



# Republic of Crimea

### Reference Brief









Special Edition 2021 r.







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# Chapter 1. TERRITORIAL DIVISION AND ADMINISTRATIVE STRUCTURE

Republic of Crimea is a constituent entity of the Russian Federation that is part of the Southern Federal District

The capital of the Republic of Crimea is Simferopol.

The area of the peninsula is 26.1 thousand sq.km - 0.15% of the territory of the Russian Federation

The length: from West to East - 326 km from North to South - 205 km

<u>Administrative-territorial units</u> of Republic of Crimea are 11 cities of republican significance and 14 districts.

The territory of Republic of Crimea is divided into 16 cities, 14 districts, 243 village councils, 1,019 settlements, of which 72 are urban and 947 are rural.





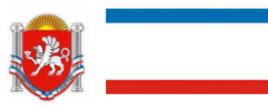


**The State Council of Republic of Crimea** is the representative and legislative body of Republic of Crimea. Unicameral Parliament - according to the Constitution of Republic of Crimea - is elected for a term of five years, consisting of 75 deputies This is the highest and singular representative and legislative body of the republic.

The Council of Ministers is the Executive body of Republic of Crimea.

The state symbols of Republic of Crimea are the Coat of Arms, the Flag, and the Anthem.

**Head of Republic of Crimea** is the top official of Republic of Crimea. He has the right to chair the Council of Ministers of Republic of Crimea. Elected by the deputies of the State Council for a 5-year term.





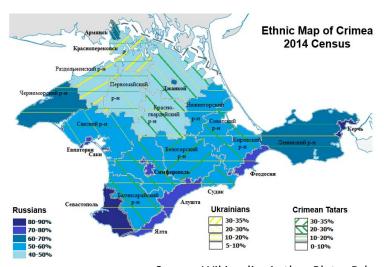




#### **Chapter 2. POPULATION**

As of January 1, 2021, the population of Crimea was 2,411,570 permanent residents, including in Republic of Crimea - 1,901,578 permanent residents, in Sevastopol - 509,992 permanent residents

#### Map of the settlement of Russians, Ukrainians, and Crimean Tatars



Source: Wikipedia. Author PlatonPskov

#### **Nationality Composition**

The data for 2014 (with the city of Sevastopol) - 2,284,800 people, including 2,197,600 people who indicated their nationality:

- ☐ 67.9% Russians,
- ☐ 15.7% Ukrainians,
- ☐ 10.6 % of the Crimean Tatars,
- 2.0% of Tatars (including Tatars with Crimean Tatar language),
- ☐ 1.0% of Belarusians
- □ 0,5% of Armenians,
- □ 2.3% others.

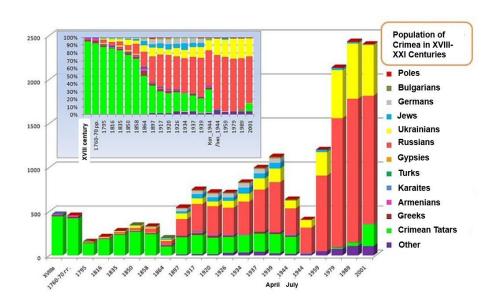




#### Since the 2001 census:

- the share of **Russians** in Crimea has increased from 60.68% to 67.90% (by 7.22%)
- the share of **Ukrainians** in Crimea has decreased from 24,12% to 15,68% (by 8,44%)
- the share of the **Crimean Tatars and Tatars** increased from 10,26% + 0,57% = 10.83% to 10,57% + 2,05% = 12.62% (1.79% in total).

#### Population Dynamics in Crimea Over the Past 300 Years



Source: http://www.statdata.ru/naselenie-krima-i-sevastopolya





# Chapter 3. GEOGRAPHIC LOCATION AND NATURAL RESOURCE POTENTIAL

#### 3.1. Terrain

The terrain of Crimean Peninsula consists of three unequal parts:

- ☐ The North Crimean Plain with the Tarkhankutskaya Upland (about 70% of the territory), the Kerch Peninsula, and the mountainous Crimea extending with three ridges to the south.
- □ Plain Crimea is located on the platform structure (Scythian platform) and is characterized by relative geological stability and accessibility for economic use. The plains occupy 78% of the peninsula. The plains of the Northern Crimea are mostly lowlands, with heights up to 30 m. The most favorable for agriculture are the plains of the central part of Crimea, as well as the Tarkhankuta and Kerch Peninsulas (up to 90% is occupied with agricultural land).
- Mountainous Crimea (22% of the territory) is a part of the Alpine folded area and is characterized by increased tectonic activity. The Crimean Peninsula is washed by the Black Sea and the Sea of Azov.







