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# 3M Boosts Local Equipment Production

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U.S.-based industrial conglomerate 3M has started to phase out its exports of some products to Russia on the heels of the company's growing local production, its country chief Reza Vaziri said Wednesday.

It's the first such move for the company, which opened its plant in Volokolamsk, near Moscow, in 2008.

Starting in September, the company has been halting supplies of some disposable respirators and automotive polishing pastes — all of which had been arriving from Britain and are cumulatively worth millions of dollars in sales, he said.

"Of course, they are not pleased, but they knew it was coming," Vaziri told The Moscow Times, referring to the company's British staff.

The British units will instead be developing and producing new high-tech products, he added.

Next year, 3M will stop supplies of more disposable respirators and some respirator parts from abroad. It will also start assembling some types of reusable respirators here.

3M plans to produce at least 60 percent of personal protection products for Russia locally by 2017, Vaziri said.

With all the production growth, the Volokolamsk plant is now using all of its floorspace and 3M has leased adjacent land to expand its capacity.

The company is also starting construction of another plant, at the Alabuga Special Economic Zone in Tatarstan, next year to make it operational in 2014. The facility will produce anticorrosion materials and glass bubbles used as an additive to cement that fortifies oil and gas wells.

3M has already reaped some benefits of its local manufacturing capability. It helped it to bag an important contract to provide anticorrosion coating for a major Transneft oil pipeline, Zapolyarye-Purpe, which has been under construction since March, Vaziri said.

"We have strong international competition in this sector," he said at a news conference. "We did win because of our Russian laboratory and Russian production."

One of the rivals for the contract was German chemical company BASF, he said. The 500-kilometer northern pipeline could cost $3.8 billion.

3M's Russian laboratory developed a special type of coating for the link — one that used solely Russian components — and the local plant was able to jack up production promptly, Vaziri told The Moscow Times.

A Gazprom-led international consortium also chose 3M's other anticorrosion materials for its Nord Stream underwater pipeline across the Baltic Sea.

3M is also developing a coating to bid as part of Gazprom's South Stream project to lay underwater pipelines across the Black Sea, a company executive said.

In other results of this year, 3M beat its own expectations in sales of its Bair Hugger patient warming equipment in Russia.

"We expected $200,000 at most in sales," Vaziri said. "We did much more."

The reason for the popularity is that there's no competing product of a similar class on the market, a company spokeswoman said.

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