

Barents Monitoring

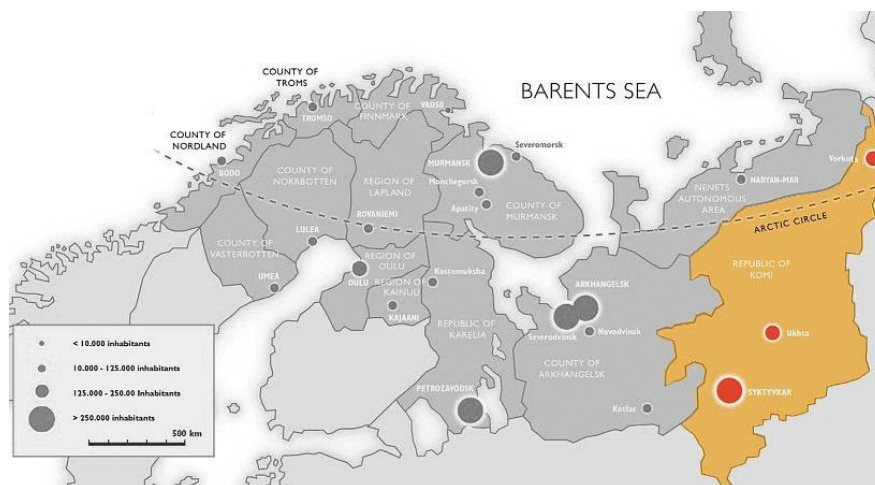
Republic of Komi 2008

The Social-Economic Development of the Komi Republic in 2008¹

The Republic of Komi. General information.

Territory:	416,800 sq. km. (2,4% from Russia's territory)
Population:	958,500 people (January 1, 2009)
Population density:	2,3 per sq. km.
Level of urbanization:	75,7%
Ethnic structure:	25% Komi
GRP:	212 billion rubles (2006)
Main cities:	Syktyvkar - 245,800 people Vorkuta – 134,200 people Ukhta – 127,400 people Pechora – 66,300 people Usinsk – 52,800 people Sosnogorsk – 52,500 people

Main industry production: wood processing and pulp and paper operations, oil and gas complex, ore mining, biotechnological industry, building materials industry, construction, power, water and gas generation and distribution



¹ This report is written by the Nenets office of the Norwegian Barents Secretariat. Figures are taken primarily from the official web site of Statistical service of Republic of Komi <http://komi.gks.ru>

Trends

The Republic of Komi is part of the Northwest Russian Federal District. The republic borders Arkhangelsk Oblast, the Nenets Autonomous Okrug, the Yamalo-Nenets AO and Khanty-Mansi AO, Sverdlovsk Oblast, Perm Krai and Kirov Oblast.

The economy of the Republic of Komi is based on the timber industrial complex (wood processing and pulp and paper operations), ore mining, biotechnological industry, building materials industry, construction and energy. There are more than 2000 industrial companies in the region (mining, processing, power, water and gas generation and distribution) and more than 400 small and medium-sized industrial enterprises.

Industrial production: coal (fuel and coke); natural gas; crude oil; automobile gasoline; bauxites; wood; paper; cardboard; sawn timber; plywood; chip boards; fiber boards; medium density fiber boards (MDF).

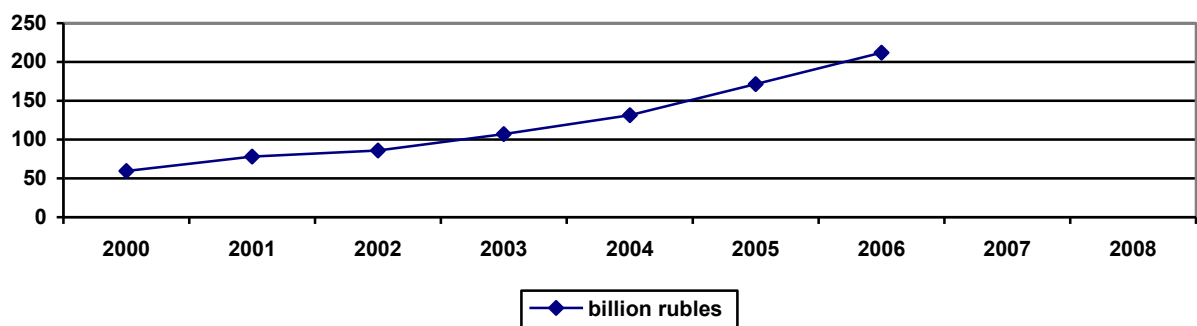
The dynamic of the main indicators of the economical development kept a positive trend in 2008 compared to 2007. The volumes of industrial and agricultural production, goods turnover, telecommunication services and retail increased. But housing construction and logging demonstrated a drop.

