



# **МУРМАНСКАЯ ОБЛАСТНАЯ ДУМА**

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**MAY 2009**

**Luxemburg**

## **DAY OF RUSSIAN REGIONS: MURMANSK REGION**

**EVGENY NIKORA – SPEAKER OF THE MURMANSK REGIONAL DUMA**



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# Murmansk Region is 70 years old



Formed on the 28<sup>th</sup> of May, 1938







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## *Murmansk Region Development*



Intensive settling of the Murmansk coastal area began a lot of time before. Not long ago some rock carvings (scientists call them “petroglyphs”) were found near Kanozero-village. They are reliable evidence of life and views of people who lived on that territory during the Stone Age and the Neolithic Age.



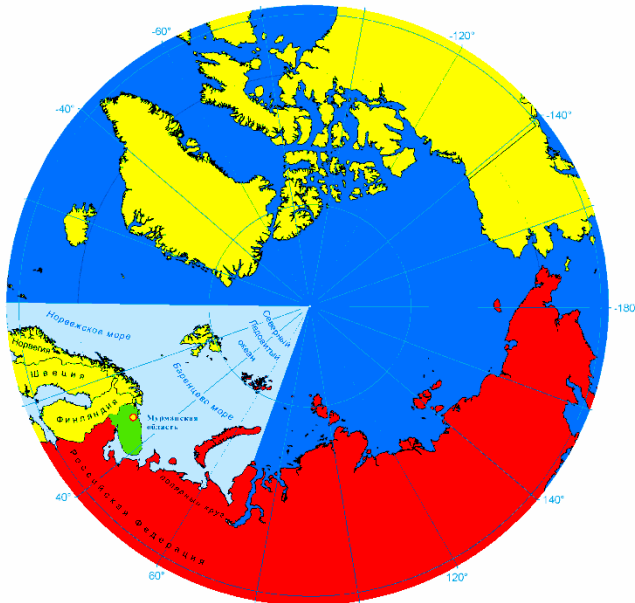
The Church in Varzuga-village at the river of the same name at the southern part of region was built by masters without any nails 330 years ago (in 1674). It is preserved up to the present moment.



# The Advantages of the Murmansk Region



Good geographical and geopolitical position



It is situated on the Kola Peninsula to the north of the Arctic Circle.

- Territory - 144.900 sq. km.
- Population – 842,5 thousand people
- 42 municipalities

- Unique natural resources: both the mineral and biological
- Non-freezing Kola Bay
- Open outlet to the ocean
- Border with Norway and Finland
- Participant of the Barents Euro-Arctic cooperation



