



SVERDLOVSK OBLAST

Land area: 75,212 square miles (194,800 square km).

Population: 4,399,700 (2007), 83% urban.

Unemployment rate: 1.26% (Jan. 1, 2008).

System of education: 1,394 schools (402,600 students); 86 technical schools (88,300 students); 54 highest education establishments (180,500 students).

Capital: Yekaterinburg (est. 1723, population 1,315,100, 4th biggest city in Russia). Yekaterinburg is a sister-city of San Jose, Calif.

Number of towns and districts: 30 districts, 47 cities, 26 townships, and 1,841 rural administrations.

Largest cities: Nizhni Tagil (377,500 inhabitants), Kamensk-Uralsky (181,600), and Pervouralsk (133,600).

Climate: temperate continental.

Temperature: in January is 3F (-16C); in July 63F (+18C).

Rivers: 18,414 with the overall length of 68,000 km; the main are Iset, Pyshma, Tura, Tavda, Chusovaya, Ufa, and Sylva.

Lakes: 1,600.

Governor: Eduard Ergartovich Rossel (born 1931, in office since 1991).

Famous people: sculptor Ernst Neizvestny, film director Stanislav Govorukhin, writers Pavel Bazhov and Dmitry Mamin-Sibiriyak, President Boris Yeltsin, First Lady Naina Yeltsina, physicist Igor Kurchatov, hockey-players Alexey Yashin and Nikolai Khabibullin, president of the Russian Academy of Sciences Yuri Osipov, USSR prime-minister Nikolai Ryzhkov, rock-stars Vladimir Shakhurin, Vyacheslav Butusov, and Vadim Samoilov.

NATURAL RESOURCE BASE

The State Balance of Mineral Reserves registered about 1,700 fields of minerals; 200 of them are explored.

Deposits: 98% of all Russia's vanadium, 82% of asbestos, 71% of bauxites, 21% of iron ore (24 explored deposits with proven reserves of 7.9 billion tons), 20% of fire clay, 6% of copper ores, and 2% of nickel.

Oil and gas reserves: 240 million tons of oil; 390 billion cubic meters of gas.

Forests: Cover 16 million hectares (45% of which covered by coniferous forest) including 108,900 hectares of town forests and 252,300 hectares of prohibited areas along the roads. 52% of the forest reserves are especially valuable (1st group), 24% partially exploited (2nd group), and 24% less valuable (3rd group).

Forestland covers 80% of the Oblast's territory. The Oblast has 641 strictly protected natural zones covering an area of 1.3 million hectares including two forest reserves with a conservation zone (176,150 hectares), a national park (49,050 hectares), 3 natural parks of regional importance (100,500 hectares), 55 game reserves (837,400 hectares), 423 natural memorials (45,050 hectares), and 157 other objects (137,160 hectares).

Animal life: 40 species of mammals, not counting mice and other similar species. Squirrels, varying hares, and moose are often encountered.

Birds: 210 species, including 30 species of waterfowl and 57 species of game birds.

Fishing: pike, various species of carp, tench, pikeperch, bream, and perch.

Water system: 18,414 rivers with a total length of 42,253 mi (68,000 km); reservoirs with a total water volume of 2,482 million cubic meters and 1,200 artificial lakes

with volumes from 50,000 to 700,000 cubic meters; 2,500 lakes with a surface area of 425 square miles (1,100 square km); 146 slurry and ash gathering ponds and toxic water settling ponds with a total volume of 990 million cubic meters and a surface area of 55 square miles (141.2 square km); 1,500 swamps.

