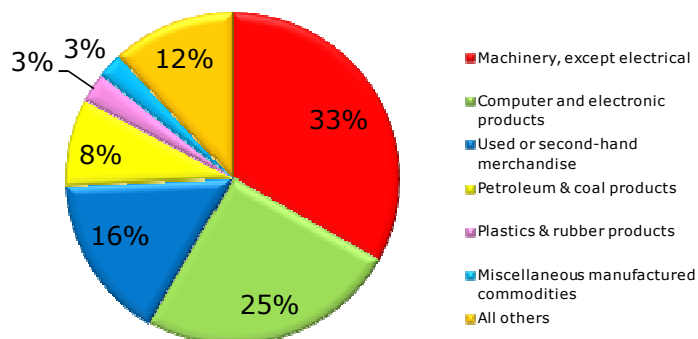


## Oregon and the Russian Market

### Top Merchandise Exports to Russia

Percent of Total Exports to Russia in January-September 2011



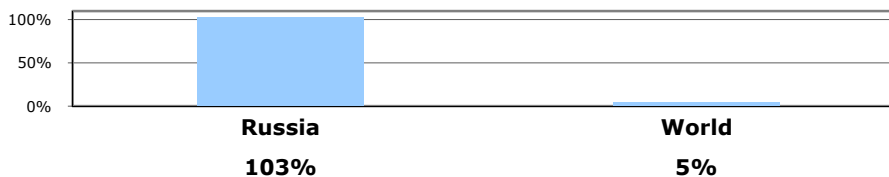
### Oregon's exports to Russia are on the rise

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

| Product                          | 2007          | 2008          | 2009          | 2010          | Jan-Sep 2010  | Jan-Sep 2011  | % Change 2010 YTD-2011 YTD |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------------|
| <b>Total</b>                     | <b>75,066</b> | <b>93,482</b> | <b>36,472</b> | <b>56,908</b> | <b>41,310</b> | <b>83,925</b> | <b>103%</b>                |
| Machinery, except electrical     | 22,815        | 26,959        | 12,270        | 19,796        | 14,959        | 27,834        | 86%                        |
| Computer and electronic products | 23,457        | 15,139        | 3,772         | 4,290         | 3,211         | 21,131        | 558%                       |
| Used or second-hand merchandise  | 2,920         | 10,684        | 1,537         | 8,395         | 7,042         | 13,433        | 91%                        |
| Petroleum & coal products        | 3,299         | 3,626         | 3,039         | 6,471         | 4,443         | 7,007         | 58%                        |
| Plastics & rubber products       | 127           | 39            | 424           | 1,691         | 1,624         | 2,458         | 51%                        |
| Misc. manufactured commodities   | 1,728         | 2,197         | 2,113         | 2,152         | 1,909         | 2,130         | 12%                        |
| All others                       | 20,719        | 34,839        | 13,318        | 14,113        | 8,122         | 9,932         | 22%                        |

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

In January-September 2011, Oregon's exports to Russia grew 103% over the same period in 2010, while its exports to the world grew only 5%



<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.  
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## Success Stories in Oregon-Russia Commercial Ties



**The Boeing Company**, which employs more than 1,500 workers in Oregon and directly or indirectly supports the jobs of another 7,000 Oregon workers<sup>2</sup>, sees a strong market in Russia for passenger and freighter aircraft. Over the next 20 years, Boeing forecasts that Russia and the CIS will require roughly 1,080 new planes valued at approximately \$110 billion. In the past 5 years, Russian airlines have purchased Boeing aircraft valued at \$11.5 billion at catalog prices, including twenty-two 787s and eight 777s sold to Aeroflot; five 747-8 Freighters sold to Volga-Dnepr; and fifty 737s sold to Russian Technologies.<sup>3</sup>



Russia-based steel company **Evrz Group** owns Oregon Steel Mills in Portland, which employs 450 Oregon workers<sup>4</sup> and is the only steel plate mill and the only steel structural tubing producer in the northwestern United States.<sup>5</sup>



**International Paper**, which operates a containerboard mill in Springfield, Oregon, 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.<sup>6</sup> 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.<sup>7</sup>



**Modern Machinery Co.**, which sells and rents high-quality heavy equipment to customers in Russia's mining industry, exported \$52 million worth of bulldozers, shovel loaders and other machinery and parts from its Portland facility to Russia in 2010.<sup>8</sup> The company has been supplying mining operations in the Russian Far East with equipment, including machines made by the Portland-based **Esco Corporation**, since 1995.<sup>9</sup>

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

ACE Group of Insurance Companies  
Air Products and Chemicals, Inc.  
ATI  
The Black & Decker Corporation  
Black & Veatch Corporation  
CH2M Hill  
Chrysler, LLC  
Columbia Industries LLC  
Cummins, Inc.  
Deere & Company  
Deloitte  
Dixon Valve and Coupling Company  
Ernst & Young  
FLIR Thermal Infrared Camera Systems, Inc.  
General Electric Company

General Motors Company  
Global Forestry Management Group  
Guardian Industries Corporation  
Intel Corporation  
Koppers Inc.  
KPMG International  
Microsoft Corporation  
Modern Machinery Company  
Nike  
Pacific Seafood Group  
PricewaterhouseCoopers  
Qualcomm Inc.  
RDO Equipment Co.  
West Coast Wire Rope & Rigging Inc.  
Wild Salmon Center

<sup>2</sup> "Boeing: Improving Quality of Life in Oregon," The Boeing Company, 2010.

<sup>3</sup> The Boeing Company.

<sup>4</sup> Evraz Group S.A. annual report and accounts 2007, p.86

<sup>5</sup> [http://www.oregonlive.com/business/index.ssf/2010/05/evraz\\_russian\\_mine\\_blast\\_wont.html](http://www.oregonlive.com/business/index.ssf/2010/05/evraz_russian_mine_blast_wont.html), Richard Read, "Evrz: Russian mine blast won't affect Oregon," *The Oregonian*, May 21, 2010.

<sup>6</sup> "Evrz Oregon Steel Rolling Mill," Evraz Inc. NA Website, <http://www.evrazincna.com/LocationsFacilities/OregonSteel/RollingMill/tabid/155/Default.asp>, (accessed December 16, 2010).

<sup>7</sup> "International Paper in Russia," International Paper Website, <http://www.internationalpaper.com/RUSSIA/EN/Company/IPRussia.html>, (accessed December 14, 2010).

<sup>8</sup> International Paper Company.

<sup>9</sup> "Oregon," Trade Supports Jobs Website, <http://www.tradesupportsjobs.com/state/oregon/>, (accessed November 2, 2011).

<sup>10</sup> Read, Richard. "Portland Machinery Dealers Tackling Eastern Russia." *The Oregonian*. 10 November 2009. [http://www.oregonlive.com/business/index.ssf/2009/11/portland\\_machinery\\_dealers\\_tac.html](http://www.oregonlive.com/business/index.ssf/2009/11/portland_machinery_dealers_tac.html)