# Region in the National Production



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"KOVDORSKY GOK"  
JSC



"KOVDORSLUDA"  
JSC



The branch "KAZ-SUAL"  
of "SUAL" JSC



"APATIT" JSC

**Apatit concentrate**

**Mica, niobium,  
tantalum**

**Nepheline, baddeleyite**

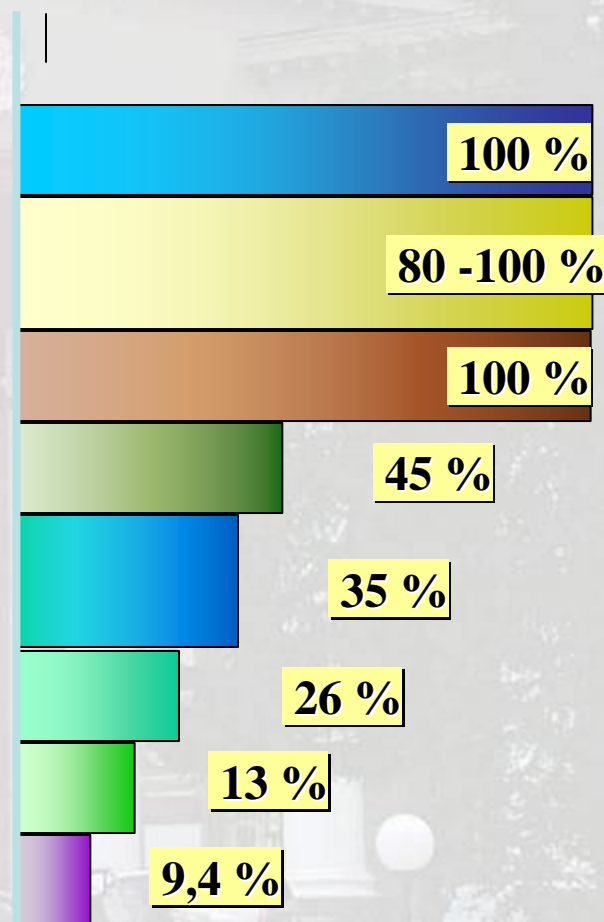
**Nickel**

**Aluminum and  
ceramic raw materials**

**Cobalt**

**Copper**

**Iron-ore raw materials**



"OLKON" JSC



«LOVOZERSKY GOK»  
JSC



"KOLSKAYA GMK" JSC  
"PECHENGANIKEL"



"KOLSKAYA GMK" JSC  
"SEVERONIKEL"





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Murmansk Transport Nodal  
Point provides reloading of the  
26 million tons of cargo a year

17 hydro-power plants and Kola  
Nuclear Power Plant produce  
18 milliard kwh.





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Each sixth ton of the national fish foodstuffs is produced at Murmansk factories. We have old traditional international contacts in fishing, saving fish stocks and environmental monitoring of the Barents Sea

Aquaculture is included into the priority Russian national project “The Development of the Agro-Industrial Complex”







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## *Environment and Radiation Safety*

