

Introduction of Saint Petersburg and Leningrad Region to Foreign Investors and Entrepreneurs



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26.4.2006

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Saint Petersburg at a glance

Territory: 85,9 thousand sq. km.

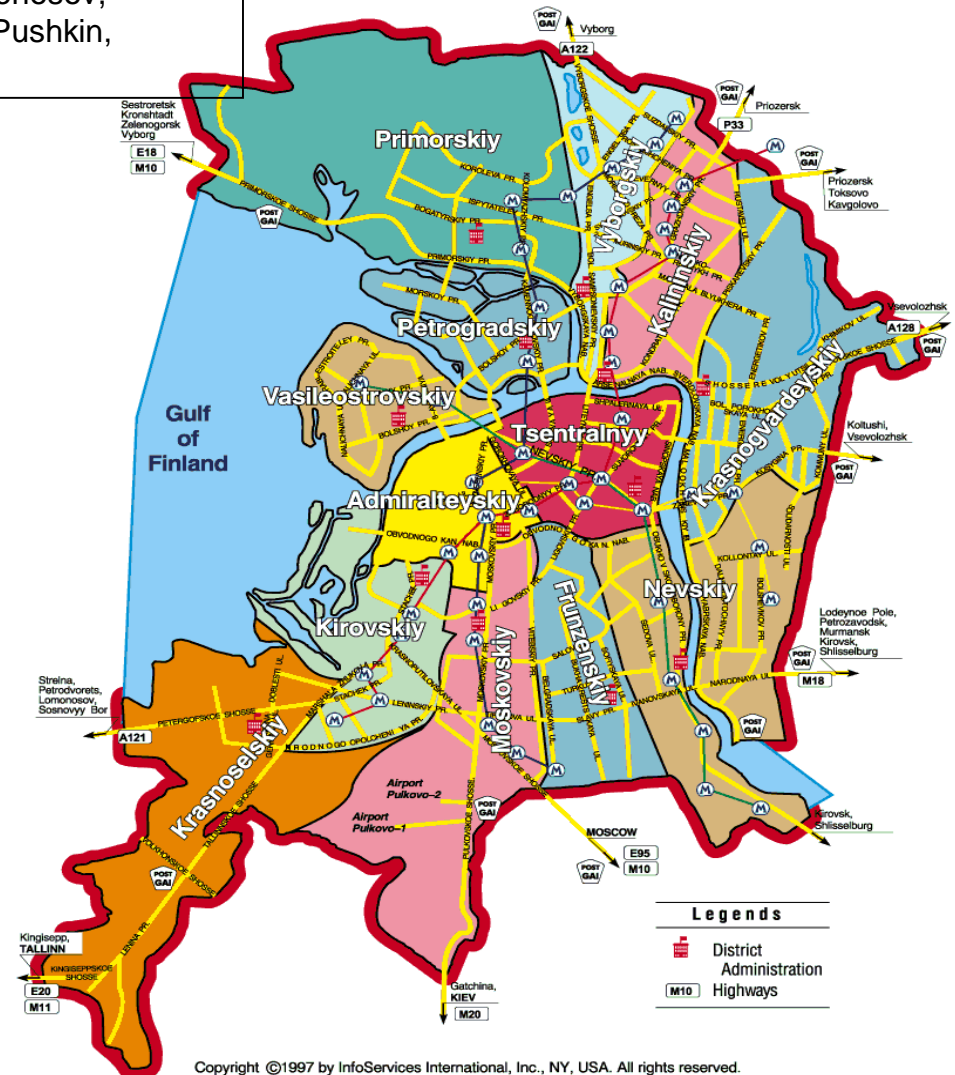
Population: 4 531 600, Fourth most populated city in Europe after London, Moscow, and Paris.

There are 217,5 km of waterways, 24 large islands and 38 000 ha of green areas including 75 green parks and about 1000 squares and gardens.

Administrative structure: Saint Petersburg is divided into 19 district administrations as well as the towns of Zelenogorsk, Kolpino, Krasnoye Selo, Kronstadt, Lomonosov, Pavlovsk, Peterhoff, Pushkin, Sestroretsk .

Administrative Districts of Saint Petersburg

(Approximate District Boundaries)



Transport Infrastructure

Rail transport: 568 km of railroad tracks including approx. 100 railroad stations and platforms.

