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Russian Forestry News Update

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Siberian Larch Cone

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Japan is changing Russian timber for the American
Japan could increase the volume of purchases of wood in the United States, Canada and New Zealand, after supplies from Russia declined by 55% due to increased taxes on exports.

"Imports from North America and New Zealand will increase because one cannot count of the supplies from Russia" said the head of Sumitomo Forestry Akira Sekimoto. Sumitomo Forestry owns the largest forests in Japan and is the leading country for the construction of wooden houses. Increasing demand on the North American timber supports prices for the goods at the Chicago Stock Exchange, fallen in the past year by 27%, informs Interfax, referring to Bloomberg agency.

Japan imports 80% of the raw materials for the world-wide timber industry. Russia was the largest supplier to Japan in 2007, but all the shipments from Russia fell because the tax on timber exports were increased twice in less than a year and was 25%, while the Russian authorities have announced a planned increase in tax to 80%.

In 2008, imports of Russian timber in Japan dropped to 1.81 million cubic meters compared to 4.04 million cubic meters a year earlier. It means that the total timber imports to Japan fell by 33% (to 5.96 million cubic meters).

Higher costs for wood from the "alternative sources", including the supply of the United States and Canada, may lead a number of Japanese companies to the exit from the woodworking industry.

The main consumer of wood in Japan is the construction industry. More than half the houses in the country, according to the Ministry of Lands, Infrastructure and Transport, are built using wooden beams, pillars, work.

Japanese have preferred the Russian timber for long time because of its cheapness and durability. In the Russian Federation there are often cut down trees, which age is more than one hundred years, and their wood has a smooth texture and a higher density than young forest plantations in Japan and North America.

Source: Справка.ru

Export tariffs on round wood will be raised

The Government of Russia has excluded from the 2009 Anti-crisis plan proposals on the zeroing of duties on the export of round wood for certain categories of investors, told Minister of Economic Development Elvira Nabiullina after the Government report in the State Duma .

"We took into account the criticism of the "United Russia" party and had withdrawn the proposal for export duties on round wood," she said.

As published on the site of the Government on Monday, renewed crisis plan also does not reflect the initiative of zeroing export duties on raw timber.

The idea to adjust the point of crisis, which relieves the participants of major investment projects from the payment of customs duties on the export of "rounds", belonged to the State Duma

Speaker Boris Gryzlov. At the meeting of party activists with the Prime Minister, Vladimir Putin, he expressed it: "I think that this is unacceptable. This is creating a window for the looting of our country." Gryzlov promised that the Duma would not support this government initiative.

To support the lumber industry it is invited to ensure the completion of construction of the loans included in the list of priority investment projects in the area of forests, to introduce the deferral of payments for 1-2 years on loans obtained for the implementation of priority investment projects in an advanced stage (or the possibility of re-lending).

It is also proposed to allocate 325 million rubles to subsidize interest rates on loans for the establishment inter-seasonal timber, raw materials and fuel.

The Government was prepared to exempt from customs duties on export of round timber companies, which sell large investment projects involving foreign capital. The possibility of the abolition of export taxes for companies investing in the sector was included in the Government's anti-crisis program. Cancelling of the duties supposed to include the deferral of payments on one or two years of credits received for the implementation of priority investment projects in an advanced stage. Finance Minister Alexei Kudrin specified, however, that the exemption from export taxes would affect only the export of certain species of trees. In 2007, the Government decided to phase the increase of duties on export from the country of round wood. The last time they were increased by 1 April 2008 (at 25% of the cost of delivery, but not less than 15 Euro with a cube round wood meter), another increase was planned from January 1, 2009 (up to 80% but not less than 50 euro respectively). But because of the economic crisis, the commissioning of the new fees has been postponed for a year. According to Goskomstat, in 2008 export volume of round wood has decreased by more than 25% compared to 2007 and amounted to 36.7 million cubic meters.

