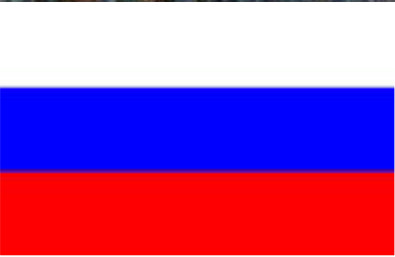


III Russian-Japanese Investment Forum



**Investment Potential of
the Republic of Karelia in
Tourism and Possibilities
for Japanese Investments**



**A.S. Kolesov
Deputy Prime-
minister,
Government of the
Republic of Karelia**

Saint-Petersburg, September 6, 2008



Republic of Karelia:



- favorable region for tourism development,
- entrance into Russian Federation for foreign tourists



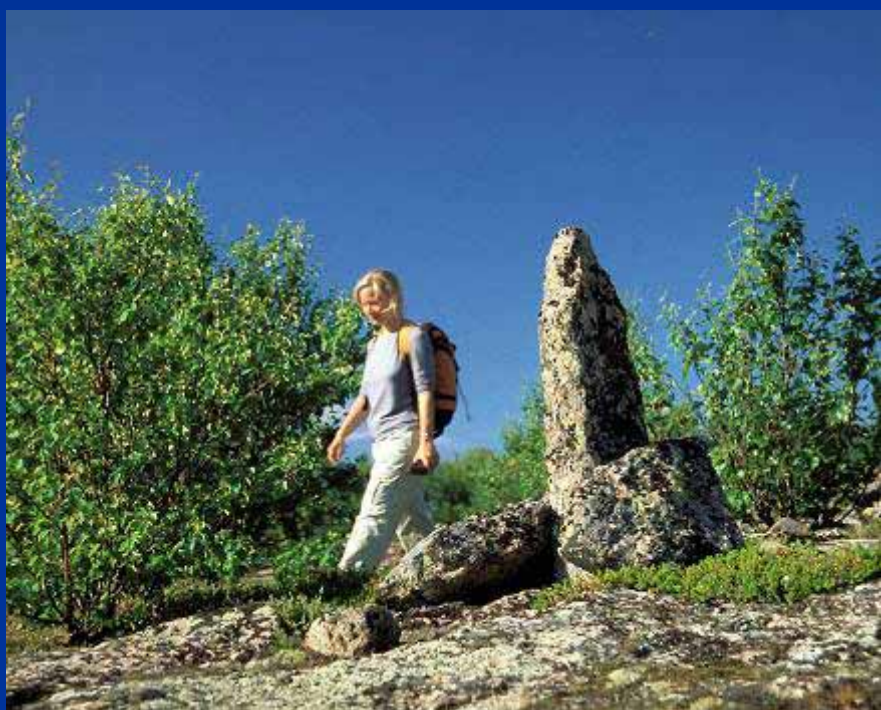


Kizhi, Valaam, Solovki
Karelian allure basis

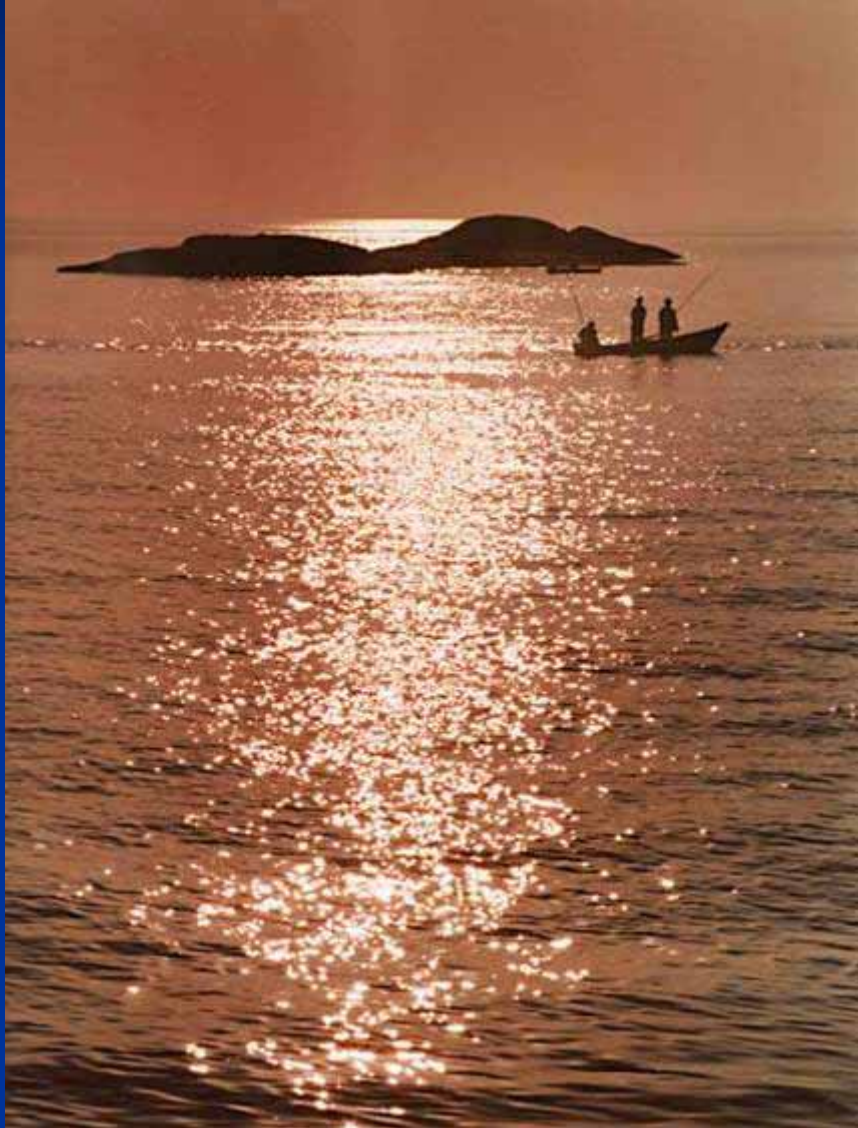




Public accounting includes over 4000 monuments involving:
petroglyphs,
Saami seids and labyrinths
(approximately 5000 years old)