### **The most important projects:**

1. Decommissioning of nuclear powered submarines. 103 nuclear submarines have been utilized.

2. Remediation of the coastal technical facilities at Andreeva Bay and the settlement of Gremikha.

3. Replacing radioisotope thermal generators (RTGs). 123 generators have been taken away.

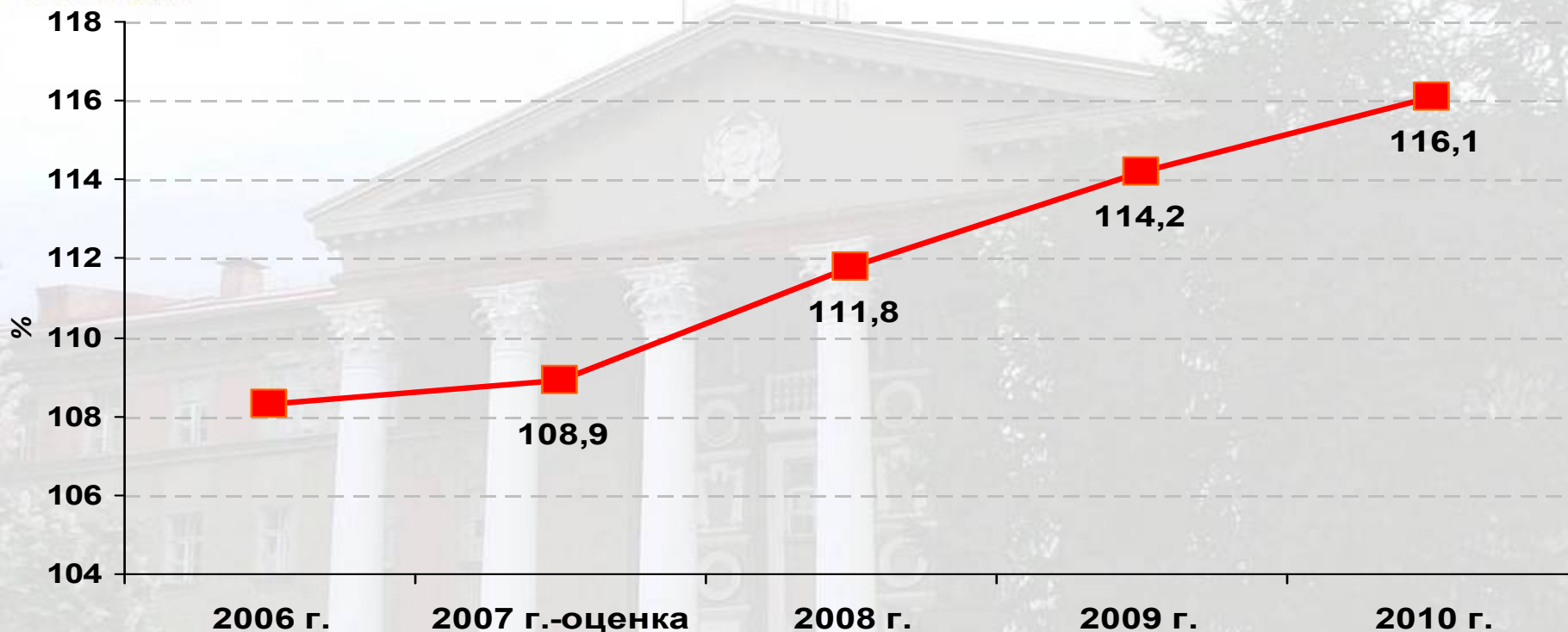




# AGRICULTURAL PRODUCTION



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**Index of agricultural production, % to the preceding year**

|                 | Agricultural products |       |       |
|-----------------|-----------------------|-------|-------|
|                 | 2006                  | 2008  | 2010  |
| Meat, th.tonns  | 6,2                   | 8,7   | 9,0   |
| Milk, th.tonns  | 26,8                  | 30,2  | 33,8  |
| Eggs, mln.units | 189,3                 | 189,3 | 189,3 |



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# Development of the small-scale business

## Small business support (mln.rubles)

|                 | 2006 | 2007  | 2008  |
|-----------------|------|-------|-------|
| Regional budget | 6,48 | 25,28 | 50,56 |
| Federal budget  | 4,2  | 21,8  | 46,6  |

- First regional techno-park of a new type (business incubator) was put into operation in Apatity-town
- Program for businessmen-beginners, including training, favorable financing and free projects consultative administration was started
- Guarantee Fund was increased from 10 to 70 million rubles
- 79 subsidies for an overall amount of 6,34 mln.rubles were issued to entrepreneurs
- Entrepreneurs obtained credits for an overall amount of 290 mln.rubles
- 20500 individual entrepreneurs, 55 thousand salaried employees
- More than 1700 small-scale enterprises, 30 thousand employees
- 30% increase in tax revenues from small business





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## *Banks in the Murmansk Region*

- 4 independent credit organizations
- 26 branches of the banks from other regions
- 6 representations of credit organizations
- 138 additional offices
- 16 cash offices
- 9 credit and cash offices
- 3 front offices



