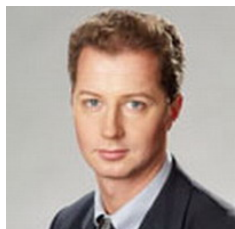


Northwest Russia: Facts and Events

Newsletter by the Stockholm Region Office in St. Petersburg

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Draft Law on Innovation Activity in St. Petersburg



A draft law *On Innovation Activity in St. Petersburg* was forwarded by the members of the St. Petersburg Legislative Assembly to the St. Petersburg Committee on Economic Development, Industrial Policy and Trade for the comments from the city business community. At present there is no federal law regulating innovation activity in Russia. St. Petersburg has a city government regulation *On Principles of Innovation Policy* as well as a complex activity programme of the innovation policy implementation in 2008-2011. According to Sergey Fiveysky, First deputy chairman of the St. Petersburg Committee on Economic Development, Industrial Policy and Trade, "the law should give more clear

definitions what 'innovation activity', 'cluster' etc are as well as to divide the responsibilities between the legislative and executive powers".

On the photo: Sergey Fiveysky, First deputy chairman of the St. Petersburg Committee on Economic Development, Industrial Policy and Trade

Source: Delovoy Peterburg newspaper, Photo: www.kadis.ru



Mannheimer Swartling Russia

Effective as from 1 July 2009, a number of significant amendments will be introduced to the Russian Federation legislation on limited liability companies ("LLCs"). The amendments are aimed at protecting LLCs from raider takeovers, more detailed regulation of the transfer of participatory shares in the charter capital of an LLC to other participants or third parties, restricting the right of participants to exit from the company. The charters of the companies established prior to 1 July 2009 must be brought in compliance with amendments to the Civil Code of the Russian Federation and the LLC Act by 1 January 2010. The most significant amendments are as follows:

Russian law has generally acknowledged shareholders' agreements

Participants of an LLC will have the right to enter into an agreement on exercising their rights of the company's participants (shareholders' agreement). Such agreements may provide for voting arrangements, obligation to carry out concerted actions related to the company's activities, restrictions to alienation of participatory shares until the occurrence of certain circumstances, etc. Previously, such agreements were invalidated by Russian courts.

Notarization requirements

In order to ensure additional protection from raider takeovers, starting from 1 July 2009 transactions regarding alienation or pledge of participatory shares will require notarization. Failure to comply with the notarization requirement will render a transaction invalid.

Exit from LLC

A participant's right to exit from the company irrespective of the consent of other participants has been restricted. As from 1 July 2009 a participant may freely exit the company only if the charter provides for such right.

List of participants

As from 1 July 2009 all LLCs shall maintain lists of their participants specifying information on each participant, his/her/its participatory share and payment for the share, as well information on the participatory shares owned by the company, dates of their transfer to, or acquisition by, the company. The company's General Director (CEO) will be responsible for the maintenance of the list of participants, unless the charter provides otherwise.

Contact person: Natalia Goldberg, Mannheimer Swartling Russia, e-mail: natalia.goldberg@msa.se

Photo: www.interpress.ru

Tax Revenues Growth in St. Petersburg



According to the Federal Tax Service in St. Petersburg, tax revenues grew by 29,6% in the first quarter 2009 compared to the first quarter 2008 and constituted 92 billion RUR (appr. 22,6 billion SEK). Federal budget received 30,4 billion RUR (appr. 7,5 billion SEK) and it is 85% more than in the first quarter 2008. The highest revenues growth was showed by VAT. One of reasons is transfer to non-monetary methods of payment, in particular barter transactions, when after unilateral discharge of obligations a taxpayer should make VAT advance payments.

Property tax grew at 2,3 times. According to *Rightmark group* legal company, it is connected with the run of objects which were almost

constructed in the end of the last year as well as the result of peak demand on commercial real estate in the previous years.

Tax revenues from SME grew by 118% compared to the first quarter 2008.

Source: Delovoy Peterburg newspaper, Photo: www.interpress.ru

SME Support in St. Petersburg



In 2009 St. Petersburg plans to spend on SME support 142 million RUR more than last year (appr. 35 million SEK). St. Petersburg is considered to be the best region supporting SME by the federal government. As a result the city can get extra subsidies from the federal budget. Estimated input from the federal level is 280 million RUR (appr. 69 million SEK).

From July – August 2009 the City of St. Petersburg will provide grants for starting business. According to Anatoly Kotov, Acting deputy chairmen of the St. Petersburg Committee on Economic Development, Industrial Policy and Trade, 200 000 – 300 000 RUR (appr. 49 000 – 74 000 SEK) will be given to those who have not started any business yet or have started it less than 1 year ago and have developed a business plan. Business plans should be presented to the expert commission which will choose the most relevant ones. Not less than 30% of financing should be provided by entrepreneurs. Among the priority areas for St. Petersburg are production, transport, communications, construction etc.

