

Dear Reader,

End of the year gives excellent opportunities to look behind and to strike the balance. Therefore, we start this publication by reviewing key indicators in certification field. Although, we could have done the same exercise already in September ☺ - Russia started to celebrate the New Year in January (instead of September) only under Peter the Great, who initiated this tradition at night from December 31, 1699 to January 1, 1700! Whatever the calendar system you might use, let us wish you all the best for the next 12 months and, above all, successful development of your business in CIS.

Sincerely Yours,
SGS Team for Russian / CIS Certification

1. In focus: laws & regulations

Over 400 thousands certificates issued

During 2005, 450 GOSTs (Russian State standards) have been approved and 130 standards revised. Over 400 000 GOST R Certificates of Conformity (CoC) have been issued. Comparing with the year 2004, the number of issued certificates has decreased by 40%; however, the number of Declarations of Conformity (DoC) has grown proportionally.

Fewer goods liable to certification

As per the Governmental Decree dated on December 17, 2005, the list of goods subject to mandatory certification in Russia has been shortened (to come into force at the end of January). As a result, for some categories Declaration of Conformity (DoC) would replace the former Certificate of Conformity (CoC). The declaration would be required for household furniture, specific fabrics, shoes, fur products and other items.

Sanitary expertise for used equipment

By its letter No.06-61/41095 dated on November 24, 2005 the Russian Federal Customs Services informed that second-hand goods are not subject to sanitary-epidemiological examination. Therefore, sanitary-epidemiological conclusion certificates are not required for customs clearance of used products.

Product coding system will be updated

The Federal Customs Service intends to introduce changes in the Russia Customs Tariff. As told by Andrey Kudriashov, head of the Chief Department for Tariff and Non-Tariff Regulation within Federal Customs Service, starting from January 1st, 2007 customs codes will be updated for 10-15% of the product range, i.e. for about 1000 items.

New blank forms of certificates for medicines

In accordance with the letter of the Russian Federal Agency for Technical Regulation and Metrol-

ogy dated on November 20, 2005 N EP-101-27/4918, new forms for mandatory certification of medicines have been introduced with the objective to reduce falsification of certificates.

New Law on Technical Regulation in Ukraine

At the end of December, the Ukrainian President signed the Law "About standards, technical regulations and conformity assessment procedures", which complemented the Law "About accreditation of conformity assessment bodies" (in force since 2001). The new Law determines legal and organizational principles for development and application of national standards as well as technical regulation and conformity assessment procedures. The Law inscribes in the national program for Ukraine's access to WTO.

Russia and Ukraine discuss with the EU

In December, both Russia and Ukraine started official discussions with the EU regarding harmonization of laws and cooperation in the field of industrial goods standardisation and conformity verification aiming at lowering technical barriers in trade. Priority sectors for cooperation between Russia and the EU have been defined as: ICT, textile, pharmaceuticals, forestry, and automotive.

Belarus revises dairy standards

Starting from January 1, 2006, the new state standard will be introduced in Belarus for yogurts. Other dairy standards will be revised during 2006-2010, including milk, cheese, butter.

Electronic signature in Ukraine

In November, the Ukrainian Ministry for Transportation and Communications has started accreditation process for organizations certifying keys within the national electronic digital signature system. The new system will enable a legally viable electronic documentary exchange between legal entities, individuals and state authorities.

2. On market track: trade & investments

Export to Russia grew by 37.5%

According to Russian Customs Statistics, export to Russia from non-CIS countries in January-November 2005 grew by 37.5%.

Imported product category	Jan-Nov'05 vs Jan-Nov'04	Import value, Jan-Nov'05
All, from non-CIS	+37.5%	70.4 bln \$
Machinery		47.2%
Chemical products		18.2%
Foodstuff		17.2%

In particular, import of fresh and frozen meat from non-CIS countries to Russia rose by 41.6%, poultry meat – by 23.5%, frozen fish – by 17.3%, coffee – by 36.1%, medicines – by 18.8%, passenger cars – by 47%.

Boost of machinery import is expected

Inter-Departmental Commission for Foreign Trade Protective Measures has recommended the Russian Government to cancel 5-10% import duties for 630 items of technological equipment out of 1200. This measure will be valid for 9 months so that Russian companies have interest to upgrade their production during this period. "After review of this measure's results, the issue will be re-considered" - said German Gref, the Russian Minister for Economic Development and Trade.

Machinery and equipment account for over 30% of Russian imports (37.3% in 2003 and 41.2% in 2004). In 2005, import for this product category surpassed 41 billion USD.

The final list of equipment subject to import duty exemption should be published at the end of January – in early February. Preliminary, the list will include equipment for oil-processing, metallurgy, timber-processing.

3. What's new with SGS

Certifying supplies to Kazanefteorgsintez

Cooperation agreement has been signed with the general supplier of equipment to Kazanefteorgsintez (large Russian petrochemical plant). According to the agreement, SGS provides certification and licensing assistance to import and exploit machinery in Russia.

Educating exporters to Russia

SGS UK informed about specifics of export to Russia at the Annual Export Seminar at the Millennium Conference Centre in London.

SGS France participated as an official partner in the annual event «Rencontres Russie 2005», hosted by the French Senate.

Assisting C&A to do business in Russia

SGS Germany has started to certify products for C&A (Europe's house of clothing), which opened its first Russian retail outlet in Moscow.

Russian Telecom Certification

Starting from December 2005, new service has been made available to SGS clients – Russian Telecom Certification.

The Telecom market in Russia is considered as much perspective – developing fast, with mainly imported equipment. As per today, monthly number of the certificates issued in this scope reaches 200. Brief information on the certification procedure and other details are available [on-line](#).

4. Customer's point of view

North-West Combined Cycle Power Plant

Another case study has been developed and placed [at SGS web-site](#).

SGS implemented quality control and certification of gas turbine equipment and instrumentation delivered by Siemens AG Power Generation and Enprima Engineering Ltd. to North-West Combined Cycle Power Plant (CCPP).

To realize the project, SGS carried out inspection, verification and certification in Germany, Russia, Czech Republic, Finland and the Netherlands.

"When selecting subcontractor for CCPP project we opted for SGS, primarily, due to the fact that SGS could offer us full range of the required quality assurance services. Technical and management competence of SGS staff has been critical for the project's successful implementation."

(Siemens AG Power Generation)