Road transport: 53,168.8 m² total area of roads and length over 13,000 km including 405 bridges.

Sea & River Transport: The Grand Seaport of St. Petersburg, the Lumber Port, river ports on Vasilevsky Island and in the Nevsky Freight District, port complexes in Lomonosov and Kronshtadt.

Airports: The Pulkovo-1 airport services Russian and CIS routes has capacity of 2,500 passengers per hour. The Pulkovo-2 airport services international flights with capacity of 1,200 passengers per hour.

Leningrad Region at a glance

Territory: 85,9 thousand sq. km.
Population: 1,659,000, 66% urban, 34% rural. About 45% of the population are of working age.

Administrative boundaries: five other subject territories of the Russian Federation and Russian national frontiers with Finland and Estonia.

Leningrad Region has 1800 lakes including Europe's largest Lake Ladoga 18,135,000 sq. km. 55.5% of the territory is taken up by forest.

Major rivers: the Neva, Svir, Volkhov and Vuoksa.

Useful Minerals: Bauxite, clay, phosphorites, slate, granite, limestone and sand.

Transport Infrastructure

Rail transport: the total length of railways is over 3,000 km, 30% of which is electrified.

Road transport: The total length of roads is over 13,000 km.

Waterways: total length of navigable waterways is 1908 km.

River ports: Leningrad and Podporozhye

Seaports: St. Petersburg, Vyborg, Vysotsk.
Planned or in construction port complexes:
Primorsk - terminals for liquefied gas and oil;
Vysotsk - liquid ammonia terminal;
Ust-Luga - terminals for coal and general cargo.



Source: *Lenobl-Invest.ru* 2003

Leningrad Region and Saint Petersburg in the Russian Economy

(% of Russian total)

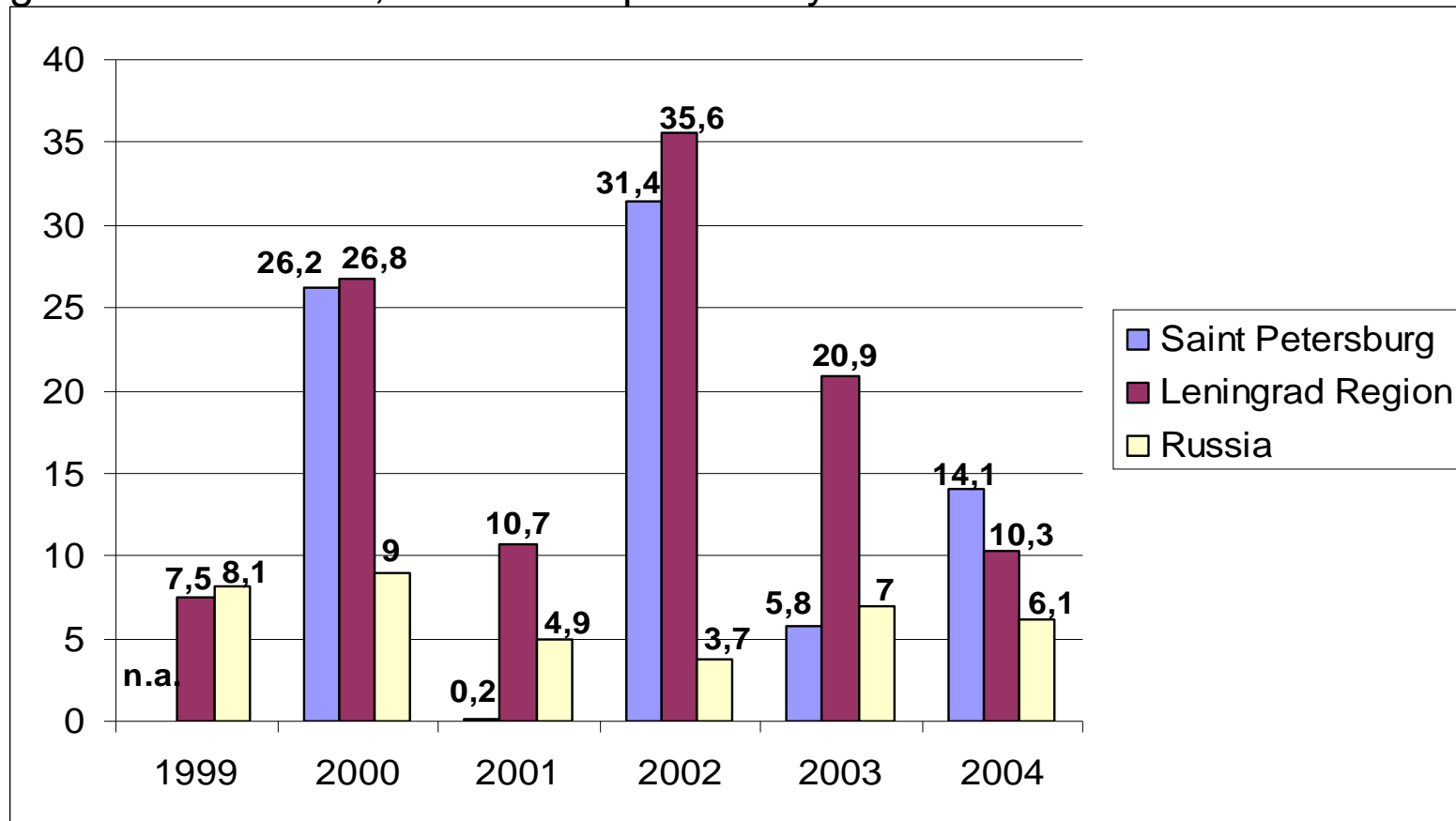
	Saint Petersburg	Leningrad Region
Population	3,2	1,2
Land area	0,5	
GRP	3,8	1,1
Industrial output	3,3	1,5
Exports	2,2*	2,3*
Imports	11,1*	2,7*
Tax revenues	3,7*	1,2*
Retail trade volume	3,6	0,7
Fixed capital investments	3,8	2,5

