



Crimea slide package for a foreign investor



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The information in this document is compiled from a variety of sources. The Pan-European Institute assumes no responsibility for the completeness or accuracy of the information.

1. General information

a) Geographical location

Location:

The Autonomous Republic of Crimea is situated on the Crimean peninsula, in the southern part of Eastern Europe. Crimea is one of the regions of Ukraine.

Land area:

26 100 km²

Time zone: GMT +2

Border with:

Kherson region on the north, washed by the Black sea from the west and south and by the Azov sea from the north-east

Distances from Sevastopol to some

European capitals:

Berlin	1716 km
Helsinki	1825 km
London	2591 km
Moscow	1273 km

[www.geobytes.com]



Source: Information portal of Autonomous Republic of Crimea

1. General information

b) Population and basic facts

Population: 1 966 442 (March 2009)

Major cities: (population)

Simferopol (capital)	360 397
Kerch	147 868
Yalta	141 240
Yevpatoriya	123 375

Share of urban population: 63%

Main industries:

Recreation, agriculture, food and light industry, chemical and petrochemical industries, metallurgy, machine building and processing industry

Natural resources:

Climate, deposits of mineral water, alcalinous monomineralic bentonit deposits, forests, oil-and-gas extraction in the Black sea and Sea of Azov



Sources: Information portal of Autonomous Republic of Crimea, Statistical office of Autonomous Republic of Crimea

1. General information

c) Population and labour force

	2005	2006	2007	2008
Population (1 000)	1 984	1 977	1 971	1 967
Number of unemployed (1 000)	52	48	43	45
Unemployment rate (%)	5,5	5,1	4,6	4,7
Economically active population (1 000)	958	957	960	964

Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

2. Regional economy

a) Share of Crimea in Ukraine's economy, 2008

Basic facts (of the Ukraine's total)

