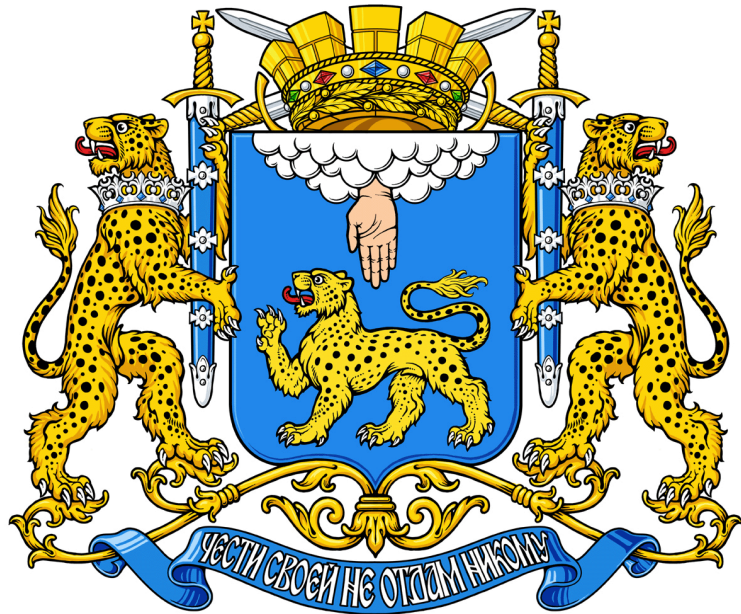


Pskov slide package for a foreign investor



Elias Kallio
December 2019



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1. General information

a) Basic facts

Area:

55 300 km²

Largest towns: (population 2019)

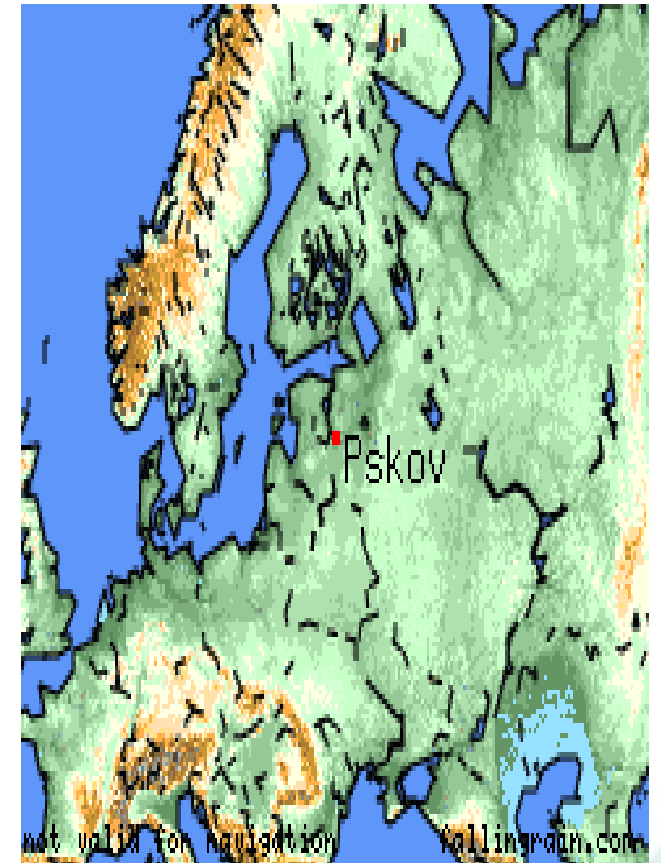
Pskov	210 116
Velikiye Luki	90 549
Ostrov	20 482

Main industrial output:

Meat, milk, linens, clothes, construction materials, motors, cables, high-voltage machines and insulators

Natural resources:

Forests, clay, molding sand, gravel, peat, lime, water



1. General information

b) Administrative division

District	Population (2019)	District	Population (2019)
Bezhanitsy	9 834	Pechory	19 376
Dedovichi	11 697	Plyussa	7 266
Dno	10 971	Porhov	16 947
Gdov	11 976	Pskov	41 093
Krasnogorodsk	6 692	Pskov (city)	210 116
Kunya	8 779	Pushkinskiye Gory	7 837
Loknya	7 757	Pustoshka	7 899
Nevel	23 308	Pytalovo	10 682
Novorzhev	7 849	Sebezh	18 833
Novosokolniki	12 580	Strugi Krasnye	10 129
Opochka	15 990	Usvyaty	4 932
Ostrov	28 691	Velikie Luki	20 551
Palkino	7 317	Velikie Luki (city)	90 549



1. General information

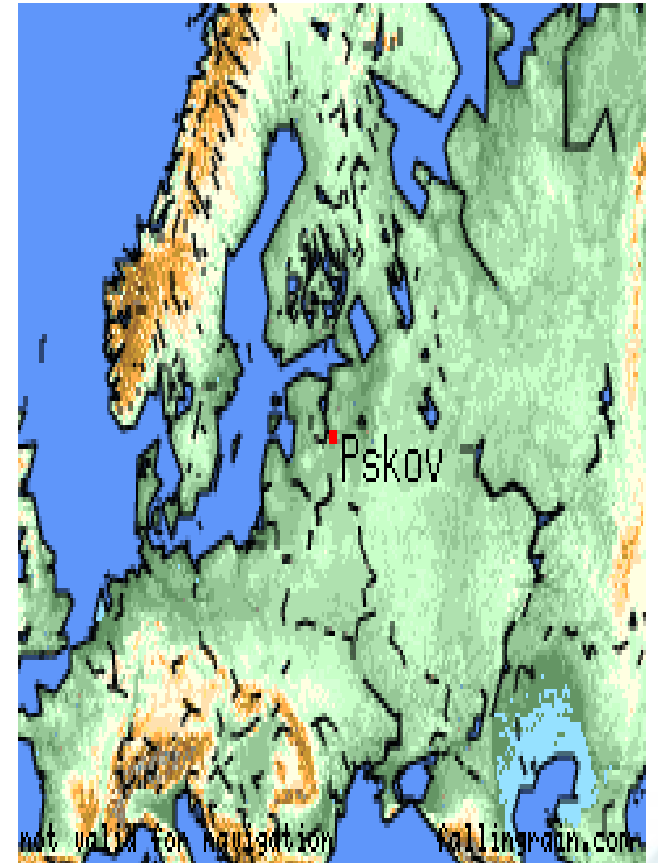
c) Geographical facts

Borders with:

Latvia	214 km
Estonia	270 km
Belarus	305 km

Distance from Pskov to some capitals:

Riga	270 km
Tallinn	350 km
Minsk	480 km
Moscow	689 km
Helsinki	700 km
Kiev	780 km
Warsaw	800 km
Stockholm	860 km
Berlin	1 200 km
Brussels	1 740 km



1. General information

d) Transport infrastructure

Motorways

Moscow – Riga

St. Petersburg – Kiev – Odessa

St. Petersburg – Vilnius

St. Petersburg – Riga

Railway routes

Moscow – Riga

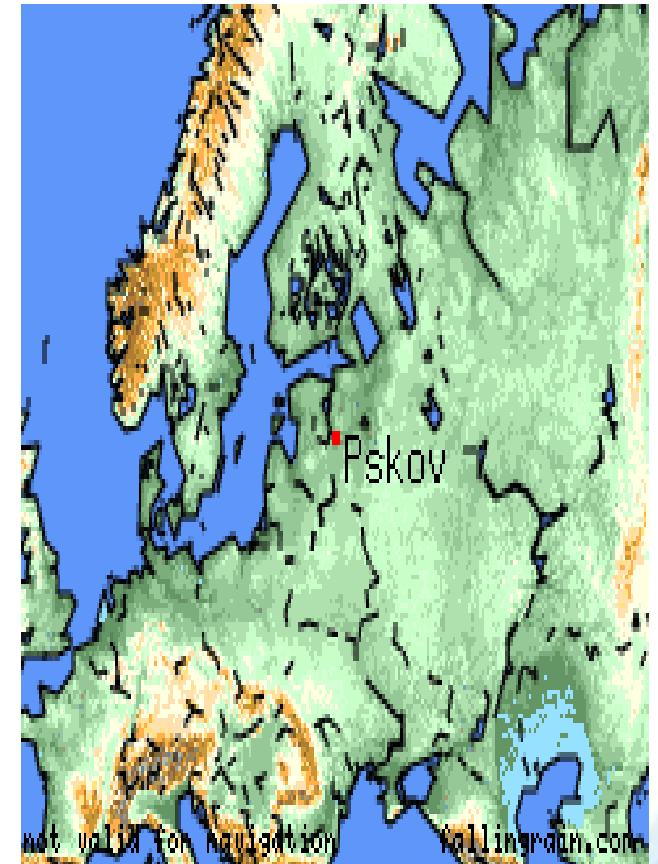
St. Petersburg – Odessa

St. Petersburg – Vilnius – Kaliningrad

St. Petersburg – Riga

St. Petersburg – Lviv

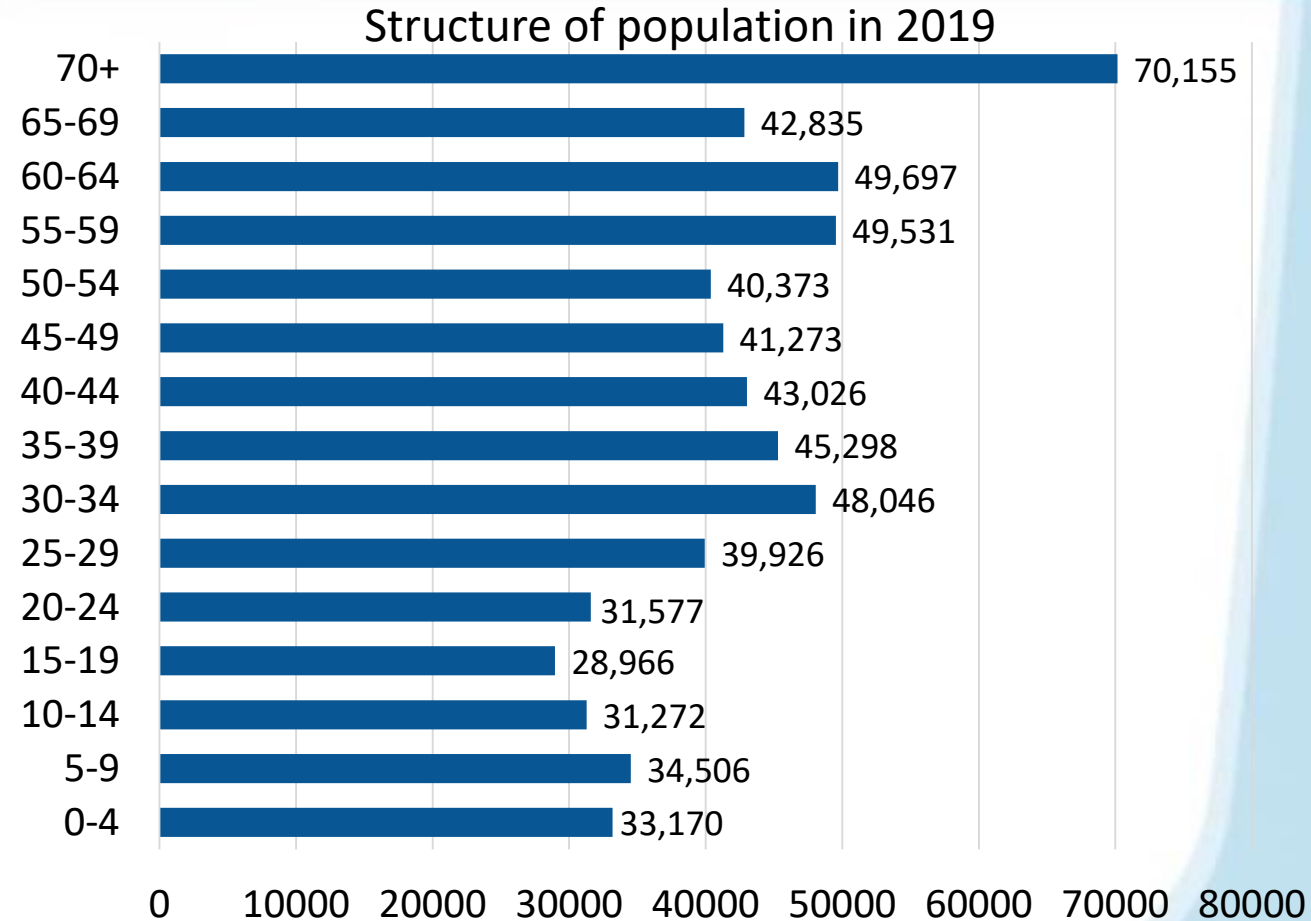
	2005	2010	2017
Length of roads (km)	10 891	14 552	23 466
Length of railways (km)	1 092	1 092	1 089
Cargo traffic on railways (tons)	2 609	3 832	3 799
Cargo traffic on roads (tons)	792	1 455	1 265
Passenger traffic on railways (million people)	4.7	2.3	0.7
Passenger traffic on roads (million people)	119.6	69.5	50.6