[Source: newsru.com](http://newsru.com)

Reducing the price of round wood in Russia by 2% in average in March

The average price of 1 cubic meter of timber conifers (pine, spruce) with a diameter of 16-30 cm, a length of 4-6 m in March is stable to the February prices. 1 cubic meter of timber from hardwood (birch), 16-30 cm in diameter, length of 3-6 m in March was by 2.5% more than similar indicators for the last month, 1 cubic meters of spruce pulpwood species 4 m long with a diameter of 6-16 cm (1-3 grade) to 8% lower than in February. The price for 1 cubic meter of pine pulpwood (mild), 4 m long with a diameter of 6-16 cm (1-3 grade) in March was 6% less than last month, for 1 cubic meters of pulpwood hardwood (birch, asp), a diameter of 6-16 cm, length 6 m (1-3 grade) in March was 5.6% lower than the February figures.

These figures may vary depending on volume, destination products, as well as a secure supply of frequencies. Prices are taken from the producers of roundwood in the conditions of the sale of 1 cubic meter of raw materials to the nearest station of loading, the stipulated volume of sale – 500 cubic meters.

In March, the spot market of round logs there were divergent trends observed. In some districts, prices were stable, but some – have continued to fall. Prices for softwood sawlogs remained the same, from hardwood sawlogs went up by 2.5%. Pulpwood dropped in price by an average of 6.5%. In the Siberian Federal District the prices of roundwood increased. The first timber companies attribute this to the fact that the majority of Chinese importers have begun to end stocks of roundwood, and they resumed the purchase of Russian raw materials. In the Ural region in March, prices for roundwood continued to decline. This is because the volumes of sales of raw materials are reduced due to the fall of the solvency of buyers. In North-West district in March as prices continued to fall. Manufacturers say that the spring – a difficult period. Winter roads are washed well, therefore, collectors try to bring the forest to the intermediate storage for any price. In the Central District of roundwood prices were to stabilize. Collectors note that this may be due to the beginning of the revitalization of the construction market.

[Source: Lesprom Network](http://Lesprom Network)

Irkutsk Region: Three projects in the area of forests approved by the Investment Board

Three projects in the area of forest were considered and approved at the Board of Investment by

the Governor of Irkutsk region.

These projects are for the construction of low wooden houses (Gostroi Ltd.), a quick shelter facilities (Irkutsk house plant), and vertically-integrated companies for production and construction of low-frame-panel houses from glued beams (Siberian Terema Ltd.).

According to the Minister of Forestry complex, Leonid Vinichenko, at the meeting with the working group there were examined 26 investment projects applying for inclusion in the list of federal priorities in the development of forests. Currently, the list has included projects of LDK Igirma (construction wood-sawing/woodworking complex) and Ilim Group (upgrading the existing pulp and paper, the organization of the production of paper). Four projects are under consideration by the Ministry of Industry and Trade of the Russian Federation, and now three more will join them.

"These three projects will reduce the export of round logs, create 1334 jobs and, consequently, increase the income of the regional budget", said Leonid Vinichenko. "In addition, we will begin production of wooden fully-constructed houses of different technologies in the region. This will be facilitated by the availability of forest base, convenient transportation schemes and thoughtful placement of plants in close proximity to potential customers."

[Source: wood.ru](#)

The Governor of the Amur region supported by investors from the PRC

The Governor of the Amur Region, Oleg Kozhemyako, supported the simplification of procedures of forests export to the PRC at the meeting of the Intergovernmental Commission on trade-economic and scientific-technical cooperation of Russia with the Republic of Korea and the PRC (Moscow, 8th April).

The North Korean partners called the Government with a request to return to the intergovernmental agreement of 1995 on the joint processing of timber where the share of the Korean side was not counted as exports. Currently the co-production is based on the agreement of 1999, where this item was withdrawn. The Priamurye authorities have decided to support the initiatives of the Chinese investors. According to Oleg Kozhemyako, returning to the old rule would release funds for investment in new harvesting technology and modernization of production. Now the General Office of forest industry "Vondon Rimob", China, operates on the Priamurye territory. 1340 PRC citizens work in Woodworking complex Tyndales, Zeysky WWC and Turanles. The annual volume of production is 517 thousand cubic meters. And 45 thousand cubic meters are exported to North Korea.