The growth in the agricultural sector totaled 5%. The year 2008 was successful for poultry farming and pig breeding. Also growth was demonstrated within egg and potato production. But the tendencies of decrease of areas under crops and cattle population continued.

The retail trade turnover grew by 2,6%. The incomes of population also increased sufficiently – by almost 16%.

The volume of investments in the main capital showed positive dynamic with annual growth of almost 12%.

General Regional Product growth 2000-2006



INDUSTRIAL PRODUCTION

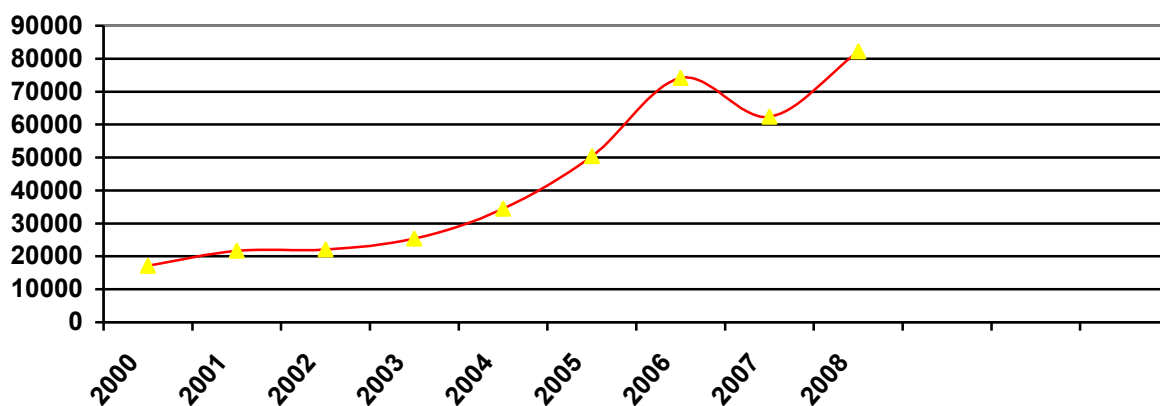
The situation in industrial production was unstable in 2008. After moderate growth rate in first six months and marked growth in the third quarter, the index demonstrated a drop in the fourth quarter. That was caused by a drop in timber processing complex.

Industrial production in the region grew by 3% in 2008.

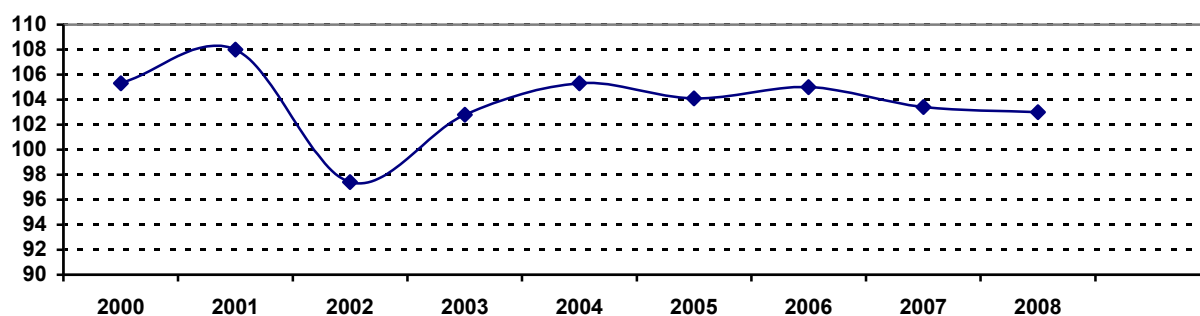
The volume of oil production, meat output, vodka and alcohol production, nonwoven fabric, density fibre boards, cement, linoleum and electricity production increased in 2008 compared to 2007.

The Komi energy system is virtually a closed-loop unified territorial unit. The power generation capacity is determined by the republican demands. Only 5% of the power generated is transferred to outside the republic. The power imports (from the Kirov Region) amounts to only 1%. Gas accounts for about 70% of energy consumption. Coal, black oil, diesel oil or wood waste are also used as fuel.

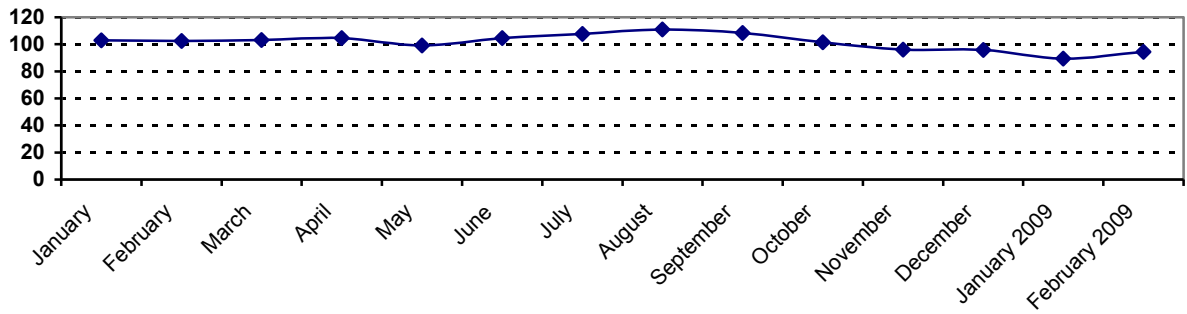
Investments in the main capital (million rubles)



