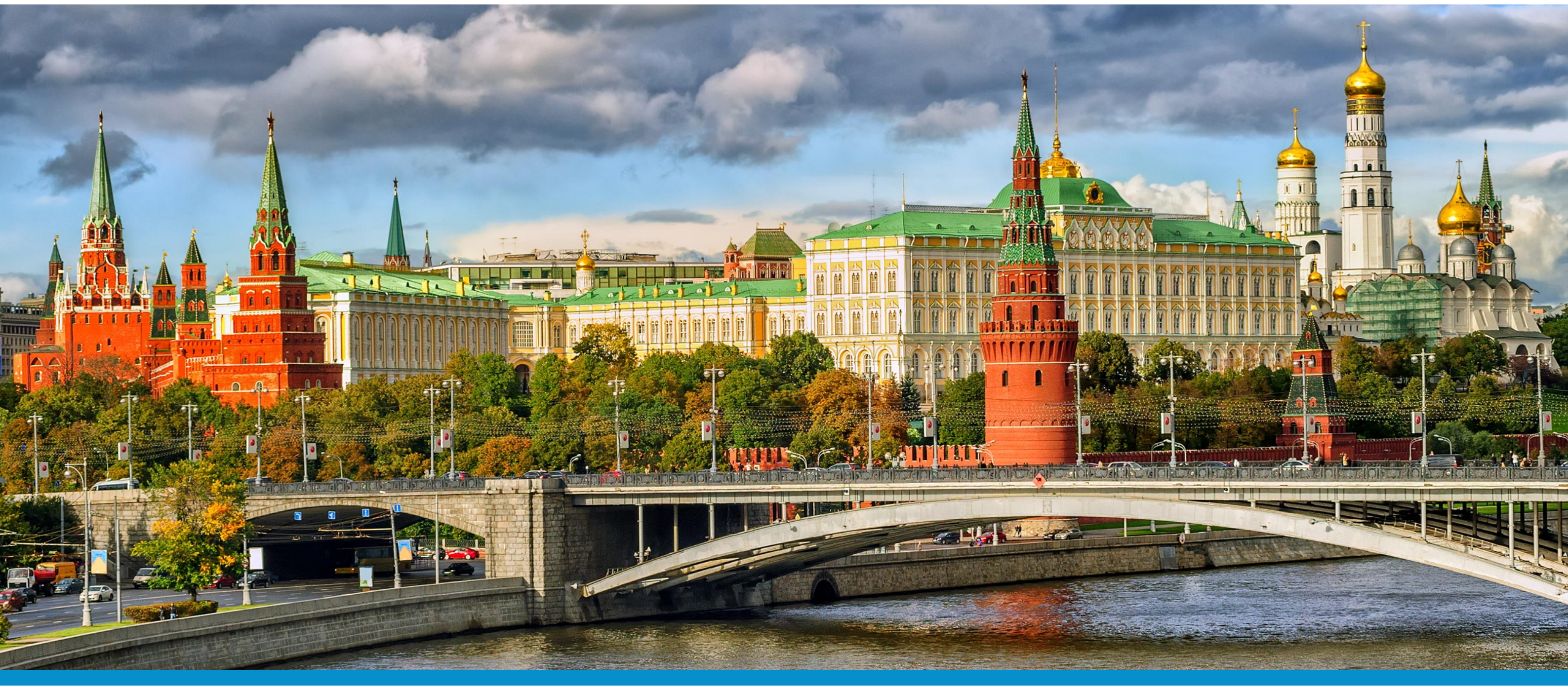

Russian Federation

Russian Chemists Union (RCU)

Number of companies

3,500

Direct employees

> 630,000

National contact

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CHEMICAL INDUSTRY SNAPSHOT

Central to the economy

The chemical industry is a key part of the national economy and industry in Russia. In 2018, the value of chemical and petrochemical output was approximately 3,800 billion Roubles, up 2.7% year-on-year and equal to 3.8% of gross domestic product (GDP).

Deep and broad

Russia’s chemical industry has some 3,500 large enterprises and SMEs, and 100 scientific and design organisations and experimental plants. Together they employ approximately 650,000 production workers.

Fuelled by oil and gas

Drawing on massive oil and gas reserves, the industry has developed ethylene complexes and ammonia plants, and expanded production of finished products.

Getting greener

The Russian Government, the Ministry of Industry and Trade and the Ministry of Energy have recently focused their attention on the strategic role of the chemical industry for a sustainable economy. In 2018, the government approved a new legislation on waste management.

Spread across the country

Geographically, the chemical industry is significantly represented in 44 of Russia’s 83 regions. Chemical and petrochemical production clusters are led by five main big companies:

- **Sibur holding company:** – SIBUR Tobolsk, in conjunction with the Zapsibneftekhim project is an anchor enterprise of the Tobolsk cluster, which includes an R & D centre and a local university.
- **Nizhnekamskneftekhim:** an anchor enterprise whose business activities embrace supporting R&D centres and cooperation with universities involved in the processing of petrochemical products in Nizhnekamsk, Krasniye Polyany, Kazan and other clusters.
- **PhosAgro:** leads at Cherepovets city and Apatity
- **EuroChem:** is the champion of Belorechensk city, Novomoskovsk city and elsewhere
- **Gazprom Neftekhim Salavat:** leads at the Salavat city cluster in the Republic of Bashkortostan

HOW ARE WE DOING?

Strengths

- Huge raw material resources
- Investment in processing and infrastructure
- Active development of chemical clusters

Weaknesses

- Need to meet multiple standards (The Eurasian Economic Union, the Customs Union, OECD, etc.)
- Low labour productivity
- Modernisation is still ongoing

OUR CONTRIBUTION TO A COMPETITIVE EUROPE

A threefold development strategy

Three major initiatives will contribute to further develop chemical production in Russia:

- Increased public focus on the industry’s development via the government’s Development Strategy of Chemical and Petrochemical Industries until 2030 Implementation of projects such as the RUSNANO research programme, and substantial efforts at large Russian companies and research universities

- Construction of the Amur Gas Processing Plant, a joint project involving the SIBUR holding company and Gazprom, and of the Amur Gaschemical Complex in the Far Eastern Federal district. These will form the world’s largest project for the production of specialty chemicals, ethylene, and polymer products

Opportunities for Growth

- Labour productivity
- Demand growth in Russia’s domestic market (including car assembly by leading automakers, a construction boom and agriculture development)
- Development of special chemistry
- Regional development (the Eurasian Economic Union, China, European Union, etc.)