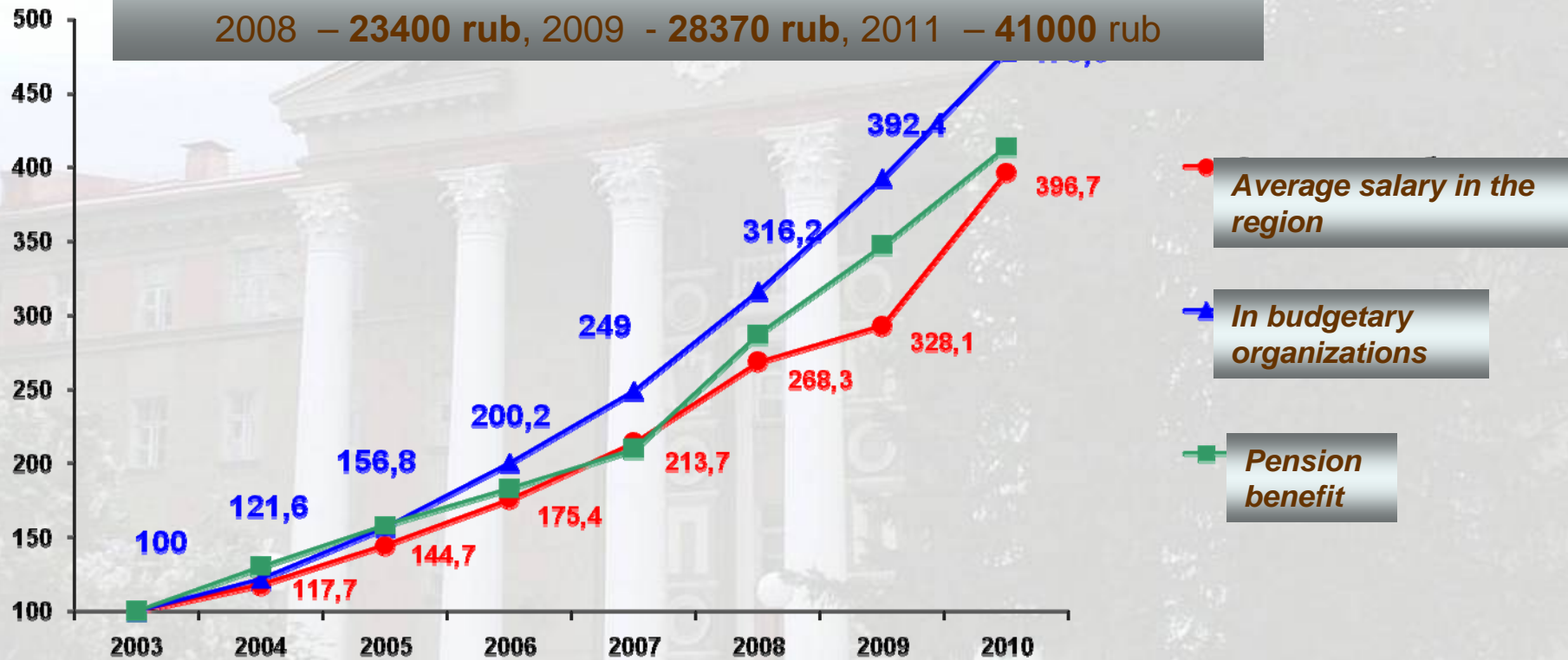


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## The Dynamics of nominal wage of those engaged in the budgetary sphere, average salary in the Murmansk Region and pension benefits (2003=100%)

