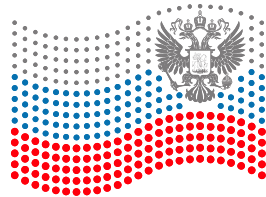


Hi-tech Market in Russia: Investment, Potential and Contribution to Economic Growth



Leonid Reiman

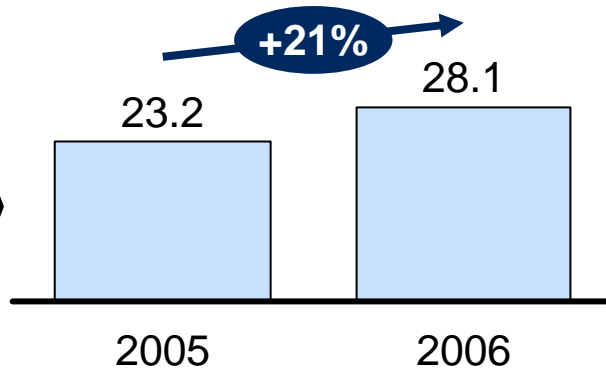
Minister for Information Technologies and Communications,
Russian Federation

Tokyo, Japan
February 28, 2007.

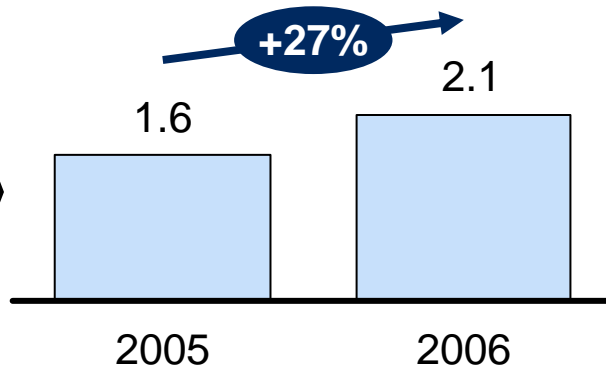
STEADY GROWTH IN ALL SEGMENTS OF THE MARKET

Billion, USD

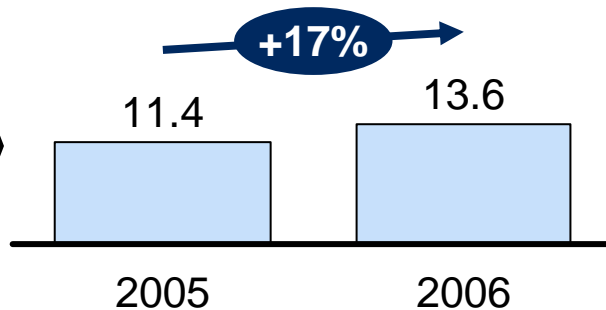
Telecommunications



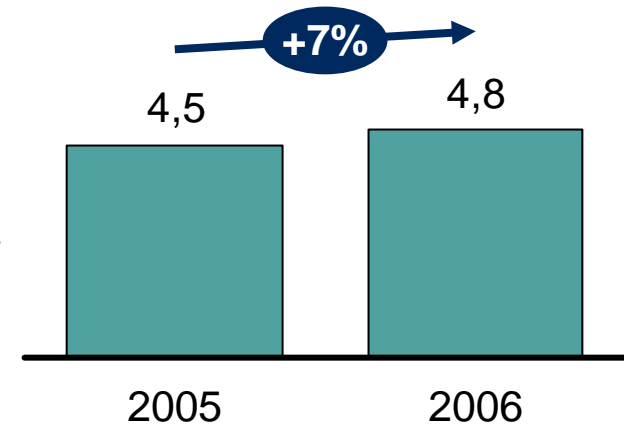
Postal service



Information technologies



ICT sector share in the GDP, %



GROWING ACCESSABILITY OF ADVANCED COMMUNICATION FOR PUBLIC SERVICES

State policy

Elimination of structural disproportions

- Introduction of the universal service mechanism

Budget investments in the infrastructure

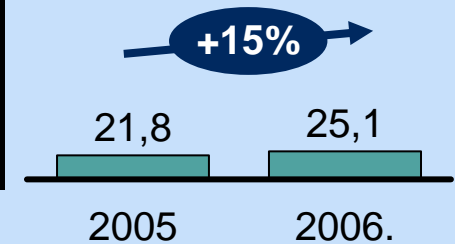
- Implementation of large scale state programs

Development of competition

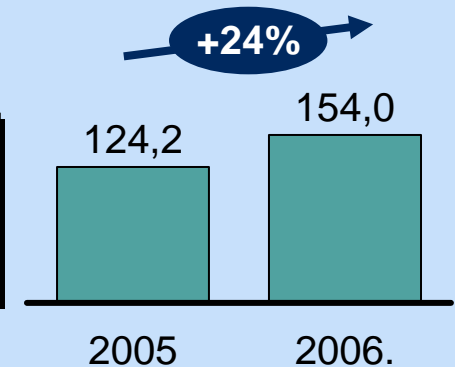
- Elimination of administrative barriers

