

## **Russia - Economic News**

### **- RUSSIA'S STROYTRANSGAZ STARTS BUILDING 2ND GAS PLANT IN SYRIA**

/FEBRUARY 5/RIA Novosti/

Stroytransgaz, one of Russia's largest engineering and construction companies, said on Tuesday it had started building the second natural gas processing plant in north-central Syria.

The plant is being built for the Syrian Gas Company. Under the terms of the contract concluded in May 2007, Stroytransgaz, which is partly owned by Russian energy giant Gazprom, will design the plant, deliver equipment, and assemble and launch the facility, expected to process 1.3 billion cubic meters of gas per year.

Stroytransgaz is already building a gas processing plant in Syria with capacity of 2.5 billion cubic meters at an estimated cost of \$210 million. The Russian company is engaged in the construction of oil and gas facilities in 15 countries.

### **- MOBILE COMMUNICATION MARKET VALUE IN FORMER USSR COUNTRIES REACHES \$10 BLN**

FEBRUARY 6/CNews.ru: Newslines/

According to MForum Analytics statistics, the mobile communication market in the former USSR countries net of RF has reached \$10 bln amounting to \$9.8 bln following the results of 2007. As compared to 2006, the market value increased by 30%.

The highest growth rate of the mobile communication market â€" a 61% increase as compared to 2006 â€" has been recorded in 2007 in the Central Asian countries (Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan), the lowest â€" in the CIS countries (Latvia, Lithuania, and Estonia) â€" a 10% increase.

The total value of the mobile communication market in Ukraine, Byelorussia, and Moldavia reached \$5.3 bln in 2007, in the Central Asia - \$2.26 bln, the Caucasus countries - \$1.09 bln, and in the Baltic states â€" \$1.17 bln.

According to MForum Analytics statistics, in 2008 the value of the mobile communication market in the countries of the former USSR net of Russia might reach \$11.7 bln.

<http://eng.cnews.ru/news/line/indexEn.shtml?2008/02/06/286776>

### **- RUSSIA TO BUILD EIGHT TECHNOPARKS BY 2012**

/FEBRUARY 6/RIA Novosti/

Russia will build eight industrial technoparks by 2012 as part of a federally-approved 2006 program, the chairman of the State Duma's subcommittee on technological development said on Wednesday. In March 2006, the Russian government approved a program to create technoparks, which will incorporate high-tech enterprises in such sectors as nano-, bio-, information and other kinds of technology, as well as scientific research organizations, educational institutions providing staff for such enterprises, and other related ventures. "A technopark is an area of residential and industrial buildings, built near a large educational or scientific institution," Ilya Ponomarev explained. The area of each technological park will be about 700,000 square meters, with 40% of this designated for residential buildings, 25-30% for industrial purposes and 30-35% for infrastructure. The construction of two industrial parks in the west Siberian city of Novosibirsk and in the Republic of Tatarstan in Russia's Volga region is currently underway. This year construction work will begin in the central Russian cities of Obninsk in the Kaluga Region and in Nizhny Novgorod on Volga, as well as in Tyumen and Kemerovo in western and southwestern Siberia, respectively. In 2009, Russia will begin building technoparks in Chernogolovka in the Moscow Region, as well as in St. Petersburg. The state will allot approximately \$1.3 billion for the project, around 15% of all construction costs. Private investment is expected to exceed \$6 billion.

### **- RUSSIA WELCOMES THAW IN RELATIONS WITH POLAND - FOREIGN MINISTRY**

/FEBRUARY 6/RIA Novosti/

Russia is encouraged by Poland's willingness to improve bilateral relations, and aims to find constructive solutions to problems between the countries, the Foreign Ministry said on Wednesday.

Previously frosty ties between the former Eastern Bloc neighbors have taken a turn for the better since center-right Prime Minister Donald Tusk took office in Poland late last year. Russia has since lifted its two-year embargo on Polish meat, and the sides have launched joint consultations on controversial U.S. missile shield plans for Poland.

Foreign Ministry Spokesman Mikhail Kamynin told RIA Novosti in an interview: "The Russian side always aimed to support normal and good-neighborly relations with Poland, without dramatizing existing disagreements, seeking constructive solutions to issues."