#### 3.2. Climate

Crimea occupies a borderline position between temperate and subtropical geographic zones, which is favorable for the mild climate of the peninsula and the large number of hours of sunshine (2,180-2,470 hours per year). The climate is mild, close to the Mediterranean one, a climate characterized by an abundance of sun, heat and light.



Source: http://luko-more.com/stati/klimat-v-kryimu.html

# CRIMEAN DIGEST



Publisher: Business & Cultural Center of Republic of Crimea State Autonomous Enterprise

The warm sub-Mediterranean climate determines the seasonal characteristics of the climate. The cold season is characterized by frequent thaws, which lead to temperature changes and a decrease in snow cover. If for the coastal areas every warming is a pleasant surprise, for the mountain areas it is a serious problem associated with avalanches.

Spring in the Crimea is of early character, getting warmer in the second half of February, and it does not last long. Nature's awakening is characterized by increasing temperatures during the day and frosts at night. Plants with early flowering dates do not tolerate such fluctuations.

Summers on the peninsula are hot, with light, pleasant breezes. Plants that have endured spring frosts get enough solar energy to give a rich harvest for 5 months. The main thing is to take care of additional watering, as the peninsula is not blessed with precipitation during this period.



Mid-November is the beginning of autumn on the peninsula. Despite the change in weather, this less hot period with rare rains is cherished by fans of outdoor activities. Vacationers recommend hiking tours of coastal areas, exploring unique places and monuments.



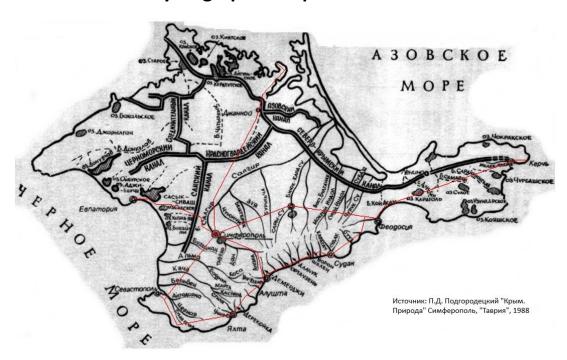


#### 3.3. Hydrology and Natural Protected Areas

On the territory of Republic of Crimea there are more than 1,657 rivers and streams with the total length of about 6,000 km; 1,842 ponds, as well as 315 lakes, including 50 salt lakes, in 35 of which the presence of therapeutic mud (Sakskoe, Bakalskoe, Sasyk-Sivash, Kizil-Yar, Chokrakskoe) is registered.

There are 22 reservoirs constructed in the republic, with the total volume of 334.2 million cubic meters, including 14 reservoirs of natural flow and 8 inflowing reservoirs.

#### **Hydrographic Map of Crimea**

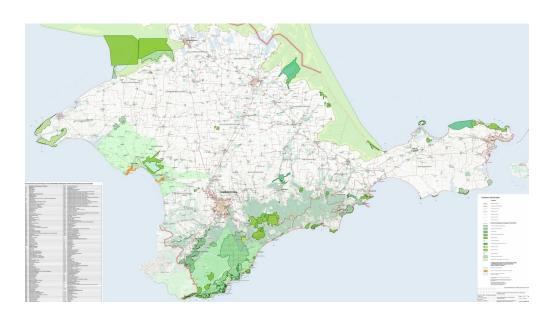






On the territory of Republic of Crimea there are 190 specially protected natural areas of regional importance (hereinafter - SPNA), with a total area of 93.6 thousand Hectares The structure of SPNA of regional importance includes: 6 natural parks, 15 landscape state natural reserves, 19 botanical state natural reserves, 2 hydrological and geological natural reserves, 94 natural monuments, dendrological park, 2 botanical gardens, 7 protected tracts, 10 landscape and recreation parks, 30 parks-monuments of landscape art, 2 zoological parks.

### MAP OF CRIMEA'S SPECIALLY PROTECTED NATURAL TERRITORIES WITH PROTECTED WATER AREAS



Source: <a href="https://apdks.ru/wp-content/uploads/2017/06/oopt\_krym.pdf">https://apdks.ru/wp-content/uploads/2017/06/oopt\_krym.pdf</a>





#### 3.4. Mineral Deposits

Republic of Crimea occupies one of the leading places in the Russian Federation in terms of mineral wealth. The balance of reserves of the Republic of Crimea on the territory of the peninsula is certified with 183 deposits of 21 types of minerals. In the structure of the material and raw material potential of the Republic, deposits of raw materials for production of construction materials prevail - 113 or 61.7% of the total amount.