There are over 240 000 small enterprises with 27% turnover in St. Petersburg.

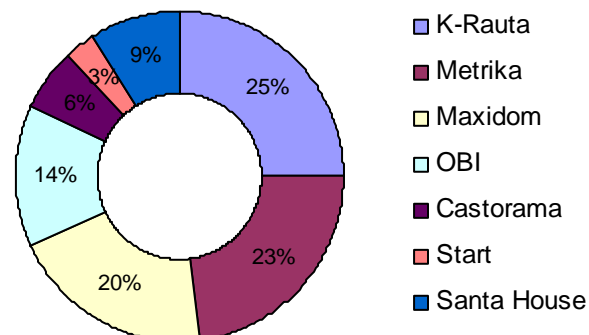
Source: Delovoy Peterburg newspaper, Photo: www.interpress.ru

Hammar Invest AB bought Santa House wholesale

Russian home improvement wholesaler Laverna Group has made public the sale of its stake in the Russian DIY chain Santa House. Hammar Invest AB, whose funding was provided by Mountbrook AB, has purchased 75% less one share of Santa House stock. No additional details of the transaction have been made available. According to experts the transaction amount is estimated to be 60-70 million USD.

Source: Delovoy Peterburg newspaper, Photo: www.interpress.ru

Market Share of Household Product Sellers in St. Petersburg



The Stockholm Region Office in St. Petersburg in cooperation with the North-West Association continues publishing profiles of 11 regions of the Northwest Russia



Kaliningrad Region

Capital: Kaliningrad

Area: 15 100 km²

Population: 955 thousand people

Poland both became members of the European Union and NATO, and entered the Schengen Zone, which means that the region is surrounded by the territories of these organizations as well.



Kaliningrad City is a seaport and the administrative center of the Kaliningrad Region. Originally named Königsberg, the Prussian and German town had been founded in 1255, and was then largely destroyed during World War II. After the war a part of the former East Prussia including Königsberg became a Soviet Union region. In 1946 the city was renamed in Kaliningrad.

Industry Industrial enterprises in the region are primarily concentrated in the following branches: transport (railcars) and heavy equipment (crane) plants, car and truck assembly (GM, BMW, KIA, YUEJIN) and production of auto parts. There are also shipbuilding facilities in Kaliningrad and Sovetsk.

Natural Resources The Kaliningrad Region possesses more than 90% of the world's amber deposits. Most of the mined amber is processed outside of the region, both in Russia and in other countries. There are also small oil reservoirs beneath the Baltic Sea not far from Kaliningrad's shore. Small-scale offshore exploration started in 2004 and some Baltic countries (Poland and Lithuania), as well as local NGOs voiced concerns regarding possible environmental impact.

Culture and Tourism It was established historically that Kaliningrad situated on the territory of both west and east civilizations is rich in cultural traditions. Prussian scientists, poets and artists glorified Königsberg. Russian people, settled at that place after the World War II, brought another multinational culture, paying at the same time the tribute to the old traditions. That's is why the region is attractive for both Russian and foreign tourists.

A visit to the Kaliningrad Region includes a variety of sights and events. Old monuments from the German past and beautiful buildings, parks and malls from the Russian present are just a few steps from each other in the westernmost large city in the vast Russian Federation.

A wonderful nature and a relaxed life can be experienced close to the city. The touristic Baltic Sea coastal resorts of Svetlogorsk and Zelenogradsk are just 30 minutes away, and a visit to the amber city of Jantarnij may also be included in the travel itinerary.



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Display technologies & equipment 4th Specialized International Exhibition



DISPLAY-2009 is Russian specialized fair of display technologies and equipment holding annually under the support of SID Russian Chapter (www.sid.org). It will take place September 30 – October 03, 2009, for the first time in Russian "second capital" - St. Petersburg. The exhibition is to be a part of 'Russian Innovation's Week', a business and

technologies forum organizing under the Federal Government auspice in St. Petersburg and Moscow.

In 2008 Moscow based *DISPLAY-2008* gathered over 70 exhibitors and 4 000 visitors. About 5000 specialists are expected to visit the exhibition in 2009.

The aim of the *DISPLAY-2009* fair is to provide customers in Russia with up-to-date information on HMI solutions and display components, manufacturing and testing technologies used in display production.

