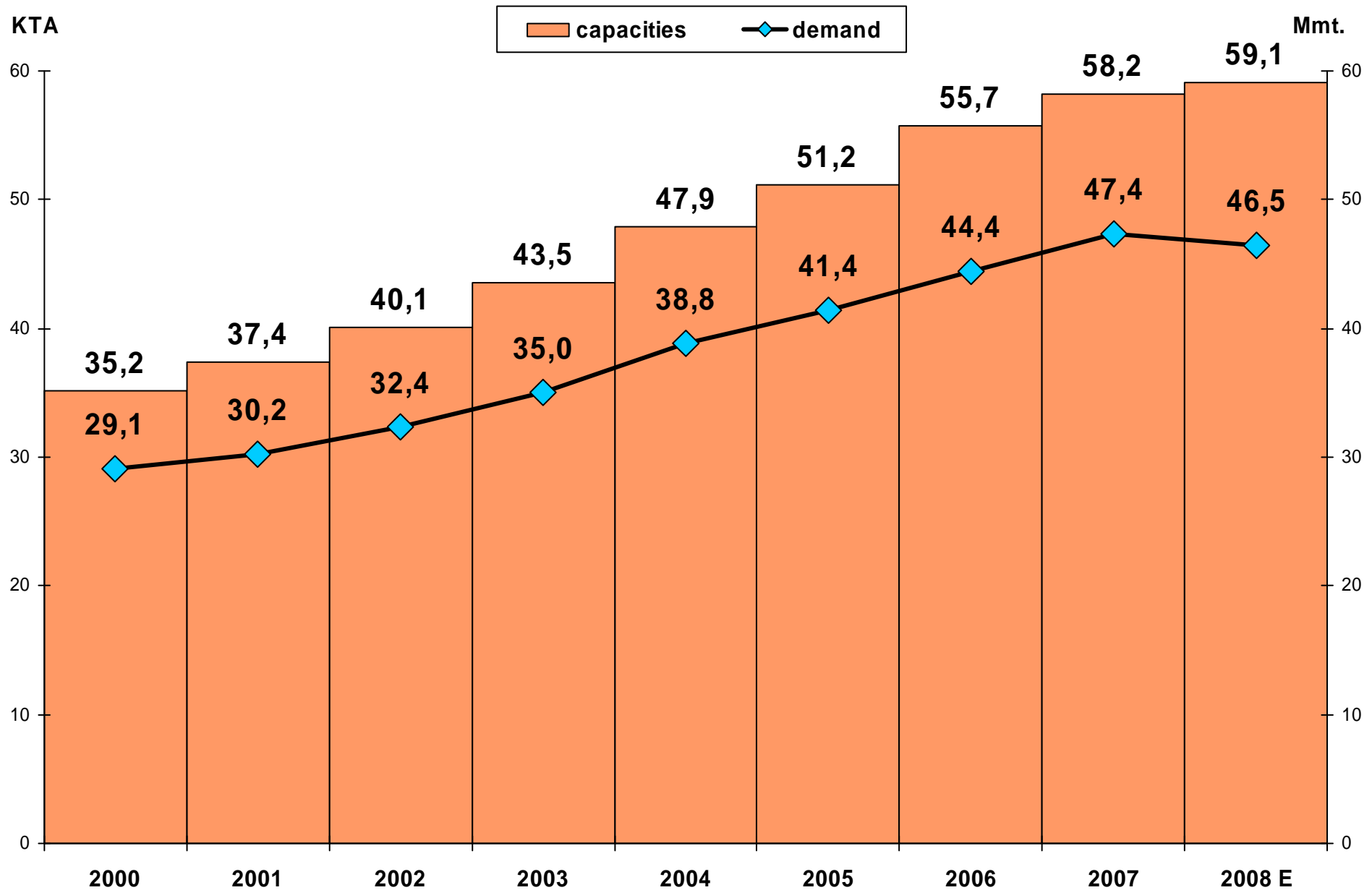


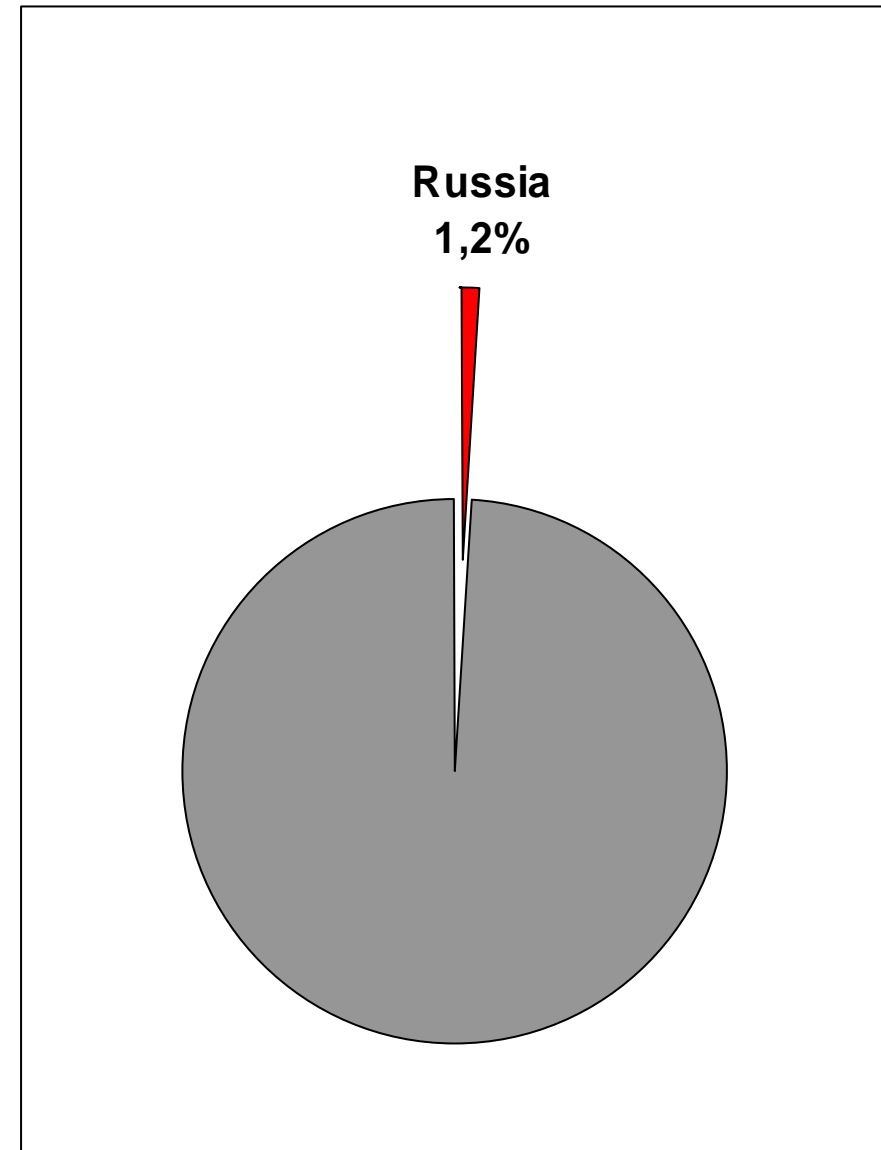
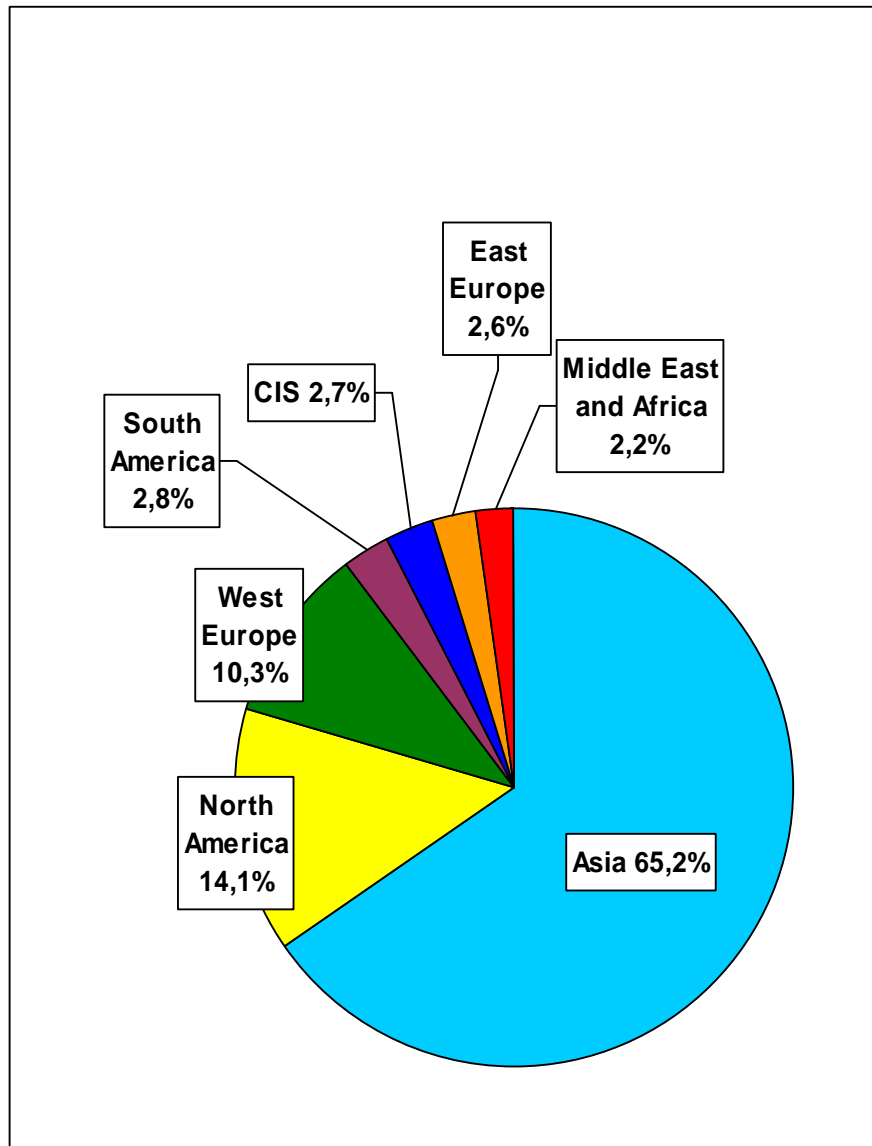
Russian PET market: Yesterday, Today, Tomorrow