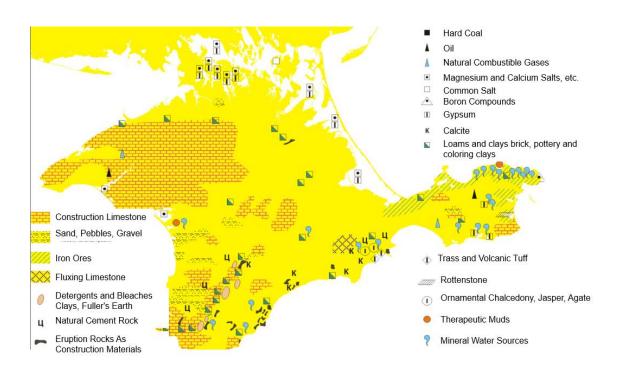


Fossils of fuel-energy complex - 34 deposits (18,6%), waters: potable and technical, mineral and thermal - 17 deposits (9,3%), metallurgical raw materials - 11 deposits (6,1%), mining-chemical raw materials - 3 deposits (1,6%) and deposits of other raw materials - 5, or 2,7%. The region is characterized by uneven location of mineral deposits. That is explained by the spatial distribution of productive structural-formation and structural-material geological complexes, in which they were formed. The highest saturation of minerals, except fresh groundwater, is characteristic of Sakski and Leninsky regions - 49 deposits in each region.





#### **Minerals of Crimean Peninsula**



Source: 2CAD





# Chapter 4. ECONOMY OF THE REPUBLIC OF CRIMEA

Specialization of the economy of administrative and territorial units

#### 4.1. Sectoral Structure of Economy

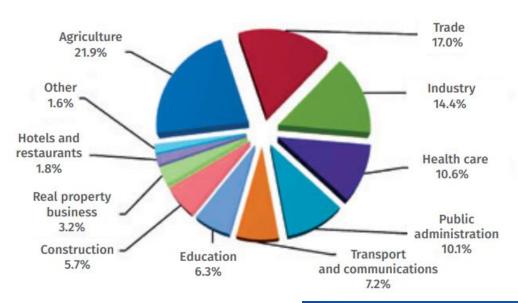
of the Republic of Crimea is determined by the specific location of productive forces of the peninsula: ☐ Recreational specialization (the cities of Yalta, Alushta, Evpatoria, Saki - together more than 54% of the recreational institutions of the Republic of Crimea); ☐ Agricultural specialization (Krasnogvardeyskiy, Dzhankoyskiy, Simferopolskiy regions - in the aggregate 40% of the agricultural products manufactured in the Crimea); Industrial specialization (the cities of Simferopol, Krasnoperekopsk, Armyansk, Kerch, Feodosia - in the aggregate over 60% of the republican industrial output); ☐ Transportation centers (railroad - the cities of Dzhankopol, Simferopol, Krasnoperekopsk, Armyansk, Kerch, Feodosia - in aggregate over 60% of the republic's industrial output); and Dzhankoy, Simferopol, Feodosia, Kerch; ☐ Automobile transport centers -Dzhankoy, Simferopol, Feodosia, Kerch. The transportation centers (railway - Dzhankoy, Dzhankov, Simferopol, Feodosia, Kerch: automobile Yevpatoria, Yalta, Feodosia, Kerch).





The focus areas of economy of Republic of Crimea are: health resort and tourism business, agriculture, food production, winemaking, fishing, production of inorganic chemistry products (soda, salt, titanium dioxide), shipbuilding

### THE REPUBLIC OF CRIMEA GRP STRUCTURE BASED ON TYPES OF ECONOMIC ACTIVITY





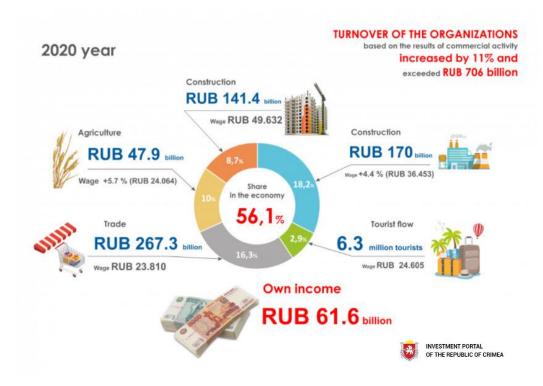




#### 4.2. General

High potential of agro-industrial, sanatorium-resort, tourist complex, shipbuilding, chemical industry. Functioning of research and educational organizations in the sectors of specialization.

- ☐ Favorable agroclimatic resources.
- ☐ Free economic zone regime.
- Reserves of mining and chemical raw materials, natural gas, raw materials for production of construction materials.
- ☐ Development of renewable energy.
- ☐ Health resort, natural-recreational and cultural resources.
- ☐ Favorable economic and geographic location.
- ☐ A peaceful inter-confessional situation.
- ☐ Functioning of the social protection system for the low-income population.







