

Northwest Russia: Facts and Events

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IKEA in St. Petersburg

On 12 December 2003 IKEA opened its first store in Northwest Russia – *IKEA Kudrovo*. The three-storied furniture- and household store is located at Kudrovo, a village in Vsevolozhsk district of Leningrad Oblast, 12 km from St. Petersburg. Investments in the 4th IKEA store in Russia comprised 40 million US dollars. *Cozy Revolution Coming to St. Petersburg* is the main idea of IKEA marketing and PR campaign. Paying tribute to Lucia holiday, the organizers scheduled the official opening ceremony for early morning. Among the special guests invited to the opening ceremony were Margareta Kamprad, Sweden's Trade Minister Leif Pagrotsky, General Director of IKEA Russia Lennart Dahlgren etc. The opening party lasted the whole day until 21.00 and finished with a firework. Royal Djurgården Society, Swedish Travel and Tourism Council and SAS company prepared a special prize for the most active IKEA revolutionist – a trip to Stockholm for two persons, with a large entertainment programme included (excursions to Junibacken, Skansen, Vasamuseet etc).

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Lucia Party – Official Ending of the Swedish Input into St. Petersburg 300th Anniversary

On 13 December 2003 the Consulate General of Sweden in St. Petersburg gave a reception dedicated to the Lucia holiday. It marked the ending of the Sweden's input into the St. Petersburg 300th anniversary celebration. The programme of the evening included children's Lucia procession, a school choir singing Christmas songs, as well as a short guided tour around the Prince Vladimir Palace and Christmas buffet.

In her welcome speech, the hostess of the party, Consul General of Sweden in St. Petersburg Mrs. Andersson, made an overview of the Swedish contribution to the St. Petersburg anniversary celebration and pointed out that many of the accomplished activities were mentioned by the City of St. Petersburg as very successful. Mrs. Berit Andnor, Sweden's Minister for Children and Families, paid a visit to the party. She greeted the guests and reported briefly on her meeting with the Vice-Governor of St. Petersburg Ludmila Kostkina, as well as the visits to a number of local institutions

providing social care to children and supported through cooperation projects with Swedish partners. The pictures from the event can be found at: <http://lucia.stockholm.spb.ru>

Source: The Stockholm Region Office in St. Petersburg, e-mail stockholm.office@stockholm.spb.ru

Baltic Palette II in St. Petersburg

Baltic Palette II seminar was held in St. Petersburg on 27-28 November. *Baltic Palette II* is a spatial development planning project implemented by 6 metropolitan regions round the Baltic: Stockholm-Mälars region, Helsinki and the region of Southeast Finland, St. Petersburg and Leningrad oblast, Åland islands, as well as the regions of Tallinn and Riga. This co-operation has the objective of building a close, active and permanent relationship among the regions and cities, forming the Baltic Palette Region, and building a platform for the region's promotion. The current stage of cooperation is partly financed from the proceeds of the Interreg IIIB project, Tacis project and Phare project.

The programme of the seminar included Extended Task Force Meeting, Plenary Session and the meetings of the 5 Action Groups, namely, Polycentric Platform, Transport Corridor Network, Information Society, Sustainable Tourism and Water Quality Management. The Plenary Session of the seminar was opened by Carl-Johan Engström, Chairman of the Baltic Palette Cooperation Network, and Andrey Petruk, First Deputy Chairman of the St. Petersburg Committee for Foreign Affairs. One of the issues discussed within the seminar's frames was the Baltic Palette II Final Conference to be held in Stockholm on 27-28 April 2004.

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New Tacis Cross-Border Cooperation Projects

Press conference starting a new round of Tacis Cross-Border Cooperation was held in St. Petersburg on 20 November 2003. 33 small-scale projects with the total budget of 6.7 million euros were selected. The Tacis Cross-Border Cooperation Programme is aimed at promoting local and regional cooperation between the EU's neighbouring countries, focusing on the improvement of living standards in bordering regions. For the Northwest Russia, 20 projects were approved within the following sectors: local economic development - 11, environment and energy - 6, social affairs - 2 and administrative reforms - 1. Finland tops the list of participants with 27 project applications approved. Sweden takes part in 3 of the selected projects. In particular, the City Council of Haparanda is the main applicant for a project *Assistance to SMEs in sustainable development in Northwest Russia*.

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New Neighbourhood Instrument

A New Neighbourhood Instrument supporting cross-border and regional/transnational co-operation along the external borders of the European Union was presented at the Tacis press conference in St. Petersburg on 20 November 2003. Neighbourhood programmes will be based on the INTERREG approach to cooperation. However, they will contain funding allocations for both the internal and external regions participating in the programme and will operate single calls for proposals, covering both sides of the EU border. Moreover, there will be a possibility of expanding the range of co-operation activities as compared to INTERREG.

For neighbouring countries in each programme, there will be an allocation from the appropriate instrument, for ex. Tacis that is valid in particular for the Northwest Russia. A single application form for each project will be used, but with a clear separation of the work to be done inside and outside of the EU. There is an intention to launch the calls for proposals under Neighbourhood Programmes in summer 2004.

