

ST. PETERSBURG SUMMIT
23 - 25 SEPTEMBER 2001



CONFERENCE

ON PARTNERSHIP AND GROWTH IN THE BALTIC SEA REGION

Programme



WELCOME TO
THE THIRD ANNUAL
BALTIC
DEVELOPMENT FORUM
SUMMIT

At the 2nd Annual Baltic Development Forum in Malmö last September we launched the Baltic Sea Region as the most promising Region worldwide. That was ambitious but not detached from reality when we look at the chain of events that followed last year's Summit.

In June the European Council in Gothenburg was able to keep the EU Enlargement on track. It has now been made clear, that it is possible for the best prepared candidate countries to complete their negotiations before the end of 2002, allowing them to participate as EU members in the European Parliamentary elections in 2004. We believe Estonia, Latvia, Lithuania and Poland will be among these countries.

Also, Russia has entered a new period of development characterised by economic growth and structural reform amid political stability. An even closer integration between Russia and the other countries of the Region is a decisive precondition for releasing the Baltic Sea Region's remaining potential. What we need is a coherent Region with no country lacking far behind.

EU's Northern Dimension Action Plan gives the necessary tools for achieving this goal, namely ways to co-operate in all the fields necessary for creating a Baltic Sea Common Market with fair competition, equal treatment, no discrimination and a favourable business climate with quality and predictability.

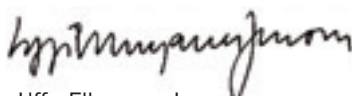
The Swedish EU Presidency has carried the Northern Dimension Action Plan far. Willing hands make light work. But we need to go even further. The business community is looking for the same kind of dynamism that characterised the establishing of the single market of the EU.

Thus, it is our assertion that if we could combine the Northern Dimension Action Plan with the methodology of Jacques Delors' White Paper on the Single Market we will be able to create more than a plan, we will have created history!

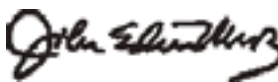
Achieving these goals will be amongst the main topics at the third Annual Baltic Development Forum Summit in St. Petersburg 23-25 September 2001. We invite you all to participate in creating a win-win situation in the Baltic Sea Region.

Leaders from government, business, finance and academia have honoured our programme making it truly exceptional. Please also find enclosed three Summit reports that hopefully will inspire the debate.

Looking forward to welcoming you in St. Petersburg,



Uffe Ellemann-Jensen
Chairman
Baltic Development Forum



John Edwin Mroz
President and Founder
EastWest Institute



Eero Rantala
Managing Director
Pro Baltica Forum

ABOUT THE SUMMIT

Baltic Development Forum relies on an interactive conference format that allows participants to discuss in an informal and constructive atmosphere. All sessions are open to a free debate between the speakers, panellists, participants and the media. Participation at the Baltic Development Forum Summit is by invitation only.

The Summit's **plenary sessions** deal with general and broad topics affecting the Baltic Sea Region.

The **thematic sessions** are held in parallel, giving participants the opportunity to choose the topics that best fit their interests. There will be two thematic sessions in parallel on Tuesday 25 September.

As background material we provide three **Summit reports**:

- *Russia: Economic Development and Business Environment*, prepared by a working group, headed by president of the Russian Financial Corporation, Prof. A.Nechaev, and edited by Prof. A.Nechaev and S.Tsakunov.
- *Is There a New Russia?*, by SITE, Stockholm Institute of Transition Economics, Stockholm School of Economics together with CEFIR, an independent economic think-tank based in Moscow.
- *eCommerce in Russia*, by Carl F. Fey, Institute of International Business, Stockholm School of Economics and Rachel Doern, Stockholm School of Economics in St. Petersburg.

The **languages** of the Summit are Russian and English only. Simultaneous translation will be provided.

To increase the possibilities for - and value of - private networking between participants, a number of networking events are scheduled. Networking lunches offer excellent opportunities to meet and discuss with people who share your specific interests. Also, during the Summit's many contact breaks, you will be able to arrange bilateral meetings with other participants. Participants wishing to contact each other may do so before the Summit by referring to the list of confirmed participants to be found at our website, <http://www.bdforum.org/> - or during the Summit by using the message services at the conference desk.

All sessions, lunches and contact breaks are held at the Tavrishesky Palace, except from the concert and gala dinner on Sunday 23 September, which will be held at the St. Petersburg Academic Philharmonia named after D.D. Shostakovich. Bus transportation to the Academic Philharmonia will be provided.

The Tavrishesky Palace, 47 Schpalernaya str., St. Petersburg

St. Petersburg Academic Philharmonia named after D.D. Shostakovich, 2 Mikhailovskaya str., St. Petersburg

Please notice that Baltic Development Forum will not arrange dinner for the participants on Monday 24 September.

When arriving at St. Petersburg Airport (Pulkovo) on Sunday 23 September, all participants will be transported by bus to the Tavrishesky Palace for registration. Following the registration, busses will leave for the hotels, which all are situated in the city centre.

Participants arriving at St. Petersburg Airport (Pulkovo) on Sunday 23 September, but later than 15:00 will, after the registration, kindly be asked to stay at the Tavrishesky Palace for the reception. Their luggage will be transported to the hotels during the concert and gala dinner.

Registration opens on Sunday 23 September at 12:00 at the Tavrishesky Palace. At registration, participants will receive:

- badge
- the participants booklet, including final programme
- information on transportation to and from the Tavrishesky Palace
- final list of participants

For security reasons we advise participants and accompanying persons to carry badge and passport at all Summit events, including gala dinner.

For further information, please contact the Baltic Development Forum

secretariat, at tel. +45 33 70 71 89, fax +45 33 14 13 94 or by e-mail bdf@mm.dk.

After the end note address, Tuesday 25 September, 14:30 all Summit participants are invited to visit a pilot project just outside St. Petersburg where it will be demonstrated how dwelling areas can be given extended life span and dynamics. The participants will thus be shown a concrete example of how to save energy and secure the environment at the same time. Signing up for this event can be done at the registration desk.

The Venue

The Tavrishesky Palace, situated near the centre of St. Petersburg, is the Summit's conference centre. The Tavrishesky Palace houses the Summit's main conference desk (registration).