#### **DEVELOPMENT PRESPECTIVES**

Financing of social and economic development within the
framework of the government development programs.
Implementation of a potentially high demand for tourist
services from the countries of the SCO, CIS, EAEC, South-West
and South Asia, the Asia-Pacific Region, Africa, Latin America.
Attraction of direct foreign investments into the Crimean
economy from the countries of the SCO, CIS, EAEC, South-West
and South Asia, Asia-Pacific region, Africa, Latin America.
Development of health resort and tourist industry.
Improvement of competitiveness of the economy of Republic
of Crimea.
Integration of Crimean enterprises into the system of inter-
regional division of labor.
Encouragement of child-bearing and social support for young
families.
Increase in social payments, old-age pensions, incomes of the
population.







#### 4.3. Agribusiness

Crimean Peninsula has unique conditions for development of agriculture. Agroclimatic resources of the region allow for growing of many temperate and subtropical crops. The sum of active temperatures in the flat Crimea is 3,300-3,600° C, on the Southern coast of Crimea exceeds 4,000° C. The frost-free period lasts for 170-200 days on the plain part of the peninsula and 240-270 days on the Southern Coast of Crimea.

# The total area of agricultural land is 1.7 million hectares, including arable land - 1.3 million hectares

Development of horticulture, viticulture, cultivation of essential oil crops (lavender, rose, sage) are the priorities. Given the specialization of the Crimea as a resort region, serious attention to viticulture is paid - increasing the proportion of table varieties in the structure of vineyards up to 25% of the total amount of plants; in horticulture - providing production of fruit with different terms of maturity of fruits, as well as taking into account their deposit for long term storage







#### Structure of Agricultural Land, thousand hectares, %

#### Substantial Role in Economy of the Region





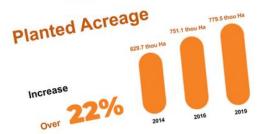


Rural Population

Structure of Agricultural Production



Crop production 57.8% - 32.5 billion RUB Livestock production 42.2% - 23.7 billion RUB\* \*In farms of all categories at current prices



#### Horticulture (main areas)

31.1%

Fruit, Berry and Winegrape 7.624.8 mln. RUB

16.1%

Vegetables and Cucurbits 3,943.2 mln. RUB

5.9% Oilseeds 1,442 mln. RUB 30%

Cereals and Legumes 7,373.3 mln. RUB

6%

Potatoes 1,476 mln RUB

5.9%

Forage crops 298.4 mln RUB

#### Livestock Sector (main areas)

60.4%

Livestock and Meat Bird 11,648 mln. RUB

6.9%

Eggs

1,329.8 mln. RUB

29% Milk

5,583.3 mln. RUB

0.1% Wool

19.2 mln RUB







In terms of location of production areas on the peninsula, it can be noted that in the steppe areas (Dzhankoy, Pervomaisky, Krasnogvardeisky) are mainly cultivating grain crops, closer to the central part of the peninsula (Saki and Simferopol district) in addition to grain crops grow technical crops, Bakhchisaraysky district - growing fruits and berries, in the south of the peninsula (in its mountainous part) grow different varieties of grapes.





Production of agricultural products is carried out by enterprises registered in the following legal forms: agricultural organizations, household farms, peasant (farmer) households and individual entrepreneurs.





In 2020 the Crimean agricultural products were exported to 12 countries of the world. The largest share is exported to Ukraine (Donbass and Lugansk Republics) - the value of exported products is 8 million USD (61% of the total) and China - 3.3 million USD (25% of exports). Smaller amounts of products were supplied to Belarus, Kazakhstan, Kyrgyzstan, Abkhazia, Armenia, Turkey, Tajikistan, Serbia and Israel. The "leaders" of exports: poultry, strong alcoholic beverages and grape wines.







#### 4.4. Sanatorium and Resort Industry

Crimea's health resort complex is based on the use of mineral waters, therapeutic muds, climatic and landscape resources. There are 26 deposits of therapeutic mud and brine, over 100 sources of mineral waters of various chemical composition on the territory of the Republic. There are 767 accommodation facilities (hotels and similar accommodation entities; specialized accommodation facilities) on the territory of Republic of Crimea with total capacity of 156,500 beds.









The	e sanatorium and resort industry of Crimea includes:
	Sanatoriums (destination spa with medical services) for adults,
	Boarding houses with treatment;
	Children's sanatoriums;
	Sanatoriums for children with parents;
	Sanatorium health camps;
	Sanatorium-preventoriums;
	Health resort polyclinics
	Balneological and mud baths

Sanatoriums and boarding houses with treatment are located mainly in the south of Crimea, as well as in the resorts of Yevpatoria, Saki, Feodosia.