Moscow welcomes "Warsaw's mutual willingness in this direction, as declared by Donald Tusk's government."

"We expect Russian-Polish relations to gain a strong impetus based on pragmatism, mutual benefit, and respect," he said.

Russian President Vladimir Putin will hold host a meeting with the Polish premier in Moscow on Friday.

The spokesman said he was pleased that political dialogue had been invigorated by a meeting between the countries' foreign ministers in Brussels last December and a visit by Foreign Minister Radoslaw Sikorski to Moscow in late January.

On prospects for trade, economic and humanitarian cooperation, the official said Poland would remain a leading trade partner among central and east European countries, but called for bilateral investment incentives to be improved.

#### **- RUSSIA'S FIRST WEATHER SATELLITE TO BE LAUNCHED IN JUL.-SEP.**

/February 6/RIA Novosti/

Russia's first weather satellite, Meteor-M1, will be orbited in the third quarter of this year, a space agency official said on Wednesday.

Yury Nosenko, deputy head of the Federal Space Agency (Roscosmos), said the satellite is currently undergoing flight tests and that a ground-based satellite data processing and distribution center should be up and running by March.

He said the geosynchronous satellite Elektro-L, which will "hang" above the Indian Ocean, is to be launched in November.

At present, Russia has no weather satellites of its own, and has to rely on foreign spacecraft for meteorological data.

Three out of four transmitters aboard the Meteor-3M satellite broke down in late 2003, just two years after the satellite's launch, and ground control stopped receiving signals.

The Russian government previously said it will restore the network of weather satellites it had in Soviet times, which could monitor conditions across the country's 11 time zones.

#### **- RUSSIA CONCERNED OVER IRAN'S WORK TO DEVELOP LONG-RANGE MISSILE**

/February 6/RIA Novosti/

Russia is concerned over Iran's attempts to develop a long-range ballistic missile following the recent launch of a research rocket into space, a senior Russian diplomat said on Wednesday.

"Any progress in the development of this [long-range ballistic missile] weaponry, certainly worries us and others," said Alexander Losyukov, a Russian deputy foreign minister.

Tehran successfully tested on Monday the Explorer-1 research rocket, which is reportedly capable of carrying a satellite into orbit.

Iranian media gave no details about the rocket, but some experts believe it could be an advanced variant of the Shahab-3 ballistic missile, which has a range of up to 2,000 kilometers (about 1,200 miles).

Losyukov said the test demonstrated the advances the Islamic Republic had made in ballistic missile technology that "raise suspicion towards Iran about its possible desire to create a nuclear weapon."

Long-range ballistic missiles are generally designed to deliver nuclear weapons because their payload is too limited for conventional explosives to be efficient. They have a range of 2,500-5,000 kilometers (1,600-3,100 miles).

"Long-range missiles are one of the components of such a [nuclear] weapons system. Naturally, this raises concern," he said.

Iran is currently involved in a long-running dispute with the West over its controversial uranium enrichment program, with two sets of UN sanctions against Tehran in effect.

The White House issued a statement on Monday calling the Iranian launch an "unfortunate" development.

"It's unfortunate Iran continues to test ballistic missiles. This regime continues to take steps that only further isolate it and the Iranian people from the international community," White House spokesman Gordon Johndroe said.

However, the Iranian government has consistently claimed that the country's achievements in ballistic technology and nuclear research pose no threat to global peace and stability.

#### **POLL SHOWS RUSSIA'S MEDVEDEV SET FOR LANDSLIDE VICTORY**

/February 6/RIA Novosti/

The Kremlin front-runner in next month's Russian presidential elections, Dmitry Medvedev, has the backing of 63 % of voters, state-run VTsIOM pollster said on Wednesday. The previous VTsIOM opinion poll conducted in January said Medvedev would receive 74.8% of the vote in the March 2 elections. "This is about the number [President] Vladimir Putin received in 2004 [71%]," VTsIOM Director General Valery Fyodorov, adding that 75% of Medvedev's electorate are those who voted for Putin in 2004. Medvedev, Russia's first deputy prime minister, was publicly backed by Putin as his successor in mid-December, and was later nominated by the ruling United Russia party as a presidential candidate for the country's crucial elections. Given Putin's popularity, his endorsement of the first deputy premier is likely to guarantee Medvedev the presidency. Putin has also said he will accept the post of prime minister if Medvedev becomes president. According to the poll, Communist leader Gennady Zyuganov and the ultra nationalist Liberal Democratic Party leader Vladimir Zhirinovskiy are expected to receive 7% of the vote, almost 5% less than a survey carried out in January. The leader of the tiny pro-Western Democratic Party, Andrei Bogdanov, is expected to receive 1% backing. A total of 84% of the respondents said they would take part in the March presidential elections. The poll was conducted on February 2-3 among a sample of 1,600 respondents, with an error margin not exceeding 3.4%.

