

**Analysis of the Russian Market of
Guardrail Manufacturers
for the
..... company**

April 9, 2020

Content

1. Macroeconomic Data	3
2. Competitor analysis.....	6
2.1. List of competitors.....	6
2.2. List of tender winners 2019.....	10
2.2.1. Road Fences	10
2.2.2. Road construction or reparation.....	11
2.3. Contracts & competitors	13
2.4. Characteristics of competitors offers.....	13
2.5. Sample. Contract with annexes	16
3. Customs flows 2019.....	17
3.1. Manufacturers of Guardrails imports and their foreign suppliers	17
3.2. Manufacturers of Guardrails exports	18
3.3. Manufacturers of Guardrails exports by KTC METALLOKONSTRUKTSIYA and foreign customers.....	18
3.4. Case analysis for main exporter - pricing KTC METALLOKONSTRUKTSIYA.....	19
4. Industry specifics	21
4.1. Standardization.....	22
4.2. Government tenders	23
4.3. Industry specifics. Annex.....	24
5. Roads and Highways network data	25
5.1. The total length of roads by regions of the Russian Federation.....	25
5.2. Federal highways naming and designation principles	25
5.3. Federal Highways.....	26
5.4. Federal Highways of Russia of a category "M".....	26
5.5. Federal Highway Management.....	28
5.6. Highways planned for transfer to federal ownership.....	29
5.7. Highways and expressways currently under construction or design	29
5.8. Coming soon projects	30
5.9. Future / Planned Projects.....	31
6. National Road Network Development Plans.....	33
6.1. Established goals for the development of the road industry in the near future	33
6.2. National project "Safe and high-quality roads"	34
6.3. Transport strategy of the Russian Federation for the period until 2030.....	40
6.4. Road Projects	40
7. SWOT analysis.....	44

7.1. Conclusions	44
8. Commercial test.....	45

1. Macroeconomic Data

Projected growth rates are modest (Major macroeconomic Indicators)

	2017	2018	2019	2020	2021
GDP growth, percent	1.6	2.3	1.2	1.6	1.8
Private consumption growth, percent	3.3	2.3	1.8	1.9	2.0
Gross fixed capital formation growth, percent	5.2	2.9	0.5	2.0	3.7
General government balance, percent of GDP	-1.5	2.9	1.5	1.0	0.6
Current account (US\$ billions)	33.3	114.9	73.81	68.8	65.4
Current account, percent of GDP	2.1	6.9	4.3	3.9	3.6
Exports (GNFS), bln US\$	411.3	507.8	476.4	490.5	511.7
Imports (GNFS), bln US\$	326.9	343.3	349.7	364.9	384.1
Trade balance (GNFS), bln US\$	84.3	\$4.2	130.8	126.5	108.4
Trade balance (GNFS), percent of GDP	5.3	11.7	7.9	7.7	7.2
Net capital outflow (private sector), bln US\$	24.3	63.0	35.0	33.8	29.9
Net capital outflow (private sector), percent of GDP	1.5	3.8	2.1	1.9	1.6
Change in reserves, bln US\$	22.6	38.2	63.7	49.6	50.4
CPI inflation (average)	3.7	2.9	4.5	3.7	4

Source: Rosstat, CBR, WB staff calculations.

Summary

After a weak performance in the first half of 2019, helped by monetary easing, faster public spending and some one-off effects, economic growth in Russia picked up in the third quarter at 1.7 percent, y/y. Consequently, Worldbank 2019 forecast has been revised upwards to 1.2 percent (from its previous reading of 1 percent).

Globally, growth has weakened substantially in 2019, reflecting a broad-based slowdown in industrial activity and global trade. Slowing external demand and the OPEC+ agreement weighed on Russia's exports performance. Crude oil prices fell 14 percent in January-September 2019, y/y, reflecting a downturn in the world economy.

Domestically, relatively tight monetary policy in the first half of 2019, weak real disposable-income dynamics due to higher inflation on the back of the VAT rate hike, and a slow start in the implementation of national projects dampened growth in 2019. A decline in the labor force and in the number of employed people, due to population aging, continues to be a drag and has not been yet compensated by the recently increased retirement age.

Macro-fiscal buffers remain strong, with Russia enjoying twin fiscal and current account surpluses (5.0 percent of GDP and 4.7 percent of GDP in the first nine months of 2019, respectively). Now at 28th place, Russia continued its advance in the latest World Bank's Doing Business ratings. After peaking in March at 5.3 percent, the 12-month consumer price inflation of 3.8 percent declined below the CBR's target of 4 percent in October. Unemployment – at 4.5 percent – has been declining and stays at historic lows. The Russian banking sector has been largely stable; however, credit expansion has been uneven, with retail lending leading this expansion. To mitigate financial stability risks from the retail loan sector, CBR has been gradually introducing regulatory measures to curb households' excessive debt burden.

Projected growth at 1.2 percent in 2019 and between 1.6 and 1.8 percent in 2020 - 2021; poverty expected to decline modestly

Growth in Russia is expected to be 1.2 percent in 2019; 1.6 percent in 2020; and 1.8 percent in 2021. A less restrictive monetary policy and increased spending on the national projects is expected to help foster growth.

National projects are expected to contribute about 0.1 pp to GDP growth in 2020 and about 0.2 to 0.3 pp in 2021.

The moderate poverty rate is expected to continue to decline in 2019 and through 2021, although vulnerability needs to be monitored. Increasing the existing means-tested programs and expanding their reach would help to reach the goal of halving poverty by 2024.

Downside risks to the growth forecast prevail

Key risks to the growth forecast include a weaker global economy, elevated trade tensions, and domestic factors. External adverse shocks could spill over into Russia through trade, financial, and commodity market channels. Russia also remains exposed to the possibility of additional economic sanctions, which may further dampen domestic and foreign private investment. Investment growth relies on the successful and efficient implementation of government infrastructure investment initiatives. Rapid expansion in household credit has

triggered a regulatory response, but more measures may be required to mitigate risks to financial stability from the sector. The liquid part of the National Welfare Fund (NWF) should exceed 7 percent of GDP in 2020, creating a legal opportunity for the government to invest part of the NWF in domestic infrastructure projects.

However, substantial domestic investments of the NWF could render the economy more dependent on energy prices and heighten inflation risks.

Increasing export diversification, boosting FDI, and broadening sources of financing require more attention

Russia's export diversification has been progressing, but only slowly. Driven largely by higher oil prices, in 2018, energy exports accounted for 65 percent of total exports (compared to 59 percent in the previous year). In comparison to other regional oil exporters, Russia has also seen lower numbers of new export lines in the past four years. New trade agreements of the Eurasian Economic Union (EAEU), such as with Serbia, Singapore and Iran, could expand Russia's export opportunities.

Inbound FDI to Russia has decreased drastically, dropping from an average of US\$54.5 billion in the 2011-2013 period to US\$19.2 billion in the 2015-2018 period. Adjusted for potential round-tripping destinations, FDI from Europe dropped by about 88 percent, from America 41 percent, and Africa 90 percent. Asia was the only destination from which FDI increased, by about 4 times from a relatively low base. The Russian anti-offshore law adopted at the end of 2014 seems to be reducing the scale and scope of round-tripped FDI:

for example, from 2013 to April 2019, the FDI stock of Cyprus in Russia decreased by 25 percent. FDI is also distributed unevenly between the Russian regions. About 71 percent of all FDI is absorbed by just 10 regions with a population of less than 20 percent of Russia's total (Yamalo-Nenets Autonomous Okrug, Moscow, and Krasnoyarskiy Krai are the top three).

The non-banking financial sector remains small compared to the banking sector (the banking sector's assets account for about 91 percent of GDP). Private pensions funds – a source of long-term financing for the economy – account for only 4 percent of GDP, which is significantly lower compared to the OECD average of 50 percent. A more developed non-banking financial sector could help broaden sources of longer-term financing. Additionally, measures such as increasing tobacco taxation¹ and cutting tax expenditures (by reconsidering and reducing preferential tax rates), currently estimated at about 3 percent of GDP, could help mobilize more revenues and expand fiscal space.

Special Focus: GDP is not wealth. How wealthy is Russia?

The special focus of the report is on Russia's wealth, measured comprehensively to include produced capital, natural capital, human capital, and net foreign assets. Russia experienced strong growth in wealth from 2000 to 2017. However, its total wealth per capita is more than three times lower than the OECD average and lags the averages of other upper middle-income and high-income commodity exporters. 5 key findings that emerge are:

1. A typical Russian citizen was 1.8 times wealthier in 2017 than in 2000. However, this is only about a quarter of wealth of a typical OECD resident.
2. Around 7 percent, Russia's return on wealth is similar to upper middle and high-income countries but lower than that of certain Eastern European countries. However, in recent years, this return to wealth has been less evenly distributed than in the past.
3. Human capital, at 46 percent, comprises the largest share of wealth in Russia, however, much less than the OECD average of 70 percent. Russia's natural capital share stands at 20 percent. As a rough approximation, Russia's forests provide global carbon absorption benefits of over US\$ 500 billion.
4. Despite its significant growth, Russia's human capital wealth per capita is one-fifth the OECD average. At current rates, Russia would only catch up after almost 100 years.
5. Russia's large share of carbon-based wealth facing increased risk due to future price uncertainty and large-scale attempts at global decarbonization.

Rebalancing the portfolio and mitigating the risks of stranded assets will require Russia to diversify its wealth portfolio away from its fossil fuel sector and towards other productive capital. This will involve, in the short-term, lowering the environmental footprint of heavy and polluting industries through adopting modern environmental management systems. Maintaining the fiscal rule is a necessary though not sufficient condition for diversification. The payoffs are likely to be imminent. For example, Russian aluminum already enjoys a low carbon footprint by relying on hydro power, and this may give it a price and market access premium.

In the medium- to long- term, and with the necessary political backing, it would be important to increase fuel excise taxes and differentiate tax rates by the social and environmental cost of fuel use. Exploring the use of carbon taxes or other forms of carbon pricing harmonized within broader trade and technology agreements with prospective trading partners would also help. This could include, among other things, eliminating non-transparent subsidies to producers and consumers, which can be regressive and distort incentives for efficient consumption, and replacing them with more targeted cash transfers to the poor and vulnerable. Russia can also engage more proactively in international climate policies to access support (technology, finance, and access to market) for asset diversification, as well as leverage such cooperation to facilitate global market access for knowledge-intensive and environmentally sustainable goods and services made in Russia.

The recent adoption of the Paris agreement by Russia is a welcome step in this direction.

