

# Northwest Russia: Facts and Events

Newsletter by the Stockholm Region Office in St. Petersburg

Issue 94, 2008, week 12

## Visit of the Stockholm City Council Presiding Committee to St. Petersburg



On 18-19 March Mr Bo Bladholm, President of the Stockholm City Council; Ms Kersti Py Börjeson, 1st Vice President; Mr Hadar Cars, 2nd Vice President; and Ms Cecilia Fraenkel, Senior International Officer, the City of Stockholm Executive Office, paid a working visit to St. Petersburg. The group visited the Consulate General of Sweden in St. Petersburg, the Stockholm Region Office in St. Petersburg and had a meeting with the Chairman of the St. Petersburg Legislative Assembly, Vadim Tulpanov.

Source: Stockholm Region Office in St. Petersburg, [stockholm.office@stockholm.spb.ru](mailto:stockholm.office@stockholm.spb.ru)

## Legislative Draft: Personal Income Tax Redistribution



On 11 March the Moscow Regional Duma came up with a legislative initiative proposing an experiment on distribution of personal income taxes between the budgets of Moscow, Leningrad and Tver regions. The main goal of the experiment is to work out a scheme permitting the budgets of Russian regions, where employees are registered, to retrieve the taxes paid in regions where they work. The experiment is supposed to be carried out in 2009-2011.

According to Yulia Sakharova, Director of HeadHunter: St. Petersburg, there are app. 300 thousand residents of the Leningrad region working in St. Petersburg, all of them paying taxes to the city budget.

Source: *Delovoy Peterburg* newspaper, March 2008, [www.dpgazeta.ru](http://www.dpgazeta.ru)

## Sampo Group in St. Petersburg



The insurance branch of the Finnish financial holding *Sampo* group *If* acquired the St. Petersburg-based insurance company *Region*. The company supposedly costs USD 55-75 million. The *Region's* premium volume in 2007 amounted to RUR 864 million (app. SEK 230 million). In late 2006 *If* group entered the St. Petersburg insurance market via its subsidiary *If Insurance*, collecting RUR 103.9 million (app. SEK 27.7 million) in 2007.

Source: *Delovoy Peterburg* newspaper, March 2008, [www.dpgazeta.ru](http://www.dpgazeta.ru)

Photo: <http://www.sampo.fi>

## RESO Insurance Group Planning to Construct a Clinic



On 13 March the international conference "Modern Technologies of Drinking Water Disinfection, Sludge Treatment and Utilization" will be held in St. Petersburg on the initiative of the St. Petersburg Committee for External Relations and the water company *Vodokanal of St. Petersburg*.

The organizers hope that the conference will draw more attention to environmental problems and give an impetus to solving of these problems to ensure safe and sustainable development in other regions of the Russian Federation.

Source: *Delovoy Peterburg* newspaper, February 2008, [www.dpgazeta.ru](http://www.dpgazeta.ru)

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

### The Republic of Karelia



**Capital:** Petrozavodsk  
**Area:** 180.5 thousand sq. km  
**Population:** app. 700 thousand people

The Republic of Karelia is located in the Northwest Russia. Over 50% of the republic's area are wood, 25% are water. There are more than 60 thousand lakes and 27 thousand rivers in Karelia.

Over 50 types of minerals, located in more than 400 deposits were discovered in Karelia. The minerals are: iron ore, vanadium, molybden, rare metals, diamonds, mica, construction materials (granite, marble, diabasite), clay, apatite-carbonate ore, asbestos.

In economic structure of the Republic of Karelia the key role belongs to the industry and the kinds of activity that use local natural resources (mining operations, pulp and paper production, woodworking) as well as productions working with imported raw material, i.e. machine-building and non-ferrous metallurgy. The republic makes up 8.4% of the total amount of iron ore mined, 36.4% paper, 3.8% pulp, 6.1% industrial wood, 4% bolt timber and 61.2% paper bags produced in Russia.



Today the Government of the Republic of Karelia gives much consideration to the investment policy. The major goal of the investment policy is to create high investment attractiveness of Karelia, its industries and territories, favorable investment climate and to support investors in implementation of projects, which should contribute to attracting necessary volumes of

investments and achieving such economic and social indexes as to boost economic growth, improvement of infrastructure, growth of population incomes and implementation of national projects.

Small business development has become increasingly important in the economy of the republic, therefore the Government of the Republic of Karelia continues working on perfection of legislative regulations in the sphere of supporting investment activities and business.

The basic purpose of tourism development in the republic is to form modern highly effective and competitive tourism infrastructure, providing various tourist services for both Russian and foreign citizens.

The Republic Karelia is not only rich in mineral and natural resources but also in beautiful historical monuments, which are brought under the protection of UNESCO. Kizhi, Valaam, Solovki, Kivach, Petroglyphs, Martial Waters – these cultural routes will bring unforgettable impressions to any tourist.

For detailed information about the Republic of Karelia you may apply to the official website: [www.gov.karelia.ru](http://www.gov.karelia.ru)

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## Health Insurance Market



The Russian Federation provides its citizens with a guaranteed minimum of medical services, which are a part of the compulsory health insurance (CHI) programme. However, the system of CHI doesn't provide a number of certain quality medical services, consultations, diagnostics, prophylactic, rehabilitation and comfortable hospitalization conditions without some additional fees. Another problem encountered by CHI clients are queues caused by lack of health professionals.

The system of voluntary health insurance (VHI) is a complement to compulsory health insurance. The main idea of VHI is that of making single insurance contributions, which give a right to acquire high-quality medical services according to the programme, chosen by a client, with no additional fees.

Virtually all the city hospitals admit both CHI and VHI. According to various sources, the growth of the St. Petersburg and Moscow VHI markets in 2006-2008 amounted to 20-30% a year, primarily due to corporate clients, accounting for 80-90% of the total market volume. In 2008 the market of VHI is expected to reach RUR 60 billion (app. USD 2.5 billion).

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