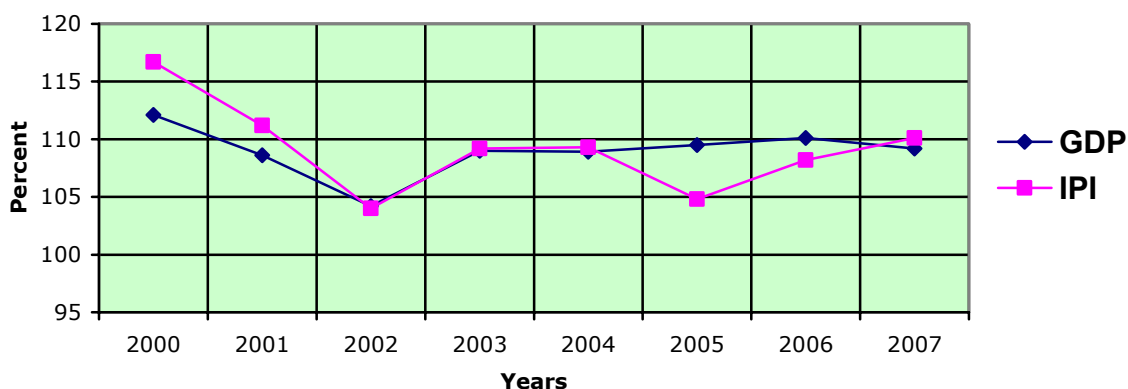
CURRENT ECONOMIC SITUATION

Budget: RUR 142.6 billion (2008).

Industrial production index (IPI): 110.1% (2007).

Gross domestic product (GDP): RUR 800.7 billion.

GDP and IPI



Leading sectors: heavy, power and transport machine engineering and metal processing, energy, timber, and transport.

Machine engineering and metal processing is 17.7% of total industrial output of the Oblast; 10% of all Russia's iron ore, cast iron, steel, and rolled metal; 30% of steel piping; 9% of hardware; 60% of bauxite; 53% of alumina; 8% of primary aluminum; 18% of rolled aluminum; 40% of refined copper. The company VSMPO-AVISMA supplies 30% of titanium for Boeing and 65% for Airbus.

The oblast also produces steam turbines, large electric machines, electrical equipment, blast furnace, steel-smelting and rolling mill machinery, agglomeration equipment, rolling stock, excavators, loaders, and military products.

The largest enterprises are OMZ, Uralelectrotyazhmash, Uralwagonzavod, Uralkhimmash, and Pnevmostroimashina.

Metals dominate in the Oblast's industry section with over 50% of the Oblast's total industrial output. 6 large aluminum companies produce 53% of all Russian alumina, 15% of all rolled aluminum, about 10% of all primary aluminum, and a major portion of the aluminum foil and fluoride salts.

The major ferrous metals companies are Nizhni Tagil Metal Works, Seversky Tube Plant, Sinarsky Tube Plant, Pervouralsky Novotrubny Plant, Kachkanar Ore Dressing Plant Vanadium, Serov Metal Plant, Nizhneresginsky Hardware Plant, VIZ-Steel, and Serov Ferroalloy Plant.

The major non-ferrous metal companies are: VSMPO-AVISMA Corporation, SUAL Branches (Bogoslovsky and Uralsky Aluminum Plants), Uralelectromed, Kamensk-Uralsky Metal Plant, Sredneuralsky Brass Works, Yekaterinburg Non-Ferrous Metal Processing Plant, and Sevuralboxitruuda.

Chemical industry: 2.5% of total industrial output.

Energy: 10% of total industrial output; 18 power stations with an installed capacity of 9,137 MW. The largest power stations are: Reftinskaya (generating capacity of 3,800 MW), Verkhnetagilskaya (1,500 MW), and Sredneuralskaya (1,193 MW). The Kurchatov Nuclear Beloyarskaya Power Station generates annually about 4.2 billion kWh of energy.

IT industry: 10% of total industrial production.

Constructing industry: about 4.5% of total industrial output.

Agriculture: covers 70% of oblast's dairy products, 55% of meat, and 25% of grain. Demand in the Oblast for vegetables, potatoes, and poultry is fully covered by local production. Poultry covers 13% of Russia's total poultry output.

Banking system: 44 banks with 24 regional banks, including Citibank, Raiffeisenbank Austria, Uralsib, VTB, and Alfa-Bank.

Insurance sector: 111 insurance companies.

Pharmaceutical industry: 30 companies.

Food industry: 6.5% of total industrial output; 400 enterprises. The largest companies: Kalina, Fat Work, Sladko Confectionary, Pepsi International Bottlers, Yekaterinburgsky Meat processing Factory.

Timber industry: almost 850 companies and 700 individual entrepreneurs.

