



Information certificate of Sverdlovsk region

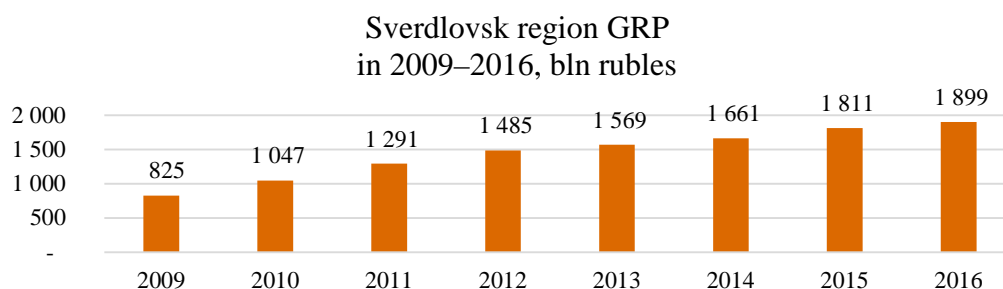
Today, Sverdlovsk region is a large industrial area, which traditionally hits top ten constituent territories in terms of key social and economic performances. The region is rich in natural resource deposits, has a diversified industrial complex, as well as significant scientific and human potential. The economy is based on mining, metallurgical and machine-building industries.

1. General information

The region was formed in 1934 and is located on the border of Europe and Asia. The region area is 194.8 thsd sq. km (1.1% of the Russian territory, 16th place in Russia). The Sverdlovsk region is a part of the Ural Federal District and consists of more than 94 municipalities. Administrative center: the city of Ekaterinburg (the fourth-largest city in Russia with population of 1.4 mln people). Major cities: Nizhny Tagil (372 thsd people), Kamensk-Uralsky (179 thsd people), Pervouralsk (125.6 thsd people). Population: 4.308 mln people (3% of Russian population and 5th place among the Russian regions).

2. Industry

In 2016, the gross regional product is expected to increase by 1.9% as compared to that in 2015 in comparable prices and amount to 1,899 bln rubles.



The major part of the Sverdlovsk region gross regional product is traditionally generated in the industrial sector of economy – 30.5%, wholesale and retail trade ranks the second – 18.8%. Real estate transactions sector generates 11.6% of the total GRP, transport and communications sector – 8.7%.

The region stably hits the top ten territories (6th place), which account for 53% of the total shipped industrial output of the Russian Federation (Sverdlovsk region share is 3%).

The volume of shipped industrial output for the full range of Sverdlovsk region organizations in January-October 2017 amounted to 1,585.4 bln rubles (112.9% as compared to January-October 2016 in current prices), including by type of activity:

- processing enterprises – 1,310.3 bln rubles (108.0% as compared to January-October 2016);
- supply of electric power, gas and steam – 168.8 bln rubles (137.7% as compared to January-October 2016),
- mining operations – 57.9 bln rubles (129.1% as compared to January-October 2016).

Sverdlovsk region GRP structure in 2015 (in %)



Growth in the physical production volume among processing industries in January-October 2017 as compared to the corresponding period of 2016 was noted:

- in production of computers, electronic and optical products – by 23.8%;
- in production of vehicles and equipment – by 21.7%;
- in production of motor vehicles, trailers and semi-trailers – by 20.3%;
- in production of machinery and equipment – by 16.8%;
- in production of electrical equipment – by 14.3%;
- in production of medicines and materials used for medical purposes – by 11.3%.

Industrial production index for the full range of organizations in January-October 2017 was 104.3% as compared to January-October 2016.

Production indices by types of activities in January-October 2017 as compared to January-October 2016 were as follows:

- processing industries – 105.1%,
- mining operations – 85.0%,
- supply of electric power, gas and steam – 109.6%.

The index of the leading industry – metallurgical production – was 105.4% as compared to January-October 2016.

2.1. Mining operations

The Sverdlovsk region has a wide range of ore and non-ore mineral resources. Regional mining enterprises mine and concentrate ores of ferrous metals (iron, chromium), non-ferrous metals (bauxites, copper, nickel and beryllium ores), fluxes, feldspars. The region also mines widespread mineral deposits and raw materials for construction industry (asbestos, gravels, sands, clays, cement raw materials).