Area	4,3%
Population	4,2%

Economy

GDP	2,8%
Number of enterprises	4,1%
Industrial production	1,4%

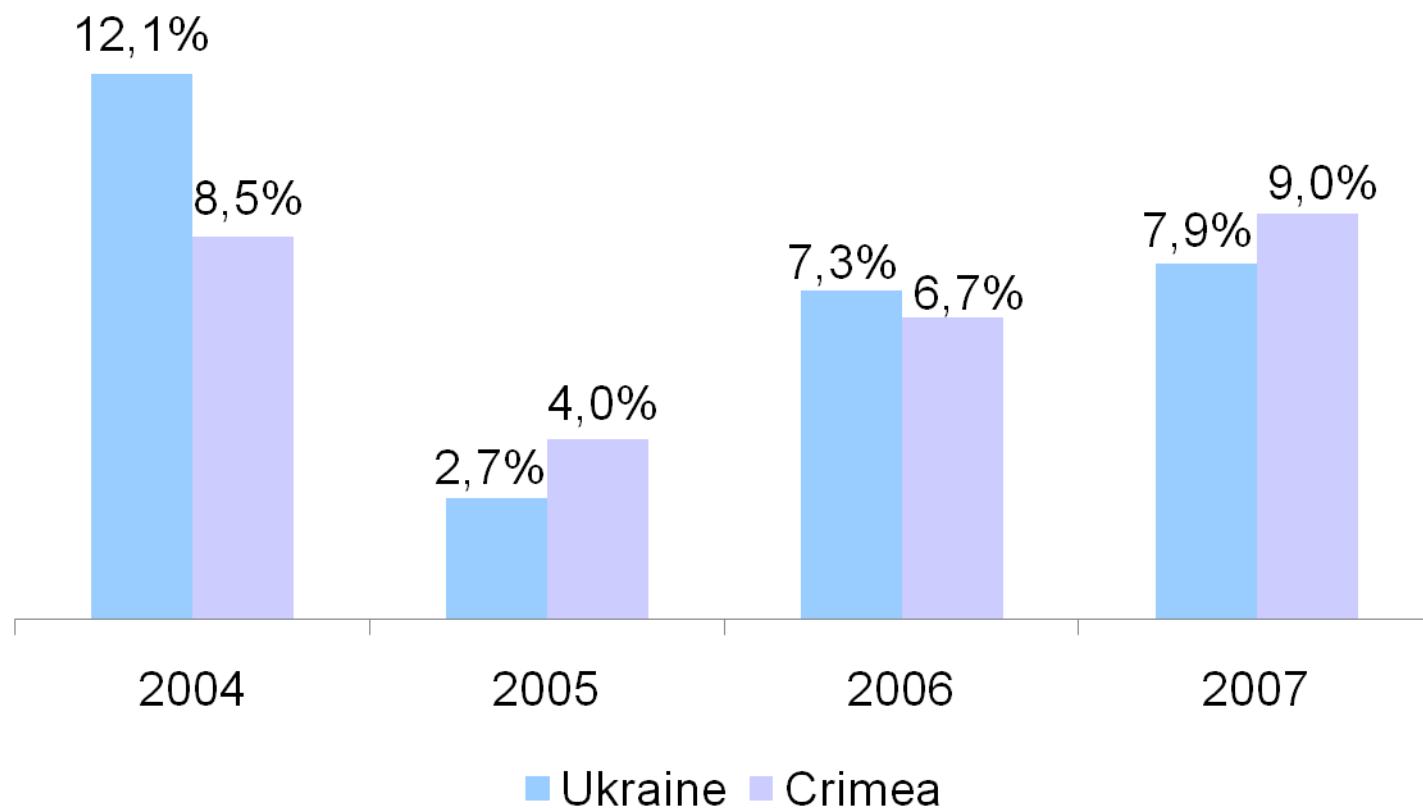
External economic relations

Exports	1,0%
Imports	0,6%
FDI	2,7%

Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

2. Regional economy

b) GDP annual growth rate



Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

2. Regional economy

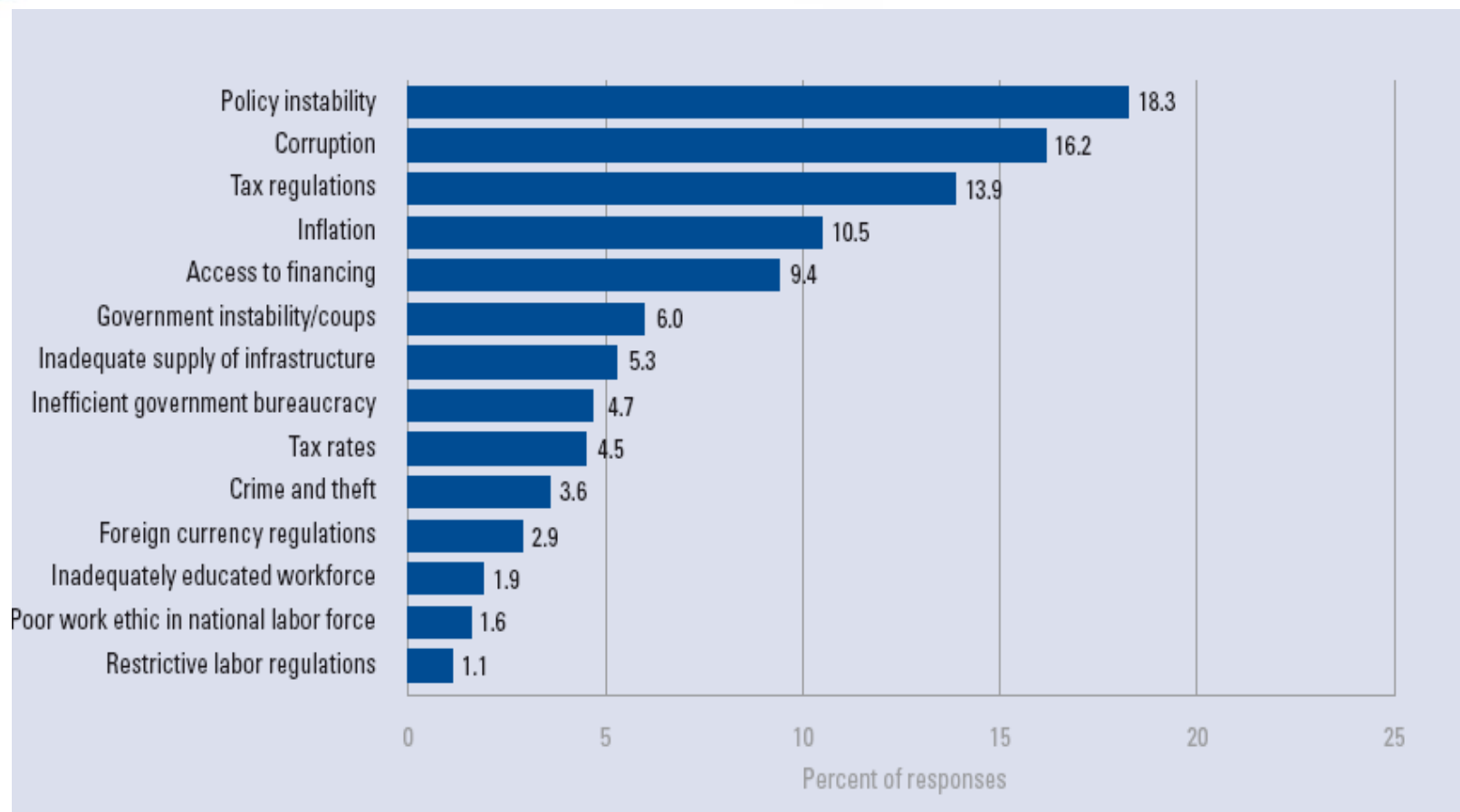
c) Crimea's investment potential ranking, 2006

Ranking index	Rank of Crimea out of 27 Ukraine's regions
Ranking of investment potential	13
Ranking of investment risk	16
Labour potential	10
Consumption potential	5
Production potential	19
Financial potential	9
Institutional potential	7
Innovation potential	12
Infrastructure potential	19
Natural resource potential	23

Source: Expert RA rating agency: Ukraine's regions investment potential ranking report 2007

2. Regional economy

d) Problematic factors for doing business, 2008



Source: World Economic Forum: The Ukraine Competitiveness report 2008

2. Regional economy

e) Development of investments

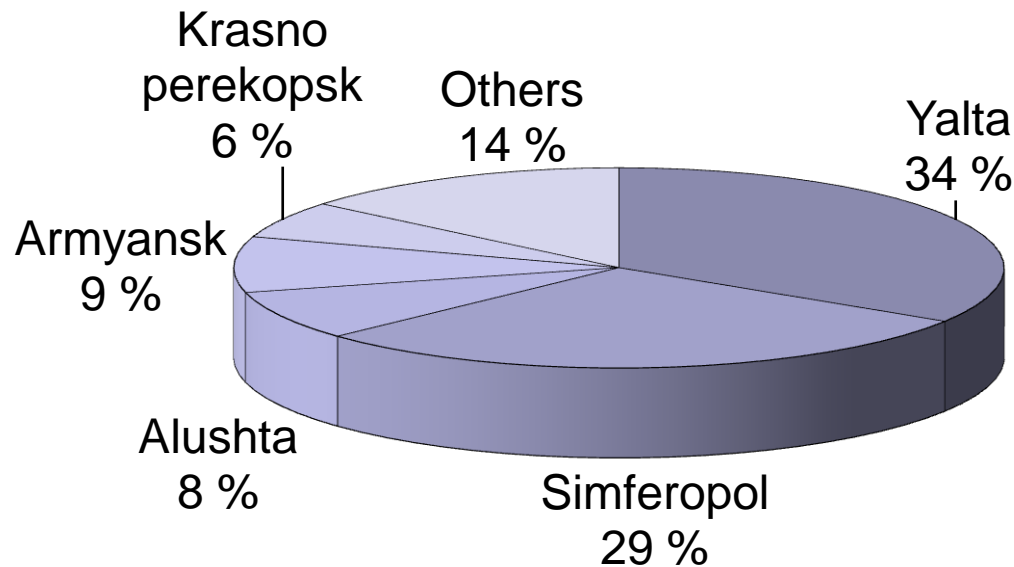
Investments in fixed capital	2002	2004	2006	2008
Total, \$ mln	192	355	608	1124
Annual foreign investment inflow, \$ mln	20,9	15,5	19,4	51,1
Foreign investment/ Total investment %	10,8	4,4	3,2	4,6

(exchange rate according to
The National Bank of Ukraine by 6.05.09
1\$=7,7 UAH)

Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

2. Regional economy

f) FDI into regions of Crimea, 2008



Source: Statistical office of Autonomous Republic of Crimea

2. Regional economy

g) Transport infrastructure

Crimea's ports freight turnover is 13 million tonnes per year. Feodosia, Yalta, Yevpatoria and Kerch connect the peninsular with the southern regions of Ukraine, Georgia

- via Volgodon navigation canal – with the Caspian Sea, White Sea, Baltic Sea
- via Bosfor Strait, Dardanelles Strait, Strait of Gibraltar practically with any country.

There are **19 airports** in Crimea. Main airport "International Airport "Simferopol" can operate 13 thousands sorties per year.

Highway network 6250,5 km long connects all inhabited localities in the region. Enterprises in Crimea on the commercial basis transport 1,4-1,5 million tonnes of goods per year.

650 km of **railway network**, 40% is electrified. Freight operations are provided at 56 railway stations.

Sources: Information portal of Autonomous Republic of Crimea, Statistical office of Autonomous Republic of Crimea

2. Regional economy

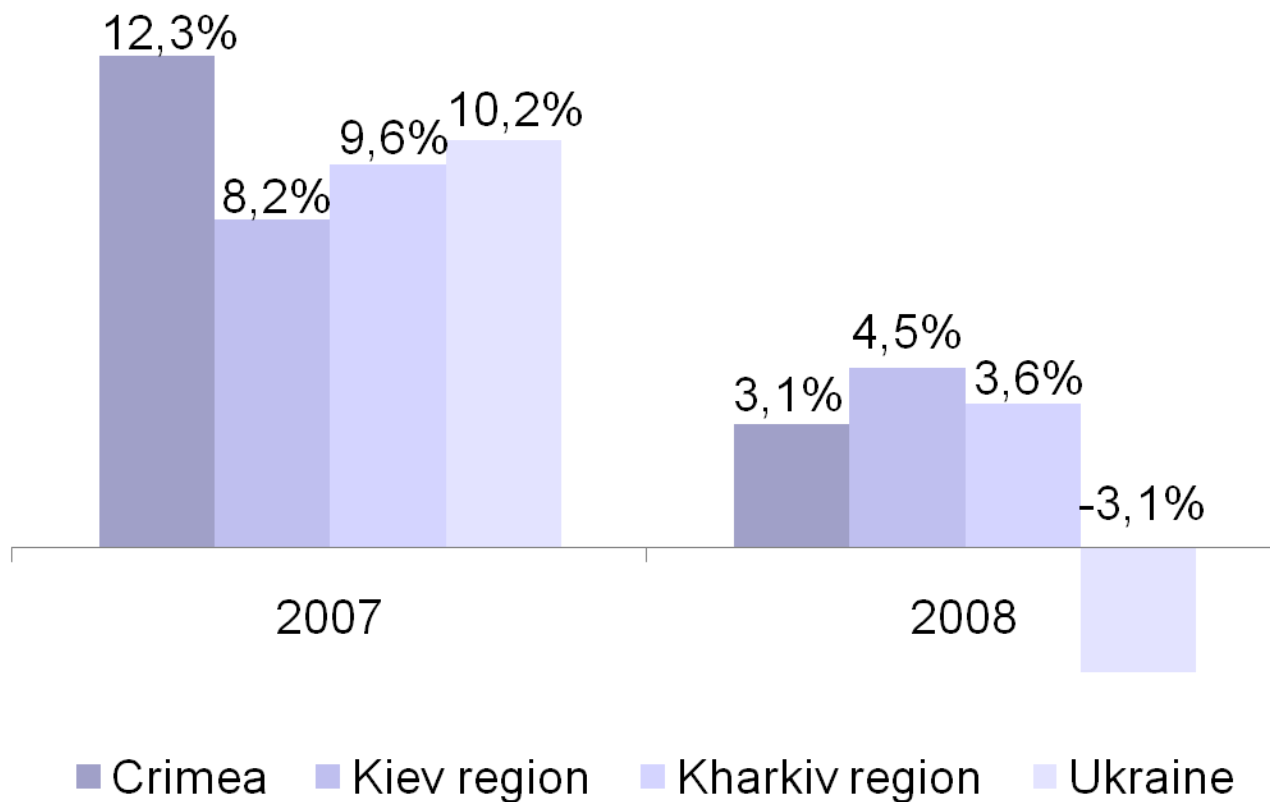
h) Transport volumes, thousands tonnes transported

