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Council of Ministers of the RSFSR

AFFIRMED

By Resolution of the Council of Ministers
RSFSR

From June 26 1991 No. 359

REGULATION
Concerning the Free Economic Zone "Sakhalin"
(FEZ "Sakhalin")

1. The present affirmation defines the legal bases of economic activity in the Free Economic Zone "Sakhalin" (FEZ "Sakhalin").

2. The FEZ "Sakhalin" is created in the purposes of the speedy resolution of the tasks of social-economic development of the Sakhalin Oblast, of the complete cultivation of its natural resources, the expansion of the export possibilities of the Oblast and the Russian Federation in whole, the development of production of high quality and (import-replacement) production, of transcontinental transition on the basis of development trade-economic and scientific-technical cooperation with foreign countries, the provision of beneficial conditions for the attraction of foreign capital, technology, and management experience, and also the increase of export potential of soviet ventures, and the evolution of new forms of (economic activity) in the conditions of transition to a market economy.

3. The free economic zone Sakhalin appears the territory within the administrative boundaries of the Sakhalin Oblast together included in it are the regions of the continental shelf and of the economic zone of the USSR.

4. In the FEZ Sakhalin:

Are in effect privileges tax and customs rates, a simplified order in the implementation of export-import operations;

The active legislation of the RSFSR and the USSR with the calculated peculiarities, foresee in the present situation;

Foreign investors use protection, their conditions may not be less advantageous than the corresponding conditions, established for property and property rights of legal persons and citizens of the USSR;

No type of discrimination of ventures with foreign investors in comparison with other operators in the RSFSR with ventures;

Compulsory withdrawal measures, such as nationalization, requisition, confiscation, and other analogous measures that do not have foundation in law will not be allowed.

Also not permitted is the sequester of property for exceptional time the suspension of rights of his call (paying off) its obligation to the investor.

Compulsory removals will be put into effect only by the decision of a judge with the conditions of payment and compensation, the size of which must correspond with real (market) values of the confiscated investments, defined directly before the moment when it became apparent about the factual implementation or impending measures of compulsory removal. Compensation will be fulfilled in the currency in which these investments were produced;

Ventures founded with foreign investment, joint ventures, as well as, affiliated

institutions, departments and representatives of ventures with foreign investments, of joint ventures and legal aliens must register with the Administration of the FEZ "Sakhalin".

5. The actions of the present Proposition extend to all ventures, organizations, institutions, found on the territory FEZ "Sakhalin" (henceforth - the venture-resident FEZ "Sakhalin").

6. In the FEZ Sakhalin will act a special state organ of economic management - The Administration of the FEZ Sakhalin. The position of the Administration FEZ "Sakhalin" is affirmed by the Council of Ministers of the RSFSR in agreement with the Sakhalin Oblast Council of People's Deputies.

7. To the purpose of the rational economic use of natural resources of the FEZ "Sakhalin" will act as a State investment corporation for the development of natural resources.

8. To the purpose of the broadening of banking services and financial support of free business undertakings, assistance for the development of small business and also to the peasant (farm) economy in the FEZ "Sakhalin" is established a special commercial bank of regional development (the Sakhalin Development Bank) with the attraction of foreign shareholders and the (right of authority) of all forms of bank operation in Rubles and Foreign currency.

9. Prospecting and the exploitation on the territory of the FEZ "Sakhalin" of oil, natural gas, precious metals and other strategically important natural resources are regulated by the Administration of the FEZ "Sakhalin" in accordance with legislation of the RSFSR and the USSR, and with international agreements.

10. On the territory of the FEZ "Sakhalin" soviet and foreign legal persons and citizens create ventures, representation, which accomplish in agreement with legislature of the RSFSR various forms of activities. On the territory of the FEZ "Sakhalin" the creation of ventures with foreign investments in the bank and insurance spheres is permitted. All ventures in the FEZ "Sakhalin" decide questions of the formation of joint ventures independently, without the ministries or departments.

11. All legal entities and citizen-residents of the FEZ "Sakhalin" independently carry out external economic activities including commercial mediation.

Registration of participants of external economic activities is performed by the Administration of the FEZ "Sakhalin".

12. In the FEZ "Sakhalin" registration of banks and other credit associations, including departments and affiliates of foreign banks and banks with foreign participation, are carried out by the Chief administration of the Central bank of the RSFSR in the Sakhalin Oblast.