#### **-NEARLY 2 MILLION CRIMES REMAIN NOT SOLVED IN RUSSIA**

/February 7/<http://english.newslab.ru/news/253080>

Nearly 2 million crimes remain not solved in Russia, Inerfax quoted President Vladimir Putin as saying at an extended Interior Ministry meeting. The head of the state stressed that the reason for such an amount of unsolved crimes was "poor quality of operative and search work". Putin said that personal crimes were solved worst of all. According to the president, 15 per cent more crimes committed in the past years, including more than 21,000 capital crimes, were solved in 2007. In April 2007 Russian General Prosecutor Yuri Chayka had stated that unsolved crime rate had increased in 2006 to more than 50 per cent of total crimes not solved in Russia. In total 3.8 million crimes were committed in Russia in 2006.

#### **- RUSSIA TO LAUNCH THOR 2R TELECOM SATELLITE FROM BAIKONUR FEB. 10**

/February 7/RIA Novosti/

Russia is to launch a Proton-M rocket carrying a communications satellite on February 10 from the Baikonur space center in Kazakhstan, a spokesman for the Federal Space Agency (Roscosmos) said on Thursday.

The Thor-2R comsat, owned by Norway's Telenor Satellite Broadcasting, will provide Ku-band fixed telecommunications and direct-to-home television

broadcasting services from Telenor's 1 degree West Longitude orbital location.

Proton-M launch services are provided by Russian-American joint venture International Launch Services (ILS), which received \$1.5 billion in new launch orders in 2007.

ILS is owned by Space Transport Inc., Khrunichev State Research and Production Center, and RSC Energia. Last year was the joint venture's first as an independent company marketing the Proton Breeze-M vehicle.

The company said the deals represent "contracts for 17 launches of Proton, Russia's premier heavy-lift launcher, through 2013." ILS has exclusive rights to market the Proton vehicle worldwide to commercial satellite operators. Khrunichev, one of the cornerstones of the Russian space industry, manufactures the Proton.

ILS is incorporated in Delaware in the United States, and has its headquarters in McLean, Va., a suburb of Washington, D.C.

**- CUT IN RUSSIAN GAS SUPPLIES TO UKRAINE WOULD NOT HIT EUROPE -**

/February 7/RIA Novosti

Any possible halt in Russian gas supplies to Ukraine is unlikely to affect European consumers, the European Commission energy spokesman said Thursday. Russian energy giant Gazprom said earlier it could halt gas supplies to Ukraine, through which gas flows to Europe, on February 11 over "unregulated" gas consumption and the former Soviet republic's growing debts. However, Gazprom has assured the European Commission that the situation would not affect Russian gas deliveries to EU countries, Ferran Tarradellas said. He said the EC would keep track of the situation and would like to see both parties find a solution to the problem. Gazprom said Ukraine's outstanding debt totals \$1.5 billion. In early 2006, a cutoff in gas supplies to Ukraine led to European countries receiving smaller amounts of Russian gas for several days. Following this, many European countries began to consider ways in which to diversify gas supplies. About 80% of the natural gas that Russia supplies to Europe is transited via Ukraine.

**- AMBER PROJECT NOT ALTERNATIVE TO NORD STREAM - KREMLIN AIDE**

/February 7/RIA Novosti/

The Amber gas pipeline project proposed by Poland is not an alternative to Nord Stream, a Russian presidential aide said on Thursday. The Amber project envisions building a gas pipeline to Europe via Estonia, Latvia, Lithuania and Poland. Poland says the project could be more attractive than the Nord Stream gas pipeline currently being built under the Baltic Sea to Germany. "From an economic point of view, the project is very complicated and much more costly than Nord Stream, and the number of transit countries would increase. It would be neither very profitable nor acceptable to us," Sergei Prikhodko said. Prikhodko added that large amounts of funds have already been spent on the Nord Stream project. The Nord Stream gas pipeline is being developed by Russia's state-controlled gas giant Gazprom and Germany's E.ON and BASF at an estimated cost of \$12 billion.