Almost all sanatoriums and health resorts are designed for year-round operations. Among all types of sanatoriums and resorts the largest share of year-round operational institutions is among sanatoriums for adults, sanatoriums for children with parents and sanatorium health camps. The year-round demand is higher in sanatoriums, which use methods of treatment of nonspecific diseases of the respiratory organs, central nervous system, musculoskeletal system, cardiovascular diseases.

The most preferred resort regions for recreationists are the Southern coast of Crimea - 49%, equally attractive - Eastern - 22% and the West Coast - 22%. .







#### 4.5. Energy



#### **ENERGY INDUSTRY**





Kuban – Crimea Energy Bridge Power capability 850 MW

#### Commissioned:

- Balaklava (Sevastopol) UES capacity 470.00 MW
- Tavricheskaya (Simferopol) Thermal Power Plant capacity 470.00 MW
- Sakskaya Thermal Power Plant- capacity 470.00 MW



#### **Power Supply**

**2,460** MW with consumption up to

**1,400** MW a day

Local Power Supply – 2.9 times increase (2013 – 555 MW, 2018 – 1,610 MW)



#### Krasnodar Krai - Crimea Gas Trunk Line:

- Length 357 km
- Capacity 804 billion cubic meters a year





In 2020, electricity production on the peninsula amounted to 6,493 million kWh, or 82% of total consumption (7,920 million kWh). The power deficit was covered by the power system of the Krasnodar Territory





#### **OPERATIONAL POWER STATIONS**

Balaklava (Sevastopol) UES - capacity 470.00 MW
 Tavricheskaya (Simferopol) Thermal Power Plant - capacity 470.00 MW
 Perovo Solar Power Plant - capacity 105.56 MW
 Okhotnikovo Solar Power Plant - capacity 80.00 MW
 Simferopolskaya Thermal Power Plant - capacity 68.00 MW
 Sevastopolskaya Thermal Power Plant - capacity 33.00 MW
 Sakskaya Thermal Power Plant - capacity 12.00 MW

Source: https://energybase.ru/region/respublika\_krym



Source: Wikipedia





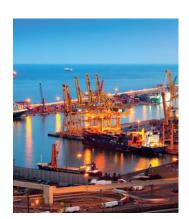
#### 4.6. Manufacturing Industry

Manufacturing Industry of the Peninsula is the basis that forms the commodity production in Republic of Crimea.

In industrial production of the Republic there are more than 2,000 enterprises of all forms of ownership and departmental subordination, including statistically small enterprises and physical persons - entrepreneurs who use the labor of employees in the sphere of industrial production.

#### The Basic Structure of Industry is as Follows:

- ☐ Production of food products, beverages and tobacco products the share in the total volume of industrial production is 31.0%;
- ☐ Supply of electricity, gas, steam and air conditioning 30.5%.
- ☐ Production of chemicals and chemical products 13.8%;
- ☐ Machine building 8,7%; mining and quarrying 9,9%;
- Manufacture of rubber and plastic products, other non-metallic mineral products - 4,0%;
- Metallurgical production, production of finished metal products -1.3%.









The mining industry is the extraction of fuel and energy and non-energy minerals. Development of the extractive industry of the Republic of Crimea is affected by both extensive factors (commissioning of new wells at the fields) and intensive ones (completion of the existing ones, capital construction of the fields). On the territory of the peninsula and adjacent areas 43 hydrocarbon fields are identified, of which 3 are gas fields and 3 are gas condensate fields that belong to the medium class of mineral resources, and the rest - to the small class of mineral resources. Nevertheless, 61.0% of all natural gas reserves and 84.1% of condensate reserves are concentrated in 6 medium-sized fields. According to experts, these reserves amount to about 1.6 billion tons of fuel equivalent or 1.5 trillion cubic meters in gas equivalent. One third of bottom oil, gas condensate and natural gas reserves are in shallow waters.







#### **Production of construction materials**

In Republic of Crimea there are more than 200 enterprises of construction materials industry. The main product groups are non-metallic building materials, cement, ready-mix concrete, reinforced concrete products and constructions; ceramic bricks.

Enterprises in this sector are located in the Republic, according to the principle of proximity to the sources of raw materials. Crimea has a rich and diverse raw materials for building materials industry; the main ones are sawdust limestone, cement raw materials, chalk, gypsum, clay, sandstone, glass sand. Locations of quarries for construction materials in the Crimea is everywhere, but their combination varies by territory.

