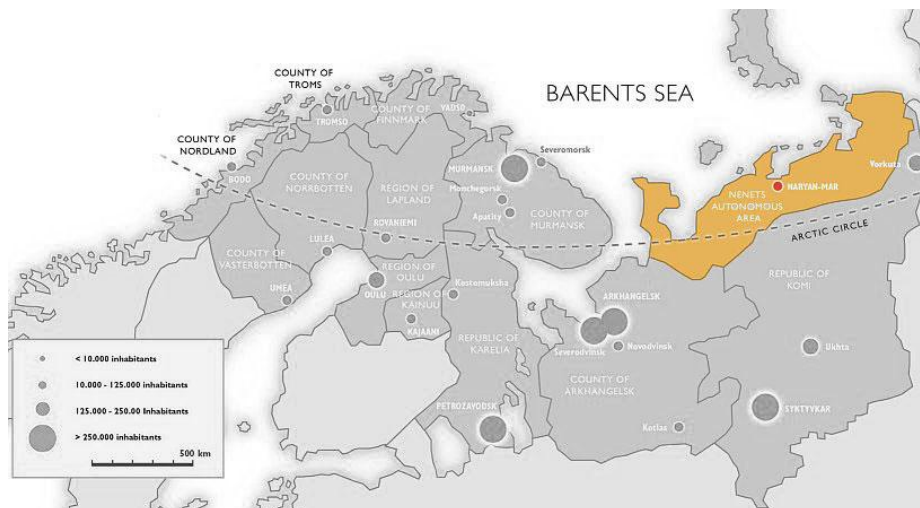


## Barents Monitoring

### Nenets Autonomous Okrug, first quarter 2009

The Social-Economic development of the Nenets Autonomous Okrug in January-March 2009<sup>1</sup>



### Trends

The first three months of 2009 showed mixed results for the regional economy. According a report from the Russian Ministry of Regional Development, the Nenets Autonomous Okrug was one of five Russian regions which showed growth in the industrial production each month in the first quarter of 2009. The quarterly growth of industrial production index was 34,7 percent. However, at the same time, the Nenets Okrug is one of the Russian regions with the sharpest drop in construction. The drop was 60,6 percent compared to the same period last year. Also the volume of housing construction dramatically dropped with as much as 90,9 percent. The volume of investments in the main capital was reduced with more than 50 percent. In April the expired salary payments grew 160% compared to March.

Retail trade turnover grew 7,8%, but volume of services provided to the population dropped by 10,4% compared to same period of 2008.

The development has resulted in lower regional budget revenues.

<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.