The Republic of Karelia is covered by 27 thousand rivers and 63 thousand lakes

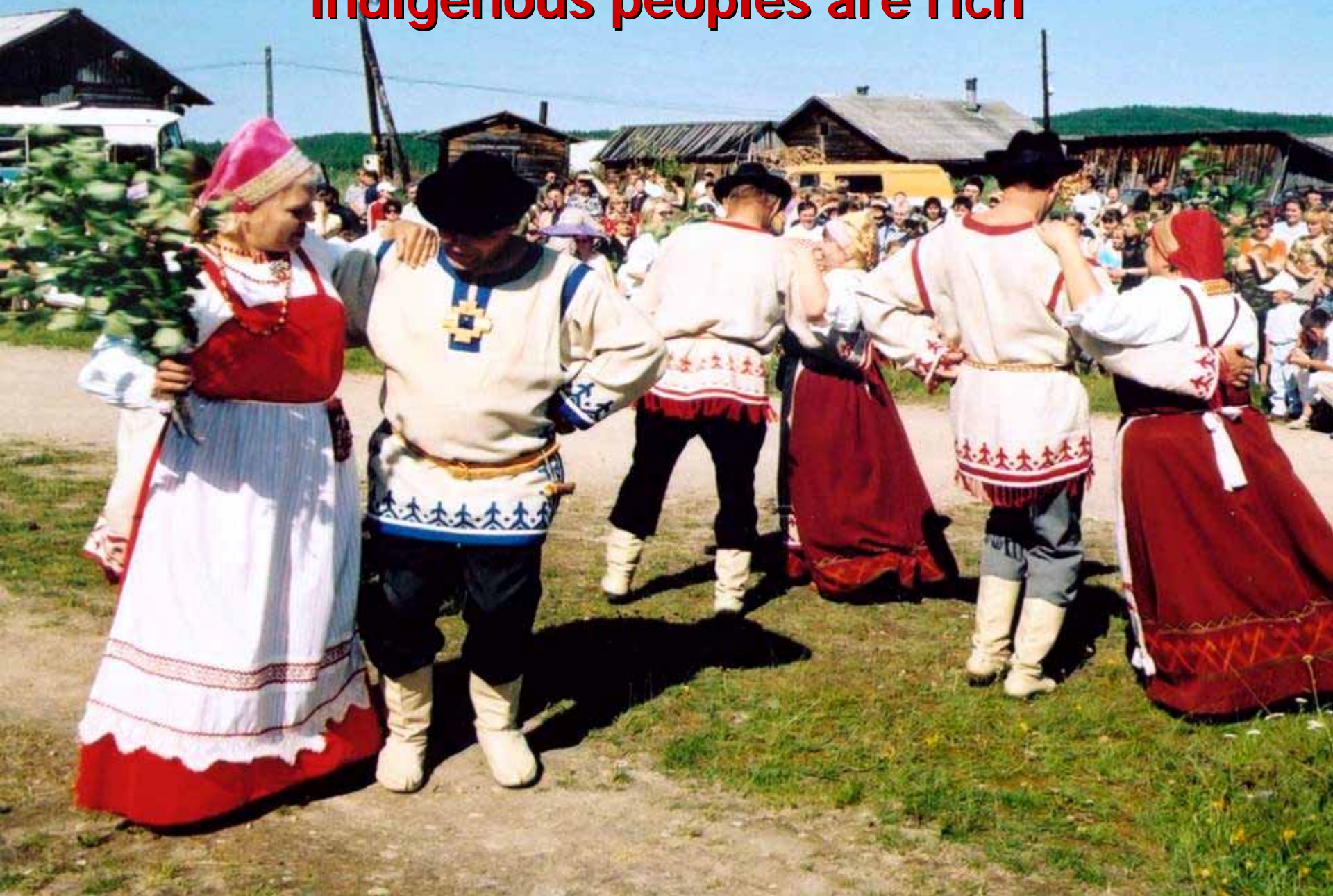


Nature protected areas consist