



Coat of arms of  
Kaliningrad Region



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Kaliningrad

## Kaliningrad region, Russia

<b>Total area:</b>	15.1 th.sq.km.
<b>Population:</b>	est. 968,200 (2004 est.)
<b>Governor:</b>	Georgy Boos
<b>Administrative center:</b>	Kaliningrad

### Kaliningrad

<b>Total area:</b>	215.7 sq. km.
<b>Population:</b>	434,954 (2005 est.)
<b>Mayor:</b>	Yuri Savenko



### Geography

The Kaliningrad region is located on the south-east coast of the Baltic Sea. It is the most western region of the Russian Federation, totally separated by land borders of foreign states and the Baltic Sea from the rest of the country.

The region has 200 km border on Lithuania in the north and in the east and 210 km border on Poland in the south. In the west 140 km coast is washed by the waters of the Baltic Sea and the two bays: Curonian and Kaliningradsky.

The total area of the region with the bays is 15.1 th.sq.km, including 13.3 th.sq.km of land.

There are about 800 km to the nearest Russian regional centre - Pskov, 1290 km - to Moscow. At the same time the region is located in close vicinity to some European capitals: 350 km to Vilnius, 390 km to Riga, 400 km to Warsaw, 600 km to Berlin, 650 km to Stockholm, 680 km to Copenhagen, 850 km to Oslo.

Transit communications crossing the region are the shortest way that connects Russia and Western Europe.

### History

The territory that the region occupies today is known in Europe from early Middle Ages. The XIII century was marked by arrival to this area of the knights of the Teutonic Order who conquered heathen Prussians and organized here a military religious state. Later the Teutonic Order was reorganized into the Prussian dukedom that in XVIII became a part of the Prussian kingdom. In 1772 a part of the kingdom got the name of the Eastern Prussia with the centre in Koenigsberg (founded in 1255). Eastern Prussia was abolished by the decision of the Berlin (Potsdam) Conference in 1945. Two thirds of its territory were given over to Poland and on the lands adjoining Koenigsberg the Kaliningrad region was founded in 1946 within the Russian Federation.



## WHY IT IS WORTH MAKING INVESTMENTS IN KALININGRAD

**The Kaliningrad region** is the most western region, separated from the mainland of the Russian Federation. Due to its geographical and political location, especially after Poland's and Lithuania's joining the EU, the Kaliningrad region is gaining a new challenge of extending and developing co-operation with the European countries in various fields, first and foremost, in economics. The following special features of the region can help implement these plans:

- The unique geographical position
- The only enclave region of Russia located in the centre of Europe
- Vast ramified transportation network
- The only all-the-year-round navigable Russian sea port on the Baltic Sea coast
- Highly qualified cheap labour force
- Special Economic Zone
- Taxation privileges
- Flexibility and transparency of the local authorities, their adherence to the course of reforms
- Advantages of the local legislation
- Constant strivings on the part of the local authorities to improve the investment climate
- Experience of cooperating with European countries
- The springboard for cooperation with the whole of Russia
- Fusion of the European and Russian cultures
- Lower level of criminality as compared to the other Russian regions
- Fairly high social stability

All the territory of Kaliningrad and the major part of the region belong to the **Special Economic Zone (SEZ)**. On the 22nd of January 1996, the Federal Law of Russia was adopted, namely "On the Special Economic Zone in the Kaliningrad region". Its creation was aimed at providing most favourable conditions in order to accelerate the social and economic development of the region, to raise the living standard of the population on the basis of economic, trading, scientific, technical collaboration with foreign countries, as well as on the basis of foreign investment encouragement, overseas technologies involvement and their management experience adoption. For years running, after the SEZ creation, sustainable development tendencies were witnessed in terms of promoting economic activities of the city. The economic take-off of the region is connected with attracting large overseas and domestic investments into the Kaliningrad region economy. At present the Russian government is engaged in the discussion of the new updated version of the Federal law "On the Special Economic Zone in the Kaliningrad Region", which is aimed at the increase of investment activity in the region.

**The Special Economic Zone enjoys the special advantageous regime established for investment and entrepreneurship activities** on account of its specific geographic position and the national concerns and preferences of the Russian Federation. The SEZ mechanism, which comprises the peculiarities of using the system of privileges, creates the conditions for doing away with internal and external obstacles and snags on the way of foreign investments into the regional economy and has certain edges as to imposing Customs duties to be paid while going through the Customs and clearing the commodities being imported or exported.

