

RUSSIAN MARITIME SEMI-ANNUAL INFORMATION BULLETIN

Marine messages of Russia. A news line, December 19, 2012

The RF Gosduma adopted on December 18 a Federal Law «On Introducing Changes into the Federal Law «On Continental Shelf of the Russian Federation» and Federal Law «On Inner Seawaters, Territorial Sea and the RF Contiguous Zone», Arktika-info reports.

Under this law prior to commencement of hydrocarbon upstream, operation of artificial islands, submarine pipelines and oil products' transportation, an operator should have a Contingency Plan (an Oil Spill Prevention and Response Plan), as well as financial security for its implementation and compensation for harm caused to the environment in case of a oil spill (banker's bond, insurance agreement, or a document substantiating stockpiling).

An operating entity should establish a system of monitoring marine environment in the area of its activities (including a system of oil spill detection and notification).

M0603 korabel.ru, December 20, 2012

An atomic submarine (project 09852) keel-laying ceremony was held at SEVMASH Production Association Open JSC. The submarine is designed for doing research in remote areas of the World Ocean and for participating in search-and-rescue operations.

The A-boat will be able to secure installation of underwater devices and equipment, and their further inspection, trials of new pieces of scientific-research devices, monitoring underwater transportation means. The submarine will carry deep submergence rescue vehicles. The atomarine has been designed at the «Central Design Bureau for Marine Engineering «Rubin» on the basis of project 949A. The part placing the order is the RF Ministry of Defense.

M0609 mintrans.ru, March 1, 2013

Federal Agency for Marine and River Transport enlarged meeting was held on March 1, being devoted to the major results of the marine

and river transport activities in 2012, tasks for 2013, and mid-term horizon up to 2015.

The Council was attended by Deputy Minister of Transport of the Russian Federation Mr Viktor Olersky, heads of subordinate Service and agencies, joint-stock companies, associations of marine and river transport, scientific and public organizations.

In his speech Mr V. Olersky informed that within the year of 2012 119 regulatory acts were passed, including 3 Federal Laws, 11 RF Government decrees, 61 RF Government orders, 36 RF Ministry of Transport orders, 4 RF Ministry of Transport ordinances and 3 international treaties.

Head of the Federal Agency for Marine and River Transport Mr. Alexander Davydenko made a report on major results of marine and river transport in 2012, tasks for 2013 and mid-term horizon to 2015.

Transportation of goods by marine transport in 2012 amounted to about 20 mln. t, cargo turnover 25 mlrd. t-miles. More than 4 mln. t of goods were delivered to the Far North and localities enjoying equal status, i.e. 4 per cent more than in 2011. During 2012 navigation period approximately 4 mln. t of goods were carried by the North Sea Route, including 1.2 mln. t of transit goods. Merchant marine fleet was replenished with 41 new transport ships of more than 1 mln. t total deadweight in 2012. This year more than 22 craft are expected to be commissioned.

Total number of vessels controlled by Russia by the beginning of 2013 has increased. B Russian international register lists 568 craft of nearly 2 mln. t total deadweight. A positive trend is noted.

Russia's seaport cargo turnover in 2012 compared to 2011 increased almost by 6 per cent and amounted to more than 567 mln. t. Targets are seen to be exceeded both in respect of dry and liquid cargoes. Growth in cargo transshipment of cargo is secured by constant expansion of port capacities. Last year 72.5 mln. t were commissioned. It is set out to increase these by other 54 mln. t in 2013. Mr. Davydenko noted that by 2016-2018 it is planned to provide for cargo transshipment in the amount of 740 mln. t a year, including a 15 per cent reserve of turnover capacity to minimize losses with peak loads in transport system.

As Mr. Davydenko says, the national fleet construction rate remains

at the same level. Since 2010 there have been built 21 rescue vessels. Last year building of 4 Diesel-electric ice-breakers and 1 nuclear-powered one was started. Designing a new generation shallow-draft river ice-breakers has been started. Four more vessels for salvage and support fleet is expected to be delivered in 2013.

M0410 Marine messages of Russia. A news line, February, 11, 2013

Arctic shipbuilding and construction of sophisticated platforms to be operated in the north polar zone and to transport hydrocarbons along the North Sea Route will become one of the cutting edge approaches for home science in the nearest years, thinks Deputy Director General of «Krylov State Scientific Centre» Prof. Yevgeniy Appolonov.

