



Critical drop in demand for construction materials and equipment caused by a 40% fall of the primary property market is forcing market leaders out. According to Delovoy Peterburg, Federal Pipe Company (FTK) ROSTR Pipe Plant in St. Petersburg, third largest producer of plastic pipes and fittings in Russia, is closing down.

The news was reported by employees of FTK ROSTR and confirmed by market participants. General Director, Igor Bratushka, informed staff of the owners' decision to close the plant and sell the equipment. ROSTR declined to comment on the news and there were no official announcements at the time of writing.

The plant was originally opened in 2009, and went on to become one of the largest producers of plastic pipes and fittings

in the North West and the third by output in Russia in 2013. The turnover of FTK was around 1.5 billion roubles per year.

In 2014, after the new technical regulations of SUE "Vodokanal of St. Petersburg" ("Water supply and disposal networks design") came into force, the plant had to modernise production in order to meet the requirements. Unfortunately, this coincided with the market entering a decline and the plant failed to recover their investment.

The closure of FTK ROSTR is a very worrying development for the plastic pipes industry and the economy of Russia. The current Russian economic reality continues to be challenging, even for the largest production companies making goods that meet tough quality standards and can compete with the world's leading producers.