**- RUSSIA'S AIRCRAFT INDUSTRY OUTPUT UP 16.4% IN 2007**

/FEBRUARY 7/RIA Novosti/

Russia's aircraft industry increased production 16.4%, year-on-year, in 2007, the Industry and Energy Ministry said on Thursday.

Growth in helicopter production was mainly secured by export contracts, while demand was driven by the high quality of Russian-built rotary-winged aircraft and their relatively low prices, the ministry said in a press release posted on its official website.

The ministry said the state would implement an array of measures to stimulate demand, in particular, by increasing the United Aircraft-Building Corporation's (UABC) authorized capital, granting state subsidies to UABC subsidiaries and affiliates, and extending soft loans to Russian leasing companies for the acquisition of Russian-made aircraft.

It also said that the industry's development strategy through 2015 would enable it to significantly increase sales of Russian manufactured long-haul and regional airplanes.

The Russian transport minister said on Wednesday that the first Sukhoi SuperJet-100 airplanes would be supplied to Russia's flagship carrier Aeroflot, and the first deliveries abroad would be made to Armenia.

The SuperJet 100 project is a family of medium-range passenger aircraft developed by the Sukhoi Design Bureau in cooperation with major American and European aviation corporations, including Boeing, Snecma, Thales, Messier Dowty, Liebherr Aerospace, and Honeywell.

The aircraft maker said last month it was planning to sell 150 new Sukhoi SuperJet-100 aircraft, saying so far it had 73 contracts.

It plans to manufacture at least 700 SuperJet 100s, and intends to sell 35% of them to North America, 25% to Europe, 10% to Latin America, and 7% to Russia and China.

The list price of a 95-seat base model is \$28 million, but the company is currently working on both smaller and larger capacity modifications.

The SuperJet 100 has an estimated \$100 billion market for around 5,500 planes, through 2023.

#### **- Russia needs \$1 trillion investment to modernize economy - Ivanov**

/February 10/RIA Novosti/

Russia needs \$1 trillion in investment to modernize its economy, Russian First Deputy Prime Minister Sergei Ivanov said on Sunday.

Ivanov, who spoke at an international conference on security in Munich, said Russia would like to focus on private investment while state support was a catalyst for investment processes and a guarantee for financial investment by business, including foreign investors.

Ivanov said Russia had contributed \$21 billion to the charter capital of the country's development institutions, including the Venture Capital Company, the Investment Fund and the Development Bank, and would transfer another \$18 billion in 2008.

The first deputy prime minister said Russia may join the world's five largest economies by 2020 in terms of GDP.

"We have set a clearly defined goal for a perspective: Russia must join the group of the world's five largest economies by 2020 in terms of GDP, with an income of more than \$30,000 per Russian citizen," Ivanov said.

Ivanov said western countries should not fear the growth of the Russian economy, adding that Russia's influence on global processes will continue to grow.

Ivanov said Russia's GDP had grown 80% in the past nine years compared with the world's average of 46.4% while net capital inflow into the country doubled in 2007 to \$82.3 billion.

Ivanov also said Russia would honor all its obligations for energy product supplies to consumer countries.

#### **- RUSSIA LAUNCHES NORWEGIAN TELECOMS SATELLITE**

/February 11/RIA Novosti/

A Russian carrier rocket with a Norwegian telecoms satellite on board has been launched, a spokesperson for Russia's Federal Space Agency (Roscosmos) said on Monday. The launch of a Proton-M rocket carrying a Thor-5 satellite from the Baikonur space center in Kazakhstan was originally planned for February 10, but subsequently delayed until 2:34 p.m. Moscow time (11:34 a.m. GMT) February 11 due to technical problems, Roscosmos said. The spokesperson added that the detachment of the satellite from the Briz-M booster of the carrier rocket was scheduled for 8:56 p.m. GMT. The Thor-5 satellite, produced by the U.S.-based Orbital Sciences Corporation under a contract with Norway's telecoms giant Telenor, is designed for operation in the geostationary orbit for 15 years and is to cover Northern and Central Europe, as well as the Middle East.

