5TH ANNUAL CHARITY AUCTION

Trade Mission to Tyumen

Russia’s Forestry Sector: Growing Opportunities by EDC

People are the key to your success in Russia by Antal

New member profile: CEMBA (Certificate Executive MBA)

Courtyard by Marriott Moscow City Center: New CERBA partner
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1. Nortel reception at the Canadian Ambassador’s Residence. From left: Canadian Ambassador in RF Christopher Westdal, CERBA Moscow Regional Director Elena Settles, Nortel CEO Mike Zafirovski, and CERBA Moscow President Nathan Hunt

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LOOKING BACK
Past CERBA Events

Moscow

CERBA Moscow chapter held its 5th Annual Charity Auction with Vladislav Tretiak on January 25th. This event was a great success raising more money than any previous auctions. Please read the full story in this issue.

On February 14th CERBA organized a Real Estate Breakfast Brief with representatives of Noble Gibbons/CBRE. The speakers were Michael Packham, Associate Director; Jeff Kershaw, Director of Retail; Darrell Stanaford and David Brodersen, Co-Managing Directors of the company. The event was very highly rated by over 30 attendees as it provided extremely useful and up-to-date information on the Moscow commercial real estate market. The specific topics covered during presentations included a general overview of the office market in Moscow, talking about warehouse space, investment opportunities and potential, valuation, project management, and others. These topics are of great interest to foreign companies working in Russia, and suggestions were made to CERBA to hold another event focusing on real estate.

On February 21, 2006 CERBA jointly with Russo-British Chamber of Commerce (RBCC) held a networking reception at the Katerina-City Hotel in Moscow. Guests of honor included Mr. Anthony Brenton, HM Ambassador of the UK to Russia, Mr. Christopher Westdal, Ambassador of Canada to Russia, and Mr. Ian Pearson, British Minister for Trade. The event was kindly sponsored by Deloitte and Pepeliaev, Goltsblat & Partners. The honorary guests addressed the public; the lively speech by Ambassador Westdal who spoke to the peculiarities of the Canadian-British cultural relationships was very well received. The rest of the evening was devoted to the social interaction and networking among over 180 attendees. According to the feedback received from CERBA members, as well as from RBCC members, this was a highly effective networking event. The long history of friendship and collaboration between CERBA and RBCC are, thus, bringing outstanding benefits to both associations, and will undoubtedly result in many joint initiatives in the future.

Another important highlight of the spring was Trade Mission to Tyumen on March 19-23, which focused primarily on oil and gas industry and service as well as geophysical exploration, machinery, and equipment. Please read full story on this event in this issue.

In preparation to the upcoming Business Development Mission to the Russian Far East visiting Magadan and Khabarovsk (May 28-June 3, 2006), the Moscow chapter held a Breakfast Brief on March 28 at the Novotel. The event is organized jointly by CERBA and Club France. This event gathered over 30 people, who provided an attentive audience for the region presentations by Mr. Yuri Zasko, The Assistant to the Governor of Magadan Region and Mr. Valery Beliaev, Deputy Head of Khabarovsk Territory representation in Moscow. The trade mission will focus primarily on the mining, construction, forestry, food industry, and tourism sectors in these regions, which enjoy the status of Special Economic Zones of Russia.

Two social events took place in April. The traditional Easter Brunch, which was held on Sunday, April 16th at the Marriott Grand Hotel, brought together families and friends of CERBA members. On April 26th CERBA held a Wine Tasting Reception at the new venue Courtyard by Marriott Moscow City Center. Members of the Association of European Businesses were invited to join CERBA participants at the official “Wine & Riedel Glasses” ceremony hosted by Dmitry Pinsky of DP Trade wine importer. Close to sixty people enjoyed a fine selection of wines and a fascinating demonstration of the profound effect the wine glasses have upon the taste and aroma of the different wines. The guests were very content with the event and the new venue; many people stayed at the Terraneo restaurant for the dinner special generously offered by the Hotel.

From left: UK Ambassador Tony Brenton, RBCC Director Neil Cooper, and Canadian Ambassador Chris Westdal
People - they're the key to your success in Russia/CIS!

Whether you have an established business in Russia or are currently planning to begin operations in what has now become one of the world’s fastest growing, and most exciting markets, this no doubt involves hiring local nationals into your organisation.

Myths and stereotypes aside, Russia remains an extremely challenging market as the lack of top candidates has become a real issue. There are several industries with candidate gridlock caused by lack of experience; this is due to the incredible growth in demand combined with a lack of appropriate experience. Retail grows at such a rapid pace that the supply of mid-managers simply can’t keep pace; there are relatively few mid-senior level managers who have quality “best practice” experience. Rapidly expanding industries such as retail banking, insurance, particularly life assurance, are having to resort to more established areas to recruit from i.e. we are being asked to move people from FMCG sales roles into customer relationship management roles, and also move people from the regions to Moscow to fill the gap.