Dynamic of index of industrial production in 2000-2008 (in percent to previous year)



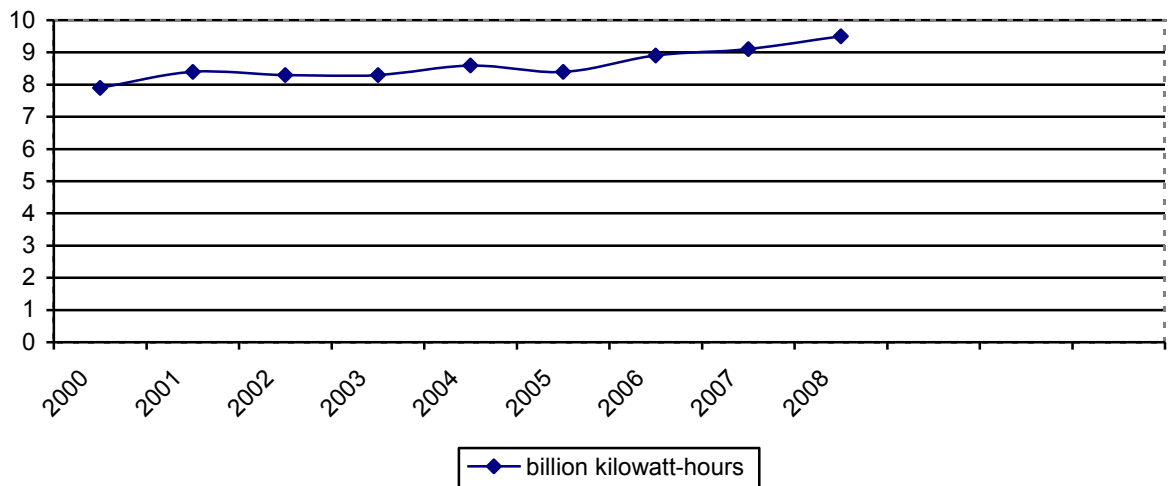
Dynamic of Index of industrial production in 2008-2009 (in percent to month of previous year)



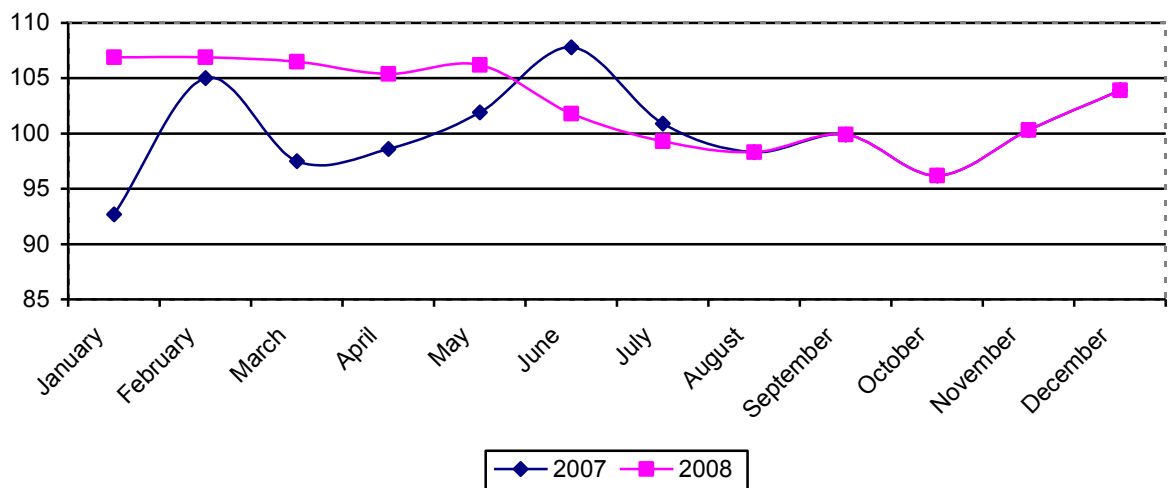
Electric power generation

In 2008 the generation of electric power increased 4,3% compared to the level of 2007 and totaled 9502,1 million kilowatt-hours.