Transport	2004	2005	2006	2007	2008
Rail	6836	6964	7522	7553	7290
Road	19123	20086	21426	26396	26074
Sea	796	952	1075	944	1038
Air	6,9	14,1	11,4	8,1	7,6

Source: Statistical office of Autonomous Republic of Crimea

2. Regional economy

i) Industrial production growth, by regions



Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

2. Regional economy

j) Crimea's industrial production growth, %

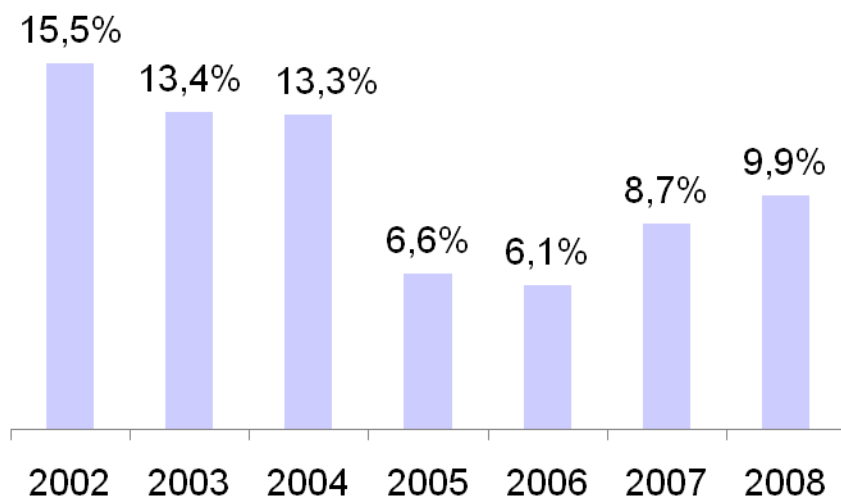
Industry	2005	2006	2007	2008
Chemical and petrochemical industry	17,4	3,6	7,5	1,1
Light industry	-21,5	38,1	-25,8	-13,8
Mechanical engineering	-5,1	27,7	33,1	5,8
Mining industry	13,8	2,7	12,3	3,1
Processing industry	14,6	2,4	14,3	4,1
Pulp and paper production, publishing	12,9	-1,8	22,6	5,5
Production and distribution of electricity, gas and water	7,6	1,6	9,7	4,9

Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

2. Regional economy

k) Innovation activity

The share of enterprises that implemented innovations



Priorities of innovation development of the region:

- Introduction of the energy- and resource-saving technologies;
- Development of the resort complex;
- Development of the regional innovation infrastructure;
- Development and modernization of the transport infrastructure

Sources: Statistical office of Autonomous Republic of Crimea, International investment forum report "The future of Crimea"

2. Regional economy

1) Enterprises' activity, 2008

Indicators	Large enterprises	Medium enterprises	Small enterprises	Total
Number of enterprises, units	27	1686	16071	17784
Average annual number of employed staff, persons	70249	155629	80954	306832
The average salary of one employee, \$	207	132	84	141
Sales volume (without VAT and excise), mln. \$	1,2	3,2	0,4	4,9

(exchange rate according to
The National Bank of Ukraine by 6.05.09
1\$=7,7 UAH)

Source: Statistical office of Autonomous Republic of Crimea

2. Regional economy

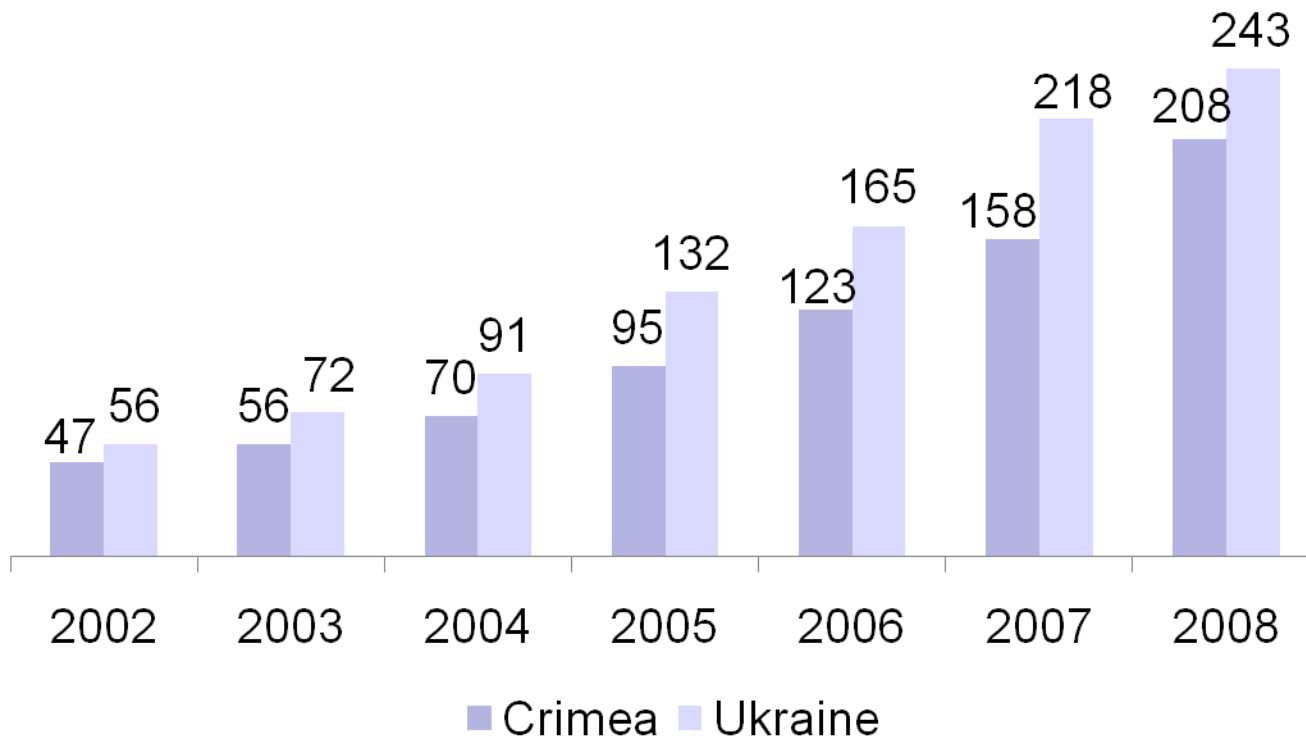
m) Price changes, %

Index	2004	2005	2006	2007	2008
Producer prices in Crimea	11,9	13,3	28,7	20,1	41,6
Consumer prices in Crimea	10,7	11,5	11,5	15,6	23,3
Consumer prices in Ukraine	12,2	10,3	10,4	16,6	24,5

Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

3. Prosperity and consumption

a) Average monthly earnings per person, \$

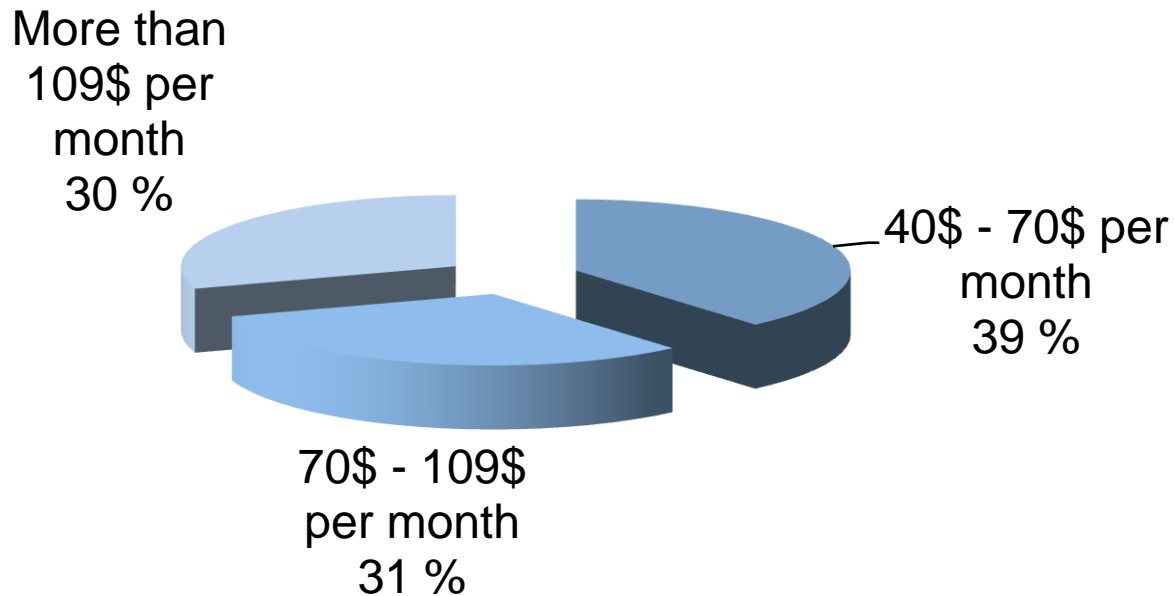


(exchange rate according to
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1\$=7,7 UAH)

Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

3. Prosperity and consumption

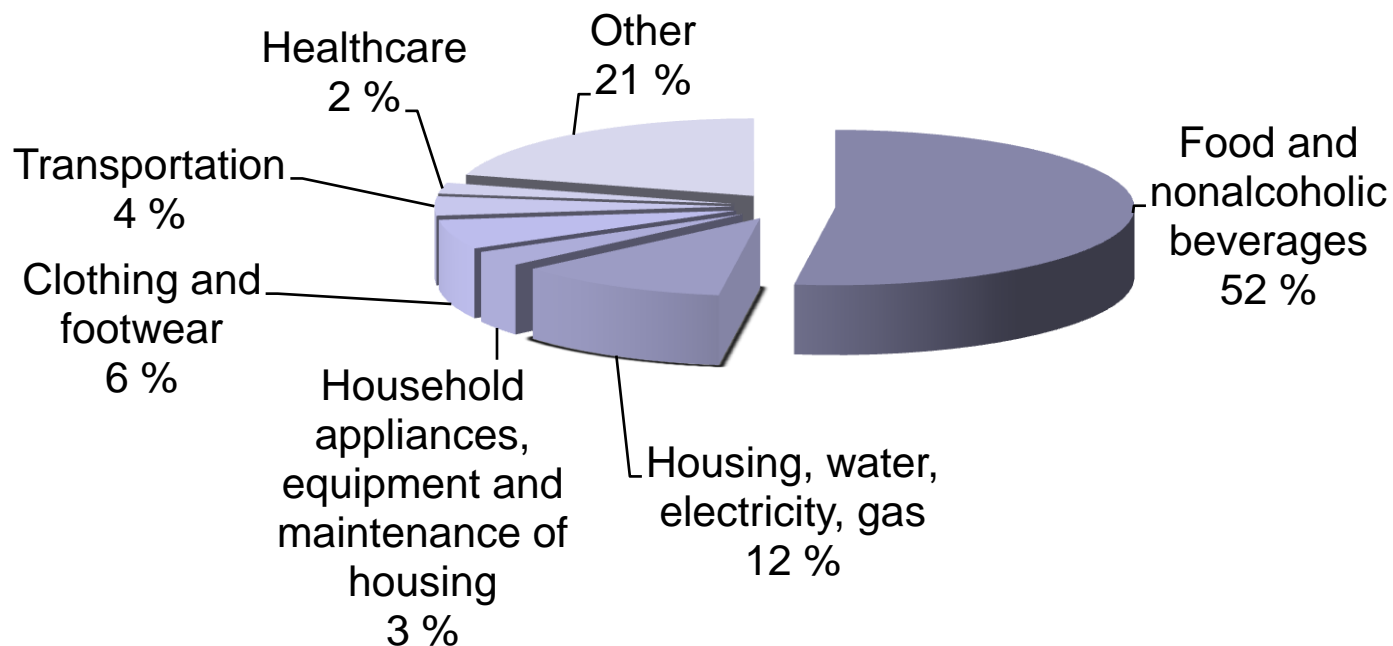
b) Population distribution by level of income, 2007



