



## **EASTERN ECONOMIC FORUM NEWS DIGEST**

4 July 2016, TASS

### **Primorye expects over RUB 100 billion in investment agreements to be signed at Eastern Economic Forum**

Such was the claim made by Vladimir Miklushevsky during his presentation at the Russian–Chinese media tour, arranged by the TASS press agency and the People’s Daily newspaper. This indicates that the total volume of investment agreements signed at the second EEF will at least match last year’s figure. <http://tass.ru/ekonomika/3427275>

4 July 2016, Petropavlovsk Evening News

### **Search for entrepreneurs wishing to present investment projects at the Eastern Economic Forum begins in Kamchatka**

“In order to enter the selection process, entrepreneurs must fill out and submit the form via the official EEF website, also providing the requested materials. If a prospective project initiator wishes to present their proposal to foreign investors, English-language documents should be prepared,” explained a representative of the investment and entrepreneurship agency of Kamchatka Territory. <http://www.vestipk.ru/?id=33568>

30 June 2016, [www.primgazeta.ru](http://www.primgazeta.ru)

### **Deadline for EEF investment project proposals extended to 10 July**

According to data from the Ministry for the Development of the Russian Far East, the ministry has received 46 investment project proposals to date, over half of which are already underway. The majority of projects will be in the fishery, logistics, agriculture, non-

ferrous metallurgy, and tourism sectors. The total investment volume amounts to RUB 1.1 trillion. The total volume of investment required is RUB 376 billion. The vast majority of projects scheduled for implementation are in the Primorsky and Khabarovsk territories.

<http://primgazeta.ru/news/accepting-applications-investment-east-economic-forum-have-extended>

30 June 2016, [www.forumvostok.ru](http://www.forumvostok.ru)

### **Human capital development on agenda for EEF**

One of the topics for discussion at the upcoming EEF is the development of human capital. The Forum has scheduled a panel discussion entitled Securing human resources for investors: “A turnkey solution”.

The Russian Far East has encountered a labour deficit. According to Valentin Timakov, head of the Agency for the Development of Human Capital in the Far East, the region’s future economic development is contingent on marked employment growth across a number of sectors. By 2021, new businesses in the advanced special economic zones (ASEZs) and the Vladivostok Free Port will create more than 47,000 jobs. Providing organisations operating in the ASEZs and Vladivostok Free Port with qualified employees is an important objective for the development of the Russian Far East. <http://bit.ly/29b2l67>

28 June 2016, Sina Finance

### **Yury Trutnev announces that Russia and China plan to sign two major agreements at EEF**

Citing Yury Trutnev’s announcement, the Chinese press service Sina has reported on the signing of agreements to launch two projects in the Russian Far East. The document is to be signed during the Eastern Economic Forum. <http://finance.sina.com.cn/roll/2016-06-28/doc-ifxtmses1339530.shtml>

28 June 2016, [www.forumvostok.ru](http://www.forumvostok.ru)

### **EEF to showcase national parks and nature reserves of the Russian Far East**

Sergei Donskoi, Russian Minister of Natural Resources and Environment, announced: “We will be presenting almost every major mineral extraction project, both ongoing and prospective, as well as specially protected areas: national parks and natural reserves of the Russian Far East. We aim to make sure that as many tourists as possible hear about these unique places.”

During the Forum, the Russian Ministry of Natural Resources and Environment will also present its ecological tourism projects. “The investment potential and economy of the Russian Far East is based on the potential of its unique nature. It is the region’s natural resources that enable us to unify both economic and environmental goals in the region,” Donskoi said. <http://bit.ly/29y2Tm1>

228 June 2016, [www.forumvostok.ru](http://www.forumvostok.ru)

### **EEF to facilitate the development of tourism in the Russian Far East**

“Tourism in the Russian Far East is one of the main drivers of economic development, stimulating job creation and new infrastructure. The Russian Far East is a resource for tourism, while for the Far East it is those investments which bring the economy to life,”

remarked Sergey Korneev, Deputy Head of the Federal Agency for Tourism.

In his view, the Forum should benefit tourism and will in time become an important platform where new business contacts are formed. Tourism is slated to be a key topic for discussion at the Forum. <http://bit.ly/297W0ql>

## RUSSIAN GOVERNMENT'S OFFICIAL POLICY ON FAR EAST

1 July 2016, Interfax

### **Japanese and Chinese business warms up to projects in Russia**

Japan and China are planning to send government delegations to the Eastern Economic Forum in Vladivostok, which shall include “important decision makers,” according to Yury Trutnev, Presidential Plenipotentiary Envoy to Far Eastern Federal District.