Organs of the state administration of the Sakhalin Oblast in agreement with the Ministry of Finance of the RSFSR will define the rules of operation for stock exchange, the issuance of securities and bonds of local creditors in the FEZ "Sakhalin".

13. Economic activities, connected with the use of deposits of complex fuel and raw mineral resources within the defined territory of the FEZ "Sakhalin", will be carried out on the basis of license, distributed by the organs of the administration of the FEZ by agreement with the Sakhalin Oblast Council of People's Deputies, the State Committee of the RSFSR for Energy and Complex Fuel and Raw Mineral Resources and the Ministry of External Economic Ties of the RSFSR.

14. Local Councils of People's Deputies of the Sakhalin Oblast in conjunction with

legislative activity permit ventures with foreign investments long term (a period of 50 years) lease of the land, fishing industry and other natural objects, as well as buildings and other structures.

15. Before the taking of deposits (mortgage) the legislature of the RSFSR legal persons and citizen-residents of the FEZ "Sakhalin" may use private property belonging to them property rights in the quality of a mortgage security for all forms of obligation, including the attraction of currency resources.

16. For ventures without foreign investment and ventures with foreign investment, the arrangement and registration in the FEZ "Sakhalin", the Administration of the FEZ may grant for the account of financial resources of the FEZ the following privileges:

To establish norms of (speediness) and amortization for various groups in the basic production of funds;

To provide subsidies and grants toward the accomplishment of feasible tasks to the contract of works in the framework of the purpose of the program in the development of the natural resources of the FEZ "Sakhalin";

To provide subsidies for the creation of new working places, the authority of the joint (NIOKR) in cooperation with local scientific associations;

To grant guarantees for loans and credit receive from banks and other legal entities located in the FEZ "Sakhalin".

To allow the issuance of bonds for direct financing of construction of new ventures.

17. In the FEZ "Sakhalin" foreign currency, earned with venture-residents of the FEZ "Sakhalin" without foreign investment, as well as, ventures with foreign investment, in a regulated fund in which shares of foreign participation comprises less than 30%, remains at their disposal. In the course of the first five years of the founding of the FEZ "Sakhalin" the indicated ventures sell in a required order to a currency fund for the development of the FEZ "Sakhalin" 20% of the currency earnings from the export of production (work and services) from the remuneration in Rubles to the commercial rate of exchange of the State Bank of the USSR and they assign 10% to the fund for the social welfare of the population of the FEZ "Sakhalin".

18. Tax on profits of venture-residents of the FEZ "Sakhalin" may not exceed 30 per cent. For ventures with foreign investment, in the charter fund which shares of foreign participant more than 30%, the tax may not exceed 10 per cent. For foreign ventures, engaged in mining, fishing and fish industry, - not more than 20 per cent.

19. To the registration in the FEZ "Sakhalin" ventures with foreign investment, in which the foreign participants shares of the charter fund comprise more than 30%, are set additional tax advantages.

Full freedom from payment of taxes on profits in the course of the first five years after receipt of the declaration of the profit (with the exception of ventures engaged in mining, fishing, and the fish industry);

A decrease by 50% of the taxable profits received in the following five years from activities in the FEZ "Sakhalin" in agriculture, production of consumer goods, construction materials, and all forms of equipment for the construction of dwellings, for municipal and domestic works, cultural-spectator associations, as well as in the construction and remodelling of ports, airports, and communications works;

Full freedom from payment of taxes on dividends received from bonds and other securities issued by executive committees of local Councils of People's Deputies and the

Administration of the FEZ "Sakhalin" in accordance with active legislation.

20. Ventures without foreign investment and those with foreign investments registered in the FEZ "Sakhalin" are additionally free:

From payment from local taxes from the proprietors of construction for the first year by 100%, The second by 80%, the third by 60%, the fourth by 40%, the fifth by 20%;

From taxation of all profits, reinvested into the FEZ "Sakhalin" into the development of production and the social spheres and the formation of infrastructure works in the FEZ,

and also in the quantity of investment into charter funds newly established in the FEZ and other regions of the RSFSR of joint ventures, in that number of material-technical bases of educational institutions.

21. Soviet and foreign commercial banks having the license of the Central Bank of the RSFSR and located in the FEZ "Sakhalin" are free from payment of tax on profit received through credit investment on the territory of the FEZ "Sakhalin".