The major trend in the world and, in particular, in the Russian shipbuilding is sophisticated facilities to be operated in underinvestigated hydrological and ice conditions and which are designed, first of all, for the production and delivery of hydrocarbons, stored in the Arctic shelf fields.

Arctic shipbuilding will undoubtedly become an advanced one in Russia, as even now main engineering solutions of home shipbuilding industry are focused on it, the expert believes. In this connection the ship designers' task is to create environment-friendly, safe, and efficient ships and marine engineering facilities for north polar latitudes.

The Centre traditionally works on new designs in collaboration with major St. Petersburg sectoral research institutes in fields of shipbuilding industry, primarily with Centre for shiprepairing and shipbuilding technology, Central Research Institute of Structural materials "PROMETHEY", which specialize in the fields of shipbuilding technology and innovative materials development. Educational institutions (Polytechnic Institute, Military Engineering Institute, Admiral Makarov State Maritime Academy), design and project bureaus, shipbuilding yards allow St. Petersburg to be rightfully considered an advanced centre in the field of marine science and engineering, the expert added.

M0510 Bloomberg, February 12, 2013 (US)

NOVATEK Open JSC – a major private oil company in Russia – may need, as SOVCOMFLOT Open JSC anticipates, 5.6 billion USD

to have gas carriers for transportation services to Yamal oil fields built. The company might employ these ships to deliver liquefied natural gas to consumers in Japan, China, and Republic of Korea along the North Sea Route. Currently Russia has only one facility for liquefying natural gas (Sakhalin Island), another one is scheduled to be constructed on Yamal peninsula by beginning of the year of 2017. This facility with estimated capacity of 5.5 mln. MT per year is by default designed to serve customers from Asian countries.

NOVATEK Open JSC works on its Yamal project Total SA company, France, though they are looking for some new partners as the companies experience a shortage of investments in the amount of 20 billion USD. The demand from the company is 16 tankers, class 170,000cu.m. each costing 350 mln. USD.

M0111 SUR.ru News, March 14, 2013

Ministry of Transport has published a draft decree by the RF Government «On Measures to Provide for Compliance of the Russian Federation with Obligations Arising from Maritime Labour Convention 2006». This document approves a list of federal executive power agencies that are entrusted to exercise the powers and authority of the member state in respect of the Convention provisions. Therefore, the authorized agencies with clearly defined responsibilities for certain Convention articles are the following: RF Ministry of Transport (Mintrans), Federal Agency for Marine and River Transport (FAMART), Ministry of Labour and Social Protection, Ministry of Health, Ministry of Foreign Affairs, Federal Migration Service (FMS), and Federal Service for Oversight of Consumer Protection and Welfare.

Mintrans states that preliminary arrangements in preparing the ratification revealed that a number of the RF statutory regulations comply with or are in fact equivalent to the Convention provisions – in particular, wages, employers' minimum age, training and qualification, career growth, welfare, submission and processing of complaints of labour rights violation. However, implementation of some Convention provisions, pertaining to repatriation, employment and job placement, health service support and occupational safety, nutrition and social amenities, would require passage of enactments or making amendments to certain legislative instruments.

It should be noted that the Seafarer's Union Russia is of opinion that to have the provision of the Convention закрепления a separate legislative act is required to incorporate all the issues pertaining to maritime affairs.

The Convention shall have effect in August next year. It provides for a vessel being inspected not only by the Flag State, but also by any other ILO member-state that had ratified the Convention when it would stay in one of such state's ports.

M0913 The Russian shipping industry, March 25, 2013

SCF Group order portfolio as of March 2013 is made up of 10 ships of different type. In the coming 3 years the company is intended to man 20 professional crews (about 450 seafarers) to be involved both from personnel reserve and from outside, allotting key positions to SKF well-qualified personnel.

M1018 Maritime Information Centre, March 25, 2013

UK shipping industry journal 'Tanker Operator' reports that «SOVCOMFLOT» JSC took the 4th place in the list of 30 top tanker companies of the world. The top list foreword reads: «SOVCOMFLOT» continues its advancement towards the top level in international ratings and will undoubtedly remain among the top five companies in the year to come when the company has commissioned its first VLCC».