Majority of mining enterprises are part of large-scale metallurgical holdings: Evraz-Holding LLC, UC RUSAL, UMMC-Holding LLC, Russian Copper Company CJSC, etc.

2.2. Metallurgical complex

Sverdlovsk region metallurgical enterprises occupy a significant share in the total output of Russian metal products, and in some commodity items they are leaders in world and European output.

Regional ferrous metallurgical enterprises mainly focus on production of the so-called “transport” metal (rails), as well as rolled section steel, rolled sheets and pipes.

Production of rolled section provides practically the entire classical range – from large beams to bar stock, wire and simple profiles, including those made of special steels. Regional pipe production enterprises are among the largest ones in the country and produce medium and small diameter pipes, solid hot-rolled, cold-reduced pipes, including those made of corrosion-resistant steels, as well as welded pipes. Up to 20% of the pipes produced at the Sverdlovsk region pipe plants are exported.

Non-ferrous metallurgical enterprises produce aluminum, copper, titanium goods. There is a leading Russian enterprise for production of titanium-based alloys and their subsequent processing – VSMPO – AVISMA Corporation OJSC – in the region. The enterprise produces sheets, bars, forgings, stampings, including machined ones. The enterprises of special metallurgy focus on several production areas:

- production of tungsten carbide-based powders, their pressing and agglomeration for production of various hard-alloy goods,
- production of precious and rare metal goods for petrochemical industry and a number of high-tech industries.
- production of rare metals-based addition alloys for ferrous and non-ferrous metallurgical enterprises.

The largest enterprises of the Sverdlovsk region metallurgical complex are:

1. EVRAZ Nizhniy Tagil Iron and Steel Works JSC (ferrous metallurgy);
2. VIZ-Stal LLC (ferrous metallurgy);
3. Pervouralsk New Pipe Plant OJSC (pipes production);
4. Uraltrubprom OJSC (pipes production);
5. Serov Ferro-alloy Plant OJSC (ferro-alloys production);
6. Klyuchevsky Ferro-alloy Plant OJSC (ferro-alloys production);
7. branches of SUAL OJSC (aluminum production);
8. Kamensk-Uralsky Metallurgical Works OJSC (aluminum production);
9. Uralelectromed OJSC (copper production);
10. Sredneuralsk Copper-Smelting Plant OJSC (copper production);
11. VSMPO-AVISMA Corporation PJSC (titanium production);
12. Kirovgrad Hard Alloys Plant OJSC (production of hard alloy goods);
13. Ekaterinburg Non-Ferrous Metals Processing Plant OJSC (production of non-ferrous metal goods);
14. Uralredmet OJSC (rare metals-based addition alloys).

2.3. Machine-building complex

Machine-building is one of the basic sectors of the regional industry which ranks the second (after metallurgy) in terms of output.

The regional machine-building complex is highly diversified. The main sub-sectors include power engineering, metallurgy, mining, hoisting-and-transport, railway, chemical and oil engineering, electrical industry, instrument engineering. The sector consists of about 300 large and medium-scale organizations including 38 defense-related enterprises. The number of employees is about 127 thsd people. The region produces about 5.2% of the Russian total machine-building output. Ural-manufactured machinery and equipment is exported to 92 countries of the world.

The military-industrial complex of the Sverdlovsk region has historically been one of the largest in Russia. The enterprises engaged in this industry produce weapons and military equipment for all service arms: ranging from tanks, cannon artillery and ammunition to ballistic missile control systems and optical-electronic guidance systems.

The largest enterprises of the Sverdlovsk region machine-building complex are:

1. Research and Production Corporation Uralvagonzavod JSC (military industrial products, railway and rolling stock, mobile drilling rigs).
2. Ural Locomotives LLC (electric freight locomotives, electric trains).
3. Kalinin Machine-Building Plant PJSC (military industrial products, loaders, municipal equipment).
4. Ural Turbine Works CJSC (steam co-generation and gas turbines, gas pumping units).
5. Ural Electrochemical Combine JSC (industrial isotopes of uranium, fuel cells).
6. Scientific and Production Association of automatics named after academician N. A. Semikhatov OJSC (automated control systems).
7. Production Association Ural Optical and Mechanical Plant named after E. S. Yalamov OJSC (optical products, medical equipment, geodetic equipment).
8. Uralelectrotyazhmash JSC (power electrical equipment).
9. Uralmash Oil and Gas Equipment Holding LLC (drilling, oil and gas equipment).
10. Ural Chemical Engineering Plant JSC (nuclear, chemical industry equipment).

