



EASTERN ECONOMIC FORUM NEWS DIGEST

17 July 2016, RIA Novosti, TASS, Interfax Russia, Rossiyskaya Gazeta, Izvestia, Etoday, CNBNews, Jiji Press

Business programme for 2nd Eastern Economic Forum released

The first pillar of the Forum's business programme, titled 'Opportunities for Investors', will showcase the investment potential and business climate in the Russian Far East. The 'Incentives for Investors' pillar will offer Forum participants a chance to discuss the early results and future prospects of the recently introduced Far East economic development initiatives. The third pillar, 'Developing the Russian Far East – Advantages and New Opportunities for the Asia-Pacific Region', will focus on the competitiveness of the Russian Far East, attracting foreign investment to Russia, and international cooperation in the energy and transport sectors.

The Forum is also expected to host a number of business roundtables (Russia–China, Russia–Korea, Russia–ASEAN) and a Russian–Japanese Forum.

Other Forum events include the Governors of the Russian Far East and North-East China Forum, an Eastern Vector Public Council Session, the ASEAN–Russia University Summit, the APEC Education Conference, and a Russian–Chinese Financial Council meeting.

For more information about the EEF 2016 business programme, please visit the official Forum website at <https://forumvostok.ru/en/programme-main/>

12 July 2016, RIA Novosti

RusHydro and Mitsui to unveil financial model for Russia–Japan energy bridge at Eastern Economic Forum

The announcement followed a meeting between Deputy Energy Minister of the Russian Federation Anatoly Yanovsky and Shigeru Murayama, head of a delegation from the Japan Association for Trade with Russia and the New Independent States (ROTOBO).

Japan has declared an interest in expanding cooperation with Russian companies in the energy sector. <http://ria.ru/economy/20160712/1464661490.html> (Russian)

12 July 2016, RIA PrimaMedia

First agreement to export fish via commodity exchange and auctions to be signed at Eastern Economic Forum

A preliminary broker agreement for the Far Eastern Fish Auction House has been concluded with China's Donggang Zhunzen Group. The signing ceremony took place in Vladivostok in the presence of the vice governors of Primorsky Territory and Liaoning Province. The final agreement will be signed at the EEF.

The use of commodity exchange and auction trade platforms to sell Russian fish products and aquatic bioresources, including for export, was made possible by the amendment to the federal law 'On Organised Trading' introduced by President Vladimir Putin. This act allows foreign entities to take part in commodity exchange transactions. <http://primamedia.ru/news/economics/12.07.2016/517967/pervoe-soglashenie-po-eksportu-ribi-cherez-birzhu-i-auktsioni-podpishut-na-vef-vo-vla.html> (Russian)

12 July 2016, minvostokrazvitia.ru

Eastern Economic Forum to host Russia–Japan roundtable

Preparations for the Russia–Japan roundtable scheduled to be held at the Eastern Economic Forum (EEF) were discussed during a meeting between Minister for the Development of the Russian Far East Alexander Galushka and Shigeru Murayama, President of the Board of Directors of the Japan Association for Trade with Russia and the New Independent States (ROTOBO) and Chairman of the Board of Kawasaki Heavy Industries.

Mr Murayama indicated that Delovaya Rossiya (Business Russia) would be Japan's partner in holding the roundtable.

ROTOBO officials stressed the Japanese business community's keen interest in the EEF. http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=4444 (Russian)

STATE POLICY IN THE FAR EAST

15 July 2016, minvostokrazvitia.ru

Sakhalin Region prepares to establish Korsakov Free Port

The creation of a free port in Korsakov was discussed at a regional government meeting chaired by Deputy Minister for the Development of the Russian Far East Sergey Kachaev.

President Putin recently signed the law 'On Amendments to the Federal Law On Advanced

Special Socioeconomic Zones in the Russian Federation and the Federal Law On the Free Port of Vladivostok'. Four key harbours in the Russian Far East, including the Korsakov District, have been given free port status.

Proposed changes to Sakhalin's local legislation would enshrine tax benefits for investors working in the free port. Income and property taxes will be addressed at the regional level, while the land tax will be handled by the municipal government. http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=4455 (Russian)

14 July 2016, minvostokrazvitia.ru

Development plan for Russian Far East border regions approved

Yury Trutnev approved a set of measures focused on development in the border regions of Russia's Far Eastern Federal District. The plan was developed by the Ministry for the Development of the Russian Far East in cooperation with interested federal and regional government bodies.

It includes 55 measures and projects designed to drive development in the social sphere, infrastructure, and specific sectors of the economy, and to improve the region's investment potential and expand international cooperation. http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=4448 (Russian)

14 July 2016, Rossiyskaya Gazeta, RIA Novosti, PRIME, TASS, Business FM

Moscow hosts briefing to introduce new development tools for Russian Far East

At the briefing, officials reported on the progress of the recently introduced development tools for the Russian Far East: advanced special economic zones (ASEZs), the Free Port of Vladivostok, tax benefits, and state infrastructure support for investment projects.

In just one year, 12 ASEZs have already been created, and one more has been approved in the Jewish Autonomous Region. The Free Port of Vladivostok is already in operation, and thanks to a new law that went into effect last week, free port status has now been extended to five more key harbours in the region. Officials from the Ministry for the Development of the Russian Far East emphasised ways in which all these tools can be optimised and talked about a number of investment projects that have already been successfully implemented. <https://rg.ru/2016/07/14/reg-dfo/ozvucheny-kliuchevye-temy-vostochnogo-ekonomicheskogo-foruma-2016.html> (Russian)

13 July 2016, EastRussia

Free Port celebrates first birthday

During a TASS press conference held on 13 July, Minister for the Development of the Russian Far East Alexander Galushka reported on the progress of the new Free Port in Primorsky Territory. The Free Port was created under a new law that went into effect in October 2015.