Vast experience in shipping through the Arctic strengthens the company position in ratings to a considerable extent. «SOVCOMFLOT» is at the top as a world leader in several tanker classes:

No. 1 - in Aframax tanker segment

No.2 - in Suezmax tanker and product carrier segments

No.3 – in number of shuttle tanker fleet (No.1 among the ships of the class).

'Tanker Operator' notes another factor that has facilitated «SOVCOMFLOT» to gain additional score in the ratings. Since 2005 almost all the new «SOVCOMFLOT» tankers obtained an additional classification symbol, signifying that these comply with strict standards of ecological safety. Though obtaining such environmental-friendliness symbol isn't mandatory, it demands more improved engineering ship's design and proves shipowners' responsible attitudes towards environment protection issues.

When compiling its top 30 companies' list 'Tanker Operator' journal took into account only oil tankers, excluding gas carriers, bulk carriers, supply vessels, and other service craft. It means that «SOVCOMFLOT» got into top five, accounting only its tanker fleet of 135 tank vessels of 11.45 mln.t total deadweight, while current fleet of the company comprises 159 vessels of 12 mln.t total deadweight

M0614 The Russian shipping industry, April 03, 2013

Primorsky Krai ports' annual cargo turnover will reach 100 mln.t by 2020, 91 mln.t by 2015. This information was delivered by Deputy Minister of Transport of Russia Mr Oleg Belozyorov in the course of the State Committee on socio-economic development of Russian far East, Republic of Buryatiya, Zabaikalsky Krai, and Irkutsk Oblast meeting.

To have the growing cargo flow digested a fundamental reconstruction and development of railroad infrastructure is needed. As federal budget capacity is limited the investments required have been calculated in cooperation with Russian Railways Open JSC. Increasing ports' throughput by 25 mln.t would require approximately 562 mlrd. roubles, of which 302 mlrd. roubles to be invested by Russian Railways Open JSC and 260 mlrd. roubles to be channeled from federal budget.

Implementation of the project aimed at making Transsib and Baikal-Amur Mainline more potent would give a powerful impetus to the investment inflow into related sectors. As an example, the port infrastructure alone would receive from non-budgetary sources about 100 mlrd. roubles by the year of 2020. 28 from 64 Russian seaports are based in the Far East of Russia.

M0519 MarineLink.com, April 04, 2013

JGC corporation of Japan in collaboration with French company Technip will be engaged in deigning, supplying and commissioning an integrated natural Gas liquefaction unit on the Yamal peninsula.

The contract was made by Yamal SPG Open JSC, owned by NOVATEK company (80 per cent) and TOTAL (20 per cent). The project will be started right after assessment, detailed engineering, and initial project preparation work.

Yamal peninsula located in Yamal-Nenets Autonomous District in the North-west Siberia, extends for approximately 700km and borders mainly on the Kara Sea, Baidaratsky bay in the west, and the Ob Guba in the east.

The planned unit capacity is 16.5 mln.t of liquefied natural gas per year. The unit will be utilizing the resources from Yuzhno-Tambei gas field, Yamal peninsula.

M0615 Marine messages of Russia. A news line, April, 11, 2013

The growth in home port cargo turnover in 2013 is estimated to be 6 per cent. However, as it was noted by Director General of Moscow representative office of the Russia's Seaport Association Mr Alexander Shimansky, «so far cargo work is carried ahead of schedule, mainly thanks to good trend in liquid bulk cargoes. Yet there's a decrease in transshipment of dry cargoes that causes concern. Where the results of the previous year showed their increase by more 10 per cent, we have only a 2 per cent increase today, mostly accounted for by a reduction in handling grain cargoes». That can't but affect the readings of ports based on the Azov and Black Seas, as the lion's share of grain cargoes are exported via these ports.

Containerized cargoes segment also causes some concern, as their transshipment rate has increased by 3.8 per cent which is lower than annual growth rate. Nevertheless the potential for containerization of Russian transportation market is big enough, thus container turnover is expected to show a more intensive growth at year end.

M0715 Marine messages of Russia. A news line, April 12, 2013

A terminal designed for coal shipment to APR nations will be constructed in Slavyanka settlement, Khasan district. The designing of the new port facility has been completed and the project is currently undergoing the stage of state expert review.

As the Primorsky Krai Department of Industry and Transport notes, the designers focused on environmental friendliness issues. Khasan district is famous for its beaches and attracts thousands of tourists annually. Therefore the facility area is planned to be guarded with dust

protection fence of 21m in height. Measures for prompt public notification about ambient air quality have been provided for: an electronic display will be installed at an easy access location.

