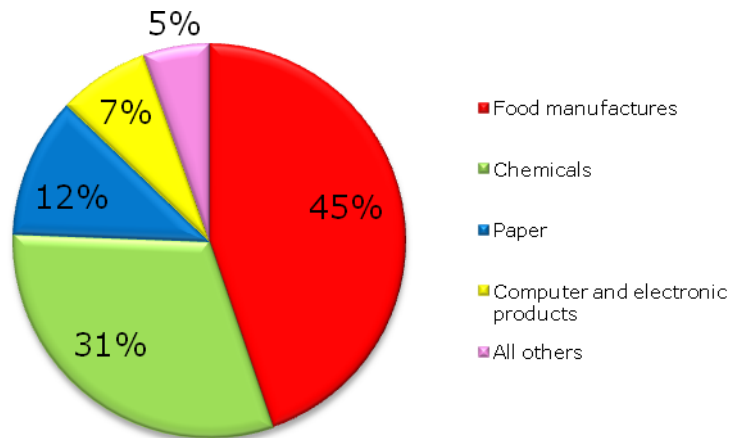


Mississippi and the Russian Market

Top Merchandise Exports to Russia

Percent of Total Exports to Russia in Q1 2011¹



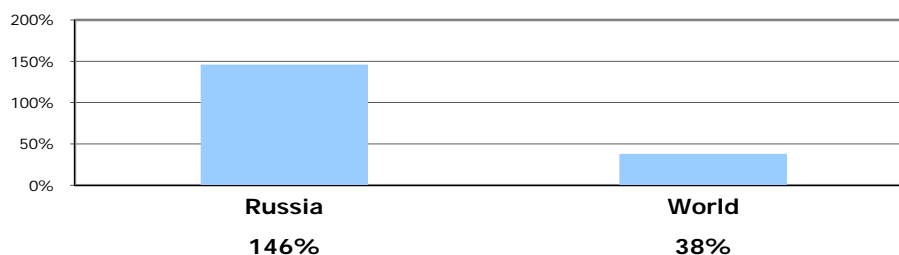
Mississippi's exports to Russia are on the rise

Exports to Russia in US\$ Thousands

Product	2007	2008	2009	2010	Q1 2010	Q1 2011	% Change Q1 2010-Q1 2011
Total	17,376	100,184	179,897	35,369	5,048	12,432	146%
Food manufactures	4,068	79,907	166,540	16,399	2,064	5,560	169%
Chemicals	3,375	1,534	3,185	9,585	929	3,836	313%
Paper	1,619	4,249	2,914	3,780	778	1,432	84%
Computer and electronic products	3,009	3,069	250	3,262	559	930	66%
All others	4,789	10,214	6,595	1,640	584	393	

Mississippi's exports to Russia are growing faster than the state's exports to the world

In the first quarter of 2011, Mississippi's exports to Russia grew 146% over the same period in 2010, while its exports to the world grew 38%



Russia's WTO accession will increase opportunities for Mississippi's exporters



Food manufactures: The Russian market offers opportunities for U.S. firms and farmers seeking to export crops and value-added food products. In acceding to the WTO, **Russia will be obligated to bind its agricultural tariffs and abide by science-based sanitary and phytosanitary (SPS) standards**, adding more predictability to the trading relationship and opening export opportunities for U.S. food producers.



Chemicals: The Russian market for chemicals is valued at \$32 billion, but domestic producers fulfill only half of the market demand², creating opportunities for U.S. chemical exporters to supply key industries in Russia, including the automotive, oil and gas, construction, and agriculture sectors. Russia has agreed to join the WTO's Chemical Tariff Harmonization Agreement and **will bind tariffs on chemical products along the processing chain at 5.5% and 6.5% upon accession to the WTO.**³

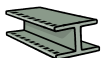


Computer and electronic products: Russia's personal computer market and software market are projected to more than double in size between 2010 and 2015, with sales of PCs expected to rise from \$7 billion in 2010 to \$15 billion in 2015 and software sales projected to grow from \$3 billion in 2010 to more than \$6 billion by 2015.⁴ **As part of its WTO commitments, Russia will permit IT imports to enter the country duty-free.**⁵

Success Stories in Mississippi-Russia Commercial Ties



International Paper, which operates an industrial packaging plant in Houston, Mississippi, sells paper, packaging and market pulp to Russian customers and has established its *Ballet* and *Svetocopy* paper brands as leading brands in the Russian office paper market.⁶ IP's sales in Russia are supported by the company's Russian subsidiary (ZAO International Paper) and its 50-50 joint venture with leading Russian pulp and paper company Ilim Group. The company envisions that, by 2012, every second sheet of paper and every third box in Russia will be made by International Paper / Ilim Group.⁷



Russian steel company **Severstal** has made significant, job-creating investments in Mississippi. In 2005, Severstal North America, the fourth-largest integrated steelmaking company in the United States, opened the first new U.S. steel mill in more than a decade with the launch of Severstal Columbus in Columbus, MS. This high-tech, 1,400-acre facility employs some 450 Mississippi steelworkers and was named a "Best Place to Work in Mississippi" in 2009.⁸

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

Alcoa, Inc.
BASF
The Boeing Company
Cameron International Corporation
Caterpillar, Inc.
Chevron Corporation
Cisco Systems, Inc.
Cummins, Inc.
DuPont
General Electric Company

General Motors Company
Guardian Industries Corporation
Hakan USA Inc.
Koppers Inc.
KPMG International
Lane Furniture Industries Inc.
Mars, Inc.
Mississippi Economic Council
TEREX
Wood Group ESP

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

² *Doing Business in Russia: 2010 Country Commercial Guide for U.S. Companies*, U.S. Commercial Service and U.S. Department of State, 2010.

³ "Results of Bilateral Negotiations on Russia's Accession to the World Trade Organization (WTO): Non-Agricultural Goods Market Access," Office of the U.S. Trade Representative, November 19, 2006.

⁴ "Russia Consumer Electronics Report Q2 2010," Business Monitor International, <http://www.companiesandmarkets.com/Summary/Market-Report/russia-consumer-electronics-report-q2-2010-278893.asp>, March 17, 2010; "Russia Information Technology Report Q1 2011," [companiesandmarkets.com, http://www.pr-inside.com/russia-information-technology-report-q1-2385265.htm](http://www.pr-inside.com/russia-information-technology-report-q1-2385265.htm), January 31, 2011.

⁵ "Non-Agricultural Goods Market Access," Office of the U.S. Trade Representative, November 19, 2006.

⁶ "International Paper in Russia," International Paper Website, <http://www.internationalpaper.com/RUSSIA/EN/Company/IPRussia.html>, (accessed December 14, 2010).

⁷ International Paper Company.

⁸ "Severstal – North America – Severstal Columbus," Severstal Website, http://severstal.com/enq/businesses/international/north_american/columbus/, (accessed July 7, 2010); "Severstal Columbus Fact Sheet," Severstal North America, http://www.severstal.com/images/stories/NorthAmerican%20Operations/severstal_columbus_fact_sheet.pdf, (accessed March 1, 2011).