



## **EASTERN ECONOMIC FORUM NEWS DIGEST**

27 June 2016, [www.ria.ru](http://www.ria.ru)

### **Russia and China plan to sign two major agreements at EEF**

Yury Trutnev announced that at least two agreements to commence major projects in the Russian Far East will be signed at the Eastern Economic Forum (EEF). Although he did not yet offer any details, the Deputy Prime Minister noted that both countries place great importance on these projects. <http://ria.ru/economy/20160626/1452114839.html#ixzz4ClS1PVWc> (Russian)

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

### **EEF to present interactive map of aquaculture sites and hold first auction**

The future of the region's aquaculture industry was discussed at a joint meeting of the Prosecutor General's Office and the Ministry for the Development of the Russian Far East. Although more than 2 million hectares of coastal waters on the Russian coast of the Sea of Japan and in the southern part of the Sea of Okhotsk are available for farming, less than 20,000 hectares are currently in use.

At its inaugural meeting on 27 May 2016, the Subcommittee on Aquaculture in the Far East under the Government Commission on the Socioeconomic Development of the Russian Far East and the Baikal Region decided to change the approach to mapping aquaculture sites. The sites will be established based on scientific prospecting, marked on the interactive map, and sold at open auctions. The first auction will take place at the 2nd Eastern Economic Forum. The Forum will also host the unveiling of the interactive map of aquaculture sites in the Russian Far East. [http://minvostokrazvitia.ru/press-center/news\\_minvostok/?ELEMENT\\_ID=4388](http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=4388) (Russian)

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

### **Asian Super Ring energy project to be discussed at EEF**

Minister for the Development of the Russian Far East Alexander Galushka, Chairman of SoftBank Group Masayoshi Son, and Executive Managing Director of JBIC (Japan) Tadashi Maeda discussed the possibility of forming a unified Russia – Japan – South Korea – China energy grid.

The parties agreed to thoroughly evaluate the project in order to discuss it in more detail and sign the necessary agreements during the Eastern Economic Forum. <http://forumvostok.ru/en/asian-energy-super-ring-project-to-be-discussed-at-the-eef/>

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

### **New Voskhod platform for investors in Russian Far East to be unveiled at EEF**

The Far East Development Fund (FEDF) and the Nonprofit Partnership for the Development of the Financial Market RTS have signed an agreement on a joint project to create the Voskhod investment platform.

The new system will provide access to various investment products, starting with stocks and bonds issued by companies in the Russian Far East at the initial stage, then subsequently expanding to include all the tools necessary to establish a productive investment environment. <http://forumvostok.ru/en/new-voskhod-platform-for-investors-in-russia-s-far-east-to-be-launched-by-the-eef/>

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

### **Minister for Development of Russian Far East invites India's business community to EEF**

Minister Galushka met India's Ambassador to the Russian Federation Pankaj Saran to discuss the future of cooperation between the two nations in the Russian Far East. The Indian Ambassador noted that in recent years, his country's relations with Russia have reached a qualitatively new level. He believes the next step must be to intensify bilateral economic relations even further. <http://forumvostok.ru/en/head-of-the-ministry-for-development-of-russia-s-far-east-invites-indian-business-to-the-eef/>

## **RUSSIAN GOVERNMENT'S OFFICIAL POLICY ON FAR EAST**

25 June 2016, [www.ria.ru](http://www.ria.ru)

### **Russia and China sign dozens of cooperation agreements**

During his official visit to Beijing, Russian President Vladimir Putin met President of China Xi Jinping and other high-ranking officials. As usual, top priority during the talks was given to strengthening economic cooperation, primarily in the energy sector. The parties discussed creating a free trade zone that would encompass China and the Eurasian Economic Union, as well as China's role in the construction of the Moscow–Kazan high-speed rail line.

