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RUSSIA-SINGAPORE BUSINESS FORUM

Russian infrastructure a hot spot for firms here

CWT, Portek, Keppel Corp involved in early stages of such projects

By LYNN KAN

INFRASTRUCTURE investments seemed to be a theme at the Russia Singapore Business Forum (RSBF), with Singapore companies like logistics provider CWT, port developer Portek and Keppel Corporation in the early stages of such projects in Russia.

These projects, said RSBF panellist and Troika Dialog investment banking managing director Andrei Sharanov, run contrary to criticism that RSBF has harvested few fruits for its five years of labour.

Two of the deals involving CWT and Portek were brokered by RSBF director and former ambassador to Russia Michael Tay.

In one deal, ME Projects and Europort International - subsidiaries of CWT and Portek respectively - signed a memorandum of understanding with Russia's JSC Vladmorbyport under which the Singapore-based companies will evaluate the feasibility of transforming the Far Eastern Vladivostok Sea Fishery Port into a strategic port linking the commodity-rich Russian hinterland to Siberia in a more significant way.

JSC chairman Alexander Katunin said the port now handles 80,000 containers a year, but he hopes to 'triple volumes in the same area with the technological and logistics know-how and strengths from the two companies'.

CWT chief executive Loi Pok Yen told BT his company will lend its expertise on cargo flows. 'And on the marketing side, we'd be able to contribute a fair bit on containerised and general cargo.'

Portek chairman Larry Lam said: 'We'll be able to offer in this case, agility, quick decision-making and our background - which has been transforming an existing port very quickly into a modern container port and, in this case, a bulk-handling port.'

Market Report

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3,111.84 ▲14.49
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Regional Indices

KLCI	1,464.12	+4.48
HSI	22,320.09	+210.14
NIKKEI	9,555.27	+59.51

US Indices

Dow	10,858.14	+46.10
Nasdaq	2,379.59	+9.82
S&P	1,147.70	+5.54

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Stock Report

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Under a separate deal, Portek has signed on to a similar arrangement with Mariel Refinery Group. Europort International will study the viability of developing, managing and owning a port in a new industrial park in Kaliningrad, which borders Poland and Lithuania.

If the deal goes through to execution, it would be Portek's first attempt at developing a greenfield port.

The company had previously said it would stay away from greenfield projects - but Mr Lam sees Kaliningrad as an exception. 'We feel there is already good possibility of realising throughput because of the so-called 'captive clients' in the park, which makes the project more attractive,' he told BT.

The 800,000 20-foot equivalent unit (TEU) container project would be conducted in phases, said Mariel Refinery Group's deputy chairman Mikhail Pevtsaev. Completion of the first phase should see the port handle 100,000 TEUs for the park's own use, with the remaining capacity used to service neighbouring parks in later phases.

Separately, Mr Sharanov told BT that Keppel Corporation is among companies bidding for a waste management project in St Petersburg, alongside Austrian construction company Strabag.

Another collaboration involves Russian nanotechnology corporation Rusnano, Singapore's Economic Development Board and global investment company 360ip in an Asian

Nanotechnology Fund, which would have a target capitalisation of US\$100 million. Singapore-based companies in the fund would receive grants from EDB of up to US\$20 million.

Meanwhile, Russian-based manufacturer Colos is investing over US\$20 million in building a high-tech plant in Singapore that will use new petrochemical technology in place of latex to produce condoms aimed at the Russian market.