Electric power generation in 2000-2008



Index of production of Electric power, gas and water generation and distribution in 2007-2008
(in percent to month of previous year)

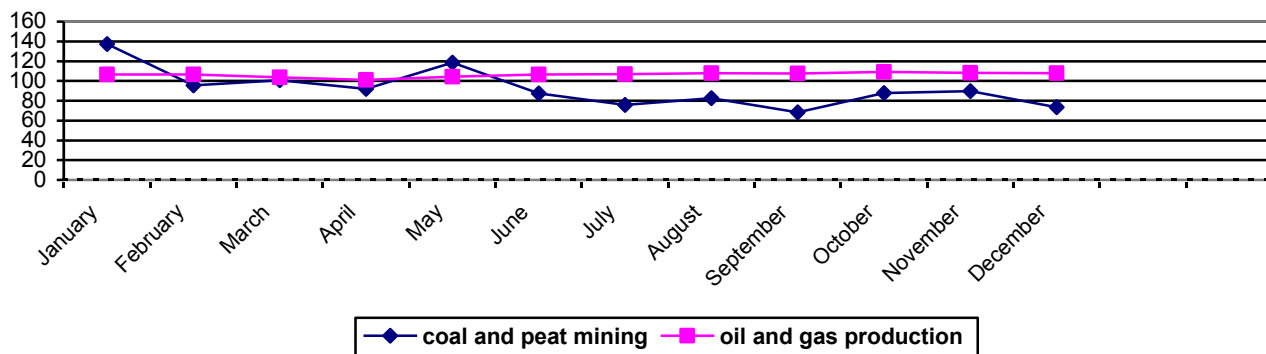


Oil and gas production, coal mining.

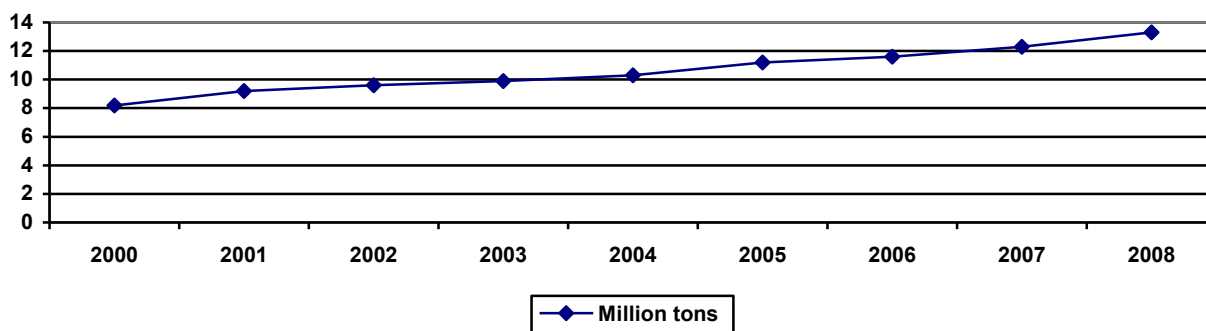
The oil production in 2008 increased by over 8% and made 13,344 million tons. Production of gas decreased by 1,1% and made up a volume of 3385 million cubic meters.

Coal mining increased by 0,5% and made 12901 thousand tons.

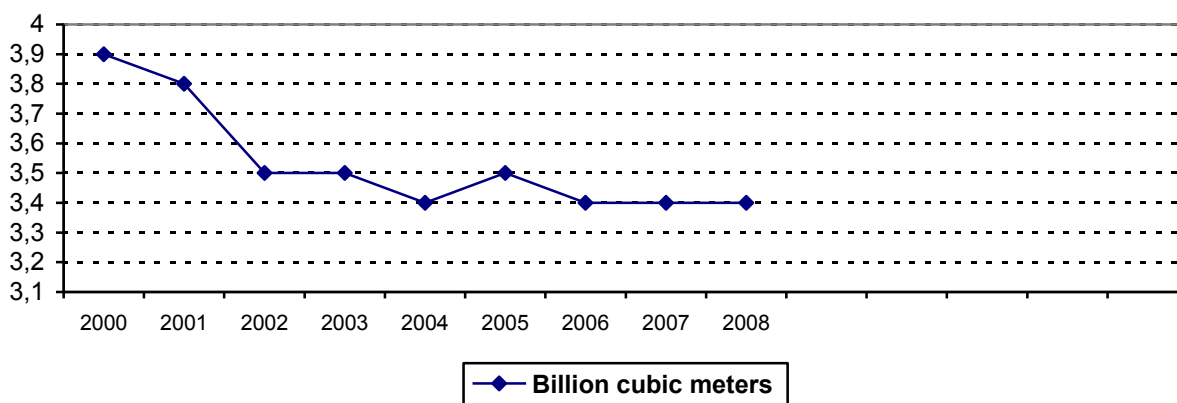
Indexes of production in mining operations of Republic of Komi in 2008 (in percent to month of previous year)