[Source: wood.ru](#)

Regular meeting of anti-crisis commission under the Governor of the Novgorod region Sergei Mitin was devoted to the situation in the forestry complex

Chairman of the newly formed Committee of Forestry and Forest industries, Oleg Verenikin reported about the current situation. In 2008, the estimated gall of 8.6 million cubic meters of timber was developed by only 41% – 3.6 million cubic meters, far below the 2007 level (96%). During the first quarter of 2009, according to preliminary data, loggers cut down 380 thousand cubic meters of wood, while over the same period in 2008 was cut down more than 850 thousand cubic meters. The main reason for the decline of logging is lowering of the demand for roundwood.

Verenikin stressed that the export of timber from the Novgorod region in 2009, "virtually stopped: the warehouses in the region is more than 500 thousand cubic meters of roundwood unrealized, as prices rolled down almost doubled."

Meanwhile, in the Novgorod region in 2007 was exported about 1 million cubic meters of birch balance, earning 1.8 billion rubles. Now these figures Novgorod loggers can only remember with the nostalgic note.

"The crisis in harvesting is growing like a snowball ", said General Director of "Adept Forest Holding" Alexander Erkin. He stressed that in the North-West Russia there was only Svetogorsky Pulp and Paper Mill, interested in the large supply of Novgorod wood, but its needs, estimated

700 thousand cubic meters of wood per year, are now fully covered by the supply of raw materials from the Leningrad region. Novgorod local timber company buys wood reluctantly and at cheap price.

Representatives of woodworking companies – in particular, "Fleiderer" and "UPM-Kyummene Chudovo" do not agree with loggers. According to Deputy Director General of "Fleiderer", Vladimir Kotenev, the production of their core products – wood particle board (chipboard) – 100% depending on the furniture market. "The volume of production we have dropped by 40 percent, while salaries to our employees we do not reducing, the reductions do not intend to," he said.

"UPM-Kyummene Chudovo", Anatoly Zhukovets said that all raw materials plant in the Novgorod region receives from the "UPM Forest", which now comes to 70% of Novgorod timber. More, according to Zhukovets, is impossible because the quality of Novgorod forests is not high. "We are heavily dependent on the construction industry", announced Zhukovets, "and in the first quarter of 2009, we worked with a lag of 30% of normal volume. The company currently operates 660 people, we do not cut our plan."

Novgorod loggers did not believe the figures announced by the large wood, because they were "overstated". To clarify the situation and identify the supply of illegally cut timber, the Governor of the Novgorod region, Sergei Mitin commissioned a large timber to the posts and traffic police to carry out checks with the tax authorities.

But in general, the Head of the region didn't like "crisis crying" loggers: "Why don't you deal with the other things with, so long this business is being worse?" wondered the Governor.

He cited the example of "LPH Polyatino", located at Kabozha, Hvoyninskiy district. Now, here, among other areas the production of wood products – doors and windows, built-in furniture will develop. New founder "NTSSM Novotest" bought it in March 2008 and acquired new woodworking equipment and now has started production of lumber European standard, which will be used in the construction of new homes.

"Firewood at European standard level is bought by Finns, and Hungarians, and the large Russian hypermarkets – the demand is only growing" said the Governor. He also stressed that there remains a high demand for fuel pellets. "We all are like merchants of Pre-Peter times, waiting for a miracle when there comes an uncle on the stove and buy our half board" said the Governor of the Novgorod region.

He noted that he would ask for VAT refund for the logging companies and the abolition of export duties on round hardwood. Mitin instructed regional authorities to review the lease contracts with loggers to exclude them controversial and not entirely legal items (in particular, about the penalty, the rules for reforestation and similar).