### Average Salary in the Murmansk Region

2008 – 23400 rub, 2009 - 28370 rub, 2011 – 41000 rub



### Average Salary in Budgetary organizations

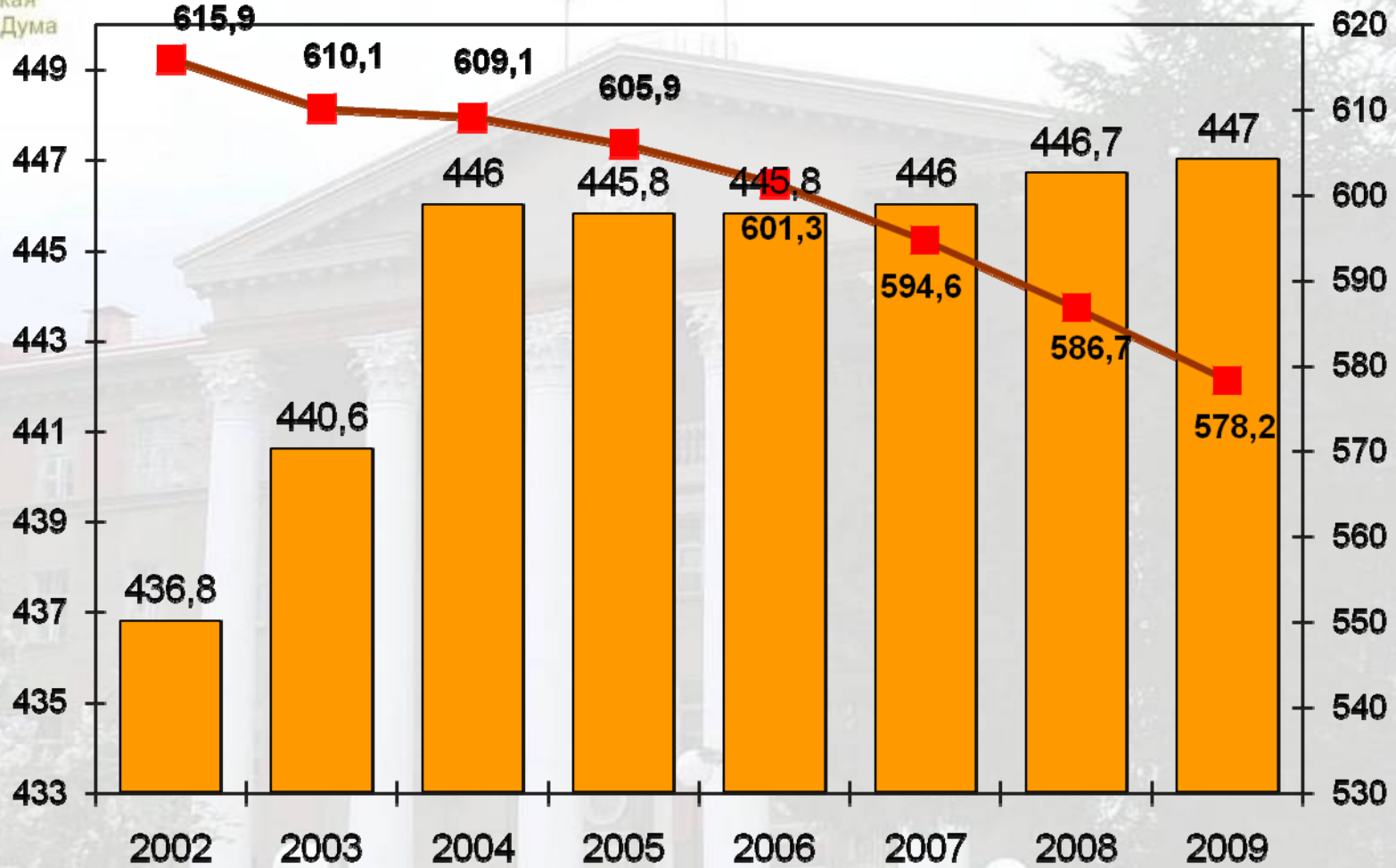
2007 – 16200 rub, 2008 - 20810 rub, 2011 – 38140 rub.





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## Number of the population and people employed in Economy (thousands people)



