



Flag of the Daghestan Republic

THE DAGHESTAN REPUBLIC



Coat of arms of the Daghestan Republic

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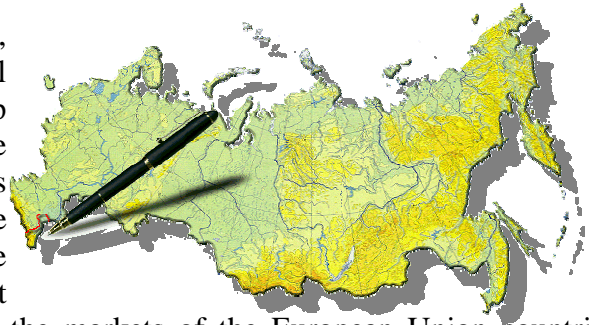
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1. Information About The Daghestan Republic

Enterprise Europe Network Russia, Module A, the Daghestan Republic regional center was founded on the non-profit partnership «The Daghestan Republican Center of enterprise development», the main object of which is creation of favourable conditions for innovative enterprises conducting of small and middle business in the Daghestan Republic, export activity at the international markets, including the markets of the European Union countries, development of the appropriate regional infrastructure of the export support with the necessary set of services and also working up and approbation of different mechanisms and instruments of the financial and credit support of the export-oriented enterprises of small and middle business, activation of trade, economic and scientific and technical connections between the Russian Federation and the European Union countries and also between the other countries of the world on the level of the enterprises of small and middle business, informative and financial and methodological resources and mutual integration of the programs of support and development of enterprises of small and middle business.



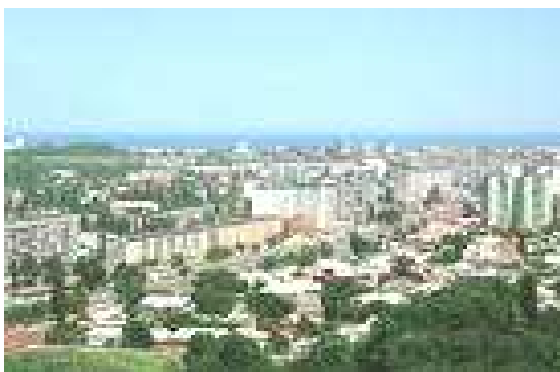
The main object is potential development of support infrastructure of the export-oriented innovative small and middle enterprises of the Daghestan Republic and assortment expansion of the proper services.



The Daghestan Republic – a subject of the Russian Federation is included in the North-Caucasian district. It is situated in the central part of Caucasus. There is lowland in the northern part and foot-hills and mountains of the Large Caucasus in the southern part. On the East Daghestan is washed by the Caspian Sea. The main rivers are Terek, Sulak, Samur, Avar and Andi Koisu. Daghestan borders on Azerbaidzan, Georgia, Chechnia, Stavropol Territor and Kalmykia. The territory is 50 300 km².

The size of the population is 2 700 000 persons. More than the half of them live in villages. There are 41 village regions, 10 towns, 12 settlements of town type in the Daghestan. The capital of the Daghestan is Makhachkala. The largest towns of the Daghestan Republic are: Makhachkala (464 000 persons), Khasavyurt (127 000 persons), Derbent (109 000 persons), Kaspiysk (83 000 persons).

The Daghestan Republic is a multinational republic. The principal nationalities are : Avars, Dargins, Lezgins, Kumyks, Lacks, Russians, Nogays, Tabasarans, Aguls, Rutuls and so on.



2. Governing bodies of the republic

The National Assembly is the parliament of the Daghestan Republic, representative and legislative body of the state power in Daghestan. The state counsel is the highest body of the executive power, where representatives from each of the 14 peoples are performed and they are elected for 4 years. The government appointment is confirmed by the National Council.