**Tamara Khazova, Ph.D.,
Vice-President CREON
Director of Analytics Department**

Global PET demand and capacities



Global PET consumption pattern in 2007

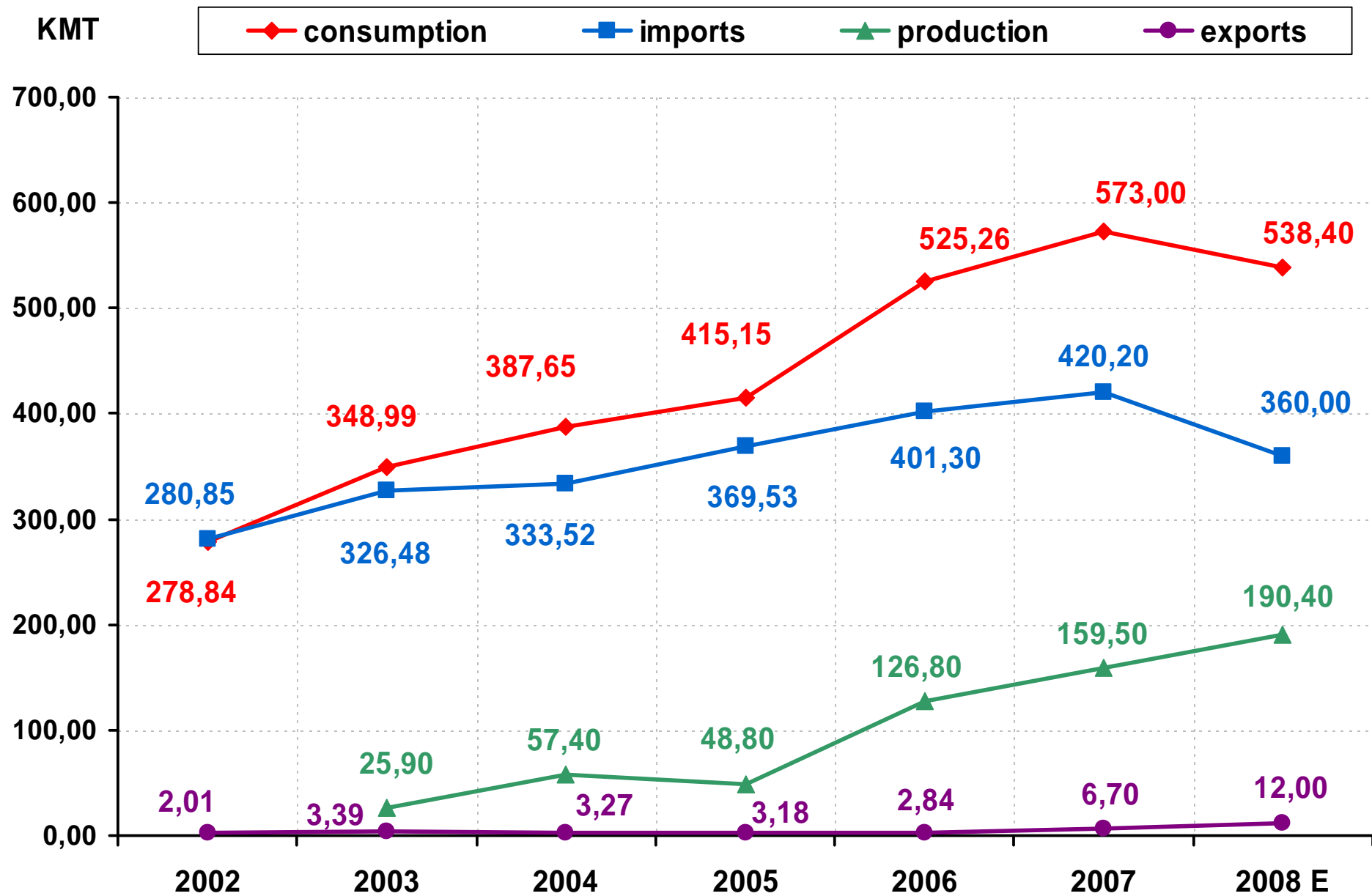


Characteristics of Russian market

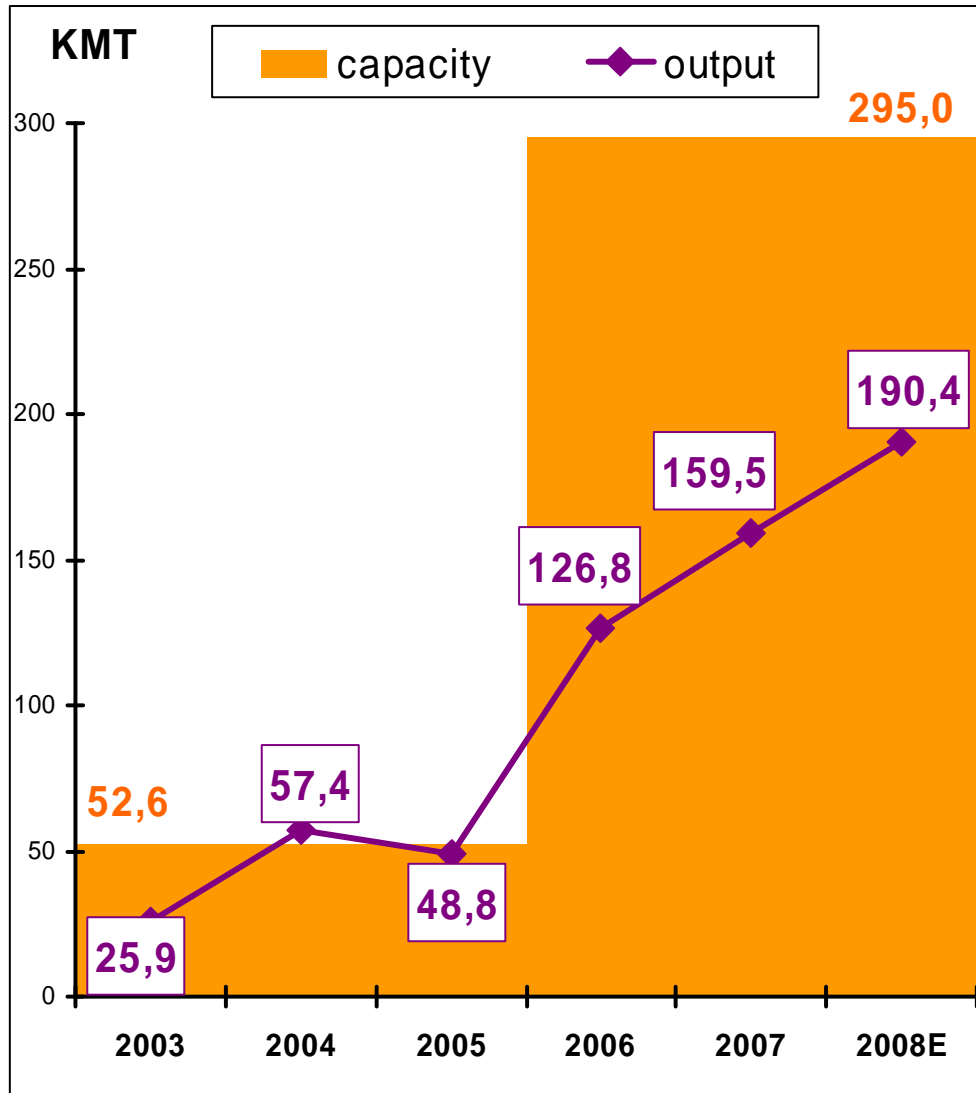
Russian PET market

	2002	2003	2004	2005	2006	2007	2008 E
Production, KMT		25,90	57,40	48,80	126,8	159,5	190,4
Exports, KMT	2,01	3,39	3,27	3,18	2,84	6,7	12,0
Imports, KMT	280,85	326,48	333,52	369,53	401,3	420,2	360,0
Consumption, KMT	278,84	348,99	387,65	415,15	525,26	573,0	538,4
Exports/domestic production, %		13,1	5,7	6,5	2,2	4,2	6,3
Imports/domestic consumption, %	100,0	93,5	86,0	89,0	76,4	73,3	66,7

