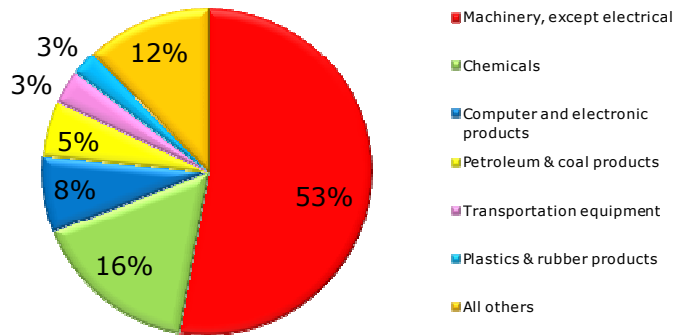


# Kentucky and the Russian Market

## Top Merchandise Exports to Russia

Percent of Total Exports to Russia in January-September 2011

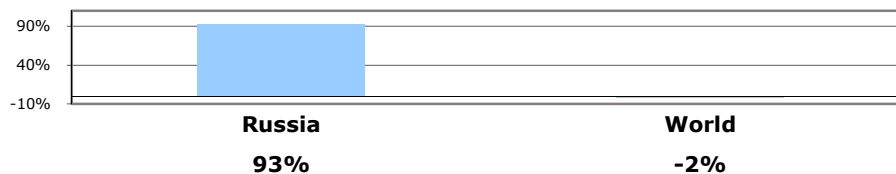


## Exports to Russia in US\$ Thousands<sup>1</sup>

Product	2007	2008	2009	2010	% Change 2007-2010	Jan-Sep 2010	Jan-Sep 2011
<b>Total</b>	<b>31,296</b>	<b>39,389</b>	<b>38,895</b>	<b>60,358</b>	<b>93%</b>	<b>51,243</b>	<b>27,880</b>
Machinery, except electrical	9,920	12,131	19,002	36,106	264%	33,035	14,732
Chemicals	8,480	9,937	10,466	11,792	39%	10,749	4,529
Computer and electronic products	579	1,468	1,490	1,709	195%	1,339	2,069
Petroleum & coal products	29	43	8	39	33%	0	1,507
Transportation equipment	783	2,379	1,212	261	-67%	113	933
Plastics & rubber products	1,778	3,115	1,951	4,577	157%	3,641	688
All others	9,727	10,316	4,767	5,873	-40%	2,367	3,423

## Kentucky's exports to Russia have grown faster than the state's exports to the world

Between 2007 and 2010, Kentucky's exports to Russia grew 93%, while its exports to the world decreased



<sup>1</sup> Source for State Export Data: Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce.

## Success Stories of Kentucky Companies Active in the Russian Market



**Cincinnati Machine LLC** a subsidiary of power tool manufacturer **MAG** headquartered in Hebron, Kentucky, exported more than \$11.6 million worth of milling machines, power saws, calculators, data processors, and other equipment and parts to Russian customers in 2010.<sup>2</sup> With approximately 60% of Russian industrial enterprises seeking to replace obsolete and outdated equipment within the next 3-5 years<sup>3</sup>, Russia is an important market for U.S. equipment manufacturers.



**Ford Motor Company**, which employs 4,000 workers at its truck manufacturing plant in Louisville, is a leader in the growing Russian automotive market. Ford's Focus model was the best-selling foreign car model on the Russian market in 2010, with Russian drivers buying more than 67,000 Ford Focus cars, marking growth of 29% over the 2009 sales.<sup>4</sup> Ford's strong presence in the Russian market is complemented by the company's 120 dealerships spread across 77 Russian cities, a parts center in Moscow<sup>5</sup>, and a \$330 million plant near St. Petersburg, which is the first auto production facility in Russia wholly owned by a foreign company.<sup>6</sup> Ford also exports vehicles from the U.S. to Russia.<sup>7</sup>



**General Electric**, whose 400-employee facility in Louisville, Kentucky, manufactures energy-efficient hybrid electric water heaters<sup>8</sup>, has been active in Russia since the 1920s, with significant growth occurring in recent years. Each of GE's businesses – Energy, Healthcare, Aviation, Transportation, GE Capital, and Home & Business Solutions – has a significant presence in Russia. Collectively generating annual revenues of more than \$1.5 billion, GE's businesses in Russia provide a full range of innovative products and services that meet the needs of customers and society in Russia.<sup>9</sup>

### Other Companies with a Presence in Kentucky that Export to and/or Do Business with Russia

3M Company  
Air Products and Chemicals, Inc.  
Alcoa, Inc.  
Amgen, Inc.  
The Black & Decker Corporation  
The Boeing Company  
Brown-Forman Corporation  
Caterpillar, Inc.  
CH2M Hill  
Citigroup, Inc.  
Cummins, Inc.  
Deloitte  
DuPont  
DVS Air and Sea, Inc.

Ernst & Young  
Fortune Brands, Inc. (Beam Global)  
General Motors Company  
Guardian Industries Corporation  
International Paper Company  
Koppers Inc.  
KPMG International  
Microsoft Corporation  
Papa John's International, Inc.  
PricewaterhouseCoopers  
SWECO  
Toyota Tsusho America  
Truseal Technologies, Inc.  
YUM! Brands

<sup>2</sup> "Kentucky," Trade Supports Jobs Website, <http://www.tradesupportsjobs.com/state/kentucky>, (accessed June 30, 2011).

<sup>3</sup> Tai Adelaar, "Industrial Downturn: Years of Neglect Have Come Back to Haunt Russian Industrial Capacity," Russia Profile, June 29, 2011.

<sup>4</sup> "In 2010 sales of new cars and light commercial vehicles in Russia showed growth on the market for nine months out of twelve," Association of European Businesses Press Release, January 13, 2011.

<sup>5</sup> "Хронология деятельности компании Ford в России," Ford Motor Company Website, <http://www.ford.ru/AboutFord/FordCompany>, (accessed July 2, 2010).

<sup>6</sup> "Основные факты," Ford Motor Company Website, <http://www.ford.ru/AboutFord/Plant>, (accessed July 2, 2010); Andrew E. Kramer, "Ford Celebrates Its Growth and Success in Russia," *The New York Times*, July 17, 2007.

<sup>7</sup> Ford Motor Company.

<sup>8</sup> "GE, State of Kentucky, Louisville and GE's Union Partner to Create New Jobs, Energy-Efficient Products," General Electric Company Press Release, June 1, 2009, <http://www.genescenter.com/content/detail.aspx?releaseid=6903&newsreadid=2>, (accessed January 25, 2011).

<sup>9</sup> General Electric Company.