for 2010-2015". The following ports have already got their findings under this program: Murmansk, Vysotsk, Ust-Luga, St. Petersburg, Rostov-on-Don, the Caucasus, Taman, Novorossiysk, Sochi, Vladivostok, East, Petropavlovsk-Kamchatsky.

The volume of freight on inland waters in 2012 reached 142.0 million tons and increased by 12%, compared to the same period in 2011. Cargo turnover reached 80.7 billion ton-kilometers, which is 36% more than in 2011. Major work was carried out at the Moscow Canal, on the inland waterways of the Volga-Baltic Sea.

Further Funding and Prospects

Improvement of Infrastructure in Russia is a massive problem, which touches a big number of different sub-sectors. Annually the government issues a number of tenders for reconstruction of different parts of the country. Major tenders of 2013 refer to the problem of traffic in big cities and reconstruction of main roads in order to reduce traffic. Among them are Leninsky Prospekt in Moscow and Voronezh bypass Usmani. Other tenders refer to country State Highway construction.

Starting from 2014 Russia will be involved in major contractions, connected to World Cup in 2018 and this will raise a number of tenders, involved in construction of roads and buildings in the cities of the championship and development of transport links between the largest cities – Moscow, St. Petersburg, Nizhny Novgorod, Rostov-on-Don, Kazan. A number of tenders will be opened for reconstruction of M11 from St. Petersburg to Moscow and M1 – the main road between Moscow to Belorussia.

The biggest desire for the Russian government is development of toll roads. Russia so far has almost no experience in this kind of construction and will require help of Western European countries, where paid roads are very popular. The Government tries to attract different companies and sub-contractors (both domestic and foreign), however in general biggest projects are usually give to Russian companies because are better controlled and the desire of the government to support local enterprises.

Biggest Construction and Infrastructure Companies

Bamtonnelstroy (www.bamts.ru) is a Russian company primarily engaged in the construction of tunnels. The company designs and constructs underground structures such as railway tunnels, subways, traffic tunnels and metro, underground facilities for waterside structures, communication tunnels, pipe laying tunnels and others. The company is also involved in other construction projects such as construction of airports, traffic roads, civil and industrial engineering objects. It operates six representative offices, 13 construction and 12 infrastructure companies, 140 units of specialized rock equipment and 50 commissioned and under construction projects all over the Russian territory. Bamtonnelstroy primarily operates in Russia, where it is headquartered in Krasnoyarsk. The company achieved revenues of 1.5 billion RUB

($51.1 million) in FY2011, a decrease on FY2010's revenues of 3.7 billion RUB ($125.8 million) of 59.4 %.

KBR (www.kbr.com) is a US engineering, construction and services company, which support the energy, hydrocarbon, government services, minerals, civil infrastructure, power and industrial sectors. The company offers engineering, procurement, construction and design, project and program management, operations and maintenance, and logistics support. The company recorded revenues of $9,103 million in the fiscal year ending December 2011, a decrease of 8.6% compared to fiscal 2010. Its net income was $480 million in fiscal 2011, compared to a net income of $327 million in the preceding year.

Strabag (www.strabag.com) is one of the leading European construction companies. The company operates through four business segments: transportation infrastructures, building construction and civil engineering, special divisions and concessions, and other. The transportation infrastructures segment covers asphalt and concrete road construction and other construction activities associated with road construction, such as earth-moving, canalization, railway construction, waterway construction, paving, the construction of sport and recreational facilities, safety and protective structures, and the building of small bridges. The segment also includes the production of construction materials such as asphalt, concrete and aggregates. The building construction and civil engineering segment engages in the construction of commercial and industrial properties, office and administration buildings, residential real estate, and the production of prefabricated elements. The company constructs complex infrastructure projects in power plant construction, large-scale bridge building and environmental technology. The company recorded revenues of $1,661 million in the fiscal year ending December 2011, an increase of 9.1% compared to fiscal 2010. Its net income was $26 million in fiscal 2011, compared to a net loss of $156 million in the preceding year.

Two of the biggest construction companies reduced their revenues in 2011. However this does symbolize and specific changes on the market. Biggest companies usually rely on government tenders, that is why their income from year to year might vary.

Distribution Channels

Infrastructural Sector opens two major ways of approaching the market. Tenders will be recommended to the companies, which interested in providing engineering and design services or raw construction materials (like sand or gravel). Engineering and construction machinery and tools meanwhile should be imported via partnering with local manufacturers or distributors.

PARTE 4. OUTRAS INDÚSTRIAS

Outras indústrias que se destacam na Rússia são a indústria química, farmacêutica, a produção de madeira, papel e mobiliário, indústria leve, assim como as telecomunicações. Todas estas indústrias têm menor número de oportunidades de investimento e existem várias razões para esse facto.

Indústria Química e Farmacêutica

- Os principais problemas da indústria química doméstica são o facto de ser bastante distorcida na sua estrutura nos químicos básicos; o fraco desenvolvimento de produtos químicos para a indústria de alta intensidade (especialmente compostos químicos polímeros, e doméstica); a pobre qualidade do produto, a falta de competitividade no mercado mundial, e o risco ambiental.
- A indústria da Saúde está sob constant observação do governo russo.
- O crescimento do mercado de equipamento médico depende quase exclusivamente de importações.
- Novas entradas no Mercado farmacêutico e de equipamento médico irão encarar muitos problemas: em primeiro lugar- certificações e alfândegas locais que são supervisionadas pelo Ministério da Saúde.

Indústria Florestal, Papel e Mobiliário

- A indústria florestal é um das indústrias mais antigas na Rússia. Tem uma estrutura com algum grau de complexidade, dado que cada um dos ramos da indústria é responsável por apenas um passo da carpintaria.
- O governo não presta a devida atenção ao sector e como resultado tem uma falta imensa de fundos. Apesar do grande número de falhas têm sido abertas oportunidades para as empresas internacionais porque os fabricantes russos não possuem fundo de maneio para se sustentarem

ou a qualquer envolvente de um projecto.

Indústria Ligeira

- A indústria ligeira continua a ser uma das que demonstra pior desempenho e a que tem menos fundos públicos, na Rússia.
- The growing increase in imports of all kind of goods indicates slow death of light industry in Russia.
- As razões para o estado deste sector é de conhecimento geral: falta de procura e baixo consumo, impostos altos, falta de fundos, juros de dívidas altos.

Tecnologias da Informação, Telecomunicações, e Aparelhos Domésticos

- O sector das TIC paralelamente à produção de petróleo tornou-se já uma das duas locomotivas de desenvolvimento da Rússia, nos últimos anos.
- As empresas estrangeiras de TI consideram a Rússia bastante atractiva e investem bastante neste mercado. Por isso a maioria das marcas internacionais deste sector podem ser facilmente encontradas nas lojas especializadas.
- São importados grandes quantidades de cabos telefónicos, já que na Rússia se utilizam apenas cabos de aluminio e cobre.
- A indústria des aparelhos domésticos é inexistente no Mercado. Este sub-sector nunca teve sucesso internamente.

PART 4. OTHER INDUSTRIES

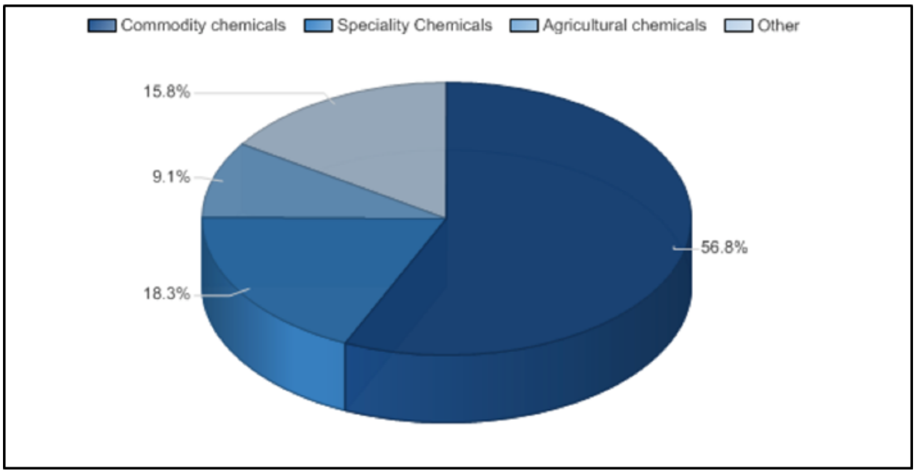
Other industries include Chemical and pharmaceutical industry; production of wood, paper and furniture, light industry, as well as technology and telecommunications. All of theses industries have much less opportunities for investment and there are different reasons for that in each of the industries.

4.1. Chemical Industry. Pharmaceuticals

The value of the chemical industry is constantly growing (picture 40) and its products are used in all spheres of human activity in the home (picture 41). The Russian chemicals market grew by 5.8% in 2011 to reach a value of $79.2 billion.

Year	$ billion	RUB billion	€ billion	% Growth
2007	73.2	2,146.2	52.9	
2008	70.1	2,056.1	50.6	(4.2%)
2009	63.1	1,851.4	45.6	(10.0%)
2010	74.8	2,193.9	54.0	18.5%
2011	79.2	,321.8	57.2	5.8%

Picture 40. Russia Chemicals Value, 2007-2011



Picture 41. Russia Chemicals Market Category Segmentation: % share, by value

At the same time, it should be noted that the main problems of the domestic chemical industry is highly skewed in its structure in the direction of basic chemicals, poor development of new types of chemical-intensive industry (especially polymer chemistry, fine and household), poor product quality, lack of competitiveness on the world market, the environmental risk of many of its species.

On the territory of Russia was formed several chemical bases: Central, Volga-Ural, Siberian and North-European.

Central chemical base produces almost half of the products of the chemical industry and covers the territory of Central, Central Black Earth, Volga-Vyatka and Northwestern economic regions. It is focused on the research potential and the consumer is different rssursodefitsitnostyo and versatile lineup. It developed in virtually all types of chemical industry: production of phosphate rock (Mine, Egorevsk and Bryansk), the production of phosphate fertilizers (Sun-sensk), nitrogen fertilizer (Veliky Novgorod, Rossosh, Lipetsk), petroleum refining (Moscow, Yaroslavl, Ryazan, Kstovo Kirishy) , plastics (Orekhovo-), chemical fibers (Ryazan, Tver, Wedge, Kursk), synthetic rubber (Yaroslavl, Voronezh), Plastics Processing (Moscow, St. Petersburg, Yaroslavl, Voronezh), fine chemicals (Moscow and St. Petersburg), household chemicals (Moscow, Odintsovo, Novomoskovsk, Yaroslavl).

Among key chemical manufacturers are BASF, OAO Nizhnekamskneftekhim, SIBUR Holding JSC and The Dow Chemical Company.

BASF (www.basf.com) operates through six business segments: performance products; chemicals; oil and gas; functional solutions; plastics; and agricultural solutions. These six business segments contain 15 divisions that manage 72 global and regional business units.The performance products segment of BASF is organized into five divisions: dispersions and pigments; care chemicals; nutrition and health; paper chemicals; and performance chemicals. The company recorded revenues of $102,250 million in the fiscal year ending December 2011, an increase of 15.1% compared to fiscal 2010. Its net income was $8,609 million in fiscal 2011, compared to a net income of $6,340 million in the preceding year.

Nizhnekamskneftekhim (www.nknh.ru), part of TAIF group, is a Russian petrochemical company. The company's production complex includes 10 plants, seven centers (including research and technology, and design), rail transport unit, ethylene pipeline systems, as well as support units. The company's primary activities include the manufacture of petrochemical and chemical products. It produces general and specialty purpose synthetic types of rubber, plastics, monomers, polymers, oxides, glycols, oligomers, ethers and other petrochemical products. The company recorded revenues of $4,183 million in the fiscal year ending December 2011, an increase of 30.0% compared to fiscal 2010. Its net income was $491 million in fiscal 2011, compared to a net income of $264 million in the preceding year.

SIBUR Holdings (sibur.com) is a Russian petrochemical company. The company serves around 1,500 customers in the energy, automotive, construction, retail and other industries in 60 countries. SIBUR produces over 2,000 different types of products. The company operates through two segments: feedstock and energy, and petrochemical. As a private entity, SIBUR Holding is not legally obliged to release its financial results. However, the company recorded revenues of RUB248.7 billion (approximately $8.5 billion) in the fiscal year ended December 2011, an increase of 31.9% over 2010. Its net profit was RUB62.8 billion (approximately $2.1 billion) in fiscal 2011, an increase of 54.1% over 2010.

The Dow Chemical Company (www.dow.com) is a diversified, worldwide manufacturer and supplier of products used primarily as raw materials in the manufacture of customer products and services. It services customers in approximately 160 countries in sectors such as electronics, water, energy, coatings and agriculture. The company manufactures more than 5,000 products at 197 sites in 36 countries across the globe. Dow operates through six business segments: performance plastics; performance materials; feedstocks and energy; coatings and infrastructure solutions; agricultural sciences; and electronic and functional materials. The company recorded revenues of $59,985 million in the fiscal year ending December 2011, an increase of 11.8% compared to fiscal 2010. Its net income was $2,784 million in fiscal 2011, compared to a net income of $2,321 million in the preceding year.

The majority of the raw materials utilized in the chemical industry are derived from oil and natural gas. As the main suppliers of these raw materials being large-scale multi-national Russian oil and gas companies the local supplier power is very high. Moreover, supplier power increases as major chemical manufacturers, particularly in the US and Europe, are faced with rising raw material prices, as the result local manufactures prefer local suppliers. Oil and gas companies are also producers of petrochemicals and can further supplier to chemical manufacturers. Buying raw materials in the open market, chemical manufacturers have little control over the price and may need hedging strategies in order to minimize the impact of price volatility.

Many types of chemicals are environmentally dirty and dangerous to the environment and human health. This primarily refers to the refining industry, basic chemistry, and polymer chemistry. **Therefore, to solve environmental problems associated with the**

chemical industry to the construction of sewage treatment plants, the introduction of non-waste technologies, the output of enterprises over the line of large cities, improving technology and the search for new environmentally-friendly materials, the complex prirodozaschitngh protection and nature activities.

Pharmaceuticals

Health Care industry is under constant focus of the Russian Government. **Since the beginning of 2006 there is a realization of the priority national project "Health", in which the major medical institutions will be equipped with innovative technology. The main objective of this project is in increasing the quality of health care and its further modernization.**

However, the growth of the Russian market of medical equipment and medicine highly depends on foreign imports. The domestic medical equipment market is represented by three groups of suppliers: the Russian producers, foreign companies, self-released foreign technology. Russia has almost given up to produce high quality pharmaceuticals and equipment back in early 2000s. This is mainly due to the fact, that Russian industry development was very much behind many countries and as health issues are most important, there was no time to wait for Russian analogues. Biggest number of remaining Russian pharmaceuticals manufacturers is based near St. Petersburg and their key focus is in production of some of the “good old recipe” products. Among such manufacturers are “Polisan”, “Vertex”, “Pharmsitez”, “Technolog”, “Pharmamed”, “Pharmproject”, “BioTech” and others.

Biggest importers of pharmaceuticals and equipment are China, France, Germany, USA and Japan. New entrants of pharmaceutical and medical equipment face a lot of problems: first of all – local certification and customs, which is supervised by the Ministry of Health Care. Even big enterprises, like Bristol-Myers Squibb, who have been on the Russian market for many years face certification delays of at least half a year, when they try to introduce a new product in Russia. Furthermore according to the Federal Law "On placing orders for goods, works and services for state and municipal needs" any local medical enterprise order over 25 000 Euros should be approved by the Ministry of Health Care. In order to get the quick approval favor well-known imported brands, which reduce amount of questions from the Ministry and speed up the process.

4.2. Forest Industry. Pulp, Paper And Furniture

The forest industry is one of the oldest industries in the country. It has a rather complex structure, as each of its branches is responsible for only one-step of woodworking. Forest industry can be divided into two integrated segments. The first category of companies is responsible for treated lumber production and mechanical treatment (for example, furniture production); the second deals with pulp, paper industry and wood chemistry.

The biggest timber works are located in Eastern Siberia, Northern Russia and the Far East. The largest enterprises of the Russian forest industry, which combine all stages of wood processing, are in Arkhangelsk, Krasnoyarsk, Lesosibirsk, Bratsk, Ust-Ilim, Syktyvkar, etc. Paper manufacturing leader can be found in Northern Russia: Syktyvkar, Krasnoyarsk, Arkhangelsk, Ust-Ilim, Irkutsk. More Svetogorsk, Moscow, Balahna, Astrakhan, Perm, Solikamsk, Rostov-on-Don.

If we talk about forest exports, the raw wood and timber account for about 60% of the total share, while 40% are high value-added products (such as pulp, paper, paperboard and articles thereof).

The main challenge of the forestry sector is low government support, which resulted in the following problems:

- Optimization of the system of state management of forests;

- High wear and tear of fixed assets;

- The introduction of a system of state forest management of economic instruments and other regulation;

- Lack of infrastructure does not allow developing good wood products distribution chain;

- Lack of a legal base in the Russian legislation on construction and maintenance of forest roads does not allow companies to engage in commercial use;

- High pollution and as a result bad attitude towards the industry: according to data from various sources woodworking, pulp and paper industries contribute to air pollution by 3% and water pollution by 6%;

- Increase of export duties on raw timber, unsupported by real possibilities for its processing, leading to a massive bankruptcy logger and further complicates the situation of the domestic timber industry;

- Rising energy costs, rising transport costs, deterioration of the quality characteristics of the forest resources of supplier.

The above problems are systemic and require careful and complex approach for their solutions, and the implementation of some of them, the state is engaged in the first year. The government does not pay proper attention to the industry and as a result it is absolutely underfunded. **Despite the big amount of different gaps, it opens little opportunities for foreign companies, because Russian manufacturers have no money to support them selves or any new projects.**

The only positive side of the forest industry is furniture manufacturing and more than a half of all furniture products are Russian made, however WTO opened new opportunities for foreign companies and amount of imports from Italy, Poland, China, Malaysia and Germany are increasing every year. The main importers inside the industry are represented by local design companies, which subcontract foreign furniture manufacturers for project-based purposes and deal with companies, which are flexible to in adapting to specific requirements and tasted of Russian customers.

4.3. Light Industry

Light industry remains one of the worst in terms of performance and least funded industry in Russia. Furthermore recent entrance of WTO does not help local manufacturers as well. The growing increase in imports of all kind of goods indicates slow death of light industry in Russia.

Production of cotton fabrics in Russia in the first half of 2013 declined by 2.8%, up to 627.6 million square meters; footwear production reduced - by 0.7%, up to 52.2 million pairs; woolen fabrics reduced by 9.4%, up to 6.4 million square meters. Production of linen, wool and cotton fabrics is also reducing a lot in the last years.

Despite the regular fall in the price of cotton fiber, cotton fabric production is stagnating. **No necessary modernization was carried out, and as a result raw products are of very low quality, while most of the equipment is worn out.**

The reasons for such state of the domestic industry are very well known: lack of demand and low consumption, high taxes, lack of funds, high interest rates on loans. **The companies themselves are also not eager to put new investments in its**

development, modernize, innovate and they do not see any future or possibility to compete with international brands.

4.4. It Technology. Telecommunications. Household Appliances

IT Technology

The market of Russian information technology is formed by the following companies: computer and network equipment, software and IT services. ICT sector, along with oil production has already become one of the two locomotives of development in the last years. **IT market develops 4 times higher than the average growth of the Russian economy in all of its segments. This was possible due to a big amount of national projects and large-scale government programs, which are very well funded. Yet, this industry is almost unknown to ordinary customers, because national projects usually refer to engineering of military or state technologies,** which highly secret and therefore the industry almost does not have any mass production brands.

Foreign IT companies find Russia very attractive and invest a lot in the market that is why most of the international IT brands can be easily found in any shop.

Telecommunications

Telecommunication market of Russia is divided into two sectors:

1) Seven regional state companies which have the same management structure, financial management, technology and marketing characteristics, appeared in Russia a couple of years ago as part of Net and Telecommunication reform. This subsector belongs to the government and is well invested and controlled.

2) The second subsector unites private mobile operators (MTS, Vimpelcom and Megaphone) and numerous Internet providers. This group of companies is rather independent and has its own investments.

Biggest amount of telephone cables are imported, as Russia uses only copper and aluminum cables, while Russian manufacturing has reduced significantly in the last years. Biggest imports come from China and Taiwan (60%), around 30% is produced in Russia, while only 10% is imported from USA and Europe.

Household appliances

Household appliances industry does not exist in Russia. This sub-sector has never been successful in the country. Meanwhile one can find some products outside Central Region. The most technologically up-to-date and demanded products are Russia fridges “Okean” and “Birusa”: some of the Russian brands can be found in Siberia and Far East Region. However most of the parts are imported from Korea and China, so these products are called Russian, only because they were collected/manufactured in Russia. Russia has only one washing machine brand “Vyiatka”. Initially it belongs to an Italian company, which settled its manufacturing in Soviet Union in the 70s and left the country in 80s, keeping all manufacturing to local authorities. Ovens “Electronicsdeluxe” are produced near Moscow, but can be found in shops only in far from the capital regions.

Home appliances segment is not interesting to the government and no funds are planned for this sector, as it does not really exist and might be developed, only after all the rest of the industries will be in good performance.

CONCLUSÕES

Resumindo, os principais aspectos importantes para a realização de negócios em cada um dos sectores de indústria, as seguintes oportunidades são destacadas:

1. Os sectores do Petróleo, Gás e Energia são controlados maioritariamente pelo governo. Algumas das principais empresas nesta indústria têm as suas próprias subsidiárias, que são responsavéis pela construção e questões tecnológicas. Esta situação fez aumentar pequenas oportunidades na participação de grandes projectos de engenharia. É difícil haver procura de produtos de empresas estrangeiras, dado que apenas as corporações poderosas e com alto poder económico, e capacidade de investimento representam estes três sub-sectores. Neste contexto é recomendado seleccionar produtos pequenos mas cruciais que não são produzidos em território da Federação Russa, tais como turbinas eléctricas para o segmento da electricidade.
2. A indústria do Carvão, Metalurgica e Engenharia de Equipamento são similares na forma como estão estruturadas e distinguem-se pela falta de fundos públicos e como resultado – menos monopolizadas e com diversas oportunidades. As três indústrias requerem vários equipamentos de engenharia e componentes, e a maioria das empresas trabalham com maquinaria desgastada. Outra importante oportunidade está nos softwares e programação de segurança, dado que a maior procura está na tecnologia e programas de formação ou educacionais. O principal marco destas indústrias encontram-se nas poucas oportunidades de investimento por parte das empresas. É algo difícil prever, a escala e dimensão das empresas que terão melhor aceitaçãode produtos estrangeiros dado que as grandes empresas provavelmente já têm parceiros nos vários sectores, enquanto que as de pequena dimensão podem não ter fundos suficientes para essas parcerias. Neste contexto será aconselhável estudar cada um dos sub-sectores destas três indústrias em detalhe e tentar abordar todos os tipos de empresas.
3. A Construção e as Infra-estruturas são os sectores onde existem as maiores oportunidades entre todas as indústrias. A construção é a única indústria independente, rica e com um crescimento constante na Rússia, que tem como fornecedores empresas estrangeiras. A indústria irá requerer algumas abordagens de vários tipos de empresas: grandes empresas de construção, importadores locais e distribuidores de equipamento e materiais de construção; pequenos representantes de distribuidores, cadeias de retalho de bricolagem; e pequenas agências de construção que trabalham em projectos de design com pré-encomendas. O sector de infra-estruturas, ao contrário da construção, depende do apoio do governo mas devido ao seu papel importante no desnvolvimento dos países continua a oferecer possibilidades às

empresas estrangeiras. É recomendado o estudo detalhado da lista dos actuais e futuros projectos governamentais no sector das infra-estruturas, assim como a abordagem de importadores locais de equipamentos para a contrução de estradas.

4. A indústria Alimentar e Agrícola são diversificadas e fornecem diferentes oportunidades, tanto para produtos alimentares como para equipamentos agrícolas. Apesar do constante crescimento e desenvolvimento, as regras de importação destes sectores são muito restrictas e requerem vários certificados aos fabricantes. Por isso será importante ter um bom e fiável importador e distribuidore local.
5. As indústrias Química e Florestal oferecem oportunidades moderadas às empresas internacionais, dado que a falta de apoio governamental e a falta de fundos para investir em desenvolvimento. Várias falhas no fabrico são traçadas neste relatório, contudo não é provável que as empresas deste sector tenham a capacidade económica para investimento próprio. A maior oportunidade encontra-se em produtos prontos a consumir. Tais como, farmacêuticos, mobiliário e equipamento médico.
6. A indústria ligeira e de Aparelhos Domésticos está em péssimas condições e não está prevista qualquer recuperação nos próximos 5-10 anos. O governo não possui tempo ou dinheiro para investir nestes sectores, enquanto que os próprios fabricantes não vêm sentido em qualquer investimento, dado que há pouca ou não há procura dos seus produtos no mercado. Infelizmente, o mercado está aberto apenas a produtos de pronto consumo.
7. As indústrias mais fechadas na Rússia continuam a ser a militar e TI. Ambas respondem ao plano governamental e têm um controlo de segurança muito rígido. As empresas estrangeiras evitam parcerias nestas indústrias devido ao ambiente instável e aos pequenos projectos que envolvem grandes esforços e pouco lucro.

RECOMMENDATIONS

Russian market is one of the most attractive among other emerging markets, mainly because of the big scale and diversity of industries: natural resources based industries, machinery and engineering industries, construction sector of houses and infrastructure, chemical industry, forest industry, light manufacturing and IT segment. The big range of industries opens different opportunities for foreign investment, while entrance to WTO is supposed to reduce most of the tariff barriers by 2 to 3 times in each product category by 2017-2020.

Summarizing key aspects for doing business in each of the industry sector the following opportunities can be outlined:

1. Oil, Gas and Energy sectors are highly controlled by the government. Some of the key companies in the sector have their own subsidiary enterprises, which are responsible for construction and technology questions. This rises small opportunity for participation in big engineering projects. It is also difficult to outline smaller or more demanding in foreign products companies, as only rich and powerful companies with big investment opportunities represent these three subsectors. So in the case of these three industries, it would be recommended to look into smaller, but crucial products, which are not produced on the territory of the Russian Federation, like power turbines for electricity segment or pipes and drilling engineering and software in gas and oil sector. .
2. Coal, Metallurgy and Machinery Engineering Industry are rather similar in their structure and are distinguished by lack of funding from the government and as a result – less monopolistic environment and big diversity of various opportunities. All three industries require various kinds of engineering equipment and parts, as most of the companies work on worn out machinery. Another good opportunity is in software and security programming, while the most welcome will be technology and educational or training programs. The main milestone of these industries lies in little investment opportunities from the companies. It is rather difficult to predict, which scale and size enterprises will be more welcome to foreign products, because biggest companies might already have partners in various sectors, while smallest might not have enough funding. Thus it would be recommended to study each of the subsectors of

these three industries in details and try to approach all kinds of companies in the sectors.

3. Construction and Infrastructure open the biggest opportunities among all other industries. Construction turns to be the only independent, constantly growing and rich industry, which buys majority of construction machinery and some of the construction materials abroad. This industry will require several approaches of different types of companies: big construction companies; local importers and distributors of machinery and construction materials; small representatives of distributors for construction markets; DIY retail shop chains; and small construction agency with work with preorder design projects. Infrastructure, on the contrary, highly depends on the government support, but due to its crucial part in development of the countries offers a big variety of tenders for foreign companies. It is recommended to study in details the list of the current and upcoming infrastructural government projects, as well as to approach local importers of road building equipment.
4. Food and Agricultural industry is very diverse and opens different opportunities for both ready food products and food machinery. The industry is constantly growing and developing, however importing rules in this sector are very strict and require various certificates from manufacturers, that is why a good and reliable importer and distributor will be especially important to have.
5. Chemical and Forest industries open moderate opportunities to foreign companies, as these industries lack government support and have small funds for further development. A number of gaps in manufacturing were outlined in the report, however it is not likely, that companies from this sector will be able to invest a lot in their own development. The biggest opportunity lies in read-to-consume products, like for example: pharmaceuticals, furniture, medical equipment. Chemical industry might see further growth in the coming years, however the market is highly saturated by local raw materials suppliers, that is why machinery for chemical production could be the only opportunity for foreign companies.
6. Light industry and Home Appliances are in one of the worst conditions and no recovery is forecasted for the next 5-10 years. The government has not time an money to invest in these industries, while local manufacturers themselves see

no sense in any investment, as there is no or little demand to their products on the market. Unfortunately, these market are open for ready-to-consume products only.

7. The most closed industries remain military and IT sectors. Both of them reply to government orders only and have strict security control level. Foreign companies avoid partnerships with these industries, because of the unstable environment and very small projects, which involve big effort and bring back small money.

Russia remains not only one of the most attractive, but also one where subornation is present and difficulty to manage business with countries. That is why majority of foreign companies, who decide to approach Russia, either invest in their own assets in the country, where they hire local people or use local importers, who would take the responsibility of customs and distribution on their shoulders. Russia opens big opportunities for almost any product, but good partnership will play the key role in its growth on the market.

The following report aimed to give a very broad overview of the Russian market, that is why it highlighted only key peculiarities and only some opportunities. It is recommended to analyze each of the sectors in details, applied to the specific products and goals of each Portuguese manufacturer in order to get a better strategic overview of the market approach for each company individually.

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INSEAD, 2013. *Import and Export Market for Flexible Plastic Tubes, Pipes, and Hoses with Minimum Burst Pressure of 27.6 MPA in Russia*

INSEAD, 2013. *Import and Export Market for Original, Hand-Drawn Plans and Drawings for Architectural, Engineering, Industrial, Commercial, Topographical, or Similar Purposes in Russia*

INSEAD, 2013. *Import and Export Market for Parts for Machines Assembling Electric or Electronic Lamps and Tubes and for Machines Manufacturing or Working Glass or Glassware in Russia*

INSEAD, 2013. *Import and Export Market for Plastic Fittings for Tubes, Pipes, and Hoses Including Joints, Elbows, and Flanges in Russia*

INSEAD, 2013. *Import and Export Market for Prefabricated Structural Components for Building or Civil Engineering of Cement, Concrete, or Artificial Stone in Russia*

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APPENDIX

APPENDIX 1. 100 Biggest Industry Centers by Cities in Russia in 2012.

Position in 2012	Position in 2011	City	Region	Population (thousands, 2010)	Industry Production in billion, Euros[1]		Biggest Companies and Ranking[2]
					2011	2012	
1	1	Moscow	Moscow	111514	47,38	51,92	1. Gasprom; 3. Rosneft; 7. AFK System; 32. Oboronprom; 42. PepsiCo; 48. JTI; 51. TVEL; 52. Almaz-Antei; 107. Avtoframos; 119. Eurocement; 133. LSR; 137. Coca-Cola; 138. Atomenergmash; 143. Irkut; 151. Kraft Foods; 157. Cherkizovo; 159. GKHPC Hrunicheva; 160. United Confectionary; 179. Tactical Rocket Armory; 200. BAT; 212. Unilever; 242. Moscow Technology Institute; 266. Effes; 272. Polyplastic; 279. Tadem; 282. Ostankisnskii MPK; 808. CENKI; 355. PK Borec; 277. Sunny Products; 400. Nikos. (1. Газпром; 3. Роснефть; 7. АФК Система; 32. Оборонпром; 42. PepsiCo; 48. JTI; 51. ТВЭЛ; 52.Алмаз-Антей; 107. Автофрамос; 119. Евроцемент; 133. ЛСР; 137. Кока-кола 138. Атомэнергомаш; 143. Иркут; 151. Крафт Фудс; 157. Черкизово; 159. ГКНПЦ им. М. В. Хруничева; 160. Объединенные кондитеры; 179. Тактическое ракетное вооружение; 200. БАТ; 212. Юнилевер; 242. Московский институт теплотехники; 266. Эфес; 272. Полипластик; 279. Тадем; 282. Останкинский МПК; 308. ЦЭНКИ; 355. ПК Борец 277. Солнечные продукты; 400. Никос)
2	2	St. Petersburg	St. Petersburg	4849	32,07	45,68	14. Severostal; 32. Oboronprom; 42. PepsiCo; 48. JTI; 52. Almaz-Antei; 66.Transmachiholding; 67. Philip Morris; 76. Nissan; 83. Baltika; 116. Mars; 133. LSR; 137. Coca-Cola; 140. Power Machines; 145. Hyundai; 151. Kraft Foods; 160. United Confectionary; 169. SanInbev; 197. Unimilk; 200. BAT; 212. Unilever; 216.GMAuto; 234. OMZ; 244. Heineken; 341. Russian Alkohol; 347. Ruselprom; 360. Northern Oil; 387. REP Holding; 399. Kirov Factory. (14. Северсталь; 32. Оборонпром; 42. PepsiCo; 48. JTI; 52. Алмаз-Антей; 66. Трансмашхолдинг; 67. Филип Моррис; 76. Ниссан; 83. Балтика; 116. Марс; 133. ЛСР; 137. Кока-кола; 140. Силовые машины; 145. Хендэ; 151. Крафт Фудс; 160. Объединенные кондитеры; 169. Сан Инбев; 197.

[1] Currency Rate: 1 Euro – 40 Rubs.
[2] Ranking is based on Appendix 1.