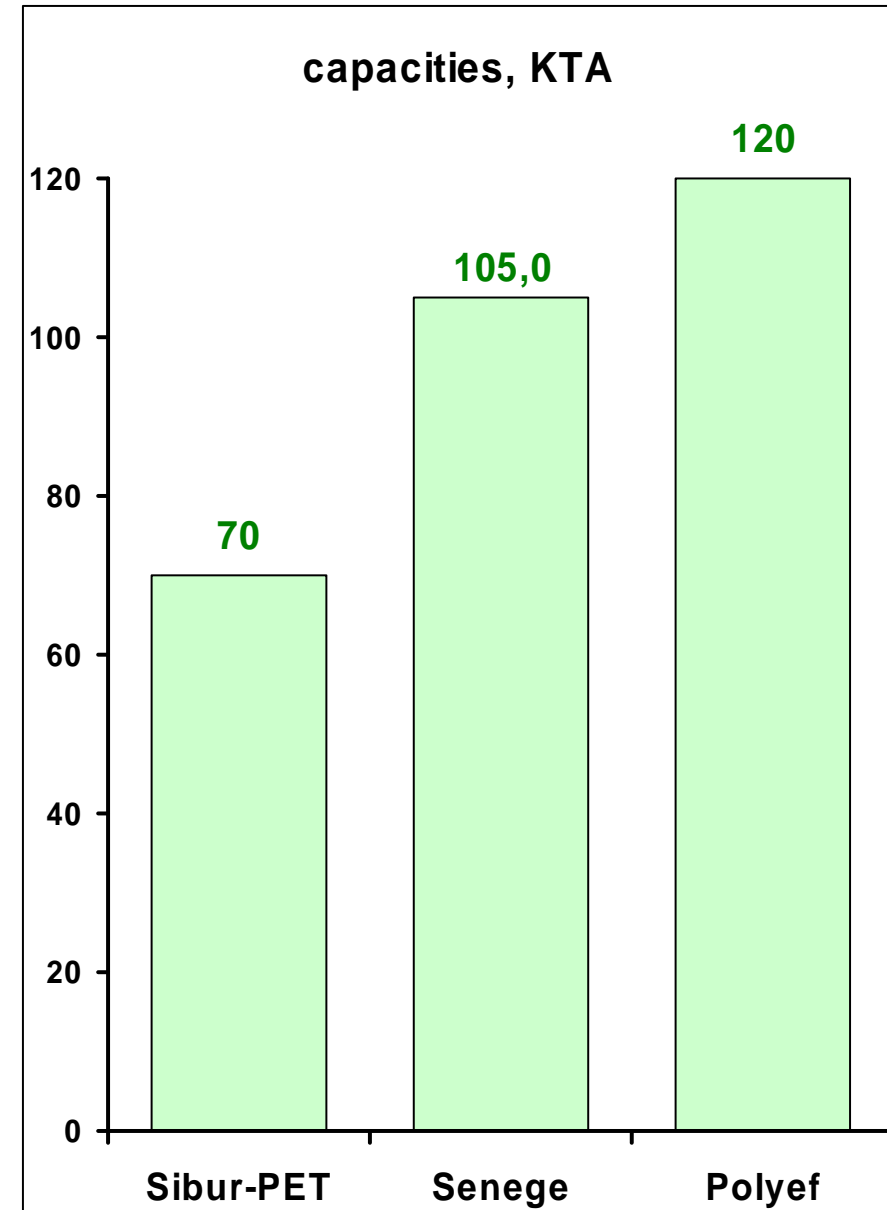
PET market dynamics



Dynamics of Russian PET production

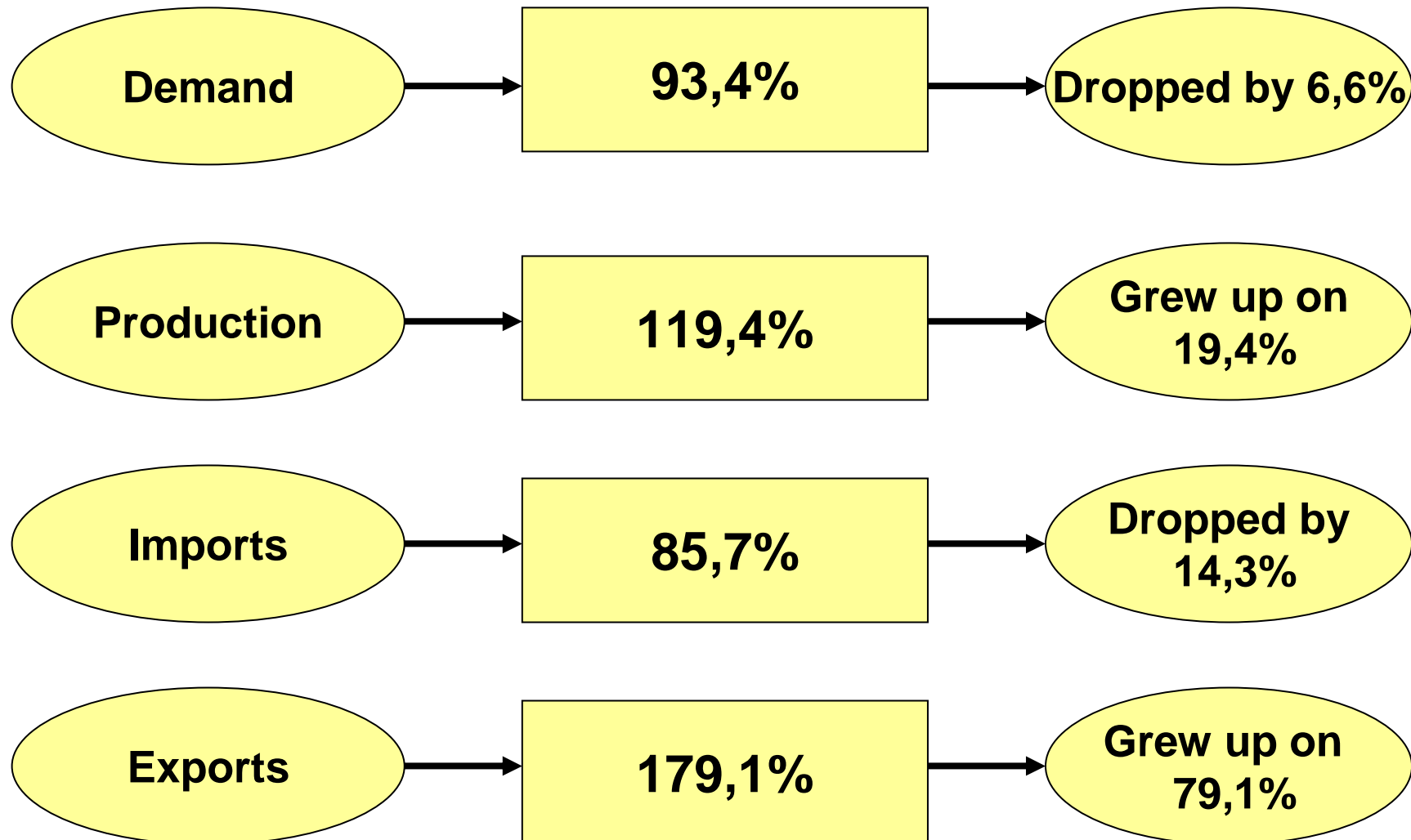


Capacity grew up 1,87times in period 2003-2008