Source: Statistical office of Autonomous Republic of Crimea

3. Prosperity and consumption

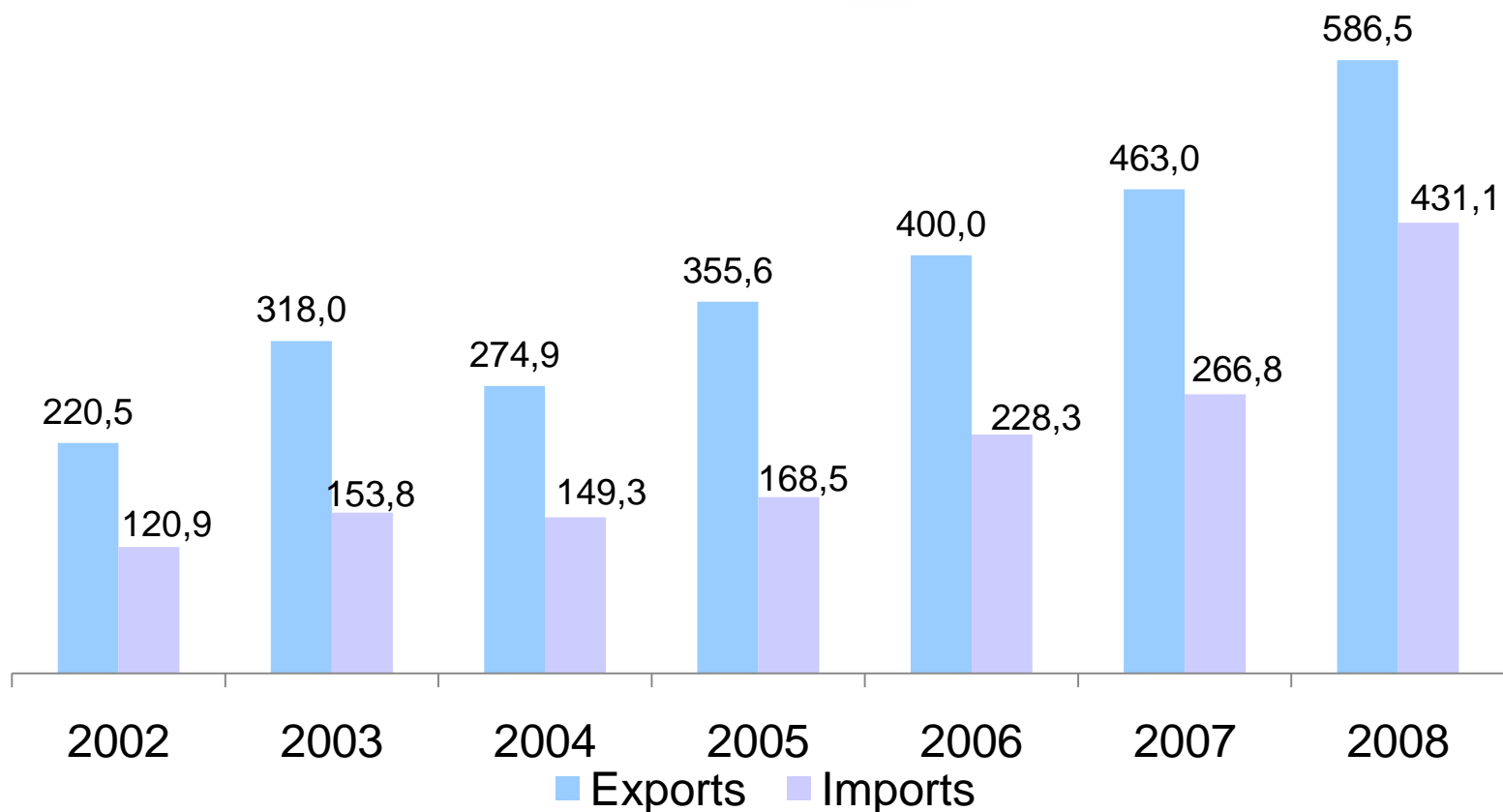
c) Structure of household expenditures, 2007