The Tavrishesky Palace was built in 1789 for Prince G. A. Poyomkin-Tavrishesky under the project of a talented Russian architect Ivan Starov. It is one of the most beautiful buildings in St. Petersburg.

The Tavrishesky Palace was closely linked with the emergence of Russian parliamentarism. From 1906 through 1917 it was the seat of the State Duma of the Russian Empire of the 1st - 4th convocations. On 5 January, 1918 the building witnessed the opening of Russia's Constituent Assembly,

which however, was dismissed the very next day on 6 January by a decree of the All-Russia Central Executive Committee.

Since 1917 the Tavrishesky Palace has become the seat of the supreme legislative, executive and controlling body of state authority the RSFSR. After the government moved to Moscow, the central part of the Palace was used for meetings, conferences and other events, mostly on the city and district levels.

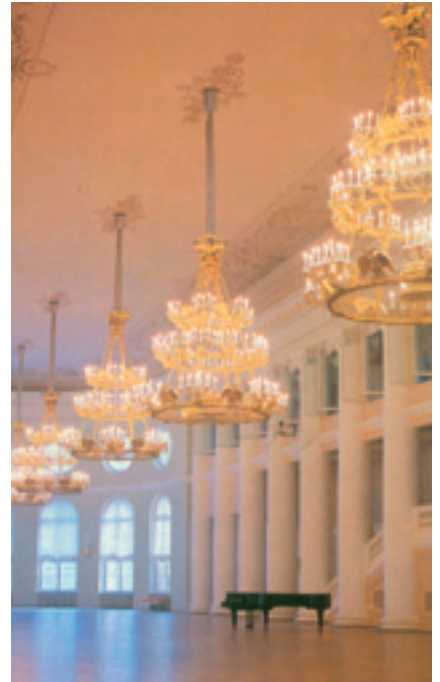
In 1992 the Palace was allotted to the Inter-Parliamentary Assembly of the Member States of the Commonwealth of Independent States. It has since become the venue for international meetings, conferences, symposia and other similar events.

Themes

The 3rd Annual Baltic Development Forum Summit main theme is **“Closing the gap: Creating a win-win situation in the Baltic Sea Region”**. This theme is translated into the following main agenda points:

Mapping out the future of Europe and the Baltic Sea Region – in search of a coherent approach:

The attendance by Vladimir Putin, President of the Russian Federation at Stockholm European Council in March 2001 exposed EU's need of a strategic partnership with Russia. This opportunity



The Tavrishesky Palace. The Catherine's Hall is employed as a session hall foyer and also to hold various exhibitions.



The Tavrishesky Palace. Previously the State Duma held their sessions here.

to integrate Russia into the European economy must be maximised to the full.

The Enlargement with Estonia, Latvia, Lithuania and Poland brings not only great promise to the Region - it also raises great challenges. It is evident that the EU Enlargement and the integration of Russia into the regional community are two sides of the same coin. Although cross-regional activity is present in the Region, the Region lacks an overall coherence. The Northern Dimension Action Plan looks to respond to this challenge, and to deliver the tools necessary for the creation of a Baltic Sea Common Market.

Visions and strategies for economic development: Without the cooperation of Russia no true Baltic Sea Common Market will emerge. We envision the Baltic Sea Region, including Russia, develop-

ing into the most dynamic economic centre in the new Europe.

The Summit's business theme will develop a strategy for the Region's business community on how to harvest the fruits of a coherent Region in which no country or city lacks behind. Also, by asking some of the most provident decision-makers within politics and business in Europe, we wish to formulate the Region's future trade mark.

The Northern Dimension Action Plan - Monitoring progress and the overall implementation: A full Summit day will be devoted to a special conference on the Northern Dimension Action Plan. The day will have two topics as main focus: the first being energy and environment - and the second being how to finance the Northern Dimension Action Plan.

The dependence of Western Europe on imported energy from Russia

means that the issues affecting the energy sector have wider European implications. The same applies for the many environmental problems in the Baltic Sea Region. The Region contains 132 registered "Environmental Hotspots": An alarming figure. The Northern Dimension Action Plan's focus on energy and environment creates a great opportunity for countries and companies to co-operate in literally cleaning up their act.

No extra EU funding has been allocated for the implementation of the Northern Dimension Action Plan. Consequently the strengthening of dialogue with the international financial institutions to ensure funding of the different initiatives could be necessary. Time is short. We will focus on how the private sector can contribute to and benefit from the Northern Dimension projects.



The Tavrishesky Palace

*PROGRAMME FOR
THE THIRD ANNUAL BALTIC
DEVELOPMENT FORUM SUMMIT
23-25 SEPTEMBER 2001,
ST. PETERSBURG*

**Summit Theme:
Closing the Gap: Creating a win-win situation
in the Baltic Sea Region**

SUNDAY, 23 SEPTEMBER

The Tavrishesky Palace

12:00 — Arrival and registration

15:00 — Reception

17:00 — Welcoming address:
Martti Ahtisaari, Co-chairman, EastWest Institute

Opening address:
Vladimir V. Putin, President of the Russian Federation (Final confirmation pending)
Russia in the new European order - visions and strategies

Opening address:
Vladimir A. Yakovlev, Governor of St. Petersburg
The role of St. Petersburg in the EU

Academic Philharmonia

19:30 — Concert by the **Academic Symphony Orchestra**, conducted by Professor and Maestro **Alexander Dmitriev** at the St. Petersburg Academic Philharmonia named after D.D. Shostakovich

Gala dinner at the St. Petersburg Academic Philharmonia hosted by the Governor of St. Petersburg **Vladimir A. Yakovlev**

22:30 — End of gala dinner

MONDAY, 24 SEPTEMBER

The Tavrishesky Palace

08:00 — Morning Concert with the Andrei Kondakov Trio

The Summit's political theme: *Mapping out the future of Europe and the Baltic Sea Region - in search of a coherent approach*

08:25 — Introduction

08:30 — Key note address:

Paavo Lipponen, Prime Minister of Finland

The Northern Dimension Action Plan: Paving the way to coherence?

