

Russia : Economic News

- RUSSIA LIFTS ABKHAZIA SANCTIONS

/MARCH 6/BBC NEWS/

Russia says it is lifting its trade restrictions on the separatist region of Abkhazia, in the former Soviet republic of Georgia.

Russia's Deputy Foreign Minister Andrei Denisov said the situation regarding Abkhazia had completely changed.

Georgian Reintegration Minister Temur Yakobashvili condemned Russia's move.

Mr Denisov denied the move had anything to do with recognition by some states of Kosovo's independence. Russia says Kosovo remains part of Serbia.

The Russian sanctions were imposed in 1996 to try to limit Abkhazia's separatist aspirations, but analysts say they have had little effect.

Abkhazia is expected this week to follow the example of Georgia's other breakaway region, South Ossetia, and ask the UN and other international bodies to recognise its independence.

Mr Denisov said Russia's position on the territorial integrity of Georgia remained unchanged.

But the Russian foreign ministry accused Georgia of "undermining the negotiating process" on the Abkhazia question.

-Nord Stream pipeline to be built in line with schedule - Putin

/MARCH 8/RIA Novosti/

NOVO-OGARYOVO- Russian President Vladimir Putin said Saturday the construction of the Nord Stream gas pipeline will proceed in line with the schedule.

"I will say once again that we are firm in our intention to continue joint construction of the Nord Stream gas pipeline in line with the plans and the schedule," Putin told journalists after a meeting with German Chancellor Angela Merkel.

Russian energy giant Gazprom is building the pipeline together with Germany's E.ON under the Baltic Sea to pump Russian natural gas to Germany.

Merkel said in turn that Germany regards the project as a very important one for Europe's energy security. She also said other EU countries should not suffer from the project implementation and should "be able to participate."

-RUSSIA TO PRESENT \$46BLN PROJECTS AT CANNES INVESTMENT FORUM

/MARCH 11/RIA Novosti/

Russia will present projects worth over 30 billion euros (\$46 billion) at Europe's major property investment forum in the French resort city of Cannes, the Russian economics minister said on Tuesday.

Cannes will host the 19th international real estate forum, MIPIM-2008, on March 13-16. The forum will bring together investors and developers.

The Russian pavilion at MIPIM-2008 will feature 28 projects in the sphere of housing, commercial property, trade and entertainment complexes, Elvira Nabiullina said.

According to the forum organizers, Nabiullina will speak at a media conference, Russia: Investment Course, while members of the Russian delegation will discuss initiatives to develop the Russian Primorye Region on the Pacific Coast as a business and tourist center at a conference on the 2012 APEC summit in Vladivostok, and other projects.

A total of 21 Russian regions are expected to attend the Cannes investment forum compared with 19 regions in 2007 and 10 in 2006, Nabiullina said, adding that both large and small cities in Russia were profiting from the investment and construction boom.

-RUSSIA'S MIG SIGNS \$1BLN DEAL TO UPGRADE 70 INDIAN FIGHTERS

/MARCH 11/RIA Novosti/

Russia's MiG has signed a contract with the Indian Defense Ministry to upgrade around 70 MiG-29 fighters, in service since the 1980s, a spokesman for the aircraft manufacturer said on Tuesday.

He said under the five-year contract the MiG-29 Fulcrum fighters would undergo a full upgrade.

"A contract for the modernization of over 60 MiG fighters in various modifications currently in service with the Indian Air Force was signed in Delhi on March 7," a spokesperson for the aircraft manufacturer told RIA Novosti.

The Times of India earlier reported the upgrade of 69 MiG fighters would be carried out over a three year period extending the service life of the aircraft from 25 to 40 years. In addition the aircraft will be fitted with advanced avionics, including multi-functional Zhuk-ME radars and a new weapon control system, as well as revamped engines.

The newspaper also said the MiG company is to build in the South Asian nation "MiG consignment depots and service centers, along with simulator centers with training aids" worth 30% of the contract.

The Aviation Week said the first six fighters are set to be modernized and flight-tested in Russia with the overhaul and modification of the remainder planned to be carried out by the Indian Air Force's maintenance arm using equipment supplied by the MiG company.

The magazine also said if Russia's MiG-35 wins a tender - estimated at \$12 billion - for the delivery of 126 military aircraft to India, Moscow is ready to transfer all key technology to the Hindustan Aeronautics Ltd. and provide assistance for the serial production of the aircraft in the country.

- AIRBUS ESTIMATES RUSSIA WILL NEED 921 AIRLINERS BY 2026

/MARCH 12/RIA Novosti/

Airbus, Europe's leading aircraft manufacturer, says Russia will require 921 airliners worth \$79 billion by 2026, the head of the company's Russian division said on Wednesday.

"Russia is in the group of the world's top ten leaders in terms of demand for Airbus planes. Our latest forecast shows that the demand for airliners seating more than 100 passengers will total 921 planes from 2007 to 2026, including 793 narrow-body and 128 wide-body aircraft worth \$79 billion," Vadim Vlasov said.

Russia ranks sixth among countries with strong demand for new airliners. It is preceded by the United States, China, the U.K., Germany and India.

According to Airbus's latest forecast, global demand for economic, environmentally friendly and fuel efficient aircraft will grow to cater for ever increasing passenger flows.