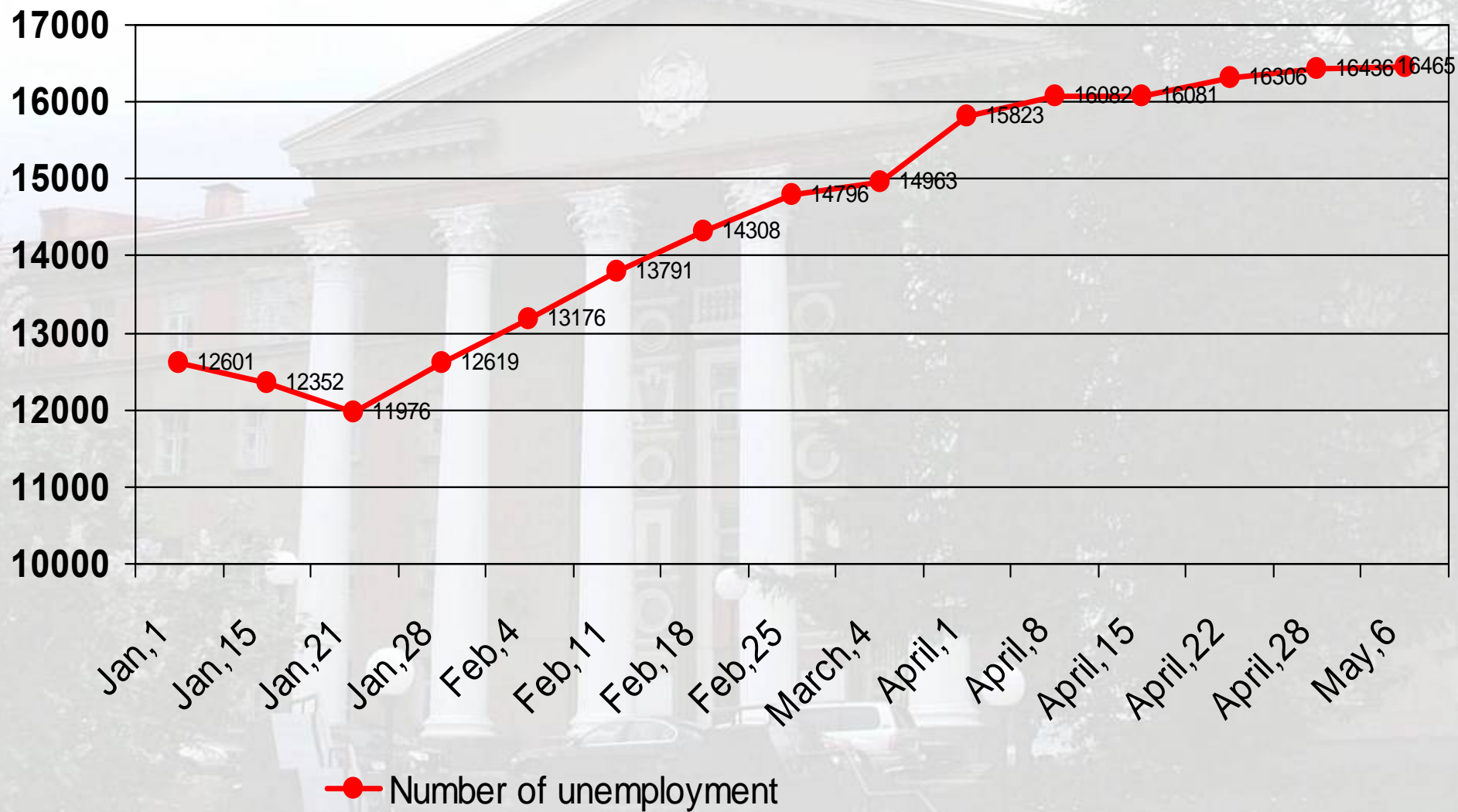
Employed in economy

Working age population



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2009







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**2001**

**Strategy of the  
Murmansk Region  
economic development  
until 2015**

**Targets:**

- transition from  
raw-oriented  
to innovative economy
- sustainable development  
of basic complexes  
for the long-term perspective

**2009**

**Strategy of the  
Murmansk Region  
social- economic  
development  
until 2025  
and  
Program of the  
Murmansk Region  
social- economic  
development  
for 2009-2013**



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## **CRISIS MANAGEMENT PLAN: totally 80 measures**

- **Monitoring of social-economic situation**
- **Improving soundness of the budget system, regional and consolidated budget's expenditures optimization**
- **Support of the labor market and social support of the population**
- **Intensification of the small and medium sized enterprises support**
- **Maintenance of the stable situation on the food market, prevention of the groundless increase of the foodstuffs prices**
- **Working out and submitting to the federal level the regional proposals on tax, tariff, customs regulation, on crediting, including bank lending, on inter-budgetary relations**