At the close of the talks, the parties signed an impressive set of agreements that address

a wide range of aspects, from cooperation in the aerospace and energy sectors to tourism and grain exports to China. <http://ria.ru/world/20160625/1451799581.html> (Russian)

23 June 2016, [www.kommersant.ru](http://www.kommersant.ru)

### **Russia and Japan move towards peace treaty by building economic cooperation**

The first round of consultations on the signature of a peace treaty took place in Tokyo following a meeting between President Vladimir Putin and Prime Minister Shinzō Abe in Sochi. “Today’s round of consultations was extremely productive”, said Ambassador in charge of Japan-Russia relations Chikahito Harada after a meeting with Deputy Minister of Foreign Affairs of the Russian Federation Igor Morgulov. Mr Harada also noted that the parties had agreed not to disclose information about the talks to the press. “We think the way Russia conducted talks with China about territorial issues was the ideal approach”, said a Japanese Ministry of Foreign Affairs official. “One day no one knew anything about it, and the next the agreement was already signed.”

For his part, Deputy Minister Morgulov announced that the Ministry will try to hold the next meeting to discuss the peace treaty before Prime Minister Abe’s visit to the Eastern Economic Forum in Vladivostok. <http://www.kommersant.ru/doc/3019563> (Russian)

23 June 2016, Interfax

### **All key harbours in Russian Far East to be granted free port status**

The free port status granted to Vladivostok will be extended to five other municipalities in the Russian Far East, according to Alexander Galushka. “At its second reading, the State Duma approved the law that extends the free port status granted to Vladivostok to Lazovsky District in Primorsky Territory, Vaninsky District in Khabarovsk Territory, Petropavlovsk-Kamchatsky Municipal District in Kamchatka, Korsakovskiy District in Sakhalin, and Pevek Municipal District in Chukotka”, the Minister explained.

Each district is home to a functioning port. The free port status will give these harbours a major new boost. Minister Galushka also added that the third and final reading of the law is scheduled for 24 June, when it will be submitted to the Council of the Federation. <http://www.interfax-russia.ru/FarEast/news.asp?id=738068&sec=1671> (Russian)

22 June 2016, Interfax

### **Yury Trutnev: state must bear initial risks of building fishing fleet**

“The State must bear all the risks of building the first few ships”, said Mr Trutnev. “We cannot expect the investors to shoulder them. We will have to bear the indirect costs, the costs of building the required industrial facilities, etc.” In the end, “...investors will only have to cover the ship’s net cost, which must not exceed that of ships built in Korea, China or the United States”, Mr Trutnev continued. “The rest will be financed through the Ministry of Industry and Trade, preferential loans and other financial instruments. That’s something we can show our investors.” <http://www.interfax-russia.ru/FarEast/main.asp?id=737573> (Russian)

17 June 2016, TASS

### **Government set to decide whether to provide RUB 20 billion for Far Eastern Federal District infrastructure by July**

Six more investment projects in the Russian Far East could be given state subsidies

totalling RUB 20 billion to build infrastructure. Alexander Galushka announced that the decision on whether to provide state financing to investors will be made by July.

“Currently, we are considering six investment projects totalling more than RUB 180 billion and requiring up to RUB 20 billion in state subsidies”, Minister Galushka explained. “The subcommittee will meet in late June, and everything will be finalised.” The state subsidies will be available to resource processing and logistics projects. <http://tass.ru/pmef-2016/article/3377088> (Russian)

## ECONOMY OF RUSSIAN FAR EAST

23 June 2016, www.ria.ru

### **Investors in Russian Far East to receive new incentives from 1 July**

Federal regulations that go into effect on 1 July will establish new tax breaks for investors in the Russian Far East. The law focuses specifically on tax breaks for mining operations. Preferential corporate tax rates could be in place from 1 January 2017. Both types of tax benefits will remain in effect for 10 years, and all investments made since 1 January 2013 will be eligible. <http://ria.ru/economy/20160623/1449793109.html> (Russian)

20 June 2016, Gudok

### **Free Port of Vladivostok residents to invest more than RUB 4 billion in Nakhodka's economy**

Under agreements signed between nine companies and the Far East Development Corporation, over the next five years residents of the Free Port of Vladivostok intend to invest RUB 4.23 billion in construction and modernisation of industrial facilities and create 488 jobs. In allocating resident status, priority has been given to companies seeking to develop the region's transport and logistics industry. For example, Kaskad is building a dry port for processing and storing shipping containers, which includes covered warehouses. The initial investment is RUB 10 million. The company is currently preparing the dry port site for construction and has already signed agreements with equipment suppliers. <http://www.gudok.ru/news/infrastructure/?ID=1340892> (Russian)