*in 2003

Source: Rosstat 2005

Development of Industrial Production

Saint Petersburg, Leningrad Region and Russia: industrial production growth 1999-2004, in % to the previous year



Source: Petrostat 2005

Saint Petersburg

Industrial Production Index

First half of 2005 - 114,8%

First half of 2004 – 116,4%

City budget PROFIT:

First half of 2005 – 7,7 billion roubles (1EUR = 35 roubles)

First half of 2004 - 4,7 billion roubles

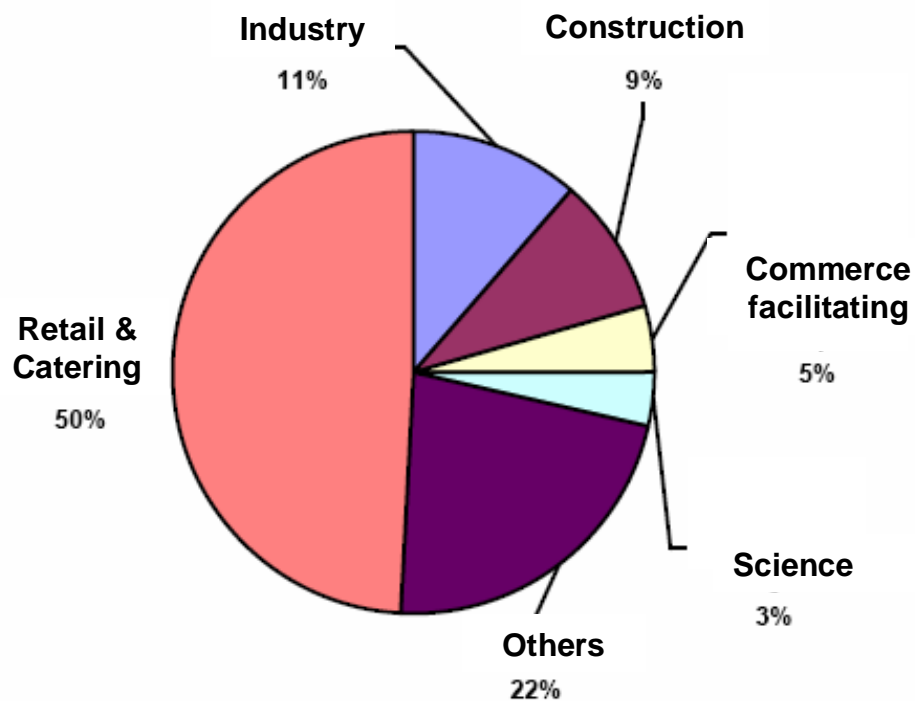
Share in foreign trade of Russia and Saint Petersburg