Source WorldBank

2. Competitor analysis

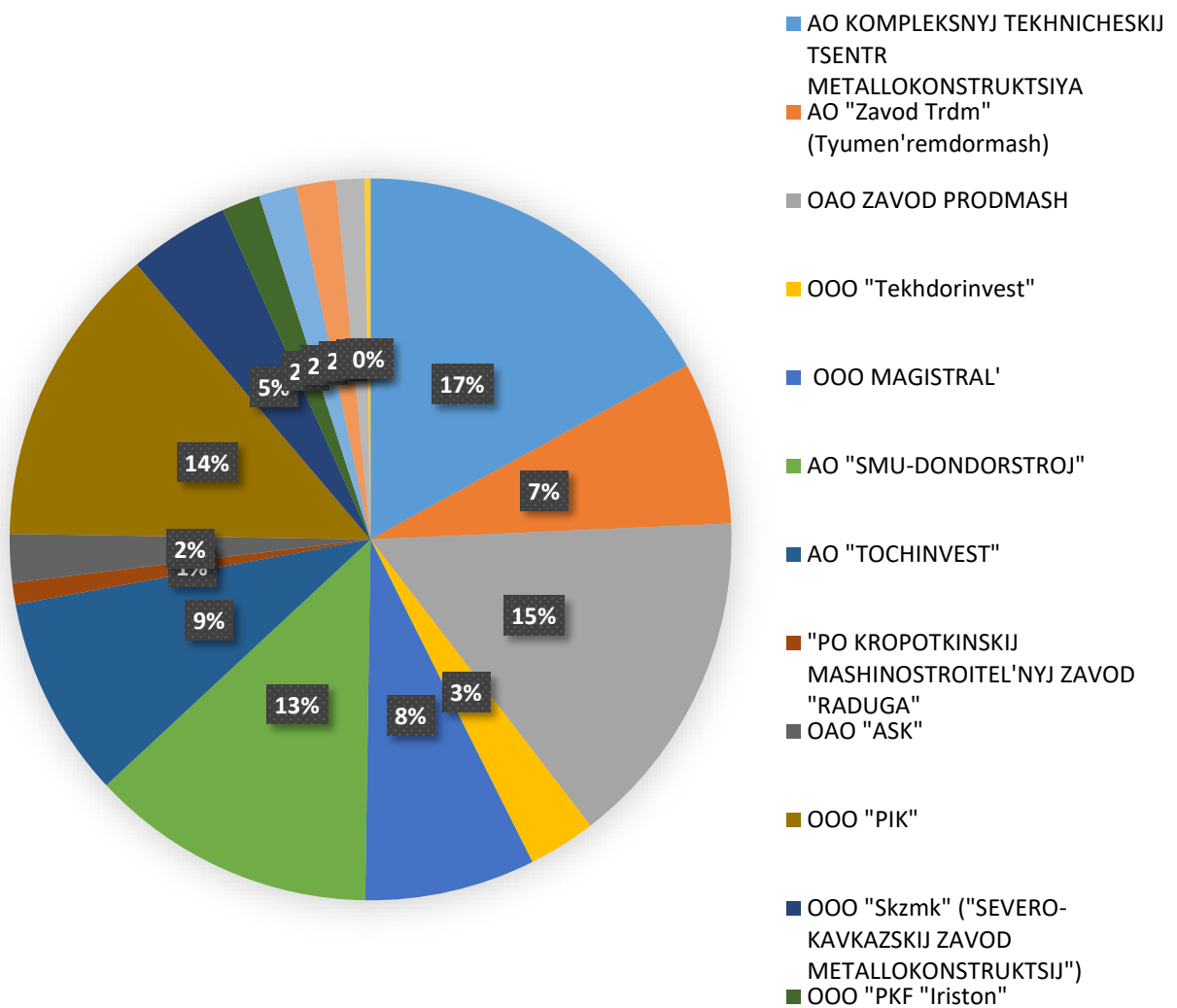
2.1. List of competitors

Individual tax number	Company name	Region /City	Staff number (2018)	Annual revenue in 2018, mln Rubles	Annual revenue 2018, in USD
7327002626	AO KOMPLEKSNIY TEKHNIЧЕСKIY TSENTR METALLOKONSTRUKSIYA (KTC)	Ulyanovsk oblast, Ulyanovsk	742	4900	\$78 140 199
6318100047	ОАО ЗАВОД ПРОДМАШ	Samara region, Samara,	369	4400	\$70 166 710
5257002344	ООО "PIK"	Nizhny Novgorod region, Nizhny Novgorod	202	3900	\$62 193 220
6164248080	АО "SMU-DONDORSTROJ"	Rostov region, Rostov-on-don	220	3700	\$59 003 824
6230029069	АО "TOCHINVEST"	Ryazan region, Ryazan	220	2600	\$41 462 147
7413016076	ООО МАГИСТРАЛ'	Chelyabinsk region, Chelyabinsk	235	2200	\$35 083 355
7204005867	АО "Zavod Trdm" (Tyumen'remdormash)	Tyumen oblast, Tyumen	431	2100	\$33 488 657
2357006876	ООО "Skzmk" ("SEVERO-KAVKAZSKIY ЗАВОД МЕТАЛЛОКОНСТРУКЦИЙ")	Krasnodar region, Uspensky district, village Konokovo	155	1300	\$20 731 073
7704805124	ООО "Tekhdorinvest"	the city of St. Petersburg	292	873	\$13 921 713
7111000104	ОАО "ASK"	Tula region, Aleksin district, Aleksin	209	626	\$9 982 809
3808104430	ООО СПБ "Soyuzstroj"	Irkutsk region, Irkutsk district, village Youth	42	511	\$8 148 907
7404045063	ООО "PKF "Iriston"	Chelyabinsk region, Zlatoust	68	492	\$7 845 914
6732129444	ООО "Dorkomplekt-YAVir"	Smolensk region, Smolensk	68	485	\$7 734 285
6606034249	ООО "Formatek"	Sverdlovsk region, Ekaterinburg	9	453	\$7 223 982
5404504041	ООО ТЕХСНАБ	Novosibirsk oblast, Novosibirsk	27	365	\$5 820 648
2364008970	"ПО КРОПОТКИНСКИЙ МАШИНОСТРОИТЕЛ'НЫЙ ЗАВОД "RADUGA"	Krasnodar region, Caucasian region, city Kropotkin	212	280	\$4 465 154
7709336596	ООО "Transbar'er"	Moscow	6	246	\$3 922 957
5407954070	ООО ТД ПК "Sibbar'er"	Novosibirsk oblast, Novosibirsk	8	143	\$2 280 418
5404247242	ООО "3S"	Novosibirsk oblast, Novosibirsk	12	137	\$2 184 736
5404025514	ООО ТЕК "SDK" ("SIBIRSKIE DOROZHNYE KONSTRUKTSII")	Novosibirsk oblast, Novosibirsk	13	120	\$1 913 638
6143059772	ООО "STROJDORDETAL'" (ООО SDD)	Rostov region, Volgodonsk city	14	79	\$1 259 811
5404505655	ООО "Sibdorservis"	Novosibirsk oblast, Novosibirsk	8	48	\$765 455

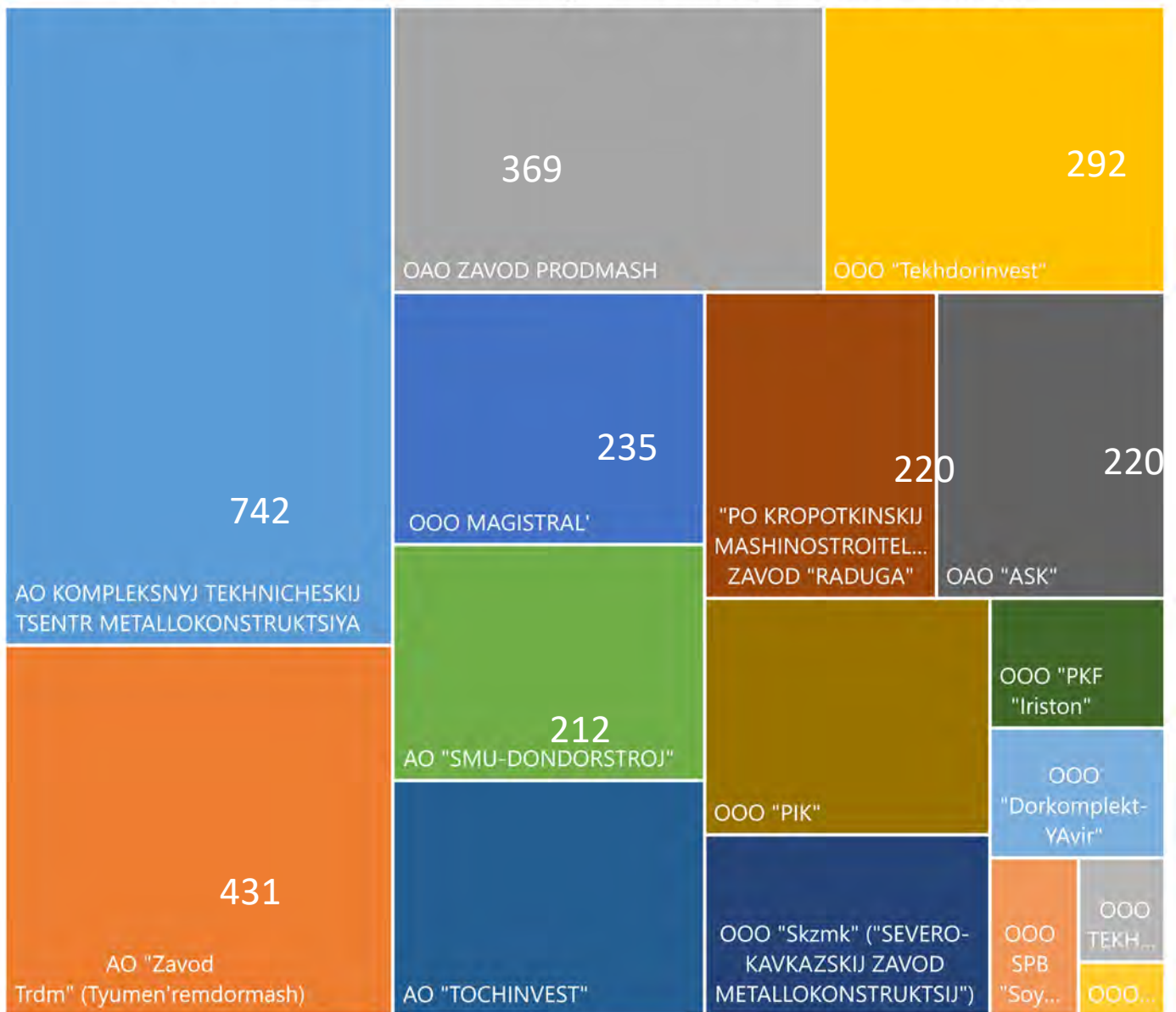
7430021929	OOO NPO EL'GARD - nedavno poluchil sertifikat , spetsializiruyutsya na oborudovanii	Chelyabinsk region, Kopeisk	5	41	\$653 826
7602138672	OOO "YAzmk-Trejd"	Yaroslavl oblast, Yaroslavl	2	41	\$653 826
7456022116	OOO "Korn"	Chelyabinsk region, Magnitogorsk	4	35	\$558 144

More detailed list in Annex	 Guardrail competitors.xlsx
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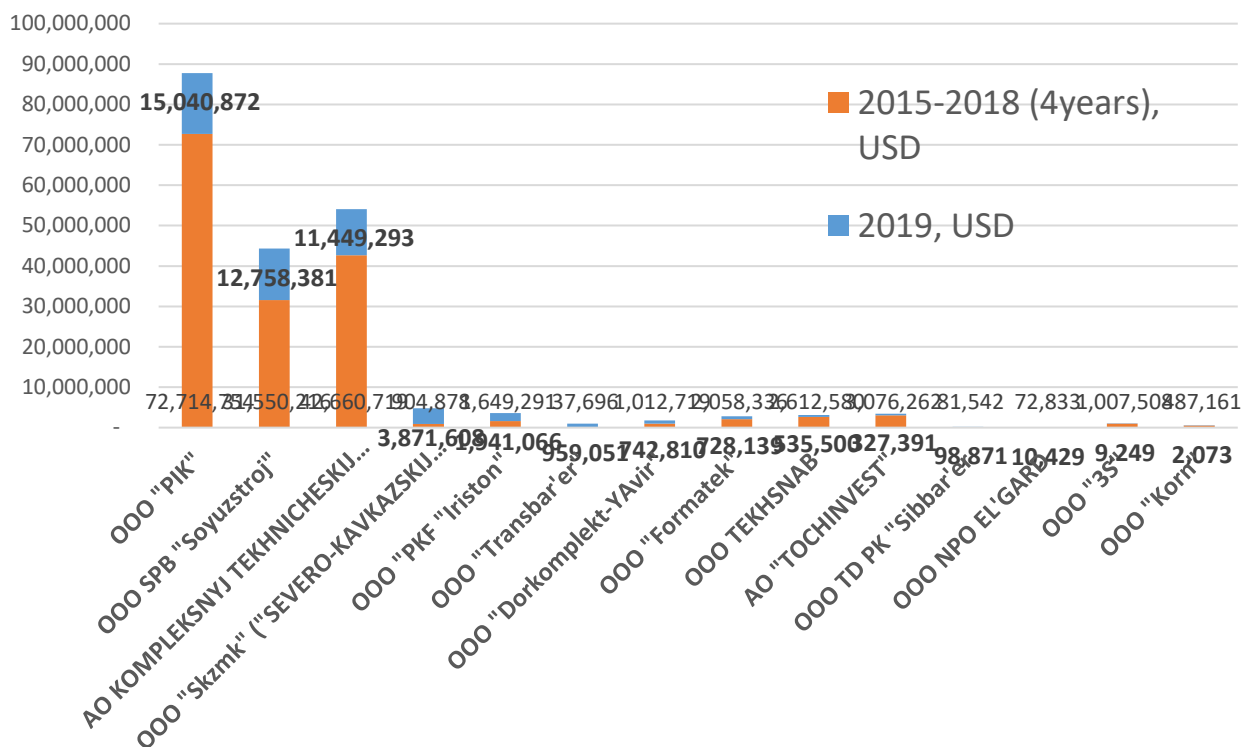
TOP 16 by Annual income, 2018 (usd)



