

Northwest Russia: Facts and Events

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G8 Summit in St. Petersburg



On 15 – 17 July the The G8 Summit took place in St. Petersburg. The G8 Group is an unofficial forum of the heads of the leading industrialized democracies (Russia, the U.S., Britain, France, Japan, Germany, Canada and Italy), where the European Commission is also represented and fully participates. This forum was designed to harmonize attitudes to acute

international problems.

As it was marked by Valentina Matvienko, Governor of St. Petersburg, "...the summit of the heads of the world leading states and governments is the best advertisement for the city. We have presented St. Petersburg to the world mass media and international community. We are looking forward to more investors, more tourists and international exchanges. I have no doubts that the G8 Summit will provide our city new opportunities, a new powerful and positive impetus".

Source: <http://en.g8russia.ru/>, www.gov.spb.ru Photo: www.interpress.ru



New Runway in St. Petersburg airport



On 30 June the Minister of transport of the Russian Federation joined the Governor of St. Petersburg and other senior officials for the opening of the second runway at the

city airport on the eve of the G8 Summit.

The Russian government allocated 3 billion rubles (\$110 million) last year to develop and widen the runway to receive airliners with a weight over 300 tons. The runway at Pulkovo airport stretches for 4 km and is 70 meters wide. It will also get a Category III certification from the International Civil Aviation Organization (ICAO), which allows the airport to receive planes in severe weather conditions. Pulkovo airport is the third in Russia to have an ICAO Category III runway after Moscow's Sheremetevo and the Domodedovo airports.

Source: *Russian News and Information Agency*, <http://en.rian.ru/russia/20060630/50722977.html>

Ring Road Attracts Investments

The eastern part of the St. Petersburg ring road will be put into operation in autumn 2006.

The work on the investment attraction for the development of the adjacent territories

in the Leningrad region has been carried out by *Kad-Lenoblast* company.

According to *Kad-Lenoblast* contracts the total investments constitute 700 million USD. During the next years investments in the development of territories along the eastern part of the road are initially estimated to reach 3 billion USD.

In particular IKEA has already invested 250 million USD in the development of the existing complex as well as construction of a new one.

Contact Person: Alexander Veretin, *KAD-L*, e-mail: pr@cadl.spb.ru.



New SME Support Programme in the Leningrad Region



In 2006 a new SME support programme *Development and State Support of Small Business in Leningrad Region 2006-2008* has been launched with a status of a regional law. Besides the most effective support measures practiced by the previous Programme of 2003-2005, naming compensations to SME's credit and leasing rate expenses, free of charge consultancy on legal and accounting issues and free of charge training courses, it also introduces a new promising line of support measures – development of export potential of Leningrad Region.

Now export-oriented SME's can receive a compensation of expenses on international certification procedure. The enterprises that are engaged in exhibition and congress activities can also apply for compensation of their expenses on participation in this type of events. Finally, the special training course will be annually organized during the next 3 years to provide the company management with the required knowledge for successful import-export operations.

The implementation of the described measures is to be carried out by State Institution *Leningrad Region Business Support Center* (SI "LRBSC") and in particular by one of its departments *Export Development Agency*. The department is involved not only in realization of regional Programme, it also participates in international projects, assists to the development of subcontracting in Leningrad oblast, provides consultancy and translation services etc. The staff of (SI "LRBSC") believes that new state support measures, creative and thorough approach of SI's specialists and, at last, growing interest of SME's to import-export operations would lead to establishment of new contacts involving both regions, help in strengthening the existing business links and uphold the international dialogue between Leningrad and Stockholm regions.

Contact Person: Dmitry Pavlov, Head of *Export Development Agency* department, State Institution *Leningrad Region Business Support Center*, e-mail: pavlov@813.ru

The Russian Venture Forum and The 7th Venture Fair



On 10 – 11 October, 2006 *the 7th Venture Fair* will take place in St. Petersburg within the frames of the Russian Venture Forum2006.

The Fair is a unique opportunity for SMEs who want to attract investment for business development, and gives them a chance to present their project to investors from the Russian private equity and venture capital market.

Some participants of the Forum and the Fair include: the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), Baring Vostok Capital Partners, Delta Capital, Eagle Venture Partners, NORUM, Quadriga Capital, the Russian Technology Fund (RTF), JS FC Sistema, Troika Dialog, CIT Finance, PricewaterhouseCoopers, and Baker & McKenzie.

The Russian Venture Forum is a meeting place for investment professionals that is proving itself a dynamic force in the development of the country's investment infrastructure.

As an annual event for the venture capital and private equity market, the Forum brings together leading local and international investors and innovative high-tech business leaders.

The Forum will host about 80 innovative high-tech SME companies and more than 150 investors – representatives of venture and private equity funds, business angels, banks and other investment institutions. Over 700 people are expected to visit the event.

The Forum offers a wide range of events for sharing information and experience among venture capitalists operating both in Russia and on international markets. Among the most important goals are facilitating the development of the Russian venture capital and private equity industry, and giving a boost to innovative high-tech industries in the country.



Source: <http://www.rvf.ru/engl/>

Another motor-car factory will be built in St. Petersburg



The first motor-car company, that came to St. Petersburg market in 2002, having built a factory, was *Ford Motor Company*. Now their cars – Ford Focus - are very popular in comparison to other foreign cars in Russia, and the factory's production volume varies from 25 to 100 thousand cars per year, depending on the demand. The next motor-car companies that came to the city were Toyota and Nissan. Recently the General Motors Corporation announced the intention to build a car-factory in St. Petersburg. The

growing interest to St. Petersburg as a place for car production, can be explained by the St. Petersburg Government Regulation N 166, that is reducing the customs duties for importation of component parts for industrial assembling of motor-cars, from 12,4% to 3%.