	RF		SPb
	I-VI 2004	I-VI 2005	I-VI 2004
EU-25	49,6	52,9	53,4
10 new members	12,8	11,7	4,3
Latvia	0,7	0,5	0,4
Lithuania	1,3	1,3	0,0
Poland	3,2	3,6	1,6
Estonia	0,7	0,7	1,3
Denmark	0,5	0,5	1,0
Germany	9,2	10,1	15,0
Sweden	1,3	1,3	3,0
Finland	3,4	3,4	10,7

Number and Division of Enterprises

	Saint Petersburg	Leningrad region
total N of companies and organisations	305145	38504
SMEs	89900	12,2
companies and organisations with full or partial foreign participation	1822	185
N of employes	172000	45200
turnover mln RUB	224860	67871

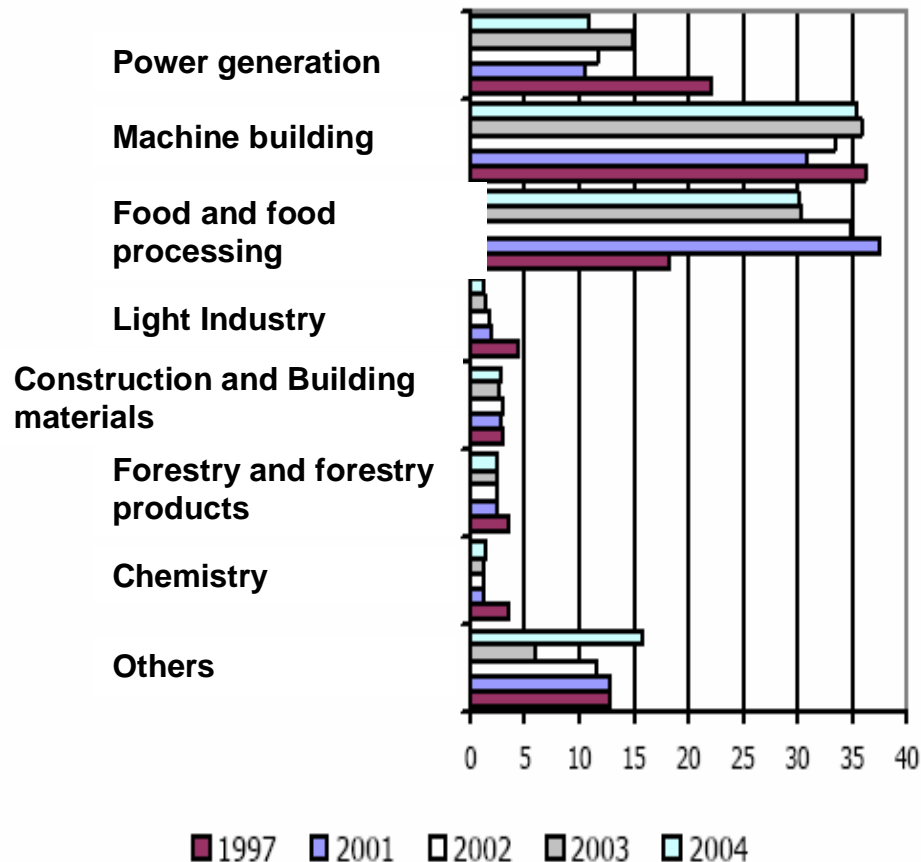
Division of Saint Petersburg enterprises in numbers between different economic fields (as of January 2005)



Source: Rosstat 2004, Petrostat 2005

Industrial potential

Industry Structure of Saint Petersburg, %



Industry Structure of Leningrad Region, %

	2002	2003	2004
Power generation	12.66	13.61	16.54
Fuel industry	17.03	14.83	13.54
Metallurgy	6.92	5.98	3.76
Chemistry and petro-chemistry	5.72	4.44	5.94
Forestry and forestry products	17.38	15.98	13.76
Machine building	7.22	10.39	12.33
Food and food processing	25.23	27.20	24.23
Construction and Building materials	4.83	5.04	5.72
Light Industry	0.84	0.59	0.46
Food and food processing	2.58	1.95	1.70