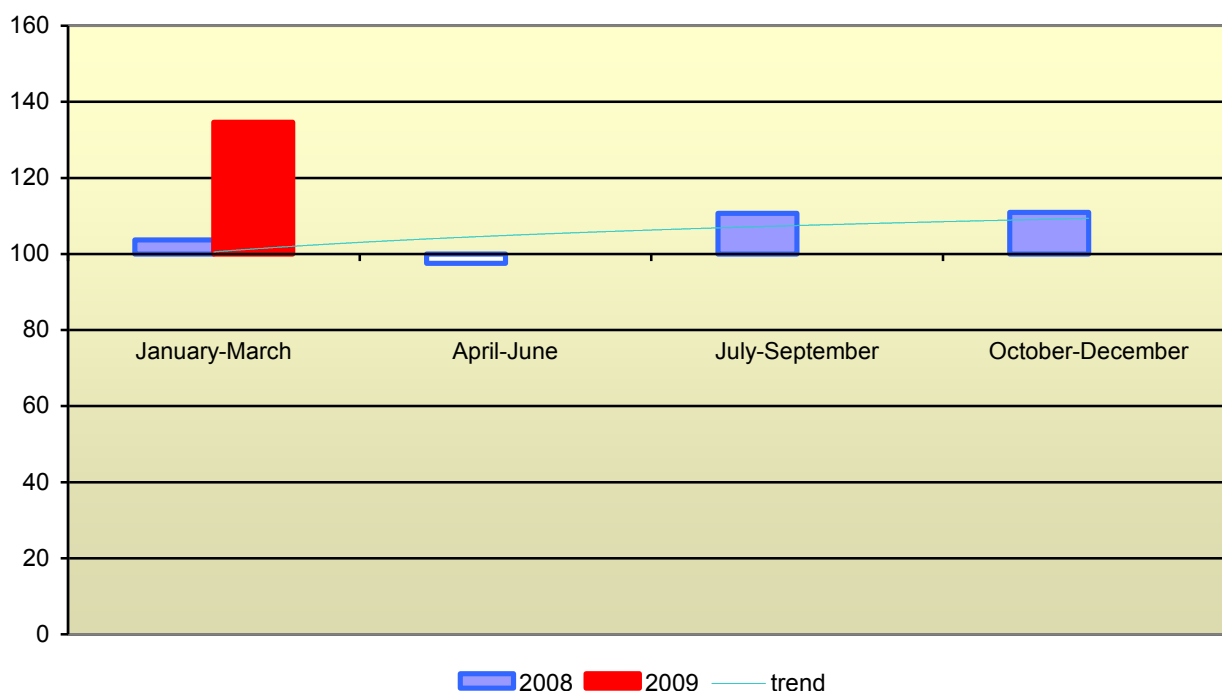
The economy of the Nenets Autonomous Okrug is heavily dependent on hydrocarbon production. The region is one of few regions of the Russian Federation where the volume of industrial production has been increasing steadily in the whole post-Soviet period. The fuel industry has a 98 percent share of the 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 stimulated first of all by the oil industry in the region. The share of the industry in GRP increased from 65% in 2001 up to 80% in 2005.

## INDUSTRIAL PRODUCTION

In the first three months of the year, the industry with the most dynamic rates of growth was the oil and gas industry (35% growth), electric power generation (44,4% growth), meat processing (16,9% growth).

Table 1. Index of industrial production 2008-2009  
(% to the correspondent period of the last year)



### Investments in the main capital

The investments in the main capital in the first three months of 2009 continued a negative trend that became evident in the end of last year. Investment activity in January-March 2009 was 67 percent lower than in the first quarter of 2008 and totaled 6.334 billion rubles.

### **Electric power generation**

The generation of electric power in the period increased 50 percent compared with the same period of 2008 and totaled 247 million KWH.

### **Oil and gas production.**

The oil production increased by over 35% and totaled 4,419 million tons.