							Юнимилк; 200. БАТ; 212. Юнилевер; 216. Джи Эм Авто; 234. ОМЗ; 244. Хейнекен; 341. Русский алкоголь; 347. Русэлпром; 360. Северная верфь; 387. РЭП холдинг; 399. Кировский завод)
3	3	Surgut	HMAO	307	20	26,2	1. Gasprom; 8. Surgutgasoil; 42. PepsiCo; 103. E.ON (1.Газпром; 8. Сургутнефтегаз; 42. PepsiCo; 103. Э.ОН)
4	4	Nizneva rtovsk	HMAO	252	12,04	14,32	1. Gasprom; 5. TNK-BP; 29. Sibur; 36. Pipe Steel Company; 42. Rusoil; 43. Slavoil. (1.Газпром 5. ТНК-ВР 29. Сибур 36. Трубная металлургическая компания 41. Русснефть 43.Славнефть)
5	6	Perm	Permski i Region	992	8,28	11,5	2. Lukoil; 19.RusHydro; 29. Sibur; 32. Oboronprom; 42. PepsiCo; 101. Nestle; 169. SanIbev; 180. Henkel; 197. Unimilk; 246. Sinergia; 258. Kamskii Kabel. (2. Лукойл; 19. Русгидро; 29. Сибур; 32. Оборонпром; 42. PepsiCo; 101. Нестле; 169. Сан Инбев; 180. Хенкель; 197. Юнимилк; 246. Синергия; 258. Камский кабель)
6	5	Omsk	Omskii Region	1154	8,71	11,48	1. Gazprom; 29. Sibur; 42. PepsiCo; 52. Almaz-Antei; 159. GKNPC Hrunischeva; 179. Tactical Rocket Amery; 198. GK. Titan; 212. Unilever; (1. Газпром; 29. Сибур; 42. PepsiCo; 52. Алмаз-Антей; 159. ГКНПЦ им. М. В. Хруничева; 179.Тактическое ракетное вооружение; 198. ГК Титан; 212. Юнилевер)
7	7	Ufa	Bashkor tostan	1062	7,84	9,8	7. AFK Systema (Bashoil); 32. Oboronprom; 42. PepsiCo; 161. Pharmstandart; 266. Efes. (7. АФК Система (Башнефть); 32. Оборонпром; 42. PepsiCo; 161. Фармстандарт; 266. Эфес)
8	12	Almetev sk	Tatarsta n	146	6,49	8,72	11. Tatneft; 59. United Steel Company; 62. CHTPZ; 82. Alliance Oil; 362. VAMIN. (11. Татнефть; 59. Объединенная металлургическая Компания; 62. ЧТПЗ; 82. Alliance Oil; 362. ВАМИН)
9	11	Cherepo vec	Vologod skii Region	312	6,53	8,37	14. SeveroStal; 71. Fosargo. (14. Северсталь; 71. Фосагро)
10	9	Cheliabi nsk	Cheliabi nskii Region	1130	6,93	8,32	18. Mechel; 28. MMK; 32. Oboronprom; 42. PepsiCo; 59. United Steel Company; 62. CHTPZ; 80. Uralvagonzavod; 83. Baltika; 137. Coca-Cola; 160. United Confectionery; 190. Cheliabinsk Stell Factory. (18. Мечел; 28. ММК; 32. Оборонпром; 42. PepsiCo; 59. Объединенная металлургическая Компания; 62. ЧТПЗ; 80.

							Уралвагонзавод; 83. Балтика; 137. Кока-кола; 160. Объединенные кондитеры; 190. Челябинский электрометаллургический завод)
11	8	Norilsk	Krasnoiarskii Region	175	7,8	8,1	17. Norilskii Nikel (17. Норильской Никель)
12	16	Toliatti	Samarskii Region	720	5,84	7,88	29. Sibur; 39. AutoVaz; 202. Kuibyshivfactory; 203. Toliattiazot; 205. Danone; 216.GMAuto. (29. Сибур; 39. АвтоВАЗ; 202.Куйбышевазот; 203.Тольяттиазот; 205. Данон; 216.Джи Эм авто)
13	13	Volgograd	Volgogradskii Region	1021	6,4	7,76	2. Lukoil; 14. SeveroStal; 20. Rusal; 42. PepsiCo; 142. Tractor Factory; 197. Unimilk; 272. Polyplastic; 400. Nikos. (2. Лукойл; 14. Северсталь; 20. Русал; 42. PepsiCo; 142. Тракторные заводы; 197. Юнимилк; 272. Полипластик; 400. Никос)
14	20	Nijnekamsk	Tatarstan	234	4,9	7,6	11. Tatoil; 55. Nizhnekamskneftehim; 56. TAIF; 362. VAMIN. (11. Татнефть; 55. Нижнекамск нефтехим; 56. ТАИФ; 362. ВАМИН)
15	10	Novokuznetsk	Kemerovskii Region	548	6,6	7,5	13. EvrazGroup; 20. Rusal; 177. Sibuglemet; 266. SDS-Coal. (13. ЕвразГруп; 20. Русал; 177. Сибуглемет; 266. СДС-уголь)
16	15	Magnitogorsk	Cheliabinskii Region	410	6,2	7,5	28. MMK; 62. CHTPZ. (28. ММК 62.ЧТПЗ)
17	14	Lipetsk	Lipetskii Region	508	6,2	7,28	21. NLMK; 119. Eurocement; 142. Tractor Factory; 157. Cherkizovo; 197. Unimilk; 348. Indesit; 359. Roshen. (21. НЛМК 119. Евроцемент 142. Тракторные заводы 157. Черкизово 197. Юнимилк 348. Индезит 359. Рошен)
18	17	Kogalim	HMAO	58	5,54	6,65	2. Lukoil (2. Лукойл)
19	18	Kstovo	Nizhegorodskii Region	67	5,25	6,64	2. Lukoil; 29. Sibur (2. Лукойл; 29. Сибур)
20	19	Novyi Irengoi	YNAO	104	5,13	6,16	1. Gazprom; 5. TNK-BP; (1. Газпром; 5. ТНК-ВР)
21	25	Buzuluk	Orenburgskii Region	90	3,90	5,36	5. TNK-BP; 36. Pipe Steel Company. (5. ТНК-ВР; 36. Трубная металлургическая Компания)
22	22	Nizhniy Tagil	Sverdlovskii Region	362	3,98	4,97	13. EvrazGroup; 80. Uralvagonzavod; 197. Unimilk; 249. KDV Group. (13. ЕвразГруп; 80.Уралвагонзавод; 197. Юнимилк; 249. КДВ Групп)
23	28	Kaliningrad	Kaliningradskii Region	432	3,59	4,85	1. Gazprom; 2. Lukoil; 53. Avtotor; 178. Miratorg; 244. Heineken; 320. Sodrujestvo Soia. (1. Газпром; 2. Лукойл; 53. Автотор;

							178. Мираторг; 244. Хейнекен; 320. Содружество Соя)
24	43	Nabereg niy Chelni	Tatarsta n	513	2,55	4,82	65. Kamaz; 98. Sollers; 362. Vamin (65. КАМАЗ; 98. Соллерс; 362. ВАМИН)
25	24	Yekateri nburg	Sverdlo vskii Region	1350	3,90	4,72	1. Gazprom; 21. NLMK; 29. Sibur; 32. Oboronprom; 36. Pipe Steel Company; 37. UGMK; 42. PepsiCo; 52. Almaz-Antei; 80. Uralvagonzavod; 119. Eurocement; 133. LSR; 137. Coca-Cola; 170. Rusagro; 197. Unimilk; 212. Unilever; 234. OMZ; 244. Heineken. (1. Газпром; 21. НЛМК; 29. Сибур; 32. Оборонпром; 36. Трубная металлургическая Компания; 37. УГМК; 42. PepsiCo; 52. Алмаз-Антей; 80. Уралвагонзавод; 119. Евроцемент; 133. ЛСР; 137. Кока-кола; 170. Русагро; 197. Юнимилк; 212. Юнилевер; 234. ОМЗ; 244. Хейнекен)
26	33	Kaluga	Kalujski i Region	325	3,29	4,70	14. SeveroStal; 35. Volkswagen; 140. Power machines; 243. Peugeot; 309. SAB Miller. (14. Северсталь; 35. Фольксваген; 140. Силовые машины; 243.Пежо Ситроен; 309. САБМиллер)
27	23	Hantima nskiisk	HMAO	79	3,94	4,47	1. Gazprom; 41. Rusneft. (1. Газпром; 41. Русснефть)
28	21	Nefteyu gansk	HMAO	123	4,61	4,45	1. Gazprom; 3. Rosneft; 41. Rusneft. (1. Газпром; 3. Роснефть; 41. Русснефть)
29	32	Nizhniy Novgor od	Nijegor odskii Region	1251	3,31	4,42	29. Sibur; 42. PepsiCo; 49. GAZ; 52. Almaz-Antei; 137. Coca-Cola; 151. Kraft Foods; 160. United Confectionery; 161. Phramstandart; 244. Heineken; 246. Sinergia; 300. Nizegorodskii MJK. (29. Сибур; 42. PepsiCo; 49. ГАЗ; 52. Алмаз-Антей; 137. Кока-кола; 151. Крафт Фудс; 160. Объединенные кондитеры; 161. Фармстандарт; 244. Хейнекен; 246. Синергия; 300. Нижегородский МЖК)
30	27	Samara	Samarsk ii Region	1165	3,69	4,37	3. Rosneft; 32. Oboronprom; 42. PepsiCo; 101. Nestle; 137. Coca-Cola; 179. Tactical Rocket Armery; 197. Unimilk; 238. Alkoa; 273. CSKB Progress; 279. Tadem; 290. Electroshit TM. (3. Роснефть; 32. Оборонпром; 42. PepsiCo; 101. Нестле; 137. Кока-кола; 179.Тактическое ракетное вооружение; 197. Юнимилк; 238. Алкоа; 273. ГНП РКЦ «ЦСКБ-Прогресс»; 279. Тадем; 290. Электрощит-ТМ)
31	51	Berezni ki	Permski i Region	157	2,07	4,18	2. Lukoil; 68. Uralcaliy; 109. Uralhim; 214. VSMPO-Avisma. (2. Лукойл; 68.Уралкалий;

							109.Уралхим; 214.ВСМПО-Ависма)
32	29	Nadym	YNAO	47	3,50	4,14	1. Gazprom (1. Газпром)
33	30	Noiabyrsk	YNAO	111	3,42	4,10	1. Gazprom; 29. Sibur. (1. Газпром; 29. Сибур)
34	41	Kazan	Tatarstan	1144	2,80	3,99	32. Oboronprom; 42. PepsiCo; 52. Almaz-Antei; 56. TAIF; 184. Kazanorgsintez; 197. Unimilk; 266. Efes; 362. VAMIN. (32. Оборонпром; 42. PepsiCo; 52. Алмаз-Антей; 56. ТАИФ; 184. Казаньоргсинтез; 197. Юнимилк; 266. Эфес; 362. ВАМИН)
35	35	Staryi Oskol	Belogorodskii Region	221	3,10	3,97	21. NLMK; 27. Steelinvest; 119. Eurocement. (21. НЛМК; 27. Металлоинвест; 119. Евроцемент)
36	36	Salavat	Bashkortostan	156	2,97	3,9	1. Gazprom (1. Газпром)
37	34	Novosibirsk	Novosibirskii Region	1474	3,15	3,75	1. Gazprom; 5. TNK-BP; 19. Rushydro; 32. Oboronprom; 42. PepsiCo; 51. TVEL; 52. Almaz-Antei; 83. Baltika; 89. AHK Suhoi; 116. Mars; 137. Coca-Cola; 160. United Confectionery; 197. Unimilk; 244. Heineken; 266. Efes; 341. Russian Alcohol; 277. Sunny Products. (1. Газпром 5. ТНК-ВР 19. Русгидро 32. Оборонпром 42.PepsiCo 51. ТВЭЛ 52.Алмаз-Антей 83.Балтика 89.АХК Сухой 116.Марс 137.Кока-кола 160.Объединенные кондитеры 197.Юнимилк 244.Хейнекен 266.Эфес 341.Русский алкоголь 277.Солнечные продукты)
38	38	Rostov	Rostov Region	1090	2,86	3,70	32. Oboronprom; 42. PepsiCo; 83. Baltika; 118. Yug Rus; 137. Coca-Cola; 167. Efko; 266. Efes; 364. Rostselmach. (32. Оборонпром; 42. PepsiCo; 83. Балтика; 118. Юг Руси; 137. Кока-кола; 167. Эфко; 266. Эфес; 364. Ростсельмаш)
39	40	Krasnoiarsk	Krasnoiarskii Region	974	2,82	3,60	20. Rusal; 29. Sibur; 42. PepsiCo; 83. Baltika; 137. Cocal-Cola; 142. Tractor Factory; 197. Unimilk; (20. Русал; 29. Сибур; 42. PepsiCo; 83. Балтика; 137. Кока-кола; 142. Тракторные заводы; 197. Юнимилк)
40	39	Verhniaya Pyshma	Sverdlovskii Region	60	2,84	3,52	37. UGMK (37. УГМК)
41	37	Tarko-Sale	YNAO	20	2,93	3,51	38. Novaiya TEK; 106. Itera. (38. НоваТЭК; 106. Итера)
42	31	Vyksa	Nijegorodskii Region	56	3,39	3,36	59. United Steel Company (59. Объединенная металлургическая Компания)
43	42	Voljskii	Volgogr	314	2,69	3,03	19. RusHygro; 29. Sibur; 36. Pipe Stell

			adskii Region				Company; 137. Coca-Cola; 169. San Inbev; 279. Tadem. (19. Русгидро 29. Сибур 36. Трубная металлургическая компания 137.Кока-кола 169.Сан Инбев 279.Тадем)
44	44	Megan	HMAO	50	2,53	2,90	43. Slavneft (43. Славнефть)
45	47	Yaroslavl	Yaroslavskii Region	592	2,31	2,86	11. Tatneft; 29. Sibur; 43. Slavneft; 49. GAZ; 52. Almaz-Antei; 85. Baltika. (11. Татнефть; 29. Сибур; 43.Славнефть; 49. ГАЗ; 52.Алмаз-Антей; 83. Балтика)
46	48	Kemerovo	Kemerovskii Region	533	2,17	2,85	120. Gruppa Koks; 197. Unimilk; 249. KDV Grupp; 266. SDS-Coal. (120. Группа Кокс; 197. Юнимилк; 249. КДВ Групп; 266. СДС-уголь)
47	53	Usinsk	Komi	43	1,95	2,73	2. Lukoil; 3. Rosneft. (2. Лукойл; 3. Роснефть)
48	46	Vsevolojsk	Leningradskii Region	60	2,33	2,69	92. Ford; 235. Nokian shina; 257. Orimi Trade. (92. Форд; 235. Нокиан шина; 257. Орими Трейд)
49	61	Krasnodar	Krasnodarskii Region	745	1,65	2,64	1. Gazprom; 3. Rosneft; 41. Rusneft; 42. PepsiCo; 67. Philip Morris; 118. Yug Rusi; 272. Polyplastic. (1. Газпром; 3. Роснефть; 41. Русснефть; 42. PepsiCo; 67. Филип Моррис; 118. Юг Руси; 272. Полипластик)
50	56	Gubkin	Belogorodskii Region	89	1,85	2,57	27. Steelinvest; 120. Gruppa Koks. (27. Металлоинвест; 120. Группа Кокс)
51	49	Ryazan	Ryazanskii Region	525	2,15	2,57	5. TNK-BP; 52. Almaz-Antei; 179. Tactical Rocket Armery; 197. Unimilk. (5. ТНК-ВР; 52. Алмаз-Антей; 179. Тактическое ракетное вооружение; 197. Юнимилк)
52	66	Tyumen	Tyumenskii Region	582	1,55	2,44	161. Pharmstandart; 181. Antipinskii NPZ; 237. GMS. (161. Фармстандарт; 181. Антипинский НПЗ; 237. ГМС)
53	52	Tula	Tulskii Region	501	2,06	2,43	52. Almaz-Antei; 83. Baltika; 120. Gruppa Koks; 160. United Confectionery; 212. Unilever; 341. Russian Alcohol. (52. Алмаз-Антей; 83. Балтика; 120. Группа Кокс; 160. Объединенные кондитеры; 212. Юнилевер; 341. Русский алкоголь)
54	50	Saratov	Saratovskii Region	838	2,09	2,34	2. Lukoil; 5. TNK-BP; 41. Rusneft; 200. BAT; 272. Polyplastic; 277. Sunny Products. (2. Лукойл; 5. ТНК-ВР; 41. Русснефть; 200. БАТ; 272. Полипластик; 277.

							Солнечные продукты)
55	55	Liantor	HMAO	39	1,87	2,24	8. Surgutneftegas. (8. Сургутнефтегаз)
56	54	Balakovo	Saratovskii Region	200	1,88	2,17	14. Severostal; 19. Rushydro; 32. Rosenergoatom; 71. Fosagro; 279. Tadem; 272. Sunny Products. (14. Северсталь; 19. Русгидро; 32. Росэнергоатом; 71. Фосагро; 279. Тадем; 277. Солнечные продукты)
57	74	Belovo	Kemerovskii Region	77	1,39	2,14	13. EvrazGrup; 28. MMK. (13. ЕвразГруп; 28. ММК)
58	58	Novotroitsk	Orenburgskii Region	100	1,74	2,12	27. Steelinvest. (27. Металлоинвест)
59	57	Orenburg	Orenburgskii Region	547	1,80	2,12	1. Gazprom; 5. TNK-BP; 29. Sibur; 41. Rusneft. (1. Газпром; 5. ТНК-ВР; 29. Сибур; 41. Русснефть)
60	70	Uhta	Komi	100	1,44	2,11	2. Lukoil. (2. Лукойл)
61	62	Ulyanovsk	Ulyanovskii Region	614	1,65	2,01	41. Rusneft; 49. GAZ; 52. Almaz-Antie; 98. Sollers; 116. Mars; 158. Cherkizovo. (41. Русснефть; 49. ГАЗ; 52. Алмаз-Антей; 98. Соллерс; 116. Марс; 157. Черкизово)
62	63	Ijevsk	Udmurtia	628	1,60	2,00	3. Rosneft; 18. Mechel; 41. Rusneft; 42. PepsiCo; 52. Almaz-Antei; 62. CHTPZ; 345. Komos. (3. Роснефть; 18. Мечел; 41. Русснефть; 42. PepsiCo; 52. Алмаз-Антей; 62. ЧТПЗ; 345. Комос)
63	64	Muravlenko	YNAO	37	1,59	1,90	1. Gazprom; 29. Sibur. (1.Газпром; 29. Сибур)
64	85	Prokopevsk	Kemerovskii Region	210	1,15	1,89	266. SDS-Coal. (266. СДС-уголь)
65	68	Mejdurechinsk	Kemerovskii Region	102	1,46	1,88	13. EvrazGrup; 18. Mechel; 177. Sibulglemet. (13. ЕвразГруп; 18. Мечел; 177. Сибуглемет)
66	91	Borovsk	Kalujskii Region	12	1,10	1,87	101. Nestle; 115. Samsung. (101. Нестле; 115. Самсунг)
67	67	Voronej	Voronejskii Region	890	1,52	1,86	7. AFK Systema; 29. Sibur; 42. PepsiCo; 83. Baltika; 160. United Conditionery; 167. Efko. (7. АФК Система; 29. Сибур; 42. PepsiCo; 83. Балтика; 160. Объединенные кондитеры; 167. Эфко)
68	60	Stupino	Moscow Region	67	1,66	1,84	32. Oboronprom; 116. Mars; 282. Ostankinskii MPK. (32. Оборонпром; 116. Марс; 282. Останкинский МПК)
69	73	Kamensk-Uralsk	Sverdlovskii	175	1,43	1,81	20. Rusal; 36. Pipe Steel Company; 80. Uralvagonmach; 179. Tactical Rocket

			Region				Armery; 391. Kamensk-Ural-Steel Factory. (20. Русал; 36. Трубная металлургическая Компания; 80. Уралвагонзавод; 179. Тактическое ракетное вооружение; 391. Каменск-Уральский металлургический завод)
70	71	Neftekamsk	Bashkortostan	122	1,44	1,80	7. AFK Systema (Bashneft); 65. Kamaz. (7. АФК Система (Башнефть) 65.КАМАЗ)
71	78	Velikii Novgorod	Novogorodskii Regtion	219	1,33	1,78	104. Arkon; 123. Russian Copper Company. (104. Акрон; 123. Русская медная Компания)
72	72	Langepas	HMAO	42	1,43	1,72	2. Lukoil. (2. Лукойл)
73	59	Bratsk	Irkutskii Region	246	1,68	1,66	18. Mechel; 20. Rusal; 73. Evrosibenergi; 106. Itera; 114. Group Ilim. (18. Мечел; 20. Русал; 73. Евросибэнерго; 106.Итера 114.Группа Илим)
74	65	Irkutsk	Irkutskii Region	587	1,57	1,63	42. PepsiCo; 73. Evrosibenergi; 89. AHK Suhoi; 143. Irkut; 244. Heineken; 272. Polyplastic. (42. PepsiCo; 73. Евросибэнерго; 89. АХК Сухой; 143. Иркут; 244. Хейнекен; 272. Полипластик)
75	81	Novomoskovsk	Tulskii Region	131	1,20	1,62	50. Evrohim. (50. Еврохим)
76	80	Astrahan	Astrahanskii Region	521	1,23	1,60	1. Gazprom. (1. Газпром)
77	77	Nyagan	HMAO	55	1,33	1,59	5. TNK-BP; 29. Sibur; 41. Rusneft. (5. ТНК-ВР; 29. Сибур; 41. Русснефть)
78	79	Tver	Tverskoi Regio	404	1,32	1,54	29. Sibur; 49. GAZ; 66. Transmachholding; 80. Uralvagonmach; 197. Unimilk; 400. Nikos. (29. Сибур; 49. ГАЗ; 66. Трансмашхолдинг; 80. Уралвагонзавод; 197. Юнимилк; 400. Никос)
79	84	Tomsk	Tomskii Region	523	1,20	1,53	1. Gazprom; 29. Sibur; 37. UGMK; 80. Uralvagonmach; 161. Pharmstandart; 197. Unimilk. (1. Газпром; 29. Сибур; 37. УГМК; 80. Уралвагонзавод; 161. Фармстандарт; 197. Юнимилк)
80	89	Geleznogorsk	Kurskii Region	95	1,10	1,47	27. Steelinvest. (27. Металлоинвест)
81	75	Radujnii	HMAO	43	1,36	1,46	41. Rusneft. (41. Русснефть)
82	82	Mirnii	Yakutia	37	1,20	1,44	47. Alrosa.

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							(47. Алроса)
83	86	Sterlitamak	Bahkortostan	273	1,13	1,42	244. Heineken. (244. Хейнекен)
84	94	Pervouralsk	Sverdlovskii Region	125	1,06	1,40	42. PepsiCo; 62. CHTPZ. (42. PepsiCo; 62. ЧТПЗ)
85	92	Penza	Penzinskii Region	517	1,09	1,39	66. Transmachholding; 157. Cherkizovo; 160. United Confectionery. (66. Трансмашхолдинг; 157. Черкизово; 160. Объединенные кондитеры)
86	90	Nevinnovissk	Stavropolskii Region	118	1,10	1,39	50. Evrohim; 112. ENEL OGK-5. (50. Еврохим; 112. ЭНЕЛ ОГК-5)
87	69	Cheboksari	Chuvashia	454	1,45	1,37	142. Tractor Factory; 197. Unimilk; 272. Polyplastic. (142. Тракторные заводы; 197. Юнимилк; 272. Полипластик)
88	118	Novoshahtinsk	Rostovskii Region	111	0,84	1,37	118. Yug Rus; 126. Novoshahtinskii Zavod Nefteproductov; 382. Gloria Jeans. (118. Юг Руси; 126. Новошахтинский завод нефтепродуктов; 382. Глория Джинс;)
89	88	Saianogorsk	Hakasia	63	1,11	1,34	19. Rushydro; 20. Rusal. (19. Русгидро; 20. Русал)
90	76	Schelkovo	Moscow Region	110	1,35	1,33	28. MMK; 59. United Steel Company; 137. Coca-Cola. (28. ММК 59. Объединенная металлургическая компания 137.Кока-кола)
91	111	Komsomolsk	Habarovskii Region	264	0,925	1,32	3. Rosneft; 89. AHK Suhoi; 246. Sinergia. (3. Роснефть; 89. АХК Сухой; 246. Синергия)
92	93	Urai	HMAO	39	1,08	1,29	2. Lukoil. (2. Лукойл)
93	96	Belgorod	Belgorodskii Region	356	1,37	1,26	119. Evrocement; 157. Cherkizovo; 170. Rusargo; 178. Miratorg; 207. Prodimeks. (119. Евроцемент; 157. Черкизово; 170. Русагро; 178. Мираторг; 207. Продимекс)
94	107	Apatity	Murmanskii Region	60	0,95	1,24	71. Fosargo. (71. Фосагро)
95	110	Kirov	Kirovskii Region	474	0,93	1,20	37. UGMK; 52. Almaz-Antei; 80. Uralvagonmach. (37. УГМК; 52. Алмаз-Антей 80. Уралвагонзавод)
96	97	Kursk	Kurskii Region	415	1,04	1,19	161. Pharmstandart; 169. San Inbev. 161. Фармстандарт; 169. Сан Инбев
97	101	Angarsk	Irkutsk Region	234	1,00	1,18	3. Rosneft; 29. Sibur; 42. PepsiCo; 51. TVED; 169. San Inbev. (3. Роснефть; 29. Сибур; 42. PepsiCo;

							51. ТВЭЛ; 169.Сан Инбев)
98	87	Votkinsk	Udmurtia	100	1,13	1,18	3. Rosneft. (3. Роснефть)
99	95	Ruza	Moscow Region	14	1,05	1,18	101. Nestle. 101. Нестле
100	99	Taganrog	Rostov Region	258	1,03	1,17	36. Pipe Steel Company; 89. AHK Suhoi; 143. Irkut. (36. Трубная металлургическая Компания; 89. АХК Сухой; 143. Иркут)

Source: Russian Institute of Territory Planning, 2013.

APPENDIX 2. TOP 400 MANUFACTURING COMPANIES IN RUSSIA

/All of the presented below companies have annual turnover from 301 billion Euros (1. Gazprom) to 13 million Euros (400. Nikos). All of the companies either have Russian origin, or are subsidiaries of international companies, but with assets in Russia (through mergers, acquisitions or greenfield). Due to the fact, that Russian alphabet is Cyrillic, most of the companies transcript their companies name in different ways even within one website, that is why in order not to be mistakes, it is better to compare these companies with the one in Appendix 2 through their ranking number/

Ranking	Company Name	Industry
1	Gazprom – www.gazprom.com	Gazprom is a global energy company. Its major business lines are geological exploration, production, transportation, storage, processing and sales of gas, gas condensate and oil, as well as generation and marketing of heat and electric power.
2	Lukoil – www.lukoil.com	Lukoil is one of the world's biggest vertically integrated companies for production of crude oil & gas, and their refining into petroleum products and petrochemicals.
3	Rosneft – www.rosneft.com	The Company is primarily engaged in exploration and production of hydrocarbons, production of petroleum products and petrochemicals, and marketing of outputs.
4	RGD Russian Railway - http://eng.rzd.ru	The second largest network in the world with 85,200 km of track – 43,100 km of which are electrified. Carries over 0.95 billion passengers and 1.2 billion tonnes of freight annually across 11 time zones. Responsible for 42,3% of Russia’s total freight traffic (including pipelines).
5	TNK-BP - http://www.bp.com/sectiongenericarticle.do?categoryId=9009631&contentId=7018796	TNK-BP is an integrated oil and gas company based in Russia. Formed in August 2003 from the assets of TNK (Tymen Oil Co.), Onako, Sidanco and the majority of BP’s assets in Russia, the company is 50% owned by BP and 50% by a group of Russian investors: Alfa Group, Access Industries and Renova (AAR).
6	Sberbank - http://sberbank.ru/en/	Sberbank of Russia is the largest bank in Russia and CIS. The founder and principal shareholder is the Central Bank of Russia, which owns 50% of the Bank's authorized capital plus 1 voting share. Sberbank dominates the Russian banking sector in terms of total assets. It is the key lender to the national economy and the biggest deposit taker in Russia.
7	AFK Systema - http://www.sistema.com	Sistema JSFC is the largest publicly-traded diversified holding company in Russia and the CIS, which operates in seven reporting segments with material subsidiaries disclosed separately: MTS, Bashneft, SSTL, RTI, MTS Bank, Corporate and Other. The other category includes Bashkirian Power Grid Company, Sistema Mass Media, Detsky Mir, Intourist, Medsi, Binnofarm, NIS.
8	Surgutneftegas - http://www.surgutneftegas.ru/en/main/	Oil and gas producer Surgutneftegas is one of the largest companies in the Russian oil sector. Fifty-nine divisions of the company are involved in the whole range of prospecting and reservoir management operations, construction of facilities and pipelines, environmental safety, and process automation. Surgutneftegas’ crucial competitive advantage lies in advanced petroleum production technology successfully applied by its own service subdivisions. Oil is supplied to Russian refineries and exported to CIS and Western Europe.
9	Transneft - http://eng.transneft.ru	Rendering the service of oil and oil products transportation via the system of trunk pipelines inside and outside Russian Federation. The execution of the preventive, diagnostic and fallback recovery works on trunk pipelines. Coordination of the activity aimed to develop the network of trunk pipelines and other objects of pipeline transport. Cooperation with pipeline companies of other countries, regarding the problem of transportation of the oil and the oil products according to intergovernmental agreements. Participation in solving the problems of scientific, technological and innovational development in pipeline transport, as well as introduction of new equipment, technologies and materials
10	MRSK Holding – Russian Greeds - http://www.holding-mrsk.ru/eng/	The company operates in the electricity sector of the Russian Federation, comprises interregional and regional distribution grid companies (IDGCs/RDGCs), research and development institutes, design and construction institutes, and construction and sales entities. Ninety-seven subsidiaries of IDGCs/RDGCs are based in 69 constituent entities of the Russian Federation.