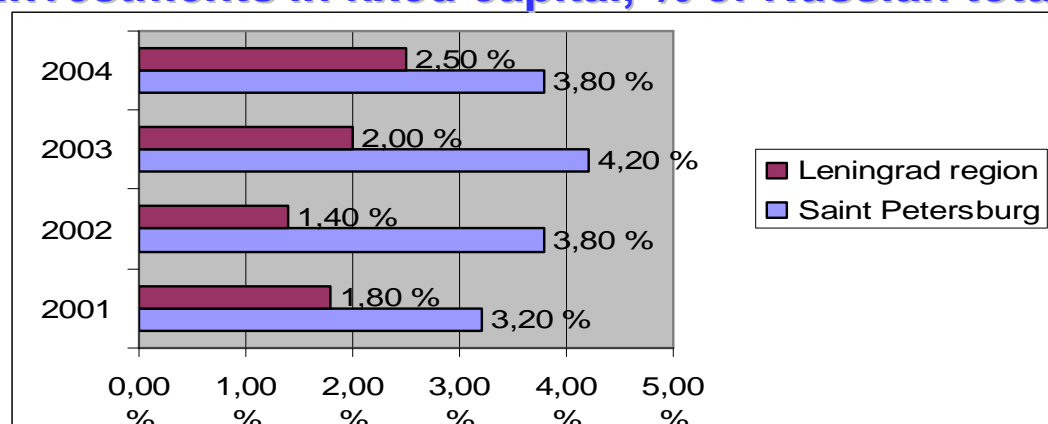
Source: Petrostat 2005

Capital Investments and Construction

Investments in fixed capital, bln EUR

	2001	2002	2003	2004
Saint Petersburg	1,9	1,9	2,5	2,7
Leningrad region	1,1	0,71	1,2	1,8
Russia	60,4	50,2	59,4	72,2

Investments in fixed capital, % of Russian total



Construction industry / output

Saint Petersburg				
sq. m.	1726700	1909200	1906300	2845900
N of buildings	425	628	576	769
housing	1081000	1118000	1214000	1758000
Leningrad region				
sq. m.	596500	582000	741200	685400
N of buildings	1966	2053	2382	2776
housing	392000	415000	433000	444000

Source: Rosstat 2004, Petrostat 2005

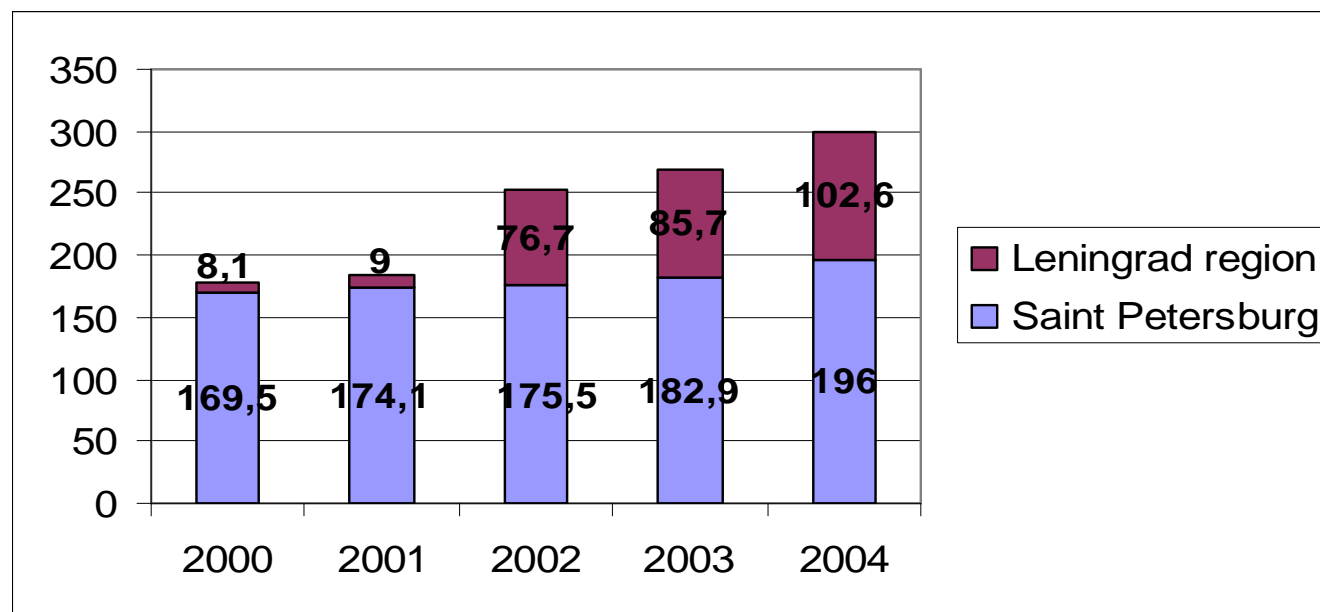
Exchange rate: Bank Of Finland for end of the period