DISPLAY-2009 exhibition subjects:

- TFT, CRT, LCD, Plasma, LED displays and panels
- Laser processing technologies of visualization
- Projection equipment and systems
- Display manufacturing technologies and equipment
- Integrated data systems service
- Displaying technologies for military and aerospace applications
- Displaying technologies for industry and transport
- Displaying technologies in advertisement and show-business
- Displaying technologies in education, medicine, business infrastructure
- Innovative scientific research, Components for HMI systems

Source: <http://www.display-expo.ru/eng/2009/about.htm>

The St. Petersburg Students Win the 2009 ACM-ICPC World Finals



STOCKHOLM - 21 April 2009: Students from St. Petersburg State University of IT, Mechanics and Optics are crowned the 2009 ACM (ACM) International Collegiate Programming Contest (ICPC) World Champions in the Stockholm Concert Hall where the Nobel Prizes are presented every year. Sponsored by IBM , the competition took place today at KTH, the Royal Institute of Technology (KTH).

Referred to as "The Battle of the Brains," the ACM ICPC World Finals challenged the world's top 100 university teams to use open standard technology in designing software that solve real-world problems. Each team of three students faced 11 problems of varying levels of difficulty, all modeled after real-world issues such as creating a schedule for an airport to safely land planes that allows for changing weather and other surprises and optimizing rush-hour traffic over collections of roads.

- State University of IT, Mechanics and Optics, Russia (GOLD, WORLD CHAMPION)
- Tsinghua University, China (GOLD, 2nd Place)
- St. Petersburg State University, Russia (GOLD, 3rd Place)
- Saratov State University, Russia (GOLD, 4th Place)



The 100 teams in the World Finals in Stockholm were selected from 7,109 teams of 1,838 universities from 88 countries on six continents. Since 1997, the IBM-sponsored ICPC has grown 800% in size. The 2010 World Finals, sponsored by IBM, will take place in Harbin, China. The local host will be [Harbin Engineering University](http://www.harbin-engineering-university.com).

Source: <http://www-03.ibm.com/press/us/en/pressrelease/27274.wss>, <http://cm2prod.baylor.edu/login.isf>



Hansa Days in Novgorod

In 2009, June 18-21, for the first time ever, Russia will host the international forum “Hanseatic Days of the New Times”, which will be held in Novgorod the Great. The word “Hansa” (of the Flemish-Gothic origin) previously meant “association”. The Hanseatic League was an alliance of trading cities that established and maintained a trade monopoly along the coast of Northern Europe, from the Baltic to the North Sea and inland, during the Late Middle Ages and Early modern period (c.13th–17th centuries). The Hanseatic cities had their own law system and furnished their own protection and mutual aid.

The Hanseatic League of the New Times, which currently comprises 160 cities from 15 European countries, began its history just 26 year ago. Its aim is to apply Hanseatic ideas, traditions and positive past experience of cooperation for development of relations today. International Hanseatic Days are held annually in one of the Hansa cities. Official delegations and cultural groups come to the forum in order to present traditions, the culture, the history and the modern portrait of their cities.

Among the members of the Hanseatic League of the New Times there are 12 Russian towns and cities and 4 – Swedish (Kalmar, Nykoping, Skanor-Falsterbro and Visby).

Source: <http://www.hanse.org>



Printmaking Update

On April 30, Jens Worning Sørensen, Danish Consul General, and Rikke Helms, Director of the Danish Cultural Institute, opened the Association of Danish Printmakers' 30-years anniversary exhibition at the Loft Project Etagi.

The exhibition, entitled “Tryk på tiden / Printmaking Update,” offers 116 graphic works in different styles and media by the members of the Association.

Curator of the exhibition Susanne Helweg and two other representatives of the Association of Danish Printmakers, Pernille Kløvedal Helweg and Martin Askholm attended the opening. On April 28 they gave a master class on Danish graphic arts to students and young professionals. Within the exhibition's framework, Rikke Helms will give two lectures on Denmark's cultural and social life on May 14-15.

The project is realized with the support of the Danish sponsors and the Consulate General of Denmark, St. Petersburg. The exhibition is open until June 15, at 74 Ligovsky Avenue.

Contact person: Rikke Helms, Director, Danish Cultural Institute, e-mail: rhsp@mail.wplus.net



Sixth International Music Festival «Nordic Music»

The Sixth International Music Festival «NORDIC MUSIC» presents 2 summer concerts that will take place in St. Petersburg in June 2009. On the 7th of June citizens and guests of Saint-Petersburg are invited to enjoy the performance of one of the oldest Finnish male choir - “Sirkut” (“Crickets”) from Jyväskylä. Founded in 1899, in its 110th anniversary year the choir will represent to the audience classic secular and religious choir music. Later, in June 28th male choir and boys chorus of the Christian church from Denmark will introduce to the audience well-known and rarely-performed pieces of classic choir music. Both concerts will be performed in the Evangelical Lutheran Church of St. Peter and Paul (Nevsky pr., 22-24). Concerts begin at 19:00 and are free of charge.

Organizer: Association for Cooperation with Nordic Countries «NORDEN», www.norden.spb.ru, www.nordicmusic.spb.ru

The archive of the newsletters can be found at <http://www.stockholmregion.org/website/1/1.0.1.0/16/3/index.php>

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