11	Tatneft - http://www.tatneft.ru/wps/wcm/connect/tatneft/portal_eng/about_tatneft/general_information/	TATNEFT is one of the largest, internationally recognized Russian oil companies, operating as a vertically integrated Group. In the competitive refining market the Company develops its own facilities, at the same time expanding the export of oil, gas and petrochemical products.
12	Inter RAO EES - http://www.interrao.ru/en/company/	Inter RAO is a diversified energy holding managing assets in Russia, Europe and CIS countries. Inter RAO's operations comprise: electric power and heat generation; retail electricity sales; international power trading; power industry engineering, export of power industry equipment; management of distribution grids outside of Russia. Total installed capacity of the Group's generation facilities is about 33.5 GW. In 2011, the plants of the company produced over 127.4 bn KWh of electric power (with the installed capacity about 28 GW at that time).
13	Evraz Group - http://www.evraz.com/about/	EVRAZ is a vertically integrated steel, mining and vanadium business with operations in the Russian Federation, Ukraine, USA, Canada, Czech Republic, Italy and South Africa. EVRAZ is among the top 20 steel producers in the world based on crude steel production of 15,9 million tonnes in 2012.
14	Severstal - http://www.severstal.ru/eng/index.phtml	The Cherepovets Integrated Iron and Steel Works (CherMK) is a subsidiary of OAO Severstal, one of the world's leading vertically integrated steel and steel related mining companies, and is one of Russia's largest metallurgical facilities. In 2010 CherMK celebrated its 55th year of production, during which time the company has produced over 400 million tons of steel. CherMK is a fully integrated steel plant, comprising coking, sintering, blast furnaces, steelmaking and rolling facilities. It is one of the world's most efficient steel producers.
15	VTB Group - http://www.vtb.com/group/	VTB Group operates a unique international business network — the largest among Russian banks — including over 30 banks and financial companies in over 20 countries. VTB offers its clients comprehensive services in the CIS, Europe, Asia and Africa. VTB is the second largest bank in Russia in terms of all major indicators.
16	X5 Retail Group - http://www.x5.ru/en/	X5 Retail Group N.V. is a leading Russian food retailer. The Company operates several retail formats: the soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and convenience stores under different brands.
17	Norilski Nickel - http://www.nornik.ru/en/	Norilsk Nickel is the world's largest producer of nickel and palladium and one of the leading producers of platinum and copper. It also produces various by-products, such as cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium and sulfur. The Group is involved in prospecting, exploration, extraction, refining and metallurgical processing of minerals, as well as in production, marketing and sale of base and precious metals.
18	Mechel - http://www.mechel.com	Mechel OAO, founded in 2003, is one of the world's leading mining and metals companies. The company has production facilities in 13 of Russia's regions, as well as in the United States, Kazakhstan and Lithuania. Mechel is comprised of some 30 production enterprises, producing coal, iron ore, steel, rolled products, ferroalloys, heat and electric power. All of the Group's enterprises work within a single production chain – from raw materials to high value-added products. The holding also owns three trade ports, transport operators and international sales and service networks.
19	Rushydro - http://www.eng.rushydro.ru	With 36.5 GW installed electricity generation capacity, RusHydro is one of Russia's largest power generating companies. Including the Sayano-Shushenskaya HPP, the largest in Russia, the Company has over 70 renewable energy source (RES) facilities: 9 power stations in the Volga-Kama Cascade with a total installed capacity of more than 10,167 MW, the Zeiskaya HPP (1,330 MW) – the first large-scale hydro-power plant in the Russian Far East, the Bureiskaya HPP (2,010 MW), the Novosibirsk HPP (455 MW) and tens of HPPs in the North Caucasus. The Company's assets also feature geothermal power plants in Kamchatka and the highly maneuverable Zagorskaya Pumped Storage Hydropower Plant (PSPP) in the Moscow Region.
20	Rusal -	RUSAL is a leading, global aluminium producer. The company's main

	http://www.rusal.ru/en/Default.aspx	products are primary aluminium, aluminium alloys, foil and alumina. RUSAL is a completely vertically intergrated aluminium company with assets right through the production process – from bauxite and nepheline ore mines to aluminium smelters and foil mills.
21	Novolipetskii Steel Factory - http://nlmk.com/homepage	NLMK is a leading international steel company. NLMK is a vertically integrated steel business controlling every stage of steel creation from mining to the final stages of steel processing and delivery to the customers.
22	Magnit - http://www.magnit-info.ru/en/	"Magnit" is a retail chain, the leader by the number of food stores and their geographical coverage. The company's chain of stores included 7416 stores as of June 30, 2013, of which: 6552 convenience stores, 138 hypermarkets, 26 "Magnit Family" stores and 700 "Magnit" Cosmetic stores.
23	Stroigasconsulting - http://www.sgc.ru/en/index.wbp	The Stroygazconsulting Group of Companies (SGC) is the largest construction holding in Russia. Stroygazconsulting takes part in the realization of such large-scale projects as: construction of Bovanenkovskoye and Zapolyarnoye oil, gas and condensate fields; Sakhalin – Khabarovsk – Vladivostok gas trunkline; Bovanenkovo – Ukhta gas trunkline; Ukhta – Torzhok gas trunkline; Eastern Siberia – Pacific Ocean (ESPO) oil pipeline; the onshore section of the Nord Stream subsea gas pipeline (Russian section); Portovaya compressor station; Kolyma Federal Highway; New exit to the Moscow Ring Road from the Federal Highway M-1 Belarus (Moscow – Minsk); and many others. The main clients of Stroygazconsulting are as follows: OAO Gazprom Group's subsidiaries, affiliated companies of OAO AK Transneft and OAO LUKOIL, Nord Stream AG and Federal Highway Agency of the Russian Federation Transport Ministry.
24	Vimpelcom - http://www.vimpelcom.com	VimpelCom is one of the world's largest integrated telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies in Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Bangladesh, Pakistan, Burundi, Zimbabwe, Central African Republic and Canada.
25	IES Holding - http://www.ies-holding.com/eng.html	CJSC Integrated Energy Systems is Russia's largest private power supply company. IES manages and holds strategic/majority interest in four TGCs (TGC-5, TGC-6, TGC-9, VoTGC). It is the fifth largest power supply company in Russia in terms of installed capacity, and the largest Russian heat producer. The company's principal areas of business include power generation, development of generating facilities, energy trading; retail heat and power distribution.
26	Rostelecom - http://www.rostelecom.ru/en/about/info/	Rostelecom is Russia's largest national telecommunications operator with presence in all Russian regions. The Group is a universal operator and undisputable leader of broadband and pay-TV markets in Russia with over 9.5 million fixed-line broadband subscribers and over 6.8 million pay-TV subscribers. As Rostelecom develops its mobile data networks, its position as a major mobile operator is growing with over 13.5 million currently subscribed to Rostelecom's mobile voice services. The Group is also an important innovator that provides solutions in the field of medicine, E-Government, cloud computing and education.
27	Metalloinvest - http://metalloinvest.com/en/	METALLOINVEST is a leading global iron ore and HBI producer and supplier and one of the regional steel producers. METALLOINVEST extracts and exploits iron ore fr om the second largest measured iron ore reserve base in the world with approximately 14.6 billion tonnes of proven and probable reserves on a JORC equivalent basis and about
28	MMK - http://eng.mmk.ru	MMK is one of the world's largest steel producers and a leading Russian metals company. The company's operations in Russia include a large steel producing complex encompassing the entire production chain, from preparation of iron ore to downstream processing of rolled steel.
29	Sibur - http://www.sibur.com	SIBUR is a uniquely positioned gas processing and petrochemicals company with a business model focused on the integrated operation of its two core segments. SIBUR owns and operates Russia's largest gas processing business in terms of associated petroleum gas processing volumes, according to IHS CERA and is a leader in the Russian petrochemicals industry. The Group has two operating and reportable segments: (1) feedstock and energy and (2) petrochemicals.
30	Stroigasmontag - http://www.ooosgm.com	The main activities of the SGM Group of Companies are the construction of industrial facilities and trunk pipelines, gas and oil processing plants, development of oil and gas fields and gasification of the RF constituent

		entities.
31	Megafon - http://english.corp.megafon.ru	MegaFon is one of the three largest mobile operators in Russia. Subsidiaries of MegaFon work in Tajikistan, Abkhazia and South Ossetia.
32	Oboronprom - http://www.oboronprom.ru/en	OBORONPROM Corporation, a Russian Technologies State Corporation company, is a diversified industrial-investment group in the engineering and high technologies sectors. Russian Helicopters Company, a whole subsidiary of OBORONPROM Corporation, is the leading Russian designer and manufacturer of rotary-wing aircraft equipment. United Engine-Building Corporation, a whole subsidiary of OBORONPROM Corporation, is the leading Russian industrial group producing engines for aircraft, aerospace industry, gas compression stations and power plants
33	Auchan - http://www.auchan.ru/en/shops	Auchan – Food Retail Chain in Russia.
34	Rosenergoatom - http://www.rosenergoatom.ru	JSC "Concern Rosenergoatom" is one of the largest electric power companies in Russia and the only Russian company that performs the function of the operating organization (operator) of nuclear power plants. The main activity of JSC "Concern Rosenergoatom" is the production of electricity and heat by nuclear power plants and to serve the organization operating nuclear plants (NPPs), radiation sources and storage of nuclear materials and radioactive substances in accordance with the legislation of the Russian Federation.
35	Volkswagen Group - http://www.volkswagengrouprus.ru/en/	Volkswagen Group Rus brings together the work of the seven brands in the Volkswagen Group that are available on the Russian market — Volkswagen, ŠKODA, Audi, Volkswagen Commercial Vehicles, SEAT, Bentley, and Lamborghini. In 2012, the company's sales in Russia increased by 38% and exceeded 316,000 vehicles, of which more than 180,000 were produced in that country. The company has manufacturing in Kaluga, 170 km southwest of Moscow. On June 14, 2011, Volkswagen Group Rus and GAZ Group signed an agreement for the contract assembly of Volkswagen and ŠKODA automobiles at the GAZ plant in Nizhny Novgorod. In accordance with that agreement, a full cycle production of ŠKODA Yeti, Volkswagen Jetta and ŠKODA Octavia has already begun at GAZ.
36	Pipe Steel Company -	Russia's largest manufacturer and exporter of steel pipes and ranks among the global top three pipe producers. TMK plants produce almost the entire range of existing pipes used in the oil-and-gas sector, the chemical and petrochemical industries, energy and machine-building, construction and municipal housing, shipbuilding, aviation and aerospace, and agriculture.
37	UGMK - http://www.ugmk.com/en/	The UGMK business commodities can be singled out in the following groups: • Copper cathodes • Non-ferrous products: copper wire-rod, copper wire, copper electrolytic powder, powder articles, rolled products. • Precious metals: gold bars, silver bars, PGM concentrate • Chemicals: sulfuric acid, copper sulfate, nickel sulfate • Metals: lead ingots, zinc ingots, technical selenium, technical tellurium, aluminum based alloys, lead based alloys, bronze, brass, zinc oxide • Automotive products: radiators, heaters, lifting jacks • Electrical engineering products: cables, wires, cords • Ferrous products: rolled steel, gauged steel • Construction industry products: brick, crushed stone, ceramic tile
38	NovaTEK - http://www.novatek.ru/en/	Russia's largest independent natural gas producer and the second-largest natural gas producer in Russia after Gazprom. Marketable production in 2012 was 56.5 bcm of natural gas and 4.3 mln tons of liquid hydrocarbons.
39	Avtovaz - http://group.avtovaz.ru	AvtoVAZ is Russia's largest car manufacturer and the company is actively working in 46 countries. Subsidiaries of the Group of AvtoVAZ conduct business in more than 17 countries and are comprised of approximately 270 subsidiaries. The Group's entities are active in areas such as telecommunications, energy, construction, as well as providing financial and insurance services.
40	SUEK - http://www.suek.ru/en/	A major producer of thermal coal: no. 1 in Russia. In 2012, the production volume was 97,5 million tons. One of the main coal exporters: no. 1 in Russia. In 2012, the volume of international sales was 38,8 million tons. One of the major job providers in the country: about 30,000 employees in 8 regions of the country: Moscow, the Republic of Buryatiya, the Kemerovo Region, the

		Krasnoyarsk Territory, the Primorsk Territory, the Khabarovsk Territory, the Republic of Khakassia and the Zabaykalye Territory.
41	Rusneft - http://eng.russneft.ru	OAO NK RussNeft is one of Russia`s top ten oil&gas companies. NK RussNeft has 24 production subsidiaries. RussNeft operates in 11 regions of Russia and CIS and West Africa. The headquarters of the Company are located in Moscow. The Company develops 166 oil and gas fields. Net effective pay of OAO NK RussNeft exceed 600 mln tons.
42	PepsiCo - http://www.pepsico.ru/	PepsiCo is a world leader in convenient snacks, foods and beverages. PepsiCo produces and sells 22 brands in Russia. In the last couple of years it also acquired a big number of Russian beverage companies.
43	Slavneft - http://www.slavneft.ru/eng/	Slavneft is among the largest top ten oil companies of Russia. The Holding's vertically integrated structure ensures the full production cycle – from exploration and hydrocarbon production to processing. Slavneft holds licenses for exploration and oil and gas production at 31 license areas located in West Siberia (Khanty-Mansi Autonomous Area – Yugra) and the Krasnoyarsk region.
44	Aeroflot - http://www.aeroflot.ru/cms/en/	Aeroflot is Russia's de facto National carrier and largest Airline. Founded on March 17, 1923, Aeroflot is among the world's oldest airlines and one of Russia's most recognised brands. In 2012, Aeroflot carried more 17.6 million passengers (24.6 per cent increase on 2011), 50.533 billion passenger-kilometres were flown (20.3% up on 2011), the load factor constituted 77.9%. The total of 27.5 million passengers flew with companies of Aeroflot Group in 2012.
45	Gazprombank - http://www.gazprombank.ru/eng/	Gazprombank has successfully operated in the banking market since 1990. Founded by the world's largest gas producer and exporter Gazprom to provide banking services for gas industry enterprises, Gazprombank has since become a leader in the banking sector, which key performance indicators place the Bank among the top three banks of Russia.
46	FSK-EES - http://www.fsk-ees.ru/eng/	Federal Grid Company is the operator and manager of Russia's unified electricity transmission grid system, including high voltage transmission lines, and holds the status of a natural monopoly. The Company's assets include more than 131,6 km of transmission lines and 891 substations with more than 335 GVA of 35-750 volt transformer capacity.
47	Alrosa - http://www.eng.alrosa.ru	ALROSA probable reserves make up about one third of the world's diamond resources. About 95% of the ALROSA total diamond production (in terms of value) are gem and near-gem quality diamonds. ALROSA has its own advanced exploration complex enabling it to maintain and expand its proven reserves.
48	JTI - http://www.jti.com	Leading international tobacco product manufacturer with over 100 tobacco product brands in our portfolio. The company has a plant in St. Petersburg.
49	GAZ - http://eng.gazgroup.ru	GAZ Group – the biggest manufacturer of commercial vehicles in Russia. It produces light and medium duty commercial vehicles, buses, trucks, passenger cars, powertrains and auto components. It incorporates 13 plants in 8 regions of Russia. It is the leader of the commercial vehicles market of Russia and occupies 50% of the light commercial vehicles segment and nearly 65% of the buses segment. The flagship product of the company is the light commercial vehicle of the new generation GAZelle NEXT.
50	Evrohim - http://www.eurochem.ru/who-we-are/#.UgE_qRZ33ww	Russia's largest mineral fertilizer producer and aiming to be a top five global player. Vertically-integrated business model includes raw materials (minerals and natural gas), production, logistics and distribution. We have mines, wells, factories, refineries, storage, rail stock, trucks, ports and ships.
51	TVEL - http://www.tvel.ru/wps/wcm/connect/tvel/tvelsite.eng/	TVEL Fuel Company is a division of Rosatom State Corporation. Basic activities of the TVEL Fuel Company are focused on development, fabrication and sales (including export sales) of nuclear fuel and associated nonnuclear products. TVEL includes large Russian enterprises that specialize in fabrication, supply and scientific and engineering support of nuclear fuel operation at NPPs of Russia and both near and far abroad countries.
52	Almaz-Antei - http://www.almaz-antey.ru	The company serves the government in meeting the needs of the state in armament and military equipment of air (air and space) defense in the interests of national defense and the increase in foreign trade.
53	Avtotor - http://www.avtotor.ru	Leading automobile parts manufacturer and supplier in Russia. Works with brands – BMW, GM, KIA.
54	Sptesstroi -	The Federal Agency for Special Construction is a federal body of executive

	http://www.spetsstroy.ru	authority in the interests of national defense and security organization, which works in the field of special construction, road building and communication, engineering forces, military units and road-building military units under the Federal Agency for Special Construction (hereinafter - the military forces). The activity of Russian Special Construction by the President of the Russian Federation.
55	Nignekamsknefthim - http://www.nknh.ru/about_company_en.asp	OAO Nizhnekamskneftekhim is a dynamically developing high-tech petrochemical company of the Russian Federation within TAIF Group. The Company's production complex embodies 10 Major Plants, 7 Centers (including Research & Development and Design Centers), as well as Auxiliary Facilities and Departments, located in two production areas and having centralized transport, electric and telecommunication infrastructure. The range of products output comprises more than one hundred items. Major commodities are: general purpose and specialty synthetic rubber; plastics: polystyrene, polypropylene, polyethylene; monomers being a feedstock to produce rubbers and plastics; other petrochemical produce (ethylene oxide, propylene oxide, alpha-olefins, surfactants, etc).
56	Taif NK - http://en.taifnk.ru	Public Stock Corporation TAIF-NK, which comprises the largest refinery in Tatarstan, Gasoline Plant and Gas Condensate Processing Plant, is a leader in the oil refining industry of the Republic of Tatarstan. The share of TAIF-NK PSC in the total volume of crude oil processing was 3.1% in the Russian Federation and 53.7% - in the Tatarstan Republic. In this case, the total volume of oil produced in the Tatarstan Republic, the company TAIF-NK produced 100% of jet fuel, 95.7% of diesel fuel, 87.8% of motor gasoline, 54.5% of straight-run gasoline, and 50.5% of furnace fuel oil. Among the major refineries in Russia, TAIF-NK PSC is the 6th in terms of the feedstock processing depth.
57	Russian Post - http://www.russianpost.ru	Russia State Mail includes 86 branches, about 42,000 of post offices providing postal services throughout the territory of the Russian Federation, including all the cities and villages. One of the biggest labor groups postal workers - about 380,000 employees. Russian Postal employees receive, process and deliver more than 1.5 billion emails, 48 million parcels and 113 million units.
58	ROLF - http://www.rolf.ru	The group of companies "Rolf" - one of the leaders of the Russian automotive market in Russia and the largest importer and retailer of foreign brands. With over 20 years of success, "Rolf" possesses unique knowledge and experience in the automotive market.
59	United Steel Company - http://www.omk.ru/en/OMK	United Metallurgical Company (OMK) is one of Russia's largest producers of pipes, railway wheels and other steel products for energy, transport and industrial companies. The key buyers of OMK's products are major Russian and foreign companies: Gazprom, Russian Railways, Lukoil, AK Transneft, Surgutneftegas, Rosneft, TNK-BP, ExxonMobil, Royal Dutch/Shell, General Electric and Samsung. OMK's products are delivered to 30 countries worldwide.
60	Rosselhosbank - http://www.rshb.ru/en/	Russian Agricultural Bank acts as a Government agent providing financial services to agribusiness and rural population, which makes up 27% of the total population. Russian Agricultural Bank plays a key role in the implementation of the State Program on Agribusiness Development. The Bank's development role is based on its good knowledge of the Russian agribusiness sector. RusAg offers a large product range oriented on the target market segment and its wide regional coverage.
61	First Freight Company - http://eng.pgkweb.ru	Joint Stock Company "Freight One" (Freight One) is the leading freight railway operator in Russia. Freight One offers a full range of freight transportation services. Over 80% of our clients are leading industrial enterprises of the country. 3,800 employees ensure its efficient operation. In 2012 the total capacity of Freight One's transportation was more than 194.8 million tons. The Company's market share in freight transportation volume of Russia exceeds 14%.
62	CHTPZ - http://www.chelpipe.ru/en/	ChelPipe's overall strategic objectives are to strengthen its leading position as a steel pipe producer for the Russian market and to become a leading supplier of integrated solutions for oil and gas distribution and production in Russia. ChelPipe produces steel pipe products in more than 28,000 different sizes and profiles from over 200 grades of carbon, alloy and stainless steel and covered with corrosion-resistant coatings.
63	MVIDEO- http://www.mvideo.ru	"M. Video" - the leader among Russian retail chains selling electronics and appliances in Russia and one of the largest European companies in this

		segment. product range of shops "M. Video" is more than 20 thousand items of various equipment, audio / video and digital lines, small and large household electronics, entertainment products, and accessories.
64	Protek - http://www.protek-group.ru/en/	Protek Group is one of the largest pharmaceutical companies of Russia. The Group has diversified business interests and operates in all major segments of the pharmaceutical industry such as medicine manufacturing, distribution and retail of pharmaceutical, health and beauty products. The Group has a vertically integrated structure, which enables it to set up a complete product supply chain – Manufacturing – Distribution - Retail. The key companies of the Group are CV Protek, a national distributor of pharmaceutical, health and beauty products; Sotex Farm Firm, a medicine manufacturer; and Rigla Pharmacy Chain. The Protek Public Company was set up in 2002, in the course of the Group restructuring process and now is the parent company of the Group that consolidates shares (stocks) in the authorized capital of the affiliated and subsidiary companies.
65	KAMAZ- http://www.kamaz.net/en/	KAMAZ Group is the largest automobile corporation of the Russian Federation. OJSC KAMAZ ranks 16th among the world's top heavy truck manufacturers. The single production complex of KAMAZ Group embraces the whole technological cycle of truck production – from development, production, assembly of vehicles and auto components to marketing of finished products and service maintenance.
66	Transmachholding - http://www.tmholding.ru/en/	CJSC Transmashholding is the biggest Russian company in the transport engineering industry, the world’s leader in railway engineering in actual volume of production. Transmashholding is the largest supplier of rolling stock for the world's biggest transportation company – JSC Russian Railways - RGD.
67	Philip Morris - http://www.pmi.com/ru_ru	USA tobacco manufacturer with plants in Russia.
68	Uralkali - http://www.uralkali.com/about/group_structure/	Uralkali is a vertically integrated company with control over the whole production chain, from potash ore mining, through potash supply to consumers.
69	Dixy Group - http://dixy.ru/en	The DIXY Group of Companies is one of Russia's leading retailers of foods and everyday products. The company specializes in developing neighborhood store supermarkets in Moscow, St. Petersburg and three federal districts of Russia: Central, Northwest and Urals and also in Kaliningrad region, which together account for more than half of the retail market for foods and everyday products in the Russian Federation.
70	SIA International - http://www.siamed.ru	The company "SIA INTERNATIONAL LTD" - one of the largest Russian pharmaceutical distributors. The main activity - sales of pharmaceuticals, medical devices and pharmaceutical goods to pharmacies and hospitals in Russia. Of all the drugs used for the treatment and health of Russian citizens, roughly a quarter - 23% - purchased, held through warehouses and communicated to the consumers of this particular company.
71	Fosagro - http://www.phosagro.com	PhosAgro is a Russian vertically integrated company and one of the world’s leading producers of phosphate-based fertilisers. Its core line of business is the production of phosphate-based fertilisers, high-grade phosphate rock (P2O5>35.7%), and also feed phosphates, nitrogen fertilisers and ammonia.
72	Gazprom Automatisation - http://www.gazauto.gazprom.ru	OAO "Gazprom Automation" is the general system integrator of automated control systems of OAO "Gazprom". The Company provides a full range of R&D, design and survey works, manufacture, supply, installation, pre-commissioning, service and maintenance and overhaul of SCADA systems, MIS, metrology, communications, telecommunications, instrumentation, power equipment.
73	Evrosibenergo - http://www.eurosib.ru/en/	EuroSibEnergo is Russia’s largest independent power company (in terms of installed electricity capacity of power generation plants) and ranks as one of the largest hydropower generation companies in the world. The company controls 18 power generation plants with a combined installed electricity capacity of 19.5 GW and heat power-generating assets with 17485 Gcal/h of total installed heat capacity. Over 15 GW capacity falls on major Russian hydro power plants located on Siberian rivers the Angara and the Yenisei, specifically Krasnoyarskaya HPP, Bratskaya HPP, Ust-Ilimskaya HPP and Irkutskaya HPP.
74	Mostotrest - http://www.mostro.ru/en/	OJSC Mostotrest is the first integrated diversified infrastructure holding in Russia and the largest building company in the Russian Federation by revenue for works conducted in-house. The company specialises in the construction and

		overhaul of road, rail and city bridges and highways, as well as other engineering constructions; providing services in maintenance, repair and toll-based operation; investing in infrastructure projects.
75	Lenta - http://www.lenta.com/index.php?path=node/193	Lenta is one of the largest and fast-growing retail chains in Russia. Currently, 62 Lenta hypermarkets operate in different Russian regions and 2 supermarkets in Moscow. 16 trade store in St Petersburg, five in Novosibirsk, three in Omsk, two each in Nizhny Novgorod, Krasnodar, Barnaul and Yaroslavl, one each in Astrakhan, Volgograd, Petrozavodsk, Tolyatti, Tyumen, Ryazan, Naberezhnye Chelny, Saratov, Penza, Novorossiysk, Rostov-on-Don, Pskov, Tver, Cheboksary, Surgut, Ufa and other Russian cities. 16 trade store in St Petersburg, five in Novosibirsk, three in Omsk, two each in Nizhny Novgorod, Krasnodar, Barnaul and Yaroslavl, one each in Astrakhan, Volgograd, Petrozavodsk, Tolyatti, Tyumen, Ryazan, Naberezhnye Chelny, Saratov, Penza, Novorossiysk, Rostov-on-Don, Pskov, Tver, Cheboksary, Surgut, Ufa and other Russian cities.
76	Nissan Russia - http://www.nissan.ru	Japanese Automobile Brand with manufacturing in Russia.
77	Alfa Bank - http://alfabank.com	Alfa Banking Group is headquartered in Moscow, Russia, with branch network consisting of 511 offices across Russia and abroad, includes a subsidiary bank in the Netherlands and financial subsidiaries in the United States, the United Kingdom and Cyprus. The Alfa Banking Group has maintained its position as the top Russian private bank by total assets, total equity, customer accounts and loan portfolio. Its corporate and retail client base has grown considerably during the last few years — by the end of 2012, Alfa Banking Group served over 82 000 corporate customers and 8.9 million retail clients.
78	O'Key - http://www.okmarket.ru/en/about-us/	"O'KEY" is a fast growing retail chain in Russia, one of Europe's largest retail food markets, with a high potential for further growth. "O'KEY" is one of the leading Russian retailers, operating 86 stores in Russia's 20 largest cities in the North-West, South, Central, Urals and Siberian regions with a total selling area exceeding 435,000 square metres.
79	Katren - http://www.katren.ru/?lang=eng	Katren, a Russian national pharmaceutical distributor, was set up in 1993. Over this period we have managed to create a nation-wide logistic and distribution system and become number two distributor in Russia. Assortment list of 14,500 items from over 642 suppliers
80	Uralvagonmach – www.uvz.ru	"Uralvagonzavod" heads the integrated structure incorporating more than 20 industrial enterprises, research institutes and design offices in five federal districts of Russia. For many years it has been the leading domestic designer and manufacturer of freight railway cars with powerful technological and intellectual potential. According to the data of American publication "Defence News", "Uralvagonzavod" falls within 100 world largest military-industrial complexes. In 2009 it has ranked the 80th position by the rate of production of military equipment among world manufacturers and the 3rd position among Russian manufacturers.
81	MOEK - http://www.oaomoek.ru/ru/	OJSC "MOEK" - a leading infrastructure company of the Russian capital, which provides heating and hot water to a number of cities of Moscow and Moscow region. The company's activities cover production, transport, distribution and sale of heat and electricity generation.
82	Alliance Oil Company - http://www.allianceoilco.com/en	Alliance Oil Company Ltd is a leading independent oil and gas company with vertically integrated operations in Russia and Kazakhstan. Alliance Oil has substantial oil and gas reserves and downstream operations that includes the Khabarovsk refinery and the leading network of gas stations and wholesale oil products terminals in the Russian Far East.
83	Baltika - http://eng.baltika.ru	Baltika Breweries has been № 1 on the Russian beer market since 1996. Baltika Breweries is a major manufacturer of consumer goods in Russia. The Company owns 10 breweries in different Russian cities: St. Petersburg, Yaroslavl, Tula, Voronezh, Rostov-on-Don, Samara, Chelyabinsk, Novosibirsk, Krasnoyarsk, and Khabarovsk. In 2008, the Company acquired a brewery in Azerbaijan. The total production capacity of Baltika Breweries per month amounts to 52 million decalitres of beer. To satisfy its need for malt, the Company built two own malt houses in Tula and Yaroslavl and is currently implementing an agricultural project.
84	Merlion - http://www.merlion.ru	Major Russian distributor of computers and digital devices and the leader of the Russian IT-market. MERLION is successfully developing both full-range distribution, including household appliances and electronics, and distribution of project hardware and software.
85	Rosgosstrah -	"Rosgosstrakh" - Russia's largest insurance company, provides a wide range of

	http://www.rgs.ru	insurance services to individuals and companies to protect against a variety of risks.
86	National Computer Corporation - http://www.ncc.ru/eng/home/	NCC holds the assets of the companies get along the IT sectors like so: • Computer hardware manufacturing • Distribution of computer hardware, telecommunications equipment and measuring instruments • System integration and IT infrastructure solutions • IT Consulting • Management Process Automation • Portal Software • E-Government • Customized programming • IT outsourcing • Industrial automation • Corporate federal supplies • Management consulting • Implementation of ERP systems, production planning and management systems, maintenance and repair management systems • Proprietary Software implementation
87	Glavstroy - http://www.glavstroy.ru	Glavstroy responsible for the strategic management of building assets for Group "Basic Element". Includes companies working in the field of development, housing and civil construction, construction of transport infrastructure and the production of building materials.
88	Transaero - http://transaero.ru/en	Transaero Airlines was the first private airline in the history of Russia. Transaero was the first in Russia to add modern foreign-made aircraft to its fleet and provide an international standard of service on its domestic routes by introducing Business Class, creating a flexible system of fares and discounts, and introducing frequent-flyer incentive programs.
89	AHK Suhoi	Sukhoi — is Russia's major aircraft holding company, employing more than 26,000 people. 100% of stock of the Sukhoi Aviation Holding Company (JSC) belongs to the United Aircraft Corporation (JSC). The Company supports a complete cycle of work in aircraft engineering: from frontend engineering to comprehensive aftersales support. The holding's products, such as Su- marque combat aircraft, are state-of-the-art weapons systems in the global market, which form the backbone of the frontline aviation of Russia and tactical air forces of many other countries.
90	Eldorado - http://www.eldorado.ru	Shops "Eldorado" opened in all Russian cities with a population of 500,000 residents and more, and 90% of cities with a population of 250-500 thousand people. "El Dorado" is in the top 5 retailers of consumer electronics in Europe and in the top 10 - in the world.
91	Rosbank - http://www.rosbank.ru/en/	Rosbank is a modern universal bank, part of Societe Generale Group. It provides all types of services to individual and corporate customers. The subsidiaries of Rosbank are Rusfinance (consumer financing) and DeltaCredit (mortgage lending). In terms of assets and equity, Rosbank ranks as one of Russia's Top-10 leading banks.
92	Ford - http://www.ford.ru	American car manufacturer with plants near St. Petersburg. Initially the company represented Volvo and Land Rover on the Russian market, before they were sold.
93	Polysgold - http://www.polyusgold.com	Polyus Gold International is the largest gold producer in Russia and one of the top 10 gold miners globally by ounces produced (1.68 million ounces of gold production in 2012). The Company holds one of the world's largest gold reserves with over 83 million ounces of proven and probable gold reserves underpinning the Polyus Gold's sector-leading production growth profile (12% increase in gold production in 2012 to 2011).
94	Techsnabexport - http://www.tenex.ru/wps/wcm/connect/tenex/site.eng/	Open Joint Stock Company with 100 per cent shares held by the JSC «Atomenergoprom» — integrated company in the civilian sector of Russian nuclear industry. The world's largest exporter of products and services of the Russian nuclear fuel cycle with a substantial share in the industry's total foreign trade turnover
95	Svyaznoi - http://www.svyaznoy.ru	The main activity of the group is to trade for DECT phones and personal audio equipment.
96	SU-155 - http://www.su155.ru/ru/en	The Group is focused on several business directions at the same time: construction and development, construction and nonmetallic materials industry,

	g/	engineering, land investments, engineering and communal infrastructure investments. SU-155 has been implementing projects in 51 cities and towns of Russia, as well as in the CIS countries and in Europe. The company has its official representative office in Germany and is a member of the Russian Federation Chamber of Commerce. SU-155 possesses the most developed industrial base in the country in the sphere of construction materials and engineering. It includes 27 leading enterprises of the construction and nonmetallic materials industry located in 17 cities and towns of Russia.
97	Automir - http://www.avtomir.ru	One of the biggest automobile dealers in Russia.
98	Sollers - http://www.sollers-auto.com/en/	SOLLERS is a leading Russian automotive company that works in partnership with such leaders of the global automotive industry as Ford, SsangYong, Toyota, Mazda and Isuzu. Currently, our annual turnover amounts to more than $ 2.3 billion. SOLLERS owns production sites that produce Russian UAZ and Korean SsangYong SUVs, Japanese ISUZU trucks, as well as ZMZ petrol and diesel engines.
99	Euroset - http://euroset.ru	The main activity of the group is to trade for DECT phones and personal audio equipment.
100	N-Trans - http://www.npktrans.ru/default.aspx?lng=eng	One of the largest Russian rail carriers and member of Eurasian Transport Union. NPK has its own car fleet, locomotives and control center. Company's stuff numbers 393 employees. The company carries bulk oil and oil products, metals and minerals, construction materials, wood products, containers and other commodities. Partners: Rosneft', Lukoil, THK-BP, Sibneft', MMK, EurazHolding, Mechel, Uralskaya Stal', RusAl, Severstal, Poltavskiy GOK, Mikhailovskiy GOK, SUEK, RUSSKIY UGOL', Yakutugol'.
101	Nestle - http://www.nestle.ru	One of the biggest international food companies with manufacturing in Russia. In the last couple of years the company acquired a number of Russian producers and brands.
102	LG - http://www.lg.com/ru	One of the biggest international electronic companies with manufacturing in Russia.
103	E.ON Russia - http://www.eon-russia.ru/EN/SitePages/default.aspx	E.ON Russia, JSC was founded in 2005 on the basis of five power stations. The Company incorporated Surgutskaya GRES-2, Berezovskaya GRES, Shaturskaya GRES, Smolenskaya GRES and Yaivinskaya GRES with the aggregate capacity of 10345 MW. There is one more branch of E.ON Russia-Thermal supply network of Berezovskaya GRES, which supplies thermal power to consumers in Berezovskaya GRES activity area.
104	Akron - http://www.acron.ru/en/about/	Acron Group is one of the world's major mineral fertiliser producers. By pursuing a strategy of advanced vertical integration, including development of potash and phosphate deposits, operation of three large production facilities, own transportation infrastructure and an international distribution network, the Group is able to ensure stable and dynamic growth.
105	Moscow Metro - http://engl.mosmetro.ru	Moscow metro is the main public transport of the capital carrying over a half of all city passengers. The basic feature of Moscow metro is a good combination of reliability, comfort and transportation speed in tough conditions of a modern metropolis. It is the most popular kind of transport used by approximately 9 million passengers. At present Moscow metro share among other kinds of transport makes up 56%. Every day about 10 thousand trains run over 12 lines of the system (308,7 km and 186 stations) with the minimum headway of 90 seconds.
106	Itera - http://www.itera.ru	ITERA International Group of companies is one of the largest independent producers and traders of natural gas operating in the CIS and the Baltic states. ITERA is a success in energy, gas processing, and construction works projects in Europe, Asia, and the USA. The Company also deals with real estate and the insurance business.
107	Avtoframos – Renault - http://www.renault.ru	French car manufacturer with plants in Russia.
108	MRTS - http://www.mrts.ru/en/	MRTS JSC is one of the largest Russian companies performing turnkey construction of subsea technical facilities of main oil and gas pipelines. The Company owns a unique fleet which is firstly represented by three modern pipe laying barges capable to perform various tasks; this makes it possible to improve technological process to the maximum extent. Depending on working conditions, MRTS uses flexible combinations of its machinery and equipment. MRTS uses up-to-date materials and technologies in construction works and guarantees quality in accordance with ISO 9001:2008. All construction stages are followed by continuous quality control.

