

## Barents Monitoring

### Nenets Autonomous Okrug 2008

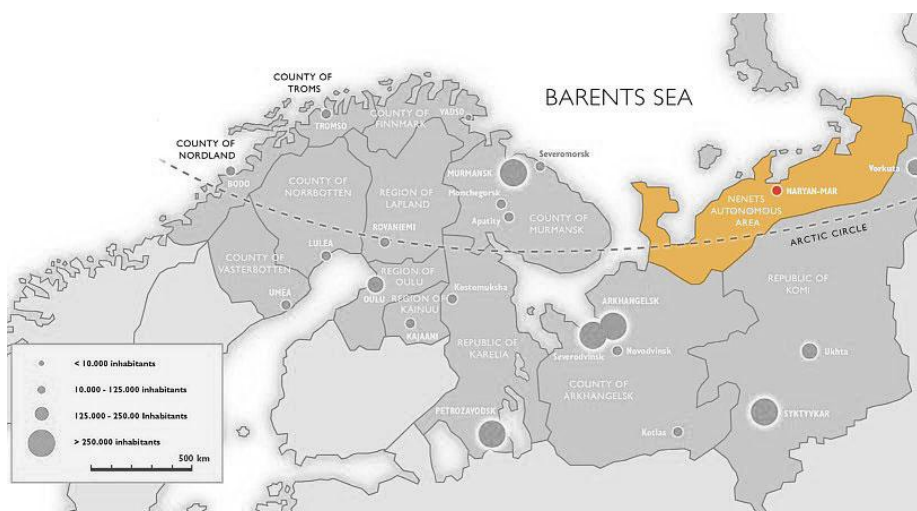
The Social-Economic development of the Nenets Autonomous Okrug in 2008<sup>1</sup>

#### The Nenets Autonomous Okrug. General information

Territory:	176,810 sq. km. (including Kolguev and Vaigach islands)
Population:	42 300 people
Population density:	0,24 per sq. km.
Level of urbanization:	63,8 %
Ethnic structure:	70,0 % Russians 17,1 % Nenets 9,5 % Komi
GRP:	82 billion rubles (average estimation)
Main city:	Naryan-Mar - 26,800 people

Main industries: Oil and gas complex, including oil transport complex, reindeer husbandry, power generating, food industry, construction industry

According to the Constitution of the Russian Federation, the Nenets Autonomous Okrug is an equal subject of Russian Federation from 1993. At the same time its territory and population is included into the Arkhangelsk oblast.



<sup>1</sup> This report is written by the Nenets office of the Norwegian Barents Secretariat. Figures are taken primarily from the Nenets AO regional statistics service.

## Trends

The economy of the Nenets Autonomous Okrug is heavily dependent on hydrocarbon production.

The region is one of few regions of the Russian Federation where the volume of industrial production has been increasing steadily in the whole post-Soviet period. The fuel industry has a 98 percent share of the total industrial production.

The analysis of GRP structure demonstrates that the main share of products is produced in the industry and in construction, and it is caused, first of all, by development of oil-producing industry of the region. The share of the industry in GRP has increased from 65 % in 2001 up to 80% in 2005.

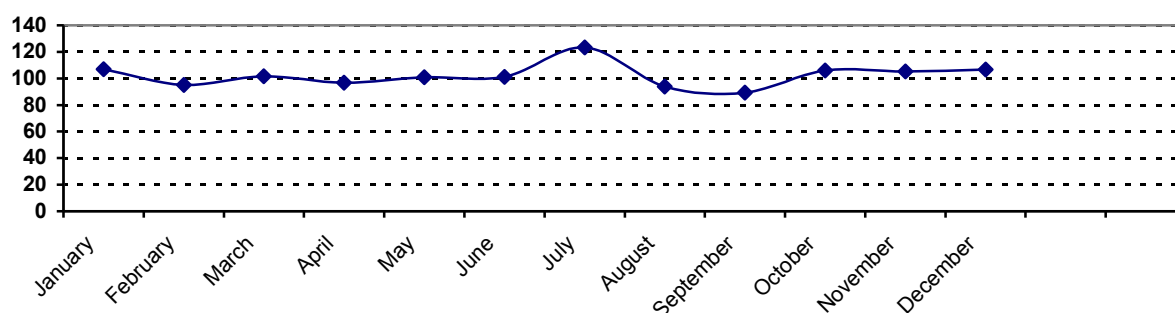
In general, the year 2008 was rather successful for the regional economy. The retail trade turnover grew 10%. The incomes of the population also increased sufficiently – by almost 29 % (estimation). The annual growth of industrial production index was 4,1%. But the volume of investments in the main capital showed negative dynamic with annual drop of 28%. The drop in the agricultural sector was 5,5 % .