The Governor said that the region is ready to take the unprecedented steps to support timber industry in the new economic situation. In particular, for the first time in the past few years, this spring, the Novgorod region will not be a ban on the movement of regional roads logging and other heavy equipment. "Wood is more expensive than our roads," Mitin admitted.

Source :IA Regnum

Karelian Custom is open for dialogue

What decisions are to be taken in order the companies, participants of foreign economic activity, can work comfortable in a foreign market in time of the global financial crisis? This issue has been mainly at the meeting of the Advisory Council on Customs Policy at the Karelian customs, which took place in Sortavala.

The Administration of Sortavalsky Municipal Council has announced the problems that arouse among the participants of foreign economic activity, working in the region Sortavala, Lahdenpohya, Pitkyaranta and Suoyarvi. Council meeting, organized on the initiative of the Karelian customs, brought together representatives from businesses and organizations, the Chief Federal Inspector in the Republic of Karelia, Ministry of Economic Development of Karelia, Territorial Administration of Federal Service of Veterinary and Phytosanitary Supervision (Rosselkhozadzor), Chamber of Commerce and Industry (CCI) and the Karelian Republic customs.

Questions on phytosanitary control during the movement of goods across the border, the organization of customs posts, the complexity of the application of customs legislation, the

possibility of prior notification and electronic declaration for customs clearance and customs control, the prospect of container traffic through the railroad crossing Värtsilä – these and other topics were given exhaustive explanations. For example, one of the logging enterprises expressed a willingness to extend the work item simplified passes for two hours due to a seasonal increase in the volume of export timber. “Give the motivated application, and we look through it together with the regional border management”, – Alexey Nakroshaev the Chief of Karelian customs promised.

However, the competence of federal authorities in the region is limited, so the issues that are to be discussed in Moscow were taken under the control of the Council. President of Karelian Chamber of Commerce and Industry, Alexander Pankratov recommended participants of FEA to make their proposals how to improve the sustainability of the economy of the Republic of Karelia and the development of anti-crisis measures to federal agencies through the Chamber of Commerce and Industry and the Government commission. This will provide an opportunity to synthesize the proposals, their precise formulation, bring to a higher level. Andrei Zyuzin, the Assist Chief of the Federal Inspector in the Republic of Karelia, advised to use the opportunity of Staff of the Plenipotentiary Representative of the President of the Russian Federation in NWFD: anti-crisis committee was prepared to make rational proposals from businesses and organizations.

The Advisory Council was created in summer 2009 by the Karelian customs in order to improve the efficiency of customs administration and create favorable conditions for the work of the participants of foreign economic activity by improving the quality of services provided. The Council is an advisory body called for a constructive interaction between customs authorities and business circles to promote the development and implementation of customs policy of Russia in order to protect the economic interests of Russia, creating the best environment for business activities, rationalization of import-export operations, to attract investment to the Republic of Karelia. The Board is composed of representatives of the most active and large enterprises participants of foreign economic activity of Karelia, the legislative and executive authorities of the Republic and other organizations.

Source: Wood.ru

International News: China announces measures to stimulate wood products trade

Orders to China's enterprises for wood products exports have been falling, as they struggle to raise revenues during the international financial crisis. The growth in total value of international trade in wood products grew only 9.6% in 2008, a year-on-year decrease of 13 percentage points.

To respond to the effects of the international financial crisis and encourage wood products trade, China has taken the following measures: increasing the rates of the export rebate tax for 117 wood products items; actively negotiating with governments of importing countries/regions such as the US, the EU and Japan to improve market access for forest products; and encouraging a quick response to products manufactured by domestic forestry enterprises, increasing grades and specifications of products, as well as stabilizing wood products exports.

Source: ITTO's Tropical Timber Market Report

Tyumen Waiting for Finnish Companies

Tyumen region (Siberia) continues to develop its international relations with countries that are interested in cooperation with the region. Finland is the one of the important countries, which is on the third place in foreign trade (with Italy and Turkey).