22. Foreign investors active in the FEZ "Sakhalin" are guaranteed after payment of taxes unimpeded transfer abroad or payment of the sums in the suitable currency owed to them in the form of profits, and also tied with the sale to them all or a part of the shares in the charter fund of the venture with foreign investments, in exit from it or the liquidation of the venture.

23. Profits of foreign investors received within the bounds of the territory of the FEZ "Sakhalin" in Soviet Rubles may freely be reinvested and used in the territory of the FEZ, but also to transfer abroad by means of legal acquisition of foreign currency for Rubles according to the rate of exchange, as calculated on the currency market.

For these purposes, and also for the payment of personal representative expenses with foreign investors may open and use current and calculated Ruble accounts in the banks of the FEZ "Sakhalin" with the right of carrying out operations in all the territory of the RSFSR in accordance with active legislation

24. To venture-residents of the FEZ "Sakhalin" will not be applied:

Raise of tax on profits exceeding an established level of profitability;

State regulation of expenditure of means directed toward consumption.

25. The Sakhalin Oblast Council of People's Deputies through the presentation of the Administration of the FEZ "Sakhalin" may submit for approval other tax privileges to soviet and foreign legal entities and citizens.

The Executive Committee of Peoples' Deputies of the Sakhalin Oblast may lower, for separate categories citizens of the USSR foreign citizens, and persons without citizenship conducting labor activity on the territory conforming to the Council, the size of the income tax.

As stated in the present point the Proposition of tax advantages is offered at the expense of the means of the of the local budget of the Sakhalin Oblast.

26. The organs of state power of the Sakhalin Oblast has the right to introduce zonal taxes into the FEZ "Sakhalin".

27. All taxes on profits and income will be paid on the currency in which the profits or incomes were received.

28. For the purpose of the creation in the FEZ "Sakhalin" of necessary financial

resources in the Sakhalin Oblast it will grant a tax credit for the course of seven years of commercially-agreeable conditions.

The framework of the granted tax credit rates and advantages in all forms of taxes in the FEZ "Sakhalin" is established by the Sakhalin Oblast Council of People's Deputies by permission of the Administration of the FEZ "Sakhalin".

The State Investment Corporation, with the development of natural resources in the course of seven years from the moment of registration in an established order will free from the payment of taxes to the local budget as well as the republican budget of the RSFSR.

29. Tax from the turnover (tax on additional values, excise) for groups of goods, imported, produced and used in the FEZ "Sakhalin" are fully counted in the budget of the Sakhalin Oblast by the rate, asserted by the Sakhalin Oblast Soviet of People's Deputies.

30. The resources in Soviet Rubles and in foreign currency for the development of the FEZ "Sakhalin" may also be replenished by the Executive Committees of Local Councils of Peoples Deputies and the Administration of the FEZ on the account of issue of bonds, holding a lottery, the receipt of credit, the receipt of voluntary fees from citizens and organizations, collection payments for services of the local authorities, renderings (assistance) to ventures and organizations, rent payments and the receipt of other resources in accordance with active legislation.

31. Within the territory of the FEZ "Sakhalin" Without cash transfer) circulation of foreign currency is permitted. The right of acquisition of foreign currency in an (unrequited) form is extended to all legal persons and citizen-enterprises of the FEZ.

The Sakhalin Oblast Executive Committee in agreement with the Central Bank of the RSFSR and the Ministry of Finance of the RSFSR have the right to allow Soviet ventures, associations and organizations (independent from forms of property), ventures with foreign investment to carrying out specialized trade and render services on the territory of the FEZ "Sakhalin" in freely convertible currency.

32. The export of goods produced in the FEZ "Sakhalin", and goods imported into the FEZ "Sakhalin" are not subject to quotas or licensing, for the exclusion of goods, defined in the legislation of the RSFSR. In cases of exclusion the decision of the Administration of the FEZ "Sakhalin" may fix export quotas.

A commodity is considered produced in the FEZ "Sakhalin", if the size of the additional value of the processing comprises not less than 30 per cent.

33. Commodities and other property imported into the territory of the FEZ "Sakhalin", as well as exported from that territory, are subject to obligatory declaration.

34. Exported goods, produced in the territory of the FEZ "Sakhalin", an imported goods, used in the territory of the FEZ "Sakhalin" for the production of output or for sale in the FEZ are free from the payment of customs duties in the established order.

The delivery of goods for export through the territory of the FEZ "Sakhalin" from rest of the territory of the RSFSR, as well as, import goods through the FEZ "Sakhalin" to the remaining territory of the RSFSR are carried out without any kind of customs advantages or preferences.

