

Mordashov's Sveza to Build \$2Bln Cellulose Plant

By [The Moscow Times](#)

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The timber group Sveza will spend more than \$2 billion to build a plant producing cellulose — a raw material for the manufacture of paper — in the Vologda region, Vedomosti reported Monday.

The plant will produce an estimated 1 million tons of bleached kraft pulp annually.

The timber company belongs to billionaire Alexei Mordashov, the principal shareholder and chief executive of steel manufacturer Severstal. Mordashov is a Vologda region native.

Sveza signed an agreement with the regional government Friday to construct the plant. About 90 percent of the \$2 billion project budget will be used to cover building costs. Officials have promised to help set up the infrastructure to support the plant, provide tax benefits and guarantees on bank credits.

The project is expected to take 4 1/2 to five years to complete.

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