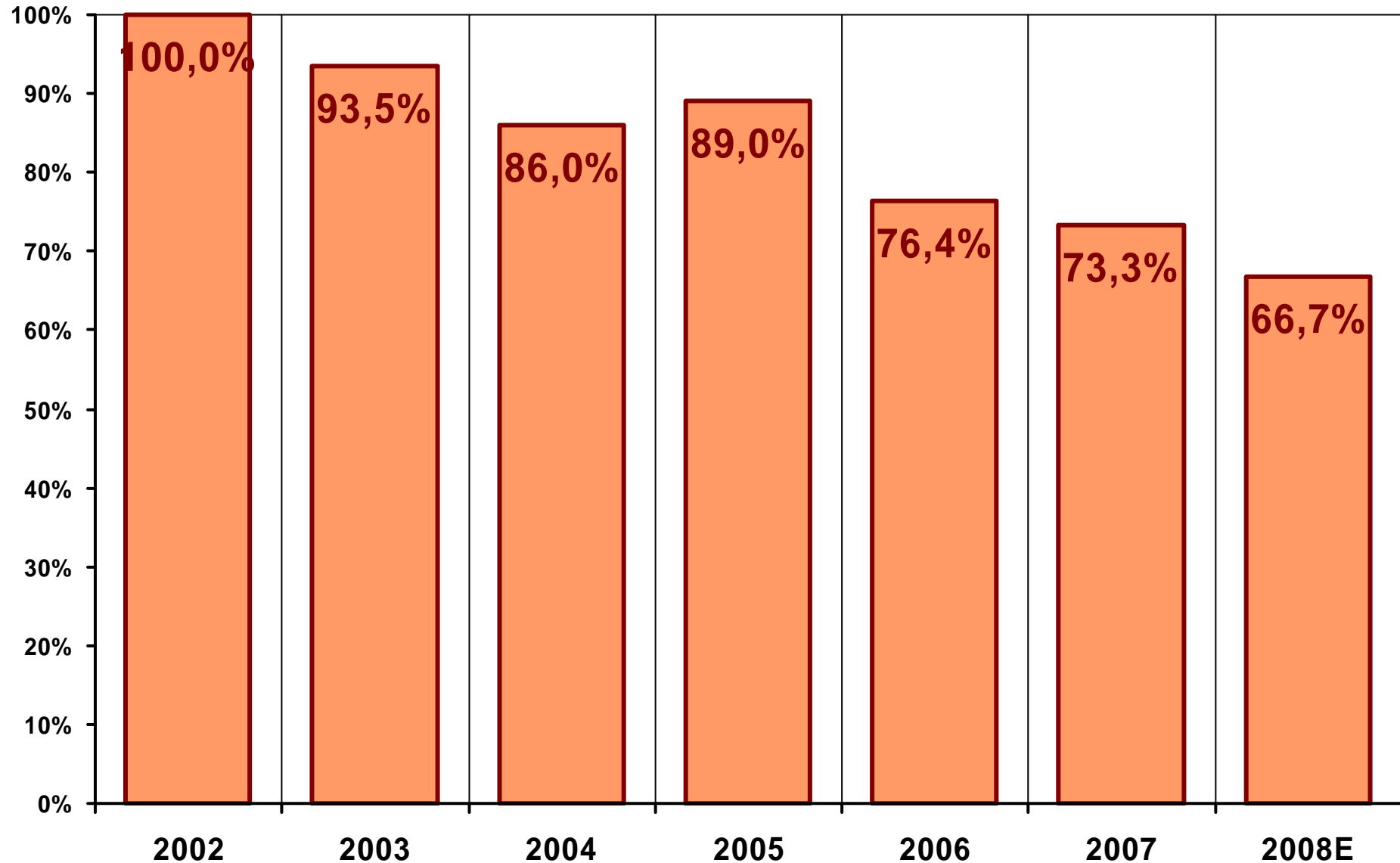


Market in 2007-2008

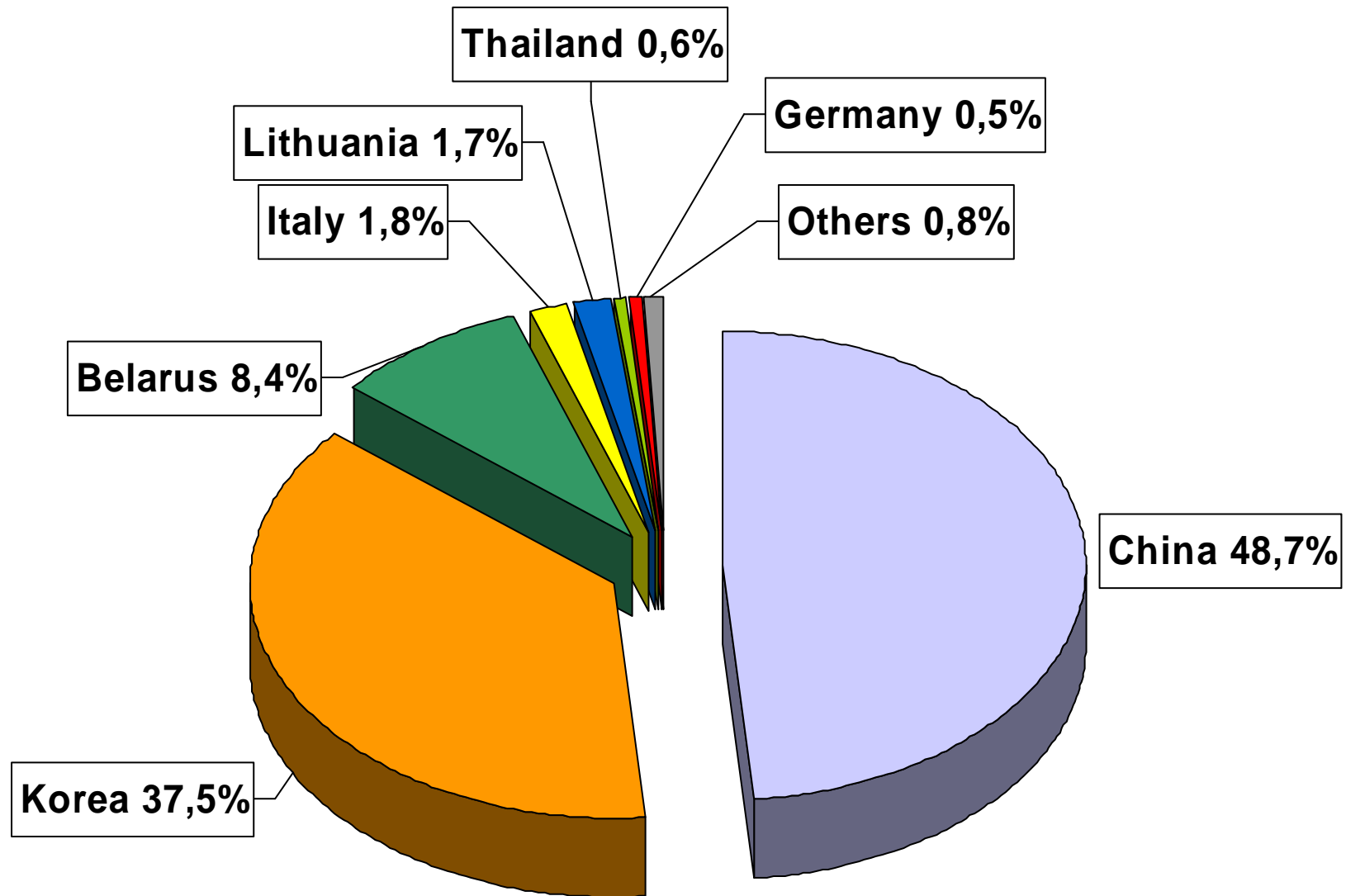
2008 /2007



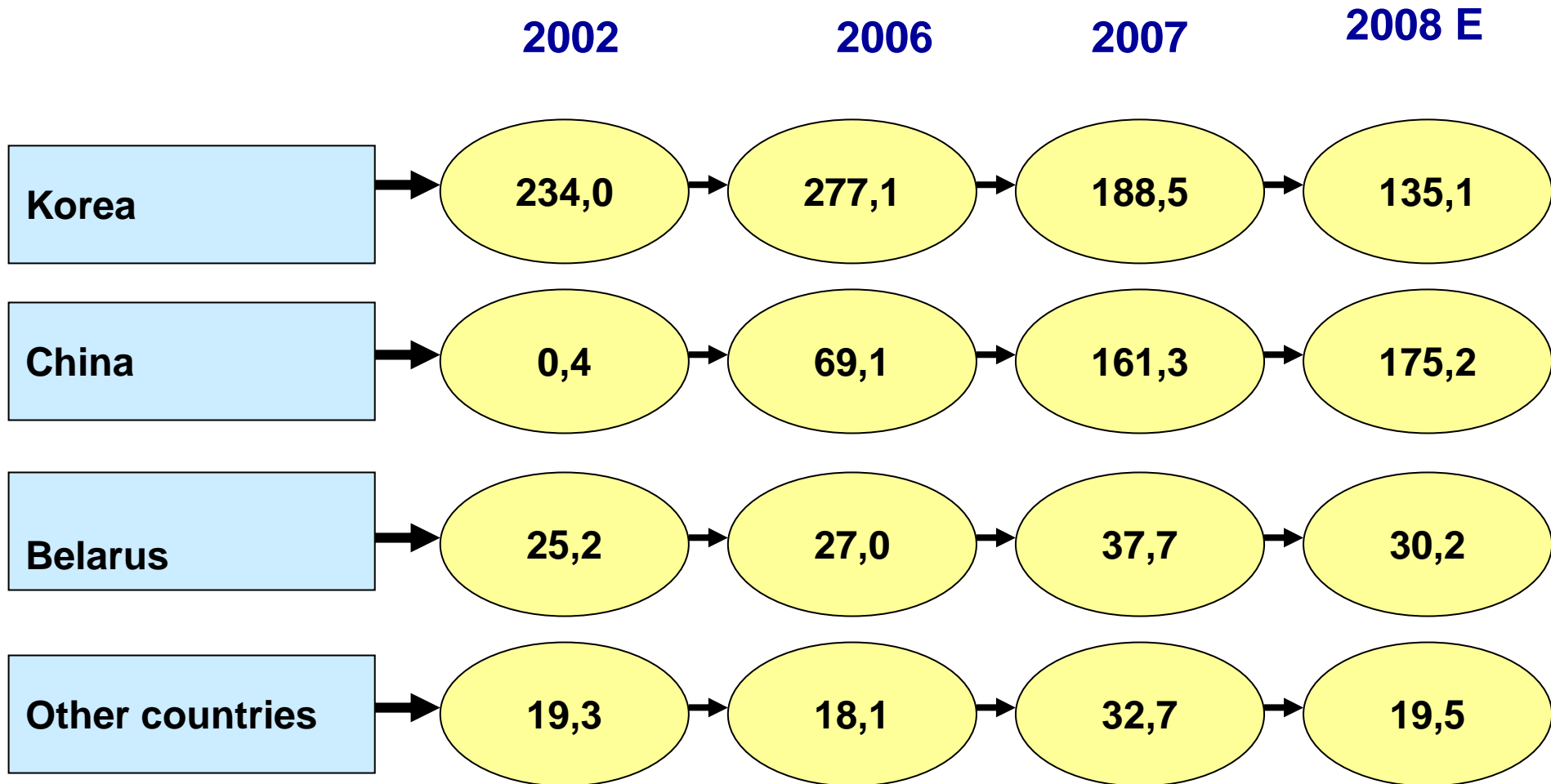
Imports ratio at Russian PET market