08:45 — Key note address:

Poul Nyrup Rasmussen, Prime Minister of Denmark

From the Copenhagen criteria to Copenhagen conclusions?

09:00 — Key note address:

Kurt Bodewig, Official Representative of the Government of the Federal Republic of Germany, Federal Minister for Transport, Building and Housing

How to ensure that the EU Enlargement will be a plus-sum game for all - including Russia?

With the upcoming Enlargement of the European Union, the Baltic Sea Region is increasingly moving into the centre of EU interests as well as becoming an ever more important factor in EU-Russia relations.

As the Danish Minister for Foreign Affairs **Mogens Lykketoft** pointed out during the Baltic Development Forum Members' Meeting in Copenhagen on 26 June 2001, the Enlargement and the integration of Russia into the EU go hand in hand.

The Northern Dimension Action Plan endorsed on 19 June 2000 by the European Council looks to respond to the challenge of creating a coherent Region with no country lacking far behind. We ask, however, which other steps are needed for the Region not to lose momentum?

Moderator: **John Edwin Mroz**, President of EastWest Institute

09:15 — Q & A

09:45 — Contact Break

10:15 — Plenary session:

Europe transformed: The best case scenarios for Europe and the Baltic Sea Region in 2015?

Andris Berzins, Prime Minister of Latvia

Mart Laar, Prime Minister of Estonia

Paavo Lipponen, Prime Minister of Finland

Poul Nyrup Rasmussen, Prime Minister of Denmark

German Gref, Minister for Economic Development and Trade, the Russian Federation (Final confirmation pending)

Ottokar Hahn, Special Advisor to the EU Commission

MONDAY, 24 SEPTEMBER

The Tavrishesky Palace

The Baltic Sea Region can position itself as one of the most dynamic growth centres in the new Europe, and indeed in the whole world. This statement is not speculative as the Baltic Sea Region indeed offers unique potential: Closeness of markets, high level of education, good infrastructure and strong industrial traditions.

A speedy accession of Estonia, Latvia, Lithuania and Poland to the EU and an even closer integration with Russia are decisive preconditions for releasing the Baltic Sea Region's remaining potential. Heads of governments and key players of the Baltic Sea Region will give their personal views on where the Baltic Sea Region will be in 2015 provided that this historic opportunity will be maximised to the full.

Moderator: **Dominique Moïsi**, Deputy Director, Institut Français des Relations Internationales

11:30 — Q & A

12:00 — Lunch

The Summit's business theme: *Visions and strategies for economic development*

13:30 — Key note address:

Leif Pagrotsky, Minister for Trade and Nordic Co-operation, Sweden
Introduction to the Summit's business theme

The Summit's business theme will map out the Region's core competences clusters and develop a strategy for the Region's business community on how to harvest the fruits of a coherent Region in which no country lacks behind.

13:45 — Plenary session:

Visions for economic association between the cities of the Baltic Sea Region: A New Hanseatic League?

Carl Cederschiöld, Mayor of Stockholm (Final confirmation pending)

Vladimir Egorov, Governor of Kaliningrad

Martin Meinander, Deputy Mayor of Helsinki

Tõnis Palts, Mayor of Tallinn

Søren Pind, Mayor of Copenhagen

Gennady I. Tkachev, Vice-governor of St. Petersburg and Chairman of External Relations Committee

Inese Vaidere, Member of City Council of Riga

Supported by the Governor of St. Petersburg **Vladimir A. Yakovlev** and the Lord Mayor of Copenhagen **Jens Kramer Mikkelsen**, Baltic Development Forum was entrusted to create the guidelines for how to establish a *New Hanseatic League* of the Baltic Sea Region at the Members' Meeting in Copenhagen 26 June 2001.

MONDAY, 24 SEPTEMBER

The Tavrishesky Palace

14:45

Q & A

15:15

Contact break

15:45

Plenary session:
Russia's New Economy

Andrey A. Fursenko, Secretary of the Board, Foundation for the Center of Strategic research "North-West"

German Gref, Minister for Economic Development and Trade, the Russian Federation (Final confirmation pending)

Andrey Illarionov, Special adviser to the President of the Russian Federation

Edward Lucas, Moscow correspondent, Economist

Andrey Nechayev, President, Russian Financial Corporation

Alexander Nikolaevich Njago, President, OAO TVEL (Final confirmation pending)

Pavel M. Teplukhin, President, Troika Asset Management

Without the cooperation of Russia no true Baltic Sea Common Market will emerge. During the last two years the Russian government has managed to improve the entrepreneurship climate, reduce political and general system risks and create legislative conditions for a favourable entrepreneurship environment. As a result, in particular, the Russian credit ratings have grown. This leaves ground for optimism.

Albeit all the measures undertaken for improving the investment climate, Russia still has low domestic investments, and the foreign investors - and especially those coming with direct investment - are quite cautious investing in Russia.

The new reformers in politics, business and academia from Russia herself will analyse the depth of Russian economic reforms and give an updated assessment of potentials and risks.

Moderator: **Samuel Rachlin**, Author and Journalist

16:45

Q & A

17:15

Contact break

MONDAY, 24 SEPTEMBER

The Tavrishesky Palace

17:45

Plenary Session:
Branding the Baltic Sea Region

Key note address:
Wally Olins, CEO, Wolff Olins
Introduction to the session: Branding the Baltic Sea Region

18:00

Key note address:
Toomas Hendrik Ilves, Minister for Foreign Affairs, the Republic of Estonia
Dot.com as strategy?

18:10

Key note address:
Olav Akselsen, Minister for Oil and Energy, Norway
Sustainability as strategy?

18:20

Key note address:
Gert Maichel, Chairman, RWE Power AG
Excellence as strategy?

The Baltic Sea Region deserves a powerful brand. We ask some of the most provident decision-makers and key players in Europe to formulate their personal visions of the Regions future trade mark.

