

Report on Project Session  
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### Roundtable Discussion “Business Initiatives for a Joint Agenda in the North”

#### Report of part 1 of the Roundtable

During the discussion of “Business Initiatives for a Joint Agenda in the North”. The discussions included such significant themes as Experiences of Novgorod region in international business, interaction between business and politics and the influences of the foreign investments to the prosperous development of the region. We heard the presentations of

- Arnold Shalmuev, chairman of Economic Committee of Novgorod region
- And the representatives of the business Boris Kaplun, General director of Amcor Rentch Novgorod and Rafik Suleymanov, General director of NBI Transport Service.

I would like to emphasize the main aspects of the presentations.

The representative of the Administration mention that the prominent success was reached in the economic development of the region. . The reason is neither great mineral resources, nor a powerful industrial base Novgorod has but rather the serious, business attitude of its business and political leaders.

The strategy of the region’s development is aimed to create favourable investment conditions which means the following:

- political stability in the region including low investment risks secured through the system of guarantees by Oblast Administration;
- cooperation between legislative and executive branches of local authority
- developed infrastructure of business support
- developed transport infrastructure: Novgorod region is crossed by : roadway of federal significance Moscow-St. Petersburg, railways Moscow-St. Petersburg, St. Petersburg-Kiev, Dno-Yaroslavl
- developed structure of the modern means of communication (region takes the third place in Russia after Moscow and St. Petersburg as for level and volume of the transmission services
- free access to the market of highly-skilled low-paid labor force
- tax exemptions for organizations, carrying out production activities and investing their own and attracted capital into the implementation of the concrete investment projects

Foreign investors were attracted by the new investment legislation

The most important results of these politics are:

- Consistency of the economic growth of the region and well-being of the enterprises with the profits exceeding the given index of similar businesses located outside the region

- Local manufactures develop along with the enterprises based on the foreign investments
- And also the social aspect: creation of new jobs and thus improvements in the standard of living

But anyway some problems still remain. We can divide them into Political (the main of which is bureaucracy) and economic. We should emphasize most important of them:

1. low purchasing power of the population
2. Custom legislation
3. And the third significant source of problems is Currency legislation

The successful Novgorod experience should not remain unique. The administration is ready to provide information assistance to the interested regions. But for adopting this experience it is necessary to realize that the changes in people's attitudes towards this problem should be taken into account. It is necessary to feel benefits for all participants of the international and interregional interactions. Moreover only money injections in economy is not enough, the enormous expenses of time, persistent, fruitful work are still necessary. The single investment undoubtedly bring benefits, but for achieving positive changes in economic situation it is useful to analyze the admitted mistakes and to try to show sustainable interest to establishing new profitable projects.