## INDUSTRIAL PRODUCTION

Over the last year, the industries with the most dynamic growth rates were transport (goods turnover has increased in 5 times compared to 2007 levels), telecommunications (about 30% annual growth), public catering (28% of annual growth). Also rather high rates of growth were demonstrated in energy production (about 7% annual growth), oil and gas production (4% annual growth).

The gross regional product in 2008 amounted to 82 billion rubles (estimation), which is six times as much as in 2001.

Table 1. Change of Index of industrial production in 2008 (in percent)



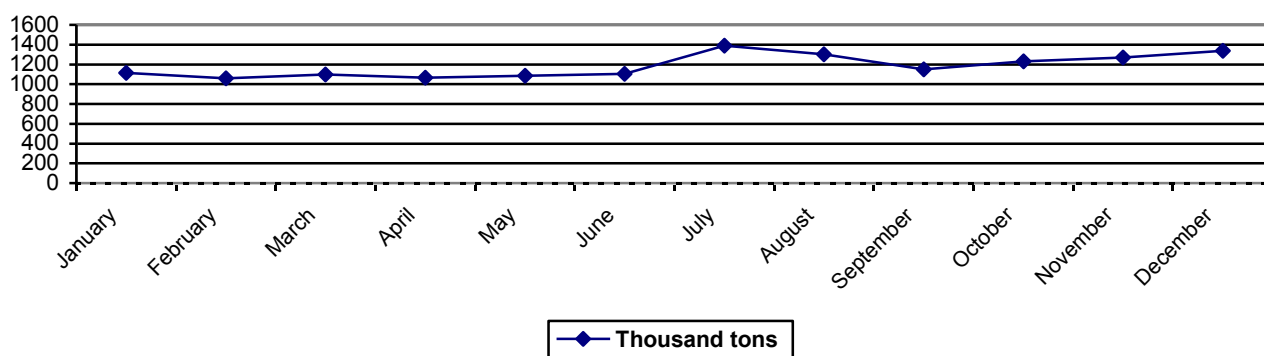
### Electric power generation

In 2008 the generation of electric power increased by over than 14% compared to 2007 and totaled 732,5 million KWH.

### Oil and gas production.

The oil production in 2008 increased by over 4% and totaled 14,196 million tons. The maximum production was reached in the middle of the year, then followed a slight decline, which however was overcome in the end of the year.

Table 2. Oil production in 2008



### ECONOMY

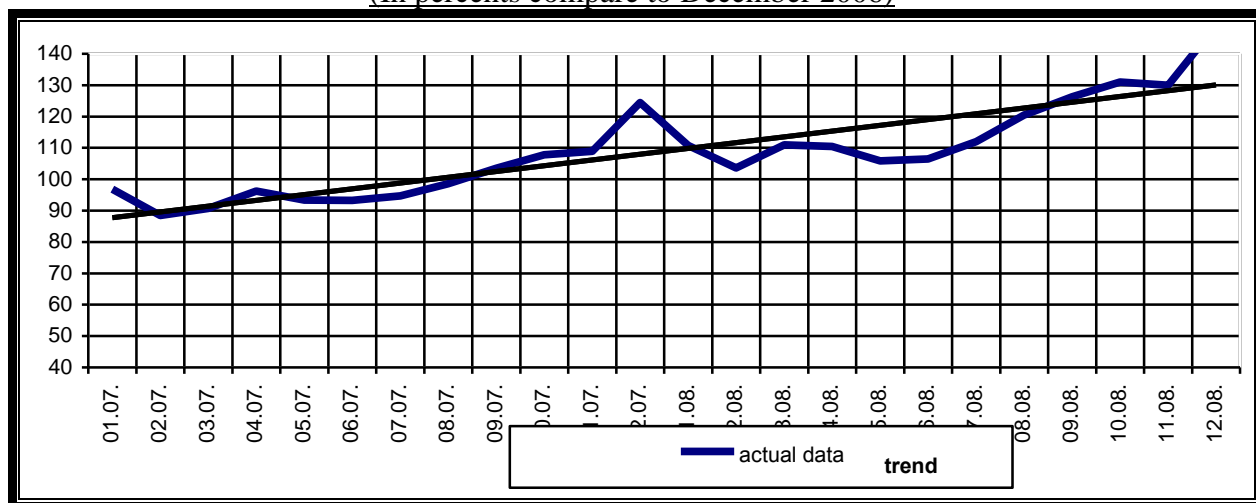
#### Cargo turnover

The increase of the main branches of industry has positive influenced the cargo transport turnover, which in 2008 increased 10 times compare to 2007 levels and totaled 304,9 million tonne-kilometers.