over 5,5% of Karelian territory

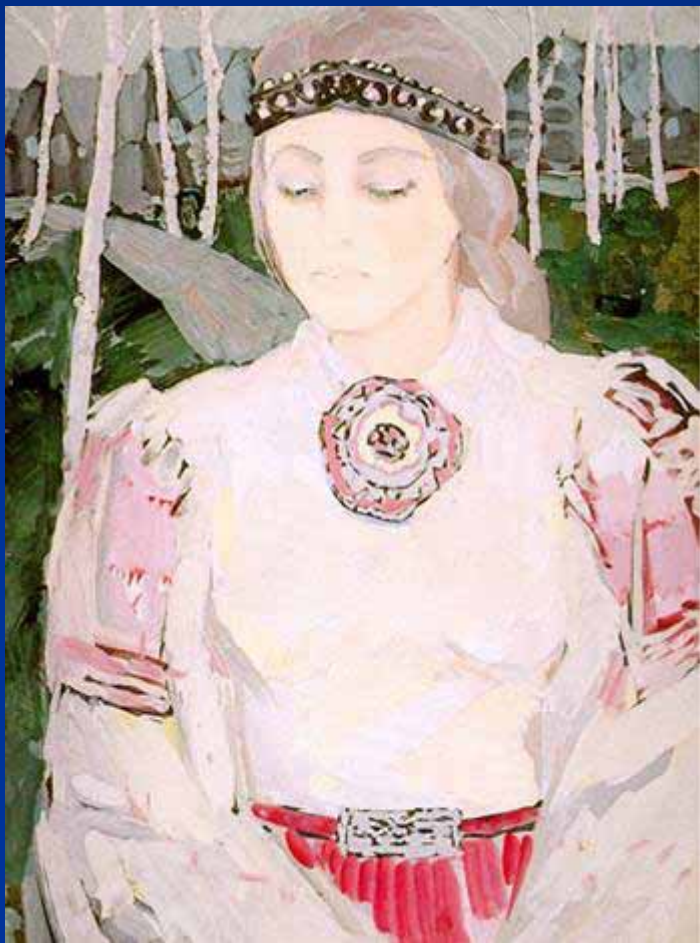
**Old Karelian,
Veps and
Pomor
settlements
are preserved
in Karelia**