In 2008, the Russian-Finnish trade turnover has increased compared to 2007 by 11 percent and amounted to 118.96 million dollars. Exports – U.S. \$ 109.96 million, imports – 9 million. The cooperation with Finland takes a wide range of interests and is implemented in such industries as petrochemicals, light industry, forestry, agriculture, food processing, as well as in the energy sector and transport and logistics area.

Forest industry is one of the priority items of development cooperation with Finland. The region has considerable forest resources. The total stock of wood is about 700 million cubic meters. Since 2006, the intensity of communication in Finland has increased significantly. In April 2006, the delegation of the Tyumen region took part in the forum "Days of Russian Economy", held in Helsinki. Representatives of the lumber industry in the region, headed by the Deputy Governor of

the Tyumen region, Alexander Moor, visited leading enterprises of the Finnish forest industry.

In 2006, Jaakko Puri Consulting, the Finnish consulting company, developed a strategy of forest industries in Tyumen region according to the state government order. It identified a number of priority projects then.

Currently there have been already implemented some projects of plywood producing and wooden frame houses building (100 houses per year) in the region. As well as there are some negotiations on the organization of new manufactures chipboard, softwood lumber and MDF.

December 2008, the regional department of the investment policy and state support of entrepreneurship presented the investment and the economic potential of the region for members of the Finnish-Russian Chamber of Commerce in Moscow. This presentation was the impetus for expanding trade and economic relations and productive business contacts.

8 - 11 June, 2009 sixteen representatives of Finnish companies will visit Tyumen region. The Department of Investment Policy and State Support of Entrepreneurship, together with the Finnish-Russian Chamber of Commerce plans to organize a business forum. This exercise should help the Tyumen and Finnish enterprises to find partners.

[Source: wood.ru](#)

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The loading on the Far East route increased by 16.2%

The loading on the Far East route increased by 16.2% and amounted to 3 million 284 thousand tons in March compared to January 2009.

According to the Road Transport corporate service center, loading timber cargo in March 2009 (523,4 thousand tons) compared to January (212,4 thousand tons) increased by 146.4%. The main consumer of Russian timber is China, which, despite the financial crisis, plans to maintain its production level in 2008. Chinese Government granted several concessions in customs and tax payments to Chinese importers of wood. After adapting to this situation, the Chinese importers are planning to increase the consumption of Russian wood since the second half of 2009, which will fill the road loading. In addition, it is expected to increase the loading of lumber for export, as well as round wood for processing in the territory of Russia.

The loading of petroleum products in March compared to January increased by 8.6% (869 thousand tons against 799.9 thousand tons). A favorable situation exists in businesses that are for oil, as they enjoy state tax, customs duties and tariffs, which greatly facilitate their work on the part of transport planning and contracting.

Loading cargo building increase in March compared with January at the 35.9%. The main volume falls on the needs of Russian Railways. Additional loading would allow construction of a bridge to the Russkiy Island in Primorsky Krai.

Since March, there is a noticeable increase of container loading through the ports of Primorsky Krai. This is attributed to the Russian consumer market adaptation to the changed market conditions.

On the road level there is a program, which primary purpose – to attract additional volumes and increased profitability for the transport of goods by improving the quality of transport and other services, the timely and full enjoyment of rolling stock, organizing smooth loading. With the decline of cargo, special attention is paid to exports of transport services – transport international transit. For example, in February 2009 it has been delivered 25 tons of grain from the United States to Mongolia, reported Department of Public Relations of Far East Railway Roads.

[Source: wood.ru](#)

Sverdlovsk region and Italy can realize a number of major joint projects

Sverdlovsk region and Italy have a great potential for further cooperation. The opinion was expressed by the participants the Italian-Russian Forum, which took place on April 8 2009 in Ekaterinburg.

According to the Governor of Sverdlovsk Region, Eduard Rossel, the Middle Urals and the Italian

Republic has long-standing relationship. Italy is the fifth largest country in the volume of mutual trade with the Sverdlovsk region, and the turnover between the region and the European state in 2008 exceeded 745 million dollars. Now, said the governor, Ural is most interested in establishing joint ventures and enterprises.