109	Uralchem - http://www.uralchem.com	URALCHEM Holding P.L.C., a company incorporated in Cyprus and the holding company for URALCHEM Group, one of the largest producers of nitrogen and phosphate fertilizers in Russia and the CIS. URALCHEM Group is the second largest ammonia and ammonium nitrate producer in the world and number one in Russia and the second largest nitrogen fertilizer producer in Russia.
110	Nomos Bank - http://www.nomos-bank.com	NOMOS is a leading privately-owned Russian universal bank offering a wide range of banking products and services to corporate, small business and retail clients, as well as investment banking services, across the most economically developed regions of Russia.
111	Evrasia - http://www.bke.ru/index_en.html	OOO Burovoya Kompaniya Eurasia (BKE) is the largest onshore drilling contractor in Russia, as measured by meters drilled, engaged in well construction and workover of all types of oil and gas wells at license areas of OAO Lukoil, OAO Rosneft Oil Company, OAO Gazpromneft, TNK-BP and other oil and gas companies. OOO BKE makes part of Eurasia Drilling Company Limited (EDC)
112	ENEL OGK-5 - http://www.ogk-5.com/en/	Enel is a multinational group based in Italy, a leading integrated player in the power and gas markets of Europe and Latin America, operating in 40 countries across 4 continents overseeing power generation from 98 GW of net installed capacity and distributing electricity and gas through a network spanning around 1.9 million km to serve 61 million customers.
113	TransOil - http://transoil-spb.ru	Transoil Group is a leading group of private Russian companies consisting of a self-titled transportation company and three service companies supporting the operation of locomotives and rolling stock. Included in the Transoil Group are LLC Transport Leasing, LLC TransService, and LLC Transoil-Service. Company operations encompass roughly 29,000 rail tank cars, including more than 4,000 rail tank cars equipped with steam-drum systems.
114	Ilim - http://www.ilimgroup.com	Ilim Group is the leading Russian pulp and paper company. The Company ranks fourth in Europe and thirteens globally in terms of market pulp production. The total annual pulp and paper production volume of the Company exceeds 2.6 million tons.
115	Samsung - http://www.samsung.com	International electronic equipment producer with manufacturing in Russia.
116	Mars - http://www.mars.com	One of the leading international food manufacturers with plants in Russia.
117	Bashkirenergo - http://www.bashkirenergo.ru/en/	OJSC “Bashkirenergo” – is a major regional integrated utility company in the Rebublic of Bashkortostan of the Russian Federation. It produces electricity and heat, and transmits both products to consumers through power and heating grid. Bashkirenergo’s installed electric and heat capacity amounts to 4 316 MW, and 12 784 Gcal/h respectively
118	Yug Rusi - http://eng.goldenseed.ru	Leading branded vegetable oil producer in Russia • Leader of bottled vegetable oil market in Russia • Well developed national distribution network and direct contacts with all key national outlet chains. • Successful national vegetable oil brands portfolio • Largest exporter of bottled and bulk vegetable oil
119	Evrocement - http://eurocement.ru/cntnt/eng10/eng10_index.html	EUROCEMENT group is an international vertically integrated industrial holding company. It produces building materials such as cement, concrete and crushed stone. Making up almost 40% of the Russian cement market, EUROCEMENT group is among the world’s top ten cement producers.
120	Koks - http://www.koksgroup.ru/en/	KOKS Group is a vertically integrated businessin the metallurgical supply and production chain focusing on pig iron and coke production including coking coal and iron ore extraction and processing. In 2009 KOKS Group was the largest exporter of merchant pig iron in the world, as well as the largest supplier of merchant coke and the largest exporter of coke in Russia. KOKS Group’s three operational divisions are the coal and coke division, the iron ore and pig iron division and the powder metallurgy division.
121	Leroy Merlin - http://leroymerlin.ru	International retail chain of building materials.
122	UTair Airlines	UTair is a modern, first-class, competitive Russian airline conducting its activities on market.
123	Russian Copper Company	It ranks third in cathode copper production and second in copper wire rod

	- http://rmk-group.ru/eng/	production in Russia. Currently, its accounts for 16% of Russia's total copper production and about 1% of the world copper production.
124	Promsviazbank - http://www.psbank.ru	Open Join-Stock Company Promsvyazbank (PSB) is one of Russia's leading privately owned banks with assets of 680 billion rubles, and capital 96 billion rubles as of 1 April 2013 according to IFRS, successfully operating since 1995. In terms of assets PSB ranked 10th among the largest Russian banks according to Interfax Information agency, as at 1 April 2013. In the current ranking of The Banker magazine PSB enters the 500 largest banks in the world in terms of equity.
125	7th Continent - http://corporate.7cont.ru	Seventh Continent is one of the first Russian multi-format retail chains. Operations in several formats allows us not only to continuously expand the scope of our activities, but also to improve the competitiveness of our stores, while broadening the range of our loyal customers, who have a variety of shopping preferences and income levels.
126	Novoshahtinskii Factory - http://www.oilrusi.ru	Oil Refinery Factory.
127	Sogaz - http://www.sogaz.ru	Insurance company with 600 offices all over Russian and such clients as: OJSC Gazprom, OJSC Rosneft, State Atomic Energy Corporation Rosatom, JSC Russian Railways, JSC Gazprom Neft', JSC Severstal, SIBUR Group, Gazprombank, OJSC, Evraz Group S.A., ENI & Enel, JSC Siberian Chemical Plant
128	Rosta Group - http://www.rostagroup.ru	• national distributor of pharmaceutical products • 28 branches and 15 representative offices in Russia • 1800 employees • 15 years of successful work on all the Russian territory • about 400 suppliers from 44 countries of the world • more than 15000 of satisfied clients • active participation in state reimbursement programs • wide assortment of pharmaceutical products, high-quality service, competitive prices
129	IKEA – www.ikea.ru	Swedish retail chain of shops with home furniture and decorations
130	AEON - http://www.aeoncorp.ru/en/aeon/	AEON Corporation is a privately owned investment group of international caliber, performing investments and reorganization of management systems in various spheres of industry, transport, construction and services. AEON projects are being successfully implied on the territory of Russia, Germany, Holland, Ukraine and Kazakhstan.
131	Stroi-Trest - http://www.stroytrest.spb.ru	Biggest construction company on the market of St. Petersburg. The company has already released 70 blocks of house for 37 thousand families.
132	RECO - http://www.reso.ru	Insurance Company
133	ISR Group - http://www.lsrgroup.ru	Construction company. LSR Group is a real estate and building materials company, established in 1993 in St. Petersburg and operating in a number of complementary market segments. The company unites business units for production and transportation of building materials, extraction and processing of aggregates, construction and real estate development – from mass-market to elite residential properties.
134	TELE 2 - http://www.en.tele2.ru/index.html	Tele2 started operations in Russia in 2003 when it launched GSM network in several regions. Over a 10-year work in the country, the company has turned from a small regional mobile operator into a federal player. Now Tele2 is Russia's fourth largest operator in terms of subscriber base which exceeds 23 mn subscribers.
135	DVGK - http://www.dvgk.ru	The company is the fourth-largest energy capacity of territorial generating company in Russia and the largest party of the energy market in the Far East. Area of activities includes the tenth part of the territory of our country. The installed electric power "DGC" is 5 864.58 MW, heat - 12,585.1 Gkal.chas. Electricity production in 2011 amounted to 21.96 billion kilowatt-hours, heat supply - 22.1 million Gcal. The number of employees of "DGC" is 15 560 people.
136	Ingosstrah - http://www.ingos.ru/ru/company/ingo_group/	Insurance company.
137	Coca-Cola – www.coca-cola.ru	International soft drinks manufacturer with several plants in Russia.

138	Atomenergomach - http://www.aem-group.ru/wps/wcm/connect/aem/siteeng/	Atomenergomash Group of Companies (JSC Atomenergomash, AEM Group, AEM), the machine-building division of the State Atomic Energy Corporation Rosatom, is one of leading power machine-building companies in Russia. The group of companies supplies efficient and complex solutions, which include design, production, supply, assembly, engineering and service of equipment for nuclear and thermal power plants, and also for gas and petrochemical industry enterprises. Atomenergomash incorporates more than 50 Russian and foreign companies, amongst which are production enterprises, engineering centers and scientific and research organizations.
139	Lanit - http://www.lanit.ru/en/about/index.php	LANIT group of companies – LAboratory of New Information Technologies – is Russia's leading group of IT-companies with over two decades of successful history. The group consists of various IT-companies providing full range of IT-services. It constantly enhances the product range by implementing new cutting-edge technologies and most demanded solutions.
140	Power machines - http://www.power-m.ru/eng	Power Machines OJSC is the largest power plant engineering company in Russia having an international experience in the field of design, manufacture and complete delivery of the equipment for thermal, nuclear, hydraulic and gas-turbine power plants.
141	Volga-Dnepr - http://www.volga-dnepr.com/eng/	The Group is the world leader in the unique, oversize and heavy cargo market. It includes two leading airline cargo companies – Volga-Dnepr Airlines and AirBridgeCargo Airlines – which have been honoured with the prestigious "Wings of Russia" national aviation award on many occasions.
142	Tractor Factory - http://www.tplants.com/en/company/	Machinery & Industrial Group N.V. is a leading producer of facilities and spare parts for light and heavy engineering and off-road machinery. M&IG N.V. has a leading presence not only in key sectors of Russian and CIS countries economy but also worldwide. Its production is used in the oil & gas, fuel-and-energy, infrastructure, agriculture, construction and road-building sectors as well as in mining, metallurgical, transport and defense industries.
143	Irkut - http://www.irkut.com/ru/	The company develops and constructs military and passenger planes.
144	Raiffeisen Bank - http://www.raiffeisen.ru/about/	Subsidiary of the German international bank.
145	Hyundai Motor - http://www.hyundai.com/ru	Hyundai Motor manufacturing Russia – is a subsidiary with several automobile plants in Russia.
146	Avilon AG - http://www.avilon.ru	Mercedes-Benz dealership chain in Russia.
147	Gazprom-Media - http://www.gazprom-media.com/en/index.xml	Gazprom-Media Holding comprises television, radio, printing press, cinema production, advertising, movie theaters and internet assets. Gazprom-Media Holding is one of the largest media holdings in Russia and Europe.
148	PIK - http://pik-group.com	One of the biggest construction holdings in Russia.
149	UniCredit Bank - http://www.unicreditbank.ru/eng/about/index.wbp	UniCredit Bank is a Russian bank, operating in Russia since 1989. Ranked 8th by total assets based on 2012 results (Interfax-100 ranking), UniCredit Bank is the largest foreign bank in Russia. UniCredit Bank is fully owned (100%) by UniCredit Bank Austria AG, Vienna, Austria, member of UniCredit.
150	S7 Airlines - http://www.s7.ru/home/about/s7-airlines.dot#.UgKYqhZ33ww	The airline has the widest domestic route network in Russia, created on the basis of two air transport hubs at Moscow (Domodedovo) and Novosibirsk (Tolmachevo). It also has regular flights to the countries of the CIS, Europe, the Near East, South-East Asia and to countries in the Asia-Pacific region.
151	Kraft Foods	International food company with plants in Russia.
152	Sport Master - http://www.sportmaster.ru/about/index.php	Biggest sport clothes and accessories chain in Russia.
153	Independence - http://www.indep.ru	Automobile dealership chain in Russia
154	ARMZ - http://www.armz.ru/eng/company/about/	ARMZ Uranium Holding Co. (JSC Atomredmetzoloto) is one of the leaders in the global uranium mining industry. It is among the top three uranium mining companies by uranium output and ranks second by uranium resource base. ARMZ Uranium Holding Co. is a mining arm of The State Atomic Energy Corporation ROSATOM. In 2012, it produced 7,572.2 tons of uranium at facilities in Russia and abroad.
155	Federal State Unitary	Government body, which ensures safety and regularity of civil aviation flights

	Enterprise "State ATM Corporation" - http://www.gkovd.ru/en/	and create the uniform economic management of ATM systems.
156	Mosvodokanal - http://www.mosvodokanal.ru	Open Joint Stock Company "Waterworks" - Russia's largest water company, provides high-quality drinking water and reliable sewer system, more than 13 million people in the Moscow megacity - about 10% of the total population. The main activities: production of drinking water; transportation and distribution of water; power generation; registration of water; working with clients; collection, transport and treatment of wastewater; recycling of waste in industrial complexes; construction and upgrading of facilities.
157	Cherkizovo Group	Cherkizovo Group is the largest meat manufacturer in Russia and one of the top three companies serving Russia's poultry, pork and meat processing markets. The company is also Russia's largest producer of fodder. The Group includes 7 full cycle poultry production facilities, with a total capacity of 400,000 tons live weight p.a.; 14 modern pork production facilities with a total capacity of 180,000 tons live weight p.a.; 6 meat processing plants with a total capacity of 190,000 tons p.a.; 6 fodder plants with a total capacity of 1.4 million tons p.a.; grain storage facilities with a total storage capacity exceeding 500,000 tons; and a land bank exceeding 100,000 hectares. In 2012, Cherkizovo produced more than half a million tons of meat and processed meat products.
158	Stroiservice - http://stroyservis.com/en	Initially the company specialized in metal tubes and other metal products realization. Then the scope of activities has expanded considerably. Now the main production lines of ZAO "Stroyservis" are: coal mining, preparation (e.g. coal selection, cleaning and drying) and coke production as well as domestic and foreign sales of products. Besides, the company supply to the domestic Russian market a full range of products of the leading Russian manufacturers of metal. The company also performs trucking in Russia, to provide technological services for the transport of coal enterprises of Kuzbass, rail freight.
159	GKNPC Hrunichev - http://www.khrunichev.ru/main.php?id=22	Hrunichev State Research and Production Space Center.
160	United Confectionery - http://www.uniconf.ru/ru	Holding "United Confectioners" part of the Group "Guta" and is the largest confectionery company in Eastern Europe, bringing together 19 Russian plants, including Moscow's largest enterprise "Red October", "Confectionery concern Babaev," "Rot Front". The enterprise produces all kinds of confectionery: chocolate, weight candy, caramel, toffee, marshmallows, waffles, cakes, marmalade and oriental sweets.
161	Pharmstandart - http://pharmstd.com	Pharmstandard JSC, Russia's leading pharmaceutical company, develops and manufactures high-quality modern pharmaceutical products. The most popular Pharmstandard products today are Arbidol®, Complivit®, Pentalgin®, Flucostat®, Phosphoglive®, Amixin®, Afobazol®, Rastan® and Biosulin®. The Company manufactures more than 250 pharmaceutical products including drugs for treatments of cardio-vascular diseases, diabetes, growth hormone deficiency, gastroenterological, neurological, contagious diseases, metabolic disorders, cancer and other diseases.
162	Sovcomflot - http://www.scf-group.ru	Sovcomflot is the largest Russian shipping company offering a full range of crude oil, refined petroleum products and liquefied gas transportation services. It is one of the world's leading tanker owners. The company actively participates in key Russian oil and gas development projects including operations in harsh ice environment, as well as successfully competes in the international maritime shipping markets.
163	Velestroi - http://www.velesstroy.com	OOO «Velesstroy» - one of the largest companies in Russia in realization of the most complicated objects of the oil, gas and energy supply industry. Modern construction technologies, technical equipment and high qualification of the specialists allow the company to carry out global projects of the fuel and energy complex (FEC) objects construction, situated in regions with severe climate conditions.
164	Gosznak - http://old.goznak.ru/eng/	Federal State Institution for issuing various kinds of documents. Goznak's eight plants and factories, its Research Institute and its 10,000 highly experienced and committed personnel position it to deliver an unparalleled range of products and services to the Russian and international markets. Goznak's product range spans banknotes, passports and excise marks; coins, medals and decorations; security, specialist and office papers, smart cards, GSM cards and telephone cards; security inks, holograms and brand protection.

165	Atlant-M - http://www.atlantm.com	Automobile dealership chain in Russia. International car brands.
166	StroiTransGaz - http://www.stroytransgaz.com	Stroytransgaz is an engineering-construction company that provides all forms of service related to the realization of large projects—from developing project documentation to warranting exploitation. The purview of our activity is the construction and reconstruction of industrial and infrastructure objects, primarily in the oil, gas, and electric power industries. Stroytransgaz holds first place among Russian construction organizations engaged in industrial building.
167	Efko - http://www.efko.ru/en/	EFKO Group is Russia's largest vertically integrated company producing specialised fats used in confectionery, baking, and other sectors of food industry. The Company is also a leader on the Russian mayonnaise and vegetable oil markets, with well-established brands like Sloboda and Altero.
168	Quadra - http://www.tgk-4.ru/en/	The Joint Stock Company “Quadra – Power Generation” (JSC “Quadra – Power Generation”) is one of Russia’s largest territorial generating companies. The structure of JSC “Quadra – Power Generation” includes 24 power plants, 357 heating plants, and heat pipes of 5,054.5 km in total length. The total installed electric capacity of the company is 3,501.5 MW; the total installed thermal capacity is 15,318.4 Gcal/h.
169	San Inbev - http://www.suninbev.ru/about/	"SaN InBev" is the Russian subsidiary of the world's largest brewing company "Anheuser-Busch InBev." The company operates in the market of Russia for 12 years and holds a leading position. In 2011, the volume market share was 16.4%. "SUN InBev" owns a network of modern breweries in nine Russian cities: Klin, Volzhsky, Omsk, Perm, Saransk, Ivanovo, Kursk, Novocheboxarsk and Angarsk. The main brands of beer in Russia - BUD («Bad"), "Klinskoe", "Siberian Crown», Stella Artois («Stella Artois»), Lowenbrau («Lowenbrau»), Brahma («Brahma»), Staropramen («Staropramen »), Hoegaarden (« Hoegaarden ")," Fat Man "and « Bagbier »(« bugbier»).
170	Rusargo - http://www.rusagrogroup.ru	The predecessor to the Group was founded in 1995 to supply Ukrainian white sugar to major Russian confectioneries. Shortly after entering the sugar market, the Group began expanding its operations, actively operating in the cane sugar market. The Group expanded into agricultural production to grow sugar beets to support its sugar processing business, and as it rotated its crops to optimize productions, developed its grain production and trading businesses. The Group diversified its operations further into storage and production of oil and fats products.
171	Bank Home Credit - http://www.homecredit.ru	Home Credit Bank holds leading positions in the retail financial market, is in the top 10 in terms of lending and has one of the largest branch banking networks in Russia.
172	R-Pharm - http://r-pharm.com/en/	R-Pharm – Russian high-tech pharmaceutical enterprise. Key areas of R-Pharm’s competence include: manufacturing of finished drugs and APIs, R&D of innovative medicines and technologies, training and education for industry and health care specialists, venture investments in promising scientific data and research, cooperation with major international pharmaceutical companies and international universities in the field of drug development and combined clinical trials in Russia.
173	Bank UralSib - http://www.bankuralsib.ru/bank/index.wbp	URALSIB Bank - one of the largest universal banks in the federal level, offering a wide range of financial services to private and corporate clients. The main activities of the Bank are retail, corporate and investment banking business.
174	Steel Service - http://www.mc.ru	Metalservice - the largest warehouse Russia for storage and processing of metal products. Metalservice is a modern warehouse infrastructure, which has the largest range of metal products (24,000 titles) and the guaranteed availability of goods in stock (totaling up to 180,000 tons).
175	Polymetal - http://www.polymetalinternational.com	Polymetal is a leading gold and silver mining group, operating in Russia and Kazakhstan.
176	Crocus - http://crocusgroup.ru	Crocus Group is a construction company. Crocus Group is one of the leading developers of Russia and a partner of the Ministry of Economic Development of the Russian Federation. The gross area of completed projects exceeds 1.9 million sqm m, approximately 6000 people are employed by the group. The business portfolio of Crocus Group includes the multifunctional satellite city of Moscow Crocus City, the international exhibition center Crocus Expo (549,000 sqm, 3 pavilions, 49 conference halls), the 6000-seat concert venue Crocus City Hall (4200 sqm), Crocus City Mall (62,000 sqm), the conceptual retail-entertainment center Vegas (400,000, Kashirsky Mall), residential and office real estate (planned multifunctional complex at Crocus City (237,000 sqm) the

		suburban residential development Agalarov Estate, Sea Breeze on the Caspian), restaurants, the hypermarket chain Tvoy Dom (250,000 sqm) and the Myakinino Metro Station inside Crocus City.
177	Sibuglement - http://www.sibuglemet.ru	The Sibuglemet Holding is one of the top-level companies of the coal industry of Russia and takes a strong stand due to its productivity, coal production volume, and salary level.
178	Miratorg - http://www.miratorg.ru/sites/en/default.aspx	Miratorg Agribusiness Holding is the leading investor in the Russian agribusiness industry. Miratorg Agribusiness Holding is one of the largest meat producers and suppliers in the Russian market.
179	Tactical Rocket Armory - http://www.ktrv.ru	Restructuring and development of Defense Industry Complex. The Corporation and now it includes the following enterprises: - “State Machine Building Design Bureau “Vympel” by name I.I. Toropov” company (Moscow); - “Raduga State Machine-Building Design Bureau” company (Dubna, Moscow region); - “Region” State Research & Production Enterprise” company (Moscow); - “Azovski Optiko-Mechanichesky Zavod” company (Azov, Rostov region); - “Gorizont” company (Moscow); - “Ural Design Bureau “Detal” company (Kamensk-Uralsky, Sverdlovsk region); - “Machine-building design bureau “Iskra” in the name of I.I. Kartukova” company (Moscow); - “Krasny Gidropress” company (Taganrog, Rostov region); - “Machine building Design Bureau” company (Moscow); - “Smolensk aircraft plant” company (Smolensk); - “Salyut” company (Samara); - “Turaevo Machine-Building Design Bureau “Soyuz” company (Lytkarino, Moscow region); - NITs ASK company (Moscow); - ANPP "TEMP AVIA” company (Arzamas); - “State R&D machine building enterprise” company (Dzerdzhinsk, Moscow region); - RKB “Globus” company (Ryazan); - TsKB "Automatiki” company (Omsk); - “Trading House “Zvezda-Strela” company (Korolev, Moscow region); - MIC NPO Mashinostroyenia JSC (Reutov, Moscow region)
180	Henkel Russia - http://www.henkel.ru	International Laundry & Home Care
181	Antipin Refinery - http://www.annpz.ru/en/index.html	Antipinsky Oil Refinery CJSC is situated in the industrial area of the city of Tyumen in its southeastern part not far from Antipino rural settlement. Key clients: Gazprombank (Open Joint-Stock Company), Raiffeisen Bank International AG and Raiffeisenbank CJSC (the “Authorized Lead Arrangers”) jointly with Glencore International AG, Vitol S.A., GLOBEXBANK CJSC, and WestLB AG (London) (“Authorized Arrangers”).
182	Petropavlovsk - http://www.petropavlovsk.net/en.html	Petropavlovsk PLC is Russia’s second-largest gold producer.. Petropavlovsk has enjoyed ten consecutive years of growth in gold production, producing a record 710,400oz of gold in 2012 from a combination of four hard-rock mines and the Group’s alluvial operations in the Russian Far East. The Group is targeting further production growth for 2013 to between 760,000oz and 780,000oz.
183	E4 Group - http://www.e4group.ru/en/	E4 Group is a vertically-integrated engineering company (EPC (M) Contractor) that has a holding-type management structure. E4 Group is a part of RU-COM business group and it consists of the largest power industry enterprises, including design institutes, construction and erection companies, and engineering equipment manufacturers. This enables the company to carry out a full cycle of works by its own on a “turn-key” basis throughout Russia.
184	Kazanorgsintez - http://www.kazanorgsintez.ru/index.php?lang_id=2	Open Joint Stock company “ Kazanorgsintez” is one of the largest chemical companies of the Russian Federation. “Kazanorgsintez” OJSC produces more than 38% of the total Russian output of polyethylene and it is one of its major exporters. «Kazanorgsintez” OJSC possesses the leading position in production of gas polyethylene pipelines, phenol, acetone, antifreeze, chemicals for oil extraction and natural gas dehydration.
185	Volvo Construction Equipment – www.volvoce.com	The unit of construction equipment produces a whole range of construction machines: excavators, wheel loaders, motor graders, articulated dump trucks, compact equipment, rollers and pavers.
186	Bank Russian Standart - http://www.rsb.ru/about/	Russian bank, which belongs to Russian Standart company, manufacturer of alcoholic products in Russia.
187	Steel Industry Company - http://english.spk.ru	Steel Industrial Company (S.I.C.) is one of the major independent companies supplying rolled metal products to the Russian market and the CIS countries. The company is in wholesaling and retailing and is developing its own production, i.e. metal processing and section production.
188	Mosgortrans - http://www.mosgortrans.ru/en/	State Unitary Enterprise MOSGORTRANS is the main operator of the surface public transport system in Moscow and largest in Europe.

189	Media-Saturn Russia - http://www.media-saturn.com	Three strong brands under one roof Consumer electronics retailing – online and offline: that is the core business of the Media-Saturn Group.
190	Cheliabisnk Electrosteel Factory - http://www.chemk.ru/?switch2english	Chelyabinsk Electric Plant - the largest producer of ferro-alloys in Russia, can fully meet the needs of the domestic steel industry. The product range includes more than 120 types of ferro-alloys and master alloys, more than 40 items electrode production. Products and sites for waste management of the main production is widely used in the paint and rubber industry, highway, industrial and residential construction and agriculture.
191	NIAEP - http://www.niaep.ru/wps/wcm/connect/niaep/site.eng/	The merged company JSC NIAEP – JSC Atomstroyexport (ASE) was established in March 2012 by the resolution of the State Atomic Energy Corporation Rosatom. List of the power plants under construction and design carried out by the merged company: Rostov NPP 3&4; Baltic NPP 1&2; Kursk NPP-2; Nizhny Novgorod NPP 1&2; Yuzhnouralskaya GRES-2 Units 1&2; Taiwan NPP 3&4 (China);Bushehr NPP -1 (Iran); Akkuyu NPP 1,2,3,4 (Turkey); Belarus NPP 1&2; Kudankulam NPP 1&2 (India); Ninh Thuan 1&2 (Vietnam).
192	Technoserv - http://www.technoserv.com	Technocerv - the largest domestic system integrator working in Russia, CIS and Europe. Development Priorities of Technocerv are implementation of large, socially relevant projects for the implementation, development and outsourcing of info-communication infrastructure, information security, energy and engineering systems, application platforms, large-scale businesses and industries.
193	Adidas – www.adidas.com	International footwear manufacturer.
194	Philips – www.philips.com	International manufacturer of home appliances.
195	Russian Communal Systems - http://www.roscomsys.ru	JSC "Russian Communal Systems" - is the largest private federal company, working in the public sector. The company's goal - the development of communal infrastructure of Russian cities and the provision of quality services to consumers.
196	McDonalds	International FastFood company
197	Unimilk - http://www.danone.ru	International milk company with 20 plants in Russia and various local brands (not only DANONE).
198	Titan - http://www.titan-omsk.ru/en/	Big group of companies from three key industries: petrochemical, agricultural and infrastructure. Have over 10 different plants all over Russia.
199	REAL – www.real.ru	Retail shop chain in Russia.
200	BAT – www.bat.com	International tobacco manufacturer with plants in Russia.
201	CROC - http://www.croc.ru/eng/about/index.php	CROC is the leading Russian company in IT infrastructure creation (IDC Russia IT Services Analysis reports, 2002 - 2012). CROC helps customers improve business efficiency and meet their strategic goals through the advanced use of information technology.
202	Kuibyshev AZOT - http://www.kuazot.ru/index.php?lang=eng	“KuibyshevAzot” OJSC is one of the leading companies of the Russian chemical industry. The company conducts its business in two areas: - production of caprolactam and its derived products (PA-6, high tenacity yarns, cord fabric, engineering plastics); - production of ammonia and nitrogen fertilizers.
203	Toliatti AZOT - http://www.toaz.ru	JSC "Togliatti" is one of the largest in the chemical industry in Russia. Over the past two decades, the company is actively developing, putting into operation new production plants for the production of building materials, furniture, etc. By 2008, OAO "Togliatti" has become a diversified enterprise.
204	Lenenergo - http://www.lenenergo.ru/en/	Lenenergo – is one of the largest electricity distribution companies in Russia. Since 2005, as the result of reforms in the power sector, Lenenergo's main functions are the provision of electricity over 110-0.4-kV networks and access for consumers to the electricity network in the Saint Petersburg and the Leningrad Region.
205	Danone - http://www.danone.ru	International milk company with several plants in Russia.
206	Fortum - http://www.fortum.ru	JSC "Fortum" is one of the leading manufacturers and suppliers of heat and electricity in the Urals and Western Siberia. The total installed capacity of branches, subsidiaries and associates of the company currently stands at 3 825.5 MW of electricity, for heat - 11 804.1 MW. The company comprises nine power plants.
207	Prodimex - http://www.prodimex.ru	Agribusinesses that are included in the GC, grow a wide range of crops: sugar beets, wheat, winter and spring, winter and spring barley, rye, corn, sunflower,

		soy.
208	Monetka – www.monetka.ru	500 shops offering buyers essential commodities and food products at a low price due to the minimum trading margins, as well as through the sale of own products and own brands.
209	Bank Trust - http://en.trust.ru	Bank TRUST offers the full range of retail banking services and all-inclusive support to its corporate customers and SMEs. The Bank's current strategic priority is a qualitative development of retail banking. The Bank has a really vast regional network: TRUST enjoys presence in 160 cities located in 65 Russian regions while providing services to customers using its 253 offices spread all over the country from Kaliningrad to Vladivostok.
210	NMTP - http://www.nmtp.info/en/	NCSP Group is one of the largest European providers of stevedoring and port services. The Group is the third largest port operator in Europe by cargo turnover, and the undisputed leader in the Russian market.
211	Mostovik - www.mostovik.ru/	Design and construction of bridges, industrial and civil use, and special underground waterworks
212	Unilever – www.unilever.ru	International producer of FMCG products with several plants in Russia.
213	TGC - 2	TGC-2 is a leading heat and power company in the Northern and Northwest parts of Russia. The Company activities cover heat and power production as well as sale of heat (steam and hot water) to consumers. TGC-2 comprises generating capacities of 6 regions - Arkhangelsk, Vologda, Kostroma, Novgorod, Tver and Yaroslavl. TGC-2 operates 15 heat CHPPs, 13 boiler-houses, 5 enterprises of heat pipelines. The aggregate installed electric capacity of TGC-2 enterprises is 2 542,5 MW, the aggregate installed thermal capacity constitutes 12 285,82 Gcal/h.
214	VSMPO - http://www.vsmpo.ru/en/	VSMPO-AVISMA Corporation works in titanium industry and supplies its products to the basic industries and penetration into the most prestigious sectors of the global market: aerospace, chemical industry, power engineering and environment protection
215	Fesco - http://www.fesco.ru/en/	FESCO today is one of Russia's largest transportation and logistics holdings and a leader of the container transportation market in the Far East region. FESCO is the only company in Russia capable of uniting all of the links in the intermodal transportation value chain for cargo transportation from the largest ports in the Asia-Pacific region through the Russian transcontinental transit route to European ports.
216	GMAuto (Chevrolet) - http://www.chevrolet.ru	International automobile brand, which has manufacturing in Russia and designs and produces joint projects with Russia AUTOVAZ.
217	Mosteploseti - www.mosteploseti.ru	Moscow Heat Distribution Company - heat power plant in the Moscow power company supplies heat to customers in Moscow and in several parts of the Moscow suburbs.
218	VSK Insurance - http://www.vsk.ru	VSK Insurance House is one of the largest insurers in Russia steadily keeping its strong position in the domestic insurance market. We provide insurance coverage to over 9 million citizens of the Russian Federation and 125 thousand companies.Among our affiliates there are 450 banks and 120 leasing companies, over 1 100 automotive dealerships and 2 000 tour operators
219	Mondi - http://www.mondigroup.com/en/	Mondi Syktyvkar is one of the leaders in pulp and paper industry and the biggest paper producer in Russia. The company's core business is the production of office and offset paper. It also manufactures newsprint and white-top kraftliner.
220	Chukotka Mining Industry – no web.	JSC "Chukotka Mining and Geological Company", owned by the Canadian corporation "Kinross Gold", since 2008 has been producing gold-silver deposit "Dome". In addition, the company is preparing to use the ore deposits of gold and silver, "Double", in which the first gold expected in the fourth quarter of next year.
221	Transugstroy - http://www.transugstroy.ru/eng/	"Transugstroy" LLC Management Company is one of the biggest construction companies, participating in development of transport infrastructure of the country. It consists of more than 20 organizations, engaged in engineering development of railways, motorways, industrial and civil facilities, as well as in production of construction materials.
222	L'Oreal – www.loreal.ru	International Beauty products manufacturer with plants in Russia.
223	1TV – www.1tv.ru	The first and main TV channel in Russia. Belongs to the government.
224	Grinn Corporation - http://www.grinn-corp.ru	The main activity is management of the Corporation owned inter-regional network of food hypermarket format «Cash & Carry» trademark "LINE", located in 10 regions of the Central Federal District of Russia: Orel, Kursk, Belgorod, Voronezh, Lipetsk, Tambov, Bryansk, Kaluga, Tula, Smolensk.