"So far, we have received 96 official applications from investors totalling more than RUB 164 billion in investments", Mr Galushka announced. According to the Minister, 75 investors have already been given official resident status, and 46 of them have signed legally binding contracts.

Although the overwhelming majority of applications were submitted by Russian companies, five came from abroad: four from Chinese investors, and one from a Japanese company. The Japanese project involves construction of an export-oriented coal port and is valued at RUB 60 billion in investment: more than a third of the total value of all applications received so far. <http://www.eastrussia.ru/material/svobodnomu-portu-god> (Russian)

12 July 2016, EastRussia

Approximately 700 land applications received from Primorsky Territory residents since Far Eastern Hectare law entered into effect

Currently, applicants only have access to land plots in the Khankaysky District of Primorsky Territory, which was selected as the pilot area for the initiative. During the pilot phase, officials will fine-tune all of the mechanisms for allocating land plots and address any challenges.

Other municipalities are already receiving requests for land plots. However, the Far Eastern Hectare initiative will not go into effect in other parts of Primorsky Territory until 1 October 2016. <http://www.eastrussia.ru/news/dalnevostochnyy-gektar-primortsy-berut-dlya-pchelovodstva-stroitelstva-doma-i-predprimatelstva-gub/> (Russian)

THE ECONOMY OF THE RUSSIAN FAR EAST

15 July 2016, RIA Vladnews

Russia and China to benefit from Primorye-1 and Primorye-2 international transport corridors

Minister for the Development of the Russian Far East Alexander Galushka spoke to Chinese and Russian journalists on a media tour about the prospects for cooperation between Russia and China in building the Primorye-1 and Primorye-2 international transport corridors.

“We work closely with China’s National Development and Reform Commission. This project benefits both nations”, the Minister stressed. According to Mr Galushka, McKinsey estimates that transporting freight via these corridors will save China more than USD 1 billion. The National Development and Reform Commission verified this estimate. The project will create 3,000 jobs, and the economy of Primorsky Territory could grow by 4%. <http://vladnews.ru/2016/07/13/109070/realizaciya-mtk-primore-1-i-primore-2-vygodna-rossii-i-kitayu.html> (Russian)

15 July 2016, PrimaMedia

ALROSA’s Russian Diamond Centre to open in Vladivostok on 22 August

Trading will continue until 3 September, and the final report will be presented at the Eastern Economic Forum. Raw diamonds will be auctioned in the Far Eastern Federal University branch of Sberbank.

The EEF is also expected to host a showcase and auction of ALROSA diamonds at Sberbank. <http://primamedia.ru/news/economics/15.07.2016/518792/almaznaya-torgovaya-ploschadka-alrosi-vo-vladivostoke-nachnet-rabotu-22-a.html> (Russian)

15 July 2016, RIA Novosti

Telecoms facility to be built along Yakutsk–Magadan highway

At the 3rd Magadan International Investment Fair, Kolyma Governor Vladimir Pecheny signed an agreement to build a telecommunications facility along the Kolyma Highway. The project will cost RUB 1 billion and will be headed by Impulse Research and Development. The Impulse facility will bring high-speed Internet and local landline and mobile networks

to remote parts of the Republic of Sakha (Yakutia) and Magadan Region. The facility is scheduled to go online in September–October 2016. <http://ria.ru/economy/20160715/1466427014.html#ixzz4EkFji06m> (Russian)

NEW DEVELOPMENT TOOLS FOR THE RUSSIAN FAR EAST: SUCCESS STORIES

14 July 2016, www.minvostokrazvitia.ru

Komsomolsk ASEZ to host timber processing facility

The Far East Development Corporation signed an agreement with Carbon to open a facility in the Komsomolsk ASEZ. The project will inject RUB 161 million into the economy of Khabarovsk Territory and will create 60 jobs.

The investor will build the timber waste processing plant on the Amurlitmash site. The plant will use rapid pyrolysis (vacuum combustion), an environmentally safe processing method. http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=4453 (Russian)

13 July 2016, Kommersant

PGOC to invest RUB 822 million in gold mining

PGOC to invest RUB 822 million in gold mining

Primorsky Gold Ore Company (PGOC), a resident of the Free Port of Vladivostok, plans to invest RUB 822 million in developing the Zolotoy plot in the region's Partizansky District. Primorsky Territory currently produces approximately 90 kilograms of alluvial gold per year, although the Primorsky Territorial Agency for Subsoil Usage has indicated that the region has other promising but under-explored mineral assets. According to experts, Primorsky Territory was hard hit by the shift towards prospecting strategically important ores. PGOC's plan will help the region to strengthen its position on the gold mining market.

“This might come as a surprise to many, but our research shows that Primorsky Territory is rich in gold”, said a Ministry source, quoting CEO of PGOC Alexander Berestyanny. “So the idea of this investment project was an obvious one. In this highly capital-intensive sector, the tax benefits and administrative support that come with Free Port of Vladivostok resident status will help speed up the process.” <http://www.kommersant.ru/doc/3036563> (Russian)