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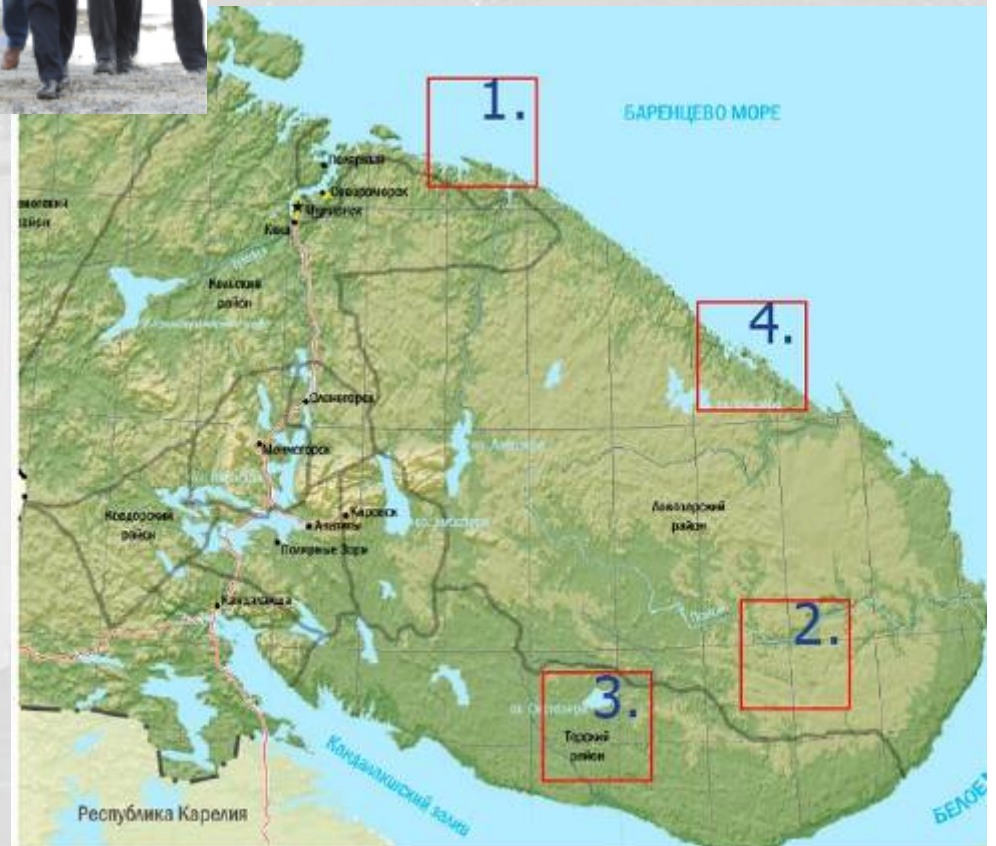
## *Large-scale projects in traditional branches of economy*