According to this notion the following mineral resource areas are allocated:

- ☐ Plain-Crimean Area with the production of shell stone;
- **Mountain-Crimean Area** with the production of wall saw blocks, cement raw materials, crushed stone, brick clay and sand;
- ☐ **Kerch Area** producing saw-timbered limestone, brick clays, expanded clay, gypsum stone, glass sands

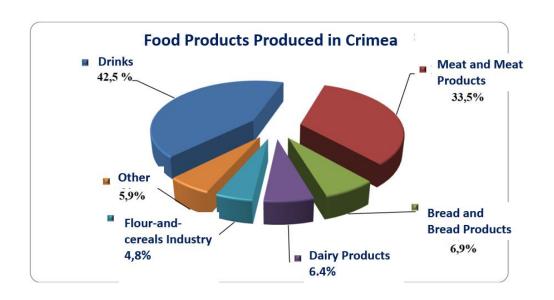






**Food industry** is a powerful industrial sector of agro-industrial complex, which is one of the strategic directions in ensuring food security of the region. In addition, the food industry is not only the final link in the processing of agricultural products, but also the organizer and integrator of the effective functioning of the entire food complex.

More than 100 industrial enterprises specializing in the production of meat products, sausage products, dairy products, cheese, butter, canned goods, confectionery products, cereals and flour, liquor and vodka products, bread and bakery products, mineral water and soft drinks, tobacco products and others are concentrated in the industry.







A significant specific weight (11.7%) in the composition of industry of Republic of Crimea is **mechanical engineering and shipbuilding.** 

At the moment one of the distinctive features of mechanical engineering in Crimea is a small share of sales of its products in the areas of production. Finished products from 80 to 100% of subject specialization are sent outside the region.

Machine-building complex of Crimea comprises a system of scientific research and design-technological enterprises, the number of which is 317 enterprises (2017).

**Production of construction materials and products**. Cement, reinforced concrete products and wall materials are the basic industries of building materials in the Republic. The Republic of Crimea has 42 enterprises in these areas, of which 13 are the leading ones.

Consumer Goods Industry is one with a fast turnover of capital, but the crisis phenomena of recent years have put the industry on the verge of survival. By the end of 2014, the share of light industry in the total volume of production in the republic was less than 0.5%, for comparison, in 1990 it was 7%. Medium and small producers specialize in sewing of bed-linen, men's suits, children's clothing, school uniforms, and work clothes.

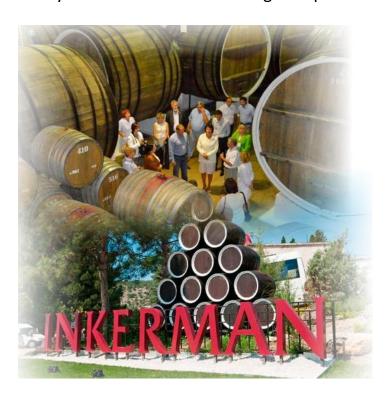




#### Winemaking Industry

The share of winemaking in the structure of the food industry is about 44%. The production potential of the winemaking industry: 25 winemaking enterprises operate in Crimea. Their capacities are capable to process up to 279 thousand tons of grapes per year, pour 53,7 million dal of wine products and keep 36,5 million dal on aging at one time.

The volume of harvest in 2020 compared to 2019 is almost unchanged, a total of 99.43 thousand tons of grapes harvested in the Crimea, including 7.84 thousand tons of grapes of table varieties. This is 30.5% more than the average number for 2014-2019. The yield was 63.3 hundred kilograms per hectare.







#### 4.7. Transportation

The transport and road complex of Republic of Crimea is a system of communications, which includes roads with a total length of 14.7 thousand km,5 sea ports (Kerch, Feodosia, Yalta and Yevpatoria commercial ports and Kerch fishing port), Kerch ferry crossing, international airport (Simferopol), extensive network of railroads, connecting Crimea with the mainland

#### **Motor Roads**

The total road mileage in Republic of Crimea is 14,670.19 km. The network of public roads of the Republic of Crimea is 6,102.9 km, including:

- regional public roads 1,685.2 km;
- ☐ intermunicipal 4,417,7 km;
- ☐ 347 bridges and overpasses.

The length of municipal roads of the Republic of Crimea is 8,567.29 km.



