DAY OF RUSSIAN REGIONS:
MURMANSK REGION

EVGENY NIKORA – SPEAKER OF THE MURMANSK REGIONAL DUMA
Murmansk Region is 70 years old

Formed on the 28th of May, 1938
Intensive settling of the Murmansk coastal area began a lot of time before. Not long ago some rock carvings (scientists call them “petrogliphhs”) 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

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
The branch “KAZ-SUAL” of “SUAL” JSC

Apatit concentrate

Mica, niobium, tantalum

Nepheline, baddeleyite

Nickel

Aluminum and ceramic raw materials

Cobalt

Copper

Iron-ore raw materials

100 %

80 -100 %

100 %

45 %

35 %

26 %

13 %

9,4 %
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.
Aquaculture is included into the priority Russian national project “The Development of the Agro-Industrial Complex”

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.
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**

Index of agricultural production, % to the preceding year

<table>
<thead>
<tr>
<th>Agricultural products</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat, th.tonns</td>
<td>6,2</td>
<td>8,7</td>
<td>9,0</td>
</tr>
<tr>
<td>Milk, th.tonns</td>
<td>26,8</td>
<td>30,2</td>
<td>33,8</td>
</tr>
<tr>
<td>Eggs, mln.units</td>
<td>189,3</td>
<td>189,3</td>
<td>189,3</td>
</tr>
</tbody>
</table>
Development of the small-scale business

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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<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional budget</td>
<td>6,48</td>
<td>25,28</td>
<td>50,56</td>
</tr>
<tr>
<td>Federal budget</td>
<td>4,2</td>
<td>21,8</td>
<td>46,6</td>
</tr>
</tbody>
</table>
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
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

Average Salary in Budgetary organizations
Number of the population and people employed in Economy

(Thousands people)
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
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
Large-scale projects in traditional branches of economy

1. Chromite and titano-magnetite ore deposits

2. Apatite-nepheline ore deposit

3. Platinum-group elements deposit

4. Wind Power
Integrated Development of the Murmansk Transport Nodal Point

**CARGOS**

- Bulked cargos 39%
- Coal 46%
- General cargos 1%
- Fertilizers 14%

**TURNOVER**

- 2008 год: 25,97 mln. tons
- 2015 год: 59,89 mln. tons

**December 8th, 2008**


**Financial sources:**

- Federal Target Program “Development of the Transport System of Russia (2010-2015)”
- Regional Budget
- Private investors
Shtockman project

Discovered: in 1988  
Area: 1400 sq km  
Distance from land: 650 km  
Volumes: 3,7 trillion m³ of gas,  
30 million tons of condensate  
Volume of production: 71,1 milliard m³/year  
Putting into exploitation: in 2013  
Deliveries: in 2013 – pipeline natural gas  
14,2 milliard m³/year  
in 2014 – liquefied natural gas  
7,5 million tons/year
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 SimplifiedTaxation System on the Basis of License by Individual Entrepreneurs”
Modern investment tools

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