Transport infrastructure: 7,073 miles (11,382 km) of public roads; 4,350 miles (7,000 km) of railroads that cover 10.5% of national territory and provide services for 7.4% of Russian population; 8 airports, including Koltsovo International Airport that ranks 5th by international flights turnover and 6th by the total passenger and freight turnover.

Special economic zone: none.

FOREIGN TRADE AND INVESTMENTS

Investment rate: BB (S&P); 1B (high potential, moderate risk; RA Expert).

Foreign investments: \$1,340,000,000

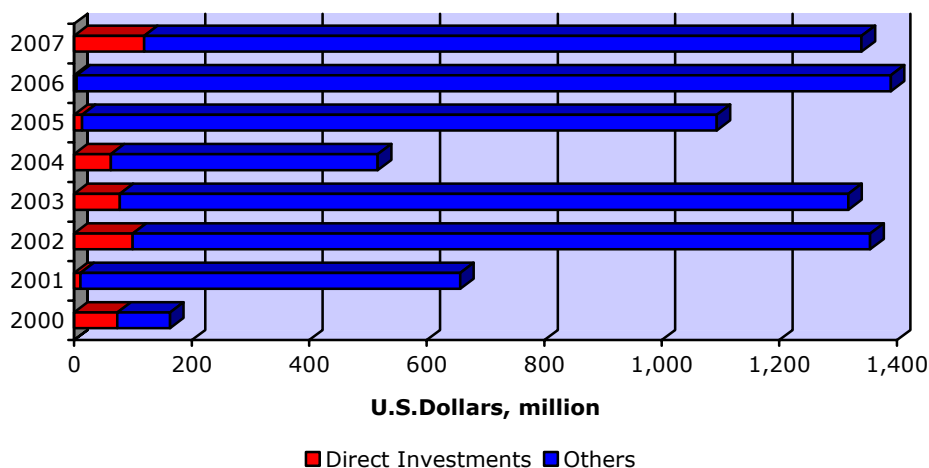
Today, about 400 enterprises with foreign capital from 64 countries operate in the Oblast. Cyprus, Germany, U.S. and U.K. are the leaders.

U.S. investments (included in foreign investments): \$102,200,000.

In 2007, the U.S. is the third major investor into the Oblast's economy with 7.6% of total foreign investments. The Netherlands, Austria, Germany, Cyprus and France are the other leading investors.

Today, 39 U.S.-Russian joint-ventures operate in the Oblast.

Foreign Investments



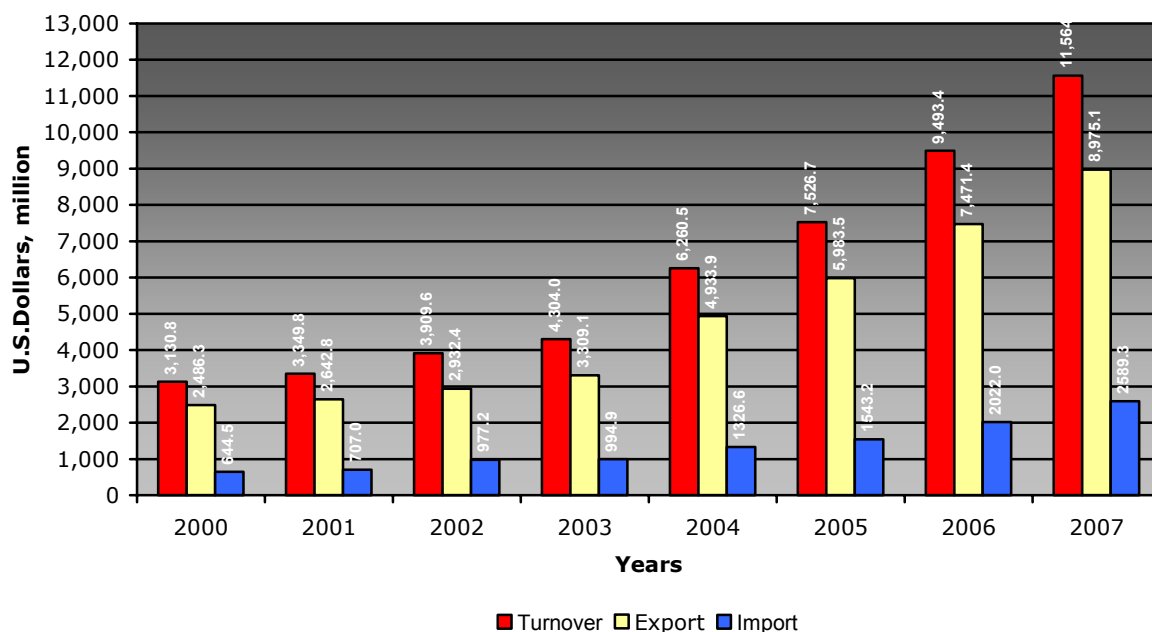
Trade turnover: \$11,564,400,000 billion (+21%)