We are also noticing more Moscow based professionals taking the plunge and relocating to the regions to take up management roles with increased responsibilities. This moves their careers forward more quickly. Russia has always been associated with a low labour force mobility; this remains the case however there are now more opportunities as companies surge forward into the less saturated markets outside of Moscow. Another interesting feature of the global recruitment market is that some companies are now searching for Russian Nationals to fill positions in locations as diverse as South America, South Africa and Australia - Our technical team has run searches for Russian National technical staff for all these locations in the mining and Oil & Gas industries. There are still considerable cost savings and there is a supply of talent. As the market matures we have also seen a growing challenge in managing expectations of candidates. It’s not necessarily their salary expectations but the speed with which they believe their career can develop. Ten years ago it was not uncommon to see a CV of a CFO with just 3 - 5 years experience. This is virtually unheard of in Western Europe / USA. High calibre people were given real opportunities at a very early stage in their careers. This could not continue indefinitely and job hunters are finding it difficult to come to terms with a slightly slower market where career progression is more moderate (although still rapid compared to more developed markets) - There is still an impatience to move into a “management” role within a year of starting work. Over 75% of our candidates quote management as a goal. Some candidates even come to us straight from university having studied “management” and want to be managers. They usually have little preparation and understanding for the realities of working life and what management actually means. Many cannot give an answer to the question “manage what?”

Transparency is not only a buzz word in America, many candidates are now demanding complete transparency from their employers. Companies that propose “net” salaries with ingenious and black or grey payment schemes are the dinosaurs of the recruitment market. Top talent usually avoids them. Income tax is still comparatively low here, the more you declare the more credibility you have with your bank if you need a mortgage or other financial product. There is also an increased awareness that it is a legal requirement (hitherto a mere inconvenience for many). On a more macro level transparency and the Sarbanes Oxley requirements has led to increased demand for audit and control staff. Tax and other legislative changes have also increased demand in the financial discipline. Many educational institutions are still lagging behind in providing contemporary courses so some major employers have forged closer relationships with universities and are assisting with content and work placements. Training Centres and Industry universities are also a welcome feature now of Russian corporate life.

RPO - Recruitment Process Outsourcing has started in Russia, Antal has set up a team to promote the 3rd party management of large-scale recruitment projects. The essence is to reduce the cost per recruit by more effectively managing various sources of candidates. Traditionally this means direct approaches, better utilisation of web tools, better “multiple source” agency management and recruiting from within. 2006 will be another year of growth, challenges, opportunities.

Antal International is a British executive recruitment company specialising in mid to senior level positions with multinational companies, particularly in the emerging markets of Central & Eastern Europe, Russia/CIS & China.

We have had a physical presence in Moscow for over 12 years, recruiting largely within the energy and technology sectors throughout Russia and CIS countries - our key strengths lie in our ability to work on cross-border assignments, sharing knowledge, information and experience for the benefit of our clients (every office works using the same methodology, and we have been successful in recruiting Russian/CIS nationals who are currently based abroad, and bringing them back home. This is particularly important, given the shortage of talent in Russia at the moment). Our size - over 70 people in Russia - allows us to have consultants focusing on specific industry sectors, as well as core disciplines. Additionally we have recently opened an office in Ekaterinburg to cover the needs of our clients in the Urals region.

For more information on how Antal International can help improve your business by bring top talent on board for you, please contact Luc Jones, Partner at: ljones@antal.com - +7 495 935 86 06.
CERBA 5th Annual Charity Auction

On January 25th, 2006, CERBA held its 5th Annual Charity Auction, which was organized by Moscow chapter in association with Vladislav Tretiak Foundation and Canadian International Development Agency (CIDA).

The 2006 Charity Auction has brought record success in both amount raised and attendance levels. The 2006 Charity Auction raised a total of CAD 67,863 ($61,292 USD)! CERBA would like to express its deepest gratitude to all those who sponsored, participated and assisted in making this event an unprecedented success. We owe a very special thank-you to the largest auction sponsors: CIDA, Petro-Canada, Aktis-Story - Yevgeny Novikov, White & Case LLC, and Barrick Gold. CERBA is also very grateful to Mr. Vyacheslav Albu of National Trade Network “Soyuzpromimpex” for his generous contributions and inspiring address at the event.