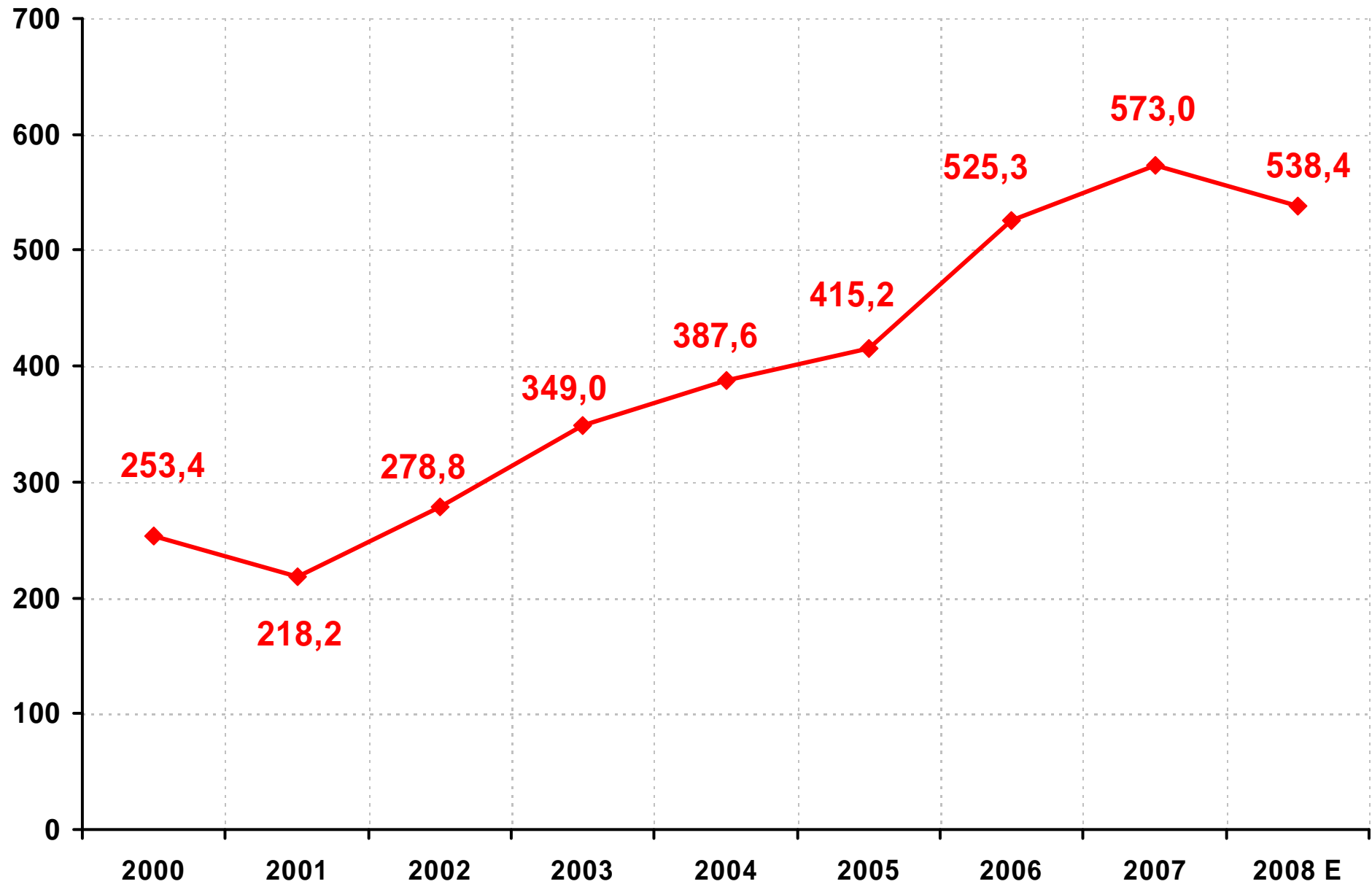
Regional pattern of PET Imports in 2008



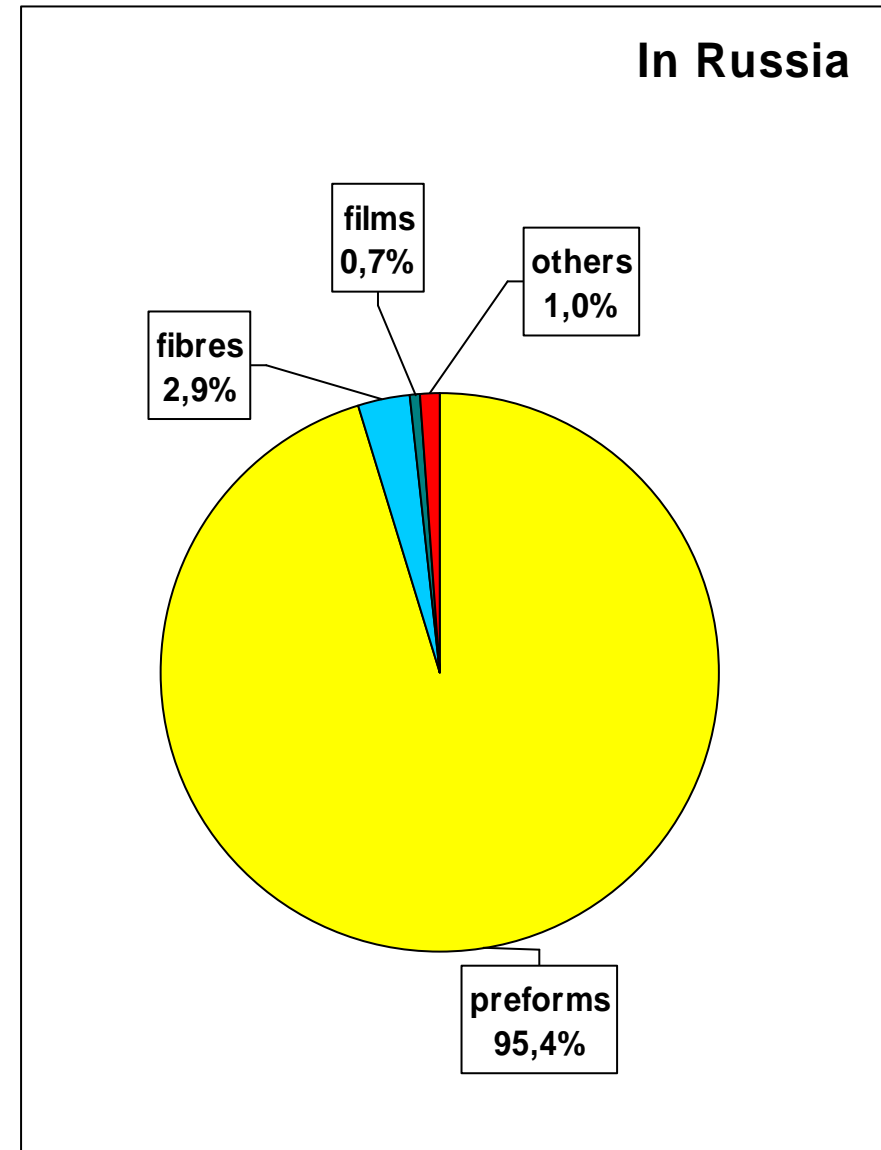
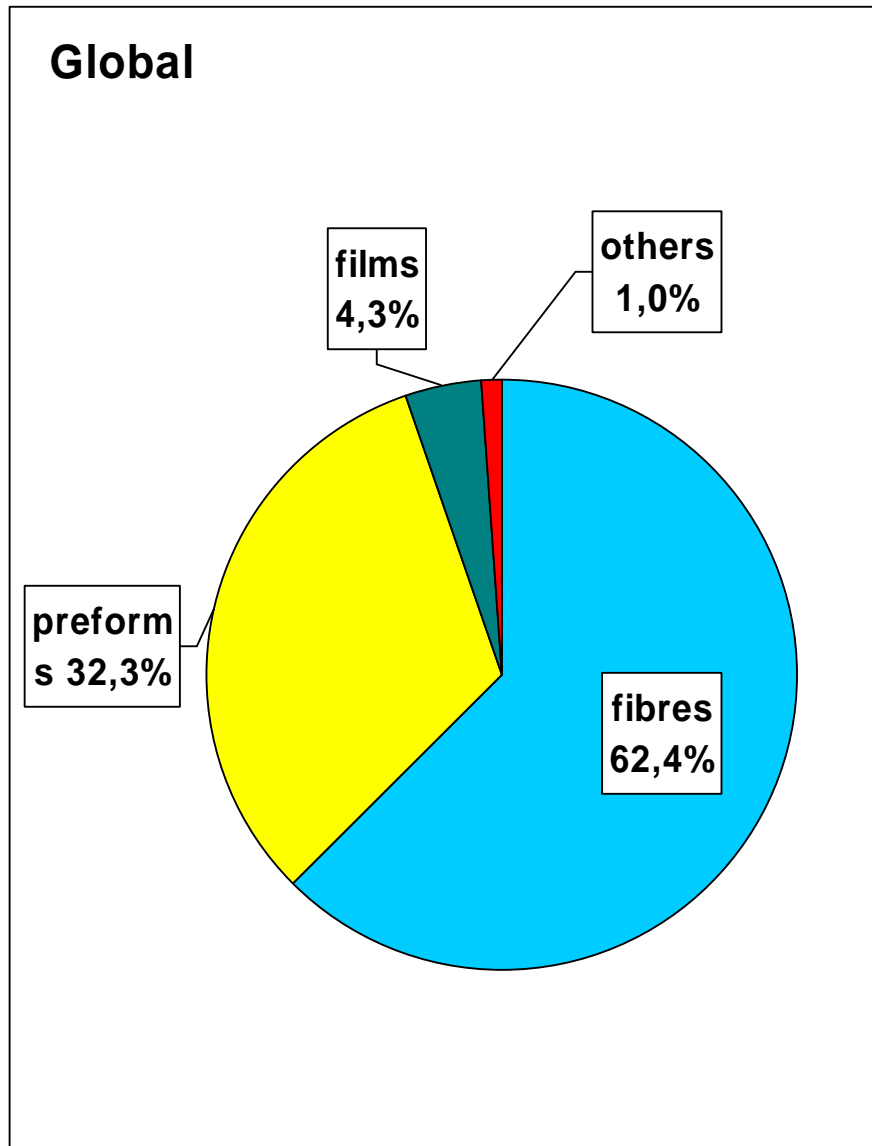
PET imports dynamics, KMT