“The relationship between Russia and Japan is changing markedly. Japanese business is becoming much more interested (in projects in Russia),” said the Deputy Prime Minister. <http://www.interfax-russia.ru/FarEast/news.asp?id=740633&sec=1671>

30 June 2016, [www.minvostokrazvitia.ru](http://www.minvostokrazvitia.ru)

### **Yury Trutnev: Governors must play a leading role in the development of free ports**

At a session of the Subcommittee on the implementation of investment projects in the Russian Far East and Baikal region, Yury Trutnev tasked the attending governors of the Far Eastern regions to begin work on managing the free ports.

“The Ministry for the Development of the Far East and I personally oversee the Supervisory Board of the Vladivostok Free Port. We need to consider in detail and very quickly, so as not to lose momentum, how to organize the system of governance of each territory,” Trutnev said. According to the presidential envoy, it is the governors who should play the leading role in the free ports’ development. “I urge them to ready themselves for this responsibility. I will make visits and inquiries. We will work side by side. But to ensure that governance is effective, it needs active leadership. The burden of developing the regions is growing constantly. I will be keeping a close eye on these projects,” he underlined. [http://minvostokrazvitia.ru/press-center/news\\_minvostok/?ELEMENT\\_ID=4409](http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=4409)

30 June 2016, [www.minvostokrazvitia.ru](http://www.minvostokrazvitia.ru)

### **Senators vote for investment quotas for the development of the fishing industry**

The Federation Council approved a draft amendment to the Law On Fisheries and Conservation of Aquatic Biological Resources as well as other legal acts of the Russian Federation that seek to improve the distribution of catching (yield) quotas from aquatic bio-resources. As a result of the vote, the bill will now be passed on for signing by the President.

The amendment will see a new mechanism for developing the fishing industry enter into effect – catching (yield) quotas from aquatic bio-resources will be tied to investment targets.

An investor who obtains fishing rights now takes on the obligation to purchase Russian vessels or create fish-processing facilities. In this manner, the introduction of quotas will facilitate the renewal of the fleet and the modernisation of littoral infrastructure.

The bill also provides for an extension to time periods during which quota shares are granted to individuals, from 10 to 15 years. [http://minvostokrazvitia.ru/press-center/news\\_minvostok/?ELEMENT\\_ID=4408](http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=4408)

29 June 2016, Far Eastern Capital

### **Benefits on mineral extraction tax for investors in the Russian Far East to enter into effect on 1 July**

A law granting tax benefits to investors in the Russian Far East who have invested RUB 50 million or more into facilities in the Far Eastern Federal District will enter into effect as of 1 July 2016. Starting from this date, it will be possible to apply for reduced mineral extraction tax (MET). [http://dvkapital.ru/regionnow/dfo\\_29.06.2016\\_8435\\_lgoty-po-ndpi-dlja-investorov-na-dalnem-vostoke-nachnut-primenjat-s-1-ijulja.html](http://dvkapital.ru/regionnow/dfo_29.06.2016_8435_lgoty-po-ndpi-dlja-investorov-na-dalnem-vostoke-nachnut-primenjat-s-1-ijulja.html)

27 June 2016, TASS

### **Yury Trutnev: People need to understand that they should remain in the Russian Far East**

An interview with Yury Trutnev: outlook on Japanese and Chinese involvement in the Far Eastern Federal District, Russian–Chinese business cooperation, and the development of the Russian Far East.

“With state support, the Far East is currently seeing the construction of over 200 enterprises which need people in order to operate. They must understand that there are good reasons to remain in the Russian Far East. We are already witnessing a sea change – fewer and fewer people are leaving, far fewer than before,” Trutnev remarked. <http://tass.ru/opinions/interviews/3403266>

## **ECONOMY OF RUSSIAN FAR EAST**

4 July 2016, RIA Novosti

### **Putin signs law ratifying agreement on Rusvietpetro**

Russian President Vladimir Putin signed a federal law ratifying the agreement between the ministerial cabinets of Russia and Vietnam on future cooperation in the area of geological exploration and oil and gas extraction in Russia, to be carried out through a joint company, Rusvietpetro. <http://ria.ru/economy/20160703/1457370893.html#ixzz4DQYI8bMM>

1 July 2016, RIA Novosti

### **Far East Development Fund to allocate RUB 4.6 billion for three new projects**

The Russian Government Subcommittee on the implementation of investment projects in the Russian Far East has selected another three investment projects to receive funding from the Far East Development Fund, said Yury Trutnev.