That's a second major project to be executed in Primorsky Krai connected with the enhancement of coal exports from East Siberia to APR countries. Another project – «Astafyev terminal» - implies enhancement of coal transshipment capacity in the port of Nakhodka. Infrastructure modernization work is being done there. From January to March, 2013 «Astafyev Terminal» shipped 60,000t every month, in the consequent three months the turnover will make 80,000 per month, to be then increased to 100,000t. major consumers of Siberian coal are companies from Japan and Republic of Korea.

M0721 MarineLink.com, April 12, 2013

Partners of Russian project «Yamal SPG» are conducting negotiations on supplies of LNG to Great Britain and North-western Europe in winter time when ice conditions make ship voyages eastward to Asia countries.

Reuters agency informs that according to plan a fleet of 14 LNG carriers will supply liquefied gas from the Arctic shelf projects in West Siberia to terminals of North-western Europe either for probable further transportation to Asia, or for consuming locally.

Existing Russian pipelines meet Europe's demand by approximately one-fourth, but the liquefying natural gas unit on Yamal is intended for the supplies to Asia markets offering higher prices and which so far consume comparatively small volumes of Russian gas.

Supplies of Russian LNG could help Great Britain avoid another jump in prices to almost record ones caused by insufficient supplies of gas pumped through the pipelines, and supplies of LNG from Qatar.

M0323 The Shipping Tribune, April 23, 2013

Last year Russian Far eastern ports significantly raised shipments of bunkering oil, thus rivaling with other Asian ports, including these in China. As the industry sources report this is caused by prices being in Russian ports approximately USD100-150 per ton lower.

As one Northeastern trader says, bonded sales of bunker oil volume in Far East Russia doubled in the course of the year. According to his

estimates the volume will exceed 250,000t if compared to 120,000 – 150,000t registered in April 2012.

However, ships have to pay Russian export duty of more than USD200 per ton, if they do not do loading or discharging in Russian ports. That makes prices for Russian bunker higher than in Northeast Asia ports for those ships that call for bunkering purposes only and do not carry out any cargo operations. The RF export duty for FFO and diesel oil in April has been set at USD 265 per ton, in May – USD 249.70 per ton. As a result a number of container ships calling at ports of Russian Far East not only for bunkering, but for cargo operations, have increased.

According to one of Russian suppliers, if a shipowner or an operator manages to arrange for loading even a small amount of cargo, say 3-5t of flour or sugar, or 1t of lube oil, a ship has a chance to purchase bunker fuel oil without paying export duty. In this case a shipowner pays a comparatively low export duty for the goods he has purchased thus saving considerably through avoiding to pay an export duty for bunker oil.

Bunkering fuel of 180CST in major Russian far East ports costs about USD500-505 per ton, that of marine gasoil – USD785-795 per ton. There are some suppliers that offer fuel oil with viscosity of 380CST at the same price as 180CST grade or with an USD5-10 per ton difference.

As of April 19, according to Platts, the price for bunker oil of 180CST in Singapore was USD616.00 per ton (including cost of delivery), in Hong Kong - USD616.50 per to, in Shanghai – USD651.50 per ton, in Japan – USD653.50 per ton, and in South Korea – USD661.50 per ton. As the industry sources report, container cargo ships that used to call at Hong Kong and South China for fuelling have switched over to ports of Russian Far East. Where a couple of years ago the demand for bunker oil in Hong Kong was about 600,000-700,000t/month, now it has dropped to 500,000t/month.

Surplus tonnage affects shipowners' profit gained from having their vessels chartered. With increasing competition charterers and their brokers compel the owners to accept lower time-charter rates. Cut in incomes also made shipowners to review their bunkering areas and pay attention to these with lower prices, such as Russian ports to maximize their cost-savings.

One Russian source mentions: «Prices in Singapore are currently lowering, yet the difference for bunkering fuel oil [in Russia if compared to Singapore] is still approximately USD100 per ton, and for MGO - USD40 per ton. So, if a vessel loads 2,000t of bunkering oil the owner can save about USD200,000».