**- RUSSIA'S RENOVA LICENSED TO PRODUCE MANGANESE IN SOUTH AFRICA**

/February 12/RIA Novosti/

Renova Group, a leading Russian asset management company, said on Tuesday it had obtained a license to produce manganese in South Africa.

Renova, controlled by tycoon Viktor Vekselberg, received the license February 8, to mine manganese under the Kalahari Manganese project aimed at making high added value products and building processing facilities in South Africa. It was earlier reported that Renova's investment in the project, expected to be implemented within 18 months, could total \$1 billion. Renova is expected to develop a manganese deposit with reserves of about 300 million metric tons together with two South African state-controlled companies.

Renova is a stakeholder and strategic investor in leading Russian stand-alone and holding companies in the metallurgical, oil, machine engineering, mining, chemical, construction, housing, utilities and financial sectors.

**- RUSSIA, UKRAINE REACH AGREEMENT ON GAS - PUTIN**

/February 12/RIA Novosti/

Moscow and Kiev reached an agreement on gas supplies on Tuesday, Russian President Vladimir Putin announced after talks with his Ukrainian counterpart Viktor Yushchenko in Moscow.

Gazprom said on Monday that it had postponed until Tuesday evening its deadline for Ukraine to pay its \$1.5 billion natural gas debt, after which the Russian energy giant threatened to begin to reduce supplies.

"We have worked out a general short-term roadmap. We heard our partners say today that the debt will soon be paid off, and we agreed on the principles for cooperation in 2008 and consecutive years," Putin told a news conference. Yushchenko said that he expected that 2007 prices would be used to calculate his country's gas debt, referring to \$179 per 1,000 cubic meters. "We should pay it off," he said, adding that the first installment would be paid on Thursday.

Yushchenko also said Ukraine's national oil and gas company, Naftogaz, and Russia's Gazprom had agreed to set up a working group to make bilateral relations in the gas sphere more transparent.

"We have agreed for Gazprom and Naftogaz to set up a working group that should soon develop schemes for establishing more direct, transparent relations on the [gas] market," the Ukrainian leader said.

**- GAZPROM, NAFTOGAZ TO FORM TWO COMPANIES TO SECURE GAS DELIVERIES**

/February 12/RIA Novosti/

Russia's energy giant Gazprom and Ukraine's national energy company Naftogaz have agreed to create two new companies to facilitate natural gas deliveries to Ukraine, Gazprom's CEO said on Tuesday.

Alexei Miller said the companies would be created on the basis of parity. He also said the issue of Russian gas supplies to Ukraine would be "straightened out" before March.

Moscow and Kiev reached an agreement on gas supplies earlier on Tuesday, Russian President Vladimir Putin announced after talks with his Ukrainian counterpart Viktor Yushchenko in Moscow.

Intermediaries will not be used for Russia's natural gas deliveries to Ukraine, the head of Naftogaz said.

"Gas will be supplied [directly] by Gazprom to Natfogaz," Oleh Dubyna said. Gazprom said on Monday that it had postponed until Tuesday evening its deadline for Ukraine to pay its \$1.5 billion natural gas debt, after which the Russian energy giant had threatened to begin to reduce supplies.

"We have worked out a general short-term roadmap. We heard our partners say today that the debt will soon be paid off, and we agreed on the principles for cooperation in 2008 and consecutive years," Putin told a news conference. Yushchenko said that he expected that 2007 prices would be used to calculate his country's gas debt, referring to \$179 per 1,000 cubic meters.

**- RUSSIA, INDIA PLAN \$8 BLN INVESTMENT IN JOINT PROJECTS**

/February 13/RIA Novosti/

Russian and Indian companies plan to invest around \$8 billion in joint projects, Russia's economics minister told a news conference on Wednesday after a business forum between the countries.

A two-day forum involving hundreds of company representatives and several government officials from both countries concluded in the Indian capital on Wednesday.

"The cost of joint projects discussed at the forum reached around \$8 billion," Elvira Nabiullina said.