The structure of the regional power with the indication of the regional bodies, responsible for business and innovation development:

- The Daghestan Government Committee about the small and middle enterprise development in the Daghestan Republic;
- The Daghestan Republic Ministry of Economy;
- The Daghestan Republic Financial Ministry;
- The Daghestan Republic Ministry of National politics, information and foreign connections;
- The Daghestan Republic Ministry of labour and social development;
- The Daghestan Republic Ministry of property and land relations;
- The Daghestan Republic Ministry of investments;
- The Daghestan Republic Ministry of transport and communication industry;

Territorial bodies of federal bodies of the executive power, municipal establishments, educational establishments, organizations of support enterprise infrastructure.

3. Industry



The industry represents the diversified economic complex, in which enterprises of engineering, instrument-making, chemical, woodworking, food, light industry function. With the transition to the market trade some marked changes took place.

They are connected with the intensification of the local resources. For the last 3 years the stake of fuel and energy complex grew in 4,5 times, the stake of flour-milling and groats and mixed fodder industry – in 2,3 times, the stake of glass industry and manufactured building materials – in 4,6 times.

On the other hand, the state of the light industry is going down in 2,4 times and the stake of engineering, food, chemical and petrochemical industry – in 1,2-1,4 times. The fuel and energy complex takes a special place in the economics of the republic. The fuel industry is based on oil and gas production from the deposits, found at the territory of Daghestan. The extracted oil is remarkable for its high quality and it is supplied to other regions, presently building of an oil refinery with the productiveness of 200 thousand tons of oil a year is expected in Makhachkala. Natural gas is mostly directed on the meeting of inner requirements and is used as high-calorie fuel in the industrial enterprises in the agriculture, for town and village gasification. On the average annually about 400 thousand tons of oil and 700 million m³ of gas is extracted. The hydroelectric power stations play the main role in the electric power production.

According to the specialists rate the general potential of the hydroelectric resources of the Daghestan makes 4,4 billion kilowatt. A part of them have been already reclaimed: Chirkey (1 billion kw), Maili (200 thousand kw) and Chiryurt (800 thousand kw) hydroelectric stations have been put into operation. The building of Irganay HES (100 thousand kw) have been completing. Engineering and metal-working industry took the leading position in the industrial complex of the Daghestan. Its share was 20% of industrial and production funds and about 25% of industrial and production personnel (staff). The Daghestan produces electric welding and electro-thermal equipment, devices and facilities of automation, radiogoods, separators, centrifugal pumps and other goods of wide consumption.

The share is about 28% of the products made in the republic. The share of the chemical industry and building materials is 9% of the industrial products.

Mineral fertilizers, chemical fibres, wares of plastics, soot for the rubber industry are made at the chemical enterprises. The enterprises of building materials produce building sawed stone, brick, ceramic concrete goods and so on.

The republic produced about 90% of glass of the North-Caucasian industrial region. The light industry is represented by textile, leather-shoe, knitting, sewing and carpet enterprises. The specific gravity of the timber and woodworking industry in the general volume of the Daghestan products doesn't exceed 4%, but has the tendency to rise. The share of the food industry is 25 per cent of the whole industrial products of the Daghestan. The principal specialization is can, vine making, fish-catching and fish-processing products. The Daghestan vine and cognac have a wide fame. Meat, butter-cheese making, milk and flour-milling industries have been quite developed. Annually the republic produces about 7 thousand tons of meat, about 1 thousand tons of sausage goods, 6-7 thousand tons of whole (unskimmed) milk products, more than 160 thousand tons of bread and bread articles. The vast marine spaces of the Caspian Sea, the spawning river-beds of the rivers Terek, Sulak, Samur provide sufficient a mount of production of different, fish goods with raw material.

In the Daghestan folk trades, processing local raw material individual industrial, waste have been developed. Carpet manufacture and handmade carpet wares take a special place and represents an independent industry in the Daghestan.