Moderator: **Wally Olins**, CEO, Wolff Olins

18:30

Q & A

19:00

End note address:
Yevgeni Gusarov, Deputy Minister for Foreign Affairs, the Russian Federation
Mapping out a new revisited partnership between Russia and the European Union

TUESDAY, 25 SEPTEMBER

The Tavrishesky Palace

The Summit's specialist theme: *The Northern Dimension Action Plan - Monitoring progress and the over-all implementation*

08:00 — Introduction

It is evident that the EU enlargement and the integration of Russia into the regional community are two sides of the same coin. Although cross-regional activity is present in the Region, the Region lacks an overall coherence. The Northern Dimension Action Plan looks to respond to this challenge. Initiatives to secure and strengthen the Action Plan both politically and in the Region's business community will nevertheless be necessary.

A full Summit day will be devoted to a special conference on the Northern Dimension Action Plan.

08.05 — Key note address:

Michael E. Porter, Professor, Harvard Business School
Enhancing Baltic Competitiveness: A Baltic Rim Regional Agenda.

The Baltic Rim Regional Agenda was launched at the 2nd Annual Baltic Development Forum Summit in Malmö in 2000 by Professor Michael Porter and Professor Örjan Sölvell from Harvard Business School. The Baltic Rim Regional Agenda has proven to be a decisive step in developing a new innovative and co-operative mindset for the Region. A higher degree of regional integration, co-operation and co-ordination are necessary prerequisites if the Region is to become the leading growth centre.

Focussing on the micro-economic business environment, Professor Porter will present a comprehensive strategy for the development of business in the Baltic Sea Region proving how a Baltic Rim Regional Agenda can enhance the Region's competitiveness.

Moderator: **Örjan Sölvell**, Professor, Harvard Business School

08:45 — Q & A

09:15 — Key note address:

Jacob Wallenberg, Chairman of the Board, SEB
The Northern Dimension Action Plan: An opportunity to exhilarate business development?

09:30 — Key note address:

Valery Serdyukov, Governor of the Leningrad Oblast
The Northern Dimension Action Plan: An opportunity to achieve an integrated Energy market?

09:45 — Key note address:

Algirdas Brazauskas, Prime Minister of Lithuania (Final confirmation pending)
Lithuania, Kaliningrad and the Northern Dimension

TUESDAY, 25 SEPTEMBER

The Tavrishesky Palace

The Region's business community is looking for the same dynamism, which characterised the establishing of the EU Single Market. This is crucial if we want to implement a Baltic Sea Common Market in which no country lacks behind. The vision is of an Action Plan equivalent of Jacques Delors' White Book on the Single Market.

Discussions surrounding the Kaliningrad Oblast have already entered new territory. A new dynamic dialogue between Russia and the EU has taken shape over the last few months. Together with the Northern Dimension Action Plan this dialogue will help address some of the main issues connected to the Region.

Moderator: **Thomas Heidemann**, Director of the St. Petersburg Office, BBLP Beiten Burkhardt Mittl & Wegener

10:00 — Q & A

10:15 — Contact Break

10:45 — Thematic sessions in parallel: *Energy and Environment in the Baltic Sea Region*

Energy & environment – a case study on partnership

Panel:

Svend Auken, Minister for Energy and Environment, Denmark

Eike Benke, Member of the Board, Ruhrgas Energie Beteiligung AG

Walter Leal Filho, BEIDS, Head of Environmental Protection, Tu Tech

Henrik Ager-Hanssen, President and CEO, Ager Energy Management AS

Klaus-Ewald Holst, CEO, Verbundnetzgas AG and Chairman of Baltic Gas

Vadim Somov, General Manager, Kirishenefteorgintez

Matti Vuoria, Chairman, Fortum Oyj

Energy and environment have been on the top of the Baltic Sea agenda for some time. The dependence of Western Europe on imported energy from Russia means that the issues affecting the energy sector have wider European implications. The same applies for the many environmental problems in the Baltic Sea Region. The Region contains 132 registered 'Environmental Hotspots': An alarming figure.

The Northern Dimension Action Plan's focus on energy and environment creates a great opportunity for countries and companies to co-operate. The newly established Northern Dimension Environmental Partnership may even act as a model for other sectors. Key players from government and industry will discuss how to provide the necessary investment in the Russian energy sector to improve the exploration and exploitation of reserves in an environmentally friendly way.

Moderator: **Henning Christophersen**, Chairman of the Energy Charter Conference

TUESDAY, 25 SEPTEMBER

The Tavrishesky Palace

The fuel you do not burn, does not pollute: How to save energy and secure the environment?

Panel:

Jan Hylén, General Manager, Velux International A/S

Mogens Terp Paulsen, President, Danfoss Comfort Division and Chairman ZAO Danfoss

Leif Simonsen, General Director, ZAO Danfoss

Ole Løvig Simonsen, Deputy Chairman of the Danish Parliament, Chairman of the Foundation for Construction of Attic Apartments in Russia

Søren Sørensen, Market Segment Director, Grundfos Management A/S

Krzysztof Zmijewski, Board Member, Polkomtel SA and Chairman of the Polish "Thermorenovation Corporation" (Final confirmation pending)

Steen Ørnslund, General Director, Rockwool Russia

The technical development offers the Region new possibilities to enhance the environmental standard of its living quarters. Introducing energy-saving equipment in households and in municipal services is a way to cut costs in the long-term perspective and an investment in the future. Practical plans to prevent undesirable environmental impact in the Region have so far been rather limited.

Some of the most environmentally conscious companies and leading politicians within energy and housing will reveal the latest efforts to improve local demand conditions for energy-saving equipment. They will concretise how to design products which increase comfort and diminish environmental impact. The economic incentive can be found in a combined effort: *After today's end note address at 14:30, the Summit's participants are invited to visit a pilot project where a 5-storey apartment building had facades insulated and existing windows renovated, was equipped with modern energy-saving engineering/equipment, and had an extra storey (mansard) added. It demonstrates how dwelling areas can be given extended life span and dynamics.*

Moderator: **Alexei M. Mastepanov**, Chief of Department of Strategic Development of the Fuel and Energy Sector, Minenergo of the Russian Federation

11.45 — Q & A

12.15 — Contact break

TUESDAY, 25 SEPTEMBER

The Tavrishesky Palace

13:00

Plenary Session:

How to secure investments in energy & environment? Financing the Northern Dimension Action Plan

Panel:

Gunter Dunkel, Member of the Board, Norddeutsche Landesbank**Peter Egardt**, President of Stockholm Chamber of Commerce**Joachim Jahnke**, Vice President, EBRD**Alexej Miller**, Chairman, Gasprom**Oleg V. Sheiko**, Director of Corporate Finance, YUKOS Oil Company**Jon Sigurdsson**, President and CEO, Nordic Investment Bank**Timo Summa**, Director General, EC DG I

If the Northern Dimension is to become more than just a concept, the EU Commission has to recognise its special responsibility in monitoring the process. During the session we question how the EU Commission could contribute concretely to a further successful implementation of the Northern Dimension Action Plan.