So far, the biggest investment project, implemented jointly with the Italians, is the construction of Steam power plant in Sredneuralskiy district that was financed by the Italian energy group Enel. According to Rossel, this is just the beginning, and now the Sverdlovsk region is ready to propose and participate in other projects, such as reconstruction of Reftinskaya plant.

Sverdlovsk Region is interested in joint projects in the automotive industry. According to Eduard Rossel, it is now discussed the organization of the region build cars with the Iveco, Fiat and CJSC «Cars and Motors of Ural». There are free power and skills in the Middle Urals to create a joint venture and machine production with Italian partners. In addition, the Urals Optical and Mechanical Plant is ready to continue cooperation with the Italian side in the field of laser technology. There can also be realized other joint projects, such as upgrading of existing steel plants and the construction of new production of medical equipment and drugs, communal machinery.

In turn, Minister of Economic Development of Italy Claudio Skayola noted that his country is very keen on working with Urals in the woodworking industry. «You have large reserves of high quality wood. I think our delegation will be entrepreneurs who want to address this issue», told the Italian Minister. He also added that during the bilateral meetings that would take place in the forum, businessmen from Italy would search for areas of cooperation that would interest them. According to the Minister, there are more than 70 representatives of Italian companies in the delegation.

In addition, Skayola said that he supported the idea of Eduard Rossel to establish a working group that would facilitate the implementation of agreements reached at the forum. Results of the group will be at the Machinery Fair in Milan, which will be held in October this year. At the opening of the forum in Yekaterinburg, Skayola invited to participate in the exhibition as an honored guest, and invited to the event, Minister of Industry and Trade of the Russian Federation Victor Khristenko and Eduard Rossel.

Source: API Ural

Leningrad region will give 200 million rubles to support the industry

Government of Leningrad region will support the efficient running companies of the region. The Governor Valery Serdyukov signed a decree that approved the granting of subsidies to such companies, says the press service of the regional government.

There will be allocated 200 million rubles from the regional budget for this purpose in 2009. The changes made to the budget adopted by the Legislative Assembly in March 6, 2009. The money will be sent to a partial reimbursement of the cost of increased shipments of goods of own production, executed works and services. The industrial companies, operating in the region, will receive the help.

Enterprises which are eligible for financial support of the government have to ensure the steady growth of shipment volumes, while maintaining or increasing the number of employees related to manufacturing, extractive industries, as well as the production and distribution of electricity, gas and water. It should be added, that there are food, textile and garment industry, factory farms and timber enterprise listed in the raw of extractive companies.

Billing periods of the provision of financial assistance are the first quarter, half and the 9th month of 2009. Businesses-applicants for grants must submit to the Committee for Economic Development and Investment Leningrad region package provided by the order of documents within 40 days after the billing period.

The applications received from organizations will be considered by a special committee. Entered crisis measure of financial support efficient enterprises, according to experts, will stimulate economic activity, as well as employers interested in retaining jobs.

Source: dp.ru

Cathay Forest: Newly built low warehouse in Harpichane is opening now

Cathay Forest Products Corp. announced that its subsidiary structure in Russia «Dalevroles» Ltd. has received a temporary license for rail transport to the newly built low warehouse in Harpichane (Khabarovsk Territory). Currently, wood harvested by «Dalevrolesom» is transported to the lower store, where it is processed for shipment to China and Japan by rail and sea, said Cathay Forest Products Corp.

«Getting started lower warehouse is an important milestone in the development of Cathay as an international integrated forestry company», said Anthony Ng, Director General of Cathay Forest. In the first days after the receipt of a temporary permit for rail «Dalevroles» has shipped more than 60 cars of roundwood from the lower store.

Cathay has received an order for the second shipment of round logs to Japan under the existing trade agreements with Marubeni Corporation. Order includes the supply of 3500 cubic meters of forest, harvested by «Dalevroles». Shipment of timber to Japan will be carried out within the next two weeks.