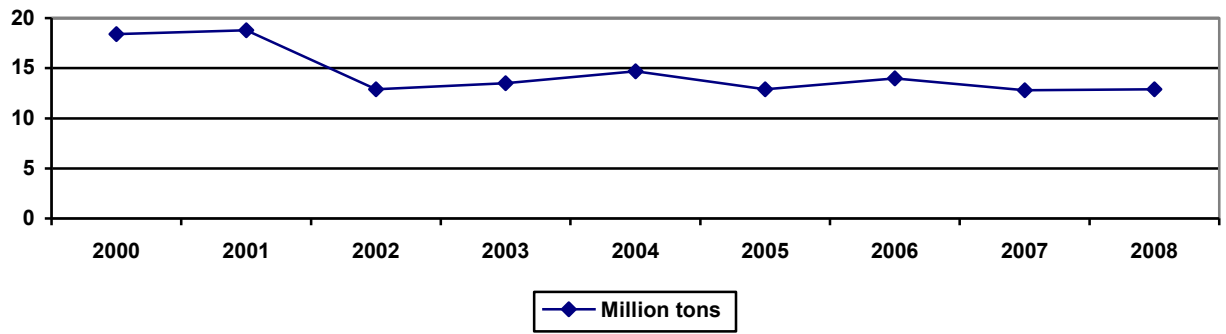
Oil production in Republic of Komi in 2000-2008



Natural gas production in Republic of Komi in 2000-2008



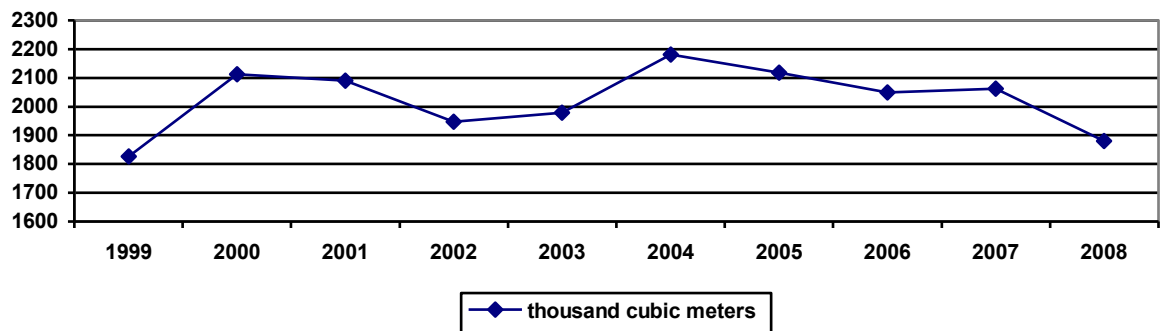
Coal mining in Republic of Komi in 2000-2008



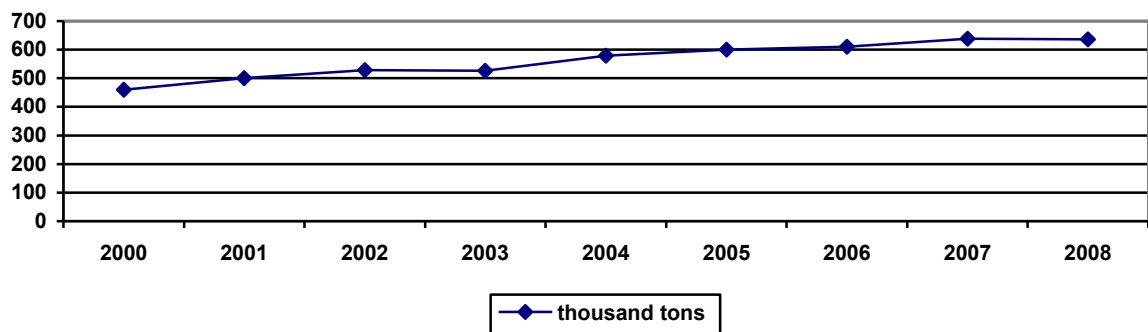
Timber industries

Timber manufacturing industry dropped down by almost 14,4%.

Timber production in 2000-2008.