## ECONOMY

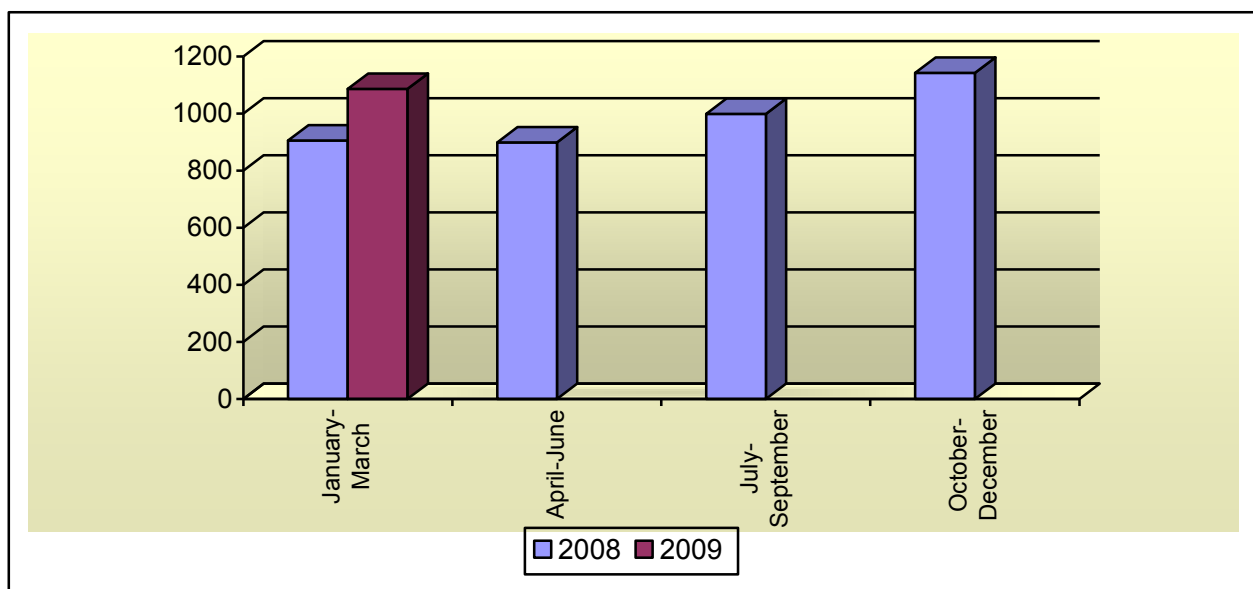
### Cargo turnover

The increase of the main branches of industry has positive influenced the cargo transport turnover, which in first quarter of 2009 increased 60% compared to 2008 levels and totaled 997,600 ton-kilometers.

### Retail trade

The turnover of retail trade increased by 7.8% (in comparable prices) and totaled 1.086 billion rubles.

Table 3. Retail trade turnover (million rubles)



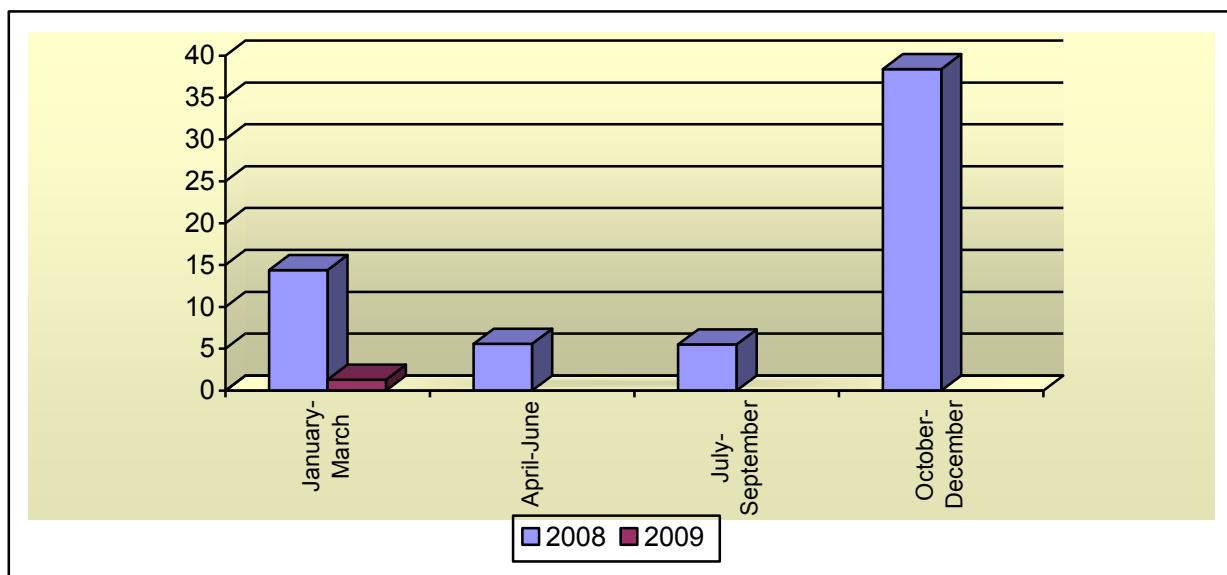
### Construction

In the period January-March, the volume of work within the regional construction industry dropped 60,6% compared with 2008 and totaled 1.696 billion rubles.

### Housing construction

Housing construction dropped by 91% compared to 2008. Totally, 11 flats or 1,300 square meters has been built in first quarter 2009.

