

STRATEGIC OBJECTIVES



"Do we have modern industrial policy?" - We have a certain system of actions stipulated in the documents. Priorities are specified and development strategies for car, aviation industries and energy are adopted, and there are corresponding federal investment programs. We have understanding how to establish the system of government participation in development of the real sector specified in profiles. This is our industrial policy."

Victor Khristenko, Minister of Industry and Energy of the Russian Federation

The Ministry of Industry and Energy of the Russian Federation is a federal authority, which carries out the state policy development and legal regulation functions in the manufacturing and in the fuel and energy, as well as in aviation technology development, technical regulations and metrology, field development of mineral resources on the basis of production sharing agreements. One of the main tasks of the Ministry of Industry and Energy of the Russian Federation is to further contribute to development and the level of competitiveness within the industrial sector and in the fuel and energy.

MINISTRY OF INDUSTRY AND ENERGY

FEDERAL
INDUSTRY
AGENCY

FEDERAL
ENERGY AGENCY

FEDERAL
AGENCY FOR
TECHNICAL
REGULATION
AND METROLOGY

Objective#:

1

Maintain high growth rate of competitive industrial enterprises

Russia's main economic development task for the next ten years is to maintain high growth rate, which will allow to reduce the backlog in the level of economic development and in the level of prosperity of the Russian population, when compared to industrially developed countries. With the level of competition becoming more intense within the local and global markets, high competitiveness of production becomes a principal requirement for industrial development.

Federal Investment Programs: "National Technological Base 2002–2006", "Electronic Russia (2002–2010)", "World Ocean", "Development of Russian Civil Aviation Technology 2002–2010 and for the period up to 2015", "Global Navigation System".

Objective#:

2

Increase efficiency of the fuel and energy sector

The Ministry's line of activity is oriented towards assisting the power industry and structural adjustment of the Russian fuel and energy sector. This is essential for increasing the level of competitiveness of national industry through use of affordable electric power. Optimal correlation of discovered reserves and total amount of extraction of main energy resources, as well as the rate of employment of developing deposits, represents an important feature for increasing the efficiency of the energy sector.

Another objective is to develop initiatives in the field of energy security within framework of the Russian presidency in G8 in 2006.

Federal Investment Programs: "Energy Efficient Economy" (currently under revision), "Development of Kaliningrad Region for the period of 2010", "Economic and Social Development of the Far East and Trans-Baikal region for the period of 1996–2005 and till 2010", "Socio-Economic Development of Kuril Islands and Sakhalin Region (1994–2005)", "The South of Russia". Programs in these regions are administered by the Ministry of Economic Development and Trade as regional priority programs.

Objective#:

3

Develop technological, scientific and production potential of the defense industry

The Ministry's line of activity is directed towards establishing such conditions that will cause technological, scientific and productive potential of the Russian defense industry not just to expand but to be utilized in the most effective way. In order to achieve this objective production capacities of defense industry must be modernized and the level of weapons and military technology export should be increased.

Federal Investment Programs: "Reforming and Developing the Energy Sector (2002–2006)", "Destroying Chemical Weapons Storage Sites in the Russian Federation", "Industrial Utilization of Weapons and Military Technology (2005–2010)", "Nuclear and Radiation Security in Russia".

Objective#:

4

Develop of a technical regulation system for increasing the competitiveness of national economy

The Ministry's line of activity is concentrated on increasing competitiveness of the Russian industry by switching to a new system of technical regulation appropriate for the market economy. The current technical regulation reforms in Russia have to reduce the administrative pressure on the economy, harmonize safety requirements on the products and stimulate the development of a system of national standards.

STATE POLICY IN CAR INDUSTRY

Goals:

- integrating national automotive plants into the world car making market;
- making safe and high-quality car models;
- development of auto parts supply industry as a part of new industrial organization in car making.