2.4. Chemical complex

Sverdlovsk region chemical complex includes two aggregative types of economic activity: “chemical production” and “production of rubber and plastic goods”.

Chemical enterprises produce industrial gases, chrome compounds, sulfuric acid, copper vitriol, mineral fertilizers, synthetic resins and plastics, as well as paint and varnish materials, fiberglass and their products, perfumes and cosmetics, medicines, rubber and plastic products.

A specialized industrial park Tagil Chemical Park was established in the region. This is an industrial site with a ready infrastructure for placing highly hazard production facilities and development of chemical production as a single infrastructure complex with its own raw materials base. The park is located in Nizhny Tagil city (140 km away from Ekaterinburg). The total area is 128 ha. Hazard class is I-V. “Anchor” resident is Uralchimplast OJSC. Number of residents is 13. The main activities of the residents are: production of synthetic resins, plasticizing agents, reagents for road construction and corrosion inhibitors for oil and gas industry.

The Sverdlovsk region is one of the top five regions producing medicines in Russia. The annual regional pharmaceutical output is 1% of the domestic pharmaceutical market and about 7% of the regional chemical production volume. The region produces over 1,500 items of ready-made medicines and substances.

Non-commercial partnership Ural Biomedical Cluster, which includes 12 pharmaceutical companies, is arranged in the region. The cluster production core is the Research and Innovative Biomedical Hi-Tech Park Novouralsky (Novouralsk city) established in 2012. “Anchor” resident is Zavod Medsintez LLC (production of ready-made forms and substances of genetically engineered human insulin of Rosinsulin brand and ready-made medicinal forms of antiviral drugs, specifically Triazavirin). Number of residents is 5. The main activities of the residents are: production of infusion solutions, dialysis medical equipment, insulins, antiviral, anticancer drugs, antimicrobial coatings, pharmaceutical glass.

The largest enterprises of the Sverdlovsk region chemical complex are:

1. Ural Plant of Industrial Rubber Products OJSC (transport belts, molded and non-molded rubber products);
2. Uralchimplast OJSC (synthetic resins, plastics);
3. Uralelastotekhnika CJSC (rubber products);
4. Uralplastic-N CJSC (polymer packaging);
5. Russian Chrome Chemicals 1915 CJSC (chrome compounds of technical and reactive qualification);
6. Mondi Uralplastic JSC (flexible polymer packaging);
7. Scientifically Industrial Complex VMP CJSC (production of special coatings);
8. Uralbiopharm OJSC (ready-made medicines);
9. Irbit'sk Chemical and Pharmaceutical Plant OJSC (medicinal drugs);
10. Concern Kalina (branch of Unilever Rus LLC) (cosmetic products);
11. Zavod Medsintez LLC (ready-made medicines).

2.5. Timber processing complex

The timber processing complex is represented by two areas: “processing of timber and production of woodware” and “pulp and paper production; publishing and printing“.

Range of Sverdlovsk region timber processing complex main products includes: converted timber, plywood, wood-chip and wood-fibre boards, paper and cardboard, wallpaper, round timber, wood pellets, furniture, wooden prefabricated housings and crates.

The largest timber processing enterprises of the Sverdlovsk region are:

1. SVEZA Verkhnyaya Sinyachikha NJSC (plywood);
2. Turinsky Pulp and Paper Mill CJSC (paper, wallpaper, wood-fibre boards);
3. Novolyalinsky Pulp and Paper Complex LLC (paper, waterproof cardboard);
4. Tavda Plywood Industrial Complex LLC (plywood).

3. Transport infrastructure

Sverdlovsk region has an advantageous geographical location. Being in the center of the Eurasian continent at the intersection of the main trade and logistics routes, the region is the third largest transport hub of the country and one of the key transit centers of Russia.