Source: newspaper Metro, June 2006 Photo: www.interpress.ru

6th Moscow International Travel Fair MITF-2006



MITF-2006 was held on 11-14 May at *Gostiny Dvor* and *Manezh* Exhibition Centers. The Fair has become a traditional annual and one of the most significant events in the Russian tour business. Being the official event of the Moscow Government, MITF at the same time is the largest fair conducted by the Russian exhibition company. Yury Luzhkov, the Mayor of Moscow, visited the Fair during its opening.

Participation in the fair gives the opportunities for entering the developing tourist market, establishing new business contacts and promotion of company's brand among Russian customers.

1020 exhibitors from 80 Russian regions and 45 countries (Bulgaria, Hungary, Greece, United Arab Emirates, Egypt, Spain, China, Malta, Norway, Poland, Portugal, Tunisia, Ukraine, Croatia etc.) took part in MITF-2006. The Fair was visited by 75 000 people, including 40 000 representatives of tour business. The most well-known Russian tour operators took part in the Fair. The new trend of MITF-2006 – *Hotel Business* that has become separate exhibition will also be widely presented in 2007.

An extensive business program including scientific conferences, round tables and seminars was organized: 18 presentations of foreign countries, held by National Tourist Offices and 9 presentations of Russian regions were made. The Minister of Tourism of Montenegro Peter Nenezich, the Director of the Montenegro National Tourist Organization Velimir Vlahovich visited the Fair. Minister of economic of Spain M.A.V. Nueva, Ambassadors of a number of countries were among the guests of the Fair.

The 7th Moscow International Travel Fair MITF-2007 will be held on 17-20 May at *Gostiny Dvor* and *Manezh* Exhibition Centers.

Contact Person: Olga Teplyakova, General Manager, MITF, e-mail: mitf@ugol.ru, www.mitf.ru

Moscow is the world's most expensive city

Moscow has replaced Tokyo as the world's most expensive city. Seoul is on the second place, climbing three places since last year. Tokyo moves down two positions in the rankings to take third place, followed by Hong Kong. Asuncion in Paraguay remains the least expensive city in a survey published annually by Mercer Human Resource Consulting. With New York as the base city scoring 100 points, Moscow scores 123.9 and is nearly three times costlier than Asuncion, which has an index of 43.5.

Source: A report by Mercer Consulting

http://www.citymayors.com/features/cost_survey.html

2006	2005	City
1	4	Moscow (Russia)
2	5	Seoul (South Korea)
3	1	Tokyo (Japan)
4	8	Hong Kong (China)
5	3	London (Great Britain)
6	2	Osaka (Japan)
7	6	Geneva (Switzerland)
8	8	Copenhagen (Denmark)
9	7	Zurich (Switzerland)
10	10	Oslo (Norway)
12	15	St. Petersburg (Russia)
25	21	Helsinki (Finland)
36	18	Stockholm (Sweden)
50	28	Prague (Czech Republic)

St. Petersburg Delegation Visiting Science parks in Finland and Sweden



On 30 May – 2 June 2006 St. Petersburg delegation (representatives of the Committee on IT and Communications, www.kis.gov.spb.ru, and St. Petersburg Information and Analytical Center, www.iac.spb.ru) visited the cities of Helsinki, Lappeenranta and Stockholm, main focus being made on the issues of science parks developing. The trip was arranged within the framework of the Civil Servants Exchange Programme, Information Office of the Nordic Council of Ministers in St. Petersburg.

The delegation met their partners from Technopolis Pls, Kareltek Ventures Technopolis, the City of Lappeenranta, Lappeenranta Innovation Ltd, and other organizations and was first time introduced to the activities of Stockholms Teknikhöjd AB. St.Petersburg representatives agreed also on cooperation with the Secretariat of the Council of the Baltic Sea States in the sphere of ICT projects.

As a result of the trip a number of projects, dealing with wireless technologies, IT and science parks creating, Universities training programmes, telecommunication infrastructure issues, were successfully discussed and ready to be launched.

Contact Person: Elena Ivanova, Chief of External Information Exchange Unit, St. Petersburg Committee on IT and Communications, e-mail: ivanova@kis.gov.spb.ru

Participants of the Program *Music Festival Management* Visited Finland on Study Trip



On 14-17 May the group of St. Petersburg leading music festivals' directors met with organizers of the largest Finnish festivals *Helsinki Festival* and *Kuhmo Chamber Music Festival*, learned specific features of festivals' and musical events' management and ways of building partnership in music business. The participants also got acquainted with the work of the Finnish Music Information Center (*Fimic*) and the Association of Finland Festivals. This was the third module within the international program *Music Festival Management*.

The educational program "Music Festival Management" is organized and held since October 2005 by the Institute of Cultural Programs of St. Petersburg in partnership with the *Sibelius Academy Continuing Education Center* and is supported by the St. Petersburg's Committee for Culture and also Ministry of Foreign Affairs and the Ministry of Education of Finland. The program aims at exchanging knowledge, establishing contacts with colleagues and developing international cooperation. The last educational module and graduation will take place in autumn 2006.

Contact person: Irina Kizilova, Institute for Cultural Programs, Deputy Director, e-mail: irina@icp.sp.ru

The archive of the newsletters can be found at
http://www.stockholmregion.org/websites/stockholm/sd_page/222/3/index.php?

STOCKHOLM REGION OFFICE in ST PETERSBURG
 Visiting address: Nevsky 1, St. Petersburg
 Postal address: BOX 1005, 190000, St. Petersburg
 tel.: +7-812-314 68 18, fax: +7-812-314 68 53
 e-mail: stockholm.office@stockholm.spb.ru
www.stockholmregion.org