Folklore and national traditions of Karelian indigenous peoples are rich



Karelia is the birthplace for world-known Karelian-Finnish epos “Kalevala”



Karelian people hospitality...



... is well known



Regional target programme “Tourism Development in the Republic of Karelia up to year 2010»



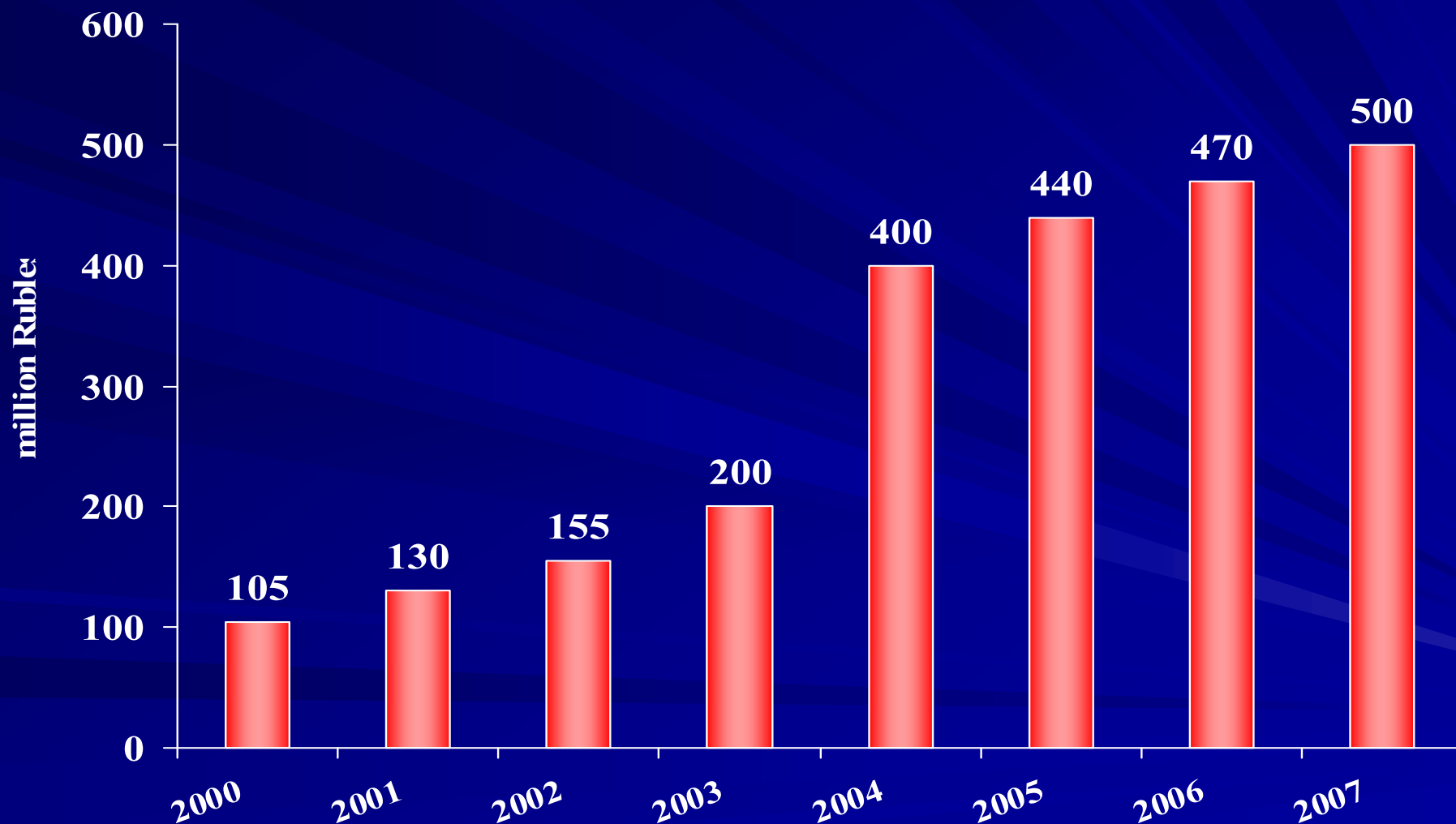
Main goal – formation of tourism
basis in Karelia, providing for
economic diversity and
decreasing of future development
risks in the region