M1221 Barents Observer, May 2, 2013

Being pressed by the competitors and the RF Government the Russian gas giant GAZPROM commences to continuation of drilling for the purposes of exploring new mineral reserves in the Arctic Ocean waters. In 2011-2012 GZPROM drilled four holes and compiled a 3-D map of 3,000sq.km of shelf. 200 mln.t more of oil were proved to be available underneath the ocean bed. Drilling operations were conducted in waters, washing Yamal peninsula, as well as westward of Kamchatka and in the part of the Sea of Okhotsk adjacent to Sakhalin. In 2013 it is planned to drill two more holes at the Island of Sakhalin shores, and to resume after a long idle period production from the Prirazlomnoye field, Pechora Sea.

M0520 Marine messages of Russia. A news line, May 12, 2013

The RF Government has determined the limits and assigned name «Sabetta» to a new seaport being constructed Yamal-Nenets Autonomous District on the shore of the Ob Guba, the Kara Sea.

Sabetta seaport is being constructed under the RF Government Decree No. 1259-p dated 13 July, 2012 for the purposes of securing transshipment of hydrocarbons from Yuzhno-Tambeisky Gas Condensate Field, Yamal and supplies of natural gas, oil, and gas condensate by sea transport to countries of West Europe, North and South America, as well as to Asia-Pacific Rim countries. As officials declare, the seaport in Sabetta must become the «main gate to the Arctic» and make Russia a leader of oil and gas exploration in North Polar region. In the meanwhile «Greenpeace» people have recently addressed President Vladimir Putin: they say that construction of Sabetta port might endanger Yamal ecological safety.

In 2012 a third party contractor did dredging work in the water area of the port, having totally excavated more than 1.5 mln.cu.m of ground.

M0121 morflot.ru, May 15 2013.

In order to implement Federal Law No. 132-Φ3 dated 28 July, 2012 «On Amendments to Certain Legislative Acts of the Russian Federation pertaining to Governmental regulation of Merchant Shipping in the North Sea Route Area» by the Russian Federation Government Order No. 358-p dated 15 May, 2013 the Federal State Treasury Enterprise «North Sea Route Administration» was established.

«North Sea Route Administration» is an establishment subordinated to the Federal Agency for Marine and River Transport, and it is entitled to fulfill the authorities in organization of shipping in the North Sea Route area.

Primary goal and objects of activity of the «North Sea Route Administration» are ship navigation organization, safety of navigation provision, and marine environment protection from pollution from ships in the North Sea Route area. To achieve the goals set the «Administration» exercises a number of functions, including: acceptance of applications for permits to navigate in the North Sea Route area, processing of such applications and granting permits; issue of certificates to persons engaged in ice-breaking pilotage for the right of ice-breaking pilotage; monitoring hydrometeorological, ice, and navigational situations; assistance in search and rescue operations in the North Sea Route area, etc.

By the FAMART order as of 21 March, 2013 Mr. A. Olshevsky was appointed the Head of 2013 the Federal State Treasury Enterprise «North Sea Route Administration».

On 12 April, 2013 the Russian Federation Ministry of Justice registered the Rules for Navigation in the North Sea Route Area, approved by the RF Ministry of Transport Order No. 7 dated Jan. 17, 2013.

On 15 April, 2013 the state registration was completed, the Establishment was mostly manned, and the «North Sea Route Administration» commenced fulfilling its obligations.

On the same day the North Sea Route Administration's web-site (www.nsra.ru) started its operation. The web-site is run in Russian and in English and contains information on the issues of organization of navigation the North Sea Route Area (including Rules of Navigation in the North Sea Route Area and a blank form of a vessel's application of

navigation in the North Sea Route Area to be filled in electronic form and forwarded to the Administration's e-mail address).

At present there are preparations in opening a branch of the Federal State Treasury Enterprise «North Sea Route Administration» in Arkhangelsk.

M0621 Marine messages of Russia. A news line, May 22, 2013

President Vladimir Putin at a Президент РФ Vladimir Putin at the assembly in Sochi has charged Vice Prime-Minister Dmitry Rogozin with personal responsibility for not only military, but also civil shipbuilding, a representative of the Secretariat of the Weapons Industry Commission, attached to the RF Government, told the journalists.

Under this charge Mr. D. Rogozin plans to discuss the “road map” with directors of enterprises, incorporated into the United Shipbuilding Corporation (USC), considering every step needed for normal running of the corporation.