### **Raw materials, mineral and natural resources**

**Energy resources** are oil probable resources (within dry land), brown coal, peat.

- **Oil** was found on the territory of the region in 1963. In twenty years it was also found on the Baltic shelf. This is a highly grade oil with a sulphur content of only 0,2 %. It is taken from the depth of 1,5 -2,0 thousand metres. Industrial production started in 1975. Oil is delivered to Lithuania for further processing. In present the possibility of oil processing directly in Kaliningrad is being considered.
- **Brown coal:** stocks are not so impressive (about 50 million tons), but the mineral could be used for producing a mineral wax, which is utilised in metallurgy, chemical, pulp and paper industries, as well as in pharmacology.
- **Peat** deposits occupy more than 7% of the region's territory, its layer varies from 3-5 m to 12m. The total volume is estimated over 3,0 billion cubic metres. Peat is used as an organic fertiliser or for heating.

**Non-metallic mineral resources:** amber, rock-salt, potash magnesium salts, sapropel or organic mineral silts, glauconite.

- **Amber.** *Kaliningrad is also called as "An Amber Coast of Russia", because more than 90% of its world deposits are found in the region.* Amber is obtained by an open mining, works being carried out by the state unitary enterprise "Kaliningrad Amber Plant", which has a great potential for producing not only a jewelry, but a number of valuable semiproducts such as amber acid, oil, high quality insulators.
- **Rock salt.** Salt containing areas are around of hundreds sq. km., its stocks were found to be more than tens of billion tons. It covers the needs of the whole region and is exported to other countries.

**Construction materials:** sand, sandy-gravel material, fat clays.

**Ground waters:** fresh and mineral - 520.7 cubic m/24h; surface waters -23 cubic km/year.

**Total area of forest** - 308 th.hectares.

**Fish:** The fishing industry, which comprises companies involved in catching and processing fish, as well as numerous service facilities, is the leading food industry sector. Kaliningrad is currently the Russian fishing fleet's main base on the Baltic Sea. The largest inland water reservoirs (Curonian and Vistular Bays) are rich in fish. The bays are rather shallow having favourable conditions for fish growth and reproduction. Bream, pike-perch, eel are of the highest production value. Sprats, Baltic herring, plaice, cod and Baltic salmon are extracted in the waters of the Baltic Sea.

### Transport communications

#### Port of Kaliningrad

**Kaliningrad is the only ice-free Russian sea port on the Baltic Sea coast.**

Practically, this is a port complex consisting of Sea Commercial Port, State Fishing Port and River Port. Two of them are capable to receive ships with the capacity of up to 24 000 tons.



The ports are connected with the sea by 42 km shipping canal. In order to pass the canal, vessels must be submitted to the following restrictions:

- maximum draft 8,2 m;
- maximum length 170 m (dry-cargo vessels);
- maximum length 140 m (tankers);
- The total length of 29 berths is 5 km.

All ports offer very high speed loading/ unloading operations. The turnover of the Sea Fishing Port is 3 million tons a year, while the capacity of the Sea Commercial Port exceeds 5 million tons.

Both ports handle various types of general cargo (cellulose, paper, food products, chemicals, cars, containers, steel sheets, pipes, different equipment, timber, nonferrous metals etc.) Various bulk cargoes (coal, ores) are handled in the ports. There are both open air storage areas for bulk cargoes and covered storage areas, and a number of huge cold warehouses.

There is a complex for liquid cargoes transshipment, which is one of the largest in the Baltic countries. The handling of the oil products is of the most advanced technology. A new Passenger Terminal with the Customs area was built to take large seagoing liners. Ports are connected by rail- and motor ways with the transport network of Russia and other countries. The main task of the Port Authorities is to attract cargo flows from the ports of the Baltic States and Saint-Petersburg, by providing better services and using modern handling equipment. The Ports play a key role in the economy of the region. It is also the sea gate to the Western Europe and the shortest transport route to the Russian interior regions.

### HIGHWAYS

The density of the roads in the Kaliningrad region is about 10 times higher than the average in the Russian Federation and amounts 300 km per every 1000 sq. km of its territory.

### AIRPORT



Khrabrovo International Airport is located 24 km north of Kaliningrad. Representation of SAS is the only foreign commercial carrier in the Kaliningrad region, providing flights to Copenhagen six days a week in addition to Kaliningrad Air Enterprise flights to Hamburg and Berlin. The international terminal is three km away from the domestic terminal. Kaliningrad has regular flights to 29 main cities of NIS countries.



### RAILWAYS

Regular railway connections are available to Russia, Belarus, Lithuania, Latvia, Ukraine, Germany and Poland

### BORDER CROSSING POINTS

There are 23 international sea, railway and road border crossing points, including an international airport, among them Bagrationovsk-Bezledy, Mamonovo-Gronowo, Tchernyshevskoye-Kibartai, Gousev-Goldap and others.

### References

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