1. General information

e) Population

	2008	2013	2018
Population (thousand)	700	662	637
Population change (%)	-7.7	-5.4	-3.8
Share of urban population in total population size (%)	69.2	70.3	70.9
Economically active population (thousand)	366.9	350.9	319.0
Economically active population (%)	52.5	53.1	50.1
Number of unemployed (thousand)	23.8	24.4	18.2
Unemployment, ILO definition (%)	6.5	7.0	5.7



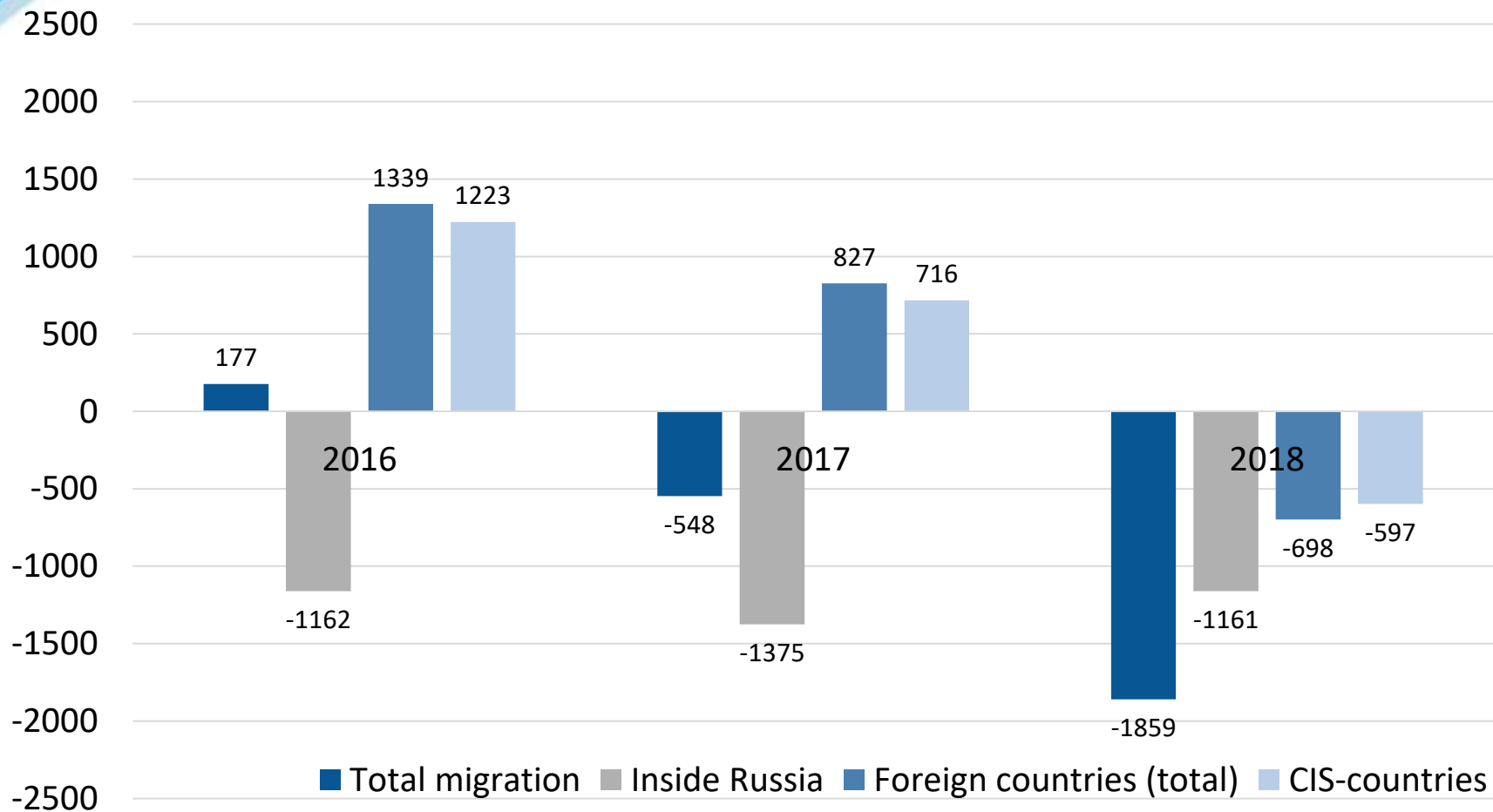
- Population is decreasing and getting older, as a consequence the dependency ratio is getting worse.



1. General information

f) Population

Migration balance

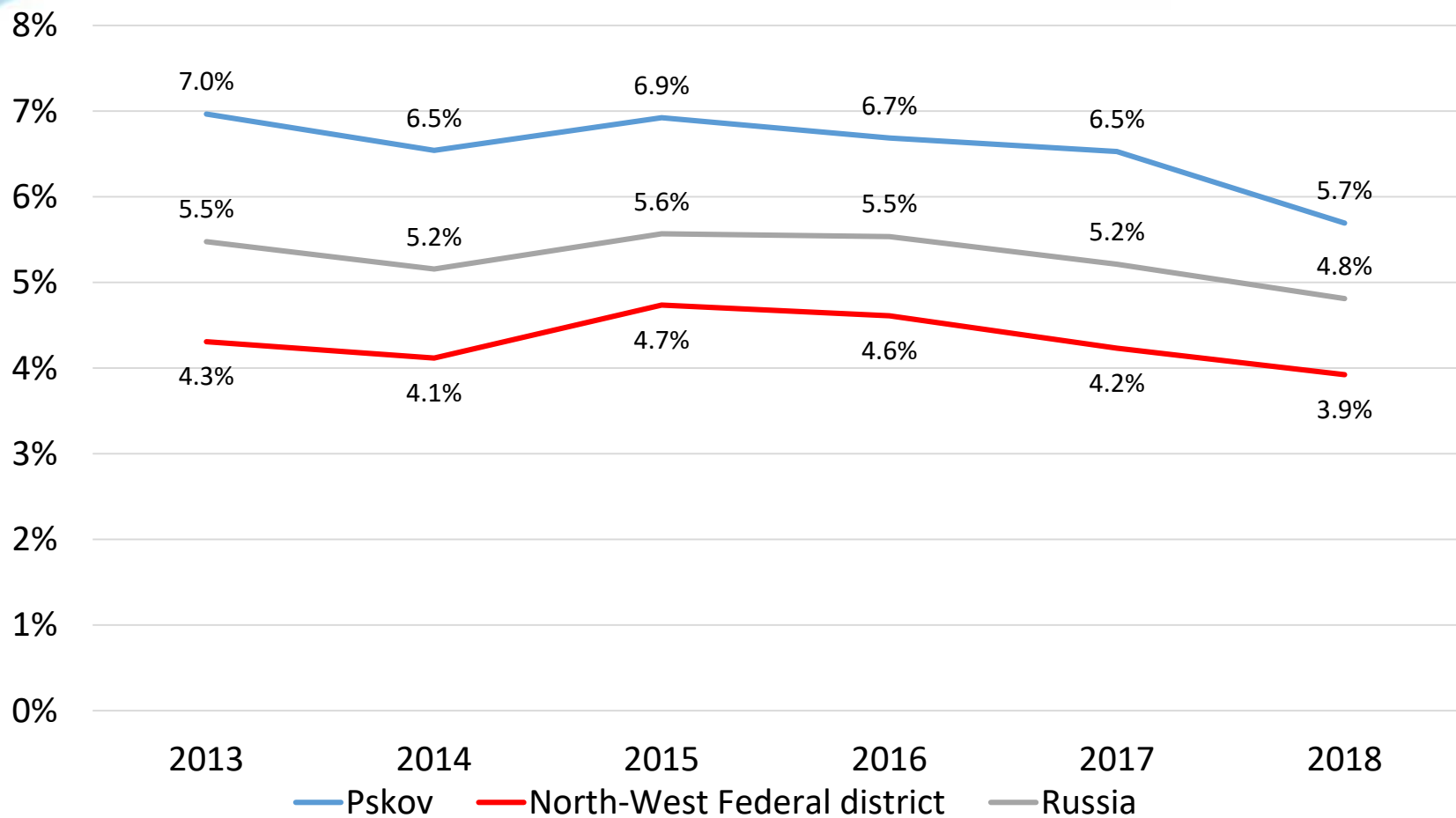


- Most of the migration movement takes place inside Russia or inside post-Soviet territory.



1. General information

g) The unemployment rate % (ILO definition)

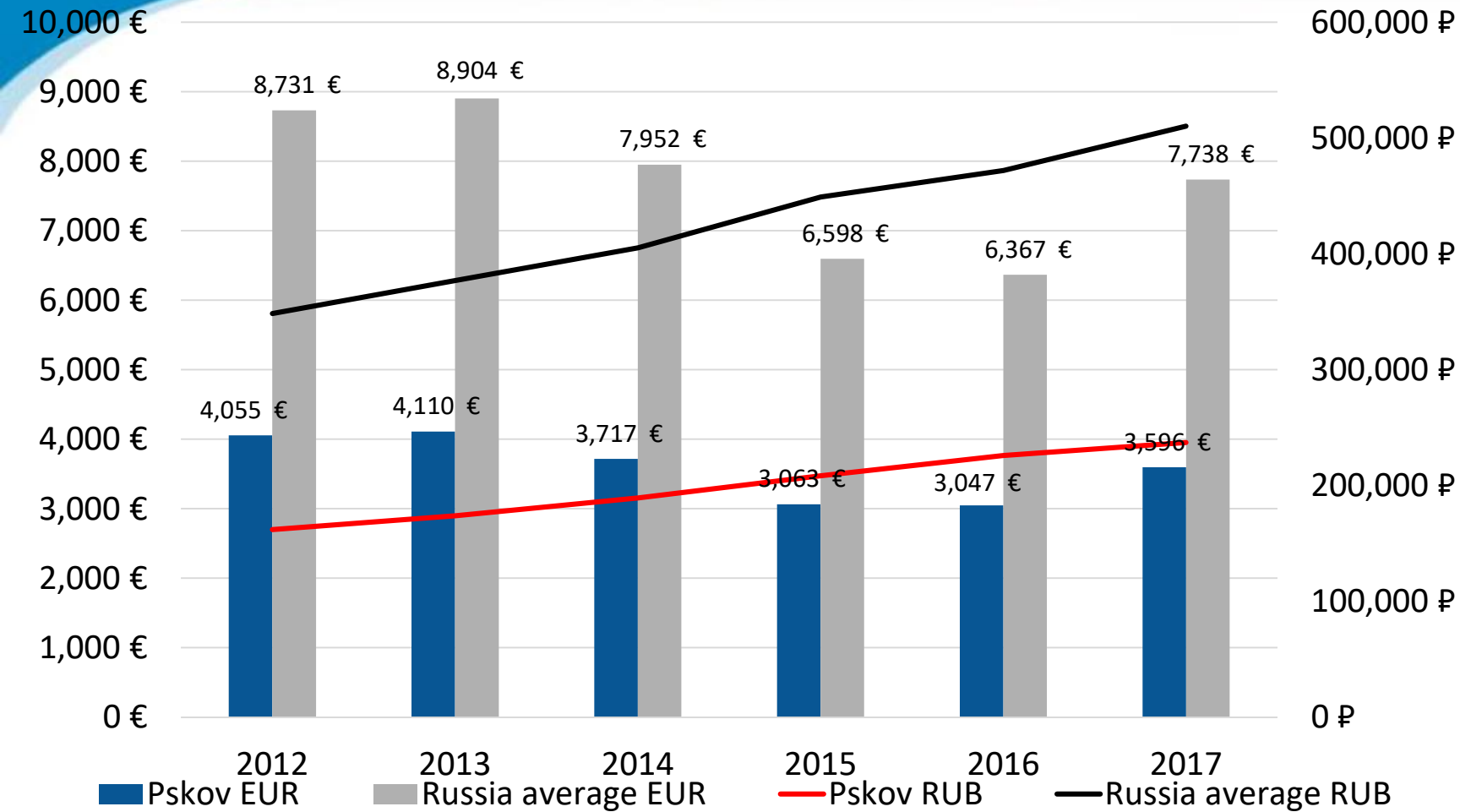


- Unemployment in the Pskov region is a larger problem than in Russia on average.
- Compared to the average of the North-West Federal district, where Pskov is located, the situation is even worse.
- One of the reasons why people are moving from the Pskov region is employment and higher living standards elsewhere, for example in St. Petersburg.



