

Industry Insights

The facts for your business

Russian Pump Market Demo version of the report

SCHNEIDER GROUP

April 2020

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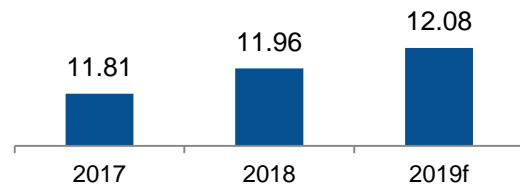
This demo version of the report contains only overview and 3 demo pages. If you are interested in the full version, we would be happy to provide it upon request.

Executive Summary

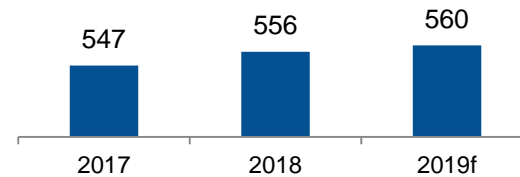
- According to estimates, the volume of the Russian pumping equipment market in 2018 was about 800 million EUR. Most of the pumping equipment was imported.
- Russian pumps market is occupied by foreign manufacturers. Although the pumping equipment market is growing, the share of Russian companies in it is declining.
- Major consumers of pumps in Russia mainly come from the oil, gas, and energy sector, chemical and petrochemical industries, and housing and communal services.
- Oilfield service companies in Russia are operating in one of the biggest oil production sectors, which is influenced by oil prices, the geopolitical situation, government policies, and the availability of technologies for geological exploration and mining.
- Oil prices fell sharply in January 2020 and remained very low during the 1st quarter of the year.
- The coronavirus outbreak has dampened global activity of almost every country and every sector of the economy. The OPEC+ deal to cut global oil production by 10% will not compensate the drop in global demand during lockdown. Lockdowns are expected to continue during April and May.
- Russia has accumulated a considerable amount of international reserves during the last decade, which will help to overcome the crisis. Currency depreciation helps to support Russian exporters and gives them additional advantages in the form of competitive prices on the global market.
- The Russian Government keeps pursuing a policy of import substitution, and incentives are available to investors who want to localize. (e.g. SPIC*).
- National government programs support modernization of communal and engineering infrastructure, providing additional demand for pumping equipment.

Oilfield Services Market in Russia

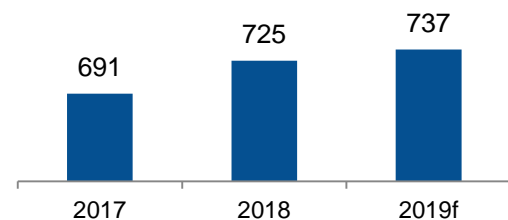
Oil Production, mn barrels/day



Oil including NGL*, mn tonnes/year



Gas Production, billion cubic meters



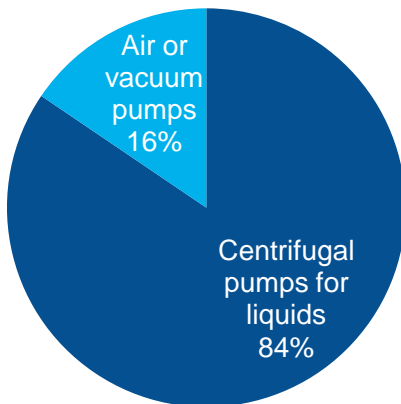
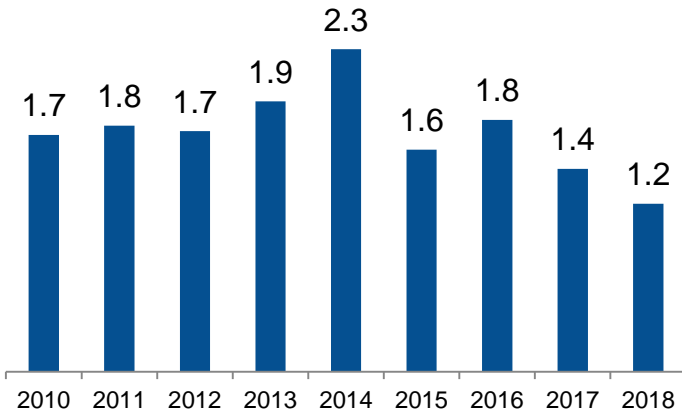
- Russia is the largest holder of hydrocarbons in the world, with proven reserves of 109.5bn bbl of oil and 48.5trn cubic meters of gas.
- Russia is the largest crude oil and second-largest gas producer in the world.
- Since December 2019, the “Power of Siberia”, the largest gas transmission system in Russia’s East with export capacity of 38bn cubic meters per year, started its operation transporting gas to domestic consumers in Russia’s Far East and China.
- The LNG (liquefied natural gas) market is developing very quickly. Demand for LNG increased by more than 12% in Asian countries, especially in China.
- In the gas industry, with the launch of the 2nd and 3rd lines of the Yamal LNG plant, LNG production in the Russian Federation increased by 70% to 20 million tons, and Russia became one of the world leaders in LNG production capacity. Russian LNG supplies to the European market accounted for 20% of supplies.

Source: FitchSolutions; Ministry of Energy of Russian Federation

*NGL - Natural gas liquids

Local Production of Pumps

Pumps Production, million pcs



Source: Federal State Statistic Service

- Pumping equipment is the most common type of machinery after engines, which are widely used in industries such as oil production and transportation, oil refining, thermal and nuclear energy, water management, and utilities.
- Imported pumps (from GRUNDFOS, WILO, Sulzer, KSB, and others) dominate the Russian market. Pumping equipment is often imported from China, Germany and Italy.
- Russian production of pumps is falling. Centrifugal pumping units for liquids make up 84% of local production. They are widely applied for technological plants. Pumps are used at a wide range of temperatures (+130 C to -162 C), and wide range of pressures and flows of the mediums pumped.

Russian Association of Pump Manufacturers RAPN



At present, the RAPN includes more than 50 manufacturing and trading enterprises, the departments of leading technical universities, and the editorial staff of specialized journals and internet portals.

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germany
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