225	Kubanenergo - http://www.kubanenergo.ru/eng/	Kuban open-end joint-stock company of power industry and electrification OJSC "Kubanenergo" is the main supplier of electric power on the territory of Kuban region and Republic of Adigea. The power system includes 11 electric enterprises (Krasnodar, Sochi, Armavir, enterprise of Adigea, Timashevsk, Tichoretsk, Leningrad, Slavyansk, South-western enterprise, Labinsk, Ust-Labinsk enterprise). The total length of wiring for electricity transmission is 90.000km. The territory supplied with electricity is 76.000km. The number of population provided with electric power is more than 5,5 mln people.
226	Atomenergoproject - http://www.aep.ru/en/	JSC Atomenergoproekt is the Rosatom State Corporation enterprise, engineering company, general designer of nuclear power plants: siting; development of pre-design, design and working documentation, 3D-designing for construction and extension of the NPP operation life; radiation, nuclear and environmental safety substantiation; designer supervision during NPP construction and follow-up during operation; nuclear power plants decommissioning; organization and development of construction and erection works, equipment and materials procurement, including development of the required documentation; nuclear power plants commissioning activities and handover to operation.
227	Generating company - http://www.tatgencom.ru	JSC "Generation Company", one of the largest regional generating companies of the Russian Federation. The installed electric capacity of JSC "Generation Company" is 4995 MW, including the power of 3790 MW thermal power plants (75.9%), Nizhnekamsk HPP capacity - 1205 MW (24.1%).
228	Business Cap - http://www.toyotabc.ru	Toyota representative in Russia.
229	Bank St. Petersburg - https://www.bspb.ru/en	One of the major banks in Russia's North-West Region, Bank Saint Petersburg. The Bank provides services through its 41 branches and offices to more than 1,200,000 private clients and to more than 39,000 corporate clients, including major companies located in St. Petersburg and the Leningrad Region. The Bank is proud of the market share and the long-term relationships built with clients.
230	Alfa Insurance - http://www.alfastrah.ru/en/company/	AlfaStrakhovanie Group ranks among five leaders of the open insurance market. AlfaStrakhovanie Group includes AlfaStrakhovanie PLC, AlfaStrakhovanie-Life LLC, AlfaStrakhovanie-MS LLC, Medicine AlfaStrakhovanie LLC, AlfaMedProject LLC, AsStra Medical Insurance Company LLC, Insurance Company Moscow PLC and Syberia Medical Insurance Organization PLC.
231	International Wheat Company - http://mejzerkomp.n4.biz	Two main areas of work - export-import supplies of grain and providing grain to large customers within the country (flour mills, feed mills). Both are intertwined and determined by the market situation - in high yield in Russia most profitable export transactions with medium and low - domestic trade and imports.
232	Centobuv - http://centrobuv.ru	Absolute leader in footwear retail segment. Have big shop chain all over Russia.
233	OTP Bank - http://en.otpbank.ru/about/	OTP Bank (Russia) is a member of the international OTP Group, one of the leaders in the financial services market in Central and Eastern Europe. OTP Bank is a universal credit institution offering corporate and private clients a wide range of banking services and products.
234	OMZ - http://www.omz.ru/eng/	OMZ Group is one of Russia's largest heavy engineering companies. OMZ's activities are diversified and include the following business areas: Equipment for the nuclear power industry; Engineering and equipment for the oil and gas industry; Production of special steels; Mining equipment
235	Nokian Tyres - https://www.nokiantyres.ru/tyres-ru	International tyres brand with manufacturing in Russia.
236	Sibtruboprovodstroi - http://sibtruboprovod.ru/index2.php?id=184&cat=4	Pipe infrastructural company. The production capacity of the enterprise is: - The construction of more than a hundred kilometers a year the main oil, gas, product pipelines of various diameters; - Construction and reconstruction of compressor stations and bulk of any capacity; - The construction of gas distribution stations, transmission line pipeline service, residential and industrial buildings, community facilities and any other facilities of the oil and gas industry in the most difficult terrain and on the extreme climate conditions.
237	HMS Group - http://grouphms.com	HMS Group is a dynamically growing diverse corporation that combines leading manufacturing (pumps, compressors, oil&gas equipment), engineering

		and construction companies.
238	Alcoa Russia - http://www.alcoa.com/russia/en	Alcoa, one of the world's largest producers of primary aluminum, fabricated aluminum and alumina, first entered Russia in 1993. In 2005 the company acquired two fabricating facilities in Samara and Belaya Kalitva (now ZAO Alcoa SMZ and ZAO Alcoa Metallurg Rus). Since 2005 Alcoa has invested about $800 million to acquire and upgrade its Russian facilities.
239	Globus - http://www.globus.ru	Food Retail Chain. Currently there are 65 hypermarkets in Germany, the Czech Republic and Russia under the brand Globus. The company is a family company founded in 1828 in Germany.
240	Caspian Pipeline Consortium - http://www.cpc.ru	Caspian Pipeline Consortium (CPC) is a major international crude oil transportation project with the participation of Russia, Kazakhstan and leading international oil and gas companies (such as Chevron, Shell, ExxonMobil, Eni, British Gas, Rosneft, Lukoil), created for construction and operation of a trunk pipeline more than1.5 thousand kilometers long. The primary source of crude oil is from prolific fields in Western Kazakhstan with additional crude oil from Russian producers. This crude oil is transported through the CPC pipeline to the Company’s Marine Terminal in Yuzhnaya Ozereevka (Novorossiysk) where the crude oil is loaded on ocean going tankers for further delivery to the world markets.
241	BSH Group - http://www.bsh-group.ru	BSH is the largest manufacturer of home appliances in Germany and Europe, and one of the leading companies in the sector worldwide. Have manufacturing in Russia.
242	MIT - http://www.corp-mit.ru	JSC "Corporation" Moscow Institute of Thermal Technology "(MIT) - a research and manufacturing enterprise of the defense complex, located in the city of Moscow.
243	PSMA – www. http://pcmarus.com	Automobile manufacturer of Peugeot, Mitsubishi and Citroen in Russia.
244	Heineken – www.heineken.com	International brewery with production in Russia.
245	Citibank – http://www.citigroup.com/citi/	International bank with assets in Russia.
246	Sinergia Group - http://groupsynergy.ru/old/glavnaya/	The monitoring system, based on: technology positioning and motion parameters of moving objects with the help of satellite navigation systems GLONASS and GPS; technology of packet radio data (GPRS) connection in GSM; internet to receive and display in real time, data on the controlled objects.
247	Prioskol - http://www.prioskol.ru/?template=100&lang=en	The company «Prioskolie» is the leader of the domestic poultry market.
248	Minudobrenie - http://www.minudo.com	Rossosh MINUDOBRENIYA is a large independent enterprise of Russian chemical industry, the only manufacturer of mineral fertilizers in Central Chernozemny Region. For more than a quarter of a century the company has been producing high quality products which merits are appreciated by both Russian farmers and multiple foreign landowners.
249	KDV Group - http://kdv-ru.all.biz/en/	The company «KDV» was founded in 1994, is among the five largest manufacturers of confectionery and snack products in the Russian Federation. Today, the company «KDV» has 13 factories and mills. 2 firmly in place by a snack and 2nd place in confectionery in Russia Read.
250	Tetra Pak - http://www.tetrapak.com/su/Pages/default.aspx	Supplies hundreds of different types of carton packaging to meet all the needs of different customers, develops a cutting-edge technological solutions, design and service to entire plants.
251	Oriola - http://www.oriola.ru/en/Company/	Oriola is one of the leading wholesale distributors on the Russian pharmaceutical market. Oriola distributes pharmaceutical and consumer health care products to pharmcies, hospitals and smaller wholesalers across Russia. The company has direct agreements with suppliers, leading international and Russian pharmaceutical manufacturers. Besides, Oriola is a lisenced importer.
252	MSK – Insurance Company	Russian insurance company.
253	VGTRK - http://vgtrk.com/#	Russian tv channels and radio stations, united under one holding.
254	Scania - http://www.scania.ru	International truck manufacturer with plants in Russia.
255	South diversified corporation -	"South diversified corporation" provides multidisciplinary activities in the field of trade. The range includes sales of alcohol, groceries, household cleaning

	http://www.umk-kuban.ru/about	products, industrial products, meat products, frozen products, metal products, products of air separation, cryogenic equipment, gas bottles. "Southern Diversified Corporation" has actual production under the brand name "Nurse." TM "Nurse" produces a wide range of canned foods. Today the number of headings is about 100 items and continues to steadily increase. Fruit and vegetable canned products of TM "nurse" is made in Russia, Thailand, India, China and Spain.
256	IBS – www.ibs.com	International IT company
257	Orimi Trade - http://www.orimitrade.ru	Orimi Trade is the leader of the Russian tea market with the largest market share. The number of origin countries supplying tea to the company includes Ceylon, India, Indonesia, China, Kenya and Vietnam.
258	Kamski Kabel - http://en.kamkabel.ru	Kamskiy Kabel — the leading manufacturer of cables, wires and conductors in Russia. In 2012 it's metals processing was 67 000 tones (by copper weight).
259	Financial Group "Life" - http://life-group.ru	Russian financial group of small companies, united by Probusiness bank.
260	Tehnopromexport - http://www.tpe.ru/en/	Technopromexport offers system solutions in the field of power facilities construction and implements projects of any complexity on a "turn-key" basis. Power facilities construction: thermal power plants, including combinedcycle, gas-turbine, geothermal, diesel; hydro power plants; transmission lines and substations.
261	Mosstroimehanisacia - http://www.msm-5.ru	Construction and reconstruction complex of Russia.
262	Prodo Group - http://www.prodo.ru	Prodo Group is one of the largest and fast growing players in the market scale of the federal meat processing, poultry and pork. Enterprises of Prodo produce all kinds of sausage, semi-products from poultry meat.
263	Central PPK - http://www.central-ppk.ru	Open Joint Stock Company "Central Suburban Passenger Company" is the largest passenger commuter rail company in Russia. The share of "Central PPK" in suburban passenger traffic in the Moscow railway junction is more than 80%, and its share of commuter rail traffic in Russia - 60%.
264	R-Style - http://eng.r-style.com	R-style has become the largest IT business in Russia, having formed R-Style Group of Companies with its offices located in all major cities and the federal district centers of the Russian Federation. Amongst the services provided by our Company there are a comprehensive automation of enterprises and organisations, IT consulting and advisory on business workflows, technical support and outsourcing, IT project management, implementation of business and information security systems, supply of hi-tech equipment and software, infrastructure and integration services, installation and maintenance of engineering and feeble current systems in the buildings, telecommunication services and IT engineers' training.
265	Rosmetrostroy - http://www.rosmetrostroy.ru/ind-e.htm	The company monopolist, which is involved in contstruction of all metropolitan stations and nets in all Russian cities (Moscow, St. Petersburg, Nijnii Novgorod, Samara, Yekaterinburg and other cities).
266	Efes - http://www.efesrussia.ru	Turkish brewery with manufacturing assets in Russia.
267	Imperial Tobacco - http://imperial-tobacco.ru	Imperial Tobacco Group is a leading international tobacco company with a balanced market footprint and a unique portfolio of brands (Davidoff, Gauloises, West) and products across all tobacco categories. Has two plants in Russia.
268	Siberian Business Union - http://hcsds.ru/en	The holding's enterprises mine coal, produce rail cars, provide railway cargo carriage, produce heat and electric power, electric motors, mine equipment, chemical industry equipment, grain, meat, milk, souvenir and promotional products and hundreds of others goods and services. SBU's corporate management of enterprises is performed through the sector holdings: Holding Company "SBU-Coal", Holding Company "SBU-Engineering", Holding Company "Novotrans", Holding Company "SBU-Construction", Holding Company "SBUAgro", Holding Company "SBU-Alco", Holding Company "SBU-Media", Holding Company "SBU-Energy".
269	SOGLASIE Insurance Company - http://www.soglasie.ru/en/	Big insurance company.
270	Globalstroy-Engineering - http://www.globse.com	Open Joint-Stock Company «Globalstroy-Engineering» is one of the largest companies in Russia, providing Engineering, Procurement and Construction (EPC) services to the Oil and Gas industry in Russia and CIS. At present, OJSC GSE is the core of the multi-functional construction holding, which also

		includes entities specializing in Civil and Structural projects, Erection works, Pipeline, Engineering and other activities.
271	Avon - http://www.avon.ru/PRSuite/home_page.page	USA beauty products manufacturer with plants in Russia.
272	Polyplastic Goup - http://en.polyplastic.ru	POLYPLASTIC Group comprises twelve plastics processing enterprises (located in Russia, Belarus, Ukraine and Kazakhstan), two Research and Development (R&D) centres, as well as a number of joint ventures and trading houses.
273	CSKB “Progress”	The leading Russian enterprise and one of the leaders of space industry in development, manufacturing and operation of the middle-class launch of space vehicles/ships.
274	Atomenergoproject - http://www.spbaep.ru/wps/wcm/connect/spb_aep/site.eng/	The Joint Stock Company Saint Petersburg Research and Design Institute ATOMENERGOPROEKT provides on a free-market basis engineering services for turnkey construction of modern nuclear power plants. In world practice such activity is termed EPCM (Engineering, Procurement, Construction Management) and includes justification of investment, survey activities, design, supply of equipment, construction, erection and plant commissioning.
275	Vodokanal - http://www.vodokanal.spb.ru/en/	SUE “Vodokanal of St.Petersburg” provides drinking water to the population of 5 million people as well as to companies and organizations of the city. The company aims to provide high-quality water and wastewater services to the customers taking care of the environment and creating a responsible attitude to water resources.
276	Etalon Group - http://www.lenspecsmu.ru/en/	The company is a leader in the construction industry of the Northwest region. LenSpetsSMU’s share in residential real estate is 15-20% of the housing market. The Holding has completed and delivered over 70 residential and commercial buildings to date. The company has strong ties with the Russian government and fulfills many of the state projects.
277	Komatsu - http://www.komatsu.ru/en/index.xml	Global producer of construction and mining machinery with plants in Russia and CIS countries.
278	Autoban - http://www.avtoban.ru	Open Joint Stock Company "Road-building company" Autoban "combines road construction companies in the European part of Russia and Western Siberia - the company with half a century of experience in road construction, including the structures of the Ministry of Transport Construction of the USSR.
279	Tadem - http://www.tadem.ru/ru/main/	OO "Group TADEM" is a partner and consultant to leading manufacturers of rubber products and electrical equipment for the Russian machine-building.
280	Sovfraht - http://www.eng.sovfracht.ru	Sovfracht-Sovmortrans Group of companies is one of the largest freight-forwarding enterprises in Russia. Sovfracht-Sovmortrans group of companies provides 3PL service including railway, automobile, container, sea and river transportation, warehousing logistics and port forwarding, transportation of bulky and heavy freight inside and outside Russia.
281	CTC Media - http://www.ctcmedia.ru	CTC Media is the leading independent broadcasting company in Russia. The Group owns and operates the CTC, Domashny and Peretz television channels in Russia, as well Channel 31 in Kazakhstan and a TV company in Moldova, and has more than 150 million people within signal reach.
282	OMPK - http://ompk.ru	OJSC "Ostankino Meat Processing Plant" (JSC "OMPK") - a leading manufacturer of processed meat and convenience foods in central Russia. The company was founded in 1954.
283	Koksohimmontaj - http://www.kxm.ru/#	CJSC "Koksohimmontao" is among the leaders of the building complex of Russia in the field of design, logistics and construction. The company specializes in the implementation of projects "turn-key" under the motto "From design to Object" on the basis of a fixed price for customers engaged in ferrous and non-ferrous metallurgy, coking industry, production, storage, transportation and processing of hydrocarbon raw materials, chemical industry and other industrial plants.
284	Zenit Banking Group - http://www.zenit.ru/group/eng/	The Banking Group ZENIT maintains presence in 23 out of 83 Russian regions. Its proprietary sales network has 157 outlets. The Group provides full-scale banking services along the following lines: comprehensive servicing of corporate customers; retail servicing of individuals; investment banking; and interbank business.
285	Financial Corporation OPEN -	Otkritie Financial Corporation is a full-service financial group offering retail, corporate, and institutional clients a wide range of banking, investment,

	http://www.open.ru/en/	insurance, and pension plan solutions.
286	AK Bars Bank - http://www.akbars.ru/en/	AK BARS Bank is a universal bank which develops corporate, retail and investment businesses. AK BARS Bank has over 50,000 corporate customers and 2.5 million individual ones. The Bank services large companies in the oil and gas, petrochemical, mechanical engineering, telecommunications, construction, chemical, and automotive industries, as well as agricultural and other commercial enterprises.
287	Panasonic Rus – www.panasonic.ru	International home appliances manufacturer with plants in Russia.
288	Sanofi - http://www.sanofi.ru	Sanofi is one of the leading pharmaceutical companies in the world. It is represented in more than 100 countries and employs more than 110,000 employees. Currently, Sanofi has one of the best portfolios substances throughout the pharmaceutical industry. Corporate Headquarters is located in Paris.
289	ATAK - http://www.ataksupermarket.ru	Food retailer and supplier - 28 000 employees in 5 countries, 759 own supermarkets, 1,650 supermarkets partners, 18% of the turnover of Auchan
290	Electroshield - http://www.electroshield.ru/in-english.php	The Electroshield Group is a production company with a rich history and impeccable reputation. The Plant manufactures the following: complete block transformer substations КТП-СЭЩ-Б(М) 220/110/35/10(6) kV.; integrated switchgears for different climatic configurations; transformer substations 3-40.5 / 0.4 kV.; high voltage equipment 6 ÷ 220 kV; vacuum circuit breakers 6 ÷ 35 kV; vacuum circuit breakers 0.4 kV; power and measuring transformers 35 kV; current-conducting wires and busbars 35 kV; construction products made of galvanized steel sheet: profiled flooring, sandwich panels, painted coiled metal sheet, metal tile, facing profiles; it performs complete delivery of construction metalwork, as well as integrated engineering of construction projects.
291	Bunge - http://www.bunge.ru/en/	Founded in 1818, Bunge is a leading agribusiness and food company with integrated operations that circle the globe, stretching from the farm field to the retail shelf. In Russia Bunge owns three popular brands of oil – Oleina, IDEAL and Maslenitsa.
292	Pharmacy 36.6 - http://366.ru	Pharmacy 36.6 - a national leader in the retail trade of goods for beauty and health.
293	GM Avtovaz - http://gm-avtovaz.ru/en/	Automobile manufacturing company. CJSC GM-AVTOVAZ started its existence from the 27th of June in 2001 when the general framework agreement was signed by representatives of General Motors, AVTOVAZ and European Bank for Reconstruction and Development. The launch of new joint project Niva-Chevrolet.
294	Raspadskaya - http://www.raspadskaya.com	Raspadskaya is a compact integrated coal mining and enrichment complex located in the Kemerovo region of the Russian Federation. Raspadskaya's license area is part of a very extensive coal field south-west of Tom-Usinsk area of the Kuznetsk coal basin which itself accounts for about three quarters of the total coking coal production in Russia.
295	Siemens - http://www.siemens.com/entry/cc/en/	"Siemens" in Russia is not only a manufacturer and supplier of advanced equipment for Russian companies, but also a partner that offers efficient system solutions for the modernization of infrastructure and implementing a comprehensive customer support in solving a variety of industrial and technical problems. "Siemens" in Russian works in all traditional areas of activity, offering products, services and integrated solutions for industry, energy, health and environmental protection.
296	Letoille - http://www.letoile.ru	Network of perfumery and cosmetics Letoille occupies a leading position in the Russian market: about 800 stores in more than 250 cities in Russia.
297	Energy System - http://so-ups.ru	Open Joint Stock Company "System Operator of the Unified Energy System" (OAO "UES") - a specialized organization solely carrying out centralized maintenance control in the Unified Energy System of Russia.
298	Allianz - http://www.allianz.ru	Allianz - one of the largest financial and insurance concerns, which for more than 120 years, provides reliable insurance coverage to millions of customers around the world.
299	NVision Group - http://www.nvg.ru/en/	NVision Group is one of the largest developers and suppliers of unique solutions and services in the Russian market of information technologies. For its 11 years of existence, the company has established a complex of technologies, industry solutions and expertise, accelerating the development of

		commercial companies and government organizations.
300	NMGK - http://www.nmgk.ru/rus/	Oil and fat manufacturer in Russia.
301	Dipos - http://www.dipos.ru	The main activity - production, processing and sale of rolled metal in Russia.
302	Stroinov - http://www.stroynov.com/en/	Stroynovatsiya is one of the leading Russian companies working in the field of construction of facilities for the oil and gas industry.
303	Scarochno Montagniy Trest – no web	Construction company, which specializes on oil pipe net constructing.
304	Energia - http://www.energia.ru	The company, which operates international space station.
305	Rive Gauche - http://www.rivegauche.ru	Retail chain of beauty products.
306	PTK - http://ptk.ru	St. Petersburg oil company with a big chain of petroleum stations in the region.
307	Mosoblgaz - http://www.mosoblgaz.ru	State Unitary Enterprise Moscow region "Mosoblgaz", formed in 1958, during the active gasification of the country, operates the largest in the Russian gas industry - Moscow: over 42 thousand kilometers of underground pipelines. Gasified over 2.7 million apartments and homes, more than 2,800 industrial plants and boilers, 6,200 municipal enterprises.
308	Tsenki - http://www.tsenki.com/en/	Center for Operation of Space Ground-Based Infrastructure. This reorganization carried out in order to preserve and develop the scientific, industrial and technological potential of the Russian space industry, concentration and the effective use of intellectual, industrial and financial resources for the implementation of programs in space and ground systems, improving the quality of operation of the Baikonur Cosmodrome and works related to launches of space crafts.
309	SABMiller RUS – no web	Russian Brewery company. Manufacturing in Kaluga.
310	Tarket - http://www.tarkett.ru	International company Tarkett is one of the world leaders in the manufacture and sale of flooring with plants in Russia. Annual sales in 2012 amounted to 2.3 billion euros.
311	National Media Group - http://www.nm-g.ru	National Media Group was founded in February 2008 and today is one of the largest private media holdings in Russia, combining the assets of key segments in the Russian media market.
312	Яндекс – www.yandex.ru	Yandex - a search engine and IT-company that develops a variety of services. In Russia, where Yandex came from, its search share is 61,9% (LiveInternet, March 2013). /The second place is occupied by Google with only 28%/
313	Sibeko - http://www.sibeco.su	JSC "SIBEKO" - the largest company in Siberia, engaged in the production of electricity and heat.
314	Optan - http://www.optan.ru	Oil company with big amount of petrol stations in Ural region.
315	TEK - http://www.gptek.spb.ru	State Unitary Enterprise "Fuel and Energy Complex of St. Petersburg" - one of the leading thermal power companies in the North-West. The company's share on the St. Petersburg market of thermal energy is about 40%.
316	Yakut Enegro - http://www.yakute.elektra.ru	Energy Yakutia dates back to 1914. It was then the capital of the republic had the first power plant, which was the basis for portable engine, 150 horsepower German factory Heinrich Lanz. By 1941, it was found in Yakutia 28 power plants with total capacity of 9 MW. In 1962, the District was established energy management "Jakutskenergo", bringing together disparate power generating capacity to the grid.
317	Aerofuels - http://www.aerofuels.ru/eng/	The Aerofuels Group is a modern and dynamically growing diversified holding company which consolidates several enterprises. These enterprises undertake a number of tasks connected with into-plane fuelling services at Russian and international airports, fuels storage services, fuels quality control, the refurbishment of fuelling depots currently in operation and the construction of new ones.
318	Maria-Ra - http://www.maria-ra.ru	"Maria-Ra" - a 559 operating stores in food retailing, which represent one of the largest companies in the Siberian region.
319	Holiday - http://hol-omsk.ru	Holiday company is a leading food retailer in Western Siberia. It brings together more than 300 supermarkets under such well-known brands such as "Holiday," "Sibiriada", "Bark", "Holden" and others. In Omsk, the company operates under three retail brands: "Planet Holiday" (23 supermarkets), "Sibiriada" (72 stores), and "Hold 'em" (28 stores).
320	Sodrujecstvo - http://www.sodrugestvo.r	Sodrugestvo is a fast-growing Russian agro-industrial company with business partners across the globe. The Company focuses on soybean and oilseed rape

	u	processing, manufacturing of fishmeal and composite animal protein mix, imports of corn gluten and lysine, as well as distribution of products to the end consumer.
321	Liebherr - http://liebherr.fis.ru	Ltd. "Liebherr" - the world-leading manufacturer of material handling, earthmoving and mining equipment. Concern produces excavators, machines for loading and handling of wood and metal, wheeled and tracked loaders.
322	Vozrozdenie Bank - http://www.vbank.ru/en/	Bank provides personal banking and business services to clients throughout the Russian Federation. Nationwide network includes 142 locations and more than 800 ATMs. The bank provides 1 600,000 clients with a range of services, from savings accounts, payment handling and payroll management to mortgages, bank cards and business and consumer loans.
323	Oriflame - http://ru.oriflame.com	Swedish beauty products manufacturer with plants in Russia.
324	Far Eastern Distribution Company - http://drsk.ru	OAO "Far Eastern Distribution Company" has been part of the East IPS. OJSC "Far-Eastern Distribution" provides the transmission of electric energy distribution networks in the Amur Region, Khabarovsk Territory, the Jewish Autonomous Oblast, Primorsky Krai, Southern District of the Republic of Sakha (Yakutia).
325	Pulp Mill Holding - http://www.appm.ru	Arkhangelsk Pulp and Paper Mill - is one of Europe's leading wood chemical enterprises. The largest producer of containerboard and one of the leading manufacturers of cellulose in Russia.
326	Reshetnev Company - http://www.iss-reshetnev.com	The JSC “Academician M.F. Reshetnev “Information Satellite Systems“ is Russia’s leading space enterprise specializing in the design, development and manufacture of high performance spacecraft and satellite systems.
327	International Paper - http://www.internationalpaper.com/RUSSIA/EN/index.html	International Paper is a global leader in the paper and packaging industry with manufacturing operations in North America, Europe, Latin America, Asia and North Africa. Built in 1887, the Svetogorsk mill was the foundation of the town of Svetogorsk which today has 16,000 inhabitants. In December 1998, the mill became part of International Paper. Today, the Svetogorsk mill is one of the largest paper mills in Russia utilizing the most modern technologies and equipment. Located on the Karelian Isthmus, the pulp and paper mill occupies 200 hectares of land. Its operations include three pulp mills, two paper machines and A4/A3 sheeting operations.
328	AzbukaVkusa - http://www.azbukavkusa.ru	One of the biggest food gourmet retailer in Moscow and St. Petersburg.
329	Independent Transport Company - http://www.ntcorp.ru	"Independent Transport Company" is one of the leaders of the Russian transport market, part of the UCL Rail - sub-holding, uniting rail assets of the international transport group UCL Holding. The company provides a full range of services for transporting goods by rail transshipment at sea and river ports and cargo insurance for shipments to rail and multimodal communications.
330	SU-2 - http://su-2.su/en/index.php	Joint-Stock Company «Specialized Administration No.2» is engaged in a construction, reconstruction and major repairs of the main pipelines, underground storehouses of gas and compressor stations.
331	Mospromstroy - http://www.mospromstroy.com/en/	Mospromstroy has been a leader on the Moscow construction market for the last 41 years, in which time the Company has built and renovated a huge variety of structures and facilities, and commissioned millions of square meters of new living space. Mospromstroy now holds a third of the construction market in the Russian capital. Among some of the biggest constructions are – The White House, President-Hotel, Christ the Savior Cathedral, Indoor Skating Center in Krylastkoye, World Trade Center, renovation of the Pushkin Museum and other.
332	Russian Sea - http://www.en.russiansea.ru/main/	Russian Sea Group’s Ready-to-Eat Division is a leading producer of fish and seafood products in Russia. A variety of ready-to-eat fish and seafood products are marketed and sold under the “Russian Sea,” “7 Uzlov,” “Islandka,” “Mediterana” and “Flottika” brands and sub-brands through Russian Sea Company. The company’s key products include lightly salted and smoked salmon and trout, caviar (red and capelin), various types of canned herring (preserves), shrimp, seaweed and mussels.
333	VAD - http://zaovad.ru	CJSC "VAD" performs all kinds of engineering survey, design, construction, reconstruction, repair, repair of roads of all the technical categories, as well as airports airfields. Performs the functions of a general contractor.
334	Evrotrans - http://evrotrans.tiu.ru/a33	Private logistics company.

