

Business Opportunities in RUSSIA - UKRAINE - BELARUS



RUSSIA: Among top 10 advertising markets in world by 2014

Analysts predict Russia' spending on advertising will reach US\$ 13 billion by 2014 putting the country among the top 10 advertising markets in the world. Internet commercials will make up to a fifth of overall spending. According to a September 2011 study by Comscore, Russia has the largest number of Internet users in Europe - 51 million, followed by Germany with 50 million.

RUSSIA: Only 6% of Russian vodka is exported

Russia produced 86.3 million dal of vodka in 2011, but exported only 5.14 million dal (around 6%). Experts point at a continued lack of export development strategy and investments in promotion. The main consumer of Russian vodka is Ukraine, which bought 27% (1.4 million dal) of all Russia's exports. The main Russian exporters are Central European Distribution Corporation and Russian Standard Holding. However, their share on the global market is just around 4%.

DID YOU KNOW...

UKRAINE

...is an ideal manufacturing base for exports to both Russia and the EU

...has a free trade agreement with Russia

...the EU is Ukraine's biggest trade partner

...Ukraine's gas pipeline transports 80% of Russian gas to Europe

...was the 5th world's largest wheat exporter in 2009/2010

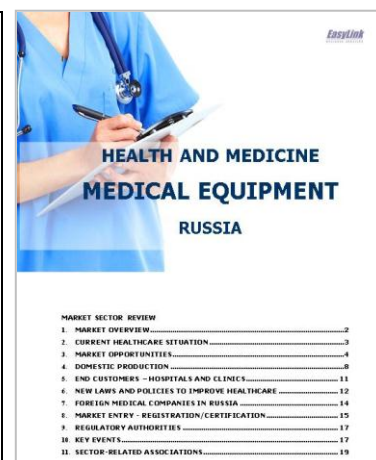
...hosts the geographic center of Europe in the small town of Rahiv in West Ukraine

...Ukrainian is considered the 2nd most melodic language in the world after Italian

Medical equipment in Russia

Market insight by EasyLink
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UKRAINE: US\$ 700 million investment into a steel mill

Ukraine's Pinchuk's Interpipe, a global TOP 10 producer of steel pipes and railway wheels, invested US\$ 700 million into a new steel mill. Testing of the equipment has already started at the Dnipropetrovsk-based steel smelting plant and formal launch is scheduled for March 2012 with production levels to be gradually increased to 1.3 million tons of steel per annum by 2014.

UKRAINE: Wind power plant to be built at Black Sea

Vindkraft Ukrajina bought wind turbines from Danish Vestas for the development of wind power plants in the Kherson region (near Black Sea). The project is to contribute to overall growth of renewable and green energy production in Ukraine. Ukraine has excellent wind resources for development.

BELARUS: US\$ 105 million for transport infrastructure

Belarus plans to attract US\$105 in foreign direct investments to develop its transport infrastructure in 2012. About half of the sum will be spent to purchase new transport equipment. The national transport industry is expected to raise the export of services by 18%, with export of commodities up by 9.1%. There are plans to launch new container trains and improve the existing ones.

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COUNTRY IN A NUTSHELL

UKRAINE

- ◆ Second largest country in Europe after Russia
- ◆ Member of WTO since 2008
- ◆ World's largest producer of manganese ore and the 8th world's largest steel producer
- ◆ Possesses 30% of the world's black soils, which cover about 60% of the Ukraine's agrarian lands
- ◆ 4 out of 10 pan-European transport corridors pass through Ukraine

Area / Capital	603,550 sq. km / Kyiv
Population / Language	45.9 million / Ukrainian
Currency	Ukrainian Hryvnia (UAH)
GDP (2010)	EUR 925.8 billion

SALES LEADS – PRODUCTS WANTED!

Materials for printing, photo engraving, magnesium plates, copper plates, zinc plates, brass plates, and chemicals

... request by a supplier of printing & converting materials to Russia

Cosmetics, food supplements, pharmaceuticals

... request by a Russian producer and distributor of drug substances and drug forms, food supplements, and cosmetics

Geo-textiles, fabrics for awnings and furniture manufacturing

... request by a St. Petersburg-based distributor of building materials, fabrics

Catering equipment

... request by supplier of commercial, refrigerating, processing, and shelving equipment

Inquire at russia@easylink-cee.eu

MARKET AND SECTOR HIGHLIGHTS

IT: UKRAINE

44 % expansion of IT and office equipment market

Ukraine's IT and office equipment market grew by 44 % in the second quarter of 2011 compared to the same period a year ago, making the market worth UAH 2.16 billion (US\$ 270 million). Laptops are the top selling items among IT devices – sales doubled in 2011, helped by a significant price drop. The market of tablet PC is insignificant so far (42% this segment goes to iPad 2).

REAL ESTATE: RUSSIA

Real estate market back on its feet with total investments of US\$ 7.5 billion in 2011

Real estate market in Russia has enjoyed fast growth as foreign investors returned after the crisis. In 2011, buyers poured US\$ 7.5 billion to Russia, nearly double compared to 2010 (US\$ 4 billion). In 2008, investments totaled US\$ 5.8 billion, but then halved to just US\$ 2.3 billion in 2009 in the wake of the global crisis.

TECHNOLOGY/AGRICULTURE: UKRAINE

Need for refrigerated warehouses

35-40% of fruits and vegetables harvested in Ukraine do not make it to consumers due to a lack of proper refrigerated warehouses and transportation vehicles. Additional 30-35% of farmer's products are lost because of poor post-harvest handling. US-funded Agroinvest

project estimates that US\$ 2 billion is required to replace outdated storage facilities in Ukraine. However, the country also needs proper standards to regulate cold storage logistics network and transportation infrastructure.

UKRAINE: Rise of metal production in 2011

Ukraine's metallurgy, one of the main sectors of the country's economy, started to recover from the crisis of 2008-2009. In 2011, Ukraine registered an 8.5% increase in its finished steel product output to 30.373 million tones, a 6% increase in its crude steel output to 34.689 million tones, and a 6% rise in its pig iron production to 28.879 million tones. Steel pipe production in Ukraine saw a 26% increase to 2.213 million tones. Mining and metallurgy account for 27% of the country's GDP.

Newsletter resources: Russia Today (RT), the Voice of Russia, Kyiv Post, The European Commission, RIA Novosti, BSR-Russia, BelaPAN and other local news media outlets.