CERBA already has an established tradition of organizing charity auctions since 2002, which are considered to be very important and popular events of the year. In past years, the visibility of the auction has been excellent and results were highly commendable. The first event, orga-nized by CERBA in 2002, gathered over USD 5,000 to benefit the Ronald McDonald House charity in Moscow. In 2003, the Moscow Times ran a half-page article (including photos) detailing the event’s achievements. That year, we gathered nearly USD 22,000 all of which was donated to the Mo-rozovski Children’s Hospital in Moscow. The auction held in 2004 was even more successful, raising USD 32,000, which was split between the Social Shelter for Children and

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>Amount (CAD)</th>
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<tbody>
<tr>
<td>Saratov Children’s Hospital #2</td>
<td>33,174</td>
</tr>
<tr>
<td>Special Olympic Committee</td>
<td>7,382</td>
</tr>
<tr>
<td>Indigenous Saami Community Kildin</td>
<td>7,772</td>
</tr>
<tr>
<td>Saratov Orphanage</td>
<td>7,715</td>
</tr>
<tr>
<td>Ronald McDonald House Charities</td>
<td>5,551</td>
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<tr>
<td>Auction reception/organizing cost</td>
<td>6,270</td>
</tr>
<tr>
<td><strong>Total Auction proceeds:</strong></td>
<td>CAD 35,370</td>
</tr>
<tr>
<td><strong>Total Auction proceeds:</strong></td>
<td>CAD 67,863</td>
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<td><strong>(60,994 USD)</strong></td>
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Teenagers “Doveriye” and Children’s Hospital #2 in Saratov. Nevertheless, the auction held in 2005 exceeded the record of past years and raised over USD 38,000. The money was used to purchase much-needed medical and playground equipment for the Saratov Children’s Hospital #2 and the Mezen Orphanage in Archangelsk oblast.

The attendance at the 2006 Auction was extremely high - the fine reception hall generously provided by the Baltschug Kempinski hotel gathered 150 Canadian and Russian business and government representatives, press, and cultural activists. The presence of the Canadian Ambassador to Russia Christopher Westdal and a number of the officials from the Canadian Embassy in Moscow raised the profile of this event. The personal appearance of the hockey legend Vladislav Tretiak also added substantially to the Auction’s popularity among the public.

The event created a warm atmosphere of international friendship and cooperation to help the worthy cause. Baltschug Hotel kindly offered one of its finest banquet halls for the event and provided a very nice reception. It started with the official opening speech by CERBA President Nathan Hunt and Vladislav Tretiak’s Assistant Vera Terekhova. Upon greeting the guests, the speakers provided a report on the use of last year’s charity donations, which was accompanied by the wholehearted applause from the audience. Canadian Ambassador Christopher Westdal and State Duma Deputy Vladislav Tretiak also welcomed the guests.

During the event, the representatives of the beneficiary organizations - Galina Zaitseva [Saratov Children’s hospital #2], Olga Kasayeva [Saami Community Kildin] and Tamara Varyukhina [Special
Olympics Committee] - made excellent presenta-
tions of their respective organizations. Anna
Maximenko from one of the sponsors of the event, White & Case LLC, also addressed the public.
The auction itself featured a fine selection of lots, including dinners with Canadian Ambassador and Vladislav Tretiak, oil painting, fur jacket, Russian Olympic jacket, fine wine selection, hotel stays and spa treatment, jewelry item, Canadian maple syrup collection, and an art book of poetry. CERBA would like to thank everyone who generously donated the lots for this auction: Ambassador Westdal, Vladislav Tretiak, Ararat Park Hyatt, Fred Boyce, Baltschug Hotel, Bosco di Ciliegi, Andrew Ivanyi, John Kur, Ron Lewin, Marriott Royal Aurora, Andrey Medvedev, Ian McColl, Santosh Mullapalli, NAFA and Alexey Savishchev, Lou Naumovsky, Celia Verrier, and Neil Withers.
Once the bidding was closed at the designated hour, another exciting part of the evening began - the raffle lottery. The lottery was also very popular among the guests: a little girl was spinning the drum with raffle tickets and drawing winning numbers for the expectant audience. We are also very thankful to the British Style, Holiday Inn, Nathan Hunt, McDonalds, McLeod Dixon, Marriott Royal Aurora, Santosh Mullapalli, and Carol Patterson for kindly offering a fine collection of excellent prizes, such as Tretiak hockey memorabilia, magazine subscription, finest spirits, gift certificates, and dinners. All participants were greatly satisfied not only with being able to help the worthy cause but also with excellent networking experience at the event.
Another creative innovation was brought into this year’s Auction by its organizer, Elena Settles. For the first time the CERBA Charity Auction featured an online component. Vladislav Tretiak provided personally autographed hockey memorabilia for the Online Charity Auction and Sale. Thus, CERBA members and friends residing outside of Moscow could participate in both bidding for the lots and purchasing the items. This innovation proved to be very successful adding several thousand dollars to the proceeds.
The Auction proceeds were distributed among several beneficiaries. CIDA’s funds [CAD 15,154] were channeled to support the women entrepreneurs of the Indigenous Saami Community Kildin in Murmansk oblast [CAD 7,772] and Saratov regional youth organization of the disabled Special Olympic Committee [CAD 7,382]. A large portion [CAD 33,174] was transferred to the Saratov Children’s hospital #2 for purchasing the special equipment to be used in the neonatal intensive care unit for the prematurely born babies. Another $5,551 went to Ronald McDonald House Charities to support the Family Room Project. Finally, around CAD 7,715 was used to help an orphanage in Saratov.
In addition to the aforementioned people, CERBA would like to express it special thanks to the organizers of the event - Vera Terekhova, Elena Settles, and Alex Grichine.
By all accounts, the 2006 auction was a great achievement. Such outstanding success would not have been possible without the wholehearted support of this event received from CERBA members and friends in Moscow. Thank you very much and we are looking forward to your help with our future charity initiatives to help those in need.
TYUMEN TRADE MISSION POSSIBLE