Priority financing from FEDF funds will see RUB 1.8 billion go to the logistics hub of Russian Post in Khabarovsk Territory (with a total investment volume of RUB 5.7 billion), RUB 2.14 billion to the construction of second and third plants for deep soy refining in the

Belogorsk ASEZ (with a total investment volume of RUB 5.8 billion), and RUB 630 million for the Ozerny ore mining and processing facility for the construction of transportation infrastructure (with a total investment volume of RUB 72.9 billion). Nevertheless, the final decision on the Ozerny ore mining and processing facility has been postponed: “The project provides for the exploitation of lead-zinc ore located close to Lake Baikal. We need to ascertain whether this deposit is located within the protected area around Lake Baikal,” Trutnev said. If no risks are identified, the Ozerny ore mining and processing facility will receive funding. If potential risks do however arise, the project will be shelved. <http://ria.ru/economy/20160630/1455099205.html#ixzz4D94kfgJq>

30 June 2016, [www.interfax-russia.ru](http://www.interfax-russia.ru)

### **Ministry for the Development of the Russian Far East awaits influx of foreign capital into the ports of the Russian Far East following development of free port regime**

The Federation Council has approved amendments to the Federal Law on Advanced Special Economic Zones and the Federal Law on the Vladivostok Free Port.

Under the amendment, the free port regime will be rolled out to Khabarovsk Territory (Vaninsky District), Sakhalin Region (Korsakovsky District), Kamchatka Territory (Petropavlovsk-Kamchatsky), Chukotka Autonomous District (Pevek) and Primorsky Territory (Lazovsky District). <http://www.interfax-russia.ru/FarEast/news.asp?id=740302&sec=1679>

30 June 2016, [www.interfax-russia.ru](http://www.interfax-russia.ru)

### **Free port regime to aid Khabarovsk Territory in attracting additional investment**

“The introduction of the free port regime to Vaninsky District in Khabarovsk Territory will create 2,600 jobs and attract more than RUB 40 billion worth of investments,” reports the press service for the regional government. At the moment, several investment projects are already underway in the district, including the construction of a coal terminal for Sakhatrans. <http://www.interfax-russia.ru/FarEast/news.asp?id=738998&sec=1671>

## **NEW DEVELOPMENT TOOLS FOR THE RUSSIAN FAR EAST: SUCCESS STORIES**

1 July 2016, [www.interfax-russia.ru](http://www.interfax-russia.ru)

### **Yakutia to present new therapeutic resort project at EEF**

The authorities of Yakutia are looking for investors for the new Abalakh therapeutic resort in the republic’s Megino-Kangalassky District. The Abalakh project aims to create a modern therapeutic resort on the site of the Sosnovka sanatorium, an extant centre for restorative medicine and rehabilitation.

The project entails the construction of a series of facilities: a treatment and rehabilitation centre with 120 beds, a therapeutic resort with 60 beds, a cafeteria and other infrastructure. <http://www.interfax-russia.ru/FarEast/news.asp?id=740642&sec=1671>

29 June 2016, RIA Novosti

### **Indian investors interested in Mikhailovsky ASEZ in Primorye**

“Your legislation is of great interest to us, and presents new opportunities. We are especially interested in the Mikhailovsky ASEZ with its special focus on agriculture. Indian investors are interested in the development of this ASEZ,” stated Ambassador of the Republic of India Pankaj Saran. <http://ria.ru/economy/20160629/1454006798.html#ixzz4D8oa5fcu>

29 June 2016, www.interfax-russia.ru

### **Resident enterprise at Beringovsky ASEZ to build new solid refuse dump with a capacity of 35 thousand m<sup>3</sup> per year in Chukotka**

Anadyrskaya Transport Company is to build a new solid refuse dump with a capacity of 35 thousand m<sup>3</sup> per year in Chukotka, with a total investment of over RUB 24 million. The agreement on the project was signed on Wednesday by the Far East Development Corporation (the FEDC is the management company of the Vladivostok Free Port and ASEZ projects in the Far East) and Anadyrskaya Transport Company.

In addition to this, the FEDC and ATC signed an agreement to modernise the Anadyr water sanitation plant, a project in which the company plans to invest over RUB 27 million. Once the modernisation is complete, the sanitation process for drinking water will become automated.

Both projects are being implemented within the Beringovsky ASEZ. <http://www.interfax-russia.ru/FarEast/news.asp?id=739774&sec=1671>

28 June 2016, www.ysia.ru

### **Bridge across Lena River to be built over six years**

The final protocol signed at a session of the Russian–Chinese Intergovernmental Commission provides for the construction of a bridge across the Lena River over the next six years, with the possibility of being completed sooner.

“Back in 2014, we held talks with Chinese enterprises. The government of Yakutia has done a lot of work to negotiate and draw up the necessary documents. We are developing our cooperation in other areas as well,” remarked Alexey Zagorenko, CEO of the Agency for the Investment Development of Yakutia.

Earlier, the Head of the Republic of Sakha Yegor Borisov took part in the third session of the Russia–China Commission for Investment Cooperation in Beijing. Sixty-six joint investment projects worth approximately USD 90 billion in total were examined and included in the final protocol at the event, which was chaired by First Deputy Prime Minister of Russia Igor Shuvalov and Vice Premier of the People’s Republic of China Zhang Gaoli. Three of the planned projects are set to be implemented in Yakutia. <http://ysia.ru/glavnoe/most-cherez-lenu-planiruyut-postroit-v-techenie-shesti-let/>