35. Venture-residents of the FEZ "Sakhalin" are free from taxes on the export of output, produced in the territory of the FEZ "Sakhalin" and imported goods consumed with the production of export or import production.

36. Advantages, foreseen in the active legislation for citizens, living in the regions of the (Far) North and in local, () to the region of the Far North practiced at the present

time in the Sakhalin Oblast and financed at the expense of the central funds of the RSFSR and the USSR will continue in the FEZ "Sakhalin".

37. In venture-residents of the FEZ "Sakhalin" questions of hiring and dismissal of employees, rates of pay, conditions of work quotas and financial incentives, the routine of work and rest, social guarantees and compensation are decided independently and regulated through collective negotiations (agreements) and through labor negotiations (contracts). A tariff system is used only in an advised order.

38. Within the FEZ "Sakhalin" will be implemented a minimum wage index, local pensions, grants, subsidies, stipends, and other forms of social security, which may not be lower than established in the legislation of the RSFSR.

The order and size of additional payments are established by the bodies of state power and the administration of the Sakhalin Oblast at the expense of the resources of the FEZ "Sakhalin".

39. Venture-residents of the FEZ "Sakhalin" have the right to add on to the wages of citizen-residents of the FEZ "Sakhalin" foreign currency enumerated in specialized in a special account in the bank paid in the form of nominal (inscribed) checks, (calculated-credit) cards, and other (cashless) means of pay for the use in special stores of the FEZ, as well as abroad.

40. The working conditions of foreign employees of venture-residents of the FEZ "Sakhalin" are defined in individual contracts. The incomes of these employees received in foreign currency may be taken abroad without hindrance after applicable taxes have been paid.

41. Workers and employees in the FEZ "Sakhalin" in the case of their dismissal in connection with the liquidation (reorganization) of a venture or the cutting down the number will be paid an unemployment allowance in a quantity not less than established by legislation of the RSFSR. Conditions and order of terms and payment of the unemployment allowance will be established by the Sakhalin Oblast Council of People's Deputies.

42. In the FEZ "Sakhalin" a simplified routine for the entry, exit, residence of foreign citizens.

43. Disagreements between ventures, organizations and associations, located in the FEZ "Sakhalin" will be examined in an arbitration court, of the regions (cities) peoples court in conformity with their competence (provisions), and also by agreement of the respective sides in an arbitration court or in international trade arbitration.

RESOLUTION OF THE COUNCIL OF MINISTERS OF THE RSFSR
"Concerning immediate measures for the development of the free economic zone
"Sakhalin" (SEZ "Sakhalin")

Project carried: State Committee for Anti-Monopoly Politics
(Mr. Chernogorodsky)

Agreed:

From the Ministry of Foreign Economic Ties of the RSFSR (c. Mangazayev), The Ministry of Finance of the RSFSR (Mr. Ulyanov and Mr. Chernomord), Ministry of Labor of the RSFSR (c. Batkayerov), The State Committee for Geology of the RSFSR (c. Engel'), The State Committee for Security of the RSFSR (c. Chelenkov), Ministry for Internal Affairs (c. Erin), The Ministry of Transport (c. Berezin), The Ministry of Communications of the RSFSR (c. Bulgak), State Economic Committee of the RSFSR (c. Shkurenkov), The Ministry of Justice of the RSFSR (cs. Shapkin, Prozorov), The Central Bank of the RSFSR (c. Matyukhin), The Bank of External Trade of the RSFSR (c. Putilin), The Ministry of Foreign Affairs of the USSR (c. Grigoriyev), and the Sakhalin Oblast Executive Committee (c. Sirenko).

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An abstract concerning the questions of external economic ties and international relations
The Economic Efficiency of the FEZ of the Sakhalin Oblast
The Meaning for Russia

The creation of the FEZ of the Sakhalin Oblast pre-determines a successful combination of the natural, economic, organizational-economic, other prerequisites and conditions of development of its territory. To its island character given the administrative-economic education of the RSFSR; its advantageous geographic and strategic position in the (Asia-Pacific Region) Pacific rim, the presence of diverse elements of transport network, broad practice of foreign economic activity ventures, organizations and associations of the Oblast; the presence of kindred ties of persons residing here of Korean and other nationalities of the countries of the Pac-Rim (South Korea, North Korea, Japan, Singapore, and Thailand). All of these complex factors attach to the plan of the formation of a FEZ in the Sakhalin Oblast a local-territorial meaning, as well as importance for all of Russia.