PET demand dynamic at Russian market, KMT



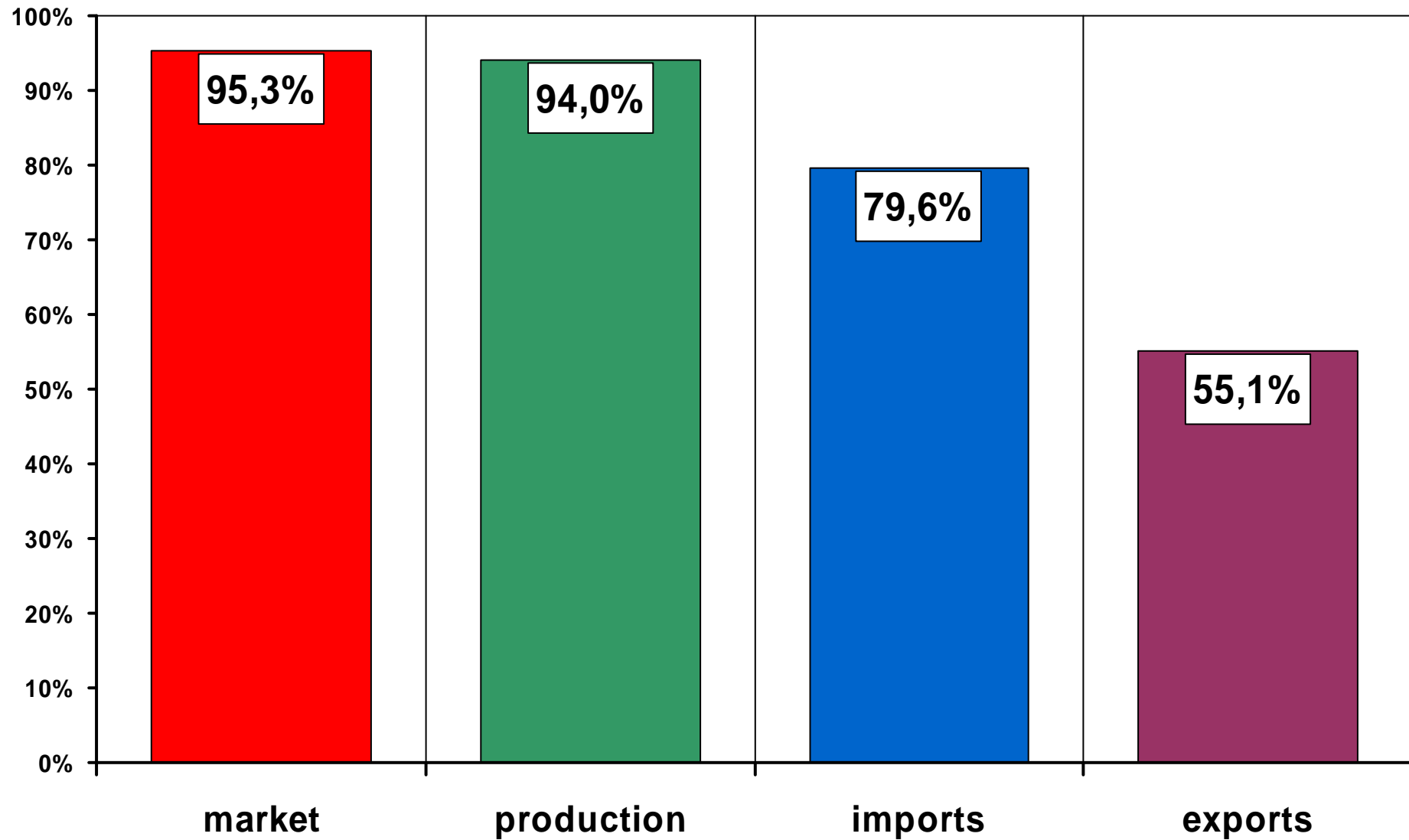
Consumption pattern of PET in 2007



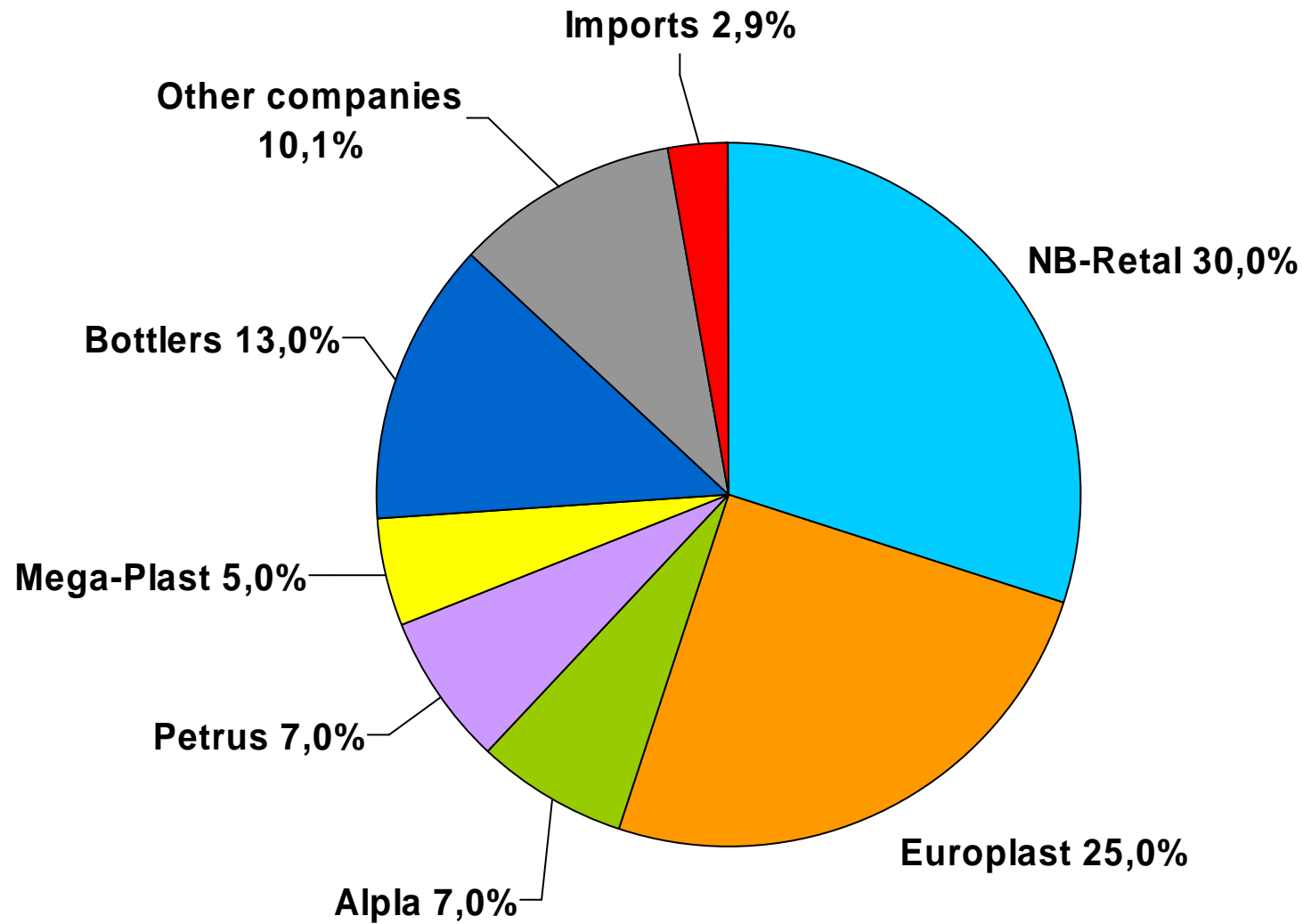
PET-preforms Russian market

Factor	2003	2004	2005	2006	2007	2008 E
Production, KMT	332,9	369,8	396,1	501,1	546,6	514,0
Exports, KMT	6,2	6,9	6,1	8,6	23,4	12,9
Imports, KMT	20,3	15,1	22,1	23,7	15,7	12,5
Domestic market, KMT	347,0	378,0	412,1	516,2	538,9	513,6
Exports/domestic production, %	1,9	1,9	1,5	1,7	4,3	2,5
Imports/domestic consumption, %	5,9	4,0	5,4	4,6	2,9	2,4

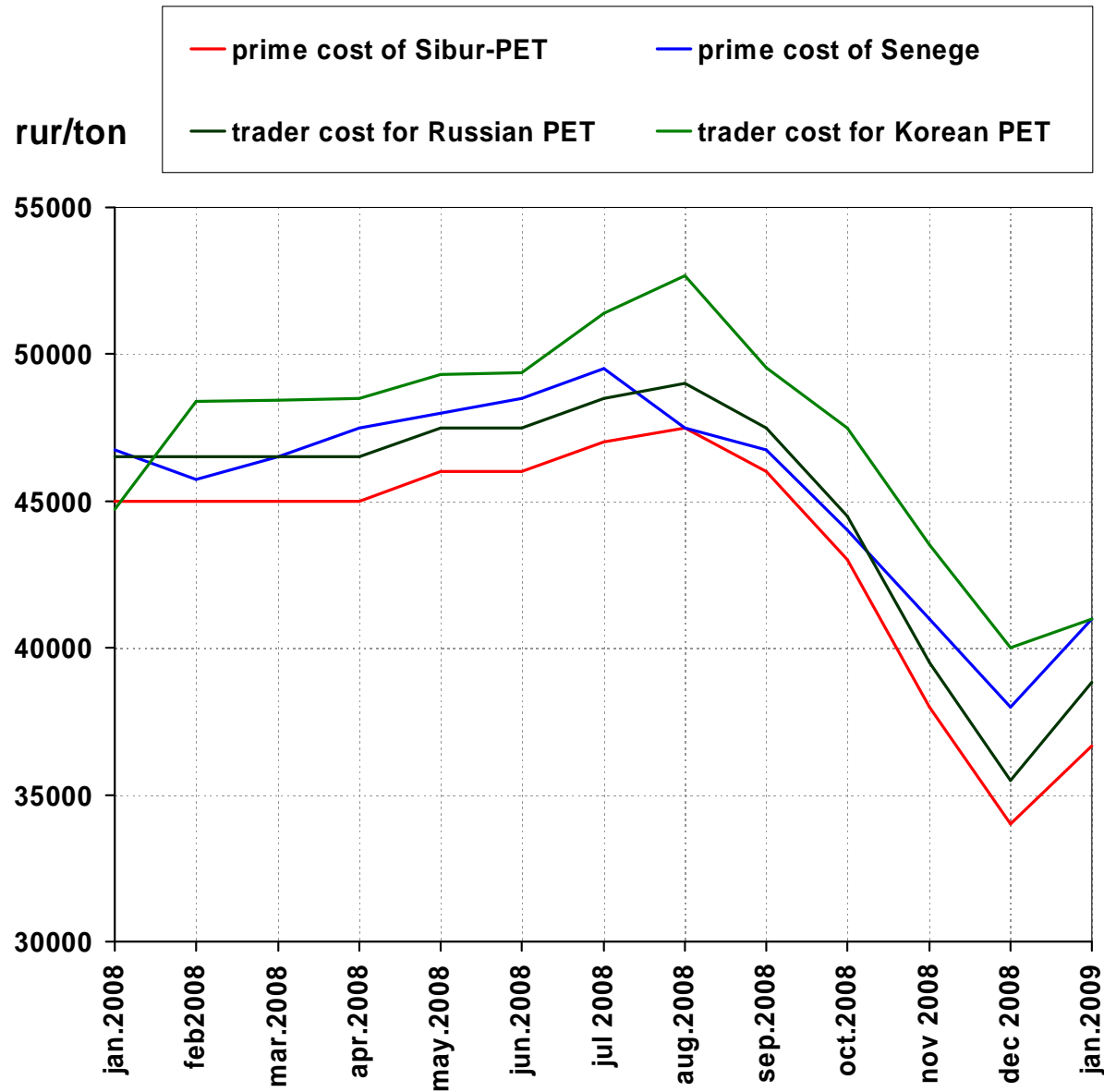
Growth rates of PET-preforms market in 2008/2007 (estimation)



