

## 2. The Russian Federation, March, 1993

This report and the recommendations contained therein must be read in the context of the political and economic climate described below. There are environmental business opportunities in Russia for companies which are prepared to operate with a view to the long term, to involve local experts, and to understand the complexities of the various levels of the Russian government. Since PHL's Interim Report in October, one major Canadian environmental science and engineering company has established a new joint venture with a Russian partner, and several other similar Canadian firms continue to operate in Russia, mostly in the oil and gas sector.

The urgency of the country's environmental problems has become better understood following publication on October 7, 1992 by the Russian Government of the first detailed report of the damages to health and the environment which have accumulated during the last seventy years in Russia. On October 8 the Financial Times reported that among their major findings, Russian officials have concluded that:

- half of Russia's drinking water is contaminated by chemical and organic toxins;
- ten percent of Russia's food is unhealthy;
- diseases in pregnant women are predicted to rise from 83 in 1,000 to 110 in 1,000, in coming years;