In addition, Cathay and Marubeni have also agreed on further shipments of round logs every two months starting from April 2009. Each delivery will consist of approximately 4000 cubic meters of timber, which will harvest, sort and ship to Japan «Dalevroles».

«Company Cathay has demonstrated its ability to establish new trade links through the provision of high quality wood products from their forests», said Anthony Ng. «We continue to implement our strategy to supply wood to the markets of China and Japan, where there is a shortage of proposals».

Cathay Forest - Timber Company, owns about 1 million hectares of forest plantations of fast growing and high-yielding forest plantations in China and Russia.

Source: Lesprom Network

Export volume of raw timber products fell by 59.6%

According to customs statistics for January-February 2009 foreign trade turnover of Russia amounted to 56.7 billion U.S. dollars (with the Republic of Belarus) and in comparison with January-February 2008 decreased by 44,7%, including foreign countries – 49,0 billion U.S. dollars (a decrease of 44.0%), with the CIS countries – 7.7 billion U.S. dollars (a decrease of 48.5%).

The trade balance is a positive of \$ 15.3 billion U.S. dollars, which is 20.7 billion dollars lower than in January-February 2008. In the trade with foreign countries the balance was equal to 12.7 billion U.S. dollars (a decrease of 17.9 billion U.S. dollars), with the CIS countries – 2.7 billion dollars (a decrease of 2.7 billion U.S. dollars).

Export of Russia in January-February 2009 amounted to 36.0 billion U.S. dollars as against January-February 2008 decreased by 48,0%, including in foreign countries – 30.8 billion dollars (down by 47, 8%), the CIS countries – 5.2 billion U.S. dollars (a decrease of 49.1%). Reducing the value of exports of Russia in January-February 2009 compared with January-February 2008, occurred as by the fall in average prices of goods exported, and because of the physical volumes of export supplies. The index of average prices of exports in February 2009 amounted to 57% from their level in February 2008, while the index of its volume reduced to a lesser extent and reached 91.2%.

The basis of Russia's exports in January-February 2009 to foreign countries amounted to fuel and energy goods, the share of which in the commodity composition of exports to these countries amounted to 68,7% (in January-February 2008 – 74.1%).

In January-February 2009 compared with January-February 2008, the value of energy products fell by 51.6%. Among the products of fuel and energy sector decreased volumes of exports to foreign countries at the Stone Coal 12.3%, coke – on 17.6%, oil – by 4.6%, natural gas – by 61.3%. This increased volume of exports of petroleum products at 13.8%, including: motor gasoline - at 15.8%, diesel fuel - by 11.3%, oil - by 17.8%.

In general, the value of exports to foreign countries has increased the proportion of metals and products thereof from 11.5% in January-February 2008 to 13.1% in January-February 2009. Volume of exports of ferrous metals and products made of them fell by 23.6%, including: semi-

finished iron and non-alloy steel – by 25.2%, increased volume of exports of flat rolled iron and non-alloy steel – by 7.4% . In the commodity structure of exports the share of chemical industry products in January-February 2009 amounted to 6.9% (in January-February 2008 – 5.4%). Compared to the same period last year the value of these products declined by 33.3%. Physical supply of chemical products industry declined in virtually all product groups.

Exports of timber and pulp and paper products in January-February 2009 amounted to 2.7% (in January-February 2008 – 2.6%). In comparison with January-February 2008 decreased volumes of unprocessed timber exports at 59.6%, timber – by 35.2%, plywood – by 36.0%, cellulose – on 26.1%.

Exports of machinery and equipment in January-February 2009 amounted to 3.5% (in January-February 2008 – 2.2%). The value of the provision of land transport (except rail) increased 2.0 times, electrical equipment – by 9.9%, but decreased the supply of mechanical equipment – by 14.3%, optical instruments and apparatus – by 37.3%.