2. Regional economy

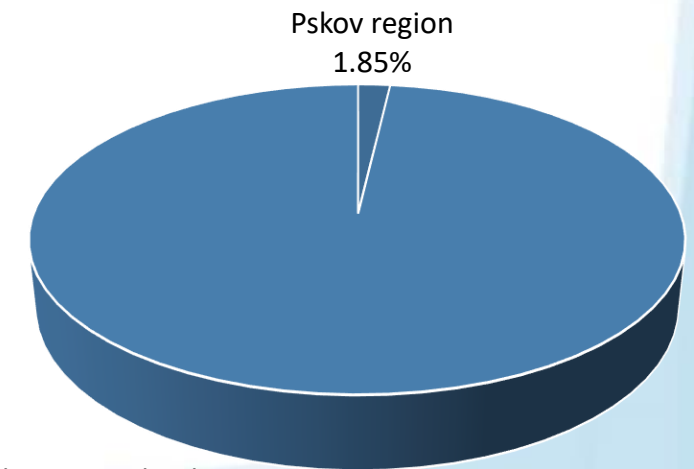
a) Regional GDP per capita



Average annual exchange rate EUR to RUB

2017	65.94
2016	74.14
2015	68.07
2014	50.95
2013	42.34
2012	39.93

Share of the North-West Federal District in 2017



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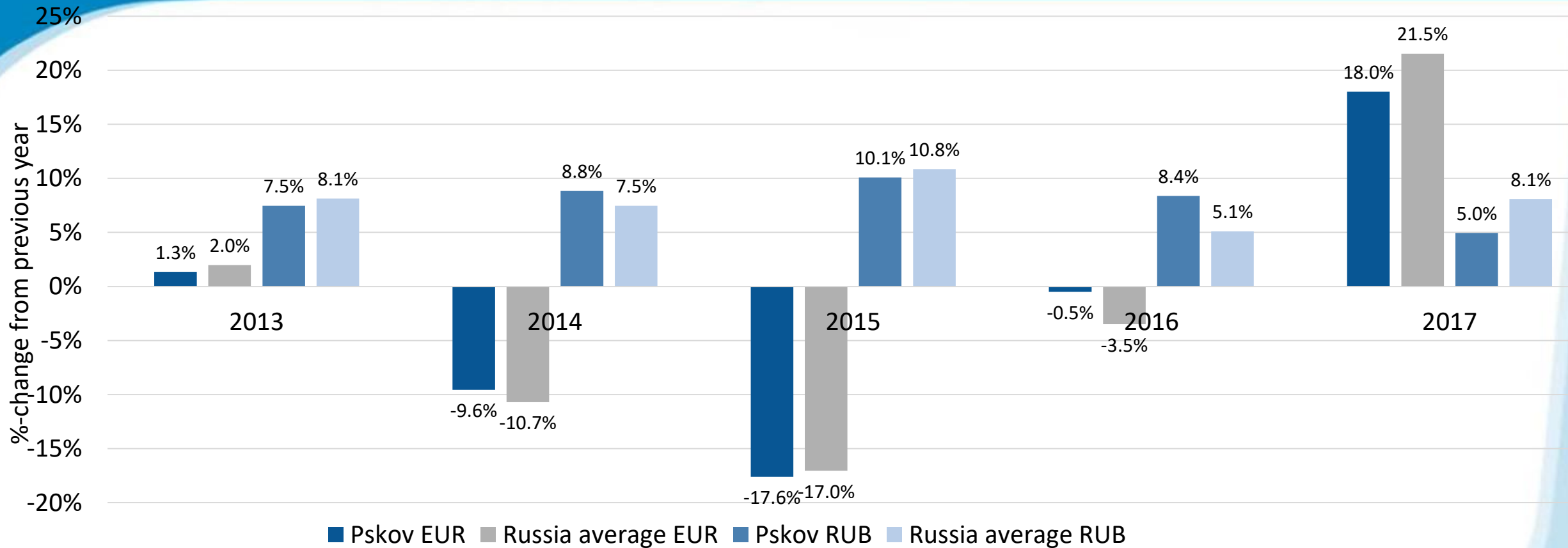
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Source: Rosstat, Statista 2019

North-West Federal
District 98.15%

2. Regional economy

b) Development of regional GDP per capita in current prices

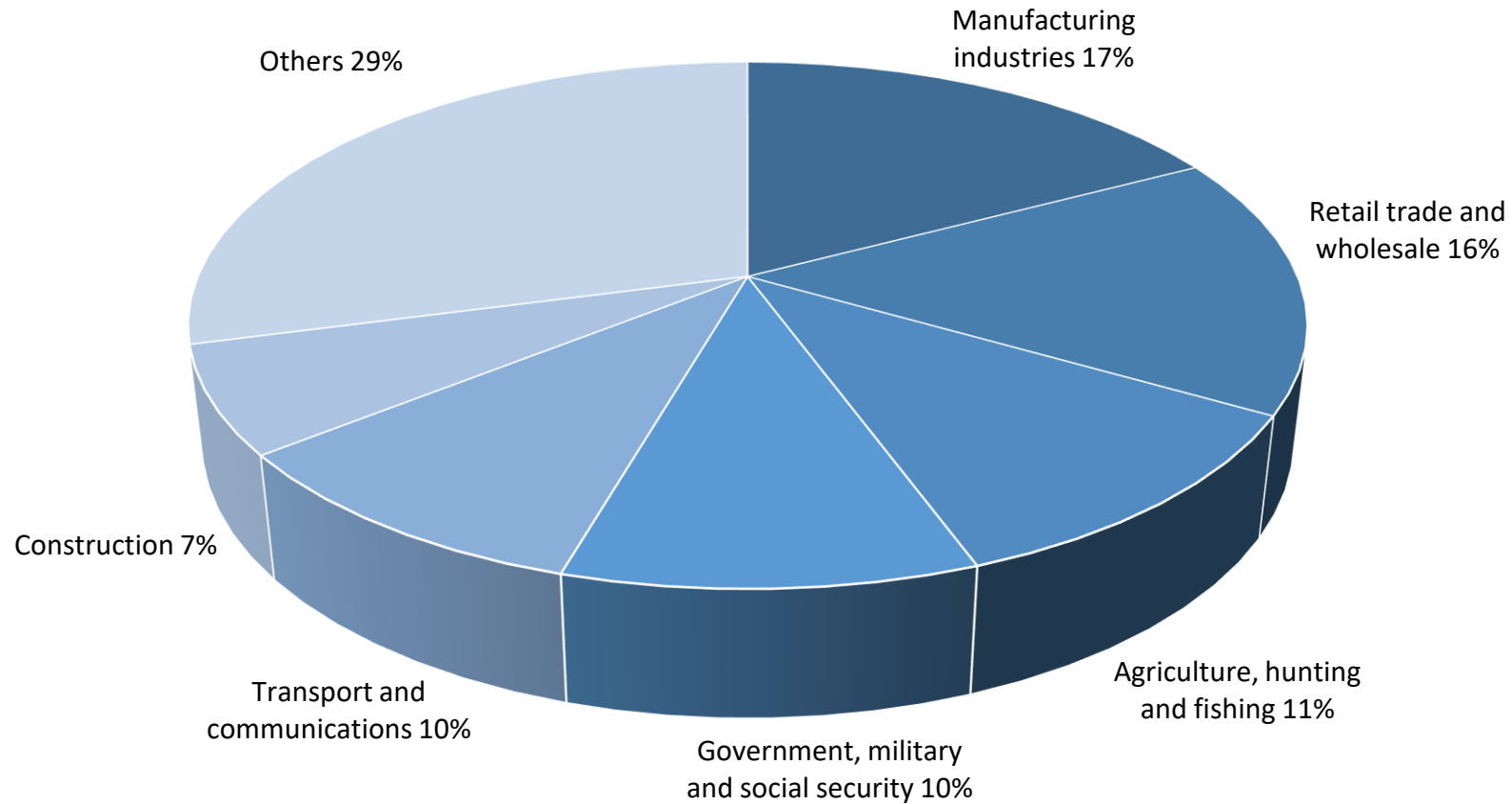


- Because of Ruble's devaluation the GDP development in RUB and EUR is radically different.
- The GDP measured in EUR describes the development of real GDP and purchasing power more adequately.