Source: Statistical office of Autonomous Republic of Crimea

4. External economic relations

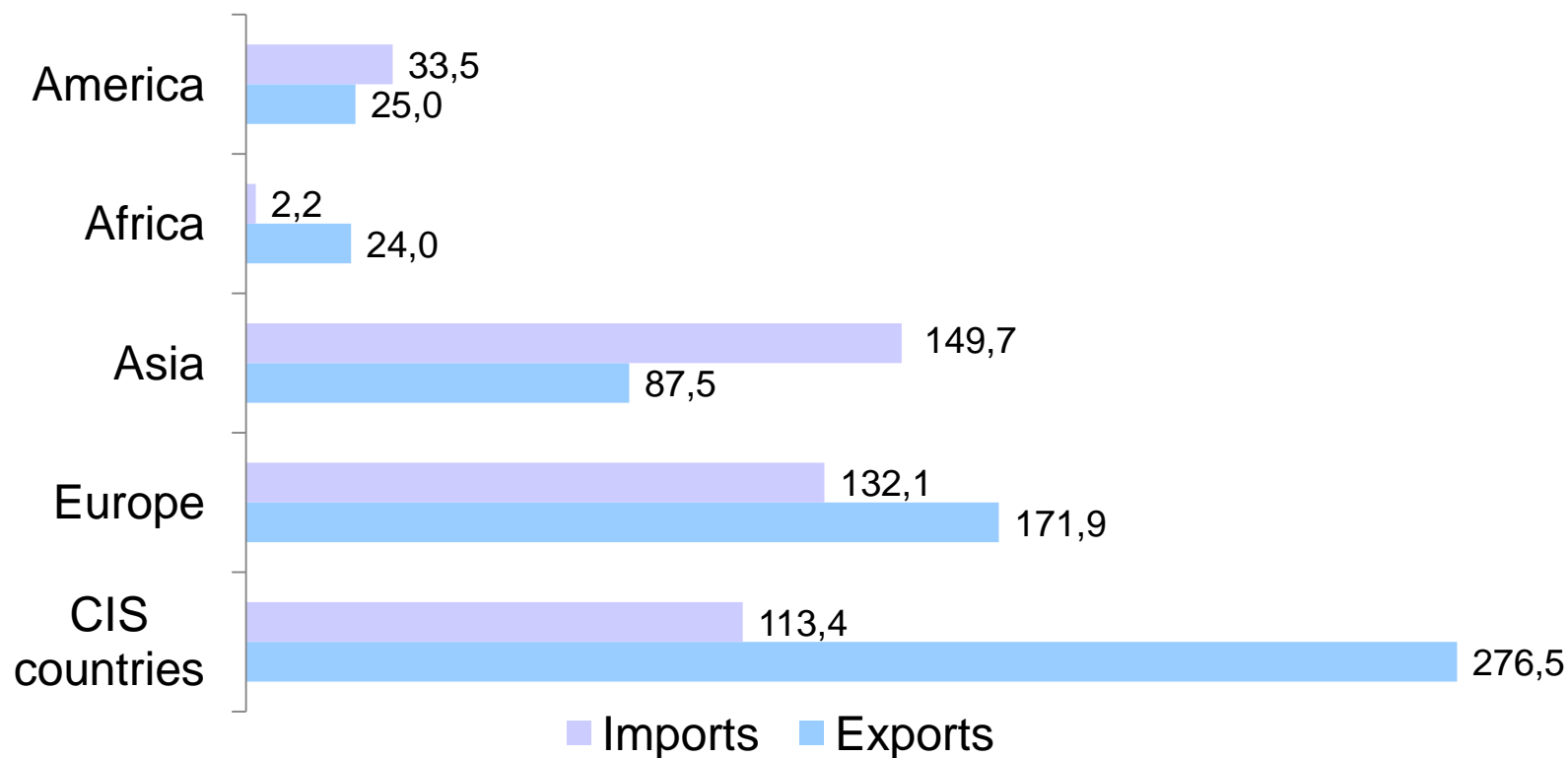
a) Exports/ imports 2002-2008, mln \$



Source: Statistical office of Autonomous Republic of Crimea

4. External economic relations

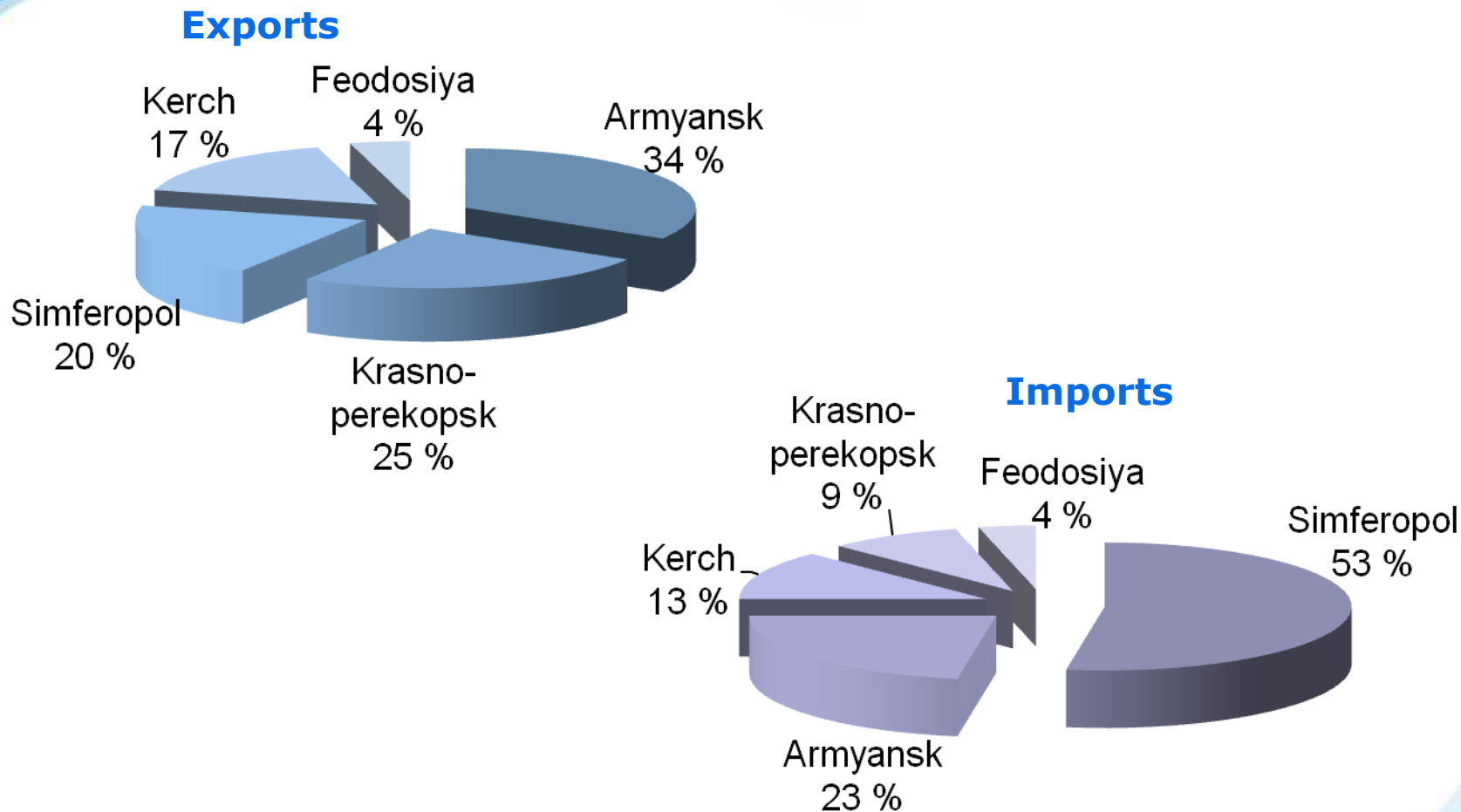
b) Foreign trade turnover in 2008, mln \$



Source: Statistical office of Autonomous Republic of Crimea

4. External economic relations

c) Major exports and imports regions, 2008

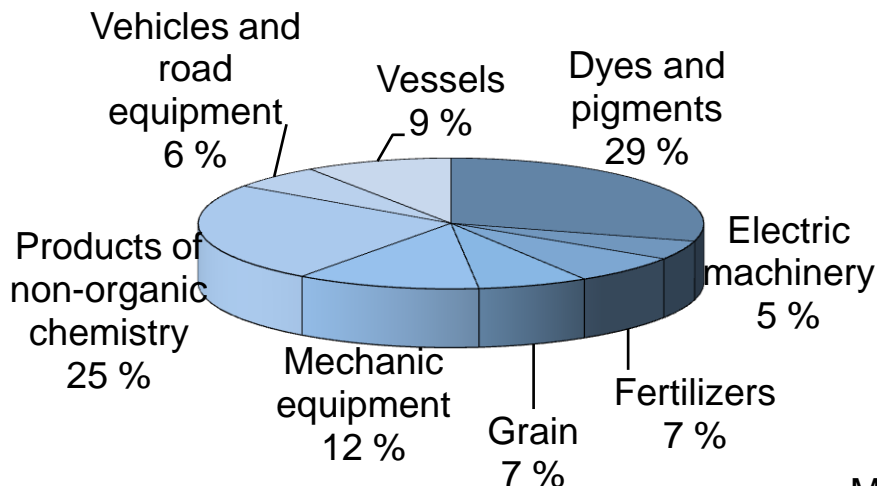


Source: Statistical office of Autonomous Republic of Crimea

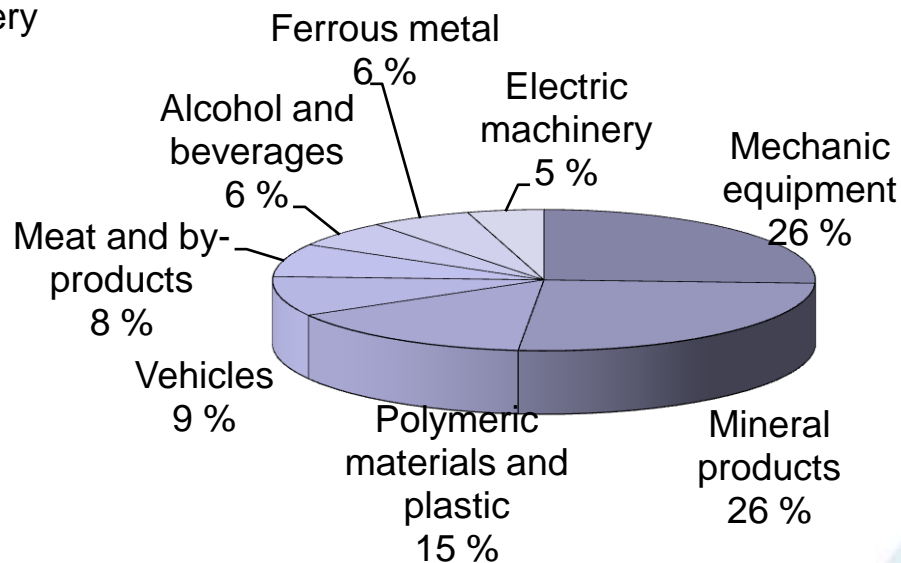
4. External economic relations

d) Foreign trade structure in 2008

Exports



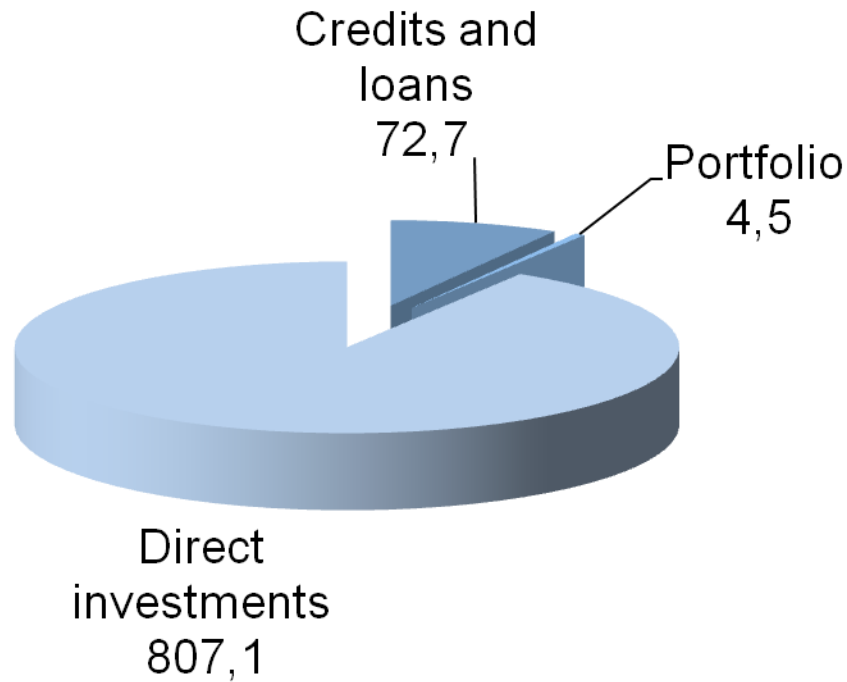
Imports



Source: Statistical office of Autonomous Republic of Crimea

4. External economic relations

e) Structure of FDI in 2008, mln \$



By April 1, 2009 FDI inflow into Crimea - 712,9 million \$,
including direct investments - 637,6 million \$,
credits - 75,3 million \$