On March 19-23 CERBA Moscow chapter organized a trade mission to Tyumen region for a series of meetings with political and economic leaders of the region and visits to the key companies of the region. The mission proved to be a great success and was extremely useful in providing a deeper understanding of the region’s economic position and governmental support for international cooperation. It also provided insight into the existing and potential opportunities for collaboration between Russian and Canadian businesses.

The visit was focused on the oil and gas industry since these industries form Tyumen’s industrial base. Tyumen region is similar to the Alberta Province in terms of economic structure and climate conditions. Tyumen Oblast is the third largest region in Russia, which covers 1.4 million square kilometers (554,000 square miles) and comprises 8.4% of the Russia’s territory. Over 90 percent of Russia’s gas deposits and over 60 percent of its oil deposits are located in the Tyumen region. According to Russian reports, oil and gas production in the region accounts for 7% of the country’s GDP. There are great opportunities for Canadian companies in oil and gas, forestry, construction, and other sectors in this region. Oil and gas machinery and equipment building has in recent years begun its rapid development. There currently exists a heavy demand for investment in new equipment and technology, as well as the need to upgrade the oil and gas transportation network. Major oil companies in the Oblast include the internationally known TNK-BP JSC Tyumen, LUKoil, RUSIA Petroleum, Yukos, and OJSC Surgutneftegaz. Other major companies in the region include SIBUR-Tyumen, Tyumen Airlines, Tyumen Motor Builders, Tyumen Peat Works, Tyumen Storage Battery Plant, Tyumen Timber, and Siberneftemash. Representatives from Canadian companies and governmental authorities took part in this visit. There were 14 delegation members: Drury Mason, Assistant Deputy Minister, Alberta province; Greg Jardine, Team Leader - Eastern Hemisphere, Energy Industries and Services; Jacob Kunzer, Commercial Counsellor of the Canadian Embassy in Moscow; Yuri Baidukov, Financial Director, Schlumberger; Barry Blacklock, Business Development-International, Petro-Bank; Renee Chernecki, Deputy Director, (SAIT); Leo Fox, President and Alexandr Golyashov, Geophysicist from Phoenix Geophysics Ltd.; Michael Elinson, President & CEO Amelin Engineering; Olga Moseychuk, Deputy General Director; Foremost; Andrei Orlov, Vice- President of Business Development, SNC-Lavalin; Jenny Varlamova, Arrow Com; and Nathan Hunt and Elena Settles from CERBA Moscow.

The regional and city administration were extremely helpful in organizing the meetings and showed their hospitality in hosting the delegation. CERBA delegation was greeted at the airport upon arrival by the regional government representative and escorted to the Tyumen Hotel, which provides the finest accommodation in town.

The next morning, a roundtable was organized by the regional administration with the representatives of large oil corporations in the Tyumen region as well as representatives of companies specialized in oilfield service, including Schlumberger and Tyumen motor builders. Sergey Putmin, Director of Industry Department, presided over the meeting. After CERBA companies made their presentations, the participants discussed the prospects of collaboration between Canadian and Tyumen companies. The meeting was followed by lunch kindly hosted by the Canadian Embassy at the “Potaskuy” restaurant located in a historic wooden mansion of 19th century.