Key Figures of Tourism Development in Karelia

Figure*	2000	2007	increase
Number of workplaces within tourism industry	1600	2300	43,8 %
Overall number of visitors in Karelia, million people	1,29	1,78	38 %
Number of tourists, thousand people	237	500	111 %
Tourism, excursion and hotel services, million Rubles	133	510	283 %
Volume of off-budget investments into Karelian tourism infrastructure, million Rubles	105	500	376 %

* by expert appraisal

Volume of Off-budget Investments into Tourism Infrastructure in the Republic of Karelia



Among on-going projects:

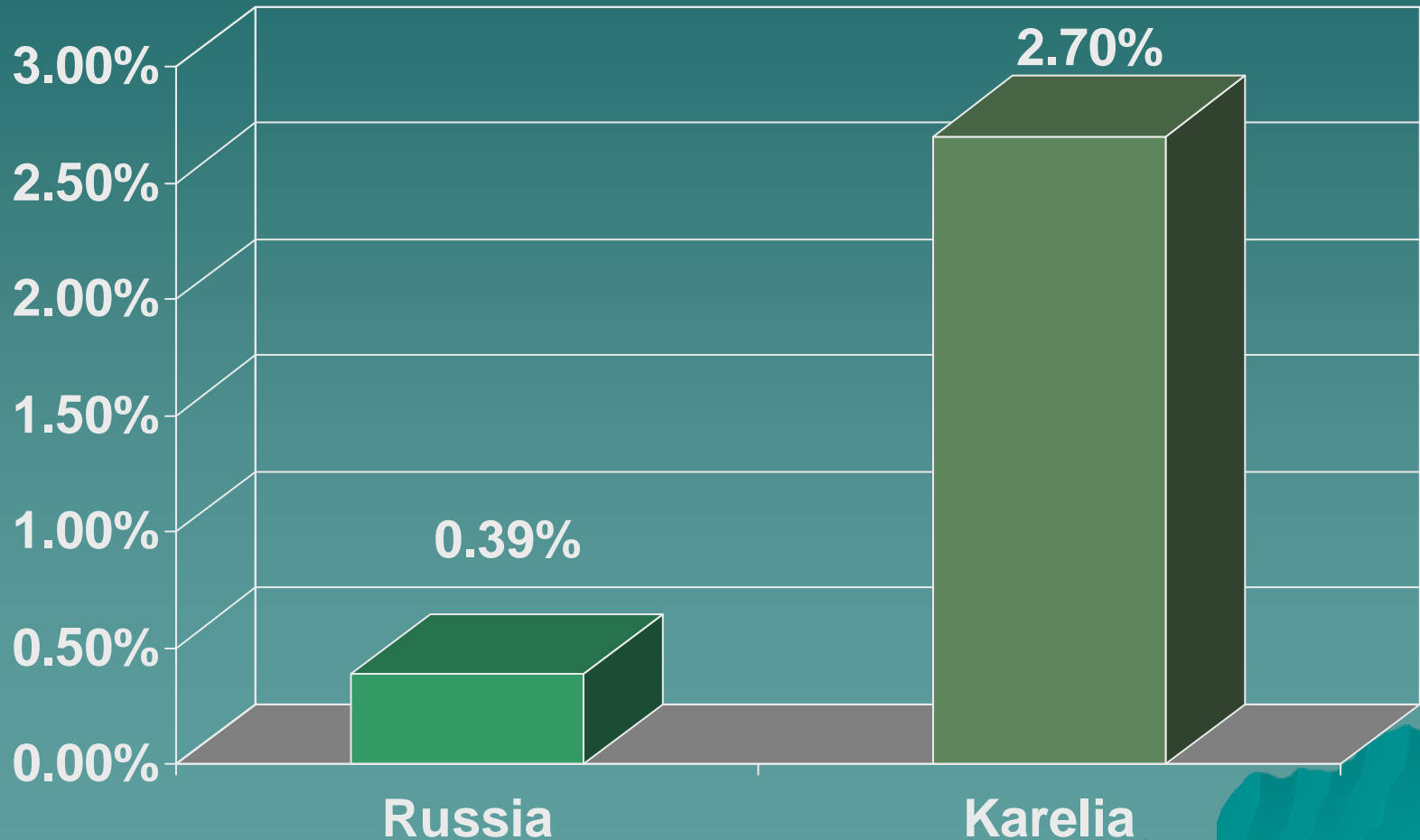
- Building of “Onego-Palace” hotel complex