Source: http://sadrk.ru/karta/







#### TRANSPORT INFRASTRUCTURE











### KERCH - FEODOSIA - BELORSK - SIMFEROPOL - BAKHCHISARAY - SEVASTOPOL HIGHWAY (TAVRIDA HIGHWAY)



Construction of Tavrida began in May 2017. The highway is of category IB, on which 19 traffic interchanges and 30 elevated crosswalks were built. The construction was divided into seven stages, six of which passed through the territory of Republic of Crimea, and the seventh is within the administrative boundaries of Sevastopol. **The highway length of more than 250.7 kilometers** across the Crimean peninsula was built in just over three years. Traffic on the four lanes of Tavrida from Kerch to Sevastopol was launched on August 27, 2020. 5.5 million vehicles traveled along the Tavrida over the Crimean bridge in the year since the launch of traffic on the highway





#### **Sea Transportation**

In Republic of Crimea, there is the Crimean Sea Ports State Unitary Enterprise, which consists of 8 branches.

- ☐ **Kerch Trade Port** with 7 berths
- ☐ Kerch Fishing Port 7 berths
- ☐ Feodosia Commercial Port 4 berths, 1 passenger port, 4 piers
- ☐ Yevpatoria Trade Port has 2 cargo areas (in Yevpatoria and on Donuzlav Island), designed for transshipment of cargoes.
- ☐ Yalta Commercial Port receiving and handling cruise ships and transportation of passengers between inhabited areas of the South Coast of the Crimea. There are passenger (Yalta) and cargo (Massandra) areas with a total of 12 berths and 12 port points (Simeiz, Alupka, Miskhor, Swallow's Nest, Golden Beach, Nikitsky Botanical Garden, Gurzuf, Professors' Corner, Alushta, Partenit, Malorechenskoye, Sudak) for servicing local passenger lines.



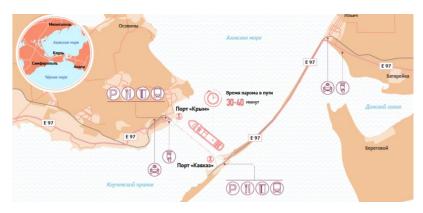




#### **Kerch Ferry Crossing**

Transportation of vehicles and passengers through the Kerch Strait is carried out by the "Kerch Ferry Crossing" branch of the State Unitary Enterprise "Crimean Sea Ports" and "Sea Directorate" LLC. The ferry crossing capacity is 70 thousand passengers, 14 thousand cars and 1200 trucks.

### In September 2020 the Kerch Ferry operation was suspended indefinitely due to lack of orders for transportation



Source: https://sevzakon.ru/assets/files/infografika/1104709883.pdf







#### The Crimea Bridge

The bridge across the Kerch Strait is one of the largest in Russia. It consists of parallel road and railroad tracks.





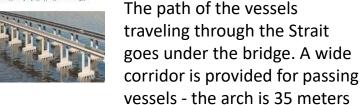
s 120 км/ч, грузовых **-** 80 км/ч



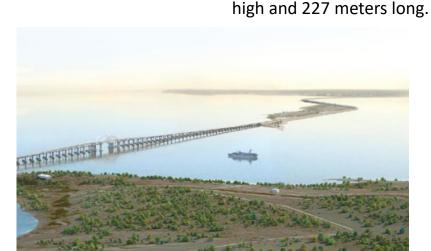








Its length is 19 km. The route begins on the Taman Peninsula, passes through the existing 5-kilometer dam and the island of Tuzla. Then it crosses the Kerch Strait and passes around the Ak-Burun Cape from the north and comes out on the Crimean coast.







#### **Air Transportation**

On the territory of the Peninsula there is the Simferopol primary international civil airport.

- ☐ It was established in 1936, can handle up to 3.65 thousand passengers per hour.
- ☐ The airport has one artificial runway.
- ☐ The airport's largest carrier is Ural Airlines.
- ☐ In 2021 the route network of the airport increased to 57 destinations in Russia



In 2021 the following airports are operational in Crimea:

- ☐ Sevastopol's Belbek;
- Voykovo airfield in Kerch

A major upgrade is going on of the civil sector of **Belbek civil-military airfield.** It will be designed to serve business aviation - construction of the apron for four aircraft and two landing pads for Mi-8 helicopters. The total cost of upgrade is 1.2 billion rubles.

In November 2018, the first phase of the upgrade was completed:

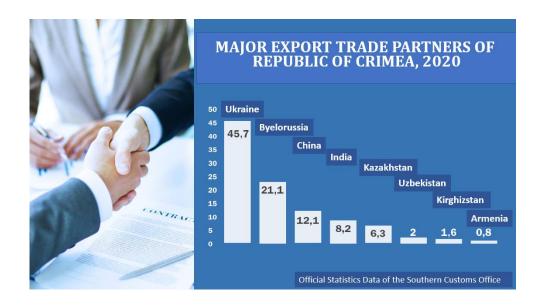
- ☐ The surface runway was replaced
- ☐ The runway length was increased and now it is 3,450 meters.
- Construction of taxiways and aircraft parking areas was completed at the airfield





#### **Chapter 5. EXPORT AND INTERNATIONAL TRADE**

After the accession of Republic of Crimea to Russia, the structure of foreign trade has changed. Thus, in the structure of foreign trade the share of non-CIS countries has increased, the share of the European Union countries and the Ukraine has decreased, the main foreign trade partners of the region emerged: China, Turkey, Panama, India, among CIS countries - primarily Belarus.