Top 16 Guardrail Manufacturers by staff number, shaing total 3506 ppl



Manufacturers directly participating in government tenders (any kind of goods and services). (*)




(*) **NOTE 1: AO "SMU-DONDORSTROJ"** could *not* included in the graph but is the number 1 in the volume gained from tenders with **52 MLN USD** in 2019 and **~387 MLN USD** in 2015-2018 yy. Most of the tenders were placed in 2018 (~265 MIO USD), road construction or reparation with subcontracting ratio not exceeding 20%.

NOTE 2: OOO SPB "Soyuzstroj" looks like ~100% of annual income of this company comes from government tenders.

2.2. List of tender winners 2019

2.2.1. Road Fences


Subject of included tenders is classified by as containing at least 1 position from OKPD2 nomenclature **42.11.10.130 Road Fences** (includes besides metallic side rails for roads, also of plastic and concrete).

TOP 20 Suppliers in the below Table, whole list is included in the annex	<p>Annex</p>  <p>2019 Tenders 42.11.10.130 road fen</p>
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TOP 20 COMPANIES -Winners of tenders in category 42.11.10.130	Sum of price of contract, Rubles	# of tenders	Approximate value in USD
OOO PREDPRIYATIE "PIK" INN:5257002344	654 535 289	2	10 437 861
OOO "DORSTROJKOM" INN:3023020993	146 998 876	1	2 344 188
OOO "Forsazh" INN:9715301517	66 467 588	1	1 059 957
OOO "SPETSSTROJSERVIS" INN:7602113660	46 940 564	1	748 560
OOO PK "NARS" INN:5404051024	46 562 754	7	742 535
OOO "KONVEKTOR" INN:6143037680	34 035 293	3	542 760
OOO "AVANGARD" INN:7814556336	30 291 743	1	483 062
OOO "BALTINZHSERVIS" INN:7801599759	16 261 397	1	259 320
OOO "GK SPETSPROEKT" INN:7814743671	15 681 841	1	250 078
AO "Kompleksnyj tekhnicheskij tsentr "Metallokonstruktsiya" INN:7327002626	14 767 732	2	235 501
OOO "Vektor" INN:5643022352	12 304 282	3	196 216
OOO "SK-AUTSORSING" INN:6321382673	12 047 373	2	192 119
OOO "FORMATEK" INN:6606034249	11 494 655	3	183 305
OOO "ARK INVEST" INN:8602273000	10 229 000	1	163 122
OOO "SEVERO-KAVKAZSKIY ZAVOD METALLOKONSTRUKTSIJ" INN:2357006876	9 824 654	2	156 674
KROPOTUKHINA ANNA NIKOLAEVNA IP INN:590503219463	9 712 440	1	154 884
OOO "Meganeft" INN:7224027040	9 203 581	4	146 769
OOO "EKODORSTROJ" INN:0726019080	9 074 400	1	144 709
OOO "ARK INVEST" INN:8602273000	8 046 807	1	128 322
AO "DOROZHNIK" INN:4246007275	7 712 424	1	122 990
OTHERS	303 203 786	340	4 835 185
Grand Total	1 475 396 480	379	23 528 117

2.2.2. Road construction or reparation

Subject of included tenders is classified by as containing at least 1 position from OKPD2 nomenclature **42.11.20.000 "Road construction or reparation..."** For tenders with value **above 1 billion Rubles**


attached in file: 42.11.20.000 Roads construction above 1 billion Rub (147 records).xls	 42.11.20.000 Roads construction above 1
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Top 20 companies included for- total 97 companies see the attached file.

COMPANIES - Winners of tenders in category 42.11.20.000 - "Road Construction and reparation..." in 2019, only Tenders above1 billion Rubles	Sum of price of contract, RUB	# of tenders	Approximate value in USD
AO "MOSINZHPROEKT"	140 538 006 905	2	2 241 156 713
PAO "MOSTOTREST"	94 111 782 129	12	1 500 798 659
AO "VAD"	42 057 391 556	12	670 688 360
AO PO STROITEL'STVU I REKONSTRUKTSII AVTOMOBIL'NYKH DOROG I AERODROMOV	19 323 840 478	2	308 156 888
OAO "KHOT'KOVSKIY AVTOMOST"	17 775 149 552	3	283 459 945
OOO "DOROZHNYAYA STROITEL'NAYA KOMPANIYA"	15 332 410 419	3	244 505 634
AO "Ojkumena"	15 200 657 296	1	242 404 570
GUP "Orenburgremdorstroj"	13 943 575 149	1	222 357 907
OOO TK "RUSLAN-1"	13 672 181 375	2	218 029 996
AO "Strojtransgaz"	13 008 273 625	5	207 442 673
AO "MSU-1"	10 964 268 359	2	174 846 963
OOO "Tekhnostroj"	10 755 960 805	5	171 525 086
OOO "SBT"	8 934 143 497	1	142 472 603
OOO "AVTOVOLGASTROJ"	8 830 317 114	1	140 816 886
AO " TREST URALTRANSSPETSSTROJ"	8 813 891 803	1	140 554 952
AO "GK "Severavtodor".	8 414 492 137	2	134 185 733
OOO "SAMARATRANSSSTROJ"	7 586 790 643	2	120 986 395
PAO "Vologodavtodor"	6 450 851 731	2	102 871 600
OOO "AVTOTRASSA"	5 945 594 326	1	94 814 271
OAO "ALEKSEEVSKDORSTROJ"	5 572 900 904	1	88 870 936
OTHER COMPANIES	146 278 922 741	86	2 332 706 980
Grand Total	613 511 402 542	147	9 783 653 749

42.11.20.000 "Road construction or reparation..." For tenders with value above 100 million rubles but below 1 billion Rubles

Subject of included tenders is classified by as containing at least 1 position from OKPD2 nomenclature

Attached in file: 42.11.20.000 Roads construction above 100 mil up to 1 billion Rub (~2000 records)	 42.11.20.000 Roads construction above 1C
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Top 20 companies included for- total 316 companies see the attached file.

COMPANIES - Winners of tenders in category 42.11.20.000 - "Road Construction and reparation..." in 2019, only Tenders above 100 mln Rubles but below 1 billion Rubles	Sum of Sum of purchase, Rubles	# of contracts	USD value
OOO FIRMA "DORTRANSSERVIS"	11 432 898 690	28	182 320 201
OOO "AVTODORINZHINIRING"	8 356 428 026	27	133 259 786
GKP Samarskoj oblasti "Agentstvo po sodержaniyu avtomobil'nykh dorog obshchego pol'zovaniya Samarskoj oblasti"	6 356 367 417	23	101 364 861
NEPUBLICHNOE AO "DOROZHNO-STROITEL'NOE UPRAVLENIE № 1"	5 506 064 094	12	87 805 091
OAO po stroitel'stvu, remontu i sodержaniyu avtomobil'nykh dorog i inzhenernykh sooruzhenij "Novosibirskavtodor"	4 922 034 055	155	78 491 576
AO "Tyumenskoe oblastnoe dorozhno-ekspluatatsionnoe predpriyatie"	4 799 130 980	145	76 531 643
OOO TRANSPORTNAYA KOMPANIYA "RUSLAN-1"	3 940 401 210	9	62 837 497
OOO "TRANSSTROJMEKHANIZACIYA"	3 881 005 576	4	61 890 316
OOO "AVTOTRASSA"	3 675 952 750	7	58 620 343
AO "Spetsializirovannoe upravlenie №4"	3 567 145 089	5	56 885 190
OOO "DSU-1"	3 566 581 783	4	56 876 207
AO "GOSUDARSTVENNAYA KOMPANIYA "SEVERAVTODOR"	3 317 862 014	20	52 909 877
AO "SPETSAVTOKHOZYAJSTVO"	3 163 895 700	174	50 454 580
OOO "DSK DV"	3 080 489 642	4	49 124 505
AO "Omskavtodor"	2 985 716 870	4	47 613 166
AO "Dorozhnoe ekspluatatsionnoe predpriyatie № 33"	2 940 538 494	3	46 892 707
AO "GK "EKS"	2 840 956 998	6	45 304 683
GUP VLADIMIRSKOJ OBLASTI "DOROZHNO-STROITEL'NOE UPRAVLENIE №3"	2 725 332 781	3	43 460 826
AO "TSentrodorstroj"	2 688 443 355	45	42 872 551
AO "VAD"	2 624 905 057	5	41 859 307
Others	171 293 036 479	1 263	2 731 606 538
Grand Total	257 665 187 060	1 946	4 108 981 451

2.3. Contracts & competitors

- **Contracts on 2018, signed as result of government tenders**
- **Sum of contract above 100 000 000 Euro only**

Detailed information

Annexed original selection Above 100 mln euro Russian	 Annexed original selection Above 100 r
Competitor Proposal characteristics 42.11.20.000 above 100 mln Euro	 Competitor Proposal characteristics_ 42.11.

2.4. Characteristics of competitors offers

Sample tender 1 (offers of KTC, PIK and Prodmash)

Official page link: <http://bit.ly/2QIKorK>

Ordering organization: JSC "MEZENSKAYA ROAD MANAGEMENT" (2917002690)

Place: Arhangelsk region

Start/end application submit dates: 06.03.2020 – March 12,2020 at 10:00 (Moscow time)

Annex to contract – describing technical requirements for the goods supplied:

1. **Name of the supplied Goods:** a set of road fencing designs 21DO / 190-0.75-2.0 according to GOST 33128-2014 made of galvanized steel (coating by hot galvanizing).
2. **The composition of the kit:**

#	The name of the main constituent elements	Quantity, pcs
1.	Beam section SB-2(2,5) the coating hot zinc	12
2.	Beam section SB-3.32(2,5) the coating hot zinc	4
3.	Road rack SD-1/1,6 W-2 hole coating hot zinc	28
4.	Road rack SD-1/1,50 W-2 hole coating hot zinc	4
5.	Road rack SD-1/1,25 W-2 hole coating hot zinc	8
6.	Road rack SD-1/1,05 W-2 hole coating hot zinc	8
7.	Road rack SD-1/0,85 W-2 hole coating hot zinc	4
8.	The console To cover hot zinc	52
9.	The section of I-beam corner left SBUL- 3.32(3) coating hot zinc	2
10.	The section of I-beam corner right SBUP-of 3.32(3) coating hot zinc	2
11.	Plate PL coating hot zinc	52
12.	A reflector road КД5-BKII-1 C (Type B)	24
13.	Screw hex head GOST R ISO 4017 M16x35 hot zinc	106

14.	Bolt M16x35 THAT 1630-016-71915393-2005 hot zinc	224
15.	Bolt M16x45 GOST 7802-81 hot zinc	54
16.	Washer 16 GOST 6958-78 hot zinc	160
17.	Washer 16 GOST 11371-78 hot zinc	330
18.	Hexagon nut GOST ISO 4032-M16 hot zinc	384
19.	End Element EK-1(3) coating hot zinc	4

3. Technical characteristics of the supplied Goods:

Name of the indicator	Requirements to the value of the index
Anti-corrosion coating elements of barrier protection – hot galvanizing according to GOST 9.307-89, thickness:	
- for racks and beams;	not less than 80 µm
- for consoles and small parts;	60 µm
- for fasteners;	30 µm
The level of retention	Y2
Steps for racks	2 m
Dynamic deflection	not more than 0,96 m
Working width	not more than 1.14 m

4. **Quality requirements:** the Supplier undertakes to deliver the Goods that were not in use (previously not in use by the Supplier or from third parties), which were not repaired (modernized or restored), not pledged, under arrest or under any other encumbrance. The Supplier, together with the Goods being shipped, transfers to the Buyer's representative: documents certifying the quality of the goods (certified and executed in the prescribed manner copies of certificates of conformity or declarations of conformity), other documents confirming the quality of the Goods, drawn up in accordance with the legislation of the Russian Federation.