The afternoon was dedicated to visiting Zapsibgasprom enterprises, which turned out to be a very exciting, informative and useful field trip. In the evening some of the guests explored Tyumen downtown in search of nice restaurants, while others reconnected with their existing business contacts in town. The next day, March 21, started with a meeting of the official delegation with the Governor of Tyumen Region Vladimir Yakushev and Deputy Governor Alexander Moor. During this meeting, an official gift was presented to the Governor from the Premier of Alberta Ralph Klein by Alberta government official Drury Mason, Assistant Deputy Minister, International Offices and Trade Division. Mr. Mason also provided some comments on the relationship between Tyumen and Alberta and invited Tyumen to send a delegation to the Global Petroleum Show in Calgary on June 13 - 15, 2006. Governor Yakushev received an invitation to head the Russian delegation planning to attend this large-scale important event.
event. Governor Yakushev thanked Alberta officials for this invitation and stated that he will be happy to participate provided his schedule allows. He also reiterated the willingness of the regional government to support work with foreign businesses and joint development of new projects.

Another official meeting followed - Mayor of Tyumen City Sergey Smetanyuk and Alexey Krupkin, Head of the Investment Policy and Strategic Development Department of the City Administration received the delegation at the Mayor’s office. Sergey Smetanyuk has already been developing the Canadian-Tyumen relationship in his previous position as a Deputy-Governor of the region. In fact, his visit to Moscow and the breakfast brief held by CERBA on November 10th 2005 was a catalyst for organizing the current trade mission. The Canadian business people were impressed with the open-minded attitude of the region’s officials and became keen on further exploring the opportunities for collaboration by visiting the region.

The afternoon was once again dedicated to visiting the local enterprises. The delegation traveled to the “Tyumen Motor-builders” company. A detailed tour of the plant’s facilities was given by one of the managers; the facilities and products were demonstrated in full gear since the tour took place during regular working hours. The group also visited the newly-built Schlumberger facilities located on the premises of the same plant. CERBA would like to thank Yuri Baidukov, who was very helpful both in facilitating the program coordination and providing local knowledge during the visit. Mr. Kulchikhin, General Director of “Tyumen Motor-builders” treated the guests to a generous traditional Russian meal featuring whole-baked sturgeon and abundance of red caviar.

The delegation proceeded to the next item on its tightly planned schedule - visit to SIBNATS - Siberian Scientific and Analytical Center. The delegation was very impressed with the high level of research conducted by this institution and the wealth of information about the region’s existing natural resources and long-term projections of the economic potential and viability. Mr. Brekhuntsov, Deputy General Director, made a detailed presentation of the region’s economic state and potential. The walls of SIBNATS were covered with various maps containing data that would be precious and indispensable for any foreign company considering entering the regional market and making serious investments. However, after considerable discussion, the delegation members were disappointed to discover that it is forbidden for SIBNATS to disseminate any of the information they collect and process. Mr. Brekhuntsov indicated that the Center would, naturally, be interested in developing the business contacts and selling the information they produce; however, there needs to be a special permit obtained from the federal government first.

The final day of the mission started with the roundtable with members of the Regional Board of Entrepreneurs in Tyumen headed by Mr. Edward Altfater. This is a local chapter of the RSPP, which is active in the region. Despite the early morning start, the conference room was full with over 60 people attending the session. The local business people represented all the major industries of Tyumen region and were very interested in learning about the Canadian proposals and projects.

In the afternoon of March 22nd each delegation participant had individual business meetings with local companies and organizations to discuss in detail the specific projects and proposals.

In the evening, the delegation took part in a reception hosted jointly by CERBA and Corporate Governance Center at the State University - Higher School of Economics. The pleasant unofficial setting of the evening provided a nice atmosphere for networking between representatives of Tyumen regional government and businesses, CERBA delegates, and Corporate Governance Center seminar participants.

Overall, the Tyumen trade mission participants were very pleased with this memorable and effective visit. We would like to thank all the people who assisted in organizing, hosting, and coordinating this visit and helped to make it an informative, fun, and wonderful experience that it was. CERBA is looking forward to further developing relationships with Tyumen region as well to exploring new possibilities in other parts of Russia and in other industry sectors.

CERBA Quarterly News (spring 2006)
This past February, EDC teamed up with other government agencies to play “matchmaker” between 10 Canadian forestry sector companies and several major Russian forest product companies who are in the market to secure everything from investment capital and consulting expertise to technology and machinery.

“EDC is well-known for its financial and insurance services,” says Rod Lever, EDC Regional Manager for Russia and the Commonwealth of Independent States (CIS). “But as the name Export Development Canada suggests, our mandate is also to help develop export opportunities, especially in emerging markets such as Russia. The Canadian forestry products sector is very strong in terms of technology, and we wanted to build awareness among Russian market leaders of Canadian capabilities.”