No extra EU funding has been allocated for the implementation of the Northern Dimension Action Plan. Consequently the strengthening of dialogue with the international financial institutions to ensure funding of the different initiatives could be necessary. Time is short.

We will focus on how the private sector can contribute to and benefit from the Northern Dimension projects.

Moderator: **Thierry Malleret**, Director, Europe and Central Asia, World Economic Forum

13.45

Q & A

14:15

End note:

Viktor Cherkesov, Plenipotentiary Representative of the Russian President in the North-Western Federal District*Creating a win-win situation in the Baltic Sea Region*

14:30

Reception – Visit to pilot project

END OF SUMMIT 2001

SUMMIT PARTNERS



Saint-Petersburg was founded in May 27th, 1703, by Peter the Great, who set the goal of modernizing the economy of Russia. St.Petersburg was the capital of the Russian State beginning from 1712 until 1918. At present, St.Petersburg has got its 52 partner-cities. The city pursued foreign trade actively and in 2000 foreign trade turnover was 5.014 billion US dollars. The city's main partners were China, Germany and Finland for export, and Germany, the USA and Finland for import. There are 660 large and medium-size businesses with foreign investment currently operating in St.Petersburg. The overall amount of foreign investment in St.Petersburg's economy in the year 2000 reached 1,160 million US Dollars, which showed a 64% increase over the previous year. As a result of the foreign investment initiatives and a stable growth, over the past three and a half years St.Petersburg has moved from fifth to second place in the list of priority investment regions in the Russian Federation (following Moscow). St.Petersburg is a major center of the world and Russian culture. There are about 150 museums in St.Petersburg, with the Hermitage being one of the largest museums in the world. According to the UN data, St. Petersburg takes its 8th place in the list of the most popular and attractive cities of the world.

The Leningrad region is one of the most important and most economically developed subjects of the Russian Federation. Occupying the territory of 85,9 thousand km² between the Gulf of Finland and the Onega Lake, it is comparable to some European states. The region presents a unique combination of richest natural landscapes, cultural and historical environment and developed economic infrastructure. Close relations with Saint-Petersburg, an extremely profitable geographical position, the availability of significant natural resources are determining factors for the social and economic development region. It includes 29 municipal formations and counts more than 1 million 670 thousand inhabitants. Not only thanks to the developed transport infrastructures, but also thanks to progressive legislative basis in the field of business and investments, highly qualified staff, resource basis, high industrial potential etc, the Leningrad region attract foreign investment to build brand new factories. Combined to the success of suburban agriculture this revival has brought a stable growth of wages. Leningrad Region is a place where invaluable monuments of the past are situated. It consists in 33 guarded natural territories and more than 4500 historical objects making an excellent prospect for international tourism, which is backed the regional government.



MINISTRY OF FOREIGN AFFAIRS



Danish Ministry of Foreign Affairs. Support for the reform and democratisation processes in Central and Eastern Europe is an important part of Danish Foreign Policy. The political support has been supplemented by economically substantial bilateral and multilateral assistance schemes. This includes providing assistance for environmental improvement and assisting the countries in their preparations for membership of the EU. This assistance contributes to the strengthening of economic co-operation and the ties between Denmark and the countries of Central and Eastern Europe, and to the promotion of the development of business and commerce. The Baltic region is given the highest priority, i.e. the assistance is directed especially to Estonia, Latvia, Lithuania, Poland, the region of Kaliningrad, Pskov and the area of St. Petersburg. Since 1989 Denmark has contributed approx. 1,6 billion EURO (2001 incl.) to assistance-projects in CEE-countries, of which two thirds to countries bordering the Baltic Sea and more than half to environmental protection. Denmark is the major bilateral donor in a number of countries in the region.

The countries of Europe are being woven together in an increasing close and more comprehensive co-operation across former dividing lines, a co-operation that encompasses security, economic affairs, welfare and equitable distribution. EU's enlargement eastward will be one of the most important contributions to peace, stability and development in Europe. Thus the success of the enlargement process is in the interest of all the countries of Europe. In the decade that has passed since the fall of the Berlin Wall, Norway has allocated over NOK 3 billion to Central and Eastern Europe in the form of assistance and support for measures to consolidate and promote democratic development, a socially oriented market economy and improved environment. EU's enlargement will entail enlargement if the European Economic Area Agreement. In order to assist the candidate countries in their integration process, Norway has established a Plan of Action for our relations with the candidate countries. The efforts in the individual countries will be concentrated on projects to be chosen on the basis of the country's own priorities in close co-operation with the Norwegian Government. The implementation of Norway's co-operation with Russia is based on a separate strategy. It reflects Russia's importance internationally and in relation to Norway. Especially in the North.



UTENRIKSDEPARTEMENTET
Norwegian Ministry of Foreign Affairs

MM
House of MANDAG Morgen

Huset Mandag Morgen. Mandag Morgen is Danish and means Monday morning. The House of Mandag Morgen is an independent and privately owned knowledge company. All the activities are rooted in our core competence, which is to combine academic research traditions and journalistic news criteria. The company is established around the weekly newsletter, Mandag Morgen Weekly and the independent think-tank, Strategic Forum. Strategic Forum is Denmark's leading think tank for socio-economic analysis. It works through partnerships and alliances with organisations and companies representing both the public and private sectors. It assists these organisations in formulating new visions and strategies - and helps them adjust flexibly to changes in their environment.