5. **Place of delivery:** delivery is carried out by shipment (transfer) of the Goods at the location of the Buyer's warehouse, at the address: Arkhangelsk region, Arkhangelsk, Talazhskoe highway, 19, building. 1.

6. **Delivery time:** from the date of conclusion of the Agreement to March 31, 2020.

Protocol of bids review and comparison

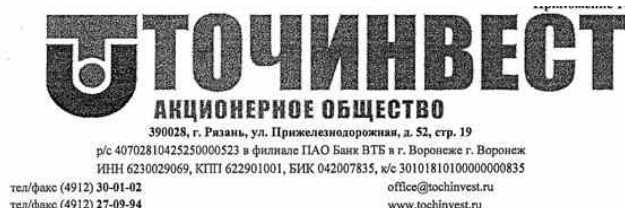
Results:

2. Результаты рассмотрения заявок (открытия доступа к заявкам, поданным в форме электронного документа) Комиссией.

Номер заявки	Дата и время поступления заявки (открытия доступа к заявке, поданной в форме электронного документа)	Сведения об участнике закупки	Место нахождения участника закупки	Цена договора, предложенная участником закупки, с НДС, руб.
1.	12.03.2020, 07-16 час.	АО «КТЦ «Металлоконструкция»	РФ, г.Ульяновск	230644,00
2.	12.03.2020, 09-40 час.	ООО Предприятие «ПИК»	РФ, г.Нижний Новгород	227627,90
3.	12.03.2020, 09-57 час.	ОАО «Завод Продмаш»	РФ, г.Самара	256951,04

- 1 - AO KTC METALLOKONSTRUKTSIYA
- 2 - **ООО "PIK" - announced as winner with 227 627.90 rubles offer**
- 3 - OAO ZAVOD PRODMASH

Prices are given in Rubles including VAT (20%), according to delivery and detalisation in the annex.



Pricing is "Tochinvest" assortment, prices are in Rubles for 1 km of a specific product.

All products coating hot zinc, prices include value added tax. EXWorks Ryazan', updated on Jan 1, 2019.

Прайс-лист на дорожные ограждения произведенные согласно ГОСТ26804-2012, действителен с 01.01.2019

Уровень удерживающей способности	Марка ограждений	Толщина балки, мм.	Цена за 1 км, руб. с НДС (покрытие - горячей цинк)
У1	11ДО-2,0Ш12-130/0,75-1,5	3	2 975 000,00
У1	11ДО-4,0Ш14-130/0,75-1,5	3	2 400 000,00
У1	11ДО-2,5Ш12-130/0,75-1,5	4	3 205 000,00
У1	11ДО-3,0Ш14-130/0,75-1,5	4	3 190 000,00
У2	11ДО-1,5Ш12-190/0,75-1,5	3	3 444 000,00
У2	11ДО-2,0Ш14-190/0,75-1,25	3	3 230 000,00
У2	11ДО-1,33Ш14-190/0,75-1,5	3	4 064 000,00
У2	11ДО-2,0Ш14-190/0,75-1,25	4	3 740 000,00
У2	11ДО-2,5Ш16-190/0,75-1,25	3	3 150 000,00
У3	11ДО-1,0Ш12-250/0,75-1,5	4	4 887 000,00
У3	11ДО-1,5Ш14-250/0,75-1,5	4	4 293 000,00
У3	11ДО-2,0Ш16-250/0,75-1,5	3	3 544 000,00
У3	11ДО-2,0Ш16-250/0,75-1,0	4	4 054 000,00
У3	11ДО-2,0Ш16-250/0,75-1,1	4	4 054 000,00
У4	11ДО-1,0Ш14-300/0,75-1,25	4	5 396 000,00
У4	11ДО-1,5Ш16-300/0,75-1,0	3	4 202 000,00
У4	11ДО-4,0Ш16-300/0,75-1,5	4	3 069 000,00
У4	11ДЛ-1,0Ш14-300/0,75-1,0	3	9 710 000,00
У4	11ДЛ-2,0Ш16-300/0,75-1,2	3	6 480 000,00
У4	11ДЛ-1,0Ш14-300/0,75-1,25	4	10 731 000,00

Цены с НДС, действительны с 01.01.2019
Дорожные ограждения АО "Тохинвест" изготавливаются согласно: ГОСТ26804-2012

Подготовил:
Экономист ПЭО Ларина К. Н.

Согласовано:
Начальник отдела сбыта Давыдов Е. О.




Финансовый директор Сычев А. В.

Начальник ПЭО Некрасова М. А.

Директор по региональному развитию Раздерин В. Н.

Генеральный директор Болотов Н. С.

2.5. Sample. Contract with annexes

<p>Sample. Sample full tender initial documentation with annexes (English version, translated)</p>	 Sample 3 Contract with annexes -Transla
<p>Sample. Contract with annexes (original Russian version)</p>	 Sample 3 Contract with annexes.doc
<p>Sample: contract draft, decision protocol, technical description</p>	 Sample contract.zip

3. Customs flows 2019

3.1. Manufacturers of Guardrails imports and their foreign suppliers

Manufacturer Foreign Supplier	Sum in USD
OOO "PGM - GORODSKOE PROSTRANSTVO"	838 562
PGM KOMPOSITE CO.,LTD.	328 078
SCOTT BADER SAS	203 377
ZHEJIANG JIACHEN TECHNOLOGY CO. LTD.	93 879
CHANGZHOU CHANGE INTERNATIONAL TRADE CO., LTD.	61 349
JUSHI GROUP CO., LTD	46 961
OOO "ПГМ-ГОРОДСКОЕ ПРОСТРАНСТВО"	45 977
CHANGZHOU ZHONGJIE COMPOSITES CO., LTD	22 102
SHUYANG FEIN NEW MATERIAL PRODUCTS FACTORY	20 957
JIANGSU BAIZHOU SAFETY TECHNOLOGY CO.	13 399
PULTREX LIMITED	1 811
SMC(CHINA) CO.,LTD.	600
RKC MONITPOR TNC.	71
JSC "KTC "METALLOKONSTRUKTSIYA"	462 267
ANHUI DETSCH GROUP TECHNOLOGY CO.LTD	200 000
HAI YAN PRORSUM HARDWARE TECHNOLOGY CO. LTD	175 464
WUPPERMANN HUNGARY KFT.	44 073
K.K. FASTENERS	37 748
ESA AUTOMATION	4 983
AO "TOCHINVEST"	293 093
CHENG DU ZHIQUAN HIGHUAY FACILITY MANUFACTURING CO.LTD	185 484
ЧАО"ММК ИМ. ИЛЬИЧА"	60 815
WENZHOU JUNHAO (YOU LI) INDUSTRY CO.LTD	40 100
DIPER MAQUINARIA S.L.	5 746
SENSATA TECHNOLOGIES	949
OAO "ZAVOD PRODMASH"	23 809
STAHLBAU LOCHMANN GMBH & CO. KG	11 163
MAGNETEC S.R.L.	8 342
ACERINOX EUROPA S.A.U.	3 984
HYDRO ALUMINIUM ROLLED PRODUCTS GMBH	319
OOO "NPO EL'GARD"	6 100
SUZHOU FENGYI INTELLIGENT TECHNOLOGY CO., LTD	6 100
Grand Total	1 623 832

3.2. Manufacturers of Guardrails exports

Manufacturer tax number Manufacturer name	Sum in USD
7327002626	5 743 394
JSC "KTC "METALLOKONSTRUKTSIYA"	5 743 394
7111000104	41 517
JSC ALEXINSTROYKONSTRUKTSIYA	41 517
6318100047	4 367
OJSC ZAVOD PRODMASH	4 367
Grand Total	5 789 278

3.3. Manufacturers of Guardrails exports by KTC METALLOKONSTRUKTSIYA and foreign customers

Row Labels	Sum in USD
AO KOMPLEKSNYJ TEKHNICHESKIJ TSENTR METALLOKONSTRUKTSIYA	5 743 394
POLAND	1 966 600
KTC SERVICE SP. Z O.O	1 966 600
UZBEKISTAN	1 951 028
OOO COMPLEX TECHNICAL CENTRE ASIA	1 945 255
AO O'ZELEKTROAPPARAT-ELECTROSHIELD	5 773
GRUZIYA	1 097 940
OOO KTTS GRUZIYA	1 097 940
LITVA	303 459
ZAO KTS BALTIJA	303 459
ESTONIYA	292 503
KIIR WARREN.KL OU	292 503
DANIYA	82 555
ZAO KTS BALTIJA	82 555
MOLDOVA, RESPUBLIKA	49 308
OOO KTTS-EVROPA	49 308

3.4. Case analysis for main exporter - pricing KTC METALLOKONSTRUKTSIYA

The following color notation was used for first 8 records sorted by cost in USD

G17B (Country of destination)			
G082 (Name of recipient)			
G202 (delivery Condition)			
G2021 (Point of delivery) Translit			
G31_1 (Name and characteristics of the goods) English			
	Average of USDKG (USD per KG)	Sum of G38 (net Weight kg)	Sum of G46 (value, USD.)
POLAND		1926 899	1 966 600
KTC SERVICE SP. Z O.O		1 926 899	1 966 600
CPT (by incoterms)		1 503 756	1 549 421
KLAJ		1 503 756	1 549 421
THE SECTION OF I-BEAM SB-1 (2,5), STEP 0,667 M REPRESENTS A LONGITUDINAL ELEMENT METAL ROAD FENCES OF BARRIER TYPE FOR ROADS USE 11DO, 11ДД, INTENDED FOR THE PERCEPTION, DISTRIBUTION AND TRANSFER OF LOAD FROM NARROW COME INTO CONTACT WITH THE FENCE THE VEHICLE TO THE OTHER ELEMENTS OF FENCING PRODUCED FROM FERROUS METALS, STEEL CURVED PROFILE, MADE FROM STEEL SHEET WITH A COATING OF HOT ZINC, RELEASE 2019. :	0,939	379 670	356 346
STAND ROAD LDH-3(P)-4, OF IRON OR STEEL WITH A COATING OF HOT ZINC (PART OF THE METAL ROAD BARRIERS FOR HIGHWAYS 11DO) WITH STEEL ROLL-FORMED SECTIONS, MADE FROM SHEET ONE HUNDRED	0,985	278 626	274 415
THE SECTION OF I-BEAM SB-1 (3), STEP 0,667 M REPRESENTS A LONGITUDINAL ELEMENT METAL ROAD FENCES OF BARRIER TYPE FOR ROADS USE 11DO, 11ДД, INTENDED FOR THE PERCEPTION, DISTRIBUTION AND TRANSFER OF LOAD FROM KI CAME INTO CONTACT WITH THE FENCE THE VEHICLE TO THE OTHER ELEMENTS OF FENCING PRODUCED FROM FERROUS METALS, STEEL CURVED PROFILE, MADE FROM STEEL SHEET WITH A COATING OF HOT ZINC, RELEASE 2019. :	0,909	217 053	197 229
STRUT the PAVEMENT SM D16-1,15_3% (7306-11909), IS the VERTICAL ELEMENT of the FENCE FIXED TO the PLATE of the BRIDGE STRUCTURE OR ON a TRANSITION PLATE which is attached TO the CONSOLE AND the BEAM of the BRIDGE GUARDRAIL BARRIER of the TYPE FOR AUTOMOTIVE	1,737	36 717	63 773
STRUT the PAVEMENT SM D16-1,15_3% (7306-11909), IS the VERTICAL ELEMENT of the FENCE, SUBJECT to mounting ON the PLATE a BRIDGE OR a TRANSITION	1,582	36 430	57 627

