



NEWS FROM THE EASTERN ECONOMIC FORUM

5 September 2016, TASS

Yury Trutnev: Eastern Economic Forum showed it was much-in-demand

“The second Eastern Economic Forum showed that it was much-in-demand. We see that business has a desire to come here and this livens up the business environment. So the Forum is being held in the right place at the right time. As a result, new projects and enterprises will emerge in the Far East”, Trutnev noted.

“We definitely won’t stop with the package of proposals and laws for the Far East that were presented at the Forum. There is an understanding that the third Eastern Economic Forum should be different, so new development mechanisms will certainly appear next year”, the Deputy Prime Minister said. <http://tass.ru/ekonomika/5591689>

5 September 2016, Rossiyskaya Gazeta

214 agreements for RUB 1.85 trillion signed at Eastern Economic Forum

“The biggest among them were: an agreement of intent to implement the Amur Gas Chemical Complex investment project between the Russian Ministry of Economic Development and Sibur Holding with total investment of RUB 500 billion, an agreement on the construction of a mineral fertiliser complex in the Primorsky Territory between the Far East Development Fund and National Chemical Group with total investment of RUB 370.5 billion, an agreement on the development of the Natalkinsky gold deposit between the Russian Ministry of Economic Development and Polyus Management Company with total investment of RUB 98.5 billion and an agreement on the

development of the Verkhne-Munsky ore field deposit between the Russian Ministry of Economic Development and Alrosa with total investment of RUB 63 billion”, Minister for the Development of the Russian Far East Alexander Galushka said.

Other significant agreements cited by the Minister include an agreement between the Far East Agency for Investment Promotion and Export Support and Japan Bank for International Cooperation (JBIC) on the establishment of a Russian-Japanese platform to promote priority development areas and attract Japanese investors to such areas, the two first investment agreements signed by the Russian-Chinese Agricultural Development Fund Management Company for a total of RUB 17.9 billion and an agreement on technological cooperation between RusHydro and Japan’s Mitsui. <https://rg.ru/2016/09/05/na-vef-bylo-podpisano-soglashenij-na-185-trilliona-rublej.html>

5 September 2016, SakhaNews

Second Eastern Economic Forum attended by 3,307 people

“This includes 207 heads of Russian companies and 94 heads of foreign companies. There were a total of 1,500 business representatives. Foreign participants represented 56 countries. The largest delegations came from Japan – 246 people, China – 227 people and the Republic of Korea – 128 people”, Galushka noted.

A total of 56 sessions were held as part of the Forum’s business programme, including 44 key sessions, six strategic sessions and five business dialogues. Presentations were held as part of the Forum’s business programme for 34 investment projects for a total of RUB 1.5 trillion. <http://www.1sn.ru/173660.html>

3 September 2016, Lenta.ru

Vladimir Putin orders the formation of an intergovernmental working group to set up an energy super ring in the Asia-Pacific Region

“We support the initiative of companies from Russia, Japan, the Republic of Korea and China to establish an energy ring that will link our countries”, Putin announced. “We propose setting up an intergovernmental working group to implement this project in a faster and more dynamic manner. I would also like to emphasize that Russia is ready to provide our partners with an electricity price that is competitive in the Asia-Pacific Region and lock in this price for the long-term”, he added. <https://lenta.ru/news/2016/09/03/energy/>

3 September 2016, Gazeta.ru

Shinzo Abe suggests making Vladivostok the gateway between Eurasia and the Pacific Ocean

Speaking at the Eastern Economic Forum in Vladivostok, Abe noted that the Asia-Pacific Region is actively evolving and transforming into an open economic zone.

“And the fact that there is a vast continent behind it provides an impetus to this dynamic process. I am confident that the bright light emanating from Vladivostok will generate an enormous multiplier effect that will shine the spotlight on all the corners of the Asia-Pacific Region”, the prime minister said. https://www.gazeta.ru/business/news/2016/09/03/n_9070511.shtml

GOVERNMENT POLICY IN THE FAR EAST

3 September 2016, RIA Novosti

Agreement signed on establishment of Russia's Eastern Ring at Eastern Economic Forum

The agreement was signed by Russian Minister of Culture Vladimir Medinsky, Russian Federal Tourism Agency Director Oleg Safonov and the governors of nine Far Eastern regions, the Trans-Baikal Territory, Buryatia and the Irkutsk Region. Medinsky said this project will unite the unique tourism and natural potential of the Far East.