Main tasks for 2005-2008:

- providing the Russian transport sector with modern vehicles corresponding to global environmental and safety standards;
- increasing the share of high-tech manufacturing in motor-car industry;
- developing tariff and non-tariff regulation measures taking into account WTO requirements;
- increasing levels of state defense potential by means of developing and manufacturing military vehicles of new generation including double-purpose use;
- carrying out R&D programs, aimed to develop new types of auto technologies and auto components corresponding to global standards as well as contributing to social program;
- providing qualified human resources for Russian automotive industry.

Strategy of Russian Car Industry Development

Stage #1:	Stage #2:	Stage #3:
--- Active role of custom tariffs in car market regulation.	--- Creating attractive investment climate in the industry.	--- Cooperation with world carmakers.
--- Replacement of the existing model line.	--- Creating new industrial facilities for large scale manufacturing of a new model line.	--- Securing European technical and environmental standards in car making.
--- Restructuring companies tax debts.	--- Transfer to modern technical and environmental standards (Euro-2, Euro-3 and Euro-4).	

Car industry development is directly related to most important strategic goals of economy development – doubling of GDP, innovative economic development, securing stable job market. Therefore, we pay a lot of attention to the problems of car industry. In 2002, the Strategy of Russian Car Industry Development was adopted by the Russian Government, as a reaction to the problems of the industry. First steps have stimulated financial stabilization and development of industry.

STATE POLICY IN AIRCRAFT INDUSTRY

Goals:

- development of the high-tech sector of the Russian economy to provide competitiveness and national security;
- improvement of cooperation between state and business (private-public partnership);
- expansion of international cooperation with leaders of the global aircraft market;
- integration of aircraft companies into large and stable scientific and manufacturing structures.

Tasks:

- completion of structural reforms in the aircraft industry, establishment of the United Aircraft Company and Helicoptermakers Holding;
- development of financial mechanisms and tools stimulating industry development with the eye to the state's role in offsetting risks;
- adaptation of the legislation to the tasks set out the Strategy.

Strategy of aircraft industry development

The paper is prepared by the Ministry of Industry and Energy of the Russian Federation in close cooperation with federal authorities and main players in the Russian aviation industry. Its goal is to return the Russian aviation industry to the global market as one of the global aircraft industry powers.

Expected results of the Strategy implementation:

- minimum 7% growth of Russia's share of the global aircraft market;
- growth of annual sales of all types of aircrafts (minimum 7 billion USD);
- growth of annual sales of civil aircrafts (minimum 3 billion USD).

STATE ENERGY POLICY

Goal:

Efficient utilization of fuel and energy resources and energy sector potential in order to stimulate growth of economy and living standards of the population.

Priorities of Energy strategy (up to the year 2020) are as follows:

- full and reliable supply of the population and national economy with energy resources at moderate and at the same time energy-saving stimulating prices, decrease of risks and prevention of crises in energy supply of the country;
- decrease of specific excess costs for production and use of energy resources utilization by means of rational consumption, implementation of energy-saving technologies and equipment to lower the losses at extraction, processing, transportation and supply of fuel and energy products;
- increase of financial stability and efficiency of the energy sector potential, production rate growth in order to provide for social and economical development of the country;
- decrease of negative influence of energy sector on the environment on the basis of implementing economic incentives, improvement of the manufacturing structure, developing new technologies of extraction, processing, transportation, supply and consumption of energy products.

Energy sector development

Principal mechanisms of state regulation in fuel and energy sector include:

- measures to establish rational market environment, including coordinated price, tax, customs, anti-monopoly regulation and institutional reforms in fuel and energy sector;
- increase of efficiency in state property management;
- introduction of the legal standards and norms system in order to increase the efficiency of power engineering development and to encourage energy saving;
- encouragement and support of strategic initiatives of enterprises in investment, innovation and energy-saving fields.

Energy strategy of Russia for the period up to the year 2020 is a document specifying targets, tasks and basic directions of long-term energy policy of the State for the corresponding period taking into account the forming domestic and external situation in the energy sector and its role in securing the unity of economical space of the Russian Federation as well as political, macroeconomic, scientific and technological development of the country.



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MINISTRY OF INDUSTRY AND ENERGY OF THE RUSSIAN FEDERATION