Capital investments, transportation and construction

Services

Saint Petersburg	2000	2001	2002	2003
bIn EUR	1,2	1,6	1,7	2,1
EUR per capita	252,8	344,1	374,8	447,6
Leningrad Region				
mln EUR	121,2	175,1	203,6	231,3
EUR per capita	72,6	105,4	123,2	139

Cargo transportation (mln tones)



Source: Rosstat 2004, Petrostat 2005

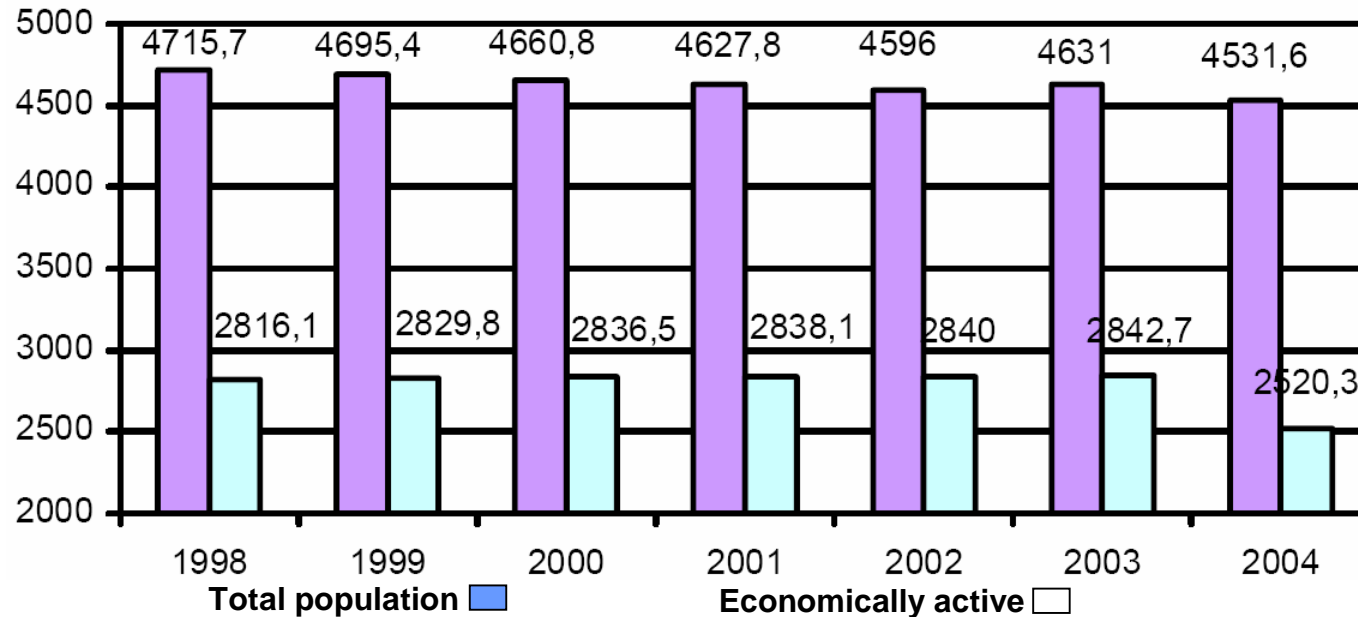
Exchange rate: Bank Of Finland for end of the period

Labour potential

Unemployment levels for Saint Petersburg, Leningrad Region and Russia in 2000 - 2004