“The growth in tourist traffic to Primorye totalled 65% in September compared with last year, and this is only from Chinese tourists. An increase has also been seen in tourists from South Korea and Hong Kong. The numbers of quite impressive and will be even higher by the end of the year. Thus, the establishment of such a large-scale, highly interesting and high-quality product as Russia's Eastern Ring is much needed and right on time”, Safonov said. <https://ria.ru/economy/20160903/1476013109.html>

FAR EAST ECONOMY

5 September 2016, RIA Novosti

Eastern Economic Forum generates some RUB 30 billion for Sakhalin

Seventeen agreements were signed in agriculture, tourism, transportation, balneotherapy and sports, the fuel and energy sector, trade and the fishing industry. Most of the agreements reached with partners concern the establishment of new enterprises and production facilities in the region, support for existing ones as well as the introduction of additional tools for the development of small and medium businesses.

The Sakhalin delegation held numerous negotiations with partners at the Forum venue, including with foreign partners. For example, development prospects for the chemical utilisation of natural gas on the island and the establishment of mini LNG plants on the core of the Aniva gas fields were discussed at a meeting with Japan's Chiyoda Corporation. An even broader range of issues was raised during a dialogue with representatives of the China Overseas Development Association. <https://ria.ru/economy/20160905/1476053873.html>

5 September 2016, Yamal-Region

Shipments via Northern Sea Route to expand to 35 million tonnes of cargo per year

Freight turnover via the Northern Sea Route will increase to 20 million tonnes per year in the near future and reach 30–35 million tonnes per year within five years, Russian Minister of Transport Maksim Sokolov said during the Eastern Economic Forum.

The Russian Ministry of Transport is devoting special attention to the development of the Sabetta port. “The effective utilisation of the Russian Federation's transit potential, which includes a comprehensive programme to develop sea, railway, road and air traffic, is one of the most pressing and high-priority tasks for the transport industry”, the minister said. <http://yamal-region.tv/news/21207/>

2 September 2016, CCI-Inform

Voskhod Investment System collects RUB 143 million over first day of operation

The first issuer of RUB 100 million in exchange bonds in the Voskhod Investment System was the company Aviaterminal, a subsidiary of OJSC Khabarovsk Airport, the main operator of surface activities at Khabarovsk (New) International Airport. The number of applications received as part of the debut placement exceeded the planned bid book volume by RUB 43 million.

“The launch of the new trading platform is an important milestone in the development of the Far East and the Russian financial market. Over the course of one day, applications were received from investors from 33 Russian cities for more than RUB 140 million without any advertising. This is a small amount, but it is an important precedent for the private savings market with total volume of RUB 23 trillion”, Far East Development Fund General Director Alexei Chekunov noted. <http://tpp-inform.ru/region/live/primorskiy-kray/37471/>

2 September 2016, Vesti

ALROSA opens Eurasian Diamond Centre at Free Port of Vladivostok

The official opening of the Eurasian Diamond Centre (EDC) took place on September 2 with the participation of Yury Trutnev, ALROSA President Andrei Zharkov and Yakutia Head Egor Borisov. The EDC consists of diamond cutting enterprises, infrastructure facilities, showrooms and offices. The centre should expedite the conclusion of purchase and sale transactions for rough and cut diamonds. <http://www.vestifinance.ru/articles/74599>

FORUM SPEAKERS: QUOTES

Vladimir Putin, President of the Russian Federation:

“We are seeing growing interest among the political and business circles of the Asia-Pacific Region as well as other regions in Russia, in our Far East agenda as a whole as well as the steps and initiatives we are taking to create fundamentally new opportunities for cooperation and implementing promising projects in the Far East.

