Primorsky Krai—Russia’s center in Asia-Pacific Region
**Development of Primorsky Krai**

**Primorsky Krai** – is one of the key economic centers of the Russian Far East and a leader in economic growth

- **Total area**: 164,700 km²
- **Population**: 1,956,497
- **Gainfully occupied population**: 1,378,400
- **Major cities**
  - Vladivostok (616,100 people)
  - Artem (112,000)
  - Nakhodka (160,500)
  - Ussuriisk (183,900)

The growth rates of Primorsky Krai’s economy match the indicators of the key players in the Asia-Pacific Region.

- In 2010 GDP growth rate accounted for 11%
- In 2011 – 7%

![GDP Growth Rate in 2010, %](chart)
According to the experts, for the next 10 years the growth rates in developing economies will be 2.5 times greater than the growth rates in developed countries. It is crucial to comply with this tendency.
Primorsky Krai – a so called “gateway to Asia” - is a strategic federal district of the Russian Federation that borders with countries of the Asia-Pacific Region.

Within a radius of 1000 km from Vladivostok:
- Population– More than 414 million people.
- Annual GDP – USD 6.6 trillion
- 9.5% of the world’s gross product
Primorsky Krai – is one of the most dynamically developing regions in Russia and has substantial investment potential

According to the rating agency Expert RA, Primorsky Krai ranks 22nd among the 83 federal subjects of the Russian Federation.

As for socio-economic indicators, Primorie ranks 17th among Russian regions (according to the data provided by the Center for Economic Research).

*Forbes* magazine nominated Primorie’s capital, Vladivostok, as one of the best cities in Russia for business development.
International Cooperation

Primorie is highly attractive for major Russian investors and more than 2,000 foreign companies and businesses with foreign ownership.

JSC Rosneft
JSC Transneft
JSC Gazprom

Other foreign companies and businesses involved include:

- Siemens
- Lotte
- SsangYong
- Hyundai
- SKF
- Mazda
- Yantai Raffles
- Nycomed

KOMATSU CORPORATION
International Cooperation

Foreign trade turnover in 2011 - USD 8b, a growth rate of 120%

Foreign economic relations with 84 countries

19 consulates

The four major economies of the region – the People's Republic of China, the Republic of Korea, Japan and the USA make up nearly 87% of the foreign trade turnover

The region’s economy attracted around USD 700 billion in foreign investments

**The major investor countries**: the People's Republic of China, the Republic of Korea, Japan
Joint projects

Sumitomo Corporation
JSC Terneyles

CJSC Technowood and CJSC Hardwood finishing and glued timber facilities

SOLLERS Ssang Yong Mazda

ISHIKAWAJIMA-HARIMA
ITOCHU

Bridges

JSC FSK EES HYUNDAI Heavy Industries Co., Ltd

Shipbuilding yards

Car manufacturing

Electrical facilities
Priority directions of development

2025 Development Strategy determines six priority directions of Primorsky Krai’s development

- Transportation and deeper conversion of hydrocarbon materials
- Modernization in industries of traditional specialization
- Development of transportation system
- Expansion of Vladivostok agglomeration
- Shipbuilding, manufacturing engineering, small aviation
- Development and implementation of innovative programs
  Global education
Transportation and deeper conversion of hydrocarbon materials

The construction of a petrochemical complex, USD 5.8 billion

95% of deeper conversion, capacity - 10 million tonnes per annum

Long-term projects:
Liquefied natural gas plant (LNG) and mineral fertilizers plant
Establishment of gas-chemical production
Gas supply for domestic usage in 502 cities and 31 municipalities
Development of a transportation system with competitive logistic capabilities

Creation of a transportation system with the purpose of supporting and developing foreign trade, freight turnover and international cargo, and passenger transit

- Modernization of Vladivostok airport, construction of an international terminal
- Construction of highways and bridge crossings
- Development of rapid railway: Vladivostok – Airport - Ussuriisk
- Construction of transshipment complexes and modernization of container terminals
Shipbuilding, manufacturing engineering, small aviation

Construction of new shipyards will meet the need in the Russian economy for new ships and facilitate the modernization of the navy.

The set-up of new joint automobile assembly plants will boost the formation of an automotive cluster within five years, with output of up to 200,000 units per year.

JSC “AAC Progress”, based in Arseniev, launched production of small jets, with occupancy up to 50 passengers, for interregional air transportation.
Modernization in industries of traditional specialization

**Agriculture**
- Construction of a plant for deep processing of rice husk
- Establishment of agricultural companies with foreign owned capital
- Involvement in fallow land transfer issues
- Construction of livestock facilities, including but not limited to, innovation ones
- Assembly of agricultural machinery from units supplied by China to OAO “Askold”

**Forestry**
- Construction of sawmills and release of medium density fiberboard (MDF), SIP-panels, laminated veneer lumber
- Production of wooden buildings and other constructions
- Development of a technical zone based at the plant producing a three-layer parquet in Dalnerechensk, organization of veneer production

**Fishing**
- Development of sea culture

**Energy**
- Construction of Ussuriisk heat power plant (coal)
- Construction of Nakhodka heat power plant (gas)
Expansion of Vladivostok agglomeration

Vladivostok is an international executive, transport and logistics, innovation, education and tourist center.

Extension of cooperation with the cities of Harbin, Changchun, Dalian (China), Rajin (Democratic People's Republic of Korea), Busan (Republic of Korea), Niigata, Sapporo (Japan)

Formation of Primorsky Territory as a center of international communications in Russia and the Asia-Pacific Region
Development and implementation of innovative programs
Global education

Innovative programs:
"High Technology" Technopark
Production of LED-lamps
Production of polymer composites based on basalt rock
Construction of a plant for complex processing of perlite accumulated in Chaschevaty and Bogopolsky

Far Eastern Federal University is a new type of higher education institution.
Fifty thousand students attend the university annually.
Creation of favorable conditions for business and investment climate is a key task for Primorsky Krai

Preparation for the APEC summit. In a relatively short period of time, modern infrastructure facilities were developed in the following industries:

- energy
- transportation
- public services

A multimodal transport and logistics unit, HUB, was established on the grounds of the Vladivostok airport.

The first phase of the Sakhalin-Khabarovsk-Vladivostok pipeline was launched.

The second phase of the Eastern Siberia-Pacific Ocean (ESPO) pipeline is currently under construction.
Time for obtaining construction permits was reduced. The figure is lower than half the average rate for Russia.

A legal framework is being formed in the field of public-private partnership.

Such guarantees as transparent rules for business, equal access to transportation, energy and land are suitable for investors.

A targeted area of work to support the project is defined for each investor.
Strategic goals

The development strategy of the Far East and the Baikal region up to 2025

69 priority investment projects

USD 100 billion
Prospective projects - proposals for investors

- Liquefied Petroleum Gas (LPG) plant, USD 10 billion
- Mineral Fertilizer plant, USD 1.5 billion
- Gas Chemical plant, USD 6 billion
Prospective projects - proposals for investors

Construction of Nakhodka heat power plant (gas), USD 0.5 billion

Construction of Ussuriisk heat power plant (coal), USD 0.8 billion
Gambling zone “Primorye”, USD 1.8 billion

Prospective projects - proposals for investors
Prospective projects - proposals for investors

Russky Island Tourism & Recreation Zone
"High Technology" Technopark

Vladivostok
Russky island
Primorsky Krai is a key subject of Russia's integration in the Asia-Pacific region. It is an open platform to establish mutually beneficial cooperation and to implement joint initiatives.