Exports of food commodities in January-February 2009 amounted to 2.2% (in January-February 2008 – 0.9%). Value of shipments of food products has increased in comparison with January-February 2008 to 32.9%.

The structure of exports to the CIS in January-February 2009, the share of energy products amounted to 40.8% of total exports in these countries, which is 5.7 percentage points lower than in January-February 2008. The value of exports of energy products fell compared with January-February 2008 to 59.2%. The volumes of oil exports increased by 19.3%. Deliveries of hard coal decreased by 67.0%, natural gas - by 56.4%, petroleum products – by 30.8%, including: motor gasoline – at 6.6%, diesel fuel – by 50.4%, fuel oil – at 47.6%.

In the commodity structure of exports to CIS countries the proportion of metals and products from them in January-February 2009 amounted to 13.4% (in January-February 2008 – 12.5%), foodstuffs and agricultural raw materials – 13.2% (6.6%), machinery and equipment – 12.3% (17.8%), products of chemical industry – 9.9% (8.7%), timber and pulp and paper products – 6.1% (4.2 %).

The volume of exports of ferrous metals and products made of them fell by 53.6%, products of inorganic chemistry – at 26.9%, timber – by 11.6%.

Imports of Russia in January-February 2009 amounted to 20.7 billion U.S. dollars as against January-February 2008 fell by 37.8%, including from foreign countries – 18.2 billion dollars (down by 36, 2%) of CIS countries – 2.5 billion U.S. dollars (a decrease of 47.2%).

Reducing the cost of Russia's imports in January-February 2009 dues to a decline in average prices of imported goods and the collapse of their real size. Average prices of imports in February 2009 compared with February 2008 decreased slightly, and the index was 97.5%, while the volume index of imports decreased to 66.7%.

In commodity composition of imports from foreign countries the share of machinery and equipment in January and February of 2009 accounted for 46.0% (in January-February 2008 – 54.2%). In comparison with January-February last year, the value of imports of engineering products decreased by 45.8% by reducing the procurement of mechanical equipment at 35.0%, means of land transport (except rail) – in 62.6%, electrical equipment – by 46.8%, optical instruments and apparatus – by 32.9%. Volume of import of passenger cars decreased by 65.3%, trucks – by 67.9%.

In commodity composition of imports from the CIS in January-February 2009, the share of machinery and equipment amounted to 27.6% (in January-February 2008 – 29.4%), fuel and energy products – 12.3% (8.6%), food products and raw materials for their production – 14.5% (12.4%), metals and products thereof – 17.1% (20.9%), products of chemical industry – 11.9% (10.0).

Reducing the value of imports from the CIS in January-February 2008 was observed in all major product lines aggregated. Thus, imports of machinery and equipment decreased by 49.2%, including: mechanical equipment – at 39.0%, rail and equipment – by 47.5%, fuel and energy products – to 22.4%; food and raw materials for their production – at 36.8%, metals and products thereof – on 55.9%, products of chemical industry – 35.6%.

The country structure of foreign trade in particular Russia, took the European Union as the biggest economic partner of the country. The share of the European Union in January-February 2009, accounted for 49.8% of Russian trade turnover (in January-February 2008 – 54.0%). At the

CIS in January-February 2009, accounted for 13.6% of Russian trade turnover (in January-February 2008 – 14.6%), the Eurasian Economic Community countries – 8.6% (8.2%), the APEC countries – 22.1% (19.4%).

The main trade partners of Russia in January-February 2009 among the foreign countries were: China, trade with which amounted to 5.1 billion dollars (64.6% against January-February 2008), Germany – 4.7 billion dollars (48.1%), Netherlands – 4.5 billion dollars (49.4%), Italy – 3.8 billion dollars (46.9%), Turkey – 2.9 billion dollars (62.6%), Japan – 2.2 billion dollars (65.5%), United States – 2.2 billion dollars (67.0%), France – 2.0 billion dollars (64.6 %), Finland – 2.0 billion dollars (62.2%), United Kingdom – 1.9 billion dollars (65.4%).

Source: wood.ru