According to customs statistics, the foreign trade turnover of the Republic of Crimea in 2020 is estimated at \$74.9 million or 79.5% of the volume of 2019. The October-December 2020 trade turnover amounted to 16.3 mln. The turnover of October-December 2020 was \$16.3 million, or 68.3% of the volume of the same period of 2019.

Foreign trade activities in 2020 were carried out by 258 participants, including 181 legal entities

Below is the generalized data of Crimean Statistical Bureau

#### Foreign Trade of the Republic of Crimea

	2016	2017	2018	2019	2020
Export					
Total, million U.S. dollars	47.7	30.0	23.8	33.7	33.9
Including:					
with CIS countries	21.3	16.3	13.8	32.3	26.4
with non-CIS countries	26.5	13.8	10.0	1.4	7.5
Total, as a percentage of the total number	100	100	100	100	100
Including:					
with CIS countries	44.5	54.2	58.0	95.8	77.9
with non-CIS countries	55.5	45.8	42.0	4.2	22.1







#### Commodity Export Structure of the Republic of Crimea

(Thousands, U.S. dollars)

Product name	2016	2017	2018	2019	2020
	TOTAL				
Total, million dollars	47.7	30.0	23.8	33.7	33.9
Food and agriculture					
raw materials (except textile)	10,363.4	6,216.6	5,119.3	17,411.8	18,101.4
Mineral products	898.5	232.1	45.2	147.1	3.5
Including fuel and energy products	793.6	204.5	32.6	142.9	0.3
Chemical products, rubber	1,1867.8	9,443.2	3,735.0	7,340.5	6,383.2
Leather raw materials, fur and products					
from them	8.7	9.2	12.2	17.6	5.3
Wood, pulp and paper	447.4	87.0	88.3	294.0	396.6
Textiles, textile shoes Gems, precious metals and products from	4,804.1	872.5	471.9	479.3	205.1
them	9.9	0.8	0.2	1.1	0.2
Metals and products from them	4,879.1	1,338.3	1,596.6	1,358.3	982.3
Machines, equipment and vehicles	13,312.1	11,385.7	12,502.5	6,367.7	7,727.0
Other products	1,149.6	457.7	270.9	261.3	95.8

The main trading partners of Republic of Crimea (in order of descending value): **Ukraine** - 33.6% (2019 - 38.0%), **Belarus** - 21.8% (2019 - 18.1%), **Armenia** - 8.4% (2019 - 8.5%), **China** 7.8 % (2019 - 2.9 %), **Turkey** - 6.6 % (2019 - 3.9 %), **Italy** - 5.7 % (2019  $\Gamma$  - 9,5 %), **India** - 3,7 % (2019 - 0,1 %), **Kazakhstan** - 3,3 % (2019 - 3.5%), **Serbia** - 1.4% (2019 - 0.6%), **Republic of Korea** - 1,2 % (2019  $\Gamma$  - 1.2 %).







#### **Chapter 6.** FREE ECONOMIC ZONE (FEZ)

Created in accordance with the Federal Law of the Russian
Federation of 29.11.2014 № 377-FZ
Established throughout the territory of the Republic of
Crimea and the city of federal significance Sevastopol
Period of operation - 25 years (until December 31, 2039)
Provides a special regime for entrepreneurial and other
activities, as well as the application of the customs
procedure of a free customs zone



### Capital investment requirements for projects during the first 3 years:

- For small and medium-sized enterprises not less than 3 million rubles for others at least 30 million rubles.
   FEZ members are not entitled to carry out the activities
- FEZ members are not entitled to carry out the activities in the following areas: subsoil use for exploration and production of mineral minerals, mining of the continental shelf of the Russian Federation





#### **PREFERENCES**

#### The rate of corporate income tax:

- Federal budget - 0% for **10** years;

- Budget of Crimea - 2% during the first 3 years;

— 6% - next 4 - 8 years;

-13,5% - from the 9<sup>th</sup> year

**Property tax relief** – for 10 years

Accelerated depreciation with a coefficient of 2

**Land tax relief** for 3 years to each land plot that is needed to the participants of FEZ who use land plots on the territory of FEZ for the purpose of implementation of the Agreement of activity in FEZ



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