At the meeting, the second business forum held between Russia and India, government officials signed a joint declaration to set up a working group to increase trade and investment between the two countries from the current level of \$5-6 billion to \$10 billion by 2010.

The Russian minister said trade can be boosted by diversifying areas of Russian-Indian cooperation, with a focus on development and innovation.

A council with 10 heads of major companies from each country will also be set up for this purpose.

Alexander Zhukov, a Russian deputy prime minister, said New Delhi would host a Russian national exhibition as part of the Russian Year in India in November.

The third Russian-Indian trade and investment forum is planned to be held in Moscow.

**- GAZPROM TO SPEND \$300 MLN ON KYRGYZ NATURAL GAS EXPLORATION**

/February 13/RIA Novosti/

Kyrgyzstan expects Russian natural gas monopoly Gazprom [RTS: GAZP] to invest some \$300 million in prospecting in the Central Asian country by 2012, the Kyrgyz prime minister said on Wednesday.

Igor Chudinov said at a government session that a Gazprom delegation would arrive in Bishkek on February 24 and is expected to be granted a license for gas deposits in southern Kyrgyzstan.

The premier said the country's annual production could eventually be raised to about 300 million cubic meters of natural gas from the current 30 million cu m.

The country buys around 800 million cu m each year from neighboring Uzbekistan.

Gazprom earlier said it was ready to start prospecting work in Kyrgyzstan, which will be followed by a decision on setting up a joint venture to develop deposits.

Gazprom and the Kyrgyz government signed a 25-year deal on gas cooperation on May 16, 2003. In May 2007, the parties signed another deal on common principles of geological exploration in coordinated sectors in Kyrgyzstan. Kazakhstan's proven reserves of natural gas are estimated at 6 billion cu m. The development of gas fields has been held back by geological complications and undeveloped infrastructure. The country is expected to raise its annual gas output to 40 million cu m by 2010.

Gazprom is currently developing oil and gas fields at offshore areas in Venezuela, India, and in the Caspian Sea, and is also considering participation in oil and gas projects in Algeria, Bolivia, Egypt, Libya and Pakistan.

**- GAZPROM RAISES STAKE IN BELARUS PIPELINE OPERATOR TO 25%**

/February 13/RIA Novosti/

Russian energy giant Gazprom [RTS: GAZP] said on Wednesday it had raised its stake in Belarus's natural gas pipeline operator Beltransgaz to 25%, in line with previously reached accords. In mid-May 2007, Gazprom signed a deal to purchase a 50% stake in Beltransgaz for \$2.5 billion. Gazprom will make equal payments in four stages from 2007 to 2010, acquiring a 12.5% stake in Beltransgaz at each stage, giving the Russian gas monopoly greater control over supplies to Central and Western European consumers. A spokesman for the Belarus State Property Committee said Gazprom had paid \$625 million to raise

its stake to one quarter. Russia and Belarus had been unable to agree on the sale of Beltransgaz' shares to Gazprom for several years due to disagreements over the value of the Belarusian pipeline operator. An agreement on the share sale was reached in late 2006.

#### **- RUSSIA'S FAR EAST IS OPTIMAL SITE FOR NEW SPACE CENTER - PUTIN**

/February 14/RIA Novosti/

The Amur Region, in Russia's Far East, is the most favorable location for the construction of a new space center, the Russian president said on Thursday. Last November President Vladimir Putin signed a decree to construct a new space center, to be named Vostochny, in the Amur Region.

Putin told his last annual news conference as Russian president that, "I do not consider the plans for the construction of the space center are fantastic. We are developing Plesetsk, we will remain at the Baikonur, but we must take into account that some launches could be made from Russian territory, both for civilian and military purposes."

Russia currently uses two launch sites for space carrier rockets and ballistic missiles tests: the Baikonur space center in the Central Asian Republic of Kazakhstan, which it has leased since the collapse of the Soviet Union, and the Plesetsk space center in northwest Russia.

Putin said many locations were considered as potential sites, including the Pacific coast, but the Amur Region turned out to be the most favorable "for the construction of the new space center, and we will move towards the goal and achieve it."

Russia's Deputy Prime Minister Sergei Ivanov, who oversees Russia's military-industrial complex, said last November that construction could take about 10 years.