Source: Statistical office of Autonomous Republic of Crimea

4. External economic relations

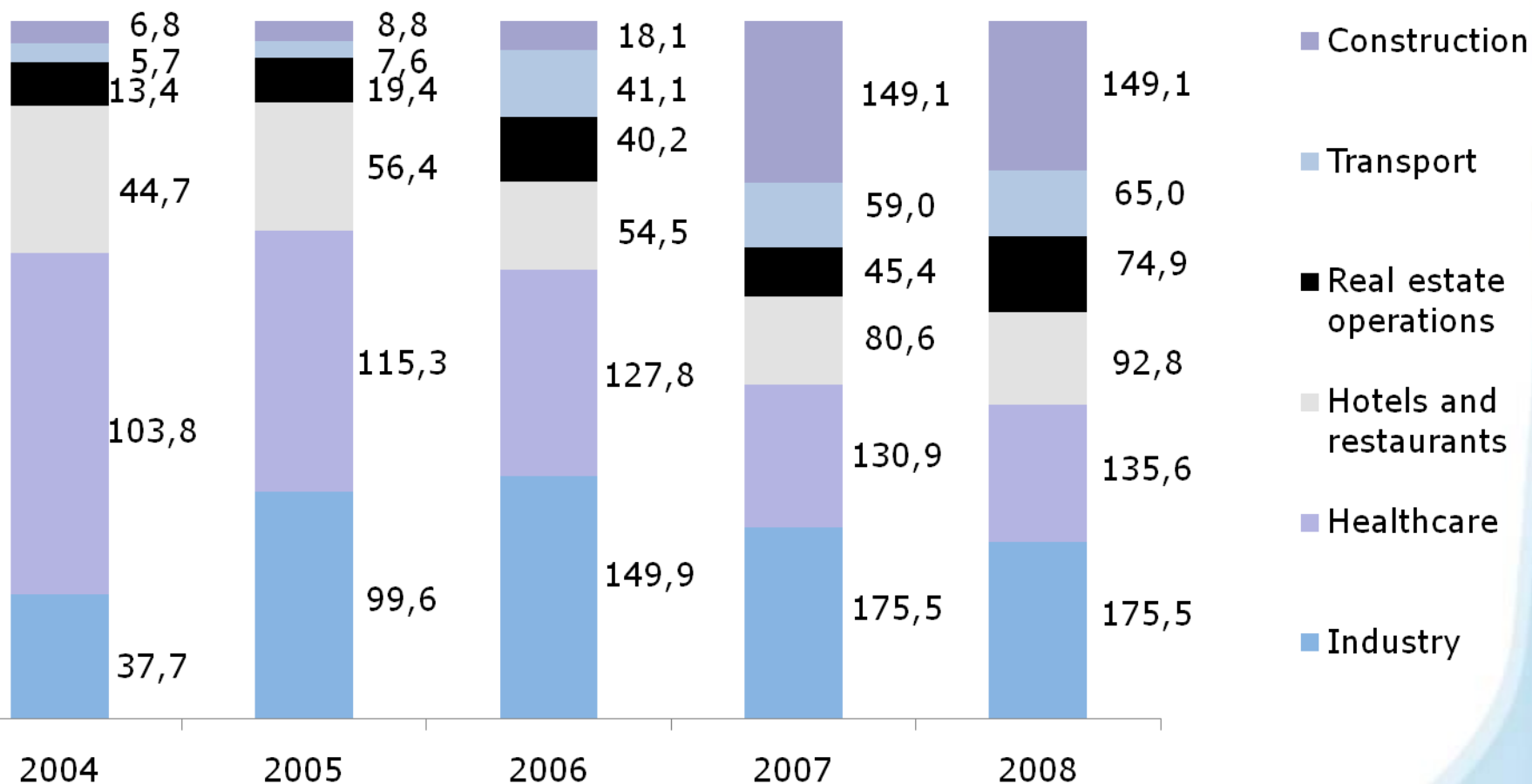
f) Annual foreign direct investments inflow, mln \$



Sources: State Statistics Committee of Ukraine, Statistical office of Autonomous Republic of Crimea

4. External economic relations

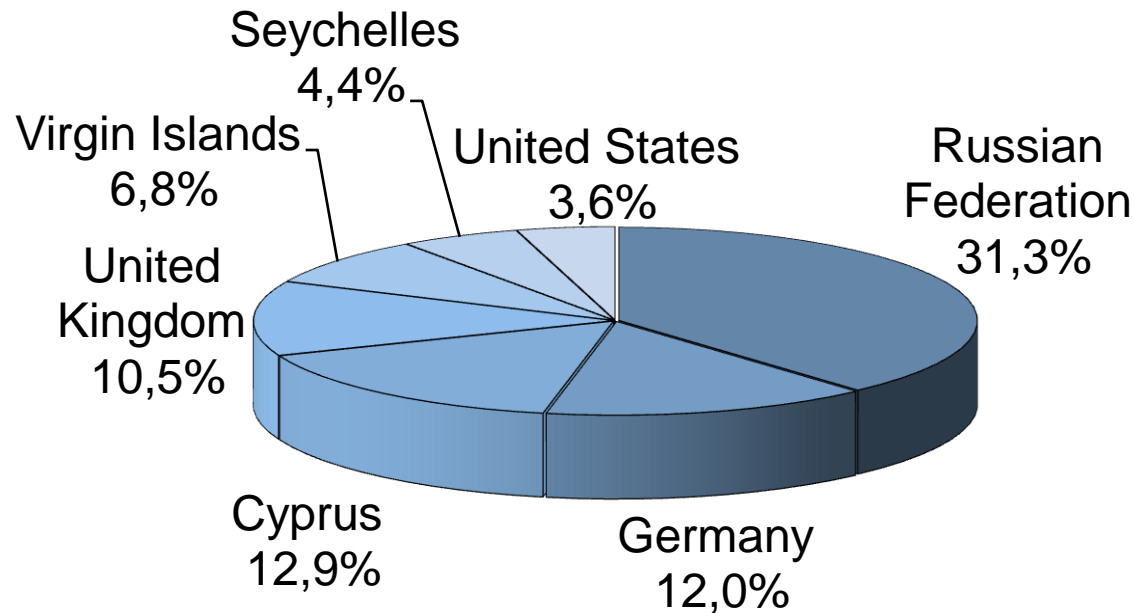
g) Foreign direct investment by sectors, mln \$