Paper production in Republic of Komi in 2000-2008

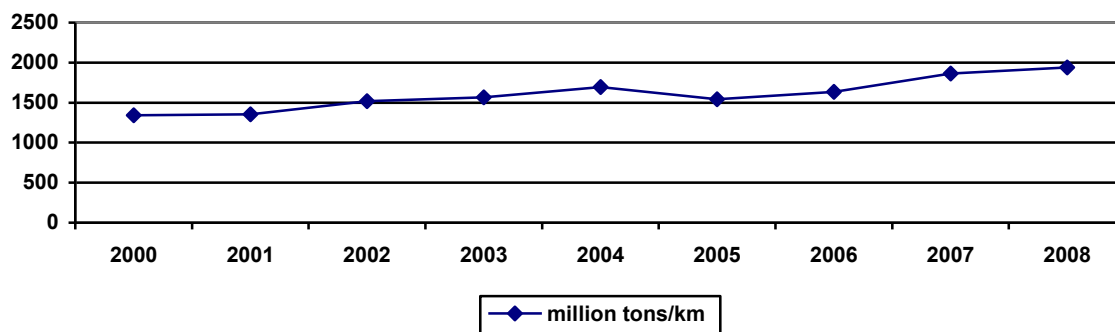


ECONOMY

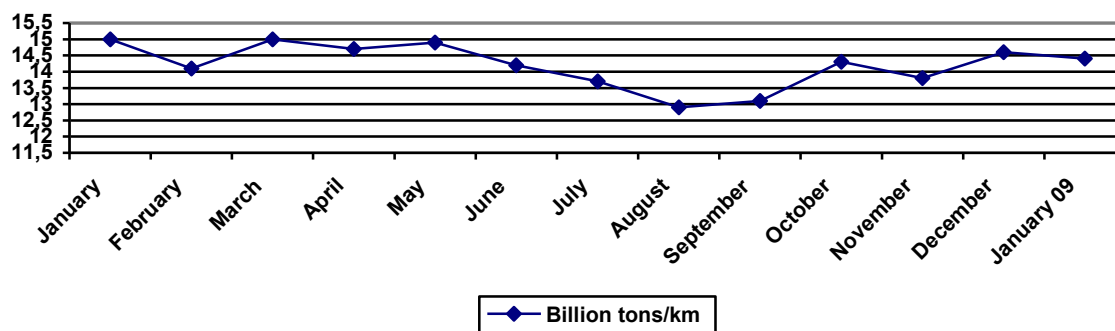
Cargo turnover

The transport turnover in 2008 grew 4% compared to 2007 levels. This result was achieved basically because of growth of pipeline cargo turnover. The share of regional pipeline transport is 91%. The decline in loading volume of all products, an especially coal and construction material has negatively influenced the railroads cargoes transportation.

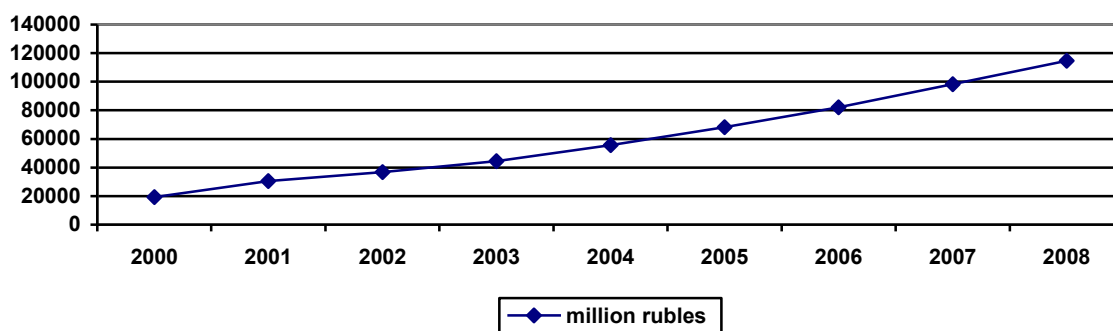
Cargo transportation turnover in Republic of Komi in 2000-2008.



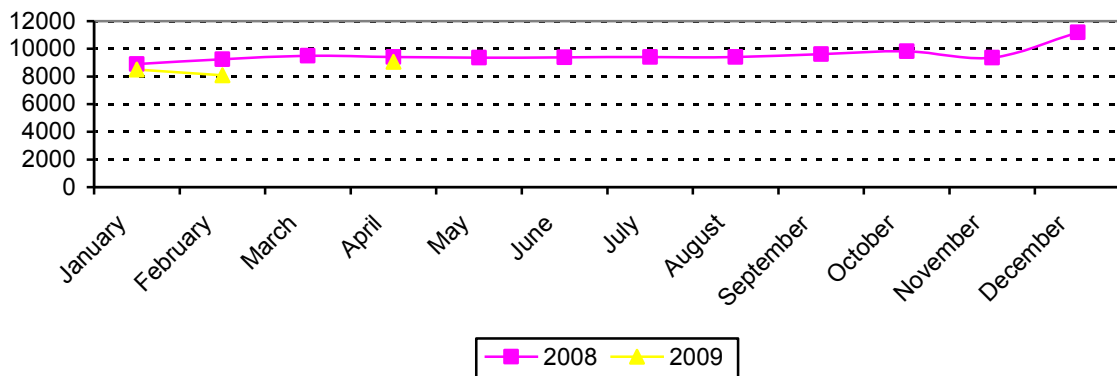
Cargo transportation turnover in Republic of Komi in 2008-2009.