2. Regional economy

c) Structure of regional GDP by economic activity in 2017



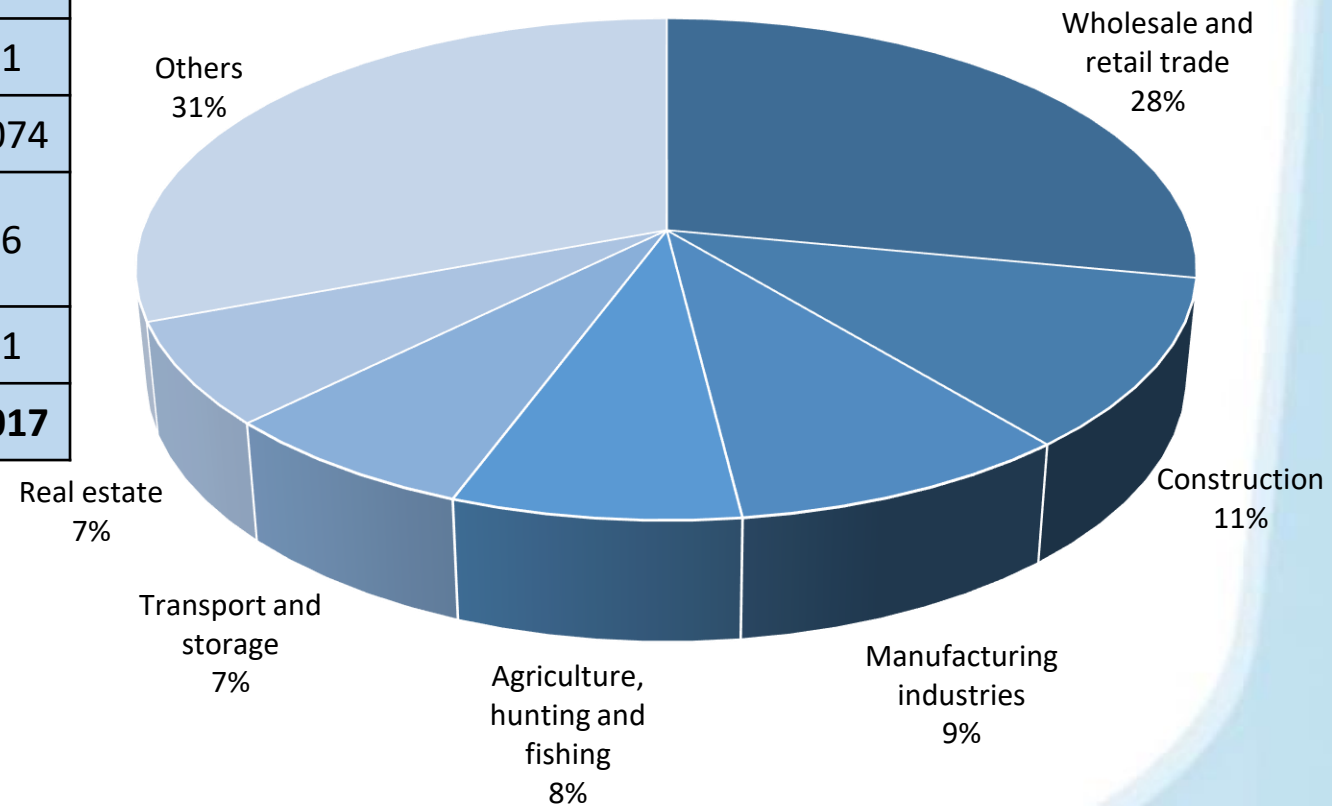
2. Regional economy

d) Distribution of companies by ownership and economic activity

	2010	2015	2016	2017	2018
State-owned	783	625	616	602	556
Municipal-owned	1 295	888	853	823	811
Privately-owned	11 860	12 977	12 621	12 696	12 074
Religious and public organizations	895	839	837	839	766
Others	1 151	1 053	869	871	811
Total	15 984	16 448	15 796	15 831	15 017

- The share of private companies has grown substantially in the last 10 years.

Distribution of companies by economic activity in 2018



2. Regional economy

e) Largest* companies of the Pskov region

Food industry:

- Pskovpischeprom ZAO
- Pskovskij molochnij kombinat ZAO
- Pskovskij hladokombinat OAO
- Pskovskij Hlebokombinat OAO
- Torgovaya firma vodniyi mir OOO

Wood industry:

- Alta ZAO
- Bytovka-Pskov OOO
- Domlessteroj OOO

Power industry:

- PAO MRSK Severo-Zapada's subsidiary Pskovenergo

Fuel, chemical and petrochemical industry:

- ERT OOO
- Nordiks-Balt OOO

Electricity industry:

- ZETO ZAO
- Pskovskij kabelnij zavod OAO
- Ekvajer OOO

Light and textile industry:

- Pskov-Polimer OOO
- Pskovskaya Shvejnyaya fabrika slavyanka ZAO

Machine-building and

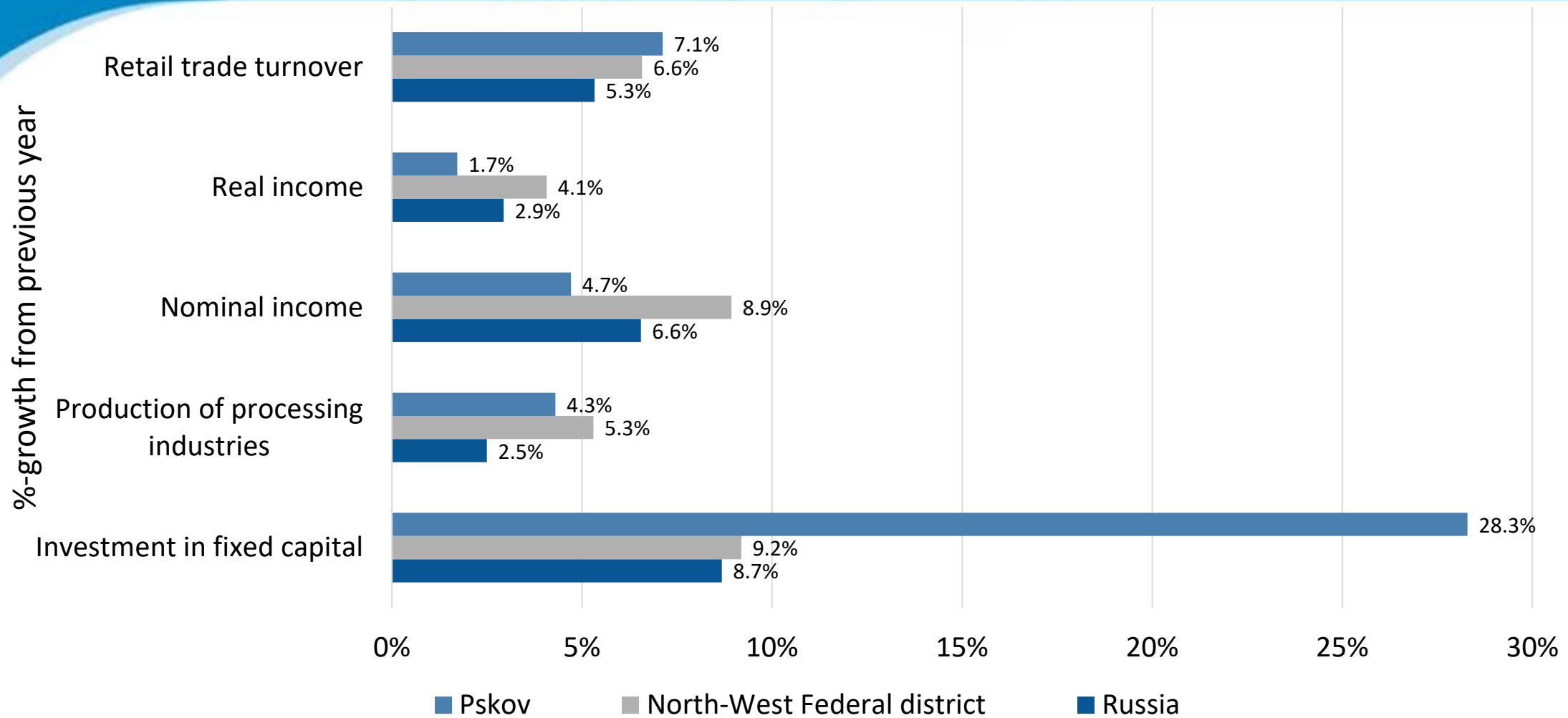
Metal processing industry:

- Avtospezoborudovanie OAO
- Autoelektroarmatura OAO
- Zavod Tochlit ZAO
- Magnitnoye Mashinostroyenie OOO
- OKZ Holding OOO
- Poliplast OOO
- Pskovgeokabel OOO
- Pskovskaya Iodochnaya verf ZAO



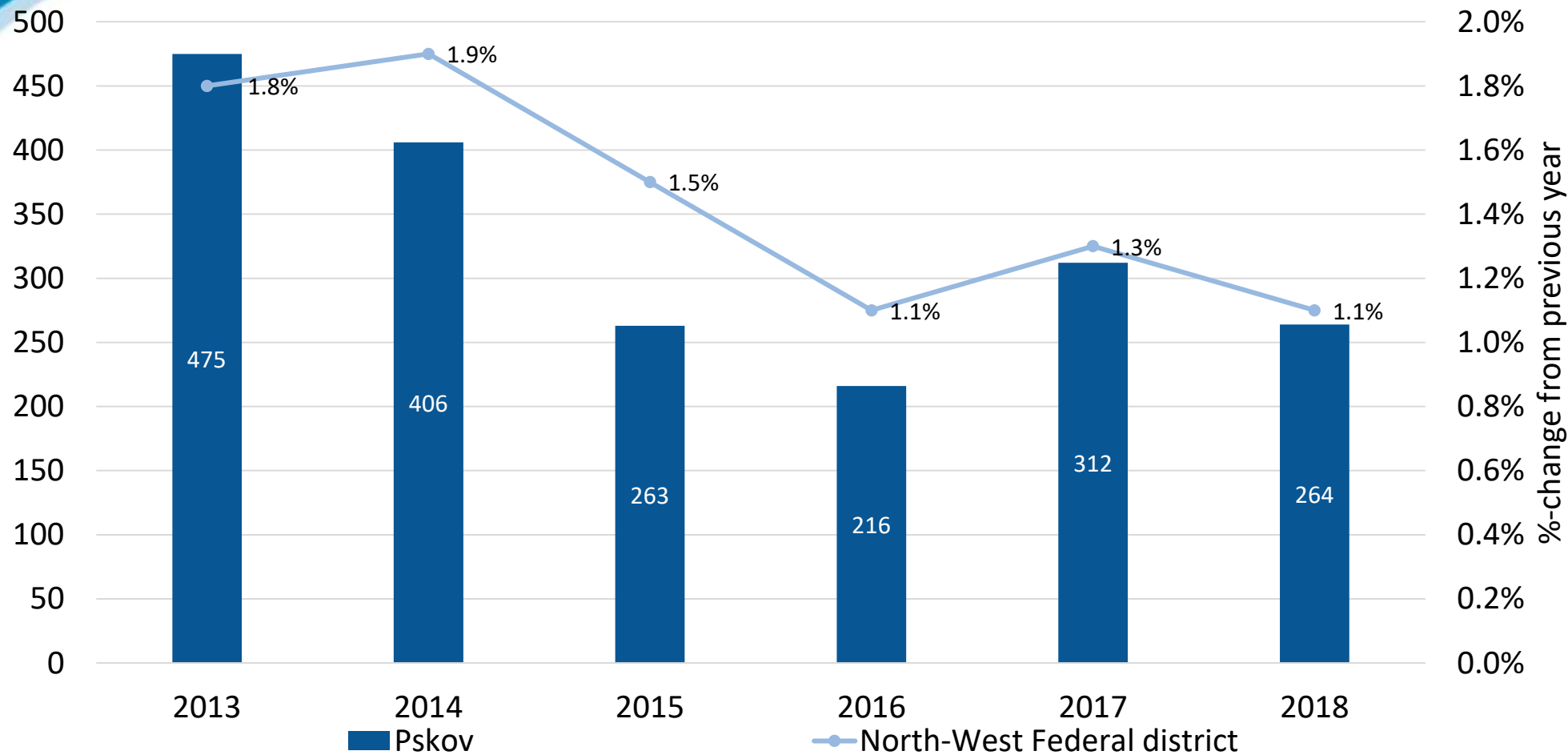
2. Regional economy

f) Growth of socio-economic indicators in 2017



2. Regional economy

g) Development of investment in fixed capital (million EUR)