STRATEGIC PARTNERS



REGERINGSKANSLIET

The Swedish Government has over many years given a high priority to co-operation within the Baltic Sea region. The year 2000 was declared the Year of the Baltic States. The Northern Dimension policies of the European Union were strongly supported by the Swedish Presidency of the first half of 2001. The Northern Dimension Environmental Partnership - a partnership among the major international financial institutions operating in the region and the European Commission - was established during the Presidency as a means to speed up environmental investments. The Swedish development co-operation with the countries on the Baltic rim is extensive: a total of SEK 2 billion has been allocated for the purpose of promoting development and growth in the Baltic region.

The Ministry for Foreign Affairs of Finland prepares and implements Finland's foreign and security policy, promotes Finland's national interests abroad, including its trade policy and commercial economic interests, protects the interests and rights of Finns abroad. It also promotes international cooperation for democracy, respect for human rights and sustainable development. There are around 1000 employees in the ministry and 1500 in the 100 embassies and other representations all over the world. The organisation of the Ministry is divided into 7 departments i.e. political, trade policy, development cooperation, press and culture, legal, administration and protocol and into 5 regional divisions for Europe; Eastern Europe; Asia, America and Oceania; Africa and the Middle-East and EU Affairs. Further information: <http://formin.finland.fi>



DANCEE

Danish Cooperation for Environment in Eastern Europe
Ministry of Environment and Energy

The Danish Ministry of Environment and Energy has since late 1991 carried out environmental assistance to eastern and central european countries. More than 1200 projects within various sectors have been initiated during the first ten years of assistance. Water, waste, energi, biodiversity and chemicals are among the dominant sectors for the Danish environmental assistance. EU-approximation and support for institutional strengthening of the environmental administrations in eastern and central european countries are also main topics of the Danish Environmental Support Programme (today called Dancee).

The Nordic Council of Ministers was established 1971 by the five Nordic countries - Denmark, Finland, Iceland, Norway and Sweden. Nordic cooperation includes the autonomous areas of Greenland, the Faroe Islands and Åland. The Prime Ministers of the five countries assume overall responsibility for the cooperation, which is based on unanimous decision-making. The Nordic Council of Ministers bears overall responsibility for official co-operation between the governments of the Nordic countries. The Council of Ministers prepares and implements meetings for ministers and senior civil servants, and arranges conferences, seminars, press briefings, etc. The Council of Ministers, which meets in various constellations depending on the agenda, is responsible for the implementation of decisions taken by the ministers and for the follow-up of recommendations issued by the Nordic Council (Representatives of the National Parliaments). The Nordic Council of Ministers supervises about 500 ongoing projects. The basis for all activities conducted under the supervision of the Council of Ministers is that they adhere to the principle of Nordic Advantage adopted in 1995. Activities confer Nordic Advantage: - when a documented positive effect is achieved via common Nordic solutions rather than national ones; - when they manifest and enhance Nordic cohesion, and - when they increase Nordic competences and competitiveness. The 2001 budget of the Nordic Council of Ministers amounts to DKK 751.5 m, allocated to the different administrative divisions as follows: Culture, education, research and IT: 44.2%, Environment and resource policy including the Adjacent Areas: 24.5%, Welfare and industrial policy: 18.8%, Other activities: 12.6%.

The Nordic countries contribute to the budget in proportion to their GDP



Nordic

COUNCIL OF MINISTERS



DANSK INDUSTRI
Confederation of Danish Industries

The Confederation of Danish Industries (DI) is the organization for 57 industrial and employers' associations, representing Danish manufacturing and services industries. DI and its 5.800 member companies represent approximately 320,000 employees from a broad cross section of Denmark's industry and services sectors. From long established companies with thousands of employees to small newly started ventures. DI actively promotes the interests of business in a variety of industry related policy areas. In order to strengthen member companies' positions on the emerging markets in the Eastern part of the Baltic Sea Region it is important to DI to support the political, economical and cultural process of development which integrates the Baltic countries in the European Union. DI is a member of the Union of Industrial and Employers' Confederations of Europe, UNICE, the voice of European business and industry vis-à-vis EU institutions. Further, as a representative of Danish industry, DI is a member of the International Chamber of Commerce, ICC, and of the Business and Industry Advisory Committee to the OECD, BIAC. DI is appointed Danish member of the Council of Baltic Sea States' Business Advisory Council, BAC.

STRATEGIC PARTNERS



DNO's primary activity is increased oil recovery and extended production from mature oil fields as well as development of small oil fields. The company also participates in offshore and petroleum service activities in support of its core activity. DNO participates in 12 petroleum licences and is the operator of 3 licences in the UK and 1 in Yemen. As of 31 July 2001 the group average production was approx. 13.000 barrels of oil per day. DNO's overall objective is to create long term value for its shareholders through profitable investment in petroleum activity. DNO is listed on Oslo Exchange.

Fortum Corporation is one of the leading energy companies in Northern Europe covering all the forms of primary energy. It operates in all parts of the energy chain, from production to refining, distribution and marketing, and from energy-related engineering to operation and maintenance. In 2000, net sales totalled EUR 11 billion and the company employed an average of 16,200 people. Fortum Corporation's shares are quoted on the Helsinki Exchanges.



THE CLUB OF RUSSIA



Danfoss is a global enterprise and is the world leader within Refrigeration Controls, Motion Controls, and Heating & Water Controls. Danfoss has a reputation for using advanced technology in products and processes and for awareness of environmental problems. In 2000 Danfoss had 16,905 employees. Net sales constituted EUR 2 billion (DKK 14,8 billion).

Grundfos was established in 1945 by the late Poul Due Jensen. With today's annual production of 10 million pump units, Grundfos is one of the world's leading pump manufacturers. Grundfos is the world's largest manufacturer of circulator pumps, which are used for heating, ventilation and air-conditioning in domestic houses, office buildings, hotels, etc. Within water-supply and waste-water Grundfos offers a wide range of reliable pumps for irrigation, and for municipal, private and industrial water supply as well as sewage applications. The Grundfos Group is represented by 58 companies in 43 countries. In addition, Grundfos products are merchandised worldwide by distributors.



The Rockwool Group is the world's leading producer of firesafe environmentally sound stone wool insulation. The Rockwool group is represented in the region with production - and sales companies in Denmark, Sweden, Poland, Russia and the Baltic states. Visit us at our web-site www.rockwool.com.