PLATE which is attached TO the CONSOLE AND the BEAM of the BRIDGE GUARDRAIL BARRIER TYPE FOR			
THE SECTION OF I-BEAM SB-1 (3), STEP 0,667 M REPRESENTS A LONGITUDINAL ELEMENT METAL ROAD FENCES OF BARRIER TYPE FOR ROADS USE 11DO, 11ДД, INTENDED FOR THE PERCEPTION, DISTRIBUTION AND TRANSMISSION RELIABILITY.	0,952	56 272	53 594
THE SECTION OF I-BEAM SB-1 (3), STEP 0,667 M, OF IRON OR STEEL WITH A COATING OF HOT ZINC (PART OF THE METAL ROAD BARRIERS FOR HIGHWAYS 11DO, 11ДД) WITH STEEL ROLL-FORMED SECTIONS, MANUFACTURED AND	0,921	57 480	52 926
FRONT BRIDGE SMS IS 0.78.000-3%SB (000-15109), OF IRON OR STEEL WITH A COATING OF HOT ZINC (PART OF STEEL STRUCTURES AND BRIDGE BARRIERS FOR HIGHWAYS 11MO) WITH STEEL ROLL-FORMED SECTIONS, MANUFACTURED FROM SHEET STEEL WOW, RELEASE 2019.	1,611	29 994	48 306

4. Industry specifics

Import

- The products Guardrails are clarified under into customs code:
- **8608 00 000 9** -Mechanical (including electromechanical) signaling equipment, a safety or traffic control device on railway, tram tracks, roads, inland waterways, parking structures, ports or airfields; parts of the mentioned devices and equipment.
- Import tax – currently basic tax for the code is 0%.
- VAT (value added tax) - 20% (calculated from the cost of products including delivery)
- Forbidden countries and routes - The ban on the entry into the Russian Federation of goods whose country of origin or country of shipping is Ukraine or which move through the territory of Ukraine.
- **CERTIFICATE OF CONFORMITY** - When importing a number of goods, it is required to provide a certificate of conformity confirming safety
- **DECLARATION OF CONFORMITY** - Confirmation of conformity is required in the form of a declaration of conformity.
- **COMPLIANCE WITH TECHNICAL REGULATIONS** - Products are subject to mandatory confirmation of compliance with the requirements of technical regulations. The submission of the customs declaration is accompanied by the submission of a document on the assessment of compliance with the requirements of the TR in the form of a declaration, certificate, certificate of registration. Products that have passed conformity assessment of TR requirements are marked with a single sign of product circulation on the market of EAEU member states.
- **PLACES OF DELIVERY OR CUSTOMS CLEARANCE** - In order to strengthen control over goods of certain categories and speed up the production of customs clearance, certain places of delivery and clearance have been established. Lists of places of registration and delivery are given in the relevant regulatory acts.

4.1. Standardization

The products included in the scope of present investigation are subject to the below Standards group:

Automobile roads of general use. Road restraint systems.

GOST 33127-2014 - Automobile roads of general use. Road restraint systems. Classification

GOST 33128-2014 - Automobile roads of general use. Road restraint systems. Technical requirements

GOST 33129-2014 - Automobile roads of general use. Road restraint systems. Methods of testing

TECHNICAL REGULATION OF THE CUSTOMS UNION "TR TS 014/2011" Roads safety

The local manufacturers approve the standard of organization with RosAvtoDor.

Introduced by the organization	Number of standard	Name
AO "Tochinvest"	CTO-521000-007-44884945-2014	The fence holding the side of the deformable barrier belonging to the class of bridge 21MO and 21MД. Specifications (REV. 2)
AO "Tochinvest"	CTO-521000-006-44884945-2012	The fence holding the side of the deformable barrier belonging to the class of road 21DO and 21ДД with Amendments No. 1 and No. 2. Specifications
AO «KTC «Metallokonstruktsiya»	CTO-05765820-007-2017	Fencing road restraint side barrier type for cars. Specifications. Changes # 3
AO «KTC «Metallokonstruktsiya»	CTO-05765820-001-2015	Fencing road restraint side barrier type for cars. Specifications
ZAO Zavod Tyumen'remdormash"	CTO-03910056-001-2018	Fencing road restraint side barrier type for cars. Specifications
OAO "Zavod Prodmash"	CTO-07525912-100-2016	Fencing road restraint road side of the group of barrier type. Technical specifications (with amendment No. 1)
OAO "Zavod Prodmash"	CTO-07525912-110-2016	Fencing road restraint side of the bridge barrier-type group. Technical specifications (with Changes № 1)
OOO Predpriyatie "PIK"	CTO-521000-003-10690827-2015	The fence holding the side barrier type for cars. Specifications
OOO Predpriyatie "PIK"	CTO-521000-005-10690827-2015	The fence holding the side barrier type for vehicles using the section of the beam of "S-shaped" profile. Specifications

The related documents are attached for sake of having the full approved assortment for each manufacturer, who is authorized to supply for projects under RosAvtoDor control.

4.2. Government tenders

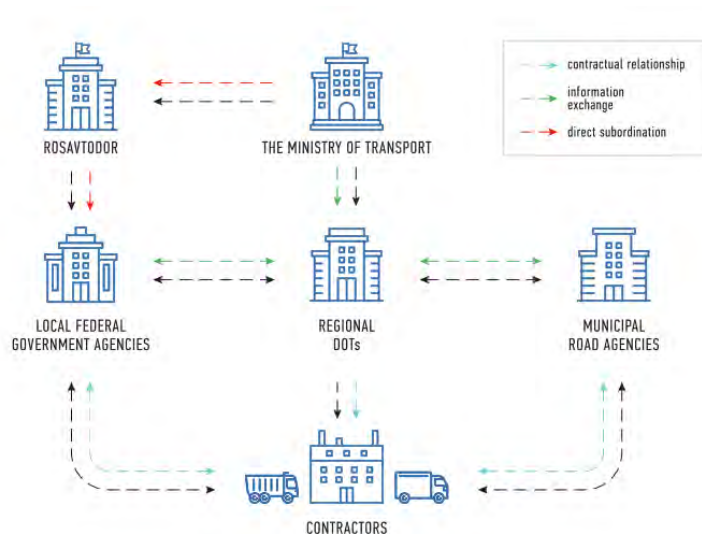
Federal Laws

Since most of the roads are controlled by Ministry of Transport through RosAutoDor Agency and subordinate structures, the purchase and contractor selection is done strictly through the central purchasing system. The tenders/purchase system processing is based mostly on 2 federal laws.

The essential differences between laws No. 44-Ф3 and No. 223-Ф3. The first law regulates the procurement of budget companies that are wholly owned by the state. The second is the purchase of companies that the state owns 50% or more. In the procurement of both, there are fundamental differences.

Full list of differences with translation is attached to this report. (File Industry specifics. xlsx - Federal Laws).

In the practice that means that RosAutoDor (<https://rosavtodor.ru>) will process its purchases by 44 Federal Law, whereas GC AVTODOR (<https://russianhighways.ru/>) will process their purchases by Federal law 223. The results of a tender by FL 44 are public and anyone can see the bidders and winner along with the winning offer and detailed pricing. On other hand most of the results of decision taking process can be hidden (and usually they are hidden) by buying company, website www.zakupki.gov.ru will show the initial tender placement with technical details and budget, but not the bidding companies or the winner name and price offer.



National Preference

One of the key points, which may be vital to international manufacturers is the mode of national preference. **When a national local company has an advantage in value of 15 % from the bid of foreigner.** The fragment of contract with description is shown in attached file: [“Sample. Contract with annexes - Translated.xlsx”](#)

This measure is based on federal law 44 and consecutive order of Ministry of Finance #126H – dated June 4, 2018 (with modifications from Oct 14, 2019) “On the conditions for the admission of goods originating from a foreign state or a group of foreign states for the purpose of procuring goods to meet state and municipal needs”

Quotation of the Order: “

To establish the following conditions for the admission of goods originating from a foreign state or a group of foreign states admitted to the territory of the Russian Federation for the purpose of procuring goods to meet state and municipal needs specified in the appendix to this order (hereinafter - the Appendix):

1.1. *When conducting a tender, auction, request for quotations, request for proposals, advantages with respect to the contract price of 15 percent in accordance with subparagraphs 1.2 and 1.3 of paragraph 1 of this order are provided to procurement participants, applications (final proposals) of which are recognized as meeting the requirements of the procurement documentation, notices conducting a request for quotations and contain exclusively offers for the supply of goods originating from the member states of the Eurasian Economic Union.*

1.2. *When conducting a tender, request for quotations, request for proposals, consideration and evaluation of applications (final offers) containing proposals for the supply of goods specified in the Appendix, and originating exclusively from the Member States of the Eurasian Economic Union, are carried out by commissions of customers for the procurement using the proposed in*

indicated bids (final bids) of the contract price of a reduction of 15 percent. The contract is concluded at the price offered in the application (final offer) by the winner of the tender, request for quotations, request for proposals.

1.3. During the auction, the contract is concluded at the price of:

a) reduced by 15 percent of the auction proposed by the winner if the application of such a winner contains a proposal for the supply of goods specified in the Appendix, the country of origin of at least one of which is a foreign state (except for the member states of the Eurasian Economic Union);

b) proposed by the winner of the auction if the application of such a winner contains a proposal for the supply of goods specified in the Appendix and originating exclusively from the member states of the Eurasian Economic Union.“

The table below contains total of 215 items. Only few shown that are close to roads construction Code 42.11.10.130 includes guardrails.