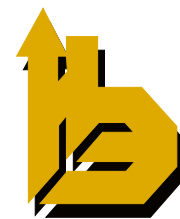


No less than 5 new tourist camps
are opened every year



Share of Tourism Infrastructure Investments within Overall Volume of Capital Investments



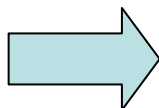


Priority direction: Hospitable Karelia

Concept of
Karelia
development

Strategy of
Karelia
development

Territorial
scheme of
planning in
Karelia



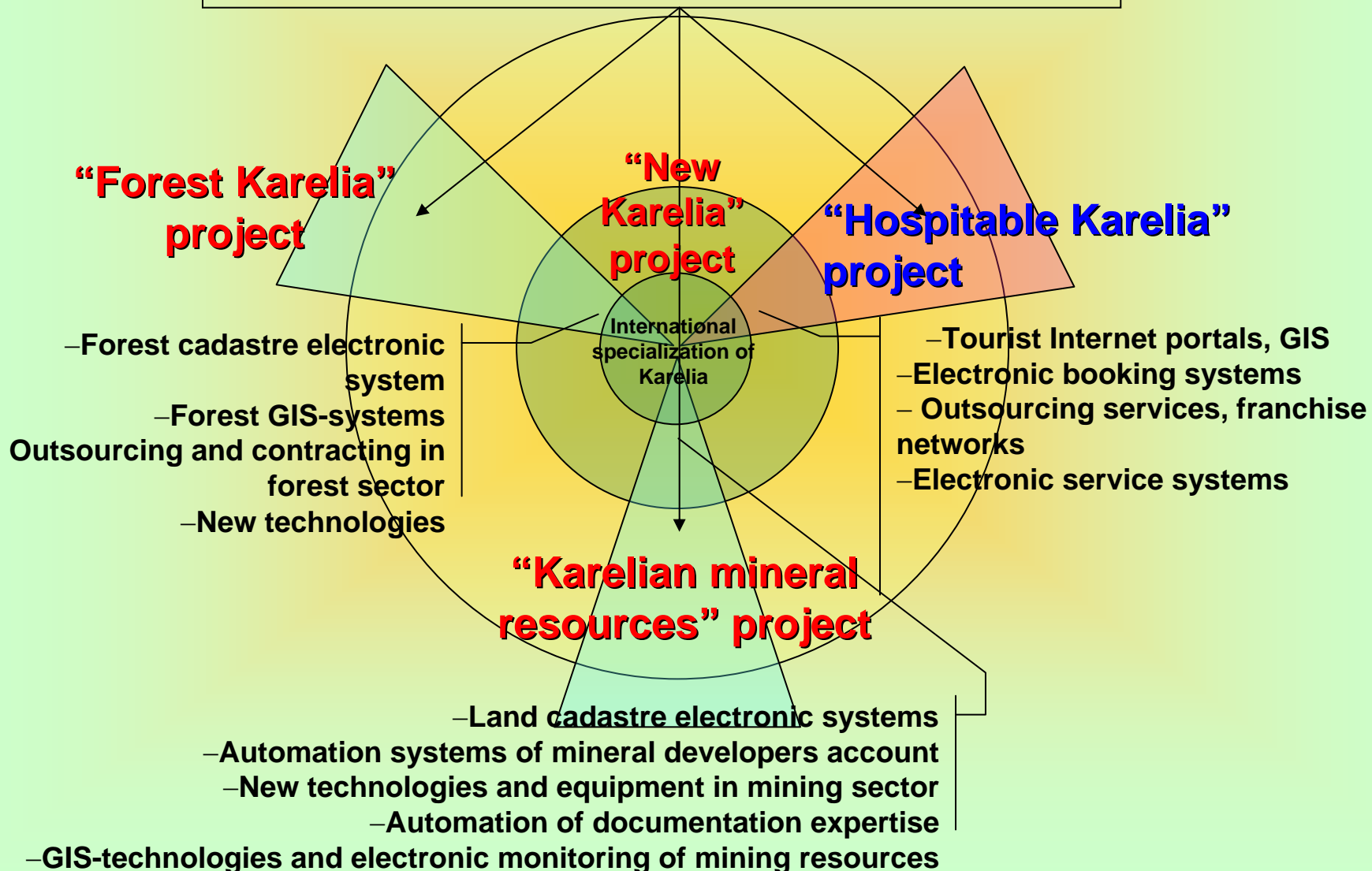
*Tourism
development
strategy in
Karelia*