18 June 2016, TASS

### **More than 50,000 new jobs to be created across 25 economic sectors in Russian Far East**

“We forecast 50,000 new jobs across 25 sectors of the economy, including shipbuilding, aquaculture, agriculture, services, tourism, oil refining, and a range of other industries”, announced General Director of the Agency for Human Capital Development of the Far Eastern Federal District Valentin Timakov. “These changes will effectively create a new economy, with 12 advanced special economic zones (ASEZs), the Free Port of Vladivostok, and various investment projects. This year, we can already confidently predict 6,000 new jobs in the Russian Far East. These jobs will be concentrated in 16 newly built factories. Next year, 41 new plants will be built, creating more than 20,000 jobs”, he explained. According to Mr Timakov, this year marks the first time no population flight was registered in the Russian Far East. <http://tass.ru/pmef-2016/article/3379909> (Russian)

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

23 June 2016, [www.rueconomics.ru](http://www.rueconomics.ru)

## **New bridge in Blagoveshchensk to carry massive influx of tourists from China**

A new bridge and cable car system linking Blagoveshchensk and the Chinese city of Heihe across the Amur River, along with a new Golden Mile tourism zone, will increase the influx of Chinese tourists to the Amur Region from 70,000 to 1 million people per year, according to Minister of External Economic Relationships, Tourism and Entrepreneurship of the Amur Region Igor Gorevoy.

Mr Gorevoy said that federal and local leaders must tackle modernisation of the border infrastructure, which would include construction of new facilities and reform of customs procedures to speed up border crossing for tourists. <http://rueconomics.ru/180774-po-novomumu-stu-v-blagoveshchensk-hlynut-potoki-kitaiskih-turistov> (Russian)

22 June 2016, [www.ria.ru](http://www.ria.ru)

## **Free Port of Vladivostok signs agreements with two new investors**

The Far East Development Corporation has signed investment agreements with Polymer Complex and Vostokpromsnast totalling over RUB 42 million. Polymer Complex, which manufactures packaging materials, plans to use the free customs zone rules to import expensive equipment from South Korea.

Vostokpromsnast is building an industrial fishing equipment manufacturing facility. The plant will produce fishing nets using a process that minimises waste. The company plans to source materials from Russian manufacturers. <http://ria.ru/economy/20160622/1449588618.html#ixzz4CUtH8Zwl> (Russian)

20 June 2016, [www.eastrussia.ru](http://www.eastrussia.ru)

## **Basalt fibre insulation plant will be among first factories to open in Khabarovsk ASEZ**

“The plant is currently undergoing pre-launch testing. We have a few details to hash out, and in August we plan to officially launch production”, said TechnoNICOL President Sergey Kolesnikov. “Ours will be among the first facilities to open at the Rakitnoye site in the Khabarovsk ASEZ.”

A total of RUB 1.86 billion has been invested in the project. The company also plans to build another factory at the site by 2020, costing RUB 968 million, which will manufacture extruded polystyrene. Construction will begin in 2019 and will take two years. The plant’s capacity will be 300,000 cubic metres of insulation per year. The first plant is projected to break even in eight years; the second – in nine years. <http://www.eastrussia.ru/news/zavod-po-proizvodstvu-teploizolyatsii-iz-bazaltovoy-vaty-zarabotaet-v-tor-khabarovsk-odnim-iz-pervykh/> (Russian)

20 June 2016, [www.dv.land.ru](http://www.dv.land.ru)

### **Construction of new international yacht port breaks ground in Kamchatka**

“We have commenced the first stage of construction”, said Press Secretary of the Development Corporation of Kamchatka Vladimir Slabuka. “This year, we will be renovating the port’s administrative building and building winter slips for yachts and powerboats.”

The Development Corporation is currently inviting experts to submit proposals for the future international yacht port. The site will include mooring space for 150 yachts and powerboats, maintenance and storage facilities, a commercial area providing tourist services and souvenir shops, an exhibition centre and museum, and a pedestrian zone for tourists and local residents. The possibility of building a restaurant and a hotel is also under discussion. In the longer term, cruise ship terminals will be built next to the yacht port as part of the Kamchatka ASEZ. <http://dv.land/news/7295> (Russian)