Main players at PET-preforms market in 2007

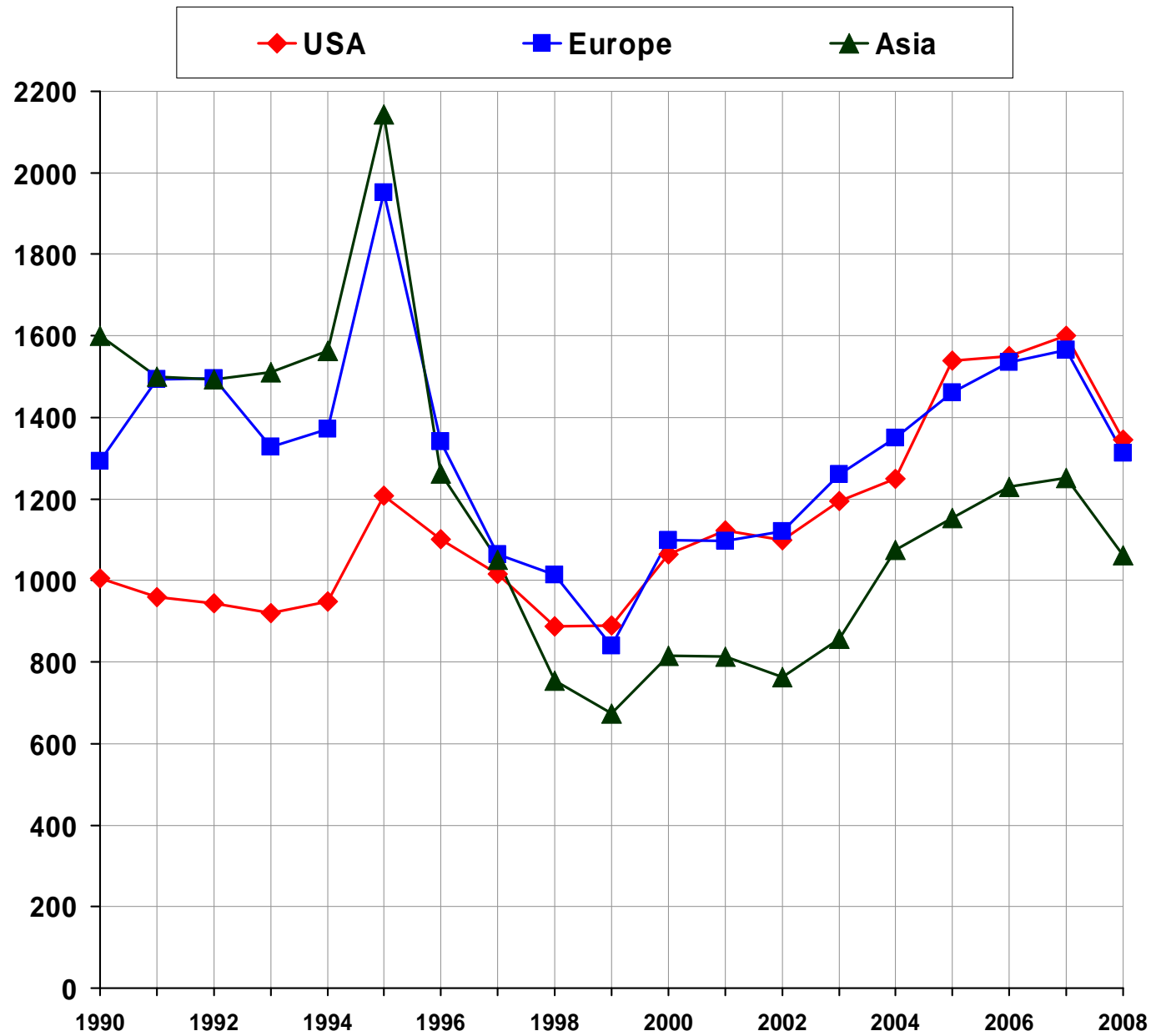


Prices for PET in 2007-2008, including VAT

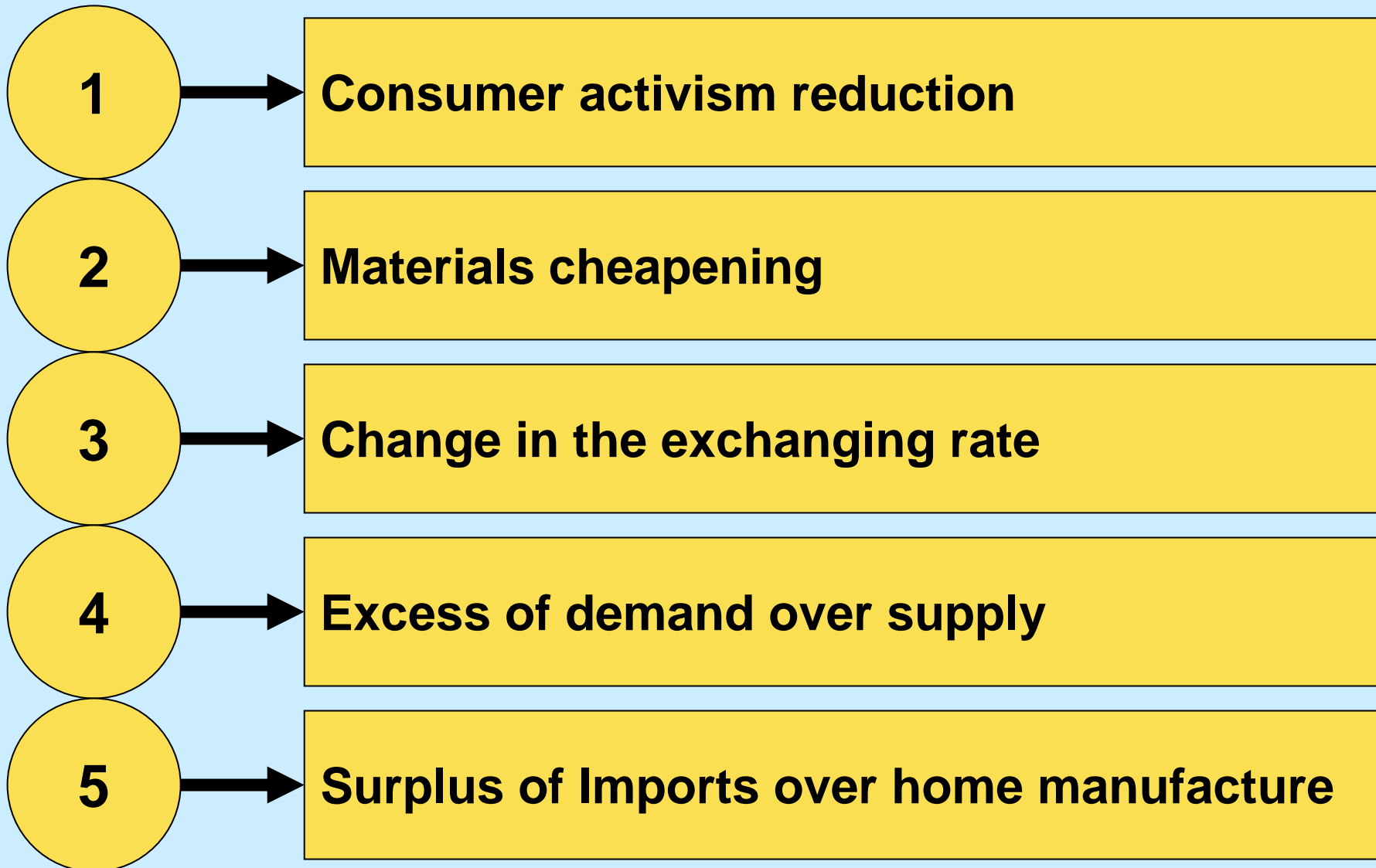


Yearly average cost, rut./t including VAT	2007	2008
SIBUR-PET	45 542	43 960
Senege	-	45 730
Trader cost for Russian PET	47 000	45 460
Trader cost for Korean PET	45 952	47 775

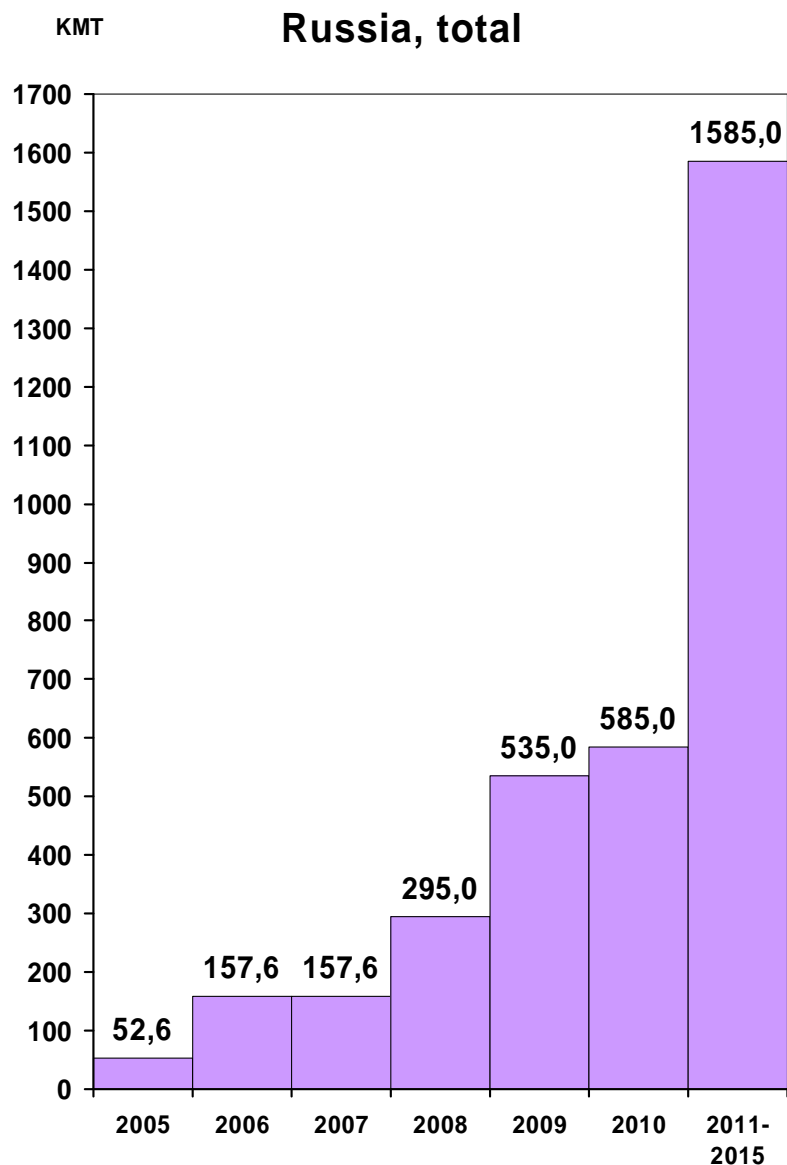
Regional PET prices, \$/t



Key price drivers in 2009



Capacities development of PET production (companies' plans). Forecast



Companies	Years						
	2005	2006	2007	2008	2009	2010	2011-2015
Sibur-PET	52,6	52,6	52,6	70,0	70,0	85,0	85,0
Senegre		105,0	105,0	105,0	105,0	110,0	110,0
Polyef				120,0	120,0	150,0	400,0
Alco-Nafta					240,0	240,0	240,0
Applex							450,0
Tatneftechiminvest Holding							300,0
Total, Russia	52,6	157,6	157,6	295,0	535,0	585,0	1585,0

Innovative aspects of PET development

1. Using recycled PET as an alternative to virgin material – technology «bottle to bottle».
2. Using biodegradable polymers synthesized by scheme:
lactic acid → lactide → polylactide.
Bottles made of biodegradable polymers mold during 75-80days
3. Using Integrex technologies of Eastman company, which uses paraxylene as monomer.

Expectation in 2009 r. (instead of summary):

1. Demand will remain the same as in 2008
2. Output of local PET production will increase
3. Price competition with import polymers will reinforce
4. Imports will drop by 70-80 KMT using good approach to the pricing.

Thank you for attention!

If you have questions about the research

Evaluation of condition and development forecast of World and Russian PET markets up to 2030

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