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335	DSK Slavianski - http://www.slav-dsk.ru	House-Building Plant "Slavianski" is the largest in the Russian producer of prefabricated timber frame houses. The company is part of a group of companies "Baltros" implementing projects of federal significance "New Izhora" and "Slav."
336	Integra - http://www.integra.ru/eng/	Integra Group has, through initial 18 strategic acquisitions, become one of the leading companies in the oilfield services sector of the Russian market. Integra Group provides a suite of complimentary products, services and solutions for all stages of reservoir's life cycle. From Field Development Plan (FDP) design and approval to engineering, well construction and completion, production enhancement and eventual abandonment, Integra Group has the resources and know-how to deliver the solutions our customers need.
337	Mari Oil Refinery - http://www.marnpz.ru	Mari refinery was founded in 1995 and is equipped with modern equipment. The plant produces straight-run gasoline, diesel and marine fuels, heating oil and other petroleum products. Power plant for processing oil reached 1,250 tons per year. Mari refinery is one of the largest enterprises in the Republic of Mari El.
338	Ferrero - http://www.ferrero.ru	International confectionery producer with plant in Russia, represents such brands as Nutella, Kinder Chocolate, Ferrero Rocher, Rafaello, Tic Tac and others.
339	RTRS - http://www.rtrs.ru	The Federal State Unitary Enterprise Russian Television and Radio Broadcasting Network
340	Altaivagon - http://www.altaivagon.ru/en/	The enterprises governed by HC "SDS" mine for coal, build railcars, transport commodities by rail, generate heat and electric power, produce electric motors, mining equipment, chemical industry equipment, corn, meat, milk, souvenir products and hundreds of other goods and services.
341	Russian Alcohol – no web	Russian alcohol (JSC "Russian Alcohol") - a group of companies, established in September 2003 to manage the assets of the group alcoholic "Industrial Investors". Produces and exports to other countries alcoholic beverage production. As of 2009, controlled 14.8% of the market (by value).
342	Mostransavto - http://www.mostransavto.ru	SUO "Mostransavto" - the largest carrier in the Moscow region - provides passenger and freight services on the Moscow region as well as in Russia and other countries. The route network SUO "Mostransavto" covers all of the regions of Russia. The company provides transport services for organizations and individuals offering services for repair and maintenance of motor vehicles, conducting tourism activities.
343	Transbunker - http://www.transbunker.com/en.html	The group of companies operating in the following areas: bunkering, petroleum products trading, oil processing, storage and transshipping, oil loading terminals.
344	Aston - http://www.aston.ru/en/	Food and food ingredients company. ASTON is one of Russia's largest producers of foodstuffs and ingredients, and is a leading exporter of agricultural goods and vegetable oils.
345	Komos Group - http://www.komos.ru	KOMOS Group is one of Russia's largest agricultural holdings with full production and sales cycle. KOMOS Group has 3 poultry farms, one milk processing company, which includes four production facilities, 2 pig plants, 2 cold storage facility and feed mills.
346	Vozrogneie - http://www.vozr.ru	The Group of companies «Vozrozhdeniye» is one of leaders of the Russian market of road-building, extraction of natural stone and nonmetallic materials. General directions of Group activity are road construction, equipment of embankments, land improvement, production from natural stone.
347	Ruselprom - http://eng.ruselprom.ru	The RUSELPROM Concern is a leader in the Russian electric engineering industry, comprising 12 enterprises and affiliates, producing more than 3000 electric motors, generators and control systems.
348	Indesit – www.indesit.ru	International home appliances company with plants in Russia.
349	Ural Airlines - http://www.uralairlines.ru/en/	Ural Airlines is one of the largest rapidly developing Russian airlines. The airline's annual passenger traffic increase is 40%. In 2012 Ural Airlines carried more than three million passengers.
350	Compulink - http://www.compulink.ru	The group of companies "Compulink" is one of the largest groups of companies in the Russian market of information technology and consulting, established in 1993. Provides customers with a full range of fields: business and IT consulting, creation of data centers, the construction of communication networks, building management information systems, infrastructure integration, solutions for the financial and banking institutions, the development of custom software, information security, consulting in the field

		of training and IT training, IT outsourcing, supply of equipment and spare parts, service and technical support.
351	TMK - http://www.zaotmk.a-tech.ru	JSC "TMK" is one of the largest bridge construction companies in the Far East. The main areas of activity - construction and reconstruction of bridges, roads, buildings, manufacturing prefabricated buildings and concrete.
352	TGK 16 - http://www.tgc16.ru	The main activity of the Company is the production, transmission and distribution of electrical energy. The property TGK-16 - Kazan CHP-3 and Nizhnekamsk HPP-1 (Kazan and Nizhnekamsk branch of TGC-16).
353	Uchalinski Gok - http://www.ugok.ru/ru/#	The company operates in Uchalinskoe copper-pyrite ores.
354	AMET - http://www.amet.ru	Open Joint Stock Company "Asha Metallurgical Plant" - one of the fastest growing steel companies in Russia, located on the main roads in the Russian Urals Federal District. During its history, it emerged from a small iron works to one of the unique metallurgical enterprises of the Urals.
355	Borets - http://www.borets-eng.ru	Borets is a leading global provider specializing in the engineering, manufacture, sales and servicing of downhole oil equipment. Among the key products are electric submersible and progressive cavity pump systems, downhole and surface horizontal pump systems designed to boost formation pressure.
356	Cargill - http://www.cargill.ru/en/index.jsp	Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Cargill began furnishing grain supplies to the USSR in 1963. In 1991, a Cargill office opened in Moscow, Russia resulting in enhanced operations in Russian regions. The company's 2011 acquisition of a global feed producer Provimi resulted in a larger Cargill presence in Russia.
357	I-Teco - http://www.i-teco.ru/company_eng.html	I-Teco is a leading Russian systems integrator and supplier of information technologies for corporate customers. It provides systems of information security, integration services, consulting, service support and outsourcing, it implements complex, integrated IT-infrastructure solutions and the informatization of major state structures, industrial and telecommunications companies, financial and insurance companies, small and medium businesses.
358	Kristall - http://www.kristall.by/index/en/pages/env/id/eq/1	Diamond manufacturing. For 38 years from the moment of formation OAO Gomel PO Kristall specializes in manufacturing of jewelry diamonds into polished diamonds of high quality “Excellent” and “Very good”. More than 2 million carats of polished diamonds were manufactured in this period.
359	Roshen - http://roshen.com/en/	ROSHEN Confectionery Corporation – one of the largest world manufacturers of confectionery products. The company has manufacturing in Russia and Ukraine.
360	Severnaia Verf - http://www.ru.nordsy.spb.ru	Since 1912 - construction of surface ships for the Navy of Russia. Construction of ships for the merchant fleet started at the shipyard since 1924. During the century of the shipyard has built for the national Navy and exported more than 250 surface warships total displacement of more than 500,000 tons and more than 280 commercial vessels of various types, including passenger and cargo ships, timber ships, tankers, fishing and research ships, container ships and ro-ro, bulk carriers, tugs, supply vessels offshore drilling rigs, ferries and floating docks.
361	ABB Group - http://www.abb.com	ABB is a global leader in power and automation technologies. Based in Zurich, Switzerland, the company employs 145,000 people and operates in approximately 100 countries, including Russia.
362	Vamin Tatarstan – no web	JSC "Vamin Tatarstan" - the largest in Tatarstan vertically integrated agricultural association. Plays a leading role in the market of Tatarstan on the production and sale of dairy products on the harvesting, storage and processing of grain and grain products. The company consists of 30 dairy, grain-8 and bakery companies, 23 agricultural firm, has 400 hectares of agricultural land, fish farm, a network of branded stores.
363	Magnezit - http://magnezit.ru/en/	Magnezit Group is a Russian Company, which has experience and recognition as one of the world's leading manufacturer of high-class refractory products and its maintaining services.
364	Rostelmach - http://www.rostselmash.irnd.ru	Production: Self-propelled combine harvesters, combines, forage harvesters.
365	Petrcommerzbank - http://eng.pkb.ru	Founded in 1992, Bank Petrocommerce is a universal financial institution offering a wide array of services to corporates, SMEs, individuals, including private banking and investment banking.
366	ECM -	The “ECM” team is currently engaged in a variety of complex projects:

	http://www.ecm.ru/en	designing, building, mounting, testing and restoring – all in the area of electrical equipment both at power sites and economic facilities in more than 25 regions of Russia.
367	PSO Kazan - http://www.pso-kazan.ru	It is a large construction company, capable of a high level to solve problems in the field of investment, design and capital construction. The company is developing rapidly and the volume of work is one of the leading construction companies of Tatarstan Region.
368	OBI - http://www.obi.ru/ru/	DIY home retailing chain. German company with presence in Russia.
369	Michelin - http://www.michelin.com	International tires brand with manufacturing in Russia.
370	Genser - http://www.genser.ru/ru/	Car dealership with all over Russia chain.
371	St. Petersburg Metropolitan - http://www.metro.spb.ru	St. Petersburg Metropolitan.
372	Mosinzproekt - http://www.mosinzhproekt.ru	Open Joint Institute of survey and design of engineering structures and communications "Mosinzhproekt." Founded in Moscow in 1958. The key goal of the institute is to perform government orders for the design of engineering structures and communications for organizations of investment and building complex of Moscow.
373	ZMK - http://www.zmk.ru	The company produces alloy and high-alloy steels and alloys and has a leading position among the main producers of special grade of steel and alloys: of retaining strength and plastic properties at high and low temperatures; acid and alkali resisting; intended for cold heading and mechanical treatment; free-cutting steels with regulated mechanical properties; annealed and hardened steels; steels with special properties.
374	Evrosib - http://www.eurosib-group.biz/index-flash.html	Evrosib - one of the leading private transport and logistics companies in Russia. Evrosib provides integrated transportation and logistics service cargo, including the organization of rail transport in various areas with the involvement of its own and leased rolling stock, services, integrated logistics and terminal operator.
375	Amway - http://www.amway.ru/en/	International manufacturer of beauty and home products.
376	Efesk - http://www.gkefesk.ru/en/	The Group of Companies EFESk is operating in the sphere of construction of large-scale power and industrial facilities within any climatic and landscape zones of the Russian Federation and abroad.
377	Sunny Products - http://www.solpro.ru	Holding Sunny Products - is a vertically integrated company, which is one of three leaders of Russia in fat and oil market. The main activities of the Holding Company: manufacture of mayonnaise and sauces, manufacture specialized industrial margarines and fats, production of packaged margarine, soap production and technical production, bottling, packing vegetable oil, production of sunflower oil for industrial processors, acceptance, storage, shipment of sunflower seeds and grains, grain trading.
378	Softline- http://softline.ru	Softline - a leading company in the sale of licensed software.
379	Renaissance Insurance - http://www.renins.com	Russian insurance company.
380	Sviaz-bank - http://sviaz-bank.ru/eng/	Sviaz-Bank was established in 1991, and today it is an all-purpose lending and financial institution maintaining its presence in 52 members of the Russian Federation. The Bank’s regional network comprises its Head Office in Moscow, 51 branches, and 97 backup offices and mini-branches, 62 of them operating from post offices.
381	Krasnoiarsknefteproduct - http://knp.krsn.ru	Petrol company with petrol stations in Russia.
382	Gloria Jeans - http://www.gloria-jeans.ru	Gloria Jeans is an international company specializing in production and sales of youth fashion apparel, footwear and accessories under Gloria Jeans and Gee Jay brands.
383	MOST - http://en.skmost.ru	The SK MOST Group of companies encompasses 15 bridge construction branches and 7 tunnel subdivisions. Starting its operation in 1991 with the major overhaul of sites on the Trans-Baikal Railway, today the company performs work in construction and reconstruction of rail and car roads, large and small bridges, tunnels, ports and berths, hydraulic structures, runways, residential and office buildings.
384	NPO Mashinostroenia - http://www.npomash.ru/n	Open joint stock company “Military and industrial corporation, the legal successor of Federal State Unitary Enterprise “NPO Mashinostroyenia” is one

	pom/en/default.htm	of the leading space and rocketry companies of Russia. JSC MIC Mashinostroyenia is a prime contractor in the multi-discipline cooperation, providing the National Armed Forces with advanced military equipment and collaborating with foreign partners in the military and technical fields.
385	RusPetro - http://www.rvpetro.ru/#null	A young and energetic company in the oil industry.
386	Zeppelin/CAT - http://www.zeppelin.ru	Zeppelin Russland LLC has been successfully working in the Russian market for 15 years. The company is the official dealer of the Caterpillar, the leading global manufacturer of special vehicles in Central, Northwestern and parts of Volga and Southern Federal Districts of the Russian Federation.
387	REP Holding - http://www.reph.ru/eng/	"REP Holding" works efficiently in the area of engineering and complex supply of power equipment for oil & gas, metal and chemical industries, for power generation and shipbuilding.
388	Major - http://www.major-auto.ru	International Car dealership with retailing chain all over Russia.
389	Globexbank - http://www.globexbank.ru/en/	GLOBEX provides its services through a rich network of branches in Moscow, St. Petersburg, Samara, Togliatti, Nizhny Novgorod, Novosibirsk, Rostov-on-Don, Perm, Krasnodar, Tomsk, Syzran, Saratov, Penza, Barnaul, Iskitim, Dmitrovgrad and Balakovo. 99.99% of the Bank’s equity are owned by the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank).
390	Asteros - http://www.asteros.ru/company/asteros/	"Asteros" - number 1 company in Russia to create a comprehensive infrastructure of buildings and structures in the rating CNews Analytics and the second largest system integrator in the opinion of the global analytic agency IDC.
391	KUMZ - http://www.kumz.ru/eng/	Kamensk Uralsky Metallurgical Works (KUMZ in Russian abbreviation) is one of the largest downstream companies in Russia. KUMZ has a rich history as it was founded in 1944 as a manufacturer of semi-finished products in aluminium-, magnesium-based and aluminium-lithium alloys. Today we supply high quality aluminium plates, wide variety of extruded products (rods & bars, profiles of different shapes & wide railway extruded panels as well as aluminium tubes & drill pipes). KUMZ is also specialized in forged materials supplying die-forgings, hand-forgings, rolled rings, forged plates and bars to aerospace, military and automotive industries. KUMZ three productions are situated in one place.
392	Amurmetal - http://www.amurmetal.ru	"Amurmetal" - the only one in the Far East metallurgical plant producing steel using an electric arc technology to the further processing into long and flat rental.
393	SAP - http://www.sap.com/cis/index.epx	Software company. There is a whole range of basic solutions SAP in Russia today, and the Russian language in 2011, became one of the major languages in the localization of software products of SAP. According to estimates IDC, SAP is the leader of the Russian market of business solutions with a share of 50.5%.
394	IESK - http://www.iesk.irkutskenergo.ru	Electricity company. OAO "IESC" includes: installation of modern production equipment, reconstruction and modernization of the existing one, introduction of the remote control in electrical power networks, automated metering, information and management systems based on microprocessor technology.
395	Kondopoga - http://oaokondopoga.ru/predpeng.html	Kondopoga Pulp and Paper Mill, the now Joint Stock Company Kondopoga is currently the largest in Russia and 7th biggest in Europe newsprint producer with an annual output of 710 tpy.
396	Posvodokanal - http://www.rosvodokanal.ru/en/	ROSVODOKANAL is a major private water-supply and wastewater-disposal operator in Russia. ROSVODOKANAL has a fifty-plus-year success story of hundreds of professionals in water supply and wastewater disposal in Russia.
397	Rubin - http://www.ckb-rubin.ru/en/main/	The Central Design Bureau for Marine Engineering “Rubin” is among the world's key submarine developers and the leading submarine designer in Russia.
398	Moscow Industrial Bank - http://www.minbank.ru	Moscow Industrial Bank was established in November 1990 at the Moscow City Department of ICB USSR. The priority of the Bank's focus is to support the real sector of the national economy.
399	Kirovskii Zavod - http://kzgroup.ru/eng/	Kirovsky Zavod is one of the largest enterprises in Northwestern Russia, with more than 210 years of history. Historically, key areas of Kirovsky Zavod's activities have included: manufacturing of agricultural and construction machinery, metallurgy, power engineering, metal processing and mechanical processing.
400	Nikos -	Big Russian holding, which includes construction, it-consulting and hosting

	http://www.nicos.ru	departments.

APPENDIX 2. TOP 400 MANUFACTURING COMPANIES IN RUSSIA (by Industry Sector)

5. FOOD AND AGRICULTURE		
16	X5 Retail Group - http://www.x5.ru/en/	X5 Retail Group N.V. is a leading Russian food retailer. The Company operates several retail formats: the soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and convenience stores under different brands.
22	Magnit - http://www.magnit-info.ru/en/	"Magnit" is a retail chain, the leader by the number of food stores and their geographical coverage. The company's chain of stores included 7416 stores as of June 30, 2013, of which: 6552 convenience stores, 138 hypermarkets, 26 "Magnit Family" stores and 700 "Magnit" Cosmetic stores.
33	Auchan - http://www.auchan.ru/en/shops	Auchan – Food Retail Chain in Russia.
42	PepsiCo - http://www.pepsico.ru/	PepsiCo is a world leader in convenient snacks, foods and beverages. PepsiCo produces and sells 22 brands in Russia. In the last couple of years it also acquired a big number of Russian beverage companies.
48	JTI - http://www.jti.com	Leading international tobacco product manufacturer with over 100 tobacco product brands in our portfolio. The company has a plant in St. Petersburg.
67	Philip Morris - http://www.pmi.com/ru_ru	USA tobacco manufacturer with plants in Russia.
69	Dixy Group - http://dixy.ru/en	The DIXY Group of Companies is one of Russia's leading retailers of foods and everyday products. The company specializes in developing neighborhood store supermarkets in Moscow, St. Petersburg and three federal districts of Russia: Central, Northwest and Urals and also in Kaliningrad region, which together account for more than half of the retail market for foods and everyday products in the Russian Federation.
75	Lenta - http://www.lenta.com/index.php?path=node/193	Lenta is one of the largest and fast-growing retail chains in Russia. Currently, 62 Lenta hypermarkets operate in different Russian regions and 2 supermarkets in Moscow. 16 trade store in St Petersburg, five in Novosibirsk, three in Omsk, two each in Nizhny Novgorod, Krasnodar, Barnaul and Yaroslavl, one each in Astrakhan, Volgograd, Petrozavodsk, Tolyatti, Tyumen, Ryazan, Naberezhnye Chelny, Saratov, Penza, Novorossiysk, Rostov-on-Don, Pskov, Tver, Cheboksary, Surgut, Ufa and other Russian cities. 16 trade store in St Petersburg, five in Novosibirsk, three in Omsk, two each in Nizhny Novgorod, Krasnodar, Barnaul and Yaroslavl, one each in Astrakhan, Volgograd, Petrozavodsk, Tolyatti, Tyumen, Ryazan, Naberezhnye Chelny, Saratov, Penza, Novorossiysk, Rostov-on-Don, Pskov, Tver, Cheboksary, Surgut, Ufa and other Russian cities.
78	O’Key - http://www.okmarket.ru/en/about-us/	”O’KEY” is a fast growing retail chain in Russia, one of Europe’s largest retail food markets, with a high potential for further growth. ”O’KEY” is one of the leading Russian retailers, operating 86 stores in Russia’s 20 largest cities in the North-West, South, Central, Urals and Siberian regions with a total selling area exceeding 435,000 square metres.
83	Baltika - http://eng.baltika.ru	Baltika Breweries has been № 1 on the Russian beer market since 1996. Baltika Breweries is a major manufacturer of consumer goods in Russia. The Company owns 10 breweries in different Russian cities: St. Petersburg, Yaroslavl, Tula, Voronezh, Rostov-on-Don, Samara, Chelyabinsk, Novosibirsk, Krasnoyarsk, and Khabarovsk. In 2008, the Company acquired a brewery in Azerbaijan. The total production capacity of Baltika Breweries per month amounts to 52 million decalitres of beer. To satisfy its need for malt, the Company built two own malt houses in Tula and Yaroslavl and is currently implementing an agricultural project.
101	Nestle - http://www.nestle.ru	One of the biggest international food companies with manufacturing in Russia. In the last couple of years the company acquired a number of Russian producers and brands.
116	Mars - http://www.mars.com	One of the leading international food manufacturers with plants in Russia.
118	Yug Rusi - http://eng.goldenseed.ru	Leading branded vegetable oil producer in Russia • Leader of bottled vegetable oil market in Russia

		• Well developed national distribution network and direct contacts with all key national outlet chains. • Successful national vegetable oil brands portfolio • Largest exporter of bottled and bulk vegetable oil
125	7th Continent - http://corporate.7cont.ru	Seventh Continent is one of the first Russian multi-format retail chains. Operations in several formats allows us not only to continuously expand the scope of our activities, but also to improve the competitiveness of our stores, while broadening the range of our loyal customers, who have a variety of shopping preferences and income levels.
137	Coca-Cola – www.coca-cola.ru	International soft drinks manufacturer with several plants in Russia.
151	Kraft Foods	International food company with plants in Russia.
157	Cherkizovo Group	Cherkizovo Group is the largest meat manufacturer in Russia and one of the top three companies serving Russia's poultry, pork and meat processing markets. The company is also Russia's largest producer of fodder. The Group includes 7 full cycle poultry production facilities, with a total capacity of 400,000 tons live weight p.a.; 14 modern pork production facilities with a total capacity of 180,000 tons live weight p.a.; 6 meat processing plants with a total capacity of 190,000 tons p.a.; 6 fodder plants with a total capacity of 1.4 million tons p.a.; grain storage facilities with a total storage capacity exceeding 500,000 tons; and a land bank exceeding 100,000 hectares. In 2012, Cherkizovo produced more than half a million tons of meat and processed meat products.
160	United Confectionery - http://www.uniconf.ru/ru	Holding "United Confectioners" part of the Group "Guta" and is the largest confectionery company in Eastern Europe, bringing together 19 Russian plants, including Moscow's largest enterprise "Red October", "Confectionery concern Babaev," "Rot Front". The enterprise produces all kinds of confectionery: chocolate, weight candy, caramel, toffee, marshmallows, waffles, cakes, marmalade and oriental sweets.
167	Efko - http://www.efko.ru/en/	EFKO Group is Russia's largest vertically integrated company producing specialised fats used in confectionery, baking, and other sectors of food industry. The Company is also a leader on the Russian mayonnaise and vegetable oil markets, with well-established brands like Sloboda and Altero.
169	San Inbev - http://www.suninbev.ru/about/	"SaN InBev" is the Russian subsidiary of the world's largest brewing company "Anheuser-Busch InBev." The company operates in the market of Russia for 12 years and holds a leading position. In 2011, the volume market share was 16.4%. "SUN InBev" owns a network of modern breweries in nine Russian cities: Klin, Volzhsky, Omsk, Perm, Saransk, Ivanovo, Kursk, Novocheboxarsk and Angarsk. The main brands of beer in Russia - BUD («Bad"), "Klinskoe", "Siberian Crown», Stella Artois («Stella Artois»), Lowenbrau («Lowenbrau»), Brahma («Brahma»), Staropramen («Staropramen »), Hoegaarden (« Hoegaarden ")," Fat Man "and « Bagbier »(« bugbier»).
170	Rusargo - http://www.rusagrogroup.ru	The predecessor to the Group was founded in 1995 to supply Ukrainian white sugar to major Russian confectioneries. Shortly after entering the sugar market, the Group began expanding its operations, actively operating in the cane sugar market. The Group expanded into agricultural production to grow sugar beets to support its sugar processing business, and as it rotated its crops to optimize productions, developed its grain production and trading businesses. The Group diversified its operations further into storage and production of oil and fats products.
196	McDonalds	International FastFood company
197	Unimilk - http://www.danone.ru	International milk company with 20 plants in Russia and various local brands (not only DANONE).
199	REAL – www.real.ru	Retail shop chain in Russia.
200	BAT – www.bat.com	International tobacco manufacturer with plants in Russia.
205	Danone - http://www.danone.ru	International milk company with several plants in Russia.
207	Prodimex - http://www.prodimex.ru	Agribusinesses that are included in the GC, grow a wide range of crops: sugar beets, wheat, winter and spring, winter and spring barley, rye, corn, sunflower, soy.
208	Monetka – www.monetka.ru	500 shops offering buyers essential commodities and food products at a low price due to the minimum trading margins, as well as through the sale of own products and own brands.
212	Unilever – www.unilever.ru	International producer of FMCG products with several plants in Russia.
224	Grinn Corporation -	The main activity is management of the Corporation owned inter-regional

	http://www.grinn-corp.ru	network of food hypermarket format «Cash & Carry» trademark "LINE", located in 10 regions of the Central Federal District of Russia: Orel, Kursk, Belgorod, Voronezh, Lipetsk, Tambov, Bryansk, Kaluga, Tula, Smolensk.
231	International Wheat Company - http://mejzerkomp.n4.biz	Two main areas of work - export-import supplies of grain and providing grain to large customers within the country (flour mills, feed mills). Both are intertwined and determined by the market situation - in high yield in Russia most profitable export transactions with medium and low - domestic trade and imports.
239	Globus - http://www.globus.ru	Food Retail Chain. Currently there are 65 hypermarkets in Germany, the Czech Republic and Russia under the brand Globus. The company is a family company founded in 1828 in Germany.
244	Heineken – www.heineken.com	International brewery with production in Russia.
247	Prioskol - http://www.prioskol.ru/?template=100&lang=en	The company «Prioskolie» is the leader of the domestic poultry market.
249	KDV Group - http://kdv-ru.all.biz/en/	The company «KDV» was founded in 1994, is among the five largest manufacturers of confectionery and snack products in the Russian Federation. Today, the company «KDV» has 13 factories and mills. 2 firmly in place by a snack and 2nd place in confectionery in Russia Read.
255	South diversified corporation - http://www.umk-kuban.ru/about	"South diversified corporation" provides multidisciplinary activities in the field of trade. The range includes sales of alcohol, groceries, household cleaning products, industrial products, meat products, frozen products, metal products, products of air separation, cryogenic equipment, gas bottles. "Southern Diversified Corporation" has actual production under the brand name "Nurse." TM "Nurse" produces a wide range of canned foods. Today the number of headings is about 100 items and continues to steadily increase. Fruit and vegetable canned products of TM "nurse" is made in Russia, Thailand, India, China and Spain.
257	Orimi Trade - http://www.orimitrade.ru	Orimi Trade is the leader of the Russian tea market with the largest market share. The number of origin countries supplying tea to the company includes Ceylon, India, Indonesia, China, Kenya and Vietnam.
262	Prodo Group - http://www.prodo.ru	Prodo Group is one of the largest and fast growing players in the market scale of the federal meat processing, poultry and pork. Enterprises of Prodo produce all kinds of sausage, semi-products from poultry meat.
266	Efes - http://www.efesrussia.ru	Turkish brewery with manufacturing assets in Russia.
267	Imperial Tobacco - http://imperial-tobacco.ru	Imperial Tobacco Group is a leading international tobacco company with a balanced market footprint and a unique portfolio of brands (Davidoff, Gauloises, West) and products across all tobacco categories. Has two plants in Russia.
282	OMPK - http://ompk.ru	OJSC "Ostankino Meat Processing Plant" (JSC "OMPK") - a leading manufacturer of processed meat and convenience foods in central Russia. The company was founded in 1954.
289	ATAK - http://www.ataksupermarket.ru	Food retailer and supplier - 28 000 employees in 5 countries, 759 own supermarkets, 1,650 supermarkets partners, 18% of the turnover of Auchan
291	Bunge - http://www.bunge.ru/en/	Founded in 1818, Bunge is a leading agribusiness and food company with integrated operations that circle the globe, stretching from the farm field to the retail shelf. In Russia Bunge owns three popular brands of oil – Oleina, IDEAL and Maslenitsa.
300	NMGK - http://www.nmgk.ru/rus/	Oil and fat manufacturer in Russia.
309	SABMiller RUS – no web	Russian Brewery company. Manufacturing in Kaluga.
318	Maria-Ra - http://www.maria-ra.ru	"Maria-Ra" - a 559 operating stores in food retailing, which represent one of the largest companies in the Siberian region.
319	Holiday - http://hol-omsk.ru	Holiday company is a leading food retailer in Western Siberia. It brings together more than 300 supermarkets under such well-known brands such as "Holiday," "Sibiriada", "Bark", "Holden" and others. In Omsk, the company operates under three retail brands: "Planet Holiday" (23 supermarkets), "Sibiriada" (72 stores), and "Hold 'em" (28 stores).
320	Sodrujecstvo - http://www.sodrugestvo.ru	Sodrugestvo is a fast-growing Russian agro-industrial company with business partners across the globe. The Company focuses on soybean and oilseed rape processing, manufacturing of fishmeal and composite animal protein mix, imports of corn gluten and lysine, as well as distribution of products to the end consumer.

328	AzbukaVkusa - http://www.azbukavkusa.ru	One of the biggest food gourmet retailer in Moscow and St. Petersburg.
332	Russian Sea - http://www.en.russiansea.ru/main/	Russian Sea Group's Ready-to-Eat Division is a leading producer of fish and seafood products in Russia. A variety of ready-to-eat fish and seafood products are marketed and sold under the "Russian Sea," "7 Uzlov," "Islandka," "Mediterana" and "Flottika" brands and sub-brands through Russian Sea Company. The company's key products include lightly salted and smoked salmon and trout, caviar (red and capelin), various types of canned herring (preserves), shrimp, seaweed and mussels.
338	Ferrero - http://www.ferrero.ru	International confectionery producer with plant in Russia, represents such brands as Nutella, Kinder Chocolate, Ferrero Rocher, Rafaello, Tic Tac and others.
341	Russian Alcohol – no web	Russian alcohol (JSC "Russian Alcohol") - a group of companies, established in September 2003 to manage the assets of the group alcoholic "Industrial Investors". Produces and exports to other countries alcoholic beverage production. As of 2009, controlled 14.8% of the market (by value).
344	Aston - http://www.aston.ru/en/	Food and food ingredients company. ASTON is one of Russia's largest producers of foodstuffs and ingredients, and is a leading exporter of agricultural goods and vegetable oils.
345	Komos Group - http://www.komos.ru	KOMOS Group is one of Russia's largest agricultural holdings with full production and sales cycle. KOMOS Group has 3 poultry farms, one milk processing company, which includes four production facilities, 2 pig plants, 2 cold storage facility and feed mills.
356	Cargill - http://www.cargill.ru/en/index.jsp	Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Cargill began furnishing grain supplies to the USSR in 1963. In 1991, a Cargill office opened in Moscow, Russia resulting in enhanced operations in Russian regions. The company's 2011 acquisition of a global feed producer Provimi resulted in a larger Cargill presence in Russia.
359	Roshen - http://roshen.com/en/	ROSHEN Confectionery Corporation – one of the largest world manufacturers of confectionery products. The company has manufacturing in Russia and Ukraine.
362	Vamin Tatarstan – no web	JSC "Vamin Tatarstan" - the largest in Tatarstan vertically integrated agricultural association. Plays a leading role in the market of Tatarstan on the production and sale of dairy products on the harvesting, storage and processing of grain and grain products. The company consists of 30 dairy, grain-8 and bakery companies, 23 agricultural firm, has 400 hectares of agricultural land, fish farm, a network of branded stores.
377	Sunny Products - http://www.solpro.ru	Holding Sunny Products - is a vertically integrated company, which is one of three leaders of Russia in fat and oil market. The main activities of the Holding Company: manufacture of mayonnaise and sauces, manufacture specialized industrial margarines and fats, production of packaged margarine, soap production and technical production, bottling, packing vegetable oil, production of sunflower oil for industrial processors, acceptance, storage, shipment of sunflower seeds and grains, grain trading.

6. CONSTRUCTION AND INFRASTRUCTURE		
4	RGD Russian Railway - http://eng.rzd.ru	The second largest network in the world with 85,200 km of track – 43,100 km of which are electrified. Carries over 0.95 billion passengers and 1.2 billion tonnes of freight annually across 11 time zones. Responsible for 42,3% of Russia's total freight traffic (including pipelines).
23	Stroigasconsulting - http://www.sgc.ru/en/index.wbp	The Stroygazconsulting Group of Companies (SGC) is the largest construction holding in Russia. Stroygazconsulting takes part in the realization of such large-scale projects as: construction of Bovanenkovskoye and Zapolyarnoye oil, gas and condensate fields; Sakhalin – Khabarovsk – Vladivostok gas trunkline; Bovanenkovo – Ukhta gas trunkline; Ukhta – Torzhok gas trunkline; Eastern Siberia – Pacific Ocean (ESPO) oil pipeline; the onshore section of the Nord Stream subsea gas pipeline (Russian section); Portovaya compressor station; Kolyma Federal Highway; New exit to the Moscow Ring Road from the Federal Highway M-1 Belarus (Moscow – Minsk); and many others. The main clients of Stroygazconsulting are as follows: OAO Gazprom Group's subsidiaries, affiliated companies of OAO AK Transneft and OAO LUKOIL, Nord Stream AG and Federal Highway Agency of the Russian Federation Transport Ministry.
30	Stroigasmontag - http://www.ooosgm.com	The main activities of the SGM Group of Companies are the construction of industrial facilities and trunk pipelines, gas and oil processing plants,

		development of oil and gas fields and gasification of the RF constituent entities.
44	Aeroflot - http://www.aeroflot.ru/cms/en/	Aeroflot is Russia's de facto National carrier and largest Airline. Founded on March 17, 1923, Aeroflot is among the world's oldest airlines and one of Russia's most recognised brands. In 2012, Aeroflot carried more 17.6 million passengers (24.6 per cent increase on 2011), 50.533 billion passenger-kilometres were flown (20.3% up on 2011), the load factor constituted 77.9%. The total of 27.5 million passengers flew with companies of Aeroflot Group in 2012.
54	Sptesstroi - http://www.spetsstroy.ru	The Federal Agency for Special Construction is a federal body of executive authority in the interests of national defense and security organization, which works in the field of special construction, road building and communication, engineering forces, military units and road-building military units under the Federal Agency for Special Construction (hereinafter - the military forces). The activity of Russian Special Construction by the President of the Russian Federation.
61	First Freight Company - http://eng.pgkweb.ru	Joint Stock Company "Freight One" (Freight One) is the leading freight railway operator in Russia. Freight One offers a full range of freight transportation services. Over 80% of our clients are leading industrial enterprises of the country. 3,800 employees ensure its efficient operation. In 2012 the total capacity of Freight One's transportation was more than 194.8 million tons. The Company's market share in freight transportation volume of Russia exceeds 14%.
74	Mostotrest - http://www.mostro.ru/en/	OJSC Mostotrest is the first integrated diversified infrastructure holding in Russia and the largest building company in the Russian Federation by revenue for works conducted in-house. The company specialises in the construction and overhaul of road, rail and city bridges and highways, as well as other engineering constructions; providing services in maintenance, repair and toll-based operation; investing in infrastructure projects.
87	Glavstroy - http://www.glavstroy.ru	Glavstroy responsible for the strategic management of building assets for Group "Basic Element". Includes companies working in the field of development, housing and civil construction, construction of transport infrastructure and the production of building materials.
88	Transaero - http://transaero.ru/en	Transaero Airlines was the first private airline in the history of Russia. Transaero was the first in Russia to add modern foreign-made aircraft to its fleet and provide an international standard of service on its domestic routes by introducing Business Class, creating a flexible system of fares and discounts, and introducing frequent-flyer incentive programs.
96	SU-155 - http://www.su155.ru/ru/eng/	The Group is focused on several business directions at the same time: construction and development, construction and nonmetallic materials industry, engineering, land investments, engineering and communal infrastructure investments. SU-155 has been implementing projects in 51 cities and towns of Russia, as well as in the CIS countries and in Europe. The company has its official representative office in Germany and is a member of the Russian Federation Chamber of Commerce. SU-155 possesses the most developed industrial base in the country in the sphere of construction materials and engineering. It includes 27 leading enterprises of the construction and nonmetallic materials industry located in 17 cities and towns of Russia.
100	N-Trans - http://www.npktrans.ru/default.aspx?lng=eng	One of the largest Russian rail carriers and member of Eurasian Transport Union. NPK has its own car fleet, locomotives and control center. Company's stuff numbers 393 employees. The company carries bulk oil and oil products, metals and minerals, construction materials, wood products, containers and other commodities. Partners: Rosneft', Lukoil, THK-BP, Sibneft', MMK, EurazHolding, Mechel, Uralskaya Stal', RusAl, Severstal, Poltavskiy GOK, Mikhailovskiy GOK, SUEK, RUSSKIY UGOL', Yakutugol'.
105	Moscow Metro - http://engl.mosmetro.ru	Moscow metro is the main public transport of the capital carrying over a half of all city passengers. The basic feature of Moscow metro is a good combination of reliability, comfort and transportation speed in tough conditions of a modern metropolis. It is the most popular kind of transport used by approximately 9 million passengers. At present Moscow metro share among other kinds of transport makes up 56%. Every day about 10 thousand trains run over 12 lines of the system (308,7 km and 186 stations) with the minimum headway of 90 seconds.
108	MRTS -	MRTS JSC is one of the largest Russian companies performing turnkey

	http://www.mrts.ru/en/	construction of subsea technical facilities of main oil and gas pipelines. The Company owns a unique fleet which is firstly represented by three modern pipe laying barges capable to perform various tasks; this makes it possible to improve technological process to the maximum extent. Depending on working conditions, MRTS uses flexible combinations of its machinery and equipment. MRTS uses up-to-date materials and technologies in construction works and guarantees quality in accordance with ISO 9001:2008. All construction stages are followed by continuous quality control.
119	Evrocement - http://eurocement.ru/cntnt/eng10/eng10_index.html	EUROCEMENT group is an international vertically integrated industrial holding company. It produces building materials such as cement, concrete and crushed stone. Making up almost 40% of the Russian cement market, EUROCEMENT group is among the world’s top ten cement producers.
121	Leroy Merlin - http://leroymerlin.ru	International retail chain of building materials.
122	UTair Airlines	UTair is a modern, first-class, competitive Russian airline conducting its activities on market.
131	Stroi-Trest - http://www.stroytrest.spb.ru	Biggest construction company on the market of St. Petersburg. The company has already released 70 blocks of house for 37 thousand families.
133	ISR Group - http://www.lsrgroup.ru	Construction company. LSR Group is a real estate and building materials company, established in 1993 in St. Petersburg and operating in a number of complementary market segments. The company unites business units for production and transportation of building materials, extraction and processing of aggregates, construction and real estate development – from mass-market to elite residential properties.
141	Volga-Dnepr - http://www.volga-dnepr.com/eng/	The Group is the world leader in the unique, oversize and heavy cargo market. It includes two leading airline cargo companies – Volga-Dnepr Airlines and AirBridgeCargo Airlines – which have been honoured with the prestigious “Wings of Russia” national aviation award on many occasions.
148	PIK - http://pik-group.com	One of the biggest construction holdings in Russia.
150	S7 Airlines - http://www.s7.ru/home/about/s7-airlines.dot#.UgKYqhZ33ww	The airline has the widest domestic route network in Russia, created on the basis of two air transport hubs at Moscow (Domodedovo) and Novosibirsk (Tolmachevo). It also has regular flights to the countries of the CIS, Europe, the Near East, South-East Asia and to countries in the Asia-Pacific region.
163	Velestroi - http://www.velesstroy.com	OOO «Velesstroy» - one of the largest companies in Russia in realization of the most complicated objects of the oil, gas and energy supply industry. Modern construction technologies, technical equipment and high qualification of the specialists allow the company to carry out global projects of the fuel and energy complex (FEC) objects construction, situated in regions with severe climate conditions.
162	Sovcomflot - http://www.scf-group.ru	Sovcomflot is the largest Russian shipping company offering a full range of crude oil, refined petroleum products and liquefied gas transportation services. It is one of the world’s leading tanker owners. The company actively participates in key Russian oil and gas development projects including operations in harsh ice environment, as well as successfully competes in the international maritime shipping markets.
166	StroiTransGaz - http://www.stroytransgaz.com	Stroytransgaz is an engineering-construction company that provides all forms of service related to the realization of large projects—from developing project documentation to warranting exploitation. The purview of our activity is the construction and reconstruction of industrial and infrastructure objects, primarily in the oil, gas, and electric power industries. Stroytransgaz holds first place among Russian construction organizations engaged in industrial building.
176	Crocus - http://crocusgroup.ru	Crocus Group is a construction company. Crocus Group is one of the leading developers of Russia and a partner of the Ministry of Economic Development of the Russian Federation. The gross area of completed projects exceeds 1.9 million sqm m, approximately 6000 people are employed by the group. The business portfolio of Crocus Group includes the multifunctional satellite city of Moscow Crocus City, the international exhibition center Crocus Expo (549,000 sqm, 3 pavilions, 49 conference halls), the 6000-seat concert venue Crocus City Hall (4200 sqm), Crocus City Mall (62,000 sqm), the conceptual retail-entertainment center Vegas (400,000, Kashirsky Mall), residential and office real estate (planned multifunctional complex at Crocus City (237,000 sqm) the suburban residential development Agalarov Estate, Sea Breeze on the Caspian), restaurants, the hypermarket chain Tvoy Dom (250,000 sqm) and the Myakinino Metro Station inside Crocus City.