Code of all-Russian classification of products on types of economic activities (OKPD2)	Product name
42.11.10.120	Road by road, including the road network, and other vehicular and pedestrian roads
42.11.10.130	Fence road
42.21.13	Irrigation systems (canals); water lines and water structures; water treatment plants, of sewage treatment plants and pumping stations
42.22.13	Power plant
42.99.11.110	Structures for mining and related facilities
42.99.12	Facilities for sports and recreation
42.99.19.140	Fencings (fences) and fences

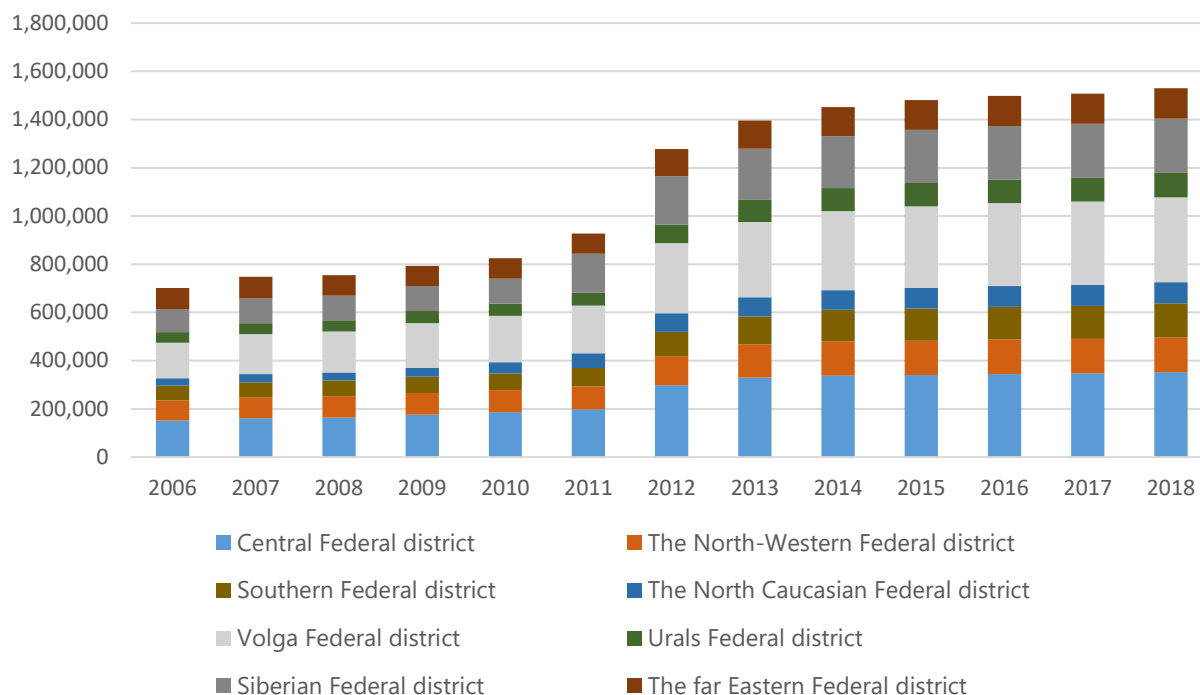
4.3. Industry specifics. Annex

Industry specifics & standarts annex	 Industry specifics & standarts.zip
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5. Roads and Highways network data

5.1. The total length of roads by regions of the Russian Federation

The length of roads in some regions of the Russian Federation



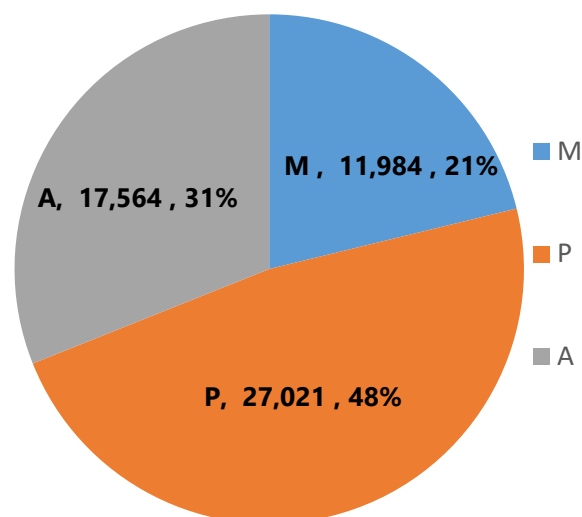
(*) - since 2012, taking into account the length of the streets

5.2. Federal highways naming and designation principles

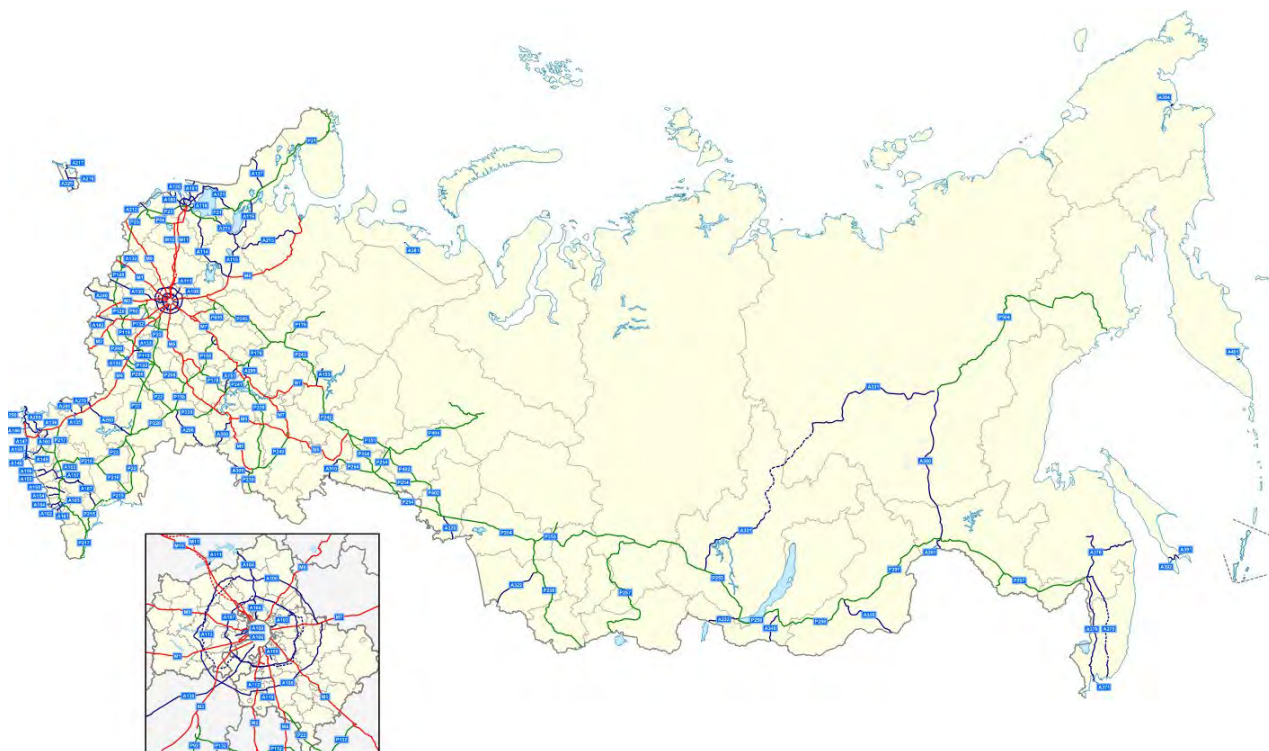
"M" are major highways connecting Moscow with the capitals of foreign States and administrative centers of the subjects of the Russian Federation ("Moscow")

"P" — road of Federal importance connecting the administrative centers of the Russian Federation ("Region")

"A" — highway of Federal importance, which is the entrance to major transportation nodes and special objects or by road from the administrative center of a constituent entity of the Russian Federation that do not have road connection with Moscow to the sea or river ports, airports and railway stations or the borders of other States; highways, connecting roads of Federal significance between them ("Highway").



5.3. Federal Highways



Highways of Russia of federal significance (with inset map of Moscow and Moscow region):

- with the prefix M
- prefixed with P
- prefixed with A
- - - roads under construction or design

Ref: https://upload.wikimedia.org/wikipedia/commons/c/ce/Russian_federal_highways.svg

5.4. Federal Highways of Russia of a category "M"

Account number road	The name of the road	The total road length, km
M1	"Belarus" Moscow — the border with the Republic of Belarus	476
M2	Crimea Moscow — Tula — Orel — Kursk — Belgorod — the border with Ukraine	835
M3	"Ukraine" Moscow — Kaluga — Bryansk — border with Ukraine	474
M4	"Don" Moscow — Voronezh — Rostov-on-don — Krasnodar — Novorossiysk	1 838
M5	"Ural" Moscow — Ryazan — Penza — Samara — Ufa — Chelyabinsk	2 986
M7	"Volga" Moscow — Vladimir — Nizhny Novgorod — Kazan — Ufa	2 023
M8	"Holmogory" Moscow — Yaroslavl — Vologda — Arkhangelsk	1 355
M9	"Baltic" Moscow Volokolamsk border with Latvia	597

M10	"Russia" Moscow — Tver — Veliky Novgorod — Saint Petersburg	726
M11	"Neva" high-Speed highway Moscow — St.-Petersburg	673
	Total for "M" category	11 984

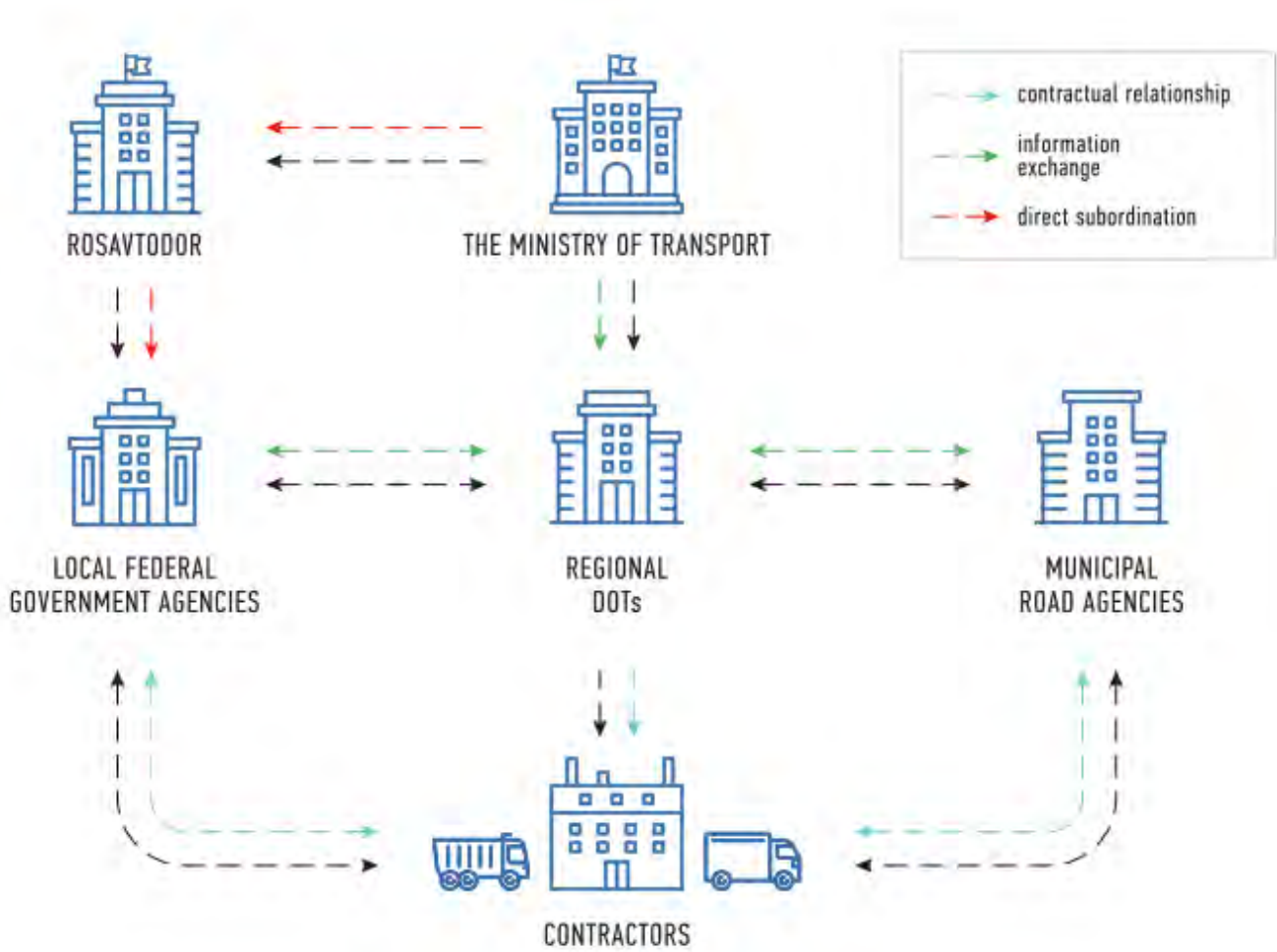
Total Federal highways ("M"-11984, "P" -27021, "A"- 17564) - 56569 KM