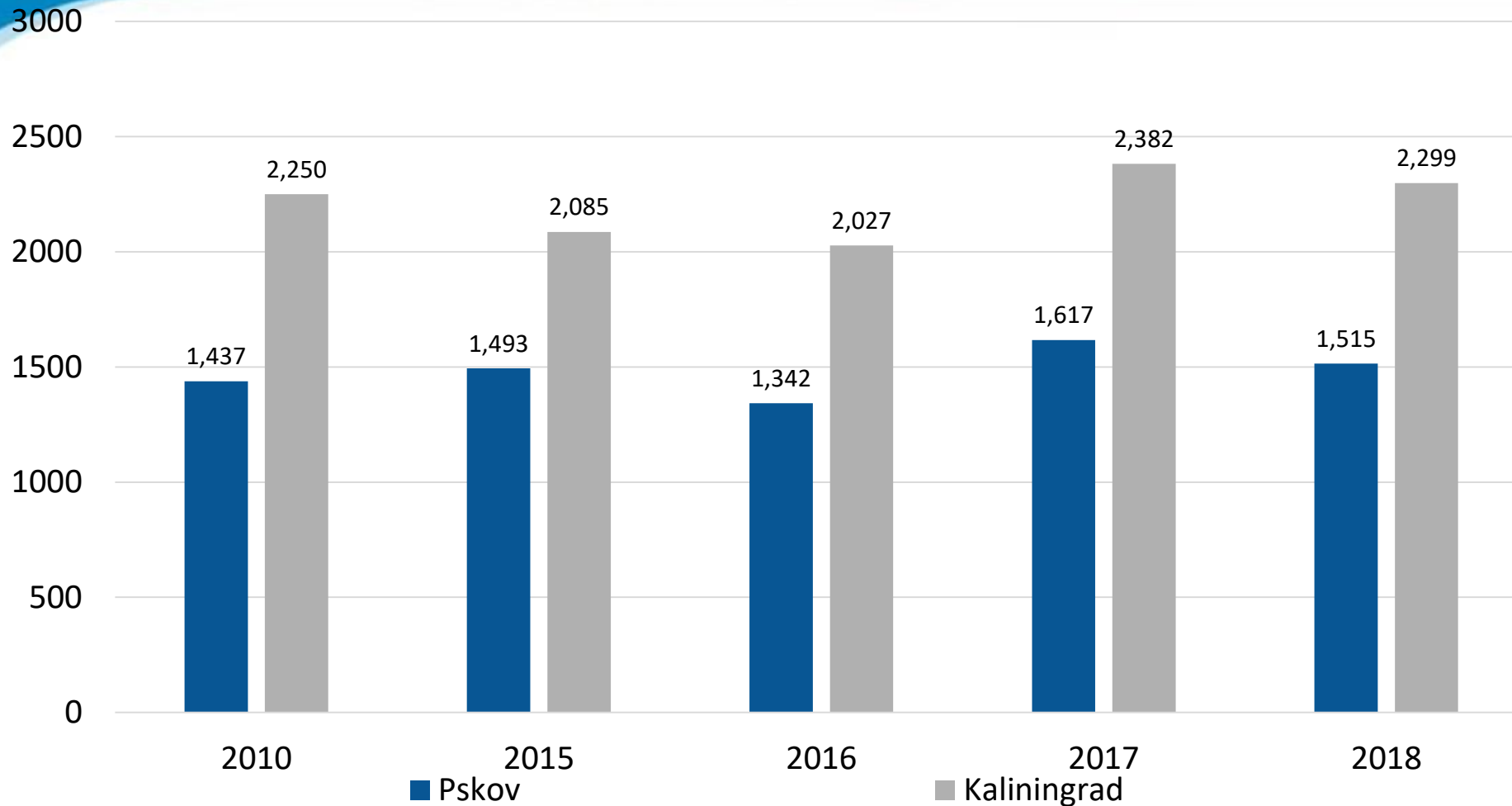
Average annual exchange rate EUR to RUB

2018	74.04
2017	65.94
2016	74.14
2015	68.07
2014	50.95
2013	42.34



2. Regional economy

h) Development of retail trade (million EUR)



Average annual exchange rate
EUR to RUB

2018	74.04
2017	65.94
2016	74.14
2015	68.07
2010	40.26



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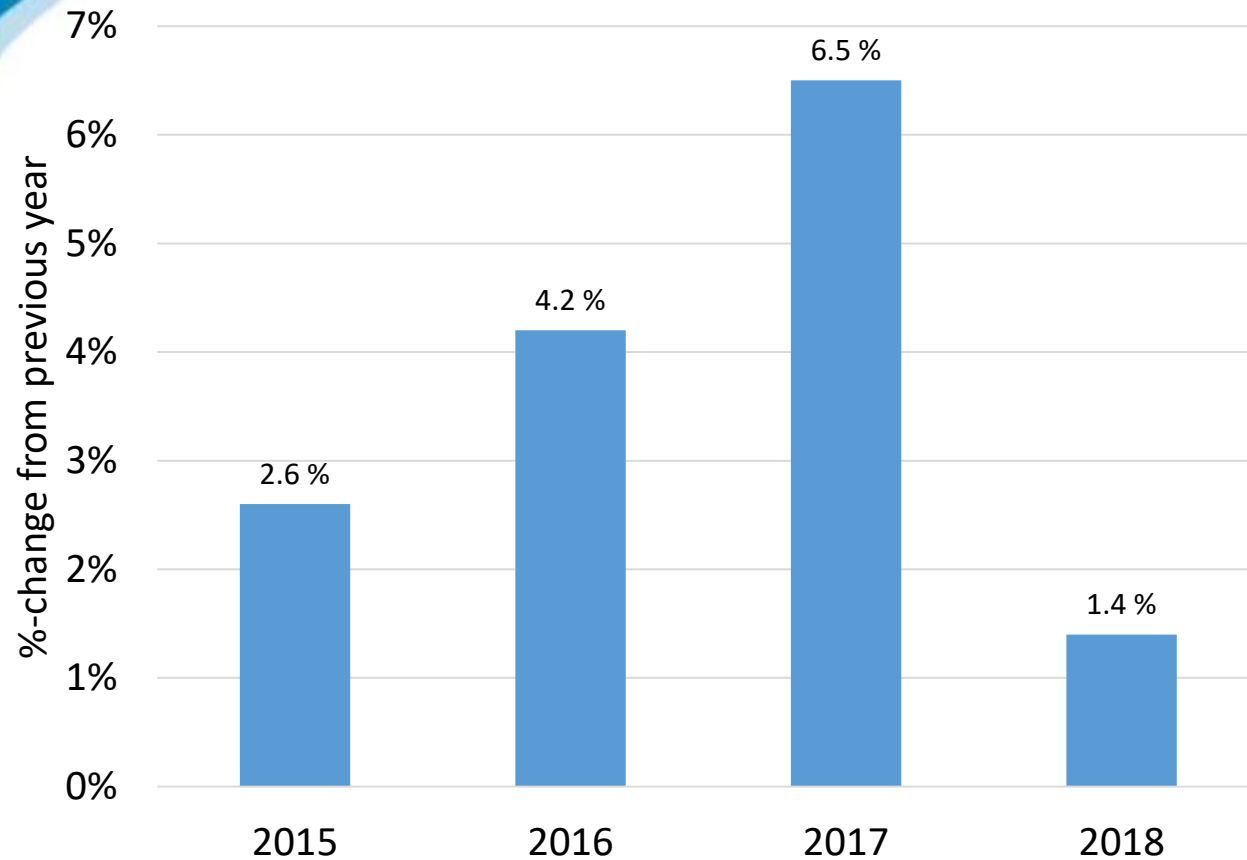
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The population of Pskov region in 2018 was about 637 000 and Kaliningrad region about 1 000 000.

2. Regional economy

i) Development of industrial production (% from previous year)

Industrial production



	2015	2016	2017	2018
Industrial production	2.6	4.2	6.5	1.4
Mining	11.2	5.5	9.1	12.4
Manufacturing industries	3.8	5.3	4.3	2.3
Electricity, gas and steam	-17.3	-14.1	22.2	-25.8
Water and waste disposal	-1.8	6.6	42.7	-0.2



2. Regional economy

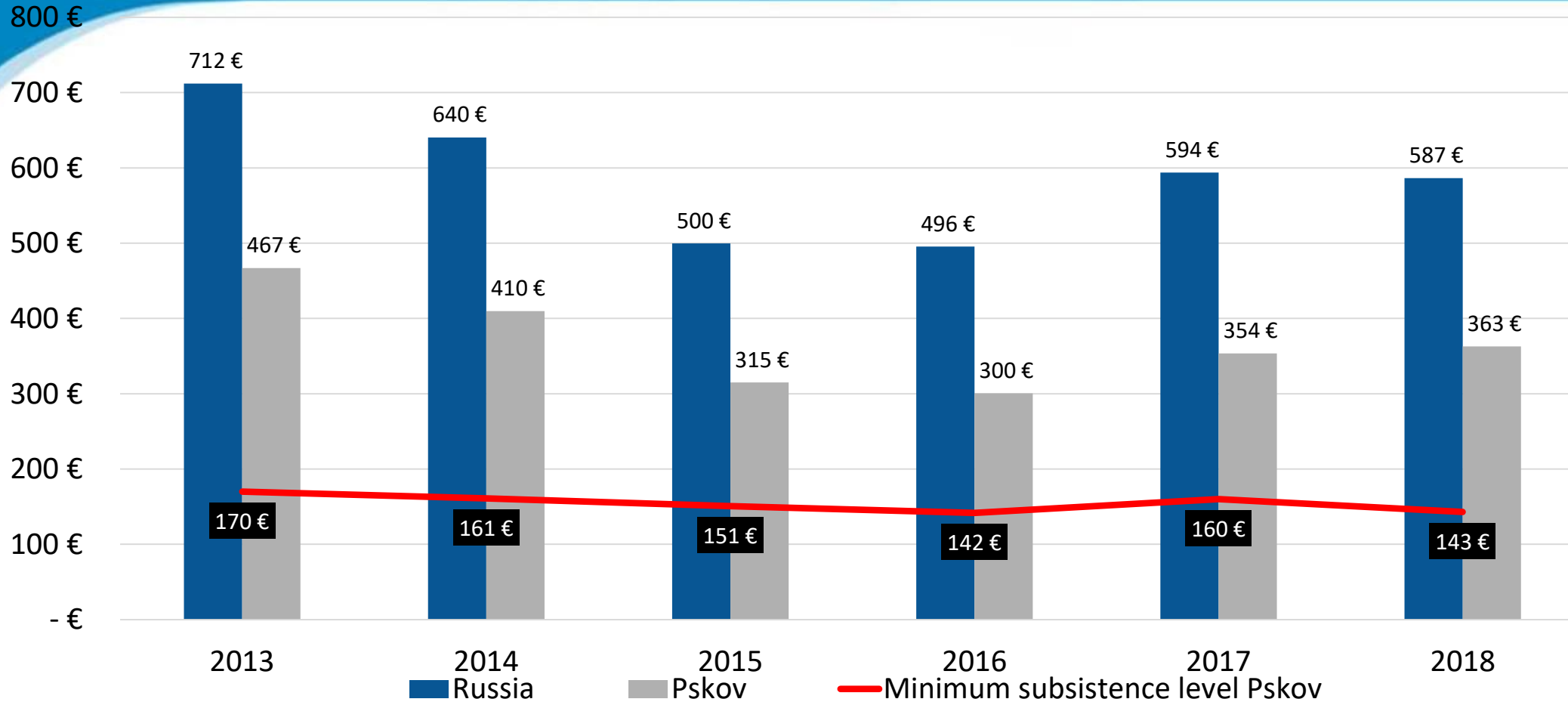
j) Investment potential ranking of the Pskov region among 85* Russian regions

	2017	2018
Ranking of investment potential	67	68
Labor potential	68	71
Consumption potential	70	70
Production potential	71	72
Financial potential	71	71
Institutional potential	63	57
Innovation potential	71	73
Infrastructure potential	20	17
Natural resource potential	76	76
Tourism potential	33	33
Ranking of investment risk	59	64



3. Prosperity and consumption

a) Average income and minimum subsistence level, €/month



Average annual exchange rate EUR to RUB

2018	74.04
2017	65.94
2016	74.14
2015	68.07
2014	50.95
2013	42.34

- The substantially lower wages than the Russian average are partly the reason for people to move to other regions.