188	Mosgortrans - http://www.mosgortrans.ru/en/	State Unitary Enterprise MOSGORTRANS is the main operator of the surface public transport system in Moscow and largest in Europe.
210	NMTP - http://www.nmtp.info/en/	NCSP Group is one of the largest European providers of stevedoring and port services. The Group is the third largest port operator in Europe by cargo turnover, and the undisputed leader in the Russian market.
211	Mostovik - www.mostovik.ru/	Design and construction of bridges, industrial and civil use, and special underground waterworks
215	Fesco - http://www.fesco.ru/en/	FESCO today is one of Russia's largest transportation and logistics holdings and a leader of the container transportation market in the Far East region. FESCO is the only company in Russia capable of uniting all of the links in the intermodal transportation value chain for cargo transportation from the largest ports in the Asia-Pacific region through the Russian transcontinental transit route to European ports.
221	Transugstroy - http://www.transugstroy.ru/eng/	"Transugstroy" LLC Management Company is one of the biggest construction companies, participating in development of transport infrastructure of the country. It consists of more than 20 organizations, engaged in engineering development of railways, motorways, industrial and civil facilities, as well as in production of construction materials.
260	Tehnopromexport - http://www.tpe.ru/en/	Technopromexport offers system solutions in the field of power facilities construction and implements projects of any complexity on a "turn-key" basis. Power facilities construction: thermal power plants, including combinedcycle, gas-turbine, geothermal, diesel; hydro power plants; transmission lines and substations.
261	Mosstroimehanisacia - http://www.msm-5.ru	Construction and reconstruction complex of Russia.
263	Central PPK - http://www.central-ppk.ru	Open Joint Stock Company "Central Suburban Passenger Company" is the largest passenger commuter rail company in Russia. The share of "Central PPK" in suburban passenger traffic in the Moscow railway junction is more than 80%, and its share of commuter rail traffic in Russia - 60%.
265	Rosmetrostroy - http://www.rosmetrostroy.ru/ind-e.htm	The company monopolist, which is involved in contstruction of all metropolitan stations and nets in all Russian cities (Moscow, St. Petersburg, Nijnii Novgorod, Samara, Yekaterinburg and other cities).
270	Globalstroy-Engineering - http://www.globse.com	Open Joint-Stock Company «Globalstroy-Engineering» is one of the largest companies in Russia, providing Engineering, Procurement and Construction (EPC) services to the Oil and Gas industry in Russia and CIS. At present, OJSC GSE is the core of the multi-functional construction holding, which also includes entities specializing in Civil and Structural projects, Erection works, Pipeline, Engineering and other activities.
274	Atomenergoproject - http://www.spbaep.ru/wps/wcm/connect/spb_aep/site.eng/	The Joint Stock Company Saint Petersburg Research and Design Institute ATOMENERGOPROEKT provides on a free-market basis engineering services for turnkey construction of modern nuclear power plants. In world practice such activity is termed EPCM (Engineering, Procurement, Construction Management) and includes justification of investment, survey activities, design, supply of equipment, construction, erection and plant commissioning.
276	Etalon Group - http://www.lenspecsmu.ru/en/	The company is a leader in the construction industry of the Northwest region. LenSpetsSMU's share in residential real estate is 15-20% of the housing market. The Holding has completed and delivered over 70 residential and commercial buildings to date. The company has strong ties with the Russian government and fulfills many of the state projects.
278	Autoban - http://www.avtoban.ru	Open Joint Stock Company "Road-building company" Autoban "combines road construction companies in the European part of Russia and Western Siberia - the company with half a century of experience in road construction, including the structures of the Ministry of Transport Construction of the USSR.
279	Tadem - http://www.tadem.ru/ru/main/	OO "Group TADEM" is a partner and consultant to leading manufacturers of rubber products and electrical equipment for the Russian machine-building.
280	Sovfraht - http://www.eng.sovfracht.ru	Sovfracht-Sovmortrans Group of companies is one of the largest freight-forwarding enterprises in Russia. Sovfracht-Sovmortrans group of companies provides 3PL service including railway, automobile, container, sea and river transportation, warehousing logistics and port forwarding, transportation of bulky and heavy freight inside and outside Russia.

283	Koksohimmontaj - http://www.kxm.ru/#	CJSC "Koksohimmontao" is among the leaders of the building complex of Russia in the field of design, logistics and construction. The company specializes in the implementation of projects "turn-key" under the motto "From design to Object" on the basis of a fixed price for customers engaged in ferrous and non-ferrous metallurgy, coking industry, production, storage, transportation and processing of hydrocarbon raw materials, chemical industry and other industrial plants.
302	Stroinov - http://www.stroynov.com/en/	Stroynovatsiya is one of the leading Russian companies working in the field of construction of facilities for the oil and gas industry.
308	Tsenki - http://www.tsenki.com/en/	Center for Operation of Space Ground-Based Infrastructure. This reorganization carried out in order to preserve and develop the scientific, industrial and technological potential of the Russian space industry, concentration and the effective use of intellectual, industrial and financial resources for the implementation of programs in space and ground systems, improving the quality of operation of the Baikonur Cosmodrome and works related to launches of space crafts.
310	Tarket - http://www.tarkett.ru	International company Tarkett is one of the world leaders in the manufacture and sale of flooring with plants in Russia. Annual sales in 2012 amounted to 2.3 billion euros.
317	Aerofuels - http://www.aerofuels.ru/eng/	The Aerofuels Group is a modern and dynamically growing diversified holding company which consolidates several enterprises. These enterprises undertake a number of tasks connected with into-plane fuelling services at Russian and international airports, fuels storage services, fuels quality control, the refurbishment of fuelling depots currently in operation and the construction of new ones.
324	Far Eastern Distribution Company - http://drsk.ru	OAO "Far Eastern Distribution Company" has been part of the East IPS. OJSC "Far-Eastern Distribution" provides the transmission of electric energy distribution networks in the Amur Region, Khabarovsk Territory, the Jewish Autonomous Oblast, Primorsky Krai, Southern District of the Republic of Sakha (Yakutia).
329	Independent Transport Company - http://www.ntcorp.ru	"Independent Transport Company" is one of the leaders of the Russian transport market, part of the UCL Rail - sub-holding, uniting rail assets of the international transport group UCL Holding. The company provides a full range of services for transporting goods by rail transshipment at sea and river ports and cargo insurance for shipments to rail and multimodal communications.
330	SU-2 - http://su-2.su/en/index.php	Joint-Stock Company «Specialized Administration No.2» is engaged in a construction, reconstruction and major repairs of the main pipelines, underground storehouses of gas and compressor stations.
331	Mospromstroy - http://www.mospromstroy.com/en/	Mospromstroy has been a leader on the Moscow construction market for the last 41 years, in which time the Company has built and renovated a huge variety of structures and facilities, and commissioned millions of square meters of new living space. Mospromstroy now holds a third of the construction market in the Russian capital. Among some of the biggest constructions are – The White House, President-Hotel, Christ the Savior Cathedral, Indoor Skating Center in Krylastkoye, World Trade Center, renovation of the Pushkin Museum and other.
333	VAD - http://zaovad.ru	CJSC "VAD" performs all kinds of engineering survey, design, construction, reconstruction, repair, repair of roads of all the technical categories, as well as airports airfields. Performs the functions of a general contractor.
334	Evrotrans - http://evrotrans.tiu.ru/a3389-evrotrans-lider-sredi.html	Private logistics company.
336	Integra - http://www.integra.ru/eng/	Integra Group has, through initial 18 strategic acquisitions, become one of the leading companies in the oilfield services sector of the Russian market. Integra Group provides a suite of complimentary products, services and solutions for all stages of reservoir's life cycle. From Field Development Plan (FDP) design and approval to engineering, well construction and completion, production enhancement and eventual abandonment, Integra Group has the resources and know-how to deliver the solutions our customers need.
342	Mostransavto - http://www.mostransavto.ru	SUO "Mostransavto" - the largest carrier in the Moscow region - provides passenger and freight services on the Moscow region as well as in Russia and other countries. The route network SUO "Mostransavto" covers all of the regions of Russia. The company provides transport services for organizations

		and individuals offering services for repair and maintenance of motor vehicles, conducting tourism activities.
346	Vozrogneie - http://www.vozr.ru	The Group of companies «Vozrozhdeniye» is one of leaders of the Russian market of road-building, extraction of natural stone and nonmetallic materials. General directions of Group activity are road construction, equipment of embankments, land improvement, production from natural stone.
349	Ural Airlines - http://www.uralairlines.ru/en/	Ural Airlines is one of the largest rapidly developing Russian airlines. The airline's annual passenger traffic increase is 40%. In 2012 Ural Airlines carried more than three million passengers.
351	TMK - http://www.zaotmk.a-tech.ru	JSC "TMK" is one of the largest bridge construction companies in the Far East. The main areas of activity - construction and reconstruction of bridges, roads, buildings, manufacturing prefabricated buildings and concrete.
367	PSO Kazan - http://www.pso-kazan.ru	It is a large construction company, capable of a high level to solve problems in the field of investment, design and capital construction. The company is developing rapidly and the volume of work is one of the leading construction companies of Tatarstan Region.
368	OBI - http://www.obi.ru/ru/	DIY home retailing chain. German company with presence in Russia.
371	St. Petersburg Metropolitan - http://www.metro.spb.ru	St. Petersburg Metropolitan.
372	Mosinzproekt - http://www.mosinzhproekt.ru	Open Joint Institute of survey and design of engineering structures and communications "Mosinzhproekt." Founded in Moscow in 1958. The key goal of the institute is to perform government orders for the design of engineering structures and communications for organizations of investment and building complex of Moscow.
374	Evrosib - http://www.eurosib-group.biz/index-flash.html	Evrosib - one of the leading private transport and logistics companies in Russia. Evrosib provides integrated transportation and logistics service cargo, including the organization of rail transport in various areas with the involvement of its own and leased rolling stock, services, integrated logistics and terminal operator.
376	Efesk - http://www.gkefesk.ru/en/	The Group of Companies EFESk is operating in the sphere of construction of large-scale power and industrial facilities within any climatic and landscape zones of the Russian Federation and abroad.
383	MOST - http://en.skmost.ru	The SK MOST Group of companies encompasses 15 bridge construction branches and 7 tunnel subdivisions. Starting its operation in 1991 with the major overhaul of sites on the Trans-Baikal Railway, today the company performs work in construction and reconstruction of rail and car roads, large and small bridges, tunnels, ports and berths, hydraulic structures, runways, residential and office buildings.

7. CHEMICALS, FERTILIZERS, PHARMACEUTICALS		
50	Evrohim - http://www.eurochem.ru/who-we-are/#.UgE_qRZ33ww	Russia's largest mineral fertilizer producer and aiming to be a top five global player. Vertically-integrated business model includes raw materials (minerals and natural gas), production, logistics and distribution. Mines, wells, factories, refineries, storage, rail stock, trucks, ports and ships.
55	Nignekamsknefthim - http://www.nknh.ru/about_company_en.asp	OAO Nizhnekamskneftekhim is a dynamically developing high-tech petrochemical company of the Russian Federation within TAIF Group. The Company's production complex embodies 10 Major Plants, 7 Centers (including Research & Development and Design Centers), as well as Auxiliary Facilities and Departments, located in two production areas and having centralized transport, electric and telecommunication infrastructure. The range of products output comprises more than one hundred items. Major commodities are: general purpose and specialty synthetic rubber; plastics: polystyrene, polypropylene, polyethylene; monomers being a feedstock to produce rubbers and plastics; other petrochemical produce (ethylene oxide, propylene oxide, alpha-olefins, surfactants, etc).
64	Protek - http://www.protek-group.ru/en/	Protek Group is one of the largest pharmaceutical companies of Russia. The Group has diversified business interests and operates in all major segments of the pharmaceutical industry such as medicine manufacturing, distribution and retail of pharmaceutical, health and beauty products. The Group has a vertically integrated structure, which enables it to set up a complete product supply chain – Manufacturing – Distribution - Retail. The key companies of the Group are CV Protek, a national distributor of pharmaceutical, health and beauty products; Sotex Farm Firm, a medicine manufacturer; and Rigla

		Pharmacy Chain. The Protek Public Company was set up in 2002, in the course of the Group restructuring process and now is the parent company of the Group that consolidates shares (stocks) in the authorized capital of the affiliated and subsidiary companies.
70	SIA International - http://www.siamed.ru	The company "SIA INTERNATIONAL LTD" - one of the largest Russian pharmaceutical distributors. The main activity - sales of pharmaceuticals, medical devices and pharmaceutical goods to pharmacies and hospitals in Russia. Of all the drugs used for the treatment and health of Russian citizens, roughly a quarter - 23% - purchased, held through warehouses and communicated to the consumers of this particular company.
71	Fosagro - http://www.phosagro.com	PhosAgro is a Russian vertically integrated company and one of the world's leading producers of phosphate-based fertilisers. Its core line of business is the production of phosphate-based fertilisers, high-grade phosphate rock ($P2O5>35.7\%$), and also feed phosphates, nitrogen fertilisers and ammonia.
79	Katren - http://www.katren.ru/?lang=eng	Katren, a Russian national pharmaceutical distributor, was set up in 1993. Over this period we have managed to create a nation-wide logistic and distribution system and become number two distributor in Russia. Assortment list of 14,500 items from over 642 suppliers
104	Akron - http://www.acron.ru/en/about/	Acron Group is one of the world's major mineral fertiliser producers. By pursuing a strategy of advanced vertical integration, including development of potash and phosphate deposits, operation of three large production facilities, own transportation infrastructure and an international distribution network, the Group is able to ensure stable and dynamic growth.
109	Uralchem - http://www.uralchem.com	URALCHEM Holding P.L.C., a company incorporated in Cyprus and the holding company for URALCHEM Group, one of the largest producers of nitrogen and phosphate fertilizers in Russia and the CIS. URALCHEM Group is the second largest ammonia and ammonium nitrate producer in the world and number one in Russia and the second largest nitrogen fertilizer producer in Russia.
128	Rosta Group - http://www.rostagroup.ru	• national distributor of pharmaceutical products • 28 branches and 15 representative offices in Russia • 1800 employees • 15 years of successful work on all the Russian territory • about 400 suppliers from 44 countries of the world • more than 15000 of satisfied clients • active participation in state reimbursement programs • wide assortment of pharmaceutical products, high-quality service, competitive prices
161	Pharmstandart - http://pharmstd.com	Pharmstandard JSC, Russia's leading pharmaceutical company, develops and manufactures high-quality modern pharmaceutical products. The most popular Pharmstandard products today are Arbidol®, Complivit®, Pentalgin®, Flucostat®, Phosphoglive®, Amixin®, Afobazol®, Rastan® and Biosulin®. The Company manufactures more than 250 pharmaceutical products including drugs for treatments of cardio-vascular diseases, diabetes, growth hormone deficiency, gastroenterological, neurological, contagious diseases, metabolic disorders, cancer and other diseases.
172	R-Pharm - http://r-pharm.com/en/	R-Pharm – Russian high-tech pharmaceutical enterprise. Key areas of R-Pharm's competence include: manufacturing of finished drugs and APIs, R&D of innovative medicines and technologies, training and education for industry and health care specialists, venture investments in promising scientific data and research, cooperation with major international pharmaceutical companies and international universities in the field of drug development and combined clinical trials in Russia.
180	Henkel Russia - http://www.henkel.ru	International Laundry & Home Care
184	Kazanorgsintez - http://www.kazanorgsintez.ru/index.php?lang_id=2	Open Joint Stock company " Kazanorgsintez" is one of the largest chemical companies of the Russian Federation. "Kazanorgsintez" OJSC produces more than 38% of the total Russian output of polyethylene and it is one of its major exporters. «Kazanorgsintez" OJSC possesses the leading position in production of gas polyethylene pipelines, phenol, acetone, antifreeze, chemicals for oil extraction and natural gas dehydration.
202	Kuibyshev AZOT - http://www.kuazot.ru/index.php?lang=eng	"KuibyshevAzot" OJSC is one of the leading companies of the Russian chemical industry. The company conducts its business in two areas: - production of caprolactam and its derived products (PA-6, high tenacity yarns, cord fabric, engineering plastics); - production of ammonia and

		nitrogen fertilizers.
203	Toliatti AZOT - http://www.toaz.ru	JSC "Togliatti" is one of the largest in the chemical industry in Russia. Over the past two decades, the company is actively developing, putting into operation new production plants for the production of building materials, furniture, etc. By 2008, OAO "Togliatti" has become a diversified enterprise.
222	L'Oreal – www.loreal.ru	International Beauty products manufacturer with plants in Russia.
248	Minudobrenie - http://www.minudo.com	Rossosh MINUDOBRENIYA is a large independent enterprise of Russian chemical industry, the only manufacturer of mineral fertilizers in Central Chernozemny Region. For more than a quarter of a century the company has been producing high quality products which merits are appreciated by both Russian farmers and multiple foreign landowners.
251	Oriola - http://www.oriola.ru/en/Company/	Oriola is one of the leading wholesale distributors on the Russian pharmaceutical market. Oriola distributes pharmaceutical and consumer health care products to pharmcies, hospitals and smaller wholesalers across Russia. The company has direct agreements with suppliers, leading international and Russian pharmaceutical manufacturers. Besides, Oriola is a lisenced importer.
271	Avon - http://www.avon.ru/PRSuite/home_page.page	USA beauty products manufacturer with plants in Russia.
272	Polyplastic Goup - http://en.polyplastic.ru	POLYPLASTIC Group comprises twelve plastics processing enterprises (located in Russia, Belarus, Ukraine and Kazakhstan), two Research and Development (R&D) centres, as well as a number of joint ventures and trading houses.
292	Pharmacy 36.6 - http://366.ru	Pharmacy 36.6 - a national leader in the retail trade of goods for beauty and health.
296	Letoille - http://www.letoile.ru	Network of perfumery and cosmetics Letoille occupies a leading position in the Russian market: about 800 stores in more than 250 cities in Russia.
288	Sanofi - http://www.sanofi.ru	Sanofi is one of the leading pharmaceutical companies in the world. It is represented in more than 100 countries and employs more than 110,000 employees. Currently, Sanofi has one of the best portfolios substances throughout the pharmaceutical industry. Corporate Headquarters is located in Paris.
305	Rive Gauche - http://www.rivegauche.ru	Retail chain of beauty products.
323	Oriflame - http://ru.oriflame.com	Swedish beauty products manufacturer with plants in Russia.
325	Pulp Mill Holding - http://www.appm.ru	Arkhangelsk Pulp and Paper Mill - is one of Europe's leading wood chemical enterprises. The largest producer of containerboard and one of the leading manufacturers of cellulose in Russia.
375	Amway - http://www.amway.ru/en/	International manufacturer of beauty and home products.

8. IT, ELECTRIC HOME APPLIANCE, COMMUNICATIONS, MEDIA		
7	AFK Systema - http://www.sistema.com	Sistema JSFC is the largest publicly-traded diversified holding company in Russia and the CIS, which operates in seven reporting segments with material subsidiaries disclosed separately: MTS, Bashneft, SSTL, RTI, MTS Bank, Corporate and Other. The other category includes Bashkirian Power Grid Company, Sistema Mass Media, Detsky Mir, Intourist, Medsi, Binnofarm, NIS.
24	Vimpelcom - http://www.vimpelcom.com	VimpelCom is one of the world's largest integrated telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies in Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Bangladesh, Pakistan, Burundi, Zimbabwe, Central African Republic and Canada.
26	Rostelecom - http://www.rostelecom.ru/en/about/info/	Rostelecom is Russia's largest national telecommunications operator with presence in all Russian regions. The Group is a universal operator and undisputable leader of broadband and pay-TV markets in Russia with over 9.5 million fixed-line broadband subscribers and over 6.8 million pay-TV subscribers. As Rostelecom develops its mobile data networks, its position as a major mobile operator is growing with over 13.5 million currently subscribed to Rostelecom's mobile voice services. The Group is also an important innovator that provides solutions in the field of medicine, E-Government, cloud computing and education.

31	Megafon - http://english.corp.megafon.ru	MegaFon is one of the three largest mobile operators in Russia. Subsidiaries of MegaFon work in Tajikistan, Abkhazia and South Ossetia.
57	Russian Post - http://www.russianpost.ru	Russia State Mail includes 86 branches, about 42,000 of post offices providing postal services throughout the territory of the Russian Federation, including all the cities and villages. One of the biggest labor groups postal workers - about 380,000 employees. Russian Postal employees receive, process and deliver more than 1.5 billion emails, 48 million parcels and 113 million units.
63	MVIDEO- http://www.mvideo.ru	"M. Video" - the leader among Russian retail chains selling electronics and appliances in Russia and one of the largest European companies in this segment. product range of shops "M. Video" is more than 20 thousand items of various equipment, audio / video and digital lines, small and large household electronics, entertainment products, and accessories.
84	Merlion - http://www.merlion.ru	Major Russian distributor of computers and digital devices and the leader of the Russian IT-market. MERLION is successfully developing both full-range distribution, including household appliances and electronics, and distribution of project hardware and software.
86	National Computer Corporation - http://www.ncc.ru/eng/home/	NCC holds the assets of the companies get along the IT sectors like so: • Computer hardware manufacturing • Distribution of computer hardware, telecommunications equipment and measuring instruments • System integration and IT infrastructure solutions • IT Consulting • Management Process Automation • Portal Software • E-Government • Customized programming • IT outsourcing • Industrial automation • Corporate federal supplies • Management consulting • Implementation of ERP systems, production planning and management systems, maintenance and repair management systems • Proprietary Software implementation
90	Eldorado - http://www.eldorado.ru	Shops "Eldorado" opened in all Russian cities with a population of 500,000 residents and more, and 90% of cities with a population of 250-500 thousand people. "El Dorado" is in the top 5 retailers of consumer electronics in Europe and in the top 10 - in the world.
95	Svyaznoi - http://www.svyaznoy.ru	The main activity of the group is to trade for DECT phones and personal audio equipment.
99	Euroset - http://euroset.ru	The main activity of the group is to trade for DECT phones and personal audio equipment.
102	LG - http://www.lg.com/ru	One of the biggest international electronic companies with manufacturing in Russia.
115	Samsung - http://www.samsung.com	International electronic equipment producer with manufacturing in Russia.
134	TELE 2 - http://www.en.tele2.ru/index.html	Tele2 started operations in Russia in 2003 when it launched GSM network in several regions. Over a 10-year work in the country, the company has turned from a small regional mobile operator into a federal player. Now Tele2 is Russia’s fourth largest operator in terms of subscriber base which exceeds 23 mn subscribers.
139	Lanit - http://www.lanit.ru/en/about/index.php	LANIT group of companies – LAboratory of New Information Technologies – is Russia’s leading group of IT-companies with over two decades of successful history. The group consists of various IT-companies providing full range of IT-services. It constantly enhances the product range by implementing new cutting-edge technologies and most demanded solutions.
147	Gazprom-Media - http://www.gazprom-media.com/en/index.xml	Gazprom-Media Holding comprises television, radio, printing press, cinema production, advertising, movie theaters and internet assets. Gazprom-Media Holding is one of the largest media holdings in Russia and Europe.
155	Federal State Unitary Enterprise "State ATM Corporation" - http://www.gkovd.ru/en/	Government body, which ensures safety and regularity of civil aviation flights and create the uniform economic management of ATM systems.
189	Media-Saturn Russia -	Three strong brands under one roof Consumer electronics retailing – online

	http://www.media-saturn.com	and offline: that is the core business of the Media-Saturn Group.
194	Philips – www.philips.com	International manufacturer of home appliances.
201	CROC - http://www.croc.ru/eng/about/index.php	CROC is the leading Russian company in IT infrastructure creation (IDC Russia IT Services Analysis reports, 2002 - 2012). CROC helps customers improve business efficiency and meet their strategic goals through the advanced use of information technology.
223	1TV – www.1tv.ru	The first and main TV channel in Russia. Belongs to the government.
241	BSH Group - http://www.bsh-group.ru	BSH is the largest manufacturer of home appliances in Germany and Europe, and one of the leading companies in the sector worldwide. Have manufacturing in Russia.
253	VGTRK - http://vgtrk.com/#	Russian tv channels and radio stations, united under one holding.
256	IBS – www.ibs.com	International IT company
264	R-Style - http://eng.r-style.com	R-style has become the largest IT business in Russia, having formed R-Style Group of Companies with its offices located in all major cities and the federal district centers of the Russian Federation. Amongst the services provided by our Company there are a comprehensive automation of enterprises and organisations, IT consulting and advisory on business workflows, technical support and outsourcing, IT project management, implementation of business and information security systems, supply of hi-tech equipment and software, infrastructure and integration services, installation and maintenance of engineering and feeble current systems in the buildings, telecommunication services and IT engineers' training.
281	CTC Media - http://www.ctcmedia.ru	CTC Media is the leading independent broadcasting company in Russia. The Group owns and operates the CTC, Domashny and Peretz television channels in Russia, as well Channel 31 in Kazakhstan and a TV company in Moldova, and has more than 150 million people within signal reach.
287	Panasonic Rus – www.panasonic.ru	International home appliances manufacturer with plants in Russia.
299	NVision Group - http://www.nvg.ru/en/	NVision Group is one of the largest developers and suppliers of unique solutions and services in the Russian market of information technologies. For its 11 years of existence, the company has established a complex of technologies, industry solutions and expertise, accelerating the development of commercial companies and government organizations.
311	National Media Group - http://www.nm-g.ru	National Media Group was founded in February 2008 and today is one of the largest private media holdings in Russia, combining the assets of key segments in the Russian media market.
312	YANDEX – www.yandex.ru	Yandex - a search engine and IT-company that develops a variety of services. In Russia, where Yandex came from, its search share is 61,9% (LiveInternet, March 2013). /The second place is occupied by Google with only 28%/
339	RTRS - http://www.rtrs.ru	The Federal State Unitary Enterprise Russian Television and Radio Broadcasting Network
348	Indesit – www.indesit.ru	International home appliances company with plants in Russia.
350	Compulink - http://www.compulink.ru	The group of companies "Compulink" is one of the largest groups of companies in the Russian market of information technology and consulting, established in 1993. Provides customers with a full range of fields: business and IT consulting, creation of data centers, the construction of communication networks, building management information systems, infrastructure integration, solutions for the financial and banking institutions, the development of custom software, information security, consulting in the field of training and IT training, IT outsourcing, supply of equipment and spare parts, service and technical support.
357	I-Teco - http://www.i-teco.ru/company_eng.html	I-Teco is a leading Russian systems integrator and supplier of information technologies for corporate customers. It provides systems of information security, integration services, consulting, service support and outsourcing, it implements complex, integrated IT-infrastructure solutions and the informatization of major state structures, industrial and telecommunications companies, financial and insurance companies, small and medium businesses.
378	Softline- http://softline.ru	Softline - a leading company in the sale of licensed software.
393	SAP - http://www.sap.com/cis/index.epx	Software company. There is a whole range of basic solutions SAP in Russia today, and the Russian language in 2011, became one of the major languages in the localization of software products of SAP. According to estimates IDC, SAP is the leader of the Russian market of business solutions with a share of 50.5%.

390	Asteros - http://www.asteros.ru/company/asteros/	"Asteros" - number 1 company in Russia to create a comprehensive infrastructure of buildings and structures in the rating CNews Analytics and the second largest system integrator in the opinion of the global analytic agency IDC.
400	Nikos - http://www.nicos.ru	Big Russian holding, which includes construction, it-consulting and hosting departments.

9. FOREST AND PAPER		
114	Ilim - http://www.ilimgroup.com	Ilim Group is the leading Russian pulp and paper company. The Company ranks fourth in Europe and thirteens globally in terms of market pulp production. The total annual pulp and paper production volume of the Company exceeds 2.6 million tons.
129	IKEA – www.ikea.ru	Swedish retail chain of shops with home furniture and decorations
219	Mondi - http://www.mondigroup.com/en/	Mondi Syktyvkar is one of the leaders in pulp and paper industry and the biggest paper producer in Russia. The company’s core business is the production of office and offset paper. It also manufactures newsprint and white-top kraftliner.
250	Tetra Pak - http://www.tetrapak.com/su/Pages/default.aspx	Supplies hundreds of different types of carton packaging to meet all the needs of different customers, develops a cutting-edge technological solutions, design and service to entire plants.
327	International Paper - http://www.internationalpaper.com/RUSSIA/EN/index.html	International Paper is a global leader in the paper and packaging industry with manufacturing operations in North America, Europe, Latin America, Asia and North Africa. Built in 1887, the Svetogorsk mill was the foundation of the town of Svetogorsk which today has 16,000 inhabitants. In December 1998, the mill became part of International Paper. Today, the Svetogorsk mill is one of the largest paper mills in Russia utilizing the most modern technologies and equipment. Located on the Karelian Isthmus, the pulp and paper mill occupies 200 hectares of land. Its operations include three pulp mills, two paper machines and A4/A3 sheeting operations.
335	DSK Slavianski - http://www.slav-dsk.ru	House-Building Plant "Slavianski" is the largest in the Russian producer of prefabricated timber frame houses. The company is part of a group of companies "Baltros" implementing projects of federal significance "New Izhora" and "Slav."
395	Kondopoga - http://oaokondopoga.ru/predpeng.html	Kondopoga Pulp and Paper Mill, the now Joint Stock Company Kondopoga is currently the largest in Russia and 7th biggest in Europe newsprint producer with an annual output of 710 tpy.

10. LIGHT INDUSTRY		
152	Sport Master - http://www.sportmaster.ru/about/index.php	Biggest sport clothes and accessories chain in Russia.
193	Adidas – www.adidas.com	International footwear manufacturer.
232	Centobuv - http://centrobuv.ru	Absolute leader in footwear retail segment. Have big shop chain all over Russia.
382	Gloria Jeans - http://www.gloria-jeans.ru	Gloria Jeans is an international company specializing in production and sales of youth fashion apparel, footwear and accessories under Gloria Jeans and Gee Jay brands.