Original Russian

The Basic Directives of Effectiveness and Investment of the FEZ of the Sakhalin Oblast
to the Economy of
The RSFSR

The creation of the FEZ of the Sakhalin Oblast is oriented toward the realization of diverse economic effects which are defined in the following concrete directive.

1. In the economic turnover of the FEZ will be involved supplementary natural resources and raw materials - unique in composition and quality biological resources of the islands rivers and the waters surrounding the Sakhalin - Kuril Basin, value furs and pelts, and rare medicinal wild (naturally occurring) (resources) materials, natural gas, oil, and extensive condensed gas deposits on the shelf of the Island of Sakhalin, as well as secondary resources.

Having the biological resources of the rivers of Sakhalin and the Kuril Islands and the surrounding 200 miles (aquatic) economic zone allows a yearly harvest of around two million tons of fish and sea-products, of that number up to one hundred thousand tons of various species of salmon. The known reserves of hydro-carbon reserves on the Sakhalin shelf are comprised of: natural gas - 634 billion cubic meters, oil - 118 million tons, condensed gases 36 billion tons. In addition to this, the region has projected reserves (according to specialists): gas - 260 billion cubic meters, oil - 130 million tons. Within the Oblast significant volumes of secondary resources have formed: yearly, about 0.8 million cubic meters of forest products are withdrawn, in sawmill production and tree processing; perhaps involving the processing of more than two million cubic meters of scorched forest; (in the slag-heaps of electric station is accumulated nearly four million tons of ash-slag waste; in the fishing industry complex 180 to 200 thousand tons of biological waste fit for further use is produced each year. The development of these and other natural-raw resources of the Sakhalin Oblast in the conditions of the FEZ broaden the possibilities of resource security (provision) of Russian industry, allows to increase exports and the receipts of hard currency. The creation of high-tech and complex industry through the deep development of raw materials increase the demand.

2. The rapid increase of industrial production and agricultural output. According to calculation, the increase in volume of production in terms of the FEZ are as follows in 1991 - 1995 more than five billion rubles. In 1996 - 2000 nearly sixteen billion rubles.

The basic increase in the scales of production provide for the economic complex of the FEZ: fish farming and processing of fish, biotechnology, oil and gas exploration, (Chemical-Gas.)

In the coming two five year periods will be a doubling of the average yearly harvest of fish (In that number of various species of salmon - from 35 thousand tons in 1990 to 85 thousand tons in 1995 and 100 thousand tons in the year 2000) and the production of (food) fish production, including canned fish (in that number caviar from salmon - from 1200 tons in 1990 to 2000 tons in 1995 and 3000 tons to the year 2000). From that roughly 50% may be supplied for needs of the state for the inland regions of the country and for export. Production and supply to the internal market of edible fish and flour will also increase (to the year 2000 up to 750 thousand tons or 1.6 time that of 1990.)

In the estimate of specialists, receipts from the sale of the production of biotechnical manufacturing on the basis of only the processing of the rare medicinal raw materials

growing (on land) and of that coming from the sea may form 150 - 200 million rubles on the internal market - and up to one billion dollars on the foreign market - in an average year.

The yearly average extraction of natural gas will grow from two billion cubic meters in 1990 to six billion cubic meters in 1995 and ten billion cubic meters in 2000. From that total an annual three to six billion cubic meters will be supplied as fuel to the mainland regions of the Far East, around one billion cubic meters to use for chemical processing. On the bases of the latter to 1995 production will be organized (on yearly average) 750 thousand tons of methanol, 36 thousand tons of polypropylene, 300 thousand tons of polyethylene, 30 thousand tons of formaldehyde.

From given chemical raw materials with methods of (deep) processing assumes (supposes) to put out a wide spectrum of plastic and plastic based articles and goods in such a manner, results of the founding of the FEZ to the Russian market and most of all the market of the Far East region considerably increases (widens) with high-quality goods of popular demand. Chiefly, with particularly are products of nutritional value and for technical-production purpose which are in great shortage.

At the present time the mainland regions of the RSFSR export to the Sakhalin Oblast a significant share of basic nutritional products (in percent of the aggregate fund of demand): Meat and meat products - about 48%, Milk and dairy products - approximately 50%, bread and bread products - 100%, potatoes and vegetables - more than 50%, fruit and berries - nearly 97%. For the supply of several hundred thousand tons of foodstuffs the Oblast yearly spends more than 300 million rubles in transport expenses.