Growth of the number of users

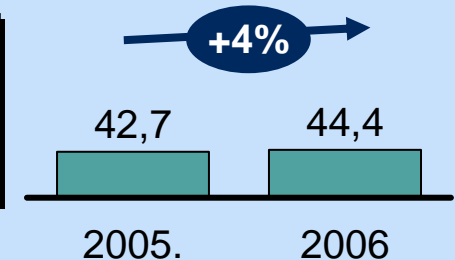
The Internet, Subscribers, million



Mobile communications, Activated SIM cards, million



Fixed communication, Telephone numbers, million



INFRASTRUCTURE DEVELOPMENT PROGRAMS

Implemented in 2006

Plans for 2007

Budgeted organizations connected to the Internet

- 22 thousand schools connected to the Internet with broadband access and the rate 128Kbps minimum



- Connection of 32 thousand schools and 17 thousand medical institutions
- Construction of a telemedicine network

Development of TV & radio broadcasting

- Pilot project: construction of a digital TV & radio broadcasting network in the Republic of Mordovia
- Draft Federal Purpose-Oriented Program "Development of TV & Radio Broadcasting"



- Launches of two communication and broadcasting spacecraft (to replace one lost)
- Pilot projects: digital terrestrial TV broadcasting in regions

Radio frequency spectrum conversion

- Radio frequency spectrum conversion plan
- Initial conversion of bands for mobile wireless broadband access and TV broadcasting



- Transfer into civilian use of concrete bands for promising wireless technologies and digital TV broadcasting

SUPPORT OF THE NATIONAL IT SECTOR

Directions

Provisions

Current status

Establishment of high-tech technology parks

- The state program approved by a Directive of the RF Government
- Construction of 8 pilot technology parks started

Tax reliefs for IT companies

- Amendments to the Tax Code envisaging VAT and Uniform Social Tax reliefs for export-oriented companies adopted

ICT Investment Fund

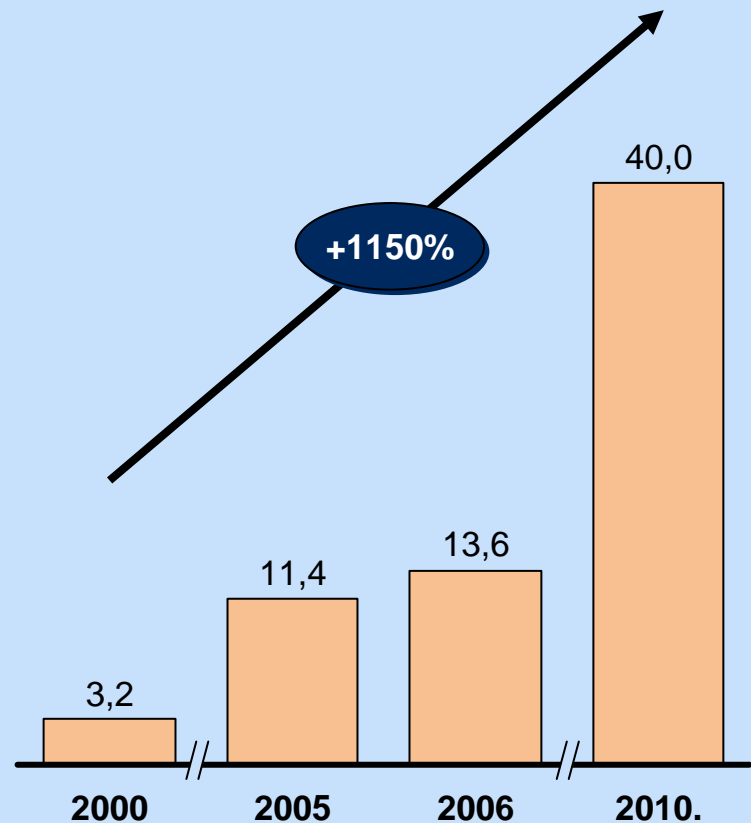
- A Resolution of the RF Government to set up the Investment Fund adopted

Support of exports in the IT sphere

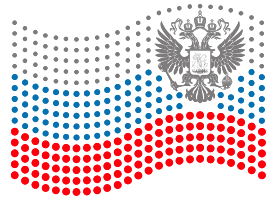
- Draft regulations and other documents for the establishment of the Federal Agency for IT Exports Support

Russian IT market, billion USD

% Total increment 2000-10.



Thank you for attention!



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