#### Retail trade

The turnover of retail trade increased by 10% (in comparable prices) and totaled 3946 million rubles.

Table 3. Dynamic of retail trade turnover  
(In percents compare to December 2006)



#### Construction

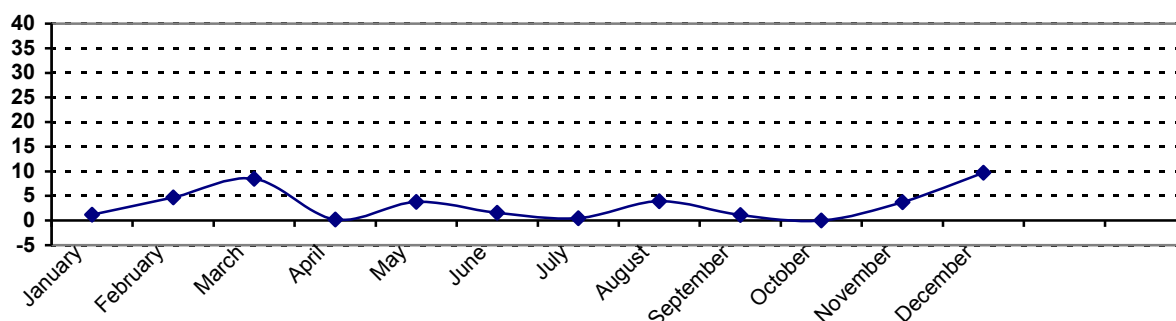
The volume of work in construction dropped by 56,9% compared with 2007 and totaled 12657 million rubles.

### Housing construction

Housing construction grew 6% compared to 2007. Totally 634 flats (or 38,9 square meters) has been built in 2008.

Private people's housing construction grew by 40 percent.

Table 4. Dynamic of houses' implementation



### Agriculture

The volume of work in agriculture dropped (5.5%) compared to 2007 and totaled 510,7 million rubles.

Table 5. Number of reindeers belongs to all types of owners (thousand animals)

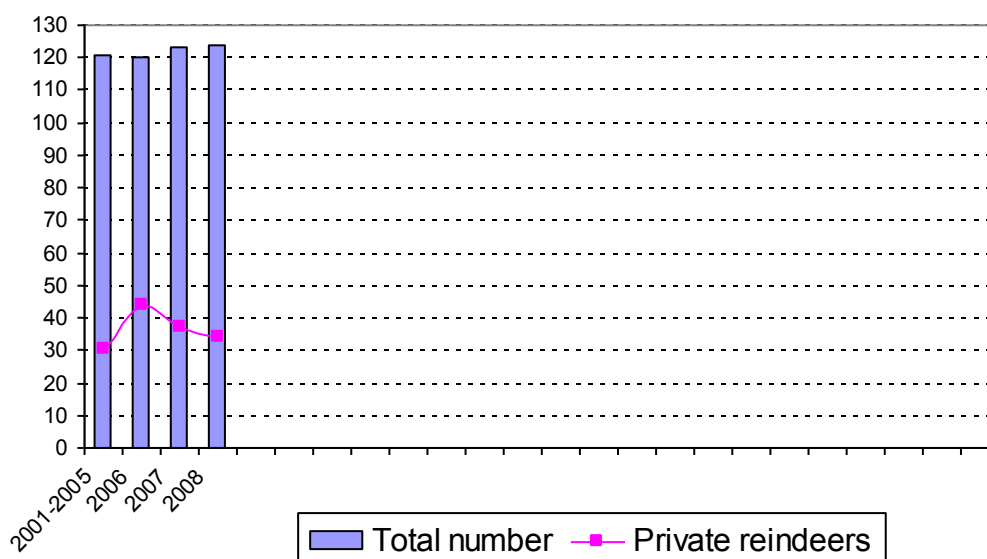
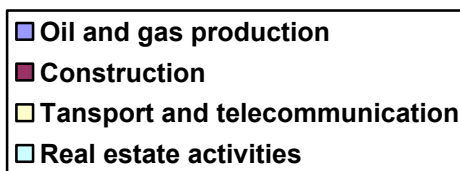
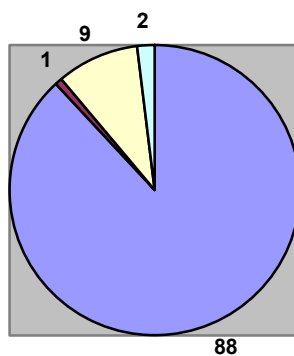