VELUX works internationally with development, production and marketing of VELUX roof windows and accessories, e.g. venetian blinds, roller blinds, roller shutters, and solar collectors. The VELUX Group is part of the VKR Group whose mission it is to bring daylight, fresh air, view and solar power into peoples' lives. The VKR Group has more than 7,000 employees in more than 40 countries. For further information see www.VELUX.com.



SERVICE PROVIDERS



With Copenhagen Airport as its hub, SAS operates air services to, from and within the three Scandinavian countries. SAS has more than 1,000 departures each day - over 350 of them from Copenhagen. SAS' main customer group is business travellers, but this group's need for a closely meshed transport system means that the company is also able to offer vacant capacity to private travellers at competitive prices. It is SAS' aim to make the world accessible to Scandinavian travellers and to make Scandinavia accessible to the rest of the world. At the same time, SAS regards the Baltic region as its home market. In 2000, SAS had 27,767 employees and carried 23.4 million passengers. SAS gives top priority to safety, punctuality and personal service.

The Coca-Cola Company exists to benefit and refresh everyone who is touched by our business. Founded in 1886, our Company is the world's leading manufacturer, marketer, and distributor of nonalcoholic beverage concentrates and syrups, used to produce more than 230 beverage brands. Our corporate headquarters are in Atlanta, with local operations in nearly 200 countries around the world.



Oyj Hartwall Abp is Finland's leading beer and soft drinks company and one of the oldest family-owned enterprises. Hartwall has manufacturing facilities in Helsinki, Lahti, Tornio and Karijoki. In addition, Hartwall owns 50% of the associated company Baltic Beverages Holding, which has twelve breweries in the Baltic countries, Russia and Ukraine. In 2000, Hartwall's net sales came in at EUR 612.0 million and operating profit at EUR 102.8 million.

BBLP BEITEN BURKHARDT MITTL & WEGENER is the one of the leading European law firms with more than 450 lawyers and tax consultants based in 30 offices in 15 countries. BBLP BEITEN BURKHARDT MITTL & WEGENER provides its clients with national and international advice in various areas of the legislation, including: Investment law, Corporate law, Real estate law, Environmental law, Tax and customs law, Anti-monopoly law. International publications of BBLP BEITEN BURKHARDT MITTL & WEGENER prepared by its specialists are valuable resources to its clients and business partners. Last publications related to the Russian Federation are: Investments in Russia - general overview of the Russian legislation as of the beginning of 2001; North-west of Russia - overview of the investment legislation of all territories located on the north-west of Russia as of the middle of 2001. E-mail: INFO@BBLPSPB.RU



SPONSORS



BEIDS (Baltic Environmental Information Dissemination System) is a multi-sectorial programme aimed at fostering information dissemination on energy, transport and sustainable development issues. Participant countries are: Denmark, Finland, Germany, Lithuania, Poland, Russia and Sweden. Further information at: <http://www.beids.de>.

Founded in 1903 **Ford Motor Company** is one of the world's largest automakers. Ford Motor Company has enjoyed a colourful history in Russia that dates back to 1907 when the first dealer was established in St. Petersburg. In 1990 Ford began to appoint authorized dealers and had identified Russia as a "strategic growth market". Currently dealer network consists of 35 dealers in more than 27 regions. One of the most important moments in Ford's history in Russia was in July 1999 when Ford Motor Company signed an agreement to establish manufacturing plant near St. Petersburg. The new factory will be producing Ford Focus, the only model that received the "Car of the Year" award consecutively in Europe and in North America. Total Ford's investment in this project with annual capacity of 25,000 vehicles is 150 million USD.



The Friedrich Ebert Stiftung was founded in 1925 as a political legacy of Germany's first democratically elected president, Friedrich Ebert. Today the Friedrich Ebert Stiftung is a political non-profit making, public-interest institution committed to the principles and basic values of social democracy in its educational and policy-orientated work.

"PO"Kirishinefteorgsintez" Ltd (trade mark KINEF) is the only one refinery on The North West of Russia. It occupies the exclusive place at the region market. The reached capacity of the plant is 17,3 millions ton of crude oil processed per year. KINEF produces all grades of motor and fuel oils, the main petrochemical bitumen grades, aromatic hydrocarbons, liquid petroleum paraffin, line alkyl benzene, rolled roof materials, dish and auto washing detergents. Kinef production meets the highest standards from the point of environment and exploitation quality. In 2000 Kinef has been 9002 certified with ISO-9002 standard. Vertically integrated oil company "Surgutneftegas" in which Kirishi refinery had been included was created on the statement of Russian Council of Ministers. "Surgutneftegas" holding activity covers all technology scheme beginning from crude oil extraction up to processing, distribution and marketing its products.

ОАО "СУРГУТНЕФТЕГАЗ"



Norddeutsche Landesbank. With group assets around EUR 196,016 million the operating income before provision/ valuation measures is EUR 250,7 million (30.06.2001), NORD/LB is Northern Germany's leading bank and rank no. 10 in the country, no. 33 in Europe and no. 57 worldwide. NORD/LB has subsidiaries in Luxembourg, Zurich and Riga/Latvia, branches in London, New York, Singapore, Stockholm and Vilnius/Lithuania as well as representatives in Helsinki, Paris, Prague, Budapest, Warsaw and Beijing.

SPONSORS

PTT is the owner of the universal telecommunication multiservice network of the highest hierarchy level that provides the division of voice and internet traffic and that is one of the basis of St. Petersburg telecom infrastructure.



The Russian-American joint-stock company RASCOM owns and operates an advanced DWDM digital fiber-optic backbone network that extends from Moscow through St. Petersburg to Finland and interfaces with leading national and international telecommunications carriers.

Natural gas is the growth energy in Germany and Europe. The positive growth predictions are attributable not least to the many cost-efficient, energy-saving and environmentally benign uses of this fossil fuel. We are the leading gas company in Germany and make an important contribution to covering gas requirements in Germany as well as increasingly in neighbouring countries. We employ approx. 2,600 people and sell approx. 600 billion kWh (approx. 50 billion cubic metres) of gas. Our customers are regional companies, local distribution companies, industry and power stations. Our supply system consists of nearly 11,000 km of pipeline, 12 underground storage facilities and 26 compressor stations. We have long-term, flexible purchase agreements with indigenous and foreign gas producers. We purchase our gas from indigenous sources, the Netherlands, Russia, Norway as well as Denmark and the United Kingdom. We and our affiliates offer a wide range of services and products for the transportation and use of natural gas.