EDC recognized opportunities for Canadian companies in the Russian forestry market in 2005, after financing a $16 million deal between Canadian companies Groupe Laperriere & Verreault Inc. (GL&V) and Sandwell Inc. and the Russian pulp and paper manufacturer North-West Timber Company, structured in partnership with Gazprombank. This deal, led by EDC Financial Services Manager Stephen Hebert, established a relationship with North-West Timber and is publicly cited by the company as the kind of financial solution they would like to pursue in the future.

“Some 25 per cent of the world’s forest resources are in Russia, yet most of their facilities and equipment need to be modernized,” says Lever. “We have strong relationships with Canadian forestry sector suppliers and we wanted to develop relationships with Russian forestry companies.”

This idea of building relationships is especially important, since competition is stiff in the Russian forestry market. Canada is also farther away from the Russian forest products equipment market than some of its competitors, which include Finland and Germany, and this adds in shipping, travel and transportation costs. Canada is also a latecomer to the market.

THE CANADIAN ADVANTAGE

“But our country does have advantages in that Russia and Canada have similar landscapes. Our equipment is made for similar forest conditions, so Canadians have expertise in this area,” Lever says. “Canadians also have the experience and expertise to modernize the same types of plants. Sandwell is a prime example. All kinds of technologies, products and services are needed for everything from the refurbishment of mills, construction of forest roads, automotive timber transporting, and more. There’s such a wide variety that the Russians want to buy, and if we could get even five to 10 per cent of that market, we’d be looking at substantive incremental trade volumes.”

Since the market holds promise, it was decided that a matchmaking event was in order. Exfor, a high-profile industry trade show held during PaperWeek International 2006 in Montreal, seemed like the perfect venue, where some 7,538 participants from 24 countries gather for an annual conference put on by the Pulp and Paper Technical Association of Canada (PAPTAC). Russian companies attending the event included North-West Timber Company, SFT Management Group, Solikamskbumprom, Perm Pulp and Paper and Segezha Pulp and Paper. "We decided to build the matchmaking event around the show and even house it in the same building," says Lever. “This would provide the Canadians with an effective way to meet several potential customers at an event they were probably going to be attending anyway. And it cost them nothing.”

Meanwhile, the Department of Foreign Affairs and
International Trade’s (DFAIT) Gilles Couturier, Europe Commercial Relations Division, was researching the market and approaching Russian companies and associations and arranging for them to meet the Canadian suppliers. “This was the first time such a large Russian pulp and paper mission had been organized,” says Couturier. “EDC and DFAIT work together all the time, and it was important for us to team up along with Canada Eurasia Russia Business Association (CERBA) and other government agencies to ensure the event was useful for both sides. We needed to have a strong and thorough program to make a lasting impression. At the same time, we wanted the Russian attendees to be very high level – general directors and owners – to ensure that they were the decision-makers for their companies.”

In addition to mobilizing the Russian delegation to Canada, the DFAIT team worked with CERBA to secure guest speakers and subject experts to conduct seminars on issues that could affect the Canadian companies when dealing with Russia, such as sustainability and timber certification. Before meeting the Canadians, the Russian companies also made presentations about their industry and their requirements.

To make the meetings as efficient as possible, EDC first reviewed its database of customers to compile a list of suitable forestry sector companies that could supply the Russians with what they needed. Invitations were then sent out to the prospective suppliers with the descriptions of the Russian forest product companies, and the Canadians pre-registered which Russian companies they wanted to meet. The Russians had already indicated to EDC what kind of potential suppliers or investors they were interested in meeting.

And the results were a definite success. “On the morning of the matchmaking session, each Russian company had seven or eight, 20-minute meetings, and overview presentations by our Russian guests, discussions about their capital investment plans, and how the capabilities of Canadian companies could fit the needs of the Russian companies,” says Lever. “It’s one thing to have a delegation come to Canada, but it’s another to provide facilitation for serious discussions. It’s much more proactive and productive.”

EDC was, of course, on hand to discuss any financial or insurance needs the parties might have. “There are two main products EDC supplies that these companies might need – one is financing and the other is insurance,” Lever says. He adds that vendor financing schemes can be structured either directly with foreign buyers, or indirectly with a Russian bank as the intermediary. “Not all Russian companies have financial reporting standards that EDC would readily accept for its direct lending program,” says Lever. “A Russian bank will have the knowledge and expertise required to know whether a Russian company is credit-worthy. By placing in a funding arrangement in partnership with the Russian bank, the Canadian vendor can then offer an approved EDC financing solution, which improves the competitiveness of their products and services.”

Accounts Receivable Insurance allows the exporter to provide flexible payment options to the buyer, which buyers frequently demand. “EDC can attach various tenors to insure the receivables of a Russian entity for a period of time,” says Lever. “For example, they might pay a Russian bank in Russia, might consider it too risky to extend working capital to the Canadian company. But with EDC on the hook for buyer non-payment risk, they’re usually more willing.”