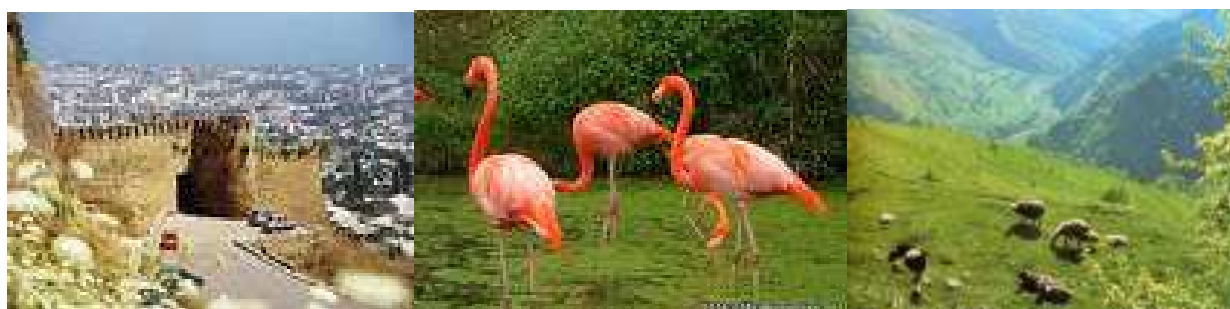
Presently there are more than 20 carpet factories in Tabasaran, Khiv, Suleiman-Stalskii and other regions of the Daghestan. They produce in the aggregate annually 56 thousand m² of carpets and carpet wares. Other kinds of folk trades have also a wide fame : production of jeweler wares (Kubachi and Gotsatl), pottery tableware (Balkhar), notches on a tree (Untsukul).



4. Economy

The principal economic and social data

	January October 2009	January October 2009 in percent To January-October 2008
Industrial production index	-	110,8
Products of agriculture, Billion roubles	41554,7	104,4
Volume of works done assording to the activity «building» billion roubles	29149,0	115,0
Input of dwelling-houses with the general area thousand km ²	593,2	111,1
Turnover of the motor transport goods (million tons km)	3328,0	106,0
Turnover of retail business (million roubles)	210823,0	109,6
Volume of requiring payment services to the population (million roubles)	41461,9	111,1
Investments into the fixed assets in million roubles	48784,3	114,1
From there about the large organizations	12865,1	96,5
Consumer price index	-	114,3
Price of manufactured goods products index	-	107,0
Quantity of officially registered unemployed persons thousand persons	46,2	98,4



5. The activity of the area aimed at increasing export potential Daghestan Republic

There is banking infrastructure for the development of foreign economic activities in the republic. Taking into account the geographic structure of foreign economic activity of the Daghestan side, the priority the following geographical areas of the foreign economic activity development of the republic should be acknowledged:

- CIS (Azerbaijan, Turkmenistan, Ukraine, Belarus, Kazakhstan) as consumers and partners on industrial cooperation;
- Turkey, Iran, Greece, China, UAE as a trading and investment partners
- EU countries (Germany, Italy, Great Britain, Switzerland, France) as suppliers of technology and capital. Firms and enterprises of the republic maintained relations with partners from 47 countries. The main trading partners in 2009 among non-CIS countries were Iran, Turkey, China, Switzerland, United Kingdom, the leading countries of the CIS, which have been traded in 2009 – Azerbaijan, Ukraine and Kazakhstan.

In order to promote the Daghestan products to foreign markets and stimulate the growth of retail trade exhibitions and marketing center «Daghestan-EXPO» organizes participation of national enterprises in trade fairs.

In 2008, the republican enterprises took part the international and cross-regional exhibitions: «Green Week» in Germany (January), «Prodexpo» in Moskow (February), «Dagturekspo» in Makhachkala (March), «Business Daghestan 2008» in Makhachkala (April), «Untsukul ornamental Exhibition» in Makhachkala (April), «Magic of stone» in Makhachkala (March), the exhibition within the framework of the seventh St. Petersburg International Economic Forum, World Economic Forum in Sochi «Golden Autumn» in Moscow.

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