In agricultural turnover will be involved more than 100 thousand hectares of new agricultural lands. Before 1995 their general area will increase 1.5 times. On the basis of the formation and effective function of new forms of agriculture in the village. Primarily, the peasant (small farming) agriculture, cooperatives, small ventures and ventures with foreign investment propose to increase the output of produce of livestock farming and cultivation from 2 to 2.2 times. This will allow the oblast to cease delivery from the mainland of the RSFSR basic forms of foodstuffs (meat and meat products, milk and dairy products, eggs, potatoes, (tubers) vegetables of closed ground and wholly move to self sustenance.

3. The determined direction and scale of foundation and development in the FEZ of the Sakhalin Oblast _____.

Already by 1995 through the means of (deep) processing of the production of petro chemical complex will organize massive output of _____, phenol, _____.

Also, more than 300 small ventures will be founded (preferably on a shareholder basis) for the processing petrochemical resources for goods of popular demand, from the agro-industrial sector, from fishing and fish processing industries. Beginning in 1993 their average yearly output will consist of: consumer goods more than one million rubles, film for the packaging of milk - 1600 tons and the packaging of fish - 1600 tons, polyethylene boxes for packing of fish - 500 thousand (units), polyethylene drainage pipes - 3 thousand tons, film for greenhouses - 1500 tons, floats for fishing nets - 1000 tons, rubber gloves for workers in fish processing 600 thousand pair.

The production of the indicated set of competitive production of a high degree of processing allows for considerable reduction of imports to the RSFSR of analogous goods for the provision of necessities for the Far East region and the Sakhalin Oblast. According to calculations, this allows in the years 1993 - 2000 to save in total for Russia 14 - 15 billion dollars and to use the released currency funds for other purposes.

The development of the petrochemical complex in the Sakhalin Oblast appears in the form of participation of the region in the Republic, as well as the international division of labor.

4. Creation of the FEZ appears a vigorous accelerator in the raising of effectiveness of the agriculture of the Oblast, a key faction of its trade structure and organizational forms.

Basis of the agricultural specialization of the Sakhalin FEZ is comprised of a complex of the extraction and processing of fish and marine products. In the course of the years 1991 - 2000 will take place a modernization of the base of the salmon industry of all the Sakhalin-Kuril Basin (building and modernization of 53 _____ factories equipped with state of the art foreign technology of intensive fish production, as well as a series of ventures producing (biological feeders - Vitamins) for salmon and system of water protection in defense of a zone of production of a unique population of a valuable species of fish), the creation of a strong processing base for the output of high quality and contemporary packaging of production of salmon sea products (including the construction of new technical coastal refrigerated installations. The capacity for keeping prepared production and production of fish _____, (veterinarian) animal fat and other production from the waste of the fish industry), full re-equipment for the whole extraction and (auxiliary) support fleet of fishing ventures in the Oblast, of that number and for the organization of off-shore harvest of fish and sea products.

As a result of sales to the year 2000 of the programs of development in the fish industry complex (first of all to the purpose of the complex program "Salmon" (Losos') the Sakhalin Oblast will provide up to 30% of fish and sea-product harvest and about 25% of the production of canned fish to the RSFSR (in 1990 these indicators amounted to respectively 13 and 16%).

_____ of the sale of the indicated programs are contained _____ with the main sources of ruble and currency resources for the financing of large scale projects and construction of fish breeding facilities, factories for the processing

of fish and sea-products, capacity for the utilization of the by-products of these industries will become profitable, receipts from the founding in the FEZ of two new high-tech complexes - oil and gas extraction and petrochemical.

At the same time each of them will play an independent role and to decide specific tasks. The oil and gas extraction complex is called on to promote the broadening of extraction and the delivery of gas for energy supply for export. The petrochemical complex will create the conditions for the more complete satisfaction of needs of the Russian market in imported forms of chemical production, self sufficiency of the Sakhalin Oblast of many oil products (gasoline, diesel fuels, heavy oils, and others) and various plastic goods.

Receipts (in that number currency earnings) from the realization of the plans of the development of the fish industry and oil and gas extraction and the petrochemical complex will help quickly to a progressive technical base (primarily with the use of new foreign equipment and technology) to re-equip the traditional trade economy of the Oblast - agriculture, transport, construction, sharply raise the material equipment of the social infrastructure of the cities and settlements, as well as, to form a new sphere of vital activities in the region.