

Business Opportunities in RUSSIA - UKRAINE - BELARUS



RUSSIA: McDonald's to start franchising in Siberia

McDonald's is reportedly planning to boost its business in Russia through franchising. While nearly 85% of McDonald's global business is franchised, all 314 MacDonalD's restaurants in 85 Russian cities are operated by the company. First franchised fast-food restaurants are possibly to be opened in the city of Tomsk, Siberia.

RUSSIA: Expensive alcohol accounts for 45% of Russian luxury market

The Russian luxury market has been growing 13% y-o-y in the last 6 years, and almost a half of it is taken by luxurious drinks costing over \$80 per bottle. Fancy clothes make the second largest share on the market, while jewelry, watches and gadgets take only 3% of the market. It is estimated that only 6% of Russia's population can afford luxury goods. Most of them prefer to buy luxury stuff abroad as prices in Russia are around 15% higher.

DID YOU KNOW...

BELARUS

...has two official languages – Belarusian and Russian

...the word 'Belarus' means 'White Russia'

...most of the economy remains state-controlled

...25% of land is *inhabitable* due to radioactive contamination from Chernobyl/Ukraine and swamps

...main *industries* are metal-cutting machine tools, tractors, trucks and earthmovers, and agricultural products & food

...out of 31 different *banks* in the country, 30 are owned by the government and only 1 is privately owned

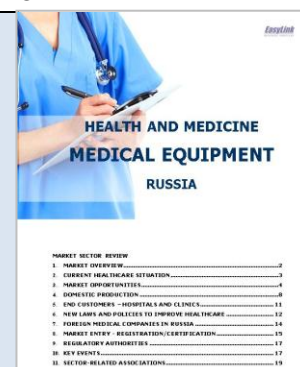
Medical equipment in Russia

EasyLink's free market report

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UKRAINE: Glencore purchased Ukrainian oilseed extraction plant

Glencore International has acquired a 100% stake of Kolos Oil Extraction Plant CJSC in the Kharkiv region. Headquartered in Baar, Switzerland, Glencore is one of the world's leading integrated producers and marketers of commodities. Ukrainian Kolos is located in the so-called sunflower belt, where it operates a plant with an annual crushing capacity of 200,000 metric tons. An expansion of this capacity to 280,000 tons was commissioned on completion of the transaction. The deal is worth USD 80 million and is set to further boost Ukraine's agro sector. Ukraine is the world's top sunflower oil exporter.

BELARUS: Modern passenger transit terminal at Minsk National Airport by 2014

Construction of a new airport terminal in the Belarusian capital city will be finished by the opening of the Ice Hockey World Championship held in Minsk in May 2014. The airport management has not decided yet whether they will build a new terminal or reconstruct the existing one. Construction of a second runway is also in plans.

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COUNTRY IN A NUTSHELL

REPUBLIC OF BELARUS

- ◆ Second largest country in Europe after Russia
- ◆ Russia is the major trade partner followed by EU and Ukraine; trade with Russia increased 5x in the last 15 years to US\$ 39 billion in 2011
- ◆ Member of the “Customs Union of Belarus, Kazakhstan and the Russian Federation”; since 1 January 2010
- ◆ Belarus currently holds negotiations on joining the WTO

Area / Capital	207,600 sq. km / Minsk
Population / Language	9.465,2 million / Belarusian
Currency	Belarusian ruble (Br)
GDP (2011)	EUR 25.66 billion

SALES LEADS – PRODUCTS WANTED!

Backhoe loaders, tractors and other construction equipment

...request by a leading distributor of special machinery of domestic and foreign production in Tatarstan/Russia

Catering equipment

...request by a St. Petersburg-based distributor of professional commercial, refrigeration and shelving equipment, POS systems and industrial scales

Medical supplies, solutions for contact lenses, sports equipment, fitness clothes and underwear

...request by a supplier of medical products to pharmacies in St. Petersburg

Hand tools, power tools, HVAC

...request by a Russian supplier of industrial equipment and tools

Inquire at russia@easylink-cee.eu

MARKET AND SECTOR HIGHLIGHTS

RETAIL: RUSSIA

Large retail chains in Russia opened a record 100 new hypermarkets in 2011

The growth of the retail chain market is fueled by Russians' rising incomes. In 2009, only 39 hypermarkets were opened across the country due to the global crisis, compared to 97 in 2008. Further expansion plans boosted the commercial property market in 2009-2010 as the crisis began to fade away, many of which reached completion last year. Magnit retail chain, headquartered in Krasnodar (South-Western Russia) opened 42 hypermarkets in 2011 becoming the country's largest big-box store chain. Analysts predict about 800 new hypermarkets to be opened in the next five years in Russia, a large share of which will be in smaller cities.

PHARMA: RUSSIA

Valeant Pharmaceuticals Acquires Russian Natur Produkt

Valeant Pharmaceuticals International, Inc. signed an agreement to acquire Natur Produkt International JSC, a pharmaceutical company in Russia for approximately USD 180 million. The transaction is to be completed by mid-2012. Based in St. Petersburg, Natur Produkt is a producer of OTC pharmaceutical and natural remedies, with a network of pharmacies across Russia. Its brands include top remedies for cough, cold, and sore throat.

BELARUS: INDUSTRY LEADER PROFILE

MACHINERY: Minsk Tractor Works (MTZ)

Founded in 1946, Minsk Tractor Works produces over 60 models and modifications of tractors and machines in more than 100 versions and configurations for all climatic and operational conditions. In 2011, exports of MTZ increased by 53.3% compared to 2010, reaching US\$ 983 million. The company sold 51,680 tractors abroad, incl. 25,423 to Russia and 7,047 to Ukraine. Other buyers included the CIS, Pakistan, Egypt, China, and Sudan. In Europe, Poland was the biggest client with 1,529 units. Last year, MTZ opened assembling plants in Serbia, Algeria and China. The company now has 6 assembling plants in Russia, 5 in other CIS countries and 9 in other markets.



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.