Retail trade turnover 2000-2008 (million rubles)



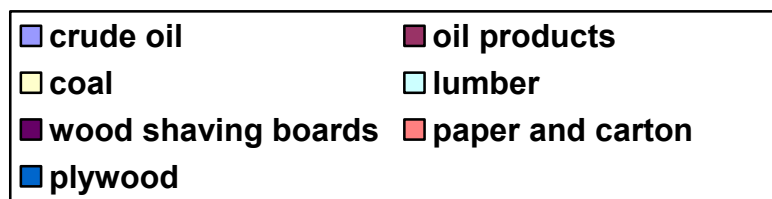
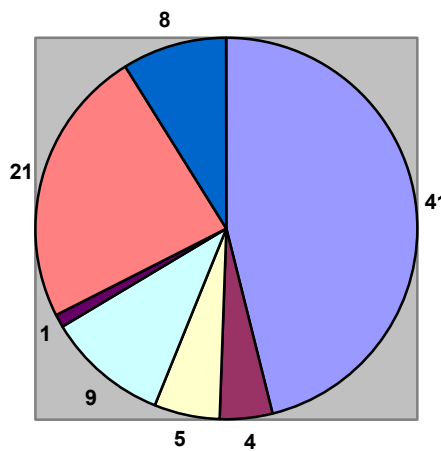
Retail trade turnover 2008-2009 (Billion rubles)



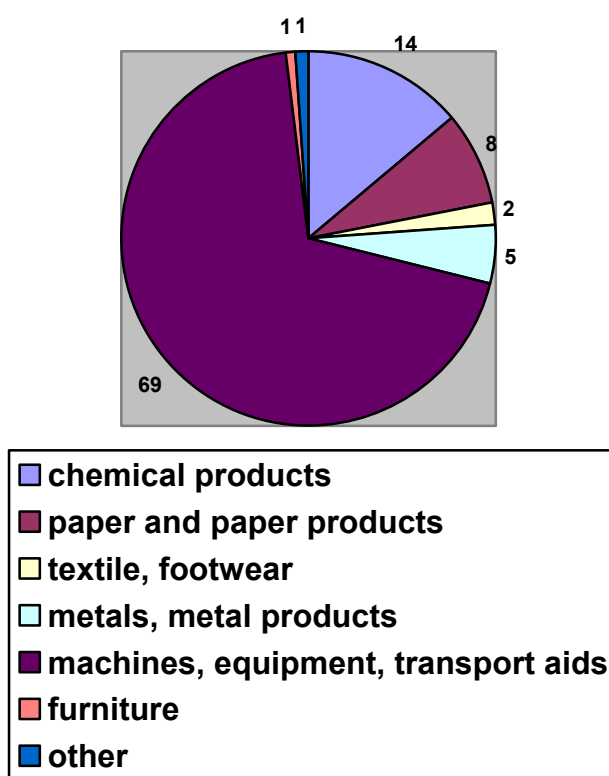
Foreign trade

The foreign trade turnover in 2008 grew 14,8% and in absolute figures totaled 1,607 billion US Dollars. Export operations grew 5,7% and totaled 76,5% of total turnover. Import grew 65,6% and in absolute figures totaled 378 million US Dollars.

Structure of export



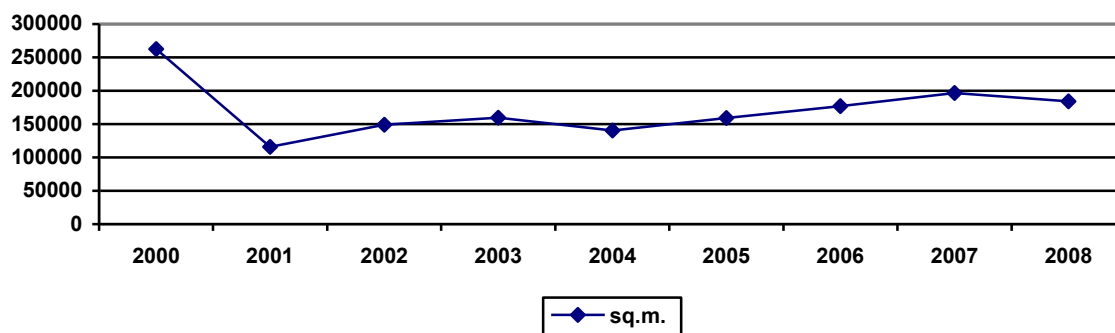
Structure of import



Housing construction

Housing construction in 2008 dropped by 6% compared to the level of 2007 and totaled 184,250 sq.m.

Volume of housing construction 2000-2008 (sq.m.)