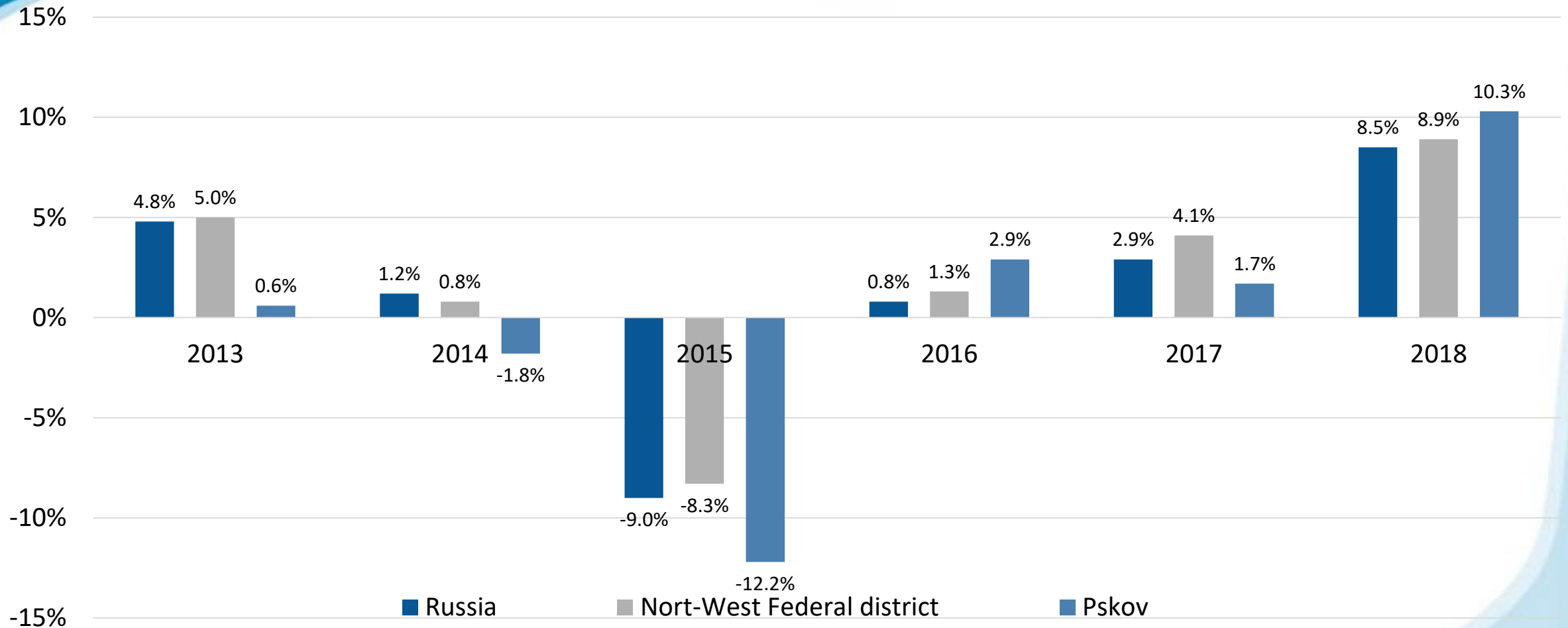
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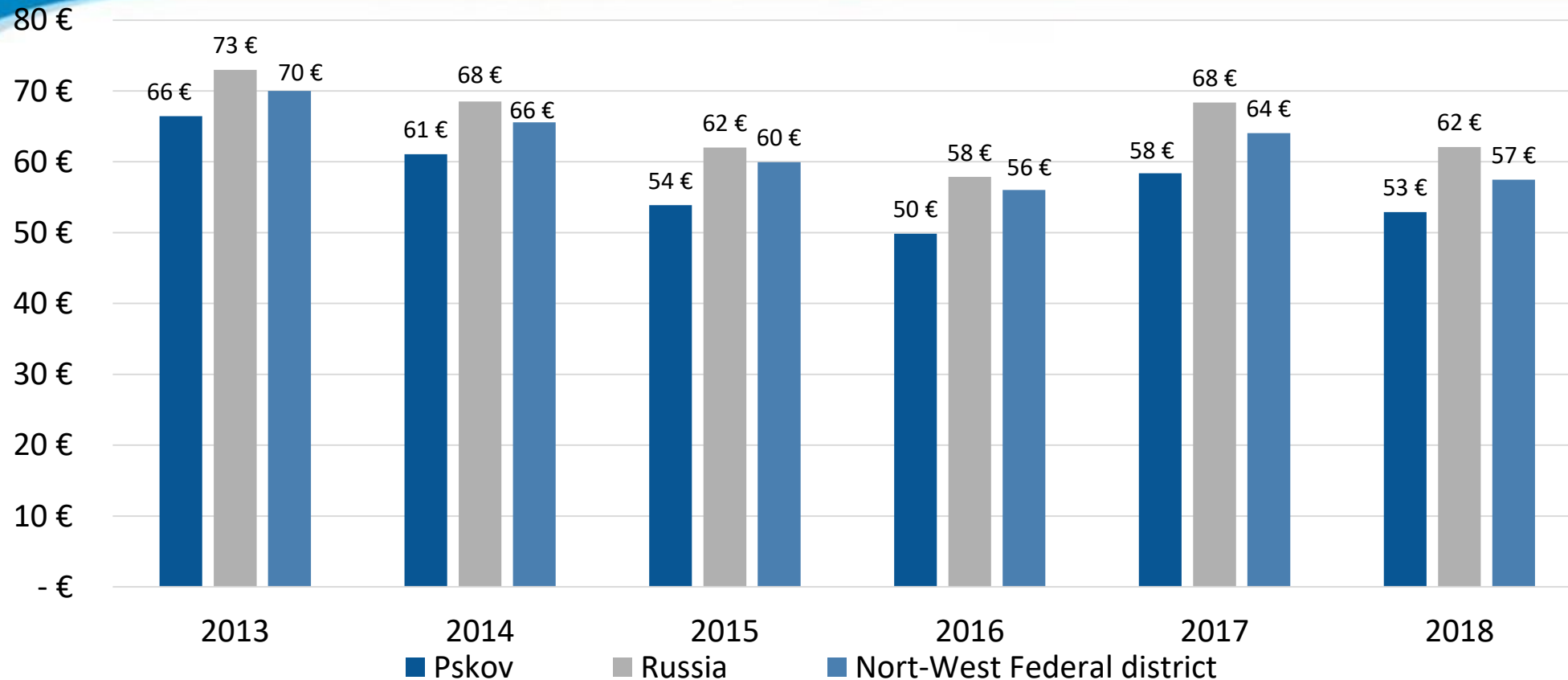
3. Prosperity and consumption

b) Growth of the real money income %



3. Prosperity and consumption

c) Cost of the basket containing minimum set of food products (€/month)



Average annual exchange rate EUR to RUB

2018	74.04
2017	65.94
2016	74.14
2015	68.07
2014	50.95
2013	42.34

- The minimum set of food is a standard, defined by the Federal State Statistic Service.



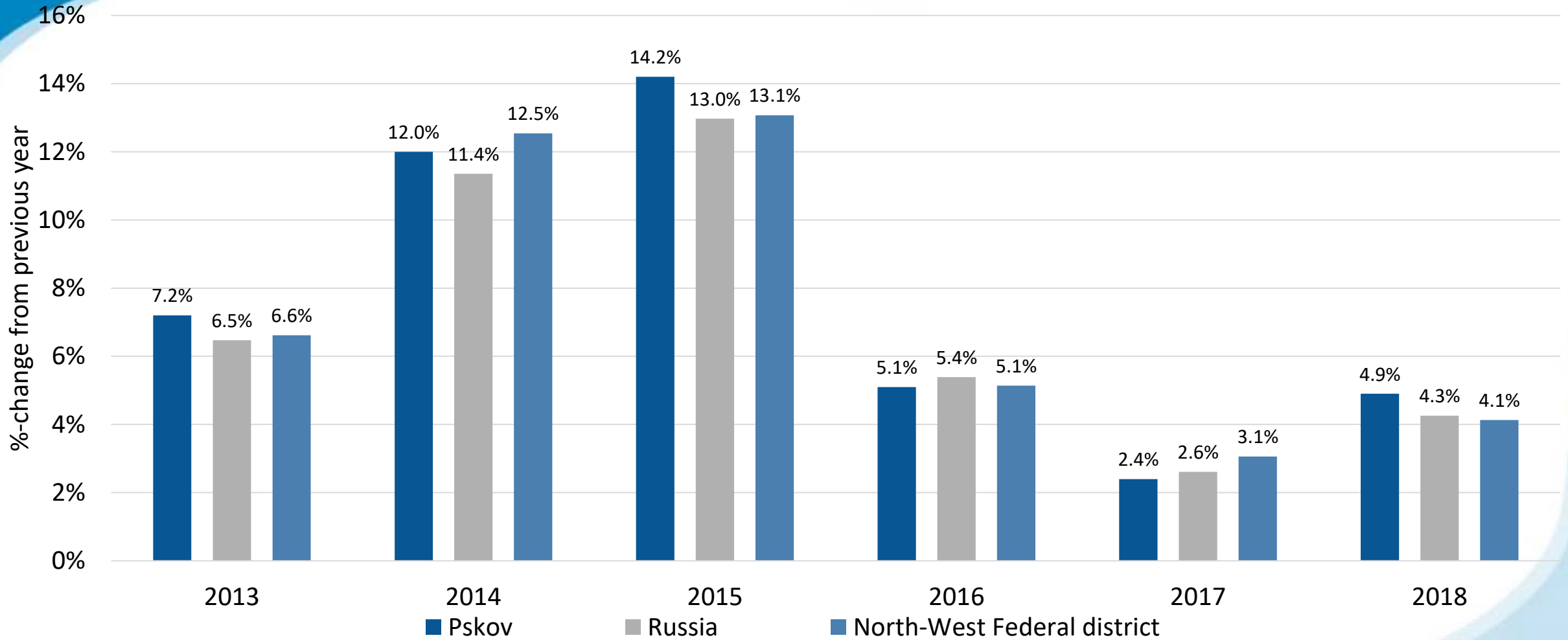
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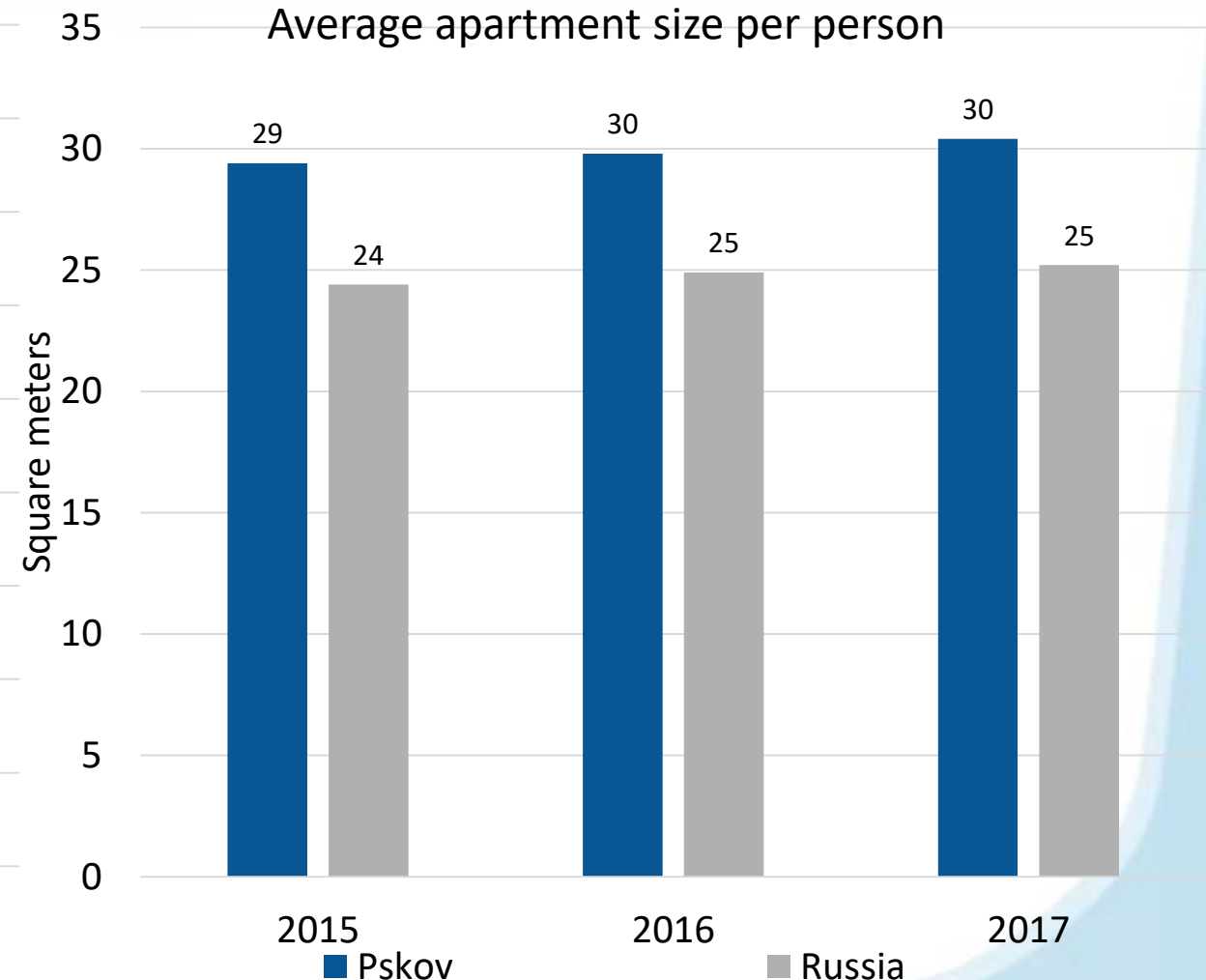
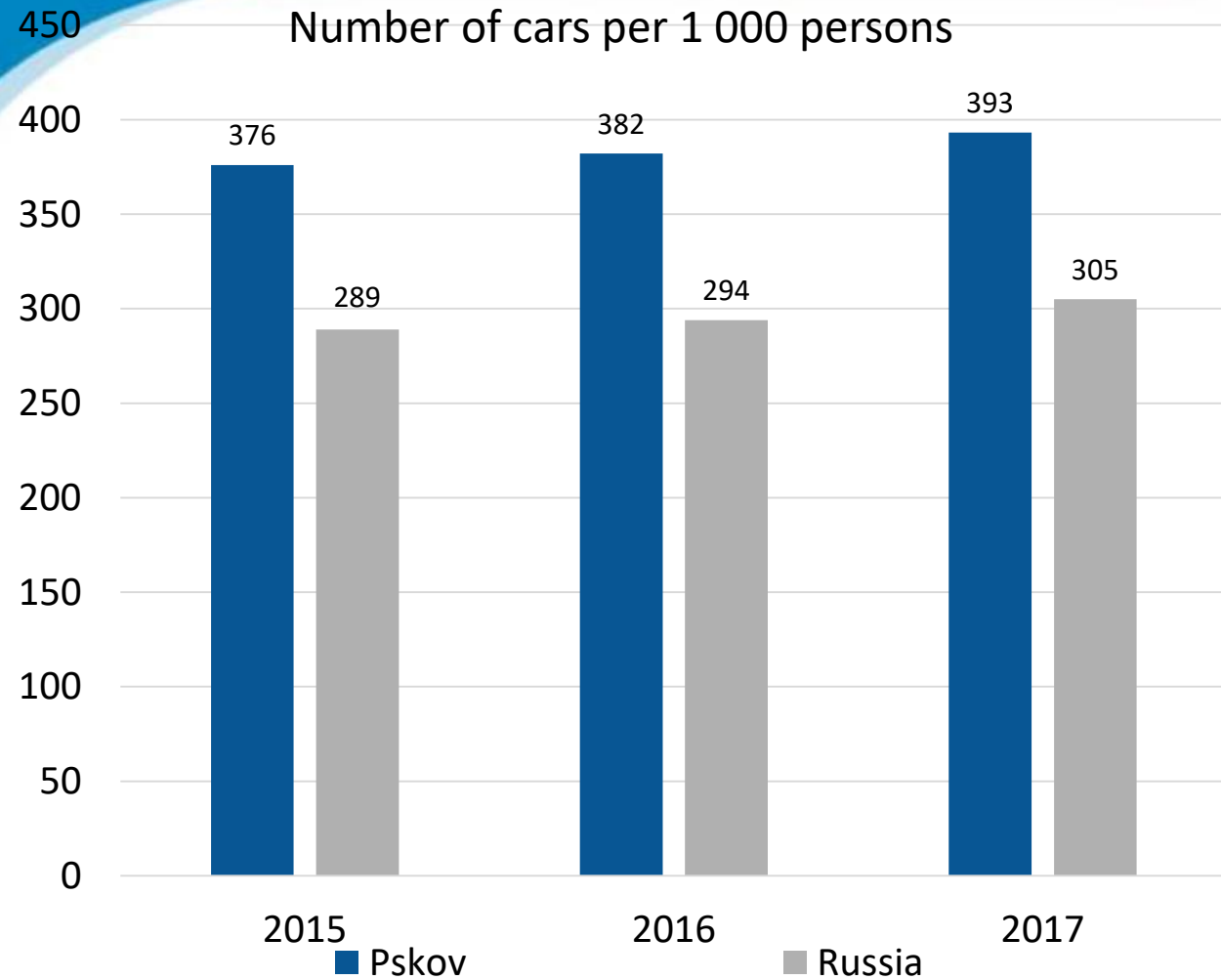
3. Prosperity and consumption