Source: Statistical office of Autonomous Republic of Crimea

4. External economic relations

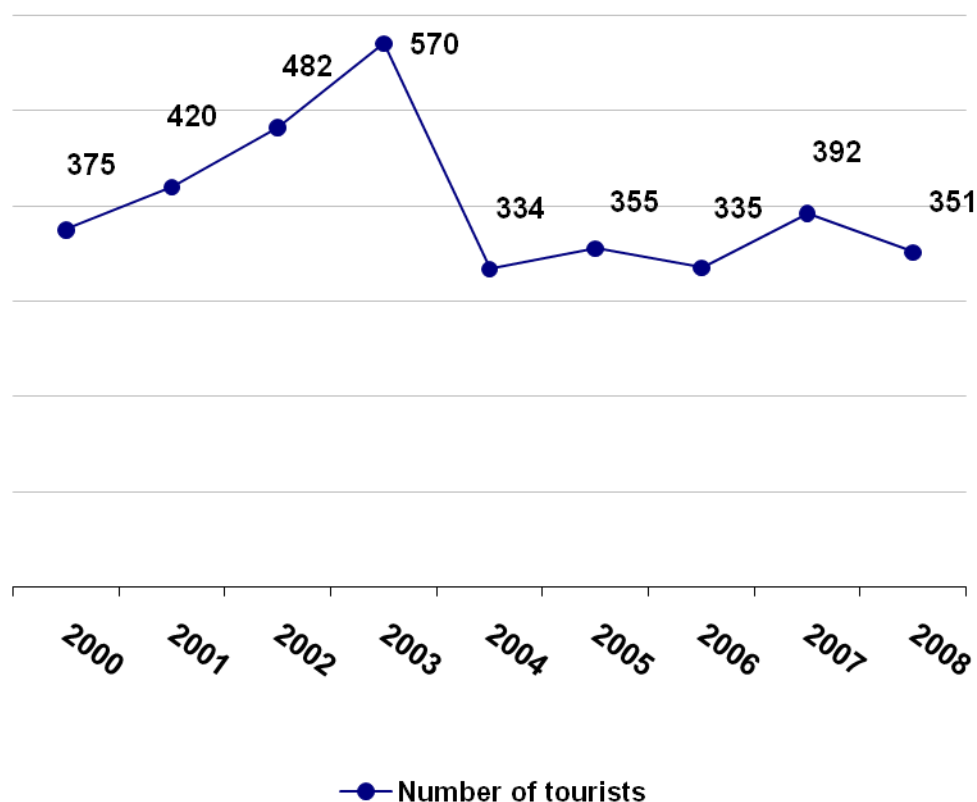
h) Foreign direct investment by countries, 2008



Source: Statistical office of Autonomous Republic of Crimea

4. External economic relations

i) Tourism, thousands

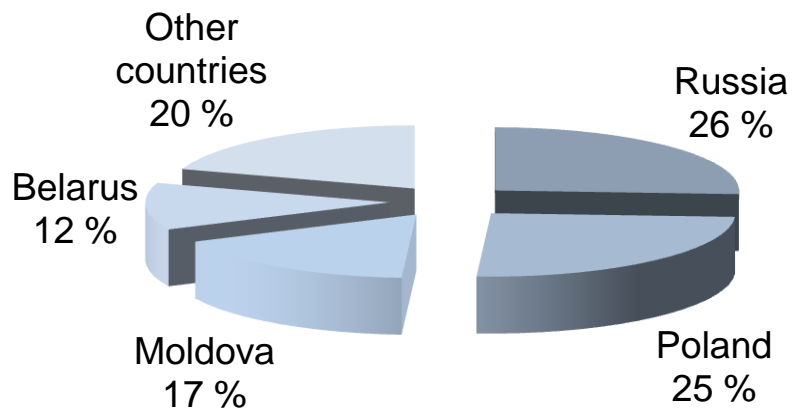
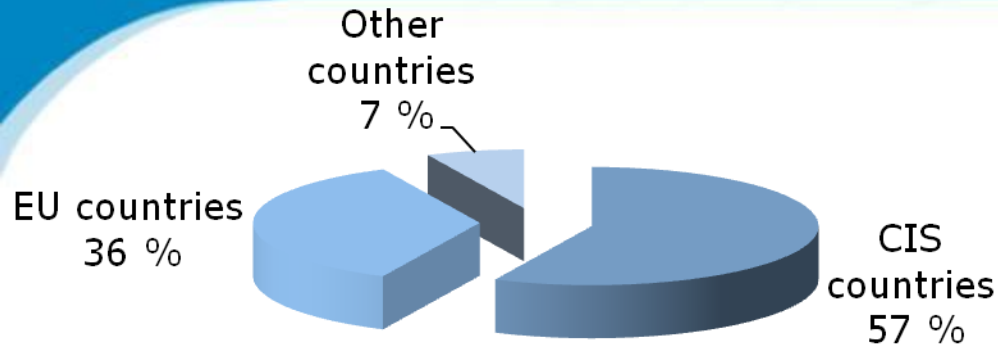


- 600 sanatorium establishments
- 50 salt lakes; more than 100 chloride, sodium calcium, thermal, sodium chloride mineral springs
- Mineral waters with potential debit of 14 000 m³ per day
- Curative muds with balance store of 22,4 mln. m³
- 517 km long beaches

Source: State Department of Tourism and Resorts of Ukraine

4. External economic relations

j) Distribution of tourists in 2008, by countries



Kinds of tourism:

- speleological
- mountain climbing
- equestrian sport
- gliding
- hiking
- wine testing and hunting tours
- yachting
- green tourism

Source: State Department of Tourism and Resorts of Ukraine

5. Additional information

a) Business services and authorities

Business supporting services

Crimea Chamber of Commerce and Industry
<http://cci.crimea.ua/>

Investments in Crimea
<http://www.invest-crimea.gov.ua/>

National Association of Regional Development
<http://www.narda.org.ua/>

Some authorities

Department of Foreign Relations of the Autonomous Republic of Crimea
<http://www.depforeign.crimea-portal.gov.ua/>

Government of the Autonomous Republic of Crimea
<http://www.rada.crimea.ua/>

Ministry of Economy of the Autonomous Republic of Crimea
<http://www.minek.crimea-portal.gov.ua/>

Tax Authorities of the Autonomous Republic of Crimea
<http://www.dpa.crimea.com/>

5. Additional information

b) Banks and hotels

Banks

The Black Sea Bank for Reconstruction and Development

<http://www.chbrr.crimea.ua/>

Morskoy Bank

<http://www.morskoybank.com/>

Hotels

Hotel Oreanda (Yalta city)

<http://www.hotel-oreanda.com/>

Hotel Olymp (Sevastopol city)

<http://www.olymp-hotel.com/>

Hotel Ukraina (Simferopol city)

<http://www.ukrainia-hotel.biz/>

5. Additional information

c) Some useful links

Electronic Publications of the Pan-European Institute

<http://www.tse.fi/EN/units/specialunits/pei/publications/Pages/default.aspx>

Council of Ministers of the Autonomous Republic of Crimea

<http://www.invest-crimea.gov.ua/>

Crimea Integration and Development Programme

<http://www.undp.crimea.ua>

Portal to the Emerging Eastern Markets and Finland

<http://www.compiler.fi/idankaupan/palveluyritykset/>

The regulatory and legal framework of Autonomous Republic of Crimea

<http://www.normdoc.crimea-portal.gov.ua>

5. Additional information

d) Other sources

Information Portal of Autonomous Republic of Crimea

<http://www.crimea-portal.gov.ua/>

Statistical Office of Autonomous Republic of Crimea

<http://sf.ukrstat.gov.ua/>

State Statistics Committee of Ukraine

<http://www.ukrstat.gov.ua/>

State Department of Tourism and Resorts of Ukraine

<http://uit.com.ua/>

World Economic Forum

<http://www.weforum.org>