Export abroad: \$8,975,100,000 (+20.1%)

Import into the Oblast: \$2,589,300,000 (+28.1%)

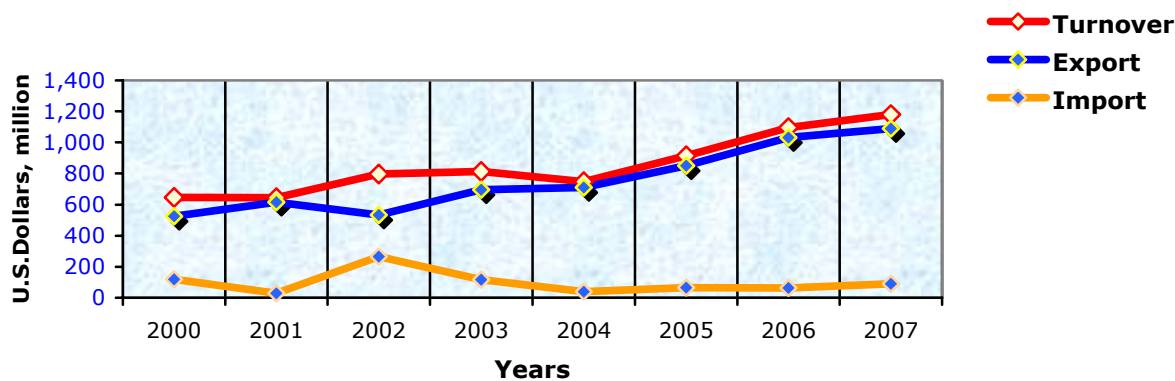
Major trade partners: the Netherlands, U.S., Kazakhstan, Germany, Ukraine, Italy, and China.

Foreign Trade Turnover, Export and Import



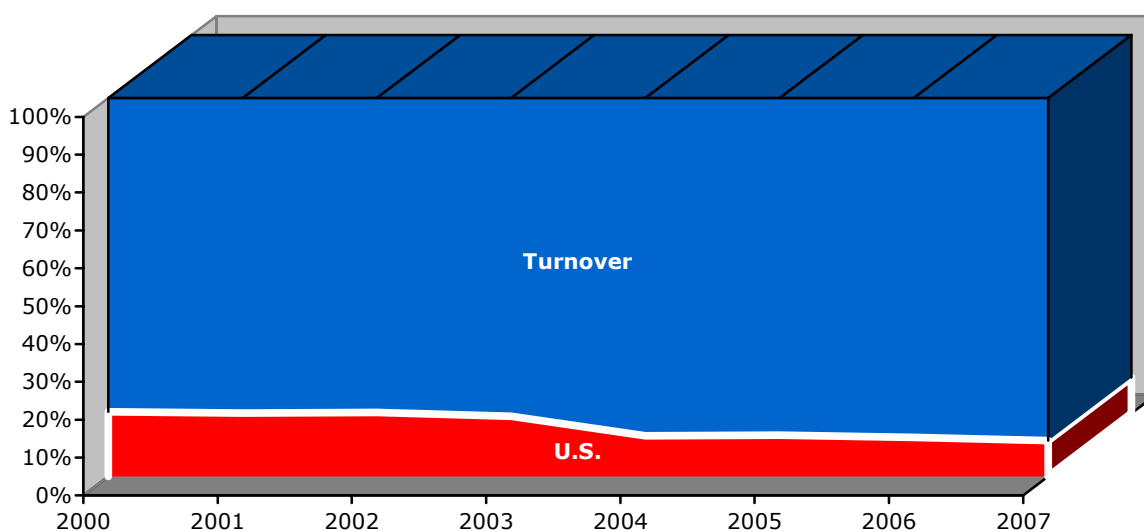
Trade turnover with the U.S.: \$1.18 billion, 2nd major partner
Export to the U.S.: \$1.09 billion
Import from the U.S.: \$90 million

Trade with the U.S.