d) Consumer price index



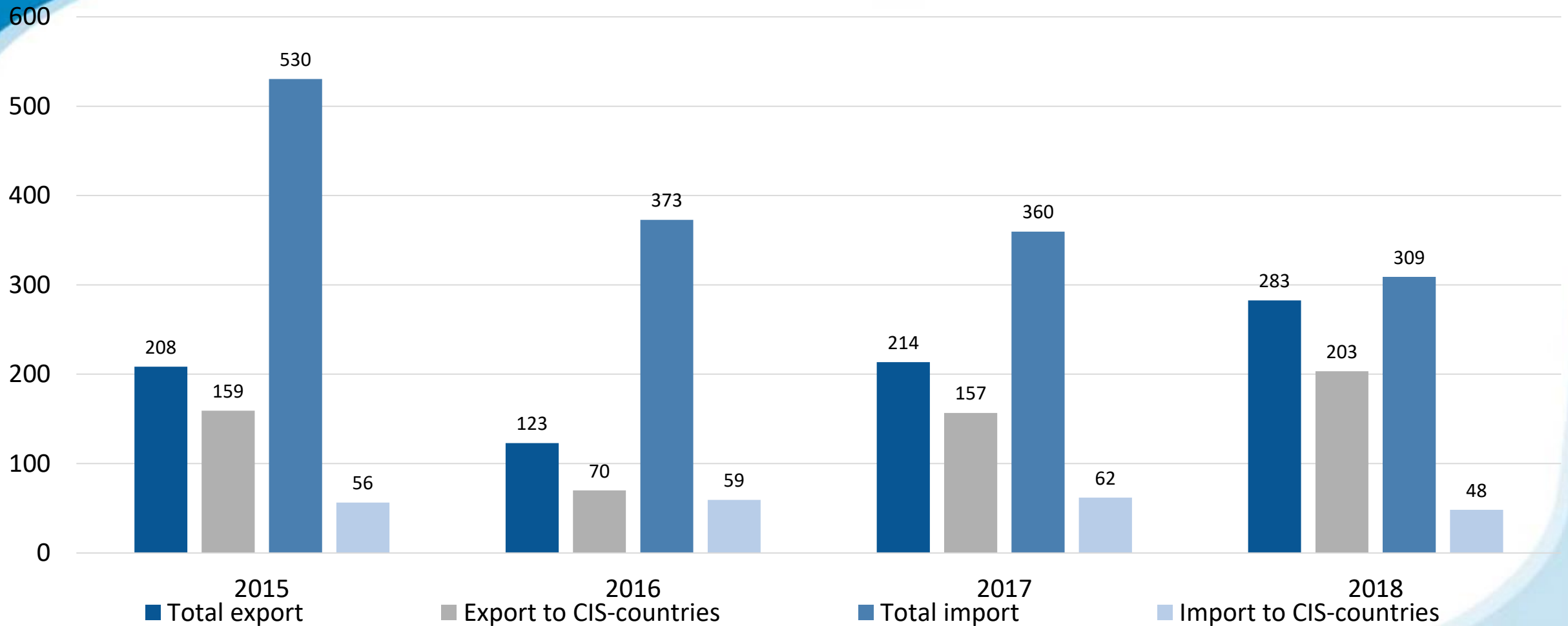
3. Prosperity and consumption

e) Other indicators



4. External economic relations

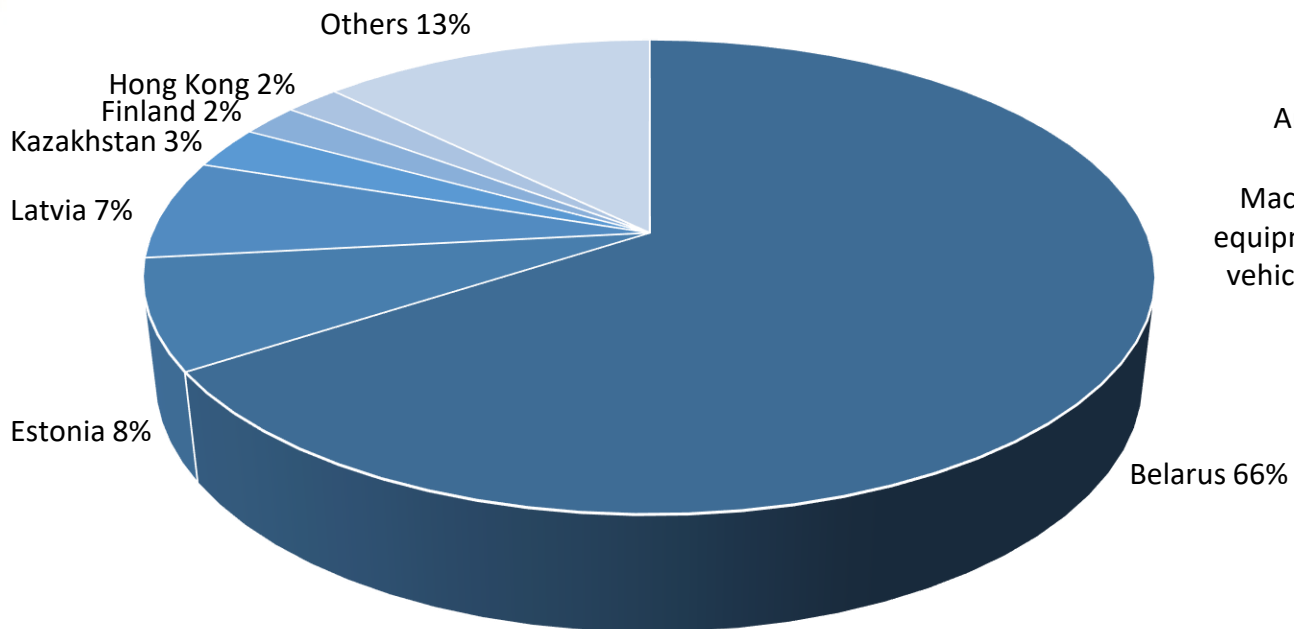
a) Development of foreign trade of goods (million USD)