5.5. Federal Highway Management

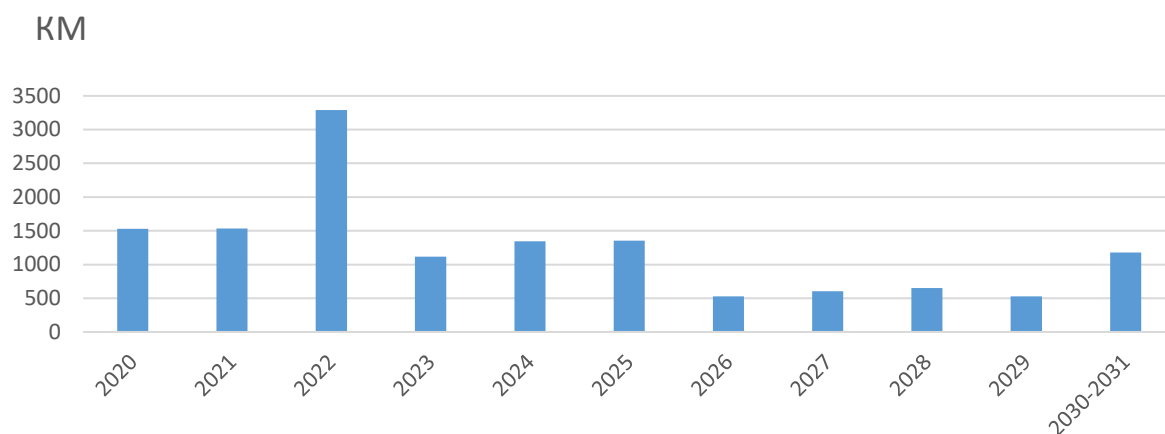
Public highways of federal importance are managed by the Federal Highway Agency (Rosavtodor-<https://rosavtodor.ru/>), more than 50 thousand km.

With the exception of those that are transferred to trust management of the State Company “Russian Highways”- <https://www.russianhighways.ru/> (about 3 thousand km) : M-1 "Belarus", M-3 "Ukraine", M-4 "Don", M-11 "Moscow-St. Petersburg", sections of the highway A-107 "Moscow Small Ring" (from the border of the Naro-Fominsk district in the direction of the federal highway M-3 Ukraine "to the M-10" Russian road ").

Rosavtodor scheme of interaction with stakeholders.



5.6. Highways planned for transfer to federal ownership



5.7. Highways and expressways currently under construction or design

Road /Project name	length, km	Cost, Rub	Notes
North understudy Kutuzovskiy Prospekt in Moscow	10,5 km	60 billion	private share 50%
Construction and reconstruction of motor road Simferopol — yevpatoriia — Myrnyi	90 km	53 billion	
Bypass the Aksay on the Federal highway M4 "don"	65,5 km	77,4 billion	
Road Solntsevo — Butovo — Vidnoe	15 km	26,4 billion	
Central ring road	520 km	313,27 billion	
Federal highway Kolyma — Omsukchan — Omolon — Anadyr	1880 km	150 billion	
The Nadym — Salekhard	330 km	32 billion	53 bridges
Radical reconstruction of the highway Saint-Petersburg — Yarn (A121 "Sortavala")	469 km	?	
The Yekaterinburg ring road	94,3 km	8,5	
Reconstruction of the motor road Yuzhno-Sakhalinsk — Okha	856 km	21,8	
The reconstruction of the road Ulan-Ude — Turuntaevo — Kurumkan — New Uoyan	725 km	60	
Syktvykar — Ukhta — Pechora — Usinsk — Naryan-Mar with entrances to the cities of Vorkuta and Salekhard	1340 km	93	
Vladivostok — Nakhodka — Vostochny port	146	21	
North-East chord in Moscow	a few sectors and streets		completed in 2019-2020
Southern bypass of Nizhny Novgorod		23 billion (3rd phase)	
Toll highway Shali (M7) — Bavly (M5), the Republic of Tatarstan	294 km	132 billion (2013)	
Highway Tyumen — Bottom Tavda — Mezhdurechensk — Uray — Nyagan — Priobe	650 km	4,3 billion (71km)	
Radical reconstruction of the highway Komsomolsk-on-Amur — Mogdy — Chegdomyn	502,9 km	several billion rubles	reconstruction to satisfactory condition

Radical reconstruction A181 the Federal highway "Scandinavia"		100 billion	32 billion allocated until 2022
The Eastern bypass of Novosibirsk	80 km		1st stage planned for 2021
Reconstruction of the Federal highway M52 "Chuysky tract"		15 billion	started in 2011
Reconstruction of interchanges on the Moscow ring road	109 km		10 lines, 14 crossways
Federal highway "Tavrida"	250 km	100 billion	planned finish 2020
The bypass Losevo and Pavlovsk on the Federal highway M4 "don"	85,17 km	62 billion	planned finish 2019- 2020
The Bypass Vologda	4th phase - 20 km	13,1 billion (4 phase)	finishes in 2020
Paid bypass Balashikha and Noginsk on the highway M7 "Volga" with a new exit to MKAD			2017-2021
Bypass Khabarovsk	27 km	43 billion	finishes in 2020
The bypass Usolye-Siberian and Thelma on the track P255 "Siberia"	43 km (15 m width)	16-17 billion	started in Nov2019
The Bypass Togliatti	97 km	100-120,8 billion	planned finish 2023


5.8. Coming soon projects

Roads / Project name	Bridges /Project name
South-East chord in Moscow	The bridge across the Volga on the Expressway M12 Moscow — Kazan
The Bypass Volgograd	The second bridge across the Ob in Surgut
Magistral "Central" in Samara	The bridge across the Ob river in Salekhard
M12 highway "Moscow — Kazan"	The Sakhalin bridge
Latitudinal backbone of high-speed traffic in Saint-Petersburg	Road bridge across the Lena river near Yakutsk
A331 Federal highway "Vilyui"	Bridge in podnov'ye
The ring road around Nizhny Novgorod	Combined road and railway bridge "Victory" through the Nadym — completion of railway parts
Detour Of Balakhna	The second bridge over the Volga river in Kostroma
Northern transport bypass of Astrakhan bridge over the Volga river in Narimanov district	Uvek railway bridge (new)
Bypassing Barnaul	A second bridge across the Zeya in Blagoveshchensk
Far Western bypass of Krasnodar	The bridge over the Vistula lagoon
Toll road Vinogradovo — Boltino — Tarasovka, Moskovskaya oblast'	Verkhnevilyuysky bridge

East away from Ufa	n/a
Northern bypass Ryazan	n/a
Transport corridor "Volodarskogo – Tikhoretskaya – M4 "don", Krasnodar	n/a
The road from the Federal highway M4 "don" to the airport "Domodedovo"	n/a
Vladivostok ring road	n/a
Bypass SIM on the Federal highway M5 "Ural"	n/a

5.9. Future / Planned Projects

Road / Project name
It is planned by 2029, to increase the length of highways from 5.1 thousand to 19.5 thousand km[136][137][138].
The Avar-Kakhetian road
Highway Krasnodar — Abinsk — Kabardinka
The motorway across the Bering Strait
Road Muravlenko — Nadym
Road Aldan
KAD-2 in Leningrad region
"Deep" crawl, Tyumen
Road Achinsk — Lesosibirsk
Ring around Rostov-on-don
The Northern latitudinal corridor — completion of
Road Tobolsk — Tara — Tomsk
Northern bypass of Omsk
High-speed road Dzhugba — Sochi
Federal highway Moscow — Nadym
Highway "the Meridian" (Shanghai — Hamburg)
The Bypass Of Dimitrovgrad
The highway Krasnodar — Krymskaya bridge
The bypass of Tver, on the highway M11 "Neva"
Highway Samara — Saratov — Volgograd — Krasnodar

For each of the projects a short description is available in the attached file	 Roads of Russia.xlsx
Also links to origins of information for each product can be found on the	link

6. National Road Network Development Plans

6.1. Established goals for the development of the road industry in the near future

On 25 March, the Agency(rosavtodor.ru) (held a conference in which were summarized the main results of the work of the Ministry in the past year, objectives for 2020. The event was attended by the Deputy Minister of transport of the Russian Federation – head of Federal road Agency Andrei Kostyuk, Deputy head of Department, heads of Departments and subordinate Federal governmental institutions.

On the implementation of the national project "Safe and quality roads," reported the Deputy head of Rosavtodor Igor Kostyuchenko. According to him, in 2019, the planned road works by the subjects of the Russian Federation have been largely fulfilled. According to preliminary data of the target achieved last year.

Full text is available in attachment



In 2020, the activities of a Federal network it is planned to spend 448 billion rubles, of which 117 billion roubles for construction and reconstruction. For the fulfilment of 287 facilities construction, start – 64, for 22 objects of the concluded state contracts.

6.2. National project "Safe and high-quality roads"



NATIONAL PROJECT SAFE AND QUALITATIVE CAR ROADS



DATE OF IMPLEMENTATION: 12/03/2018 - 12/31/2024



GOALS AND TARGETS:

1. An increase in the share of regional roads that meet regulatory requirements in their total length up to at least 50% (relative to their length as of December 31, 2017)
2. Decrease in the share of highways of federal and regional significance operating in reloading mode in their total length by 10% compared to 2017
3. Reducing the number of places of concentration of accidents (accident-hazardous areas) on the road network doubled compared to 2017
4. Reduction in mortality due to road accidents by 3.5 times compared to 2017 - to a level not exceeding four people per 100 thousand people (by 2030 - the desire for zero mortality)
5. Creation of the Register of new and best technologies, materials and technological solutions for re-application and bringing the share of contracts for road activities in the national project, involving the use of new technologies and materials included in the Register, to 80% by the end of 2024
6. Bringing the share of contracts for the implementation of road activities under the national project, providing for the performance of work on the principles of a life cycle contract, which provides for combining various types of road works into one contract, to 70% by the end of 2024 in the total volume of new state contracts for the performance of capital work repair, repair and maintenance of roads
7. An increase in the share of roads of the Ministry of Defense of Russia that meet regulatory requirements to 60% by the end of 2024



FEDERAL PROJECTS INCLUDED IN THE NATIONAL PROJECT:



Road network



System-wide measures for the development of the road sector



Road safety



Highways of the Ministry of Defense of Russia

National project budget
(subject to additional requirements)



SOURCES: 440,9 billion Rub- federal budget,
4139,1 Bil. Rub - regional budgets 199,7 Bil. Rub - extrabudgetary sources



CURATOR
M. A. AKIMOV
Deputy Prime Minister of
the Russian Federation

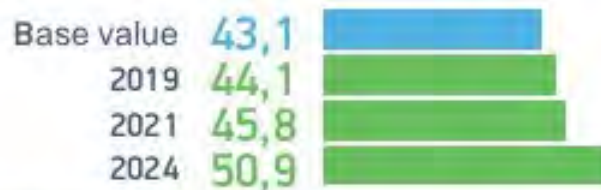


HEAD
E. I. DITRICH
Minister of Transport of
the Russian Federation

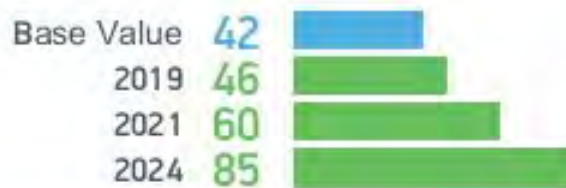


ADMINISTRATOR
I. S. ALAFINOV
First Deputy Minister of
Transport of the Russian
Federation