	2000	2001	2002	2003	2004
Russia, unemployment level	10,2	9,0	8,0	8,3	8,5
Saint Petersburg, unemployment level	7,9	4,4	3,5	4,3	2,8
Leningrad region, unemployment level	12,7	10,8	6,9	9,2	7,5

Population and economically active people in Saint Petersburg



Source: Petrostat 2005

Education & Labour Potential

(data of 2004)

	Saint Petersburg	Leningrad Region
Universities	90	3
number of students	443400	16700
yearly intake	106300	5000
graduations per year	71800	1500
Students per 10000 inhabitants	964	101
Professional schools	79	50
number of students	44100	19400
yearly intake	18200	7900
graduations per year	17200	7400

Innovation Potential

(data of 2004)

	Saint Petersburg	Leningrad region
N of Organizations in Research & Development	397	18
people employed	90011	6446
researchers	48640	2452
technicians	5943	388
support personnel	20432	1808
Researchers with a degree	12757	626
Spending on Research & Development (mln EUR)	606,4	37,4
fundamental research (mln EUR)	56,1	4,7
applied research (mln EUR)	87,9	11,8
development (mln EUR)	440,8	18,6
Organizations offering post-graduate studies	160	5
Number of post-graduate students	14926	79

Number of companies in industry and services active in the field of innovation		
	Saint Petersburg	Leningrad region
Total	99	22
Research & Development	28	4
Obtaining new technologies	18	4
From these obtaining patent rights and licenses	12	3
Production and production design	55	7
Software	33	4
Personnel training and qualification	25	3
Marketing research	29	2
Obtaining machinery and equipment related to innovation	62	18
Other Activities	12	4

Source: Rosstat 2005

Exchange rate: Bank of Finland average for period

Purchasing power and retail trade volume

Retail Trade Volume, bln EUR					
	2000	2001	2002	2003	2004
Saint Petersburg	3,3	4,2	4,2	4,4	5,6
Leningrad region	0,61	0,82	0,81	0,83	1,1
Russia	90	115,9	113,7	122,6	156,3

Retail Trade Volume EUR per capita					
	2000	2001	2002	2003	2004
Saint Petersburg	707,42	912,95	911,99	947,45	1206,40
Leningrad region	363,12	490,15	486,92	500,14	642,90
Russia	620,77	803,85	793,54	854,78	1095,50

Average Nominal Wage in EUR					
	2000	2001	2002	2003	2004
Saint Petersburg	96,08	139,50	164,14	175,65	221,50
Leningrad region	83,35	123,00	136,74	148,45	186,30
Russia	85,06	122,33	131,69	149,33	188,20

Source: Rosstat 2005

Exchange rate: Bank Of Finland for end of the period

Exchange rate: Bank of Finland average for period in 2004

Investment Potential

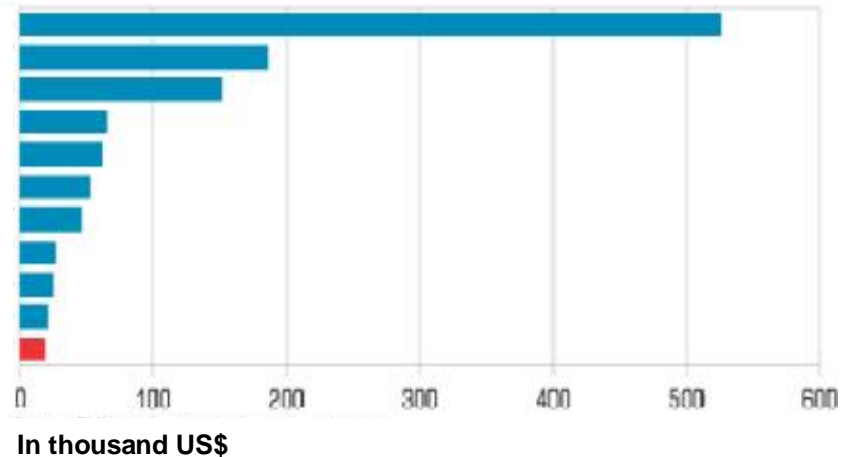
(rating out of 89 regions)

