

EXPERT RA: MAJOR RUSSIAN COMPANIES

RAEX Rating Agency (Expert RA) has presented their traditional rating of Russia's major companies. The number of participants has increased from 400 to 600, which rating creators say is due to an increase in companies that could qualify as a large business due to their size and scale. It was therefore time to include these businesses in the rating.

The major rating criterion is 2014 sales revenue (works and/or services). The rating includes companies from almost all economic sectors, with priority given to IFRS or US GAAP standards as well as polling of the companies.

Total revenue of RAEX-600 companies (the rating brand) in 2014 reached 60 trillion roubles making an 85.5% ratio to GDP.

Total revenue of the 600 largest Russian companies grew in 2014 by 13.1% which is 1.5 times more than the turnover growth indicator for all Russian companies. Whilst it is reassuring that large businesses are a dynamic segment within the economy, if this indicator is projected against inflation (which was 11.4 % in 2014 according to Rosstat) the result is stagnation. Taking into

consideration the weakening rouble (the average dollar exchange rate grew by 21% in 2014) then the term "drop" can be applied, at least, to the currency equivalent of the revenue of the largest companies.

One in four of Russia's major companies ended the year with a loss. The production sector saw the worst performance with 32% of industrial companies ending the year with a loss. Specifically, this represented more than half of the iron and steel, precious metal and diamonds industry, about 40% of coal mining and engineering companies, every third chemical, petrochemical and food industry company, and every second non-ferrous metal company listed in the rating suffered a net loss.

POLYPLASTIC Group, the largest Russian plastic pipe producer, was no exception. Despite total sales revenue growth of 9% (29.0 billion roubles) 2014 ended with a loss, putting the company in 335th place out of 600.

Source: raexpert.ru

SOCAR POLYMER HAS BEGUN CONSTRUCTION OF A NEW PE PRODUCTION FACILITY IN AZERBAIJAN

SOCAR Polymer, a subsidiary company of SOCAR (the State Oil Company of Azerbaijan) began construction of a new PE production facility in the Sumgait chemical industrial park (SKSP, Azerbaijan) in October 2015. Ilham Aliyev, the President of Azerbaijan, took part in the opening ceremony.

SOCAR Polymer will produce medium and high density PE using Innovene S Process technology by Ineos Technologies. This provides a licence for Innovene as an Azerbaijani producer. The total production capacity for the plant is expected to be 120 thousand tonnes per year and will cover a wide range of PE including special bimodal PE 100 for pipe production.

The plant is scheduled to be commissioned at the end of 2018.

In April 2015 in Baku, SOCAR Polymer signed an engineering contract for the construction of an 180,000 tonne PP facility in SKSP with Maire Tecnimont S.p.A. According to the conditions of the contract, construction will be completed by the end of 2017.

30% of the goods that these new PE and PP plants will produce is planned to be used in the internal market, with the remaining 70% destined for export.

Source: mrcplast.ru

LUKOIL RESUMES PRODUCTION OF HDPE AT STAVROLEN

In April 2015, Stavrolen, a subsidiary company of LUKOIL OJSC, resumed production of HDPE after a prolonged period of downtime caused by a major accident in February 2014.

In the autumn of 2014 Stavrolen restarted production of polypropylene on a temporary basis, using an outsourced supply of raw materials from Russian companies and from neighbouring countries.

The accident at Stavrolen was a result of a fire breaking out in the ethylene gas separation unit and production was immediately stopped. The fire was finally extinguished completely 1st March. 18 people had been injured during the accident and a criminal

investigation was therefore launched in accordance with the Criminal Code of the Russian Federation for violation of health and safety rules at dangerously explosive facilities. According to the special committee investigation under Rostekhnadzor (Russian Technical Supervisory Authority), the fire was caused by a damaged corrugated plate in the left heat exchange section and decompression in the heat exchanger. Experts estimate the cost of reconstruction as 2.5 billion roubles.

Source: rccnews.ru