

Dear Reader,

The two first months of the year 2006 have boosted debates around delays in implementation of the Russian Federal Law "On technical regulation". Amendments to the Law are under discussion, to help the reform move on. In the meanwhile, Rostekhnregulirovaniye confirmed once more in its newly developed Concept for National Standardization all the basic principles of the reform... As before, we will keep informing you about laws regulating exports and investments in CIS. And, we hope that the Fire Dog, symbol of the current Lunar New Year, make our common task of safety vigilance and quality protection easier!

Sincerely Yours,  
SGS Team for Russian / CIS Certification

## 1. In focus: laws & regulations

### More products liable to hygienic certification

In the letter №01-06/3926 dated on February 8, 2006 the Russian Federal Customs Service informed about updating of the list of goods subject to mandatory hygienic certification or state registration for customs clearance purposes at the Russian border (replacing the list dated on August 26, 2005).

As a result, the following items have been added to the list: equipment for food industry, medical equipment, household equipment contacting with food and some other home appliances.

### Veterinary certificate not required any more

In its letter № 01-06/433 dated on January 13, 2006 the Russian Federal Customs Service informed that from now on the veterinary certificate for olives with anchovies, salmon, tuna and other animal fillers is not required for customs clearance purposes.

### Rostekhnregulirovaniye set targets for 2006

By its decree №266-p dated on February 28, 2006 the Russian Government approved of the Concept for National Standardization developed by the Russian Federal Agency for Technical Regulation and Metrology (Rostekhnregulirovaniye). Many Russian standards should gradually move from mandatory to voluntary status in the next few years. The Concept has been designed to assure efficient functioning of the new system.

As announced by Grigory Elkin, head of Rostekhnregulirovaniye, the main tasks for the year 2006 will be closer cooperation with international organizations, attraction of young specialists to the Agency, putting in order the certification market, establishment of a unique information system for technical regulation and launch of the program "Measurement standards of Russia".

### Customs valuation instead of PSI

The Ministry for Economic Development and Trade requires that the Federal Customs Service starts using third party customs valuation.

One or several inspection companies selected by the State by mid-May 2006 will be collecting data regarding products exported to Russia. The data will be used by Russian customs authorities as a reference while calculating import duties. At first, this initiative will concern electronics, furniture, shoes, furs and leather products. The valuation services will be paid from the Russian State budget.

The decision on pre-shipment inspection (PSI) discussed during 2005 has been delayed by the Russian government for an uncertain period of time.

### Special economic zones attract investors

On February 16, 2006 the Minister for Economic Development and Trade Guerman Gref reported on implementation of the Federal Law №116-FZ "On special economic zones in the Russian Federation" dated on July 22, 2005.

In the mid of January, agreements have been concluded with relevant Russian regional authorities regarding establishment of engineering, transportation and social infrastructure for the 6 zones previously selected on a tender basis. Out of the six zones, four will focus on R&D (in Dubna, Zelenograd, Tomsk and St. Petersburg) and two will focus on production (home appliances in Lipetsk region and automotive in Tatarstan Republic).

Foreign investors are expected to participate in the special zones development. Among those whose projects are already in the pipeline: Indesit, Merloni, Ciamaglia, DeLonghi, Electrolux, Siemens, Great Wall. Investors will benefit from the special conditions such as taxation and customs clearance privileges.

## 2. On market track: trade & investments

### Germany leading in trade with Russia

Russian Customs Statistics for 2005 demonstrate export growth from non-CIS countries to Russia. Import of machinery developed most dynamically. Share of non-CIS countries in total Russian imports accounted for 80.8% (+5.5 pct vs 2004).

Imported product category	'05 vs '04	Import value, '05
All, from non-CIS	+37.5%	79.6 bln \$
Machinery		48.2%
Chemical products		17.9%
Foodstuff		17.0%

The major trade partners of Russia among non-CIS countries in 2005 have been:

Trading partner	Export-import turnover	2005 vs 2004
Germany	33,0 bln \$	138,2%
Netherlands	26,5 bln \$	159,4%
Italy	23,5 bln \$	153,5%
China	20,3 bln \$	136,7%
Turkey	12,6 bln \$	145,2%
Poland	11,4 bln \$	141,9%
Switzerland	11,3 bln \$	135,9%
United Kingdom	11,0 bln \$	143,3%
USA	10,9 bln \$	110,8%
Finland	10,7 bln \$	131,4%

### Exports to Ukraine and Kazakhstan develop

Export to Ukraine in January 2006 increased by 1.5 times vs January 2005 up to 2.7 bln \$. Most goods came from Russia (35.1%), Turkmenistan (12.3%), Germany (7.4%), China (4.9%), Poland (3.8%), Italy (3.2%).

Export to Kazakhstan reached 1.3 bln \$, i.e. +16.4% vs January 2005.

### Russia: #1 for new clientele

34% of the respondents to PriceWaterhouse-Coopers survey wish to start business in Russia in the nearest future. The survey covered 1410 companies from 45 countries. Although not the first priority for production purposes, Russia was listed as the most interesting market in the world in terms of new clientele development, leaving behind Brazil, India and China.

According to the opinion of the 56 interviewed companies already active in Russia, high-qualified talented staff and proximity to largest consumer markets are the two key global advantages of Russia.

## 3. What's new with SGS

### SGS in Russia will celebrate its 25-year jubilee

Established in Russia since 1981, SGS will be celebrating its quarter century jubilee this year. During 25 years, SGS has been offering its competencies to facilitate international trade in Russia.

[Alim Saidov](#), Managing Director with SGS Vostok Limited (Russia):

*"The Russian market offers our Clients unique opportunities, and we are ready to meet their ever increasing demand for added value services."*

### German & Polish exporters get trained

SGS Germany jointly with the national Chamber of Commerce has scheduled regular seminars all over the country for the coming months up till September 2006. The first seminar took place in February in Bremen. Dates and locations can be [found on the web](#).

SGS Poland made a presentation over Certification for Russia and other CIS countries at the seminar in Polish-Belarusian Chamber of Commerce and Industry.

## 4. Customer's point of view

### Petroleum Equipment by FMC Technologies

[FMC Technologies SA](#) (France), member of the American group FMC Technologies Inc., is the oil and gas industry's leader supplier of fluid loading and transfer systems from cryogenic to elevated temperatures.

To be exported and exploited in Russian territory, Wellhead equipments and Loading arm installations have been certified by SGS in accordance with the Russian standards.

Twelve GOST R Certificates of Conformity and RTN Permits to Use have been delivered to FMC Technologies SA since 1997.

*"We applied to SGS for Russian certification in order to reduce administrative load and to avoid linguistic barrier. The technical competence of SGS experts helped us to complete the certification process in the most effective way."*

*(Philippe Viel, Total Quality Manager  
FMC Technologies SA)*