Rating of investment potential 2003-2004

Indicator	Leningrad Region	Saint Petersburg
Labour potential	29	2
Consumption potential	36	3
Production potential	18	5
Financial potential	32	4
Institutional potential	23	2
Innovation potential	6	3
Infrastructure potential	5	1
Natural resource potential	52	89

Attracting FDI per one bureaucrat 1999-2003

Sahalin region
 Nenec autonomous region
 Moscow
 Krasnodar region
 Leningrad region
 Moscow region
 Yamalo-nenec autonomous region
 Saint Petersburg
 Novgorod region
 Kaluga region
 Russia /average/



Source: Petrostat 2005

Foreign Investments and Investors

Saint Petersburg

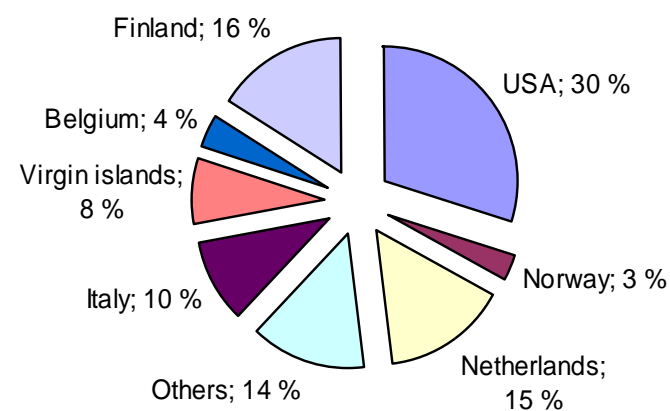
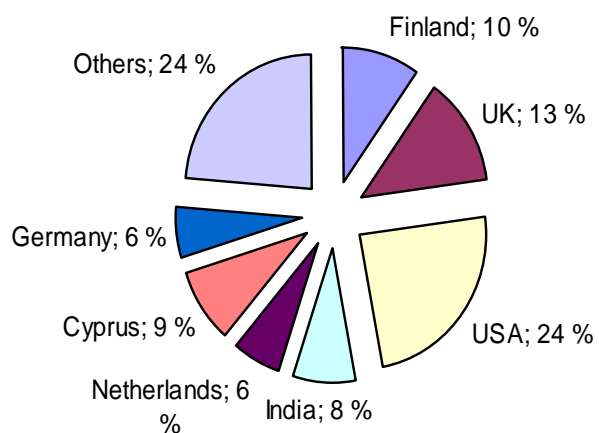
Foreign investments 2000-2004, mln \$

	2001	2002	2003	2004
Total volume	1171,3	881,0	695,8	985,1
Direct	113,6	84,1	70,3	111,9
Portfolio	15,2	12,6	36,0	24,7
Other	1042,5	784,3	589,5	848,5

Leningrad region

Foreign investments 2000-2004, mln \$

	2000	2001	2002	2003	2004
Total volume	305.6	327.0	148.3	239.7	160.9
Direct	205.5	238.2	115.3	118.2	132.6
Other	100.1	88.8	32.8	121.5	28.3



Source: Petrostat 2005

Foreign Trade

Saint Petersburg Foreign Trade /mln USD/

	2001	2002	2003	2004
Foreign trade turnover	5872	6616,6	8542,1	10908,1
St. Petersburg exports	1911	1739,2	2747,1	3992,6
St. Petersburg imports	3961	4877,4	5795,0	6915,5
Foreign trade balance	-2050	-3138,2	-3047,9	-2922,9

Leningrad Region Foreign Trade /mln USD/

	2001	2002	2003	2004
Foreign trade turnover	2,830	3,062	4,119	6,541
IMPORTS	725	888	1201	1707
EXPORTS	2,104	2,176	2,918	4,834
Foreign trade balance	1,379	1,288	1,718	3,128

Saint Petersburg Foreign Trade Main Partners

Country	Share in Exports /in %/	Country	Share uin Imports /in %/
Germany	14,1	Germany	14,1
India	11,8	Finland	11,6
Finland	8,2	China	6,6
China	7,4	USA	6,6
Netherlands	5,3	Italy	4,5
Spain	4,7	France	4,2

Leningrad Region Foreign Trade Main Partners

Leading export partners for Leningrad Region were Netherlands, United Kingdom and Switzerland. In imports the leading partners were Germany, USA and Finland.