The main components of the regional transport and logistics complex are:

– Koltsovo international airport – Russia’s largest regional airport, a member of Airports of Regions holding. Over 50 airlines conduct flights from the airport to more than 100 destinations. In 2017, Koltsovo served 5,404 mln passengers (26% more than in 2016, it ranks the 7th among Russian airports) and

processed 24.5 thsd tons of cargo and mail. Following the results of 2017, Koltsovo became the largest regional airport in terms of posting services. Last year, the main destinations for cargo delivery were Moscow, Harbin and St. Petersburg.

- Sverdlovsk railway is the main transit and processing hub for cargo and passenger flows that ensures transport and economic links of the Urals and Western Siberia industrial regions with the central, eastern and western regions of Russia and foreign countries. The main railway line serves the area of 1.8 million sq. km with population of over 10 mln people (serves over 12,000 industrial enterprises). The Sverdlovsk railway is one of the top three largest main railway lines in Russia and ranks the 2nd in terms of loading, providing 138.2 mln tons or 11% of the loading volumes of all Russian railways.

- a developed highway network that includes the International transport corridor Berlin – Vladivostok, system of federal road corridors exceeds 11 thsd km. There are 6 federal motorways and 7 main railway lines in the region.

4. Science and education

The Sverdlovsk region is one of the largest scientific and educational centers of Russia with two largest scientific centers of the Urals: Ural Federal University and the Ural Branch of the Russian Academy of Sciences.

Ural Federal University named after the first President of Russia B. N. Yeltsin (UrFU) is one of the largest research centers in Russia and the largest university in the Ural region in terms of the number of students and educational areas, research and innovative activities. At present, the UrFU coordinates implementation of a number of projects provided for by such strategic documents as the Strategy for Scientific and Technological Development of Russia, State Program “Digital Economy”, road maps of the National Technology Initiative, project “Universities as Centers of Innovation Creation Space”.

Scientific research and development in the region are also conducted by:

- 24 scientific institutions subordinate to the Ural territorial administration of the Federal Agency for Scientific Organizations (FASO),

- 22 institutes of the Ural Branch of the Russian Academy of Sciences (UB of RAS);

- 29 higher education institutions with over 67 thsd students studying;

- 110 specialized research institutes and organizations.

Currently, there are 9 hi-tech parks in the Sverdlovsk region, with 100 small and medium-scale innovative resident enterprises. These organizations employ 3.5 thsd people.

5. Culture

The Sverdlovsk region is an organic part of the world cultural space. 14 out of 104 historical cities of Russia are located in the Sverdlovsk region. There are 861 cultural and leisure institutions, 111 museums in the region. In Ekaterinburg, there are about 50 various museums, which annually participate in the international event “Night of Museums”. There is one of the world’s largest collections of constructivism architectural monuments preserved in the Sverdlovsk region capital.

Currently, Ekaterinburg – is one of the leading theatrical centers in Russia, there are 24 theaters in the city, many of them play on tour not only in Russia but abroad as well. The Sverdlovsk State Academic Philharmonic Society is one of the best ones in Russia with a 700 seat capacity organ-equipped concert hall and a 120 seat capacity chamber hall. The Sverdlovsk Film Studio — the only film studio in Russia outside Moscow and St. Petersburg that shoots both documentary and feature motion pictures — has been functioning in Ekaterinburg since 1943.

In 2015, the Center for Historical Heritage of the First President of the Russian Federation Boris Nikolayevich Yeltsin (hereinafter – the Yeltsin Center) was opened in the Urals capital. Museum of the first President of Russia and archive named after him functions under the aegis of the center. The Center main objective is to preserve, study and comprehend the historical legacy of Boris Yeltsin in the context of political and social events of the 1990s.

6. International activity

6.1 International cooperation

The Sverdlovsk region cooperates with foreign partners from more than 135 countries of the world. The region ranks the 3rd among the Russian constituent territories in terms of the number of opened official representative offices of foreign states:

- 15 official representative offices of foreign states;

- 9 honorary consuls of foreign states;

6 official representative offices for promoting national business, culture and language.

Sverdlovsk region international cooperation develops on the basis of 39 agreements on cooperation with federal state authorities and administrative-territorial entities of 21 foreign countries (Abkhazia, Austria, Armenia, Belarus, Bulgaria, Hungary, Vietnam, Georgia, India, Italy, Iran, Kazakhstan, China, Moldova, Poland, Slovakia, Tajikistan, Uzbekistan, Ukraine, Finland, Czech Republic).