The event was so successful that Lever would like to see similar matchmaking events for other industry sectors in the future. “We’re helping to develop trade in targeted sectors, not just provide financial services,” he says. “By showcasing our technology and arranging meetings like this, we’re laying the groundwork to build long-term, beneficial relationships.”

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**THE RUSSIAN COMPANIES**

1. **North-West Timber Company**

North-West Timber Company (NWTC) is a vertically-integrated group of industrial enterprises including the Neman Pulp and Paper Mill, the Kamennogorsk Offset Paper Mill, and the Velsk Glued Timber Structures Mill. NWTC is based in St-Petersburg and its activities run the full production cycle, from logging and manufacture of cellulose and paper, to specialized paper products. With more than 2,000 employees, they have experienced a 72 per cent growth in sales volumes over the past three years. Over the next five years, the company wants to invest $50 million in the Kamennogorsk Mill, as well as $400 million for the reconstruction of the Neman Pulp and Paper Mill. They are also looking to reconstruct paper-making machines and a cooking chemicals regeneration system in a $50 million project.

2. **SFT Management Group**

SFT Management is majority shareholder of several enterprises, consolidated under one group. These include the Pitkyaranta Pulp Mill in the Republic of Karelia, the Kamenskaya Paper Board Mill in the Tver region, and the Aleksin Board Mill, in the west of Russia. With almost 1,200 employees at the Pitkyaranta Pulp Mill, the plant specializes in unbleached sulfate manufacturing and produced 88,000 tons of cellulose in 2004. It is looking to invest in increasing output of the plant.

3. **Solikamskbumprom**

Solikamskbumprom is based in Solikamsk in the Perm Oblast (region) of Russia and focuses on logging and paper production, including 500,000 tons of newsprint annually, wrapping paper, and packaging for the domestic market. Established in 1941, it employs nearly 4,000 workers. The company is looking to improve its newsprint quality and reduce its energy consumption through continuous equipment expansion and upgrades.
Courtyard by Marriott Moscow City Center: New Hotel, New CERBA Partner

The Courtyard by Marriott Moscow City Center is a brand-new full service property located downtown at Vosnesenskiy Pereulok in Moscow. The hotel is CERBA’s newest partner - Moscow chapter held a wine tasting there in April, which was very well received by close to 60 participants. Also, CERBA has made an agreement for special room rates for our members. Please contact Moscow office to obtain the specific details and make the reservation arrangements.

Vosnesenskiy Pereulok got it’s name in honor of Maloye Voznesenie Church which was built in 1584 in honor of the inauguration of Czar Fedor Ioanovich, the son of Ivan the Terrible, and is located at the beginning of the street. This street is one of the Moscow famous historical places. Well-known Russian poet, journalist and critic of 19th century, a good friend of Alexander Pushkin, Prince Pyotr Vyazemskiy, lived there.

The hotel is located right in the heart of town between Tverskaya and Nikitskaya streets, surrounded by residential buildings and the Tchaikovsky Music Conservatory. It is an ideal place to stay, whether you are on business or leisure, since the hotel is a mere 10-minute walk from Kremlin, Red Square, City Hall, and the Old Arbat; all major business centers and several embassies are within easy reach. Behind a historical facade, a world of contemporary lodging opens up for you. The stunning 555 sqm naturally-lit atrium lobby welcomes you to a memorable stay at one of Moscow’s finest hotels.

The hotel offers to its guests 218 modern and spacious rooms. The rooms feature high-speed Internet access, two-line phones, Sat-TV and Radio, individual climate control, alarm clock, in-house movies, mini-bar, safe, iron & ironing board, hair dryer and make-up mirror. Non-smoking and accessible rooms are available. Some rooms offer view of the Kremlin.

The hotel has all attributes required by the modern standards: guest laundry and dry-cleaning service, safety deposit boxes, 24-hour Room Service, business center, limousine service, luggage service, bank/exchange office, ATM, WLAN in all public areas and function rooms, gym with exercise equipment, secure underground parking for 65 spaces, shoe shine machine, complimentary coffee and tea from 6am to 9am in the lobby, complimentary morning newspaper.

The Courtyard also provides to its guests excellent meeting facilities - it has three conference rooms with a spacious foyer, totaling 250 m2, with a total maximum capacity of 150 people. For gala-reception, there is a “Grand Courtyard” Atrium that can accommodate up to 300 guests. The Courtyard’s meeting professionals approach every event, large or small, with a dedicated focus-providing you the comfort level you deserve.