RWE Power as the leading company in the segment generation inside the RWE Group is responsible for the operation of power plants from a mix of nuclear, hard coal, gas and renewables. Moreover RWE Power is responsible for strategy of generation, dispatch and build of power plants in the RWE Group. Jointly with its partner, RWE Rheinbraun, RWE Power is the largest electricity generator in Germany. 32,000 MW installed capacity are directly available for dispatch by a sales volume of 175 TWh. RWE Power's experience, know-how and great technology expertise enable the company to respond flexibly to the needs of the market at home and abroad. RWE Power is a competent partner when it comes to implementing tailored and customized solutions for power generation.

ZAO North-West GSM is the biggest operator of mobile cellular telecommunications in the North-West of the Russian Federation. The Company provides services in 10 subjects of the Russia, such as St. Petersburg, Leningrad and Arkhangelsk region, Nenets autonomous district, Vologda, Murmansk, Novgorod..



JOINING UP FOR SUCCESS

The 3rd Annual Baltic Development Forum Summit in St. Petersburg, 23-25 September 2001 has been co-organised in co-operation with two non-governmental organisations – the Pro Baltica Forum and the EastWest Institute – and international conference and exhibition organizer VSB Plus.



BALTIC DEVELOPMENT FORUM, based in Copenhagen, is the Region's central summit organisation, an exclusive forum for discussing and networking. Its mission is to advance the growth potential of the Baltic Sea Region through a new partnership

between leading politicians, high ranking officials from the public sector, business executives, academics and representatives from the media. The past two Baltic Development Forum Summits took place respectively in Copenhagen in 1999 and in Malmö in 2000. Baltic Development Forum is chaired by **Uffe Ellemann-Jensen**, former Danish Minister for Foreign Affairs 1982-1993.

For more information: <http://www.bdforum.org/>



PRO BALTICA FORUM e.V., based in Hamburg, is a non-governmental organisation which actively supports a network of companies, institutions and professionals in the Baltic Sea Region. Its goal is to strengthen economic and political ties by the way of effective international partnership between the Nordic and Baltic countries, Germany, Poland and Northwest-Russia. The Pro Baltica Forum has twice organised the St. Petersburg Business Days - in co-operation with the City administration of St. Petersburg and the Leningrad Oblast. The events focused on the EU's Northern Dimension and on Russia's search for new ways of deepening economic ties with her Baltic Sea neighbours.

For more information: www.probaltica.de.



EASTWEST INSTITUTE

EASTWEST INSTITUTE, with offices in New York, Prague, Brussels, Moscow and Kiev, is an independent, transnational, not-for-profit organisation with wide-ranging insight gained from vast experience in Central and Eastern Europe accumulated since its founding in 1981. The Institute has a global network of experts and specialists, based on shared values, with leaders in the business, governmental, non-governmental and intellectual communities. The Institute has been involved in the Baltic Sea Region for a number of years through various activities. Among the most important is the current Transfrontier Cooperation Programme. Set up in 1999, the Programme's main task consists in promoting trans-frontier co-operation between border regions in North-West Russia and her neighbours, in particular the Kaliningrad and Pskov regions.

For more information: www.iews.org and www.iews-tfcp.ru



VSB PLUS, based in St. Petersburg, is an international conference and exhibition organizer as well as investment projects promoter in Russia and abroad. Our staff has many years of experience in organizing great international conferences (in cooperation with EC, UNIDO, ICAO, EOS, SPIE, Alfred Mozer Foundation, F. Ebert Foundation, Westminster Foundation etc.) and seminars in Russia and abroad on innovation and small business, foreign investments attraction and Hi-Tech promotion. Also, VSB Plus have organized delegations from St. Petersburg, the Leningrad region and the North-West region of Russia to participate in the international seminars and exhibitions. Furthermore, VSB Plus is specialized in regional economic development and small business projects promotion, investment policy, infrastructure support for the specific projects in the field of innovation and scientific and technological activity.

For more information: www.apgroup.ru

BALTIC DEVELOPMENT FORUM'S MEMBER ORGANISATION

Baltic Development Forum's Member Organisation is an exclusive interactive network consisting of strategic companies, business services, institutional investors and business associations. They are at the moment

ABB (Sweden)
Accenture (Denmark)
Baltic-American Enterprise Fund (USA)
Carlsberg Breweries (Denmark)
CGNU (United Kingdom)
City of Copenhagen (Denmark)
Codan (Denmark)
Concordia Bus (Norway)
Copenhagen Capacity (Denmark)
Danisco Sugar (Denmark)
Danske Bank (Denmark)
Deutsche Bank (Germany)
DONG (Denmark)
Electrolux Home Products (Finland)
Estonian Telecom Ltd. (Estonia)
F. Uhrenholt (Denmark)
FLS Industries (Denmark)
Hedeselskabet (Denmark)
Lattelekom SIA (Latvia)
LB Kiel (Germany)
Lietuvos Draudimas (Lithuania)
Nordic Investment Bank (Finland)
Nykredit (Denmark)
Odense Steel Shipyard Ltd. (Denmark)
Orestad Development Corporation (Denmark)
Port of Copenhagen Ltd. (Denmark)
SEB (Sweden)
Sikora and Associates (Latvia)
SIVA (Norway)
Statoil (Norway)
SWH Group (Latvia)
TDC (Denmark)
V & S Vin & Sprit (Sweden)
Wavin (Lithuania)
Wärtsilä Corporation (Finland)
Øresundsbron (Denmark)

ST. PETERSBURG SUMMIT
23 - 25 SEPTEMBER 2001



*Baltic
Development Forum
Conference on Partnership
and Growth in
the Baltic Sea Region*

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*Baltic Development Forum
is a non-profit organisation.
Its mission is to
advance the growth potential
of the Baltic Sea Region
through a new partnership
between leaders from government,
business and academia.*

Baltic  Development Forum