

**Narrative Performance Report**  
**for the Activities of the**  
**American Business Center® Yuzhno-Sakhalinsk**  
**September 2001**

Submitted to: USAID/Russia  
FCS, American Embassy Moscow

Submitted by: Foundation for Russian American Economic Cooperation

**Administrative Data:**

1. *Grant Number* 118-G-00-00-00050-00
2. *Name and Address of the Center:* ABC Yuzhno-Sakhalinsk  
Sakhincentr  
32 Kommunisticheskii prospekt, #517A  
Yuzhno-Sakhalinsk, RUSSIA 693000
2. *Name of Project Director:* Carol Vipperman, President  
Foundation for Russian American  
Economic Cooperation

**The following is a report of the activities of the American Business Center Yuzhno-Sakhalinsk for the month of September 2001 in accordance with its established workplan.**

### **Market Facilitation Support Services**

#### **Meeting Arrangements, Logistics Support, General Business Services:**

- Washington Group Int'l: telecommunications services, photocopying, translation and other administrative support.
- ABB Lummus Global Inc.: telecommunications and other administrative support.
- Young's Firehouse: administrative services and consultations on Sakhalin business climate. The company has used the services of the ABC several times over the last few years to gain critical information about the Sakhalin business environment and on Russian partner companies. The company is currently considering various joint venture options with Russian firms based on consultation with the ABC director.
- U.S. Trade & Development Agency: the ABC provided full logistical support and scheduling for Jennifer Snyder, Country Manager, US TDA. She came to Sakhalin in order to identify some new project opportunities for potential TDA funding or sectors that might benefit from learning about US technology. The ABC consulted with TDA to determine goals of the trip to identify appropriate meetings, arranged hotel, driver, and interpreter. The visitor had a series of meetings with the representatives of major oil and servicing companies, US Governmental programs, as well as with the governmental officials. The opinion was that US and Sakhalin companies and the local community would certainly benefit from TDA funding, especially in heat supply, water supply and sewage sectors.
- State of Alaska Legislature: ABC provided a resume search, and coordination between the Senate and Sakhalin Oblast Duma on arrangements for Alaska Legislature delegation trip to Sakhalin.
- Westerngeco Prakla: ABC provided translation and notary legalization of Power of attorney for a new Sakhalin Branch Director, making the legal transition smooth.
- Fluor Daniel: Fluor Daniel as a member of Khimenergo consortium together with Toyo and Chiyoda, Japan, and Khimenergo, Russia, was included into the shortened tender list of Sakhalin Energy for LNG plant construction. Three international consortiums were invited by SE to make pre-tender presentations. ABC provided Fluor Daniel and partners with the overhead projector to facilitate the presentation.
- Shaun Going, Sakhwest construction company: client utilized ABC facilities, including computers and photocopier to be able to expand the company's activities on Sakhalin.
- Chicago Bridge and Iron Company: ABC provided full logistical support for a four-member delegation of this company on Sakhalin to establish initial business

contacts on the island. Services included meeting arrangements, market information, use of ABC computers and conference room, interpreters, and drivers.

- ABB Vetco Gray: Consultations on over time work for Russian labor and referred specific legal questions to legal firms on Sakhalin.

#### **Partnering, Trade Leads and Referrals:**

- Fircroft: This company was searching for contact list of foreign non-U.S. companies, located in Sakhalin to expand their ties with the potential customers, and the ABC provided a list of 8 company contacts.
- Exxon Neftegas Ltd.: Exxon has increased the pace of hiring of locals and utilized the ABC's resume database for referrals to potential employees.
- BJ Services: this oil support service company was on Sakhalin to work on a contract and needed administrative support from the ABC, including a search for interpreters and drivers.
- Amur Machinery & Services: the ABC provided employee search services, as well as referrals to interpreters and drivers. Director provided in-depth consultations on Sakhalin business climate, labor pool, cultural difference labor force and management style.
- Hokkaido International School: Consultations with Headmaster of school on building relationships with Russian schools and organizations.
- Satra trading company: Initiated a relationship between a Russian trading company joint venture and an international catering and logistics company to create business ties and sourcing opportunities for the Russian JV.

#### **Consulting and Advocacy:**

- Trans Oceanic: Company representative received contact lists for U.S. companies and JVs on Sakhalin, consultations on possible contacts. Contact list was prepared for meetings. He also was consulted on the various legal forms of business registration in Sakhalin.
- Met with two Russian women who want to open a custom clothing company. Provided consultations on their business plan and on how to market their idea to domestic and foreign investors. Their business plan is now on file at the ABC

#### **Registration:**

- ABB Lummus Global: Sakhalin Branch Office (in process)

#### **Co-Located Offices:**

- Regional Initiative
- Carana
- Ecolinks
- AMEC

## **Information and Market Research:**

- BISNIS Market Report: Sakhalin Oil and Gas Update - 2001. A year-end update on each of the project developments.
- BISNIS Commercial Update: featured items on oil and gas projects, consumer prices, Yr 2000 foreign economic trade statistics, information on local companies, transportation developments, and other topics.
- State of Alaska Division of International Trade and Market Development: on-going monthly commercial reporting and assistance.

## **Support for USG Technical Assistance Programs**

- ABC U.S. staff met with participants in the Washington-Sakhalin Law Enforcement Exchange program.
- IV Program: Nomination for "Print Media and News Writing" project

## **Support for US Government Functions**

### **American Citizen Services**

- US Embassy officer Geoffrey Lyon and Vladivostok Consulate officer Alexander Hamilton: Provided logistic support and consultations for visiting diplomatic officers on technical assistance programs, Sakhalin political and economic environment, business climate and leaders.
- Letters of Invitation:
  - Continental Shelf Associates (2)
  - Research Triangle Institute (3)
  - Apollo Services (1)
  - BJ Services (1)
  - CH2Mhill (1)

## **Outreach to Russian Firms and Organizations**

- An ABC representative attended the SIGOLD oil and gas tradeshow to network and share information about U.S. Government programs. Companies received information about BISNIS and the ABC, their mission and level of help they can render to the Russian company. Zolotoj Rog newspaper (Vladivostok) received information about BISNIS web-site.
- Distributed information about a medical tender on behalf of the Regional Administration.
- Oil and Gas Seminars: The second seminar was devoted to the market of apartments and also office space, potentially available for growing oil and gas industry workers community. Problems were emphasized, possible ways to

solve were thought of. On the basis of these conclusions ABC is going to conduct a separate meeting for participants of housing construction, financing organizations and local authorities.

- Economic Committee, Sakhalin Oblast Administration: The Committee displays the local investment projects on the Sakhalin Administration web-site regularly. Since they are looking for foreign investments, the information should be presented in English. ABC translated passports of 4 investment projects
- Far Eastern Bank: worked with the branch manager of the bank to help build the bank's reputation with the foreign business community.