In 2017, **over 200 international events** were arranged and conducted with participation of official representatives of foreign states. In 2017, the Sverdlovsk region was visited by 17 ambassadors of foreign states to the Russian Federation, as well as 9 representatives of senior executives of foreign states embassies to the Russian Federation. This is a **record high level since 2003**.

There were **37 receptions of foreign government delegations**. The most high-ranking representatives of foreign states, who visited the Sverdlovsk region in 2017, are the President of the Czech Republic, M. Zeman, Deputy Prime Minister of the Republic of Belarus V. I. Semashko, as well as heads of the executive bodies of Japan, Czech Republic, Republic of Belarus, Gulf States.

6.2. Foreign economic activity

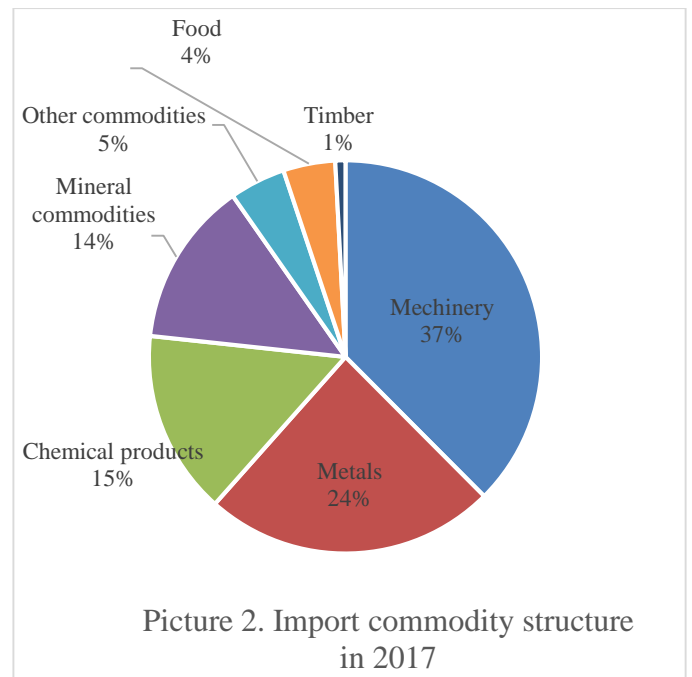
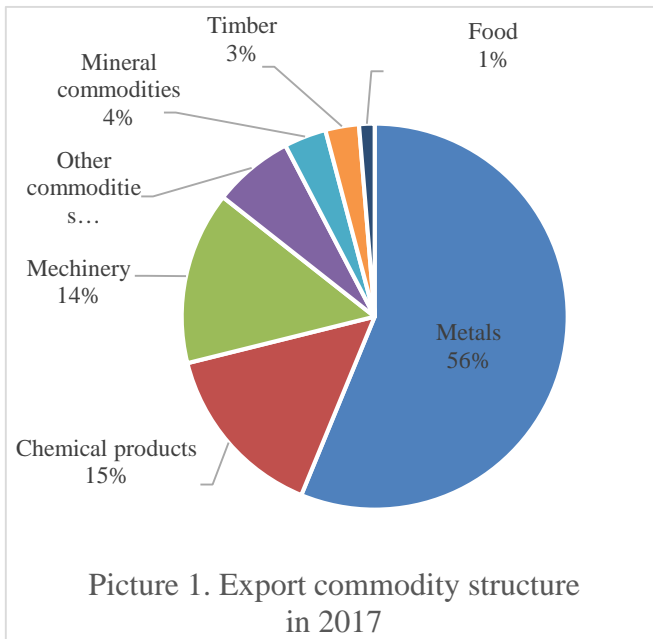
The Sverdlovsk region is the largest export-oriented region of the Urals. According to Customs statistics for 2017, the region ranks the eighth among the constituent territories of the Russian Federation with a share of about 2.2% in total exports. Non-resource non-energy export accounts for 96.1% of the total volume. The Sverdlovsk region ranks the second after Moscow city in term of this indicator.