① SHARE OF ROADS OF REGIONAL VALUE ACCORDING TO REGULATORY REQUIREMENTS (%)



①.1 SHARE OF THE ROAD NETWORK OF URBAN AGGLOMERATIONS, LOCATED IN NORMATIVE CONDITION (%)



Placement of automatic weight control points on regional and local roads in the constituent entities of the Russian Federation, number of constituent entities of the Russian Federation *



387 automatic points of weight and size control of vehicles on federal roads will be placed by the end of 2023

366 automatic points of weight and size control of vehicles on roads of regional

Will be approved



The increase in the number of stationary cameras for photo and video recording of traffic violations on highways of federal, regional or inter-municipal, local significance, in% of the base amount of 2017



* Progressive total



NATIONAL PROJECT
**SAFE AND QUALITATIVE CAR
ROADS**

2 FARE OF FEDERAL AND REGIONAL VALUES OPERATING IN OVERLOAD MODE (%)



Equipping sections of highways and artificial structures of regional importance with elements of intelligent transport systems focused on the automation of traffic management processes (number of sections) *



The introduction of intelligent transport systems, providing for the automation of traffic management processes in urban agglomerations with cities with a population of over 300 thousand people *



Equipping sections of highways and artificial structures of federal significance with elements of intelligent transport systems focused on the automation of traffic management processes (number of sections) *

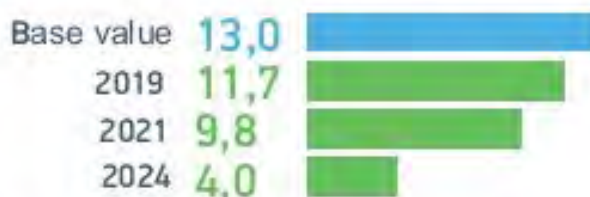


3 NUMBER OF PLACES OF CONCENTRATION OF ROAD ACCIDENT ACCIDENTS (EMERGENCY SITES) ON THE ROAD NETWORK (%)



*Progressive total

④ NUMBER OF DEATH IN ROAD TRAFFIC ACCIDENTS, PERSON FOR 100 THOUSAND. POPULATION (NUMBER OF THE DEAD)



На 55 Intelligent transport systems, including those aimed at ensuring the movement of unmanned vehicles, by the end of 2024 will be introduced on sections of public roads

На 65 Intelligent transport systems oriented towards the use of energy-saving lighting technologies by the end of 2024 will be introduced on road sections

12,5 тыс. instruments for monitoring the safety of operation of roads will be delivered to units performing control and supervisory functions in the field of road safety by the end of 2024.

30 тыс. laying for first aid will be delivered to the traffic police by the end of 2024

7,5 тыс. special technical measuring instruments used to monitor the safe operation of vehicles will be acquired by the end of 2024.

9,375 млрд. "Rapid tests" for examining drivers for intoxication will be acquired by the end of 2024.

В 82 Mobile inspection points will carry out annual verification of diagnostic equipment

⑤ SHARE OF CONTRACTS FOR THE IMPLEMENTATION OF ROAD ACTIVITIES WITHIN THE FRAMEWORK OF THE NATIONAL PROJECT, PROVIDING THE USE OF NEW TECHNOLOGIES AND MATERIALS INCLUDED IN THE REGISTER OF NEW AND BEST TECHNOLOGIES, MATERIAL PERIODS *



*Progressive total

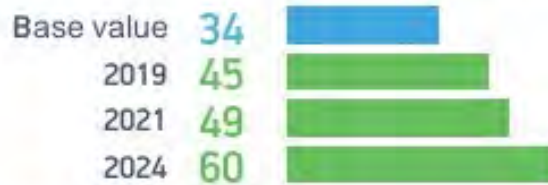


NATIONAL PROJECT
**SAFE AND QUALITATIVE CAR
ROADS**

6 SHARE OF CONTRACTS FOR THE IMPLEMENTATION OF ROAD ACTIVITIES WITHIN THE FRAMEWORK OF THE NATIONAL PROJECT, PROVIDING THE PERFORMANCE OF WORKS ON THE PRINCIPLES OF THE LIFE CYCLE CONTRACT WITH INCLUSION ONE CONTRACT OF DIFFERENT TYPES OF ROAD WORKS (%) *



7 SHARE OF VEHICLES OF RUSSIAN DEFENSE MINISTRY COMPLIANCE WITH REGULATORY REQUIREMENTS (%)



- 1** Annual road works on a network of public roads in order to bring them into normative condition
- 2** Adoption of normative legal acts providing for bringing the norm for transfer of tax revenues of budgets of constituent entities of the Russian Federation from excise taxes to 100%
- 3** Amendments to the Budget Code of the Russian Federation, providing for an increase in the coefficient for the formation of the base size of the Federal Road Fund

* Progressive total



- 4** Creation of a federal center for coordination of work on the prevention of violations of norms and rules in the field of traffic by the end of 2019
- 5** Ensuring the functioning of the automated information system of tachographic control in order to comply with the drivers of vehicles work and rest
- 6** Supply of chromatographs to detect the state of intoxication in district medical facilities until the end of 2024.

By mid-2019	the Register of new and best technologies, materials and technological solutions for re-application will be created and put into operation
By the end of 2020	normative legal acts will be adopted aimed at strengthening responsibility for some of the most dangerous offenses in the field of traffic safe participation of children in traffic will be ensured
By the end of 2021	normative legal acts aimed at improving the system of driver training will be adopted
By the end of 2024	implementation and maintenance of the information system for monitoring the formation and use of road funds of all levels (SCDF) and annual updating of the data entered into it a system for organizing the movement of vehicles and pedestrians will be developed, road safety will be improved a system will be developed to provide assistance to victims of road accidents



6.3. Transport strategy of the Russian Federation for the period until 2030

The strategy – is a government approved plan for enhancing entire transport infrastructure of Russia. It is initially planned up to 2030, but it is being corrected periodically, taking in account already achieved project and new aims. Currently there mentioned over 73 objects in all transport types.

Number of projects	Project area	Project budget (cumulative)
9	Large and complex investment projects	806,6 Billion Rubles
21	Roads projects	9 496,5 Billion Rubles
24	Railway transport projects	17 395,3 Billion Rubles
2	Maritime transport projects	134,7 Billion Rubles
9	Inland waterway transport	153,8 Billion Rubles
8	Air transport	389,9 Billion Rubles

6.4. Road Projects

No	The project	Total costs, billion rubles	Funding	Deadlines	Stage works**	Geographic reference
1	The construction of the Central ring road (TsKAD) in Moscow region	306,3	public-private partnership	2012 - 2018	1, 2, 3	Moscow oblast
2	The construction of a bridge across the Lena river near the city of Yakutsk	73,2	the Federal budget, extra-budgetary funds	2013 - 2019	2, 3	Yakutsk, Republic of Sakha (Yakutia)
3	The reconstruction of sections of the automobile road of Federal importance A-331 "Vilyuy" Tulun - Bratsk - Ust-Kut - Mirny - Yakutsk	15,3	the Federal budget	2010 - 2020	2, 3	Irkutsk oblast, Republic of Sakha (Yakutia)
4	Construction of the new road Izhevsk - Perm, including the entrance to the city Izhevsk	118,6	public-private partnership	2024 - 2029 years	One	Udmurt Republic, Perm Krai
5	Reconstruction of road Chelyabinsk - Magnitogorsk - Kumertau	213,2	public-private partnership	2025 - 2030	One	Chelyabinsk oblast

6	Reconstruction of road Chelyabinsk - Yekaterinburg***	109,8	public-private partnership	2025 - 2029 years	One	Chelyabinsk and Sverdlovsk region
7	Construction of the new road in the direction of Uglich - Pereslavl-Zalessky, Vladimir, Saransk (from a departure to Saratov, Russia) - Ulyanovsk - Dimitrovgrad - Samara - Orenburg	683,3	public-private partnership	2023 - 2030	One	Vladimir, Yaroslavl, Penza, Ulyanovsk, Saratov, Samara and Orenburg region
8	Reconstruction of automobile road A-180 "Narva" at the site entrance to the sea port Ust-Luga	44,3	the Federal budget	2010 - 2020	2, 3	Leningrad oblast
9	The construction of the program of development of Sochi as a mountain resort	124	the Federal budget	2009 to 2014	3	Sochi, Krasnodar Krai
10	Reconstruction of sites of a highway of Federal significance M-5 "Ural"	300,6	the Federal budget	2010 - 2020	2, 3	Moscow, Ryazan, Penza, Samara and Chelyabinsk regions, the republics of Mordovia, Tatarstan and Bashkortostan
11	Reconstruction of sites of a highway of Federal significance M-8 "Kholmogory"	133,1	the Federal budget	2010 - 2020	2, 3	Moscow, Yaroslavl, Vologda and Arkhangelsk region
12	Reconstruction of sites of a highway of Federal significance M-9 "Baltia"	39,2	the Federal budget	2010 - 2020	2, 3	Moscow oblast
13	The construction of high-speed highway	To 305.9	public-private partnership	2010 - 2023	1, 2, 3	Moscow, Kaluga and Bryansk region

	M-3 "Ukraine" in a new direction					
14	The construction of high-speed international transport corridor "West - East" in a new direction	1602	public-private partnership	2010 - 2030	1, 2, 3	Vladimir, Moscow, Nizhny Novgorod, Sverdlovsk, Tyumen, Omsk and Smolensk regions, Republic of Tatarstan, Chuvash Republic
15	The construction of high-speed international transport corridor "North - South" in a new direction	1312	public-private partnership	2010 - 2028 years	1, 2, 3	Leningrad, Tver, Moscow, Voronezh, Tula and Rostov region, Krasnodar Krai
16	The construction of high-speed transport corridor	557,7	public-private partnership	2021 - 2030	1	Leningrad, Vologda, Yaroslavl and Kostroma regions, the Republic of Tatarstan
17	The construction of high-speed transport corridor "North-West Expressway"	856,6	public-private partnership	2021 - 2028 years	1	Smolensk oblast, Perm Krai, Sverdlovsk, Kostroma, Yaroslavl, Tver and Leningrad region
18	The construction of high-speed transport corridor "South-West chord"***	1373,4	public-private partnership	2029 - 2030	1	The Republic of Tatarstan, Ulyanovsk, Saratov, Volgograd and Rostov region

19	The construction of international highway route "Europe - Western China"	368,6	public-private partnership	2013 - 2030	1, 2	Of the Republic of Tatarstan and Bashkortostan, Orenburg oblast
20	The construction of high-speed transport corridor	590,3	public-private partnership	2021 - 2030	1	Bryansk, Orel, Voronezh and Saratov region
21	The construction of high-speed transport corridor	369,1	public-private partnership	2023 - 2030	1	Leningrad, Smolensk and Bryansk region

7. SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Experience in EU and world • Lots of projects in portfolio • Crash tests portfolio • Large production capacity • Experienced sales network • Financial independency • International experience • Products complying local standard GOST 	<ul style="list-style-type: none"> • Being abroad from customer • Locally unknown products • Missing registration on electronic trade platforms • Lack of experience in Russian market
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Growing market • Growing economy • 5th world longest road network size country • Huge renovation and development plans • Open government purchase system 	<ul style="list-style-type: none"> • National mode in gov purchases (15%) • Risk of worsening of import-export climate • Risk of hold of the projects due to crisis • Requirements of additional accreditation from Gov. Companies • Local competition • Officials corruption • import substitution program

7.1. Conclusions

- **High value potential market is a good reason to find a solution how to enter it.**
- **National goods privilege may become loss of planned profit.**
- **The business sector main customer is government thus minimizing risk of fraudulent contracts.**
- **Possibility of the partial relocation of production to local market should be estimated to overcome the “national mode” influence.**

8. Commercial test

Contacting key figures in the sector

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