Just before at the assembly in Sochi President Vladimir Putin said, that the Government expected from the USC more efficiency in merchant shipbuilding sector. He noted that production of ice-breakers, hi-tech vessels for various purposes, drilling rigs, were of strategic importance for Russia. «Building up Russia's presence in the Arctic and other World Ocean areas, development of Far Eastern and Northern seas natural resources, improvement of continental shelf oil&gas projects' cost-effectiveness are directly dependent on that», - so President indicated the relevance of the task.

At the assembly it was announced that it was Mr. Vladimir Shmakov who would head into the United Shipbuilding Corporation. Vladimir Putin noted vast experience of Mr. Shmakov in top jobs at defense complex and metal industry and expressed hope that he would prove an efficient executive in shipbuilding sector, as well.

M1121 Marine messages of Russia. A news line, May 23, 2013

The Russian Federal Atomic Energy Agency (Rosatom) is not in a position to finance ice-breaker building programs. Rosatom funds are channeled to NPP construction, backing-up the nuclear weapons complex' infrastructure. The Company forwarded an inquiry to the RF

Government on probable sources of financing ice-breaker building programs, but the decision has not been made yet.

Mr Dmitry Rogozin appreciated the approach initially laid down in the budget, according to which commercial ice-breaker building should be funded from the budget, as reviewed in and approved by GosDuma.

Earlier mass media reported the RF Ministry of Finance required that only 30-40 per cent of cost of the first two new Russian nuclear-powered ice-breakers of 60MWt capacity (JIK-60) were financed from the budget. Therefore over 56 mlrd.roubles are still needed to build them. The sources of financing are being currently discussed. Ice-breaker building customer is «Atomflot» Federal State Unitary Enterprise, incorporated in Rosatom.

M0324 The Russian shipping industry, June, 13, 2013

In order to raise the customer service quality and effective implementation of Maritime Labour Convention 2006, the Russian Maritime Register of Shipping created on the 1st of June, 2013 a new subdivision – Department of Labour Standards in Shipping. The new department will be in charge of coordinating the whole range of issues pertaining to rendering Register's services in this segment of market.

It should be reminded that Maritime Labour Convention shall become effective on 20 August, 2013. This Convention was adopted on 23 February, 2006 at ILO General Conference, session 94. Maritime Labour Convention, along with SOLAS, STSW, MARPOL Conventions will make up a core of the maritime industry regulatory documents.

MLC implies regular monitoring of conditions of work and rest aboard ships, and also determines requirements to the organizations engaged in seafarer selection and job placement (crewing agencies). When MLC comes into force the shipowners will have to confirm the fact of their collaboration with the crewing agencies complying with MLC requirements.

The Register of Shipping conducts ship surveys for compliance with MLC standards; issues and endorses Certificate of Compliance with labour standards in maritime shipping industry; considers and acknowledges the Declaration of Compliance with Labour Standards in Maritime Shipping Industry. The Register offers crewing agencies to

undergo voluntary surveys for meeting the MLC requirements, followed by issuance and endorsement of the Certificate of Compliance.

Furthermore, the Register of Shipping offers consulting services in introducing MLC standards into shipping companies' activities. The Register services encompass a company internal regulatory system analysis, safety management system analysis, MLC standards' compliance system development (policy, document blank forms, instructions, document management, procedures, accountability, responsibility), making up a draft company's Declaration of Compliance with MLC Standards, issuance of an official opinion letter on the compliance with MLC requirements.

Once MLC is effective every Convention participating state will require the ships flying their flag to have and on a regular basis confirm Certificate of Compliance with labour standards in maritime shipping industry and Declaration of Compliance with Labour Standards in Maritime Shipping Industry. The Declaration should contain national requirements, securing meeting MLC standards with respect to conditions of seafarer labour and living, and also define the measures a shipowner takes to have these standards followed on a relevant ship(s).

M0724 The Russian shipping industry, June, 13, 2013

«Zvyozdochka» Open JSC has commenced constructing a specialized assembly and test shop for ship propulsion/steering column under Federal Targeted Program «Civil Marine Engineering Development».

The shop will accommodate unique equipment for assembling and testing ship propulsion/steering columns, which so far have been manufactured abroad only, with capacity of up to 10MWt. The shop's travelling cranes will make it possible to transfer large-sized units weighing up to 250t with high degree of accuracy.

Construction work of the shop to be placed next to the building of specialized screw machining plant is being done by a Shiprepair Centre partner – «SpetsStroi Rossii».