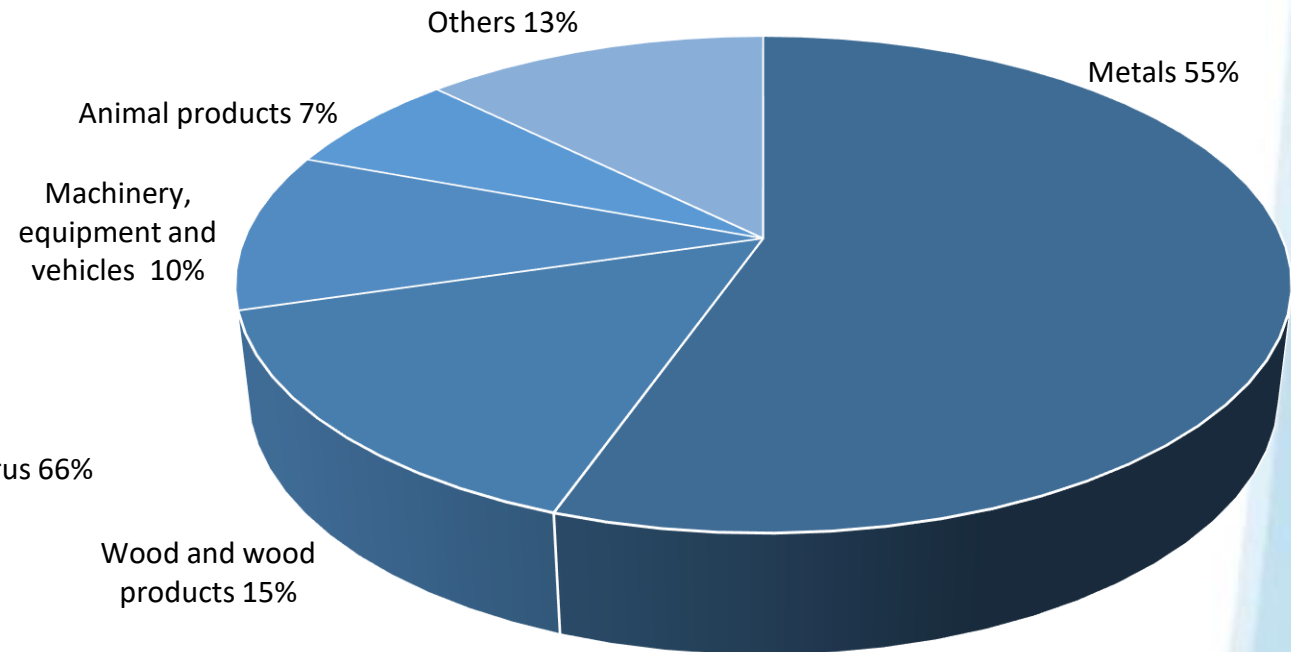
4. External economic relations

b) Foreign trade export in 2018

Export by country



Export structure



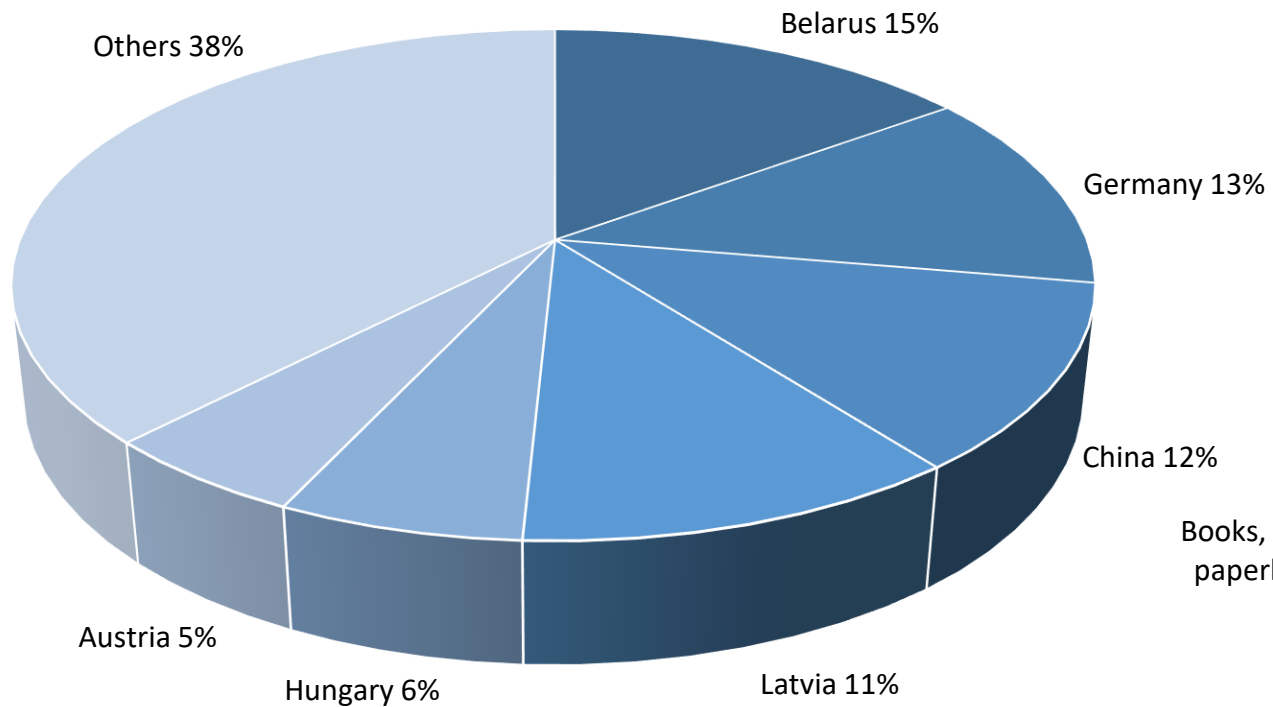
- Total export is 283 million USD.



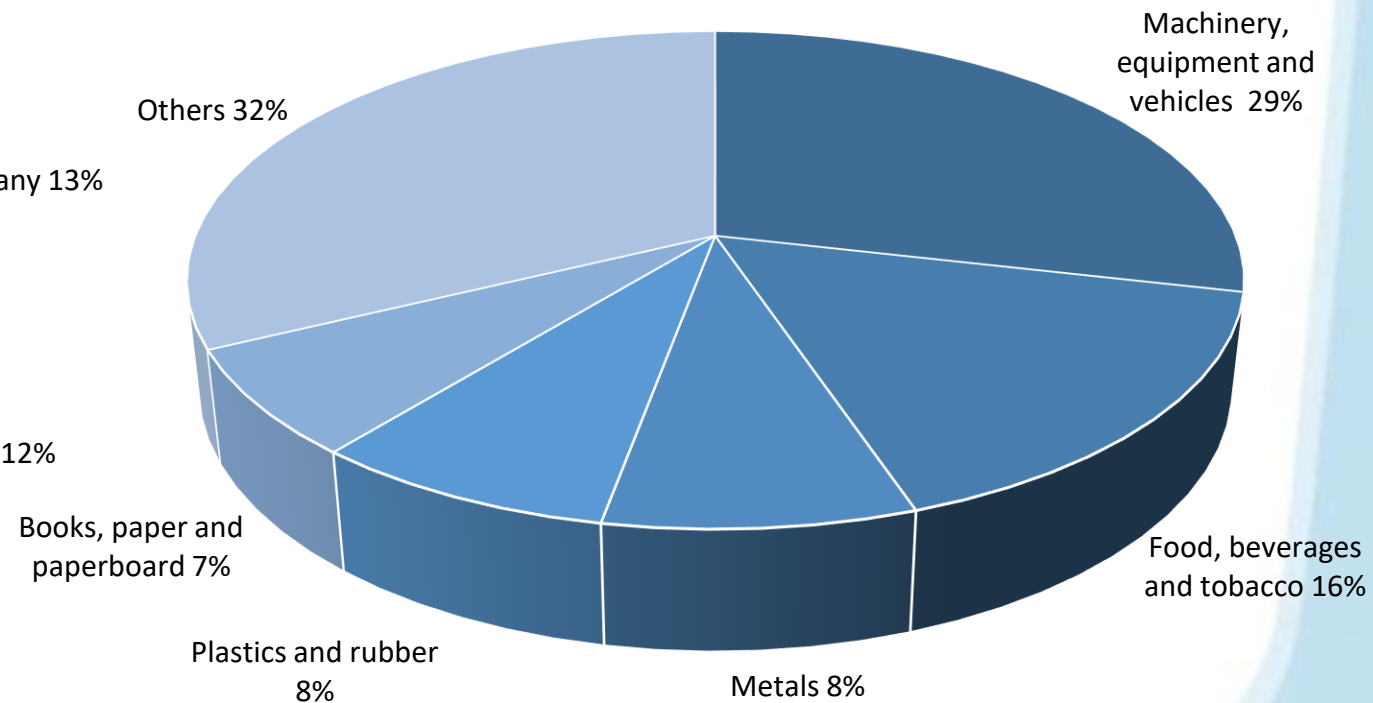
4. External economic relations

c) Foreign trade import in 2018

Import by country



Import structure

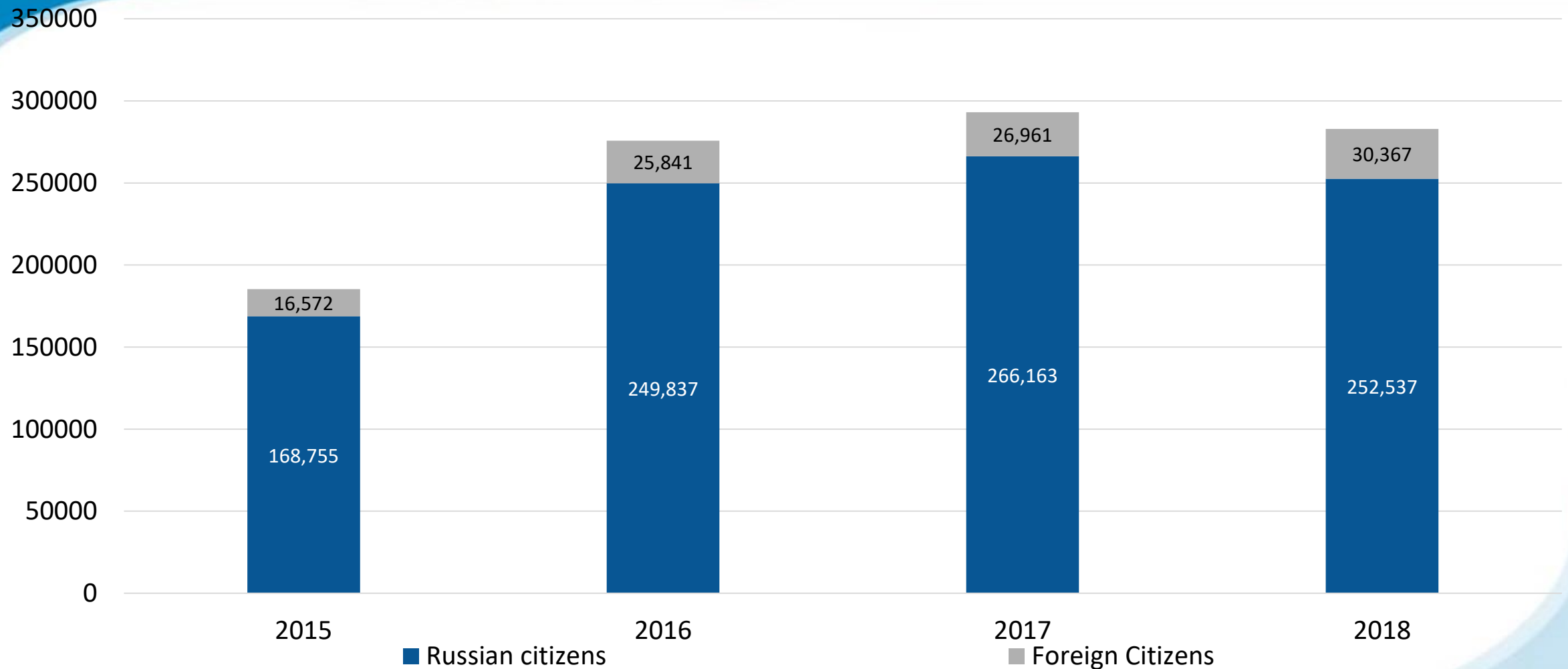


- Total import is 309 million USD.



4. External economic relations

d) Visitors in hotels and other accommodation services



5. Additional information

Chamber of Commerce and Industry of the Pskov region

<https://pskov.tpprf.ru/en/>

Investment opportunities of Pskov region

<http://invest.pskov.ru/en/about-region>

North-West Federal District of the Russian Federation

<http://szfo.gov.ru/district/PSK/>

Pskov region official site

<http://www.pskov.ru/>

Pskov regional tourist site

<http://www.tourism.pskov.ru/>

Information subject to changes



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