We have set a task for ourselves that is ambitious in every sense and enormous in terms of its scale: to make the Far East one of the centres for the socioeconomic development of our country – powerful, dynamic and advanced. This is one of our most important national priorities.

We are seeing real changes here – the first, but nevertheless significant and encouraging results. In particular, industrial production in the Far East is currently growing at more than five percent. We have had rather modest growth throughout the country – three-tenths of a percent, but in the Far East it’s five. Over the last year the region has additionally attracted more than RUB 1 trillion of investment – or roughly USD 15 billion, and more than 300 investment projects have been launched. This means that the mechanisms we have proposed for supporting business are in high demand. Finally, the most important, consolidated and valuable indicators of the changes occurring in the Far East are the positive demographic dynamics that have

taken hold. The size of the population in Khabarovsk Territory, Sakhalin, Yakutia and Chukotka has begun to grow for the first time in a quarter of a century. The birth rate exceeded the death rate in the Far Eastern Federal District for the third year in a row. Fewer residents are leaving the Far East”.

Park Geun-hye, President of the Republic of Korea:

“The Far East has opportunities for economic relations and human contracts as well as a favourable industrial structure. Given such potential, this region is becoming a new promising area where ideas for integration and growth can be implemented. Russian President Vladimir Putin is pursuing a new Eastern policy, which is revitalising this region and transforming its potential into a vision that can be realised”.

Shinzo Abe, Prime Minister of Japan:

“Let’s meet once a year here in Vladivostok and examine together how the eight items of our cooperation are being implemented. I would like to propose that each year we have an opportunity for a highly substantive discussion of the things that are necessary for this while getting away from the routine. I think the audience’s support for my proposal says a lot”.

Yury Trutnev, Deputy Prime Minister of the Russian Federation, Presidential Plenipotentiary Envoy to the Far Eastern Federal District and Chairman of the EEF Organizing Committee:

“The Eastern Economic Forum is being held in order for the Far East to develop more rapidly. If you look at the growth rates, the number of new investment projects and the inflow of investment to the region, you could say that this process has begun.

But there is an understanding that this is only the start of the journey. We hope that in two to three years the system will get going and become comprehensive and competitive. We understand that the region is above all being developed by people who are establishing new enterprises here. For them to keep doing this, they need to know that the Far East is developing and that it is truly better to work here”.

Alexander Galushka, Minister for the Development of the Russian Far East:

“New mechanisms for the rapid development of the Far East will be drafted and launched by the start of the third Eastern Economic Forum. They will make it possible to launch 500 new investment projects with total investment of RUB 2.9 trillion. A simplified visa regime will be introduced by the EEF 2017 for foreigners arriving at the Free Port of Vladivostok and the macro-region’s financial institution – the Far East Development Fund – will receive additional capital through growth in new taxes in the Far Eastern Federal District. Next year the cost of electricity for the Far East will decrease and reach the average Russian level (RUB 3.19) in two years. This is among the best electricity prices in the Asia-Pacific Region and will be available to any investor who comes to work here”.

Maksim Sokolov, Russian Minister of Transport:

“The Far East has a special geopolitical significance since it features transport shortcuts. For instance, the Trans-Siberian Railway traffic cuts transportation time by a third compared to alternative routes. The plan calls for a special emphasis on container transportation, the proportion of which keeps rising every year. The government’s immediate plans include extending the capacity of the Baikal-Amur

Railway both eastward and westward. In the coming years, there are plans to launch the Primorye-1 and Primorye-2 transport corridors – large-scale infrastructure projects that are being implemented jointly by Russia, China and private partners. The project involves the establishment of transportation and telecommunication networks between China, South Korea and the Far East”.

Alexander Novak, Russian Minister of Energy:

“Russia’s Far East has competitive advantages that can be realised as part

of joint energy projects. One promising project that requires a combination of investment and skills is the establishment of the energy ring between Russia, Japan, South Korea, China and Mongolia. The growth in the energy sector and the implementation of joint projects with countries of the Asia-Pacific Region in this regard will become the main drivers or progressive changes in the economy of the Far East and Eastern Siberia, where approximately 13% of oil reserves and 16% of gas reserves are concentrated”.