

Speech of Mikhail Plyukhin, the Minister on development of territories and interaction with Municipalities of Kaliningrad region on the conference: “How to improve sustainable accessibility in the Baltic Sea Region” (Karlskrona, June 1st, 2006)

Dear Mr. Andersson!

Dear ladies and gentlemen!

First of all I would like to thank the conference organizers for invitation to take part in this Forum. The representatives of the majority of maritime Baltic regions gathered here. From geographical point of view Kaliningrad region of Russian Federation is typical maritime area and faces the same challenges and problems characterized for whole coast of Baltic Sea. I hope that the time is not far off when our region will become full member of this Baltic community for joining common efforts in building an effective system of cooperation and in resisting the global challenges as well as for turning the Baltic Sea Region into most dynamic and competitive part of European continent. For many years our region is actually an integral part of Baltic space participating in many network Baltic structures.

For example, Kaliningrad region is involved in cooperation within Council of Baltic Sea States, Union of Baltic Cities, Organization of sub regional cooperation, as well as within separate projects within Nordic Council of Ministers, Interreg IIIB programme and of course, Euroregion “Baltic”.

We have gained very rich and useful experience in crossborder and transborder cooperation for last 10 – 12 years. We have considerable treaty and legal base. Intergovernmental bilateral agreements between Russia and Poland, Lithuania, Belorussia as well as regional agreements are the foundation of this base. Mechanisms of crossborder cooperation are developed and functioning effectively enough in the form of Russian – Lithuanian Council, Russian – Polish Council and Russian – Belarussian Council. Municipalities of Kaliningrad region are actively engaged in activities of Euroregions “Baltic”, “Neman”, “Sayle”,

“Sheshupe”, “Liyna-Lava” where the local and regional authorities of Poland, Lithuania, Belorussia, Latvia, Sweden and Denmark are our partners. The major territories of these countries are maritime regions. Taking the opportunity that the conference is holding in Sweden I’d like to point out our strong and multidimensional contacts with Region Blekinge built on agreement signed in 2003. Today 11 municipalities of Kaliningrad region has permanent partners in Sweden. Joint projects with other Swedish regions are being implemented within cooperation with “SydSam” organization.

So, in view of geographical and geopolitical location the Kaliningrad region is naturally built-in the process of transborder bilateral and multilateral cooperation in southeast part of Baltic Sea.

It should be pointed out that for last years the transborder cooperation on northwest of Russia have got the firm foundation for solution of ecological problems, development of infrastructure of border cross points, modernization of system of roads, establishing the permanent cultural exchange and realization of humanitarian and educational contacts thanks to Neighborhood programs financed by EU. Particularly, the municipalities and public organizations of Kaliningrad region use trilateral Neighbourhood program (Russia-Lithuania-Poland) financed from Interreg IIIA and Tacis programs as well as Interreg IIIB BSR program and many other.

As it is known the presidency in Euroregion “Baltic” delegated to Russian Federation this year. So I’m presenting my speech before you as the President of Euroregion “Baltic”. Taking this fact into consideration I want briefly to tell about priorities of annual Russian Presidency.

In order to create the additional organizational and telecommunication bases for development of contacts with adjoining territories it is planning to create the Center of crossborder and Euroregional cooperation in Baltijsk city. I hope to do it with attraction of regional financial resources and financial support of already implemented international projects.

Another large work that we are starting is holding the first in the history Euroregional hokey competition of veteran teams. In this case I'm talking about the veterans living in the Euroregion. The new ice arena in Elblag is chosen as the place for holding the competition. I hope that this sport competition will really bring together the people living on both sides of Baltic Sea.

One more priority area in the work will be devoted to problem of people movement across borders in the Baltic Sea region. It is planning to hold the international conference on this subject in September of this year in view of joining of Poland, Lithuania and Latvia to Shengen treaty.

This problem is specially sensible for population of Kaliningrad region. Governing body of Kaliningrad region is seriously worried about coming perspective of transfer to Shengen visas during mutual visits of Russian citizens and its direct neighbors.

Already in a year in 2008 the additional barriers will appear during trips of population of Kaliningrad region to adjoining Lithuanian and Poland territories. It is obvious that appearance of new dividing line in the Europe won't contribute to increasing of integration of Baltic Sea region. Large difficulties will also appear in cooperation within not only Euroregion "Baltic" but also influence the contacts of Kaliningrad region with Baltic countries. From our point of view, taking into account the special location of Kaliningrad region the worsening of visa regime then that existing today in context of joining of Poland and Lithuania into Shengen zone can't be allowed. I hope to meet understanding among people present here of the problem that one of the members of "Baltic family" of maritime regions is going to face very soon.

Undoubtedly we are going to continue the implementation project Seagull II that have already been started within Euroregion "Baltic" aiming at the strengthening institutional structures and spatial development capacities of ERB member-regions.

We will also participate in projects “Baltic Gateway Plus”, “East-West”, “BEN” and other initiatives aiming at harmonious development of the South of the Baltic Sea.

I’d like to say few words about social and economic situation in Kaliningrad region and perspective of SEZ (special economic zone) functioning on its territory. As it is known our region doesn’t adjoin with main territory of Russia. In order to secure its full development it is necessary to have stable communication links that pass through other states and Lithuania and Belorussia in particular. Being in force from January 1996 the regime of Special Economic Zone has allowed overcoming many difficulties of enclave position being peculiar mechanism of economy self-development.

New law on Special Economic Zone came into force from 1st of April 2006 and provide the considerable tax preferences for investors for 12 years - quite long period. However, the investment project should be not less then 5 mln. USD.

Presently, the special industrial structure was formed in the region that mainly oriented at import substitution at the Russian market. Growth rate of gross regional product is quite high from the beginning of 2001. The average index is 9,1%.

Share of production produced in Kaliningrad region considerably increased at general volume of production in Russian Federation. For example, 12,1% of all foreign brand cars are assembled in Kaliningrad region. Regarding the production of TV sets the percentage is 47,9%. The share of other types of production from Kaliningrad region is quiet high at the Russian market.

At the same time the new law directs the producers on development of industries working at export markets. Besides, a policy of new regional governing body aimes at balanced development of the region from the territorial and branch-wise point of view. In this context we pay special attention to searching for new opportunities for sustainable industrial growth in our municipalities located along perimeter of regional borders. The experience of neighboring countries in area of optimal linking of industrial and agricultural activities with environment protection

is very important for us. We are ready continue further work focused on preservation of common cultural heritage, development of human potential and on inclusion of our region into telecommunication space of Baltic Sea.

In conclusion I would like to stress that Kaliningrad region is the natural part of Baltic Sea. It is the reliable partner and always opened for cooperation.

Thank you for your attention.