Foreign trade turnover in 2017 amounted to 10.6 bln US dollars (based on the Customs statistics data taking into account trade with the Eurasian Economic Union states). Foreign trade turnover increased by 9.8% as compared to the corresponding period of 2016.

In 2017, Sverdlovsk region export (Figure 1) is traditionally based on metals and products from them (56%), chemical products (15%) and machine-building products (14%). Machinery and equipment (36%), metals and products from them (23%) as well as chemical products (15%) prevail in the import structure (Figure 2).

The 5 largest trading partner states of the Sverdlovsk region are the USA, China, Kazakhstan, Germany and Greece.

There are joint ventures and large investment projects such as: production of titanium avionics parts (Boeing, USA), locomotives and electric trains (Siemens, Germany), metalworking CNC machines (TOS VARNSDORF, Czech Republic; EMCO, Austria; OKUMA, Japan), power engineering products (MR, Germany), cement (Dyckerhoff Germany) and dry building mixes (Saint-Gobain, France), marble (OMYA, Switzerland) and lime (Lhoist Group, Belgium), baby food and dairy products (Danone, France), Bell 407GXP helicopters (Bell Helicopter, USA), light aircrafts Diamond DA 40 and DA 42 (Diamond Aircraft Industries GmbH, Republic of Austria), production and restoration of mold walls for continuous casting machines (Mishima Kosan, Japan), production of special coatings for drill pipes (Hilong Group of Companies, PRC), successfully operated and implemented in the region in cooperation with foreign partners.



6.3. International business and exhibition events

The Sverdlovsk region is one of the largest Russian centers of international exhibitions and congresses. Over 250 exhibition and congress events of international and interregional level are held in the region annually. Recently, the region has become a venue for the following major international events:

- summits of the Shanghai Cooperation Organization (SCO) and the BRIC group (June 2009);
- The 31st Russia — European Union Summit (June 2013);
- The 10th Forum of Interregional Cooperation of Russia and Kazakhstan (November 2013);
- The 6th Russian-Azerbaijani Forum (September 2015);
- The 5th Russian-Turkmen Economic Forum (March 2016);
- The 3rd Russian-Chinese EXPO (July 2016);
- The first forum of rectors of the BRICS Network University (April 2017);
- The 4th BRICS Legal Forum together with the 11th session of the European-Asian Legal Congress (June 2017);
- The first World Congress for Persons with Disabilities (September 2017);
- Regional stage of the 19th World Festival of Youth and Students (October 2017);
- Russian-Czech Business Forum with participation of the President of the Czech Republic M. Zeman (November 2017).

In addition, since 2010 the International Industrial Exhibition “INNOPROM” (hereinafter referred to as the INNOPROM) – the main international exhibition of Russia in the field of industry, innovations and technologies – has been held in Ekaterinburg annually.

In 2017, over 600 companies from 20 countries, including 200 Russian industrial companies, took part in the INNOPROM as exhibitors. In all, the exhibition was visited by representatives of 95 countries. The President of the Russian Federation V. V. Putin took part in opening of the International Industrial Exhibition INNOPROM-2017. Japan was a partner country of the exhibition. Over 150 business events (including 12 topic tracks and special projects) with 500 speakers of international level took place for 4 days. 50 thsd people visited the exhibition. In 2017, the National Buyer Industrial Export Development Program IndEx was held for the first time as part of INNOPROM business program. 202 representatives of foreign business from 39 countries took part in the program.

In 2018, the main topic of the INNOPROM exhibition is “Digital Production”. Republic of Korea is a partner-country.

According to the agreements between the Government of the Russian Federation and Government of the People’s Republic of China, the “Russia-China EXPO” has been held by turns in Ekaterinburg and

Harbin Since 2015. In 2016, the Third Russia-China EXPO was held in the Sverdlovsk region. Delegation of the national authorities of the People's Republic of China headed by the Vice Prime Minister of the PRC State Council Wang Yang visited the region as part of the exhibition. Over 2,000 people took part in the exhibition on behalf of China. The largest event of the EXPO was the "Heilongjiang Province Days", attended by more than 1,500 people. A unique large-scale exchange of contacts between Sverdlovsk and Chinese enterprises was held in the Urals Federal District as part of the event. A total of 523 enterprises took part in the exchange of contacts (258 Russian and 265 Chinese companies).