



# BUSINESS OPPORTUNITIES IN RUSSIA

For British & foreign companies to be highlighted

**N**ext year at the 20th international NEVA exhibition for shipping, shipbuilding, ports and offshore energy in St. Petersburg British and foreign companies will be highlighted.

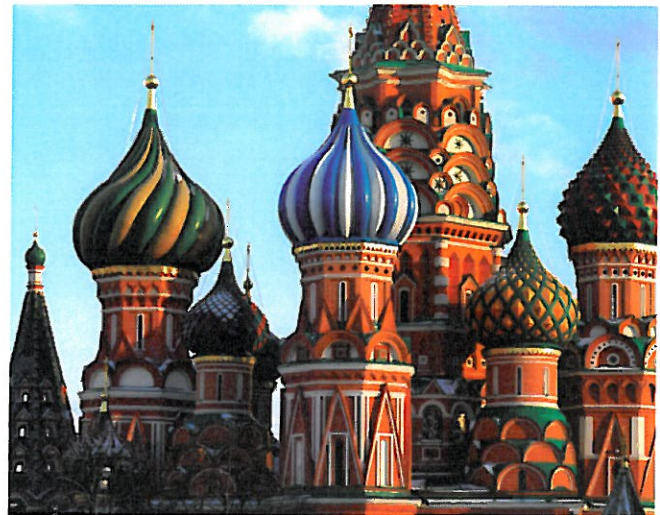
The official Russian government strategy to develop the country's commercial maritime industries now relies on increased cooperation with their counterparts around the globe. These developments are led by their senior administrations and industry sectors including:-

- The Ministry for Industry and Trade of the Russian Federation
- The Government of St. Petersburg
- The United Shipbuilding Corporation of Russia
- The Krylov Shipbuilding Research Institute
- The Association of Shipbuilders
- The State Shipbuilding University
- The Research Institute CNIIMF
- The Register of Shipping
- The Union of Russian Shipowners
- The Association of Sea Ports
- The Union of Oil and Gas Equipment Producers

All these organisations actively participate in the NEVA 2011 20th Anniversary Exhibition & Conference Programme which also welcomes official support for the first time from the Russian Union of Industrialists and Entrepreneurs and the ATOMFLOT FSUE Nuclear Icebreaking Fleet Operators.

In his Message of Welcome the Director of the Shipbuilding and Marine Technology Department, Ministry for Industry & Trade, Mr. L. V. Strugov, identifies the priority areas for increased cooperation with foreign partners. These include:

- Promotion of the international cooperation for development of innovation in shipbuilding



- Transfer to the national industry of advanced domestic and foreign technologies and investments in the field of commercial shipbuilding and production of offshore technology
- The promotion of the image of Russian shipbuilding and shipping as the reliable partner for the global maritime markets
- Assistance for the international scientific and technical exchange to increase the level of Russian shipbuilding production in domestic and international markets
- Wider cooperation among international and national consumers of shipbuilding products (ship owners and



offshore energy companies) with the producers and manufacturers of marine products

- Improved cooperation of producers with the designers and suppliers of spare parts and ship systems, which influence directly the strategic position of Russian commercial shipbuilding and the world shipbuilding market in general." The key aims of the Government Strategy in the field of commercial shipbuilding are to secure:
- The supply of marine technology and specialised vessels including the support fleet for offshore operations, to guarantee the extraction and transportation of hydrocarbons from sea deposits
- The supply of ships for national carriers to guarantee development of sea, inland waterways and short-sea shipping cargo and passenger transportation
- The fleet for the fishing industry
- The specialised fleet and equipment for oceanography and ocean exploration

Currently Russia has 172 shipyards with 160,000 employees able to construct big and medium-size vessels. Russia also has over 200 shipyards to build or to repair ships up to 5000 tons deadweight

To guarantee the necessary ship supply Russia will use all possibilities including:

- Construction of ships at national shipyards according to existing national design
- Construction of ships at national shipyards according to existing joint foreign projects which are realised on the basis of licensee purchases in the International market
- Construction of ships at national shipyards for specially ordered foreign projects
- Construction of ships in foreign(international) shipyards using specially ordered Russian-made design and projects
- Mixed variants of ship construction e.g. the hull is built in a Russian shipyard and the equipment installation is completed in a foreign shipyard, or the drilling platform superstructure is made in a foreign shipyard while the hull of the platform and general mounting is completed in a Russian shipyard.

Russia will order 50 types of ships among which:

- Dredging and technical fleet ships, including underwater pipe layers
- Ships and marine technology for diving and underwater works
- Service fleet ships, tugs, icebreakers
- General types of cargo and passenger ships including container and dry-bulk carriers
- Special purposes ships, including rescue ships, fire extinguishing ships, pollution elimination ships, floating mooring facilities
- Ships and floating vessels for transport-technological network, including LNG-carriers, tankers, floating and underwater floating oil storage facilities, floating mooring facilities for oil delivery to tankers
- Scientific, research and exploration ships

In the near future Russia may require: 40 drilling platforms, 10 oil extraction platforms, 10 gas extraction sea installations, 5 ships for offshore construction operations, 5 ships as underwater pipelines layers, 170 offshore support ships, 170 service vessels, 12 gas carriers of ice-class capacity up to 90,000 cubic meters, 14 ice class tankers from 40 till 70,000 tons deadweight.

For Arctic operations Russia may require up to 90 ships of deadweight of 4 million tons and 10-12 new icebreakers additionally. The icebreakers will be nuclear-powered and diesel-powered with capacity from 60 MWT, 20-30 MWT, 10-12 MWT and also for port ice clearance a fleet of 6-7 MWT and 4 MWT.

For general sea transport operations by Russia will require in next 15-20 years:

- Transport cargo ships- 446 ships
- Passenger ships- 48 ships
- Service fleet- 348 ships

Generally: 842 new build ships are required

Currently the Russian national sea carriers have the fleet of 1,500 ships of 15 million tons total deadweight. Annually the Russian sea transport companies expect to order ships to be produced outside Russia at a sum of USD 1 billion.

Ports development is an essential element for the future of Russian transport and transit. According to the Director of the Department for State Sea & River Transport Policy transshipments via Russian sea ports will grow from 456 million tons in 2009 to 525 million tons this year.

In the word of Oleg Terekhov, President of the Association of Commercial Sea Ports, "The NEVA 2011 Exhibition reflects the future of the ports by illustrating and presenting advanced technologies for construction of the port fleet vessels, port equipment production and modernisation, advanced ecological technologies, port and shipping safety, operations, innovation and IT decisions to increase the port competitiveness."

For the inland waterways fleet Russia may require up to 5825 new ships of different types, because the inland waterways fleet is old, the average age is about 30 years. Inland waterways transportation annually in Russia is 20 million passengers and 200 million tons of cargo (80-85% bulk, 15-20 % liquid cargo). Russia has 20 river-shiping companies.

For fishery industry Russia has the fleet of 4000 ships of different types with average age over 20 years. By 2015 from 222 large fishery vessels Russia will dismantle 120 ships due to old age. The Russia fishery fleet program for 2009-2013 already includes construction of 208 new fishery vessels; by 2020 Russia will require 2207 new fishery vessels of different types

Financial and state support for the programme will be available with no VAT tax charges for imported ship equipment. There will be State guarantees for bank credits for ship construction in Russian shipyards for vessels to be registered under the national flag.

Please visit the NEVA website for more information:  
[www.transtec-neva.com](http://www.transtec-neva.com) ■