Table 4. Dynamic of houses' implementation (thousand square meters)



## POPULATION

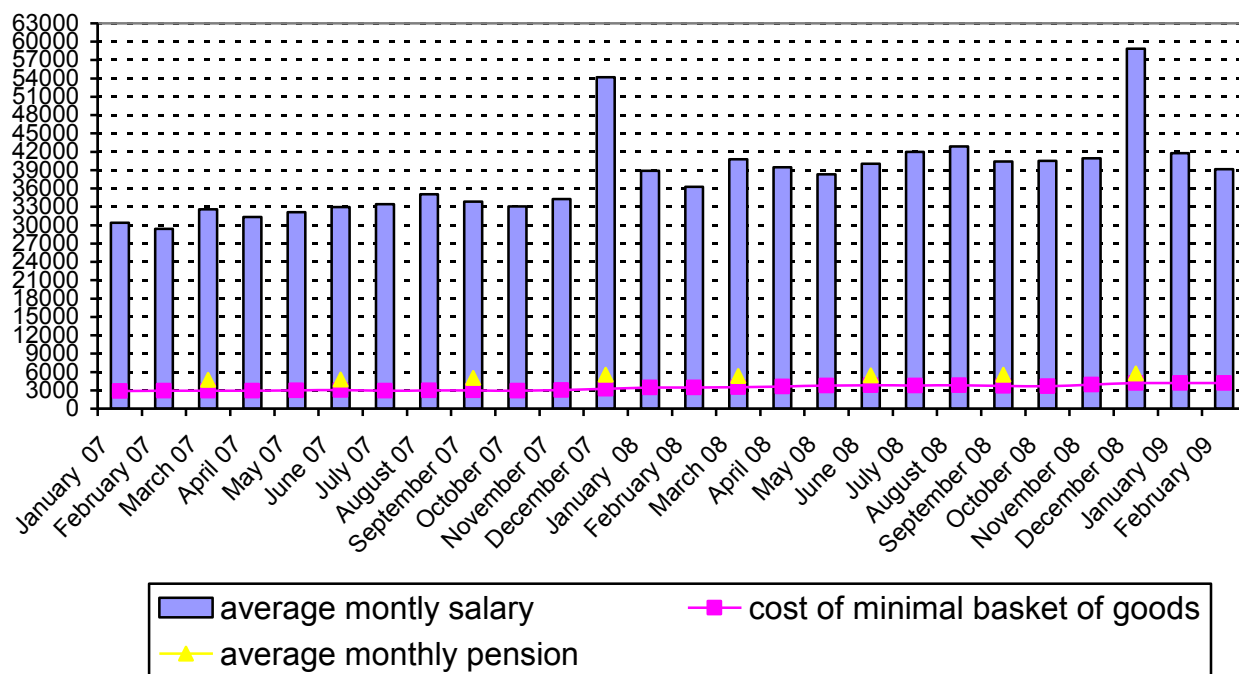
In the period January-March there was a rise in birth rate and a sag in mortality rates compared to the same period of 2008.

The number of people employed in the regional economy of the Nenets AO has decreased in January – March by 5,4% compared to 2008 and totaled 2877. The number of unemployed people in first quarter of 2008 grew by 23,8% compared to the same period of 2008 and totaled 867 officially registered in the employment offices.

The average money incomes of the population has decreased by 20% compared to the previous year and totaled 32805 rubles.

Still, the average accrued salary in Nenets Autonomous Okrug is one of the highest in Russia.

Table 5. Incomes of population (rubles)



### The Nenets autonomous okrug. General information.

|                        |  |
|------------------------|--|
| Territory:             | 176,81 thousand 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<br>17,1 % Nenets<br>9,5 % Komi   |
| GRP:                   | 82 billion rubles (2008, average estimation)   |
| Main city:             | Naryan-Mar - 26,8 thousand 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 became an equal subject of Russian Federation in 1993. At the same time its territory and population is included into the Arkhangelsk oblast.

### 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)