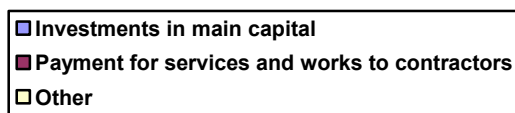
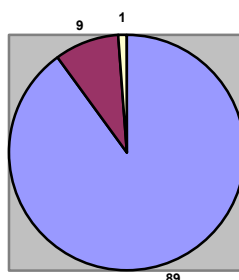
Table 6. Structure of investments in main capital made by large organizations and middle size entrepreneurs, data for January-September 2008



## Foreign investments

The foreign investments for January-September 2008 increased 60 percent compared to the same period of 2007 and totaled 1,002 billion US dollars. All the foreign investments were made in oil and gas production. 80% of investments came from USA, 19% from France and 1% from Cyprus.

Table 7. Use of foreign investments, January-September, %



## POPULATION

As of January 1, 2006, 42,300 people live in the Nenets Autonomous Okrug, of which 26,800 people are urban population (63,8 %).

The tendency of reduction in the regional population has been stalled and that is mainly related to migration processes (moving from northern areas to the central and southern parts of Russia). As a result, the total population of the Nenets AO, was reduced by 4,800 in comparison with 1998.

Representatives of 75 nationalities and peoples live in the region, including: Nenets - 7,2 thousand people (17,1 %), Komi - 9,5 %, Russians - more than 70 %. Number of other nationalities is minor.

The Nenets Autonomous okrug is included into list of the few subjects of the Russian Federation having a positive value of a natural increase of the population.

In 2008 there were a rise of birth rates and sag of mortality rate compare to 2007. The natality of 2007 is +125 and for the 2008 is +149.

The average accrued salary in Nenets Autonomous okrug is one of the highest in Russia. It was 40920 rubles in November 2008 (up by more than 19% compared to November 2007).

The share of population of Nenets AO with incomes lower than official cost of living was 2200, or 5%. In the end of the last year the official cost of living in Nenets AO was 8659 rubles per month.

The number of people employed in the regional economy has decreased by 1,5% compared to 2007. The number of unemployment in 2008 grew by 7,8% and totaled 622 including officially registered and unregistered in the employment offices.

The tempo of growth of money incomes of the population has increased compared to the previous year and made 37,7%.

Table 8. Incomes of population (rubles)

