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Russian Ministers Assess Labour Productivity in Novomet-Perm JSC

On July 5, during a business trip to Perm, **Anton Siluanov**, Russia's Minister of Finance and First Deputy Prime Minister, **Maxim Oreshkin**, Russia's Minister for Economic Development, and **Igor Komarov**, Plenipotentiary Representative of the President of the Russian Federation in the Volga Federal District, together with **Maxim Reshetnikov**, Governor of Permsky Krai, visited Novomet-Perm, a RUSNANO portfolio company. The company is a participant in the Labour Productivity and Employment Support national project.

In January 2019 as part of the Programme to Increase Labour Productivity and Employment Support in Permsky Krai, a pilot project was selected: Manufacture of Pumps with Cast Operational Elements, and in April a working group was established to optimise the work of the pilot project, and the project was launched with the support of the Federal Skills Centre (FSC). The purpose of Novomet-Perm JSC's project is to increase the efficiency of its production operations, and of the business as a whole. For the company it is an excellent opportunity to become more competitive in today's market conditions.

During the government representatives' visit to Novomet-Perm JSC's production facility today, **Maxim Perelman**, the company's CEO, presented the results of the programme so far. As part of the project, an audit of the production processes has been carried out, current production parameters have been analysed, and plans have been drawn up to rectify them where necessary. Reserves have been defined for the development of capacity using the production workshops' existing resources. The task for September is for all the production processes to start full operation. Thus, by January 2020 the company plans to increase foundry operations from 25,000 to 35,000 stages a month.

The final goal of the programme is to increase annual revenue per employee to RUB 3.8 mln for the Group and RUB 7.17 mln for Novomet-Perm, by 2021.

As **Maxim Perelman**, CEO of Novomet-Perm JSC, said, today the company has significant reserves that will allow it to grow and increase production speed. Thanks to new principles and instruments, the current "bottlenecks" will be progressively eliminated. The company's CEO believes that it will be possible to increase the overall efficiency level to 80-85%.

As part of the programme, the automation of work processes and introduction of robotic technology are in full flow. "Humans should be completely replaced by



robots in all dangerous and hazardous production areas. The employees affected must be assigned to more creative tasks and in the areas where the work is repetitive in nature manual labour should be replaced with robotic labour,” explained **Maxim Perelman**.

As we have already reported, since 2017 Permsky Krai has been implementing Labour Productivity, a high-priority federal programme which was upgraded to a National Project in 2018. Currently about 30 businesses in the region are taking part in the project, which is providing them with substantial support. The programme is enabling them to introduce more economically-responsible approaches to production, and also to digitise and automate their production processes. Subsidies have also been allocated for training specialists. This year, in the region, more than RUB 111 mln will be allocated for this purpose.

The programme is being supported by Russia’s Ministry for Economic Development, the Government of Permsky Krai, the Federal Skills Centre and Regional Skills Centre, and working groups established in the pilot project enterprises.

*The **Novomet Group** is one of the largest holdings in Russia engaged in the production of equipment for oil extraction, including systems to maintain terrastatic pressure. The company’s strategy focuses on the creation and mass fabrication of equipment for use in challenging operational conditions. The company not only constructs fully-equipped rigs for oil extraction and pumping water, but it also provides comprehensive technical support for its equipment, from preparing it for operation at the well to complete overhaul.*

Novomet’s technologies provide oil extraction companies with solutions to the problems posed by low oil recovery coefficients, and an increase in the ration of difficult-to-recover reserves. Other problems which Novomet’s technologies provide solutions to include high levels of associated gas content and mechanical impurities, high temperatures in the well, flooding, salt precipitation issues, and highly-viscous oil.

RUSNANO has been a shareholder of Novomet-Perm JSC since 2011.

For more information about the company, visit www.novomet.ru

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RUSNANO Joint-Stock Company was founded in March 2011 through reorganization of state corporation Russian Corporation of Nanotechnologies. JSC RUSNANO contributes to implementation of the state policy on the development of the nanotechnology industry by investing directly and through investment funds of nanotechnology in financially effective high-technology projects providing the development of new production facilities in the Russian Federation. Its primary investment focus is in electronics, optoelectronics and telecommunications, healthcare and biotechnology, metallurgy and metalwork, energy, mechanical engineering and instrument making, construction and industrial materials, chemicals and petrochemicals. 100 percent of RUSNANO’s shares are state owned. Thanks to



RUSNANO's investments, there are currently 103 factories and R&D Centers opened in 37 regions in Russia. JSC RUSNANO has profit for the last 5 years.

Management of assets of RUSNANO JSC is carried out by Limited Liability Company established in December 2013, RUSNANO Management Company. Anatoly Chubais is the Chairman of its Executive Board.

Work to establish nanotechnology infrastructure and carry out educational programs is fulfilled by RUSNANO's **Fund for Infrastructure and Educational Programs**, which was also established during the reorganization of the Russian Corporation of Nanotechnologies.

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