**1. Chromite and titanomagnetite ore deposits**

**2. Apatite-nepheline ore deposit**

**3. Platinum-group elements deposit**

**4. Wind Power**

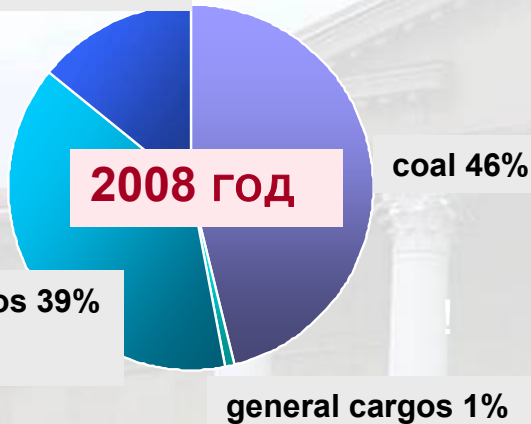




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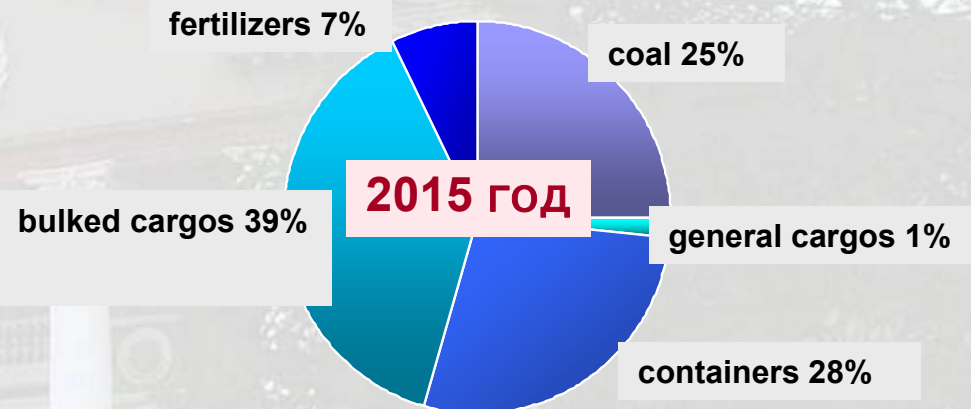
# Integrated Development of the Murmansk Transport Nodal Point CARGOS

fertilizers 14%



2008 год

fertilizers 7%



2015 год

## TURNOVER

25,97 mln.tonns

59,89 mln.tonns

December 8th, 2008

Russian Federation Government decree № 1821-p "On Implementation of the Integrated Investment Project "Development of the Murmansk Transport Nodal Point"

### Financial sources:

- Federal Target Program "Development of the Transport System of Russia (2010-2015)"
- Regional Budget
- Private investors





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# Shtockman project



HYDRO



STATOIL



TOTAL

**Discovered: in 1988 Area: 1400 sq km**  
**Distance from land: 650 km**  
**Volumes: 3,7 trillion m<sup>3</sup> of gas,**  
**30 million tons of condensate**  
**Volume of production: 71,1 milliard m<sup>3</sup>/year**  
**Putting into exploitation: in 2013**  
**Deliveries: in 2013 – pipeline natural gas**  
**14,2 milliard m<sup>3</sup>/year**  
**in 2014 – liquefied natural gas**  
**7,5 million tons/year**







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## Adopted Regional Laws:

- ✓ **“On Assistance and State Support for the Development of the Small and Medium-sized Entrepreneurship in the Murmansk Region”**
- ✓ **“On State Regulation of the Investment Activity of the Murmansk Region”**
- ✓ **“On Foundations of Arranging the Scientific, Research and Innovative activity in the Murmansk Region”**
- ✓ **“On Innovations and Innovative Activity in the Murmansk Region”**
- ✓ **“On Use of the Simplified Taxation System on the Basis of License by Individual Entrepreneurs”**



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## *Modern investment tools*

- ✓ Regional investment legislation
- ✓ Interest rate for small-sized business' credits subsidy
- ✓ Tax exemptions
- ✓ Support of priority investment projects
- ✓ Investment rating «FITCH, Inc»: A+ (national), BB- (international), forecast «Stable»





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# International co-operation



- ✓ 84 international projects under implementation
- ✓ Presentations of the Murmansk Region investment potential in Norway, Finland, France, China
- ✓ Memorandum on understanding between “Total” and Murmansk Region in the social-economic sphere
- ✓ Memorandum on understanding and cooperation in the sphere of research between “StatoilHydro” and Murmansk Region
- ✓ Russian-Norwegian business incubator “Polar Star”, Norwegian industrial park “Center or business and logistic”
- ✓ Russian-Swedish Council on small and medium business support
- ✓ Regional Conception of the cross-border cooperation
- ✓ “KOLARCTIC Neighborhood” Program 2007-2013
- ✓ Cross-border industrial complex (Technopark) in Alakurtti-settlement





**THANK YOU FOR ATTENTION**  
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