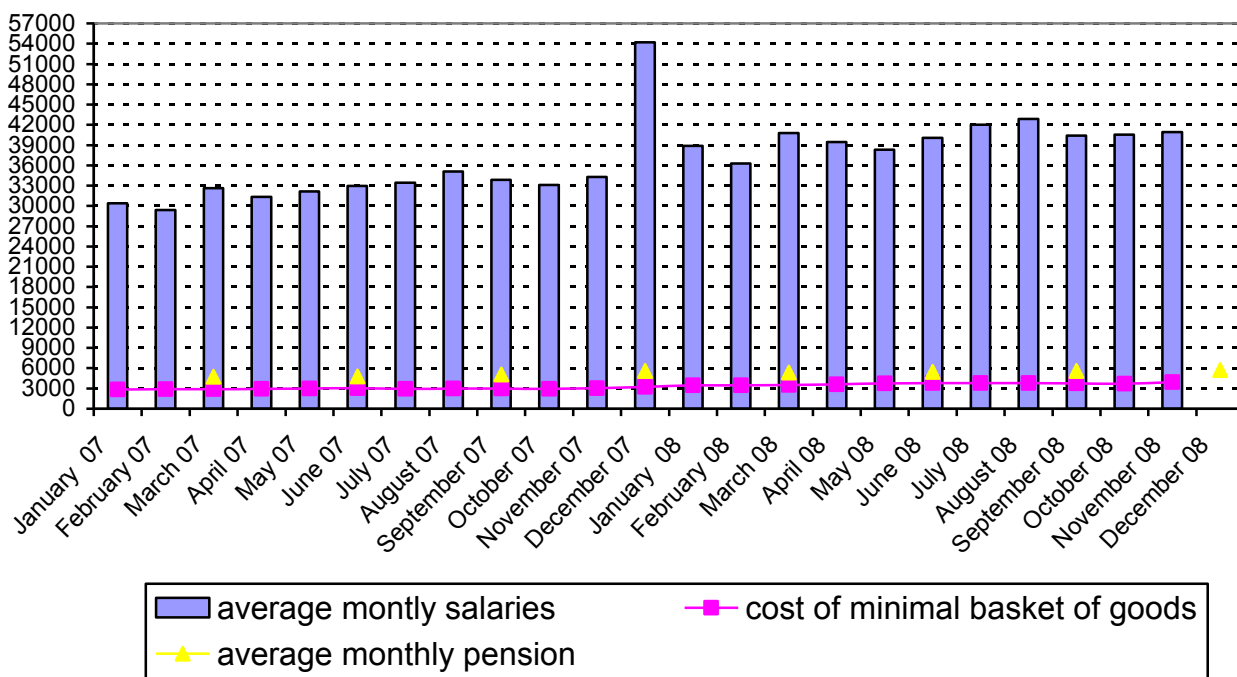
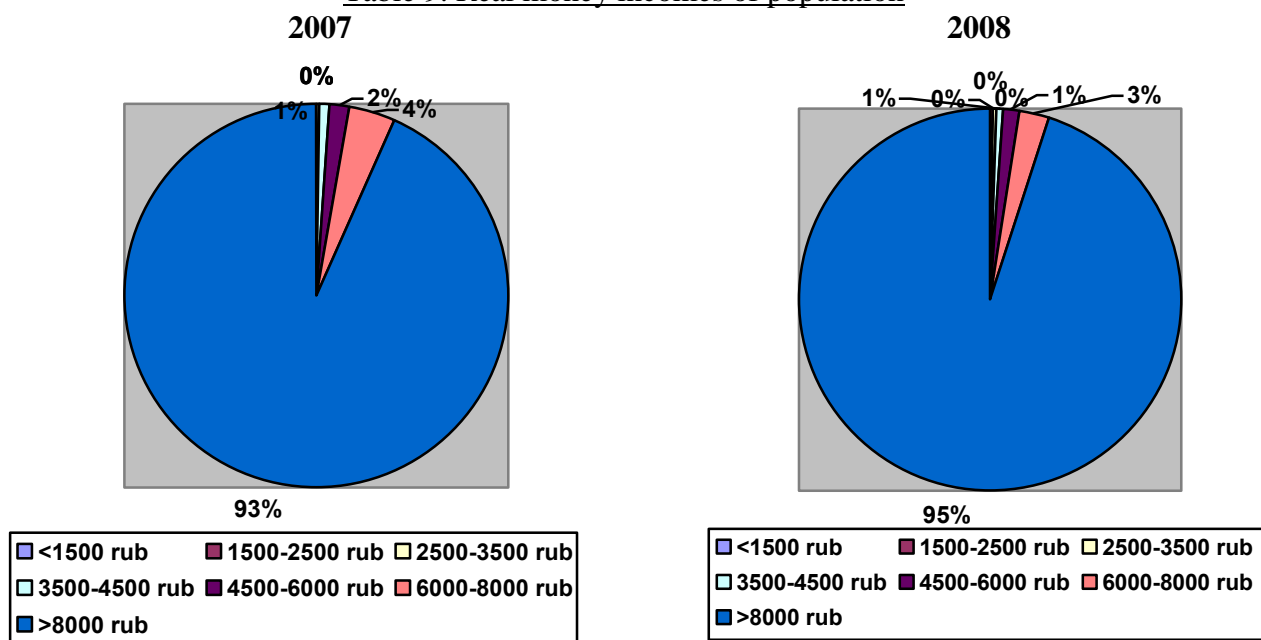


Table 9. Real money incomes of population



**Information sources:**

1. Report about Social-Economic development of the Nenets Autonomous Okrug in 2008 prepared by the Territorial organ of the Federal service of state statistics for the Nenets autonomous okrug.
2. Official web site of the Administration of the Nenets Autonomous Okrug [www.adm-nao.ru](http://www.adm-nao.ru)