The hotel also features two restaurants: “Terraneo”-Cuisine of the Sun, which offers a large Breakfast Buffet as well as Mediterranean a la carte for lunch & dinner, and “Flat Iron” Bar and Roadhouse, bar & casual restaurant with great selection of good food and drinks in a rustic oak-wood setting.

Contact Information:
Courtyard by Marriott Moscow City Center
Vosnesenskiy Pereulok 7, Moscow, 125009, Russian Federation
Ph: +7 495 981 33 00
Fax: +7 495 981 33 01
Web: www.courtyardmoscow.com
CERBA would like to welcome its newest member who joined the association in 2006 as educational organization - CEMBA (Certificate Executive MBA) Program. CEMBA was established jointly by the Rotman School of Management at the University of Toronto and the Graduate School of Corporate Management at the Academy of National Economy under the RF Government. The current article provides an overview of the educational opportunities offered by these institutions and their joint program.

The international discourse gives much attention to exploring the personal qualities required for the head of a successful organization. After careful study, the reader can make a following conclusion: there is no universal standard, it depends both on the individual and the nature of the business managed by him/her. However, there are some personal qualities that every successful manager has to possess: successful manager should constantly compare his/her skills with the requirements imposed by the modern business environment, and update them on a regular basis.

Today high-class top managerial specialists in Russia are at the crossroads - whether to go to the West to complete the prestigious program of Executive Education or to take a course in Russia. Why should they go abroad if world-famous and respected business schools are ready to share their experience with Russian students? One of the best business schools in the world, the Canadian School of Management, named after Joseph L. Rotman, has recently come to the Russian educational market. According to Business Week, it is ranked among top ten best non-American business schools in the world.

For a long time the Rotman School of Management has been considered a pearl in the ocean of business education - due to its educational level, quality of programs and the highest prestige in the field of consulting. It was established at the University of Toronto - the oldest university in Canada - founded in 1827 and considered to be one of the leading educational institutions of the world. The Rotman School of Management has the past, rich in its traditions, but it also keeps up to date by giving its students fundamental and the newest knowledge, modern vision of economical situation in the world, and forming the integrative model of thinking. This is the thinking which can operate with the most general fundamental regularities of the world development in the whole and to quickly master the environment. Forming of integrative thinking and ability to project the development of business are the basis of innovative approach of the Rotman School to the management training. The Integrative Thinking and Business Design are the registered trademarks of the Rotman School of Management.

That is why in 2005 the Rotman School was ranked 13th in the world in corporate management training and 20th in the world in Executive MBA programs, according to Business Week. Rotman School graduates are the elite of the world business. They hold top management positions in many world-famous companies: Ritz-Carlton Hotels, Research in Motion, Citigroup, Siemens, Porsche, Pepsi, Ford, Sony and many others.

Entering the Russian educational market, the Rotman School naturally thought about both a program suitable for Russian business environment and a reliable partner. As for the program, the choice fell on Executive Education. The partner that Rotman School chose to develop its educational program in Russia is the Academy of National Economy under the RF Government. The choice was based upon the high prestige of the this institution (the names of this institution graduates are well-known in Russia and abroad, and include, among others, L. Kuchma, V. Chernomyrdin, N. Nazarbaev, V. Khristenko etc.), its longstanding experience in management training, and, also, on its close connection with the RF Government.

The result of collaboration between these two institutions is the joint educational program - CEMBA (Certificate Executive MBA) - Strategic Unity: Management and Business Administration.

The program consists of 6 courses, and its content reflects both the basics of classical MBA and the newest knowledge in the field of management. The Canadian part of the program is taught in English by the leading instructors from the Rotman School using original academic materials and the most successful case studies of the School’s Executive Programs.

The Russian part of the program is taught in Russian. It is designed to provide a comprehensive training adapted to the Russian learning style to ensure mastering of the materials by the students. After successful graduation from the program, students receive two diplomas:

CEMBA - International Certificate of the Joseph L. Rotman School of Management

CEMBA - Certificate of Extension Courses at the Academy of National Economy under the RF Government.

This type of training is very convenient for busy top managers, company owners, CEOs, CFOs and mid-level managers. The program duration is 5 months with 3 day sessions with instructors for every block, independent studies of academic materials and regular tests.

Executive Education Program provides its students with outstanding opportunities for self-realization and career promotion. The cost of the Rotman School Executive Program in Russia is 5,400 dollars per full training course. This type of training is very convenient for busy top managers, company owners, CEOs, CFOs and mid-level managers. The program duration is 5 months with 3 day sessions with instructors for every block, independent studies of academic materials and regular tests.

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CEBRA would like to thank its sponsors for their commitment to making the association a success.
Все, что мы делаем, мы делаем с энтузиазмом и полной ответственностью для удовлетворения наших заказчиков.
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