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Tacis Projects in ICT Development and Industrial Subcontracting

Conference *Northern Dimension: ICT Development Network in St. Petersburg* was held on 25 November. This event opened a new Tacis financed cooperation project between the St. Petersburg and Southeast Finland. Among the project partners on the Russian side are the City of St. Petersburg, St. Petersburg SME Development Support Fund and St. Petersburg International Management Institute. The main idea of the project is to develop a joint cross-border ICT cluster that would combine the potential of Russian software developers with the established IT-infrastructure of Southeast Finland. The project is divided into three thematic blocks featuring the ICT network administrative structure, the support of ICT companies, and ICT education.

Another Russian-Finnish Tacis financed project selected during the latest round is *Submet Russia-Developing Preconditions of Cross-Border Subcontracting*. The purpose of the project is to create favorable conditions for industrial cooperation between the machine-building enterprises of two countries. Over 20 enterprises take part in the project managed by the St. Petersburg Subcontracting Center.

Contact persons:

ICT Development Network project: Igor Kuprienko, e-mail igor.kuprienko@magnetpartners.com

Industrial Subcontracting project: Margarita Bulanova, e-mail psccenter@mail.ru

IT Development in Leningrad Oblast

Leningrad Oblast has passed a new regional law *On Measures of State Support for Exporting Goods, Works and Services in the Field of Information Processing Technologies in Leningrad Oblast*. This law is aimed at the development of regional foreign trade activities in high technology electronics manufacturing (computers, computer components and data carriers), as well as software and databases production and related information services.

Leningrad Oblast plans to conclude 3-year agreements with regional IT-manufacturers and service providers, gaining a minimum of 50% of their revenue from export. According to these agreements, such businesses will enjoy tax concessions with respect to taxes payable to the regional budget (profits tax at the rate of 13% instead of 16%), receive regional subsidies and get general support from the regional authorities in dealings with federal authorities and other agencies on the issues of foreign trade activities.

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Industrial and Social Development in St. Petersburg 2003

At the City Executive Board meeting on 2 December 2003 Vladimir Blank, Chairman of the St. Petersburg Committee on Economic Development, Industrial Policy and Trade gave a report on city development in January-October 2003. As compared with the corresponding period of 2002, the growth of the key indicators is observed. In particular, industrial production has increased by 10.4%, with the highest growth rates within machine-building, metal works, food production and power industry. Investments in fixed capital has gone up 26% and comprised 69.5 billion roubles (approximately 2.3 billion US dollars).

Vladimir Blank has also mentioned that the unemployment level in St. Petersburg is one of the lowest in Russia. By the end of October 2003 there were 47,600 unemployed in the city, which constitutes 0.7% of the total working population.

Source: Newsletter of the City of St. Petersburg, № 47, 8-14 December 2003

Graduation at the Stockholm School of Economics in St. Petersburg

On 11 December 2003 the Stockholm School of Economics in St. Petersburg held the Graduation Ceremony of the Third International Executive MBA Programme. A total of 36 executives graduated from the Stockholm School of Economics in St. Petersburg this year. The ceremony was attended by Mr. Stellan Ottosson, the Minister of Economic Affairs at the Swedish Embassy in Moscow, and Mrs. May Andersson, the Consul General of Sweden in St. Petersburg, as well as the representatives of Swedish and Russian business communities.

The branch of the Stockholm School of Economics in St. Petersburg was established in 1997. It operates the International Executive MBA Programme since 1999.

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St. Petersburg Construction Center

St. Petersburg Construction Center would like to extend its partnership network by establishing contacts with construction organizations in Sweden.

St. Petersburg Construction Center functions as an information and competence center for the building branch of the Northwest Russia. Since 2000 it has regularly organized the visits of Russian professional groups to the Nordbygg construction fair arranged by the Stockholm International Fairs. Since 1996 St. Petersburg Construction Fair has been a member of the International Union of Building Centers (UICB). In September this year it hosted the annual meeting of the UICB General Assembly, which was for the first time held in St. Petersburg.

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Room of My Dreams Exhibition

The annual children's exhibition *Room of My Dreams* is taking place in the St. Petersburg Central Exhibition Hall on 11 – 15 February 2004. The event regularly held since 1998 is a part of the International Festival "*Evolution of Interior. Searching for Harmony*". Children and youngsters up to 17 years old both from Russia and abroad will present their creative works – drawings and interior decoration objects illustrating their vision of the ideal place for living. The competition is held in several nominations, such as interior exposition, furniture design sketches, interior decoration elements etc. The Organizing Committee under the chairmanship of Alexander Shishlov, Chairman of the Education Committee of the State Duma of Russian Federation, will form a competition jury and give diploma to all the participants. Deadline for applications is 20 January 2004. Additional information and applications forms can be obtained via the contact persons.

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The archive of the newsletters can be found at <http://www.stockholmregion.org/tpl/topic.asp?ID=457>