He also said that Russia plans to launch its first spacecraft from the Vostochny space center in 2015, and by 2018 to commence manned space flights from the new site.

#### **- RUSSIA, IRAN MAY SET UP JV TO OPERATE BUSHEHR NPP IN 3 MONTHS**

/February 14/RIA Novosti/

Russia and Iran could set up a joint venture to operate the Bushehr nuclear power plant in southern Iran in three months, the chief executive of Atomstroyexport said Thursday.

"We have almost agreed to establish a JV to operate the Bushehr NPP, both as part of the contract and later, during maintenance," Sergei Shmatko, the president of the Russian nuclear power equipment and service export monopoly, told journalists. "I have set myself an optimistic timeframe - three months." Shmatko also said Atomstroyexport, which is building Bushehr, plans to almost double the 1,300 Russian personnel employed in the NPP construction.

He added that the legal status of the JV was as yet unclear.

Shmatko praised a recent conference at the Bushehr NPP attended by Atomstroyexport and subcontractors to discuss the start of the final stage of construction. Iran hopes its first NPP will be launched in October.

Russia delivered the final fuel shipment to Bushehr on January 28. With the eighth delivery of five metric tons, Russia has supplied a total of 82 metric tons of low-enriched uranium to the light-water nuclear power plant, which has been the focus of international attention over fears Iran is developing nuclear weapons.

The first delivery of fuel to the plant arrived on December 16, 2007 following months of delays that Moscow attributed to payment arrears, but which Iran blamed on pressure from Western nations.

Western nations fear Iran seeks to produce nuclear weapons, but Tehran insists it needs nuclear technology to generate electricity.

Two sets of UN Security Council sanctions are currently in place against Tehran over its refusal to halt uranium enrichment.

The five permanent UN Security Council members and Germany have agreed a draft for new measures against the Islamic Republic, strengthening two previous rounds of sanctions but falling short of the punitive steps proposed by Washington.

Tehran plans to hold tenders for the construction of 19 new nuclear reactors and to generate 20,000 megawatts of electricity at its NPPs in the next two decades.

**- SIBERIAN FIELD TO PRODUCE CHEAPER OIL THAN SAUDI CRUDE**

/February 15/RIA Novosti/

An oil deposit, which Russian state-controlled crude producer Rosneft [RTS: ROSN] is developing in East Siberia, will produce cheaper oil than Saudi crude, the company's president said on Friday. Sergei Bogdanchikov who attended the 5th economic forum in Krasnoyarsk in Russia's Far East, said the country's eastern regions held good prospects for oil production and refining, adding that the Krasnoyarsk Territory in East Siberia was an important site for hydrocarbon output in Russia. "Our company has been linked to the Krasnoyarsk Territory since the first economic forum was held here in 2004, when we started to develop the Vankor field," Bogdanchikov said. Rosneft has already invested 70 billion rubles (\$2.8 billion) in the Vankor deposit, located some 150 kilometers (93 miles) west of the river port city of Igarka with production at the oil field expected to start in August 2008. Vankor crude will be pumped to the Eastern Siberia-Pacific Ocean pipeline, an ambitious multibillion-dollar project to send Russian hydrocarbons to the energy-hungry Asia-Pacific region countries. Rosneft also plans to start crude production at the Yurubcheno-Takhomsky oil deposit in East Siberia by 2012, Bogdanchikov said. In addition, Rosneft intends to refine 50% of its crude output in Siberian regions by 2020, Bogdanchikov said.

**- RUSSIA TO CREATE NEW NATIONAL PARK FOR WORLD'S RAREST BIG CAT**

/February 15/RIA Novosti/

A new national park for Far Eastern leopards, the world's most endangered big cat, is to be set up in the Primorye Territory in Russia's Far East this year, a local administration source said on Friday. The specially protected natural site will be established after two existing wildlife sanctuaries are amalgamated into one area, which will allow a better response to such threats like destructive forest fires, poaching and deforestation. The Far Eastern leopard, also referred to as the Amur leopard, is the only subspecies of common leopard, adapted to harsh winters. The population of nearly 30 animals lives in the south of the Primorye Territory along the Russian-Chinese border and is in immediate danger of becoming extinct in the wild because of inbreeding.