*Master plan of
tourism objects
allocation*

*Programmes and
projects of tourism
development*

Projects system of Karelian development strategy up to 2020

Regional projects system





Республика Карелия



Tourism development goals

Figures	Now	Year 2020
Number of workplaces in tourism industry	2150	8000
Total revenue, milliard Rubles per year	3,2	5,2
Number of visitors, million people per year	1,7	3,5

Regional law «State support for investment activity in the Republic of Karelia»

Ways of state support:

- granting exemptions for property and income taxes;**
- granting of state guarantees for investment projects;**
- allocation of regional budget funds for subsidy provision on partial refund of interest rate for credits taken for investment purposes.**

Possibilities for Japanese Investments

Master plan of
tourism
infrastructure and
objects allocation
in Karelia:
Development of 12
new perspective
tourism and leisure
sites
(22,1 billion Rubles)





**Planning drafts
for seven chosen
sites have been
developed**

Preservation of
Kizhi
churchyard and
development
of “Kizhi” open-
air museum
infrastructure (3
billion Rubles)



Revival and development of Valaam archipelago:

- Valaam monastery reconstruction;
- roads construction;
- entry zone reconstruction;
- construction of communication and electricity lines;
- construction of litter baling machine



Joint plan with the Moscow Government on small hotels network construction



Марциальные воды

Железистые
минеральные воды

Сапропелевые
лечебные грязи

Общеоздоравливающий,
омолаживающий эффект

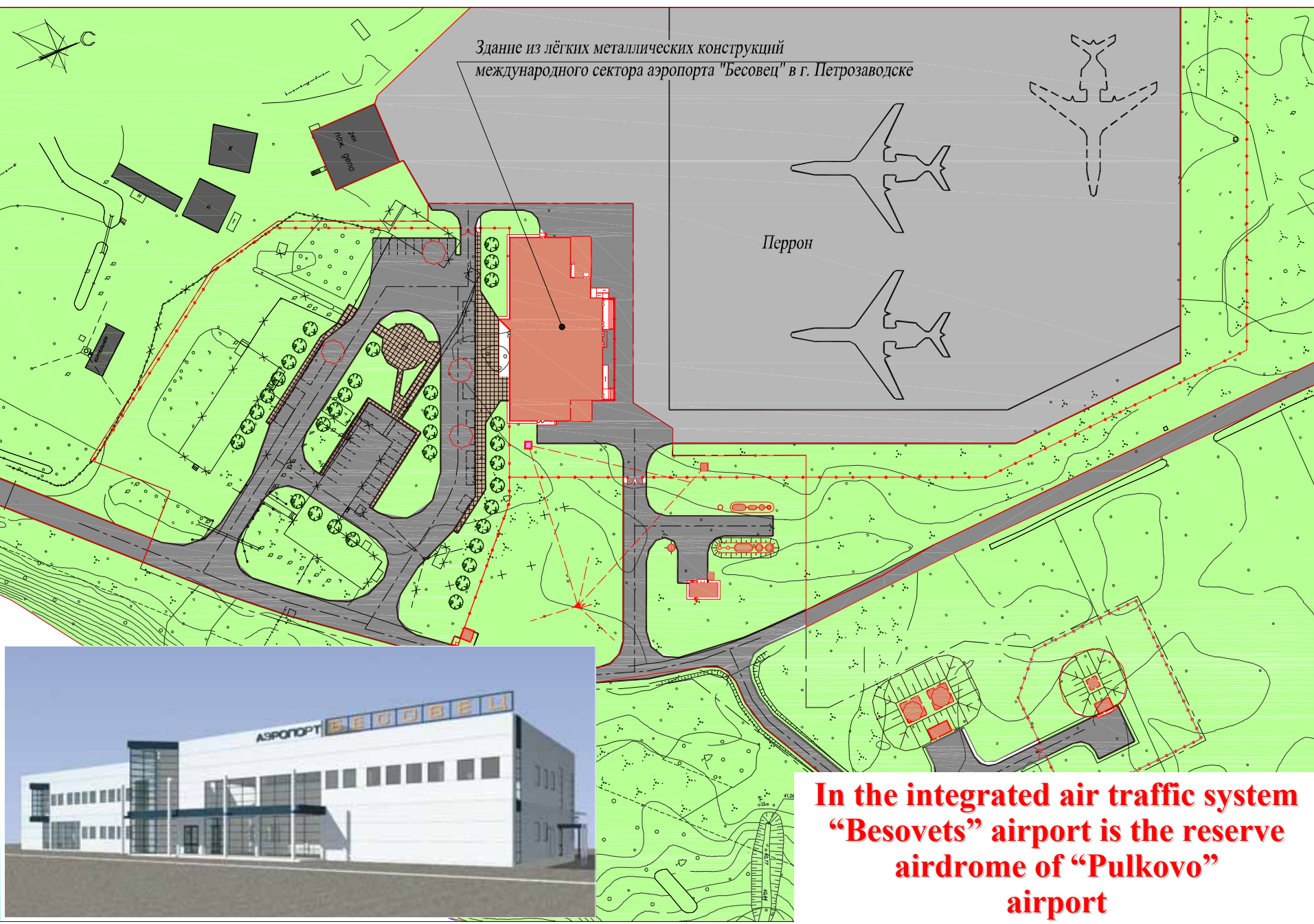
Профили лечения:

- заболевания сердечно-сосудистой системы
- гинекологические заболевания
- заболевания костно-мышечной системы
- заболевания нервной системы
- заболевания органов дыхания
- заболевания органов кровообращения
- заболевания органов пищеварения
- урологические заболевания



Development of the first Russian health-resort
“Martial Waters” (1,9 milliard Rubles)

Petrozavodsk “Besovets” airport reconstruction (0,96 billion Rubles)



Construction of Ski Resort “Spasskaja Guba” (10,4 billion Rubles)



СПАССКАЯ
ГУБА



Road networks modernization in the Republic of Karelia (37,5 billion Rubles)



You are welcome!

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