POPULATION

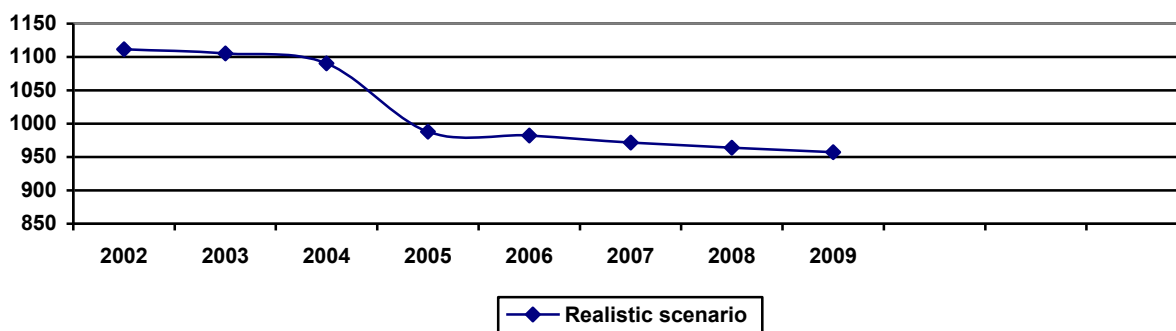
The population in the Republic of Komi has been steadily decreasing from the beginning of 1990s. The regional population in 2008 decreased by 9,600 and totaled 958,500 people at January 1, 2009.

The number of people employed in the economy of the republic decreased with 2% in 2008. At the same time the number of unemployed people in 2008 increased by 23% and made up an estimated 48,000 including both officially registered and unregistered in the employment offices.

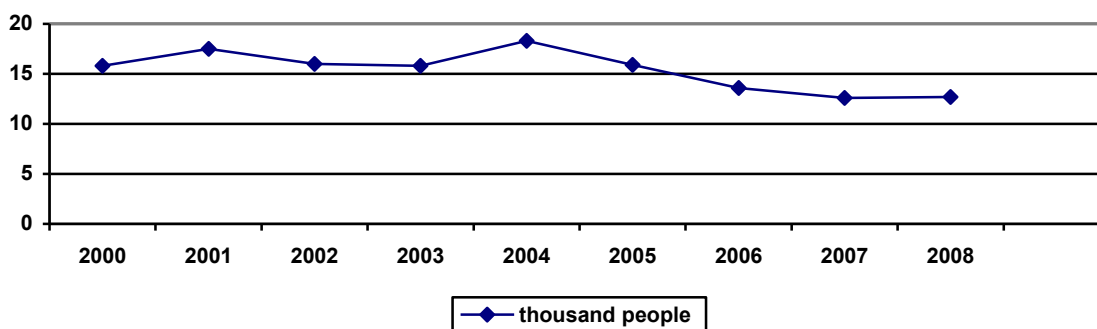
The level of unemployment began to grow in October 2008 and this trend continued in the beginning of 2009. By the end of the year the number of officially registered unemployed people totaled 12,100 (4% less compared to the same period of 2007). Concurrently the declared needs of employees of the companies and organizations have dropped sharply 2,3 times in the end of the year.

The speed of growth of money incomes of the population has decreased compared to the previous years but still made up over 16% in 2008. The average monthly income for 2008 was 18,600 rubles. This is 16% more than the average Russian level. The old age pension growth was not so fast and the difference between the average salary of working population and the incomes of the pensioners continued to grow. Actually the average old age pension was only slightly higher than the official regional living cost.

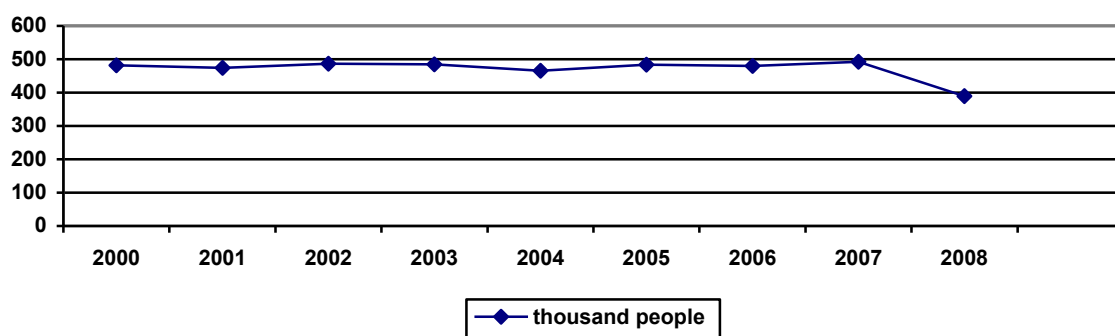
Number of population 2002-2009 (realistic variant, thousand people)



Level of reiterated unemployment in Republic of Komi.



Number of people employed in the economy of Republic of Komi



Incomes of population (rubles)