Year	Place of the U.S. among foreign trade partners of the Oblast	Percent of the U.S. trade in Oblast's total foreign turnover
2000	1	20.58
2001	1	20.08
2002	1	20.38
2003	1	18.88
2004	2	12.02
2005	2	12.25
2006	3	11.54
2007	2	10.5

Turnover and the U.S.
















OBLAST'S POSITIVE FACTORS FOR INVESTING

- a) Stable economic growth that is higher than in Russia in general;
- b) Favorable geographical location on the border between Europe and Asia;
- c) Proximity of significant markets;
- d) Vast natural resource base;
- e) Well-developed transport and communication infrastructure;
- f) Well-developed industrial complex;
- g) Well-developed banking sector;
- h) Presence of major holding companies as well as successful medium- and small-size enterprises;
- i) Strategy of regional development until 2015 is already created;
- j) High scientific and research potential and highly-educated population;
- k) Well-qualified labor market.

DIPLOMATIC MISSIONS IN THE OBLAST

Yekaterinburg is the third biggest (after Moscow and St.Petersburg) diplomatic center in Russia. The following diplomatic missions operate in the Oblast:

-  **U.S., CONSULATE GENERAL WITH VISA SECTION**
-  **U.K., Consulate General with Visa Section**
-  **The Czech Republic, Consulate General with Visa Section**
-  **France, Consulate General with Visa Section**
-  **Germany, Consulate General with Visa Section**
-  **Hungary, Consulate General with Visa Section**
-  Armenia, Honorary Consulate
-  Austria, Honorable Consulate
-  Belorussia, Branch of the Embassy
-  **Bulgaria, Consulate**

-  **China, Consulate General**
-  Italy, Honorary Consulate
-  **The Kyrgyz Republic, Consulate General**
-  Mongolia, Branch of the Embassy
-  **Vietnam, Consulate General**

To Be Opened in 2008:

-  **Azerbaijan, Consulate General**
-  Republic of Congo, Honorary Consulate
-  Denmark, Trade Representation
-  Greece, Mission Status to be Determined
-  **Italy, Consulate General**
-  Japan, Mission Status to be Determined
-  Republic of Korea, Honorary Consulate
-  Serbia, Mission Status to be Determined
-  **Tajikistan, Consulate General**

AMCHAM MEMBER COMPANIES IN THE OBLAST

About 70 AmCham member companies have their regional branches and/or offices in the Oblast:

3M, Alfa-Bank, American Councils, ANCOR, Antal International, AVIVA Insurance Company, Banque Société Générale Vostok, BDO Unicon, Brainpower, Cetelem, Citibank, CityMortgageBank, Coca Cola HBC Eurasia, CROC, DHL, Ecolab, Equant, Ernst & Young, Eurocement, European Bank for Reconstruction and Development, Federation of Jewish Communities of the CIS, Fund for Sustainable Development, Gallery Media Group, Greif, Herbalife International, Hertz, Hewlett-Packard, Information Technologies, Interlab Inc., International Bank of Azerbaijan, International Research and Exchange Board, International Science and Technology Center, Intertech Corporation, Jet Infosystems, Johnson and Johnson, Johnson Controls, Kelly Services, KMB-Bank, Language Link, PSE MIG, Mary Kay Inc., Merck, Sharp & Dohme IDEA, Metro Cash & Carry, Nayada, Nestle, News Outdoor, Novo Nordisk, OSG Record, Pepsi International Bottlers, Pony Express, Porsche, Promet, Raiffeisen Leasing, Raiffeisenbank, Reisbuero WELT, RosInter Restaurants, ROSNO, Rossia Insurance Company, STS Logistics, Troika Dialog, U.S. Foreign Commercial Service, Ural Oil Company, UralSib Bank, URSA Bank, VTB-Bank, VTB-Leasing, Ward Howell, Xerox, and Yandex.