Completion of the shop's construction is scheduled for the end of 2014. Since 2015 the second stage building will be constructed to house assembling and testing operations for the other types of propulsion units

– controllable pitch propellers, ring propulsors, water-jet propulsors, propeller shafts, and hybrid installations.

Starting commercial manufacturing of ship propulsion/steering columns and other propulsion units for ice-class vessels at «Zvedochka Shiprepairs Centre» Open JSC will provide for supplying shipyards with modern ship propulsors of Russian production».

«Zvedochka Shiprepairs Centre» Open JSC (Severodvinsk, Arkhangelsk Oblast) is a shipbuilding plant specializing in shipbuilding and shiprepairs, deck house construction, manufacturing screws of various application. The plant is incorporated into «United Shipbuilding Corporation» OJSC.

M0524 Marine messages of Russia. A news line, June 13, 2013

When delivering his speech at the Maritime Board session, RF Prime Minister Dmitry Medvedev called for creating conditions for sea-going ships to return under Russian jurisdiction. «Speaking about sailing we have to state that a considerable amount of marine fleet tonnage of ours is under convenient jurisdiction, under flags of convenience. That's a business issue that cannot be solved by administrative measures, making shipowners to re-register their ships only because we believe it more correct or patriotic, however this issue should be given a thorough thought to».

Prime Minister called for creating such conditions in Russia that would be competitive with those in other countries. «It is understood that shipping companies compete on a global scale and do their business policy the way best suiting them, - the head of the Government noted. – However, accounting that we speak about state-owned companies, one should mind the interest of the state, as well».

Speaking about shipbuilding the Prime-Minister said: «One of the most pressing problems in the sector, which has also been recently discussed, is caused by the fact that a number of key consumers still place their orders with foreign shipyards. The ships then are taken under convenient jurisdiction, under flags of convenience. Strictly speaking, such situation isn't explained by some collusion by the companies, it just reflects the real state of things within the sector, - the Prime Minister

noted, – anyway this is really troublesome situation. At a conservative estimate, orders worth at least one milliard dollars are placed abroad annually».

M0925 The Russian shipping industry, June 20, 2013

During a visit to the Baltic Plant by Military and Industrial Commission, the Deputy Head of the Government Mr. Dmitry Rogozin declared there's a necessity to focus shipbuilding capabilities on shelf development projects in Far East. «a major project of ours is construction of a new shipyard in Bolshoi Kamen (Vladivostok). It's there where main orders to cover the needs of GAZPROM, ROSNEFT and other companies to operate on the shelf», - Rogozin explained.

As the North-west of Russia, there, as the Deputy Head of the Government says, focus should be on sophisticated machinery, first of all, «on ice-breaking fleet, including collaborative projects with neighbouring countries' shipbuilders, e.g. Finland».

Mr. Rogozin also noted that at present the United Shipbuilding Corporation (USC) headed by newly-appointed Director Vladimir Shmakov is completing elaborating the USC strategy, and «the geographical distribution of production sites will be embodied into this strategy»

M0426 Marine messages of Russia. A news line, June 28, 2013

The volume of goods carried by vessels flying Russian flag is decreasing at the rate of 17-20 mln. tons per year. Mr Alexander Davydenko, Head of the Federal Agency for Marine and River Transport (FAMART) reported that at the FAMART Expert Board session that took place in Moscow.

«Russia's port sector and merchant marine fleet continue to show positive change, – the Head of the Agency said. – But that is true with respect to both Russian-flag vessels and foreign-flag vessels owned or chartered by Russian shipowners. In the meanwhile shipment under Russian flag is being reduced, we have recorded a drop of 17-20 mln. tons of goods a year. It is obvious that home goods are here to stay. For example, SOVCOMFLOT alone, Russian ownership of which no one

can doubt, carries 45 mln.t a year on a regular basis. Of these 5-6 mln.t are Russian goods proper, transported within the country.

Transportation growth is also witnessed by seaport statistics. «Russian ports are expected to handle 640 mln.t of cargoes this year. We believe that by 2020 – 2022 this figure will equal one milliard tons», – Mr. Alexander Davydenko cited the analysts' data.

«The previous Maritime Board raised an issue of forced bringing the fleet under the flag of the Russian Federation. But Prime Minister Dmitry Medvedev objected this initiative and reminded the audience that there are some long-term contracts and obligations. Drastic actions could undermine the transportation sector and do no good», – the FAMART Head concluded.