11. OTHER BUSINESS COMMODITIES (incl. mixed industries)		
37	UGMK - http://www.ugmk.com/en/	The UGMK business commodities can be singled out in the following groups: • Copper cathodes • Non-ferrous products: copper wire-rod, copper wire, copper electrolytic powder, powder articles, rolled products. • Precious metals: gold bars, silver bars, PGM concentrate • Chemicals: sulfuric acid, copper sulfate, nickel sulfate • Metals: lead ingots, zinc ingots, technical selenium, technical tellurium, aluminum based alloys, lead based alloys, bronze, brass, zinc oxide • Automotive products: radiators, heaters, lifting jacks • Electrical engineering products: cables, wires, cords • Ferrous products: rolled steel, gauged steel • Construction industry products: brick, crushed stone, ceramic tile

81	MOEK - http://www.oaomoek.ru/ru/	OJSC "MOEK" - a leading infrastructure company of the Russian capital, which provides heating and hot water to a number of cities of Moscow and Moscow region. The company's activities cover production, transport, distribution and sale of heat and electricity generation.
156	Mosvodokanal - http://www.mosvodokanal.ru	Open Joint Stock Company "Waterworks" - Russia's largest water company, provides high-quality drinking water and reliable sewer system, more than 13 million people in the Moscow megacity - about 10% of the total population. The main activities: production of drinking water; transportation and distribution of water; power generation; registration of water; working with clients; collection, transport and treatment of wastewater; recycling of waste in industrial complexes; construction and upgrading of facilities.
164	Gosznak - http://old.goznak.ru/eng/	Federal State Institution for issuing various kinds of documents. Goznak's eight plants and factories, its Research Institute and its 10,000 highly experienced and committed personnel position it to deliver an unparalleled range of products and services to the Russian and international markets. Goznak's product range spans banknotes, passports and excise marks; coins, medals and decorations; security, specialist and office papers, smart cards, GSM cards and telephone cards; security inks, holograms and brand protection.
192	Technoserv - http://www.technoserv.com	Technocerv - the largest domestic system integrator working in Russia, CIS and Europe. Development Priorities of Technocerv are implementation of large, socially relevant projects for the implementation, development and outsourcing of info-communication infrastructure, information security, energy and engineering systems, application platforms, large-scale businesses and industries.
195	Russian Communal Systems - http://www.roscomsys.ru	JSC "Russian Communal Systems" - is the largest private federal company, working in the public sector. The company's goal - the development of communal infrastructure of Russian cities and the provision of quality services to consumers.
198	Titan - http://www.titan-omsk.ru/en/	Big group of companies from three key industries: petrochemical, agricultural and infrastructure. Have over 10 different plants all over Russia.
268	Siberian Business Union - http://hcsds.ru/en	The holding’s enterprises mine coal, produce rail cars, provide railway cargo carriage, produce heat and electric power, electric motors, mine equipment, chemical industry equipment, grain, meat, milk, souvenir and promotional products and hundreds of others goods and services. SBU’s corporate management of enterprises is performed through the sector holdings: Holding Company "SBU-Coal", Holding Company "SBU-Engineering", Holding Company "Novotrans", Holding Company "SBU-Construction", Holding Company "SBUAgro", Holding Company "SBU-Alco", Holding Company "SBU-Media", Holding Company “SBU-Energy”.
275	Vodokanal - http://www.vodokanal.spb.ru/en/	SUE “Vodokanal of St.Petersburg” provides drinking water to the population of 5 million people as well as to companies and organizations of the city. The company aims to provide high-quality water and wastewater services to the customers taking care of the environment and creating a responsible attitude to water resources.
340	Altaivagon - http://www.altaivagon.ru/en/	The enterprises governed by HC "SDS" mine for coal, build railcars, transport commodities by rail, generate heat and electric power, produce electric motors, mining equipment, chemical industry equipment, corn, meat, milk, souvenir products and hundreds of other goods and services.
363	Magnezit - http://magnezit.ru/en/	Magnezit Group is a Russian Company, which has experience and recognition as one of the world’s leading manufacturer of high-class refractory products and its maintaining services.
396	Posvodokanal - http://www.rosvodokanal.ru/en/	ROSVODOKANAL is a major private water-supply and wastewater-disposal operator in Russia. ROSVODOKANAL has a fifty-plus-year success story of hundreds of professionals in water supply and wastewater disposal in Russia.

12. BANKS AND INSURANCE		
6	Sberbank - http://sberbank.ru/en/	Sberbank of Russia is the largest bank in Russia and CIS. The founder and principal shareholder is the Central Bank of Russia, which owns 50% of the Bank's authorized capital plus 1 voting share. Sberbank dominates the Russian banking sector in terms of total assets. It is the key lender to the national economy and the biggest deposit taker in Russia.
15	VTB Group - http://www.vtb.com/group/	VTB Group operates a unique international business network — the largest among Russian banks — including over 30 banks and financial companies in over 20 countries. VTB offers its clients comprehensive services in the CIS, Europe, Asia and Africa. VTB is the second largest bank in Russia

		in terms of all major indicators.
45	Gazprombank - http://www.gazprombank.ru/eng/	Gazprombank has successfully operated in the banking market since 1990. Founded by the world's largest gas producer and exporter Gazprom to provide banking services for gas industry enterprises, Gazprombank has since become a leader in the banking sector, which key performance indicators place the Bank among the top three banks of Russia.
60	Rosselhosbank - http://www.rshb.ru/en/	Russian Agricultural Bank acts as a Government agent providing financial services to agribusiness and rural population, which makes up 27% of the total population. Russian Agricultural Bank plays a key role in the implementation of the State Program on Agribusiness Development. The Bank's development role is based on its good knowledge of the Russian agribusiness sector. RusAg offers a large product range oriented on the target market segment and its wide regional coverage.
77	Alfa Bank - http://alfabank.com	Alfa Banking Group is headquartered in Moscow, Russia, with branch network consisting of 511 offices across Russia and abroad, includes a subsidiary bank in the Netherlands and financial subsidiaries in the United States, the United Kingdom and Cyprus. The Alfa Banking Group has maintained its position as the top Russian private bank by total assets, total equity, customer accounts and loan portfolio. Its corporate and retail client base has grown considerably during the last few years — by the end of 2012, Alfa Banking Group served over 82 000 corporate customers and 8.9 million retail clients.
85	Rosgosstrah - http://www.rgs.ru	"Rosgosstrakh" - Russia's largest insurance company, provides a wide range of insurance services to individuals and companies to protect against a variety of risks.
91	Rosbank - http://www.rosbank.ru/en/	Rosbank is a modern universal bank, part of Societe Generale Group. It provides all types of services to individual and corporate customers. The subsidiaries of Rosbank are Rusfinance (consumer financing) and DeltaCredit (mortgage lending). In terms of assets and equity, Rosbank ranks as one of Russia’s Top-10 leading banks.
110	Nomos Bank - http://www.nomos-bank.com	NOMOS is a leading privately-owned Russian universal bank offering a wide range of banking products and services to corporate, small business and retail clients, as well as investment banking services, across the most economically developed regions of Russia.
124	Promsviazbank - http://www.psbank.ru	Open Join-Stock Company Promsvyazbank (PSB) is one of Russia’s leading privately owned banks with assets of 680 billion rubles, and capital 96 billion rubles as of 1 April 2013 according to IFRS, successfully operating since 1995. In terms of assets PSB ranked 10th among the largest Russian banks according to Interfax Information agency, as at 1 April 2013. In the current ranking of The Banker magazine PSB enters the 500 largest banks in the world in terms of equity.
127	Sogaz - http://www.sogaz.ru	Insurance company with 600 offices all over Russian and such clients as: OJSC Gazprom, OJSC Rosneft, State Atomic Energy Corporation Rosatom, JSC Russian Railways, JSC Gazprom Neft’, JSC Severstal, SIBUR Group, Gazprombank, OJSC, Evraz Group S.A., ENI & Enel, JSC Siberian Chemical Plant
130	AEON - http://www.aeoncorp.ru/en/aeon/	AEON Corporation is a privately owned investment group of international caliber, performing investments and reorganization of management systems in various spheres of industry, transport, construction and services. AEON projects are being successfully implied on the territory of Russia, Germany, Holland, Ukraine and Kazakhstan.
136	Ingosstrah - http://www.ingos.ru/ru/company/ingo_group/	Insurance company.
132	RECO - http://www.reso.ru	Insurance Company
144	Raiffeisen Bank - http://www.raiffeisen.ru/about/	Subsidiary of the German international bank.
149	UniCredit Bank - http://www.unicreditbank.ru/eng/about/index.wbp	UniCredit Bank is a Russian bank, operating in Russia since 1989. Ranked 8th by total assets based on 2012 results (Interfax-100 ranking), UniCredit Bank is the largest foreign bank in Russia. UniCredit Bank is fully owned (100%) by UniCredit Bank Austria AG, Vienna, Austria, member of UniCredit.
171	Bank Home Credit - http://www.homecredit.ru	Home Credit Bank holds leading positions in the retail financial market, is in the top 10 in terms of lending and has one of the largest branch banking

		networks in Russia.
173	Bank UralSib - http://www.bankuralsib.ru/bank/index.wbp	URALSIB Bank - one of the largest universal banks in the federal level, offering a wide range of financial services to private and corporate clients. The main activities of the Bank are retail, corporate and investment banking business.
178	Miratorg - http://www.miratorg.ru/sites/en/default.aspx	Miratorg Agribusiness Holding is the leading investor in the Russian agribusiness industry. Miratorg Agribusiness Holding is one of the largest meat producers and suppliers in the Russian market.
186	Bank Russian Standart - http://www.rsb.ru/about/	Russian bank, which belongs to Russian Standart company, manufacturer of alcoholic products in Russia.
209	Bank Trust - http://en.trust.ru	Bank TRUST offers the full range of retail banking services and all-inclusive support to its corporate customers and SMEs. The Bank's current strategic priority is a qualitative development of retail banking. The Bank has a really vast regional network: TRUST enjoys presence in 160 cities located in 65 Russian regions while providing services to customers using its 253 offices spread all over the country from Kaliningrad to Vladivostok.
218	VSK Insurance - http://www.vsk.ru	VSK Insurance House is one of the largest insurers in Russia steadily keeping its strong position in the domestic insurance market. We provide insurance coverage to over 9 million citizens of the Russian Federation and 125 thousand companies.Among our affiliates there are 450 banks and 120 leasing companies, over 1 100 automotive dealerships and 2 000 tour operators
229	Bank St. Petersburg - https://www.bspb.ru/en	One of the major banks in Russia's North-West Region, Bank Saint Petersburg. The Bank provides services through its 41 branches and offices to more than 1,200,000 private clients and to more than 39,000 corporate clients, including major companies located in St. Petersburg and the Leningrad Region. The Bank is proud of the market share and the long-term relationships built with clients.
230	Alfa Insurance - http://www.alfastrah.ru/en/company/	AlfaStrakhovanie Group ranks among five leaders of the open insurance market. AlfaStrakhovanie Group includes AlfaStrakhovanie PLC, AlfaStrakhovanie-Life LLC, AlfaStrakhovanie-MS LLC, Medicine AlfaStrakhovanie LLC, AlfaMedProject LLC, AsStra Medical Insurance Company LLC, Insurance Company Moscow PLC and Syberia Medical Insurance Organization PLC.
233	OTP Bank - http://en.otpbank.ru/about/	OTP Bank (Russia) is a member of the international OTP Group, one of the leaders in the financial services market in Central and Eastern Europe. OTP Bank is a universal credit institution offering corporate and private clients a wide range of banking services and products.
245	Citibank – http://www.citigroup.com/citi/	International bank with assets in Russia.
252	MSK – Insurance Company	Russian insurance company.
259	Financial Group "Life" - http://life-group.ru	Russian financial group of small companies, united by Probusiness bank.
269	SOGLASIE Insurance Company - http://www.soglasie.ru/en/	Big insurance company.
284	Zenit Banking Group - http://www.zenit.ru/group/eng/	The Banking Group ZENIT maintains presence in 23 out of 83 Russian regions. Its proprietary sales network has 157 outlets. The Group provides full-scale banking services along the following lines: comprehensive servicing of corporate customers; retail servicing of individuals; investment banking; and interbank business.
285	Financial Corporation OPEN - http://www.open.ru/en/	Otkritie Financial Corporation is a full-service financial group offering retail, corporate, and institutional clients a wide range of banking, investment, insurance, and pension plan solutions.
286	AK Bars Bank - http://www.akbars.ru/en/	AK BARS Bank is a universal bank which develops corporate, retail and investment businesses. AK BARS Bank has over 50,000 corporate customers and 2.5 million individual ones. The Bank services large companies in the oil and gas, petrochemical, mechanical engineering, telecommunications, construction, chemical, and automotive industries, as well as agricultural and other commercial enterprises.
298	Allianz - http://www.allianz.ru	Allianz - one of the largest financial and insurance concerns, which for more than 120 years, provides reliable insurance coverage to millions of customers around the world.
322	Vozrozdenie Bank - http://www.vbank.ru/en/	Bank provides personal banking and business services to clients throughout the Russian Federation. Nationwide network includes 142 locations and more

		than 800 ATMs. The bank provides 1 600,000 clients with a range of services, from savings accounts, payment handling and payroll management to mortgages, bank cards and business and consumer loans.
365	Petrcommerzbank - http://eng.pkb.ru	Founded in 1992, Bank Petrocommerce is a universal financial institution offering a wide array of services to corporates, SMEs, individuals, including private banking and investment banking.
379	Renaissance Insurance - http://www.renins.com	Russian insurance company.
380	Sviaz-bank - http://sviaz-bank.ru/eng/	Sviaz-Bank was established in 1991, and today it is an all-purpose lending and financial institution maintaining its presence in 52 members of the Russian Federation. The Bank's regional network comprises its Head Office in Moscow, 51 branches, and 97 backup offices and mini-branches, 62 of them operating from post offices.
389	Globexbank - http://www.globexbank.ru/en/	GLOBEX provides its services through a rich network of branches in Moscow, St. Petersburg, Samara, Togliatti, Nizhny Novgorod, Novosibirsk, Rostov-on-Don, Perm, Krasnodar, Tomsk, Syzran, Saratov, Penza, Barnaul, Iskitim, Dmitrovgrad and Balakovo. 99.99% of the Bank's equity are owned by the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank).
398	Moscow Industrial Bank - http://www.minbank.ru	Moscow Industrial Bank was established in November 1990 at the Moscow City Department of ICB USSR. The priority of the Bank's focus is to support the real sector of the national economy.

APPENDIX 3. SOME EXPORT AND IMPORT STATISTICS

1. Flexible Plastic Tubes, Pipes and Hoses in Russia, 2013.

Imported Flexible Plastic Tubes, Pipes, and Hoses with Minimum Burst Pressure of 27.6 MPA in Russia, 2013
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Belgium	1	7,827	27.40	27.40
China	2	5,090	17.82	45.22
Italy	3	4,035	14.13	59.35
Germany	4	2,766	9.68	69.03
France	5	1,543	5.40	74.43
the United Kingdom	6	1,060	3.71	78.14
the United States	7	926	3.24	81.38
Spain	8	855	2.99	84.38
Greece	9	695	2.43	86.81
the Netherlands	10	557	1.95	88.76
Norway	11	545	1.91	90.67
South Korea	12	530	1.86	92.52
Czech Republic	13	522	1.83	94.35
Turkey	14	364	1.27	95.62
Poland	15	262	0.92	96.54
Austria	16	205	0.72	97.26
Ukraine	17	167	0.58	97.84
Israel	18	158	0.55	98.40
Australia	19	87	0.30	98.70
Taiwan	20	84	0.29	99.00
Sweden	21	80	0.28	99.28
Bulgaria	22	54	0.19	99.46
Hungary	23	52	0.18	99.65
Switzerland	24	52	0.18	99.83
Finland	25	41	0.14	99.97
Japan	26	7	0.02	100.00
Hong Kong	27	1	0.00	100.00
Total		**28,565**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

Flexible Plastic Tubes, Pipes, and Hoses with Minimum Burst Pressure of 27.6 MPA Exports from Russia, 2013

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Ukraine	1	3,849	86.87	86.87
Belarus	2	483	10.90	97.77
Slovakia	3	99	2.23	100.00
Total		**4,431**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

2. Original, Hand-Drawn Plans and Drawings for Architectural, Engineering, Industrial, Commercial, Topographical, or Similar Purposes in Russia, 2013.

Original, Hand-Drawn Plans and Drawings for Architectural, Engineering, Industrial, Commercial, Topographical, or Similar Purposes Exports from Russia, 2013

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Bulgaria	1	4,277	47.28	47.28
China	2	3,915	43.28	90.56
Turkey	3	324	3.58	94.14
the United States	4	158	1.75	95.89
Germany	5	154	1.70	97.59
Kazakhstan	6	99	1.09	98.68
Belarus	7	71	0.78	99.47
Ukraine	8	39	0.43	99.90
France	9	9	0.10	100.00
Total		**9,046**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

Imported Original, Hand-Drawn Plans and Drawings for Architectural, Engineering, Industrial, Commercial, Topographical, or Similar Purposes in Russia, 2013

(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Slovakia	1	2,199	80.76	80.76
Germany	2	309	11.35	92.10
Finland	3	141	5.18	97.28
Ukraine	4	57	2.09	99.38
Austria	5	9	0.33	99.71
Czech Republic	6	6	0.22	99.93
Slovenia	7	1	0.04	99.96
Italy	8	1	0.04	100.00
Total		**2,723**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

3. Parts of Machines Assembling Electric or Electronic Lamps and Tubes and for Machines Manufacturing or Working Glass or Glassware in Russia, 2013.

Imported Parts for Machines Assembling Electric or Electronic Lamps and Tubes and for Machines Manufacturing or Working Glass or Glassware in Russia, 2013
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Germany	1	22,873	75.44	75.44
Turkey	2	2,583	8.52	83.96
Czech Republic	3	1,119	3.69	87.65
France	4	852	2.81	90.46
Italy	5	805	2.66	93.12
Sweden	6	798	2.63	95.75
Croatia	7	542	1.79	97.54
the United States	8	306	1.01	98.55
Hungary	9	261	0.86	99.41
Belgium	10	47	0.16	99.56
Poland	11	34	0.11	99.68
Taiwan	12	22	0.07	99.75
Finland	13	22	0.07	99.82
Kyrgyzstan	14	20	0.07	99.89
the United Kingdom	15	17	0.06	99.94
the Netherlands	16	16	0.05	100.00
India	17	1	0.00	100.00
Total		**30,318**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

Parts for Machines Assembling Electric or Electronic Lamps and Tubes and for Machines Manufacturing or Working Glass or Glassware Exports from Russia, 2013

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
France	1	499	79.71	79.71
Sweden	2	113	18.05	97.76
Germany	3	9	1.44	99.20
Ukraine	4	5	0.80	100.00
Total		**626**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

4. Plastic Fittings for Tubes, Pipes, and Hoses Including Joint Elbows, and Flanges in Russia, 2013.

Imported Plastic Fittings for Tubes, Pipes, and Hoses Including Joints, Elbows, and Flanges in Russia, 2013
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Turkey	1	21,745	19.01	19.01
Germany	2	17,468	15.27	34.28
China	3	13,282	11.61	45.89
Switzerland	4	12,763	11.16	57.05
Italy	5	10,242	8.95	66.00
Czech Republic	6	8,192	7.16	73.17
Poland	7	7,155	6.26	79.42
Ukraine	8	3,307	2.89	82.31
South Korea	9	2,926	2.56	84.87
France	10	2,552	2.23	87.10
Finland	11	2,403	2.10	89.20
the Netherlands	12	1,477	1.29	90.49
Spain	13	1,412	1.23	91.73
Israel	14	1,273	1.11	92.84
the United Kingdom	15	1,177	1.03	93.87
the United States	16	1,107	0.97	94.84
Denmark	17	933	0.82	95.65
Austria	18	851	0.74	96.40
Romania	19	778	0.68	97.08
Lithuania	20	455	0.40	97.47
Taiwan	21	420	0.37	97.84
Kazakhstan	22	368	0.32	98.16
Latvia	23	301	0.26	98.43
Sweden	24	236	0.21	98.63
Norway	25	229	0.20	98.83
Hungary	26	219	0.19	99.02
Singapore	27	205	0.18	99.20
Portugal	28	191	0.17	99.37
Egypt	29	173	0.15	99.52
Estonia	30	140	0.12	99.64
Other	31	407	0.36	100.00
Total		**114,387**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

Plastic Fittings for Tubes, Pipes, and Hoses Including Joints, Elbows, and Flanges Exports from Russia, 2013

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Belarus	1	5,228	78.10	78.10
Ukraine	2	718	10.73	88.83
Switzerland	3	442	6.60	95.43
Italy	4	296	4.42	99.85
Armenia	5	5	0.07	99.93
Germany	6	4	0.06	99.99
Georgia	7	1	0.01	100.00
Total		**6,694**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

5. Prefabricated Structural Components for Building or Civil Engineering of Cement, Concrete, or Artificial Stone in Russia, 2013.

Imported Prefabricated Structural Components for Building or Civil Engineering of Cement, Concrete, or Artificial Stone in Russia, 2013
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Estonia	1	1,579	48.17	48.17
Ukraine	2	863	26.33	74.50
the Netherlands	3	205	6.25	80.75
Finland	4	188	5.74	86.49
Germany	5	165	5.03	91.52
France	6	90	2.75	94.26
Latvia	7	54	1.65	95.91
Poland	8	50	1.53	97.44
Italy	9	31	0.95	98.38
Japan	10	27	0.82	99.21
Belgium	11	15	0.46	99.66
Lithuania	12	8	0.24	99.91
China	13	3	0.09	100.00
Total		**3,278**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

Prefabricated Structural Components for Building or Civil Engineering of Cement, Concrete, or Artificial Stone Exports from Russia, 2013

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Belarus	1	31	100.00	100.00
Total		**31**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

6. Self-Adhesive Plastic Plates, Sheets, Film, Foil, Tape and Other Flat Shapes Excluding Articles Designed as Floor, Wall, or Ceiling Coverings in Russia, 2013.

Imported Self-Adhesive Plastic Plates, Sheets, Film, Foil, Tape, and Other Flat Shapes Excluding Articles Designed as Floor, Wall, or Ceiling Coverings in Russia, 2013
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Germany	1	148,756	35.83	35.83
China	2	92,611	22.31	58.14
the United States	3	24,954	6.01	64.15
Taiwan	4	24,222	5.83	69.99
Italy	5	20,195	4.86	74.85
Finland	6	16,921	4.08	78.93
the United Kingdom	7	16,687	4.02	82.95
South Korea	8	9,797	2.36	85.31
France	9	8,666	2.09	87.39
Turkey	10	7,770	1.87	89.27
Ukraine	11	5,897	1.42	90.69
Poland	12	4,025	0.97	91.66
Malaysia	13	4,022	0.97	92.62
the Netherlands	14	3,674	0.89	93.51
Thailand	15	3,313	0.80	94.31
Belgium	16	2,748	0.66	94.97
Japan	17	2,706	0.65	95.62
Israel	18	2,202	0.53	96.15
Austria	19	1,839	0.44	96.59
Latvia	20	1,789	0.43	97.03
South Africa	21	1,743	0.42	97.45
Luxembourg	22	1,373	0.33	97.78
Denmark	23	1,223	0.29	98.07
Spain	24	1,038	0.25	98.32
Romania	25	846	0.20	98.52
India	26	655	0.16	98.68
Ireland	27	633	0.15	98.84
Mexico	28	626	0.15	98.99
Lithuania	29	494	0.12	99.10
Switzerland	30	476	0.11	99.22
Other	31	3,240	0.78	100.00
Total		**415,141**	**100.00**	**100.00**

Self-Adhesive Plastic Plates, Sheets, Film, Foil, Tape, and Other Flat Shapes Excluding Articles Designed as Floor, Wall, or Ceiling Coverings Exports from Russia, 2013

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Belarus	1	11,580	53.99	53.99
Kazakhstan	2	5,206	24.27	78.26
Ukraine	3	3,157	14.72	92.98
Armenia	4	524	2.44	95.42
Azerbaijan	5	348	1.62	97.04
Kyrgyzstan	6	237	1.10	98.15
Estonia	7	130	0.61	98.76
Italy	8	84	0.39	99.15
Latvia	9	75	0.35	99.50
Georgia	10	32	0.15	99.65
Germany	11	24	0.11	99.76
Moldova	12	23	0.11	99.86
Lithuania	13	14	0.07	99.93
Finland	14	8	0.04	99.97
the Netherlands	15	6	0.03	100.00
Poland	16	1	0.00	100.00
Total		**21,449**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2013, www.icongrouponline.com

7. Metal Flexible Tubing in Russia

Imported Base Metal Flexible Tubing in Russia, 2011
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Germany	1	3,271	28.60	28.60
the United States	2	2,787	24.37	52.97
the Netherlands	3	1,226	10.72	63.69
Italy	4	522	4.56	68.25
Switzerland	5	420	3.67	71.92
Turkey	6	368	3.22	75.14
Denmark	7	339	2.96	78.11
Czech Republic	8	296	2.59	80.69
Ukraine	9	283	2.47	83.17
Poland	10	278	2.43	85.60
France	11	218	1.91	87.51
Japan	12	218	1.91	89.41
China	13	214	1.87	91.28
the United Kingdom	14	192	1.68	92.96
Sweden	15	165	1.44	94.40
Macedonia	16	163	1.43	95.83
Finland	17	141	1.23	97.06
South Korea	18	137	1.20	98.26
India	19	92	0.80	99.06
Canada	20	57	0.50	99.56
Belgium	21	34	0.30	99.86
Austria	22	16	0.14	100.00
Total		**11,437**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

Base Metal Flexible Tubing Exports from Russia, 2011

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Ukraine	1	4,022	68.94	68.94
Belarus	2	1,550	26.57	95.51
Moldova	3	244	4.18	99.69
Lithuania	4	10	0.17	99.86
India	5	8	0.14	100.00
Total		**5,834**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

8. Drilling, Threading and Tapping Tools in Russia

Imported Drilling, Threading, and Tapping Tools in Russia, 2011
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
China	1	2,974	74.56	74.56
Germany	2	264	6.62	81.17
Sweden	3	241	6.04	87.21
Canada	4	222	5.57	92.78
South Korea	5	159	3.99	96.77
the United States	6	69	1.73	98.50
Poland	7	24	0.60	99.10
Finland	8	21	0.53	99.62
France	9	7	0.18	99.80
Italy	10	6	0.15	99.95
Czech Republic	11	2	0.05	100.00
Total		**3,989**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

Drilling, Threading, and Tapping Tools Exports from Russia, 2011

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Belarus	1	119	83.80	83.80
Lithuania	2	23	16.20	100.00
Total		**142**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

9. Imported Iron and Steel Articulated Link Chain and Parts in Russia, 2011.

Imported Iron and Steel Articulated Link Chain and Parts in Russia, 2011
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Germany	1	3,202	25.85	25.85
China	2	2,304	18.60	44.45
Latvia	3	1,222	9.87	54.32
the United States	4	1,112	8.98	63.30
Ukraine	5	679	5.48	68.78
Kazakhstan	6	612	4.94	73.72
Italy	7	583	4.71	78.43
Kyrgyzstan	8	390	3.15	81.58
Japan	9	359	2.90	84.47
Czech Republic	10	309	2.49	86.97
Finland	11	279	2.25	89.22
the United Kingdom	12	195	1.57	90.80
Austria	13	161	1.30	92.10
Poland	14	160	1.29	93.39
Hungary	15	107	0.86	94.25
France	16	102	0.82	95.08
India	17	92	0.74	95.82
Sweden	18	92	0.74	96.56
Denmark	19	89	0.72	97.28
the Netherlands	20	86	0.69	97.97
Switzerland	21	69	0.56	98.53
South Korea	22	60	0.48	99.02
Canada	23	59	0.48	99.49
Taiwan	24	35	0.28	99.77
Belgium	25	28	0.23	100.00
Total		**12,386**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

Iron and Steel Articulated Link Chain and Parts Exports from Russia, 2011

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Belarus	1	2,997	48.93	48.93
Germany	2	1,523	24.87	73.80
Ukraine	3	904	14.76	88.56
Poland	4	251	4.10	92.65
Hungary	5	155	2.53	95.18
Azerbaijan	6	89	1.45	96.64
Kyrgyzstan	7	69	1.13	97.76
Moldova	8	51	0.83	98.60
Lithuania	9	23	0.38	98.97
Turkey	10	22	0.36	99.33
Estonia	11	16	0.26	99.59
Mongolia	12	13	0.21	99.80
Bulgaria	13	12	0.20	100.00
Total		**6,125**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

10. Imported Mobile Cranes in Russia, 2011.

Imported Mobile Cranes in Russia, 2011
(Structure of Foreign Import Competition)

Country of Origin	Rank	Value (000 US$)	% Share	Cumulative %
Germany	1	81,892	82.70	82.70
Japan	2	10,288	10.39	93.09
the United States	3	1,747	1.76	94.86
Kazakhstan	4	1,339	1.35	96.21
South Korea	5	1,116	1.13	97.33
Ukraine	6	938	0.95	98.28
France	7	681	0.69	98.97
Poland	8	346	0.35	99.32
Czech Republic	9	225	0.23	99.55
the Netherlands	10	146	0.15	99.69
Finland	11	143	0.14	99.84
China	12	80	0.08	99.92
the United Kingdom	13	66	0.07	99.99
Sweden	14	14	0.01	100.00
Total		**99,021**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

Mobile Cranes Exports from Russia, 2011

Country of Destination	Rank	Value (000 US$)	% Share	Cumulative %
Ukraine	1	8,965	38.32	38.32
Belarus	2	6,338	27.09	65.41
Azerbaijan	3	3,174	13.57	78.98
Bulgaria	4	1,971	8.42	87.40
Georgia	5	1,358	5.80	93.21
Mongolia	6	483	2.06	95.27
Moldova	7	374	1.60	96.87
Poland	8	241	1.03	97.90
Bosnia and Herzegovina	9	159	0.68	98.58
Armenia	10	123	0.53	99.11
Estonia	11	107	0.46	99.56
Lithuania	12	102	0.44	100.00
Total		**23,395**	**100.00**	**100.00**

Source: Philip M. PARKER, Professor, INSEAD, copyright 2011, www.icongrouponline.com

APPENDIX 4. SOME SIMPLE STEPS TO TAKE WHEN CONDUCTING A TENDER IN RUSSIA

Carry out a Site Visit

One-day companies in Russia are usually registered, along with hundreds of other companies, at a mass-registration address. In our experience, a physical inspection of a mass-registration address will at best confirm it as a post office box and at worst as a bus station, swimming pool or another unrelated facility. A mass-registration address is also a telling indicator that the company registered there most likely conducts no real business of its own – a genuine entity should always provide a second or 'actual' address to a business partner. Visiting both addresses will help you to understand whether the company exists beyond its paper registration details.

This practice can be used in more transparent jurisdictions for reasons of simplicity and efficiency, or in keeping with those jurisdictions' rules for company registration. In Russia, this is rarely the case. Here, mass registration ad- dresses tend to be used to subvert the business registration process or to exploit loopholes to- ward illegal ends.

Who are the Company's Shareholders and Directors?

A Russian company must be registered against the passport details of its CEO, who is legally responsible for the company, and (where they exist) the shareholders. In our experience, however, more often than not these passport details are purchased from a student or pensioner only too pleased to make a bit of extra cash. In other cases, a stolen passport is enough to get the job done. Imagine the surprise of a pick-pocketing victim when he or she learns they are the CEO of several hundred companies, any number of which might be under investigation for tax evasion or other crimes committed in his or her name. Imagine as well the surprise of an international investor when he or she discovers his new business partner is owned by a deceased individual residing at a hairdresser's salon.

How Long has the Company been Operating?

Consider the extent of the company's experience. Companies with little or no established presence in the sector, or which are unable to demonstrate the combined experience of its employees may have never previously been active in the industry (if they do exist at all).

Consider the Links Between the Various Participants

Are there obvious ties between those companies, which have placed bids? Does address or shareholder link them for example? Although a basic red flag, in jurisdictions with less sophisticated means to monitor for potential fraud during the tender process, bidders become arrogant and lazy in their submission of fraudulent bids and assume that the entity conducting the bid will miss these obvious links which become apparent if you study bids attentively.

In the same way, a comparison of how bidders present their documentation may raise major concerns. If submissions from four different companies look virtually identical, this can be a red flag that the applications have been completed by the same individual, who represents all four companies.

Has a Quorum been set and has It been Met?

We describe above how a quorum can be manipulated via the use of one-day companies to give the impression that it has been met. Always be alert to the possibility that some or all of the bidders may be working in collusion to serve their own interests and boost the value of the tender, rather than to provide professional services at the best price.

Timeframe

Always ensure that there is a sufficient and reasonable timeframe from announcing the contract to actually conducting the tender. Disorganization and short timeframes can be an excuse to rely on favored suppliers and be used to justify a failure to announce a tender publicly. This makes the process particularly vulnerable to manipulation.

What is the Value of the Tender?

Dependent on the value of the tender and the kind of service the successful bidder is expected to provide, these guidelines can be further enhanced to include research and enquiries that go beyond a review of registration documents to include media checks and discussions with sources familiar with the bidder.

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