



University of
Stavanger

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Baseline Analysis for Entrepreneurship Support in Kaliningrad Region

Greenhouse project

1. Presentation of the region¹

Kaliningrad Region (in Russian: *Калининградская область* | *Kaliningradskajâ oblast*) is a region of the Russian Federation, which is geographically separated from the rest of the country and, since the 2004 and 2007 EU enlargements, is located in the middle of the EU. Thus, due to its location among EU Member States, developments and problems in the region have a direct impact on the wider regions, on EU Member States and the overall European development.

1.1. Geography: Unique location and resources

Kaliningrad oblast is located on the south-east coast of the Baltic Sea. It is the most western oblast of the Russian Federation. The region is in an unusual geographic location, being entirely cut off from the rest of Russia by the Baltic States. It borders on Lithuania in the north and east (length of border - 200 km), Poland in the south (210 km), and the Baltic Sea in the west (140 km of coastline). The total area of the region with the bays is 15.1 th.sq.km, including 13.3 th.sq.km of land.

The only ice-free port on the Baltic Sea is located in Kaliningrad Region; it is the shortest transportation route to other Russian regions and the maritime gateway to Eastern Europe. Kaliningrad Region has a well-developed road network extending 4581 km. A highway of the Trans-European network passes through the region.

There are about 800 km to the nearest Russian regional centre - Pskov, 1290 km - to Moscow. At the same time the region is located in close vicinity to some European capitals: 350 km to Vilnius, 390 km to Riga, 400 km to Warsaw, 600 km to Berlin, 650 km to Stockholm, 680 km to Copenhagen, 850 km to Oslo. Transit communications crossing the oblast are the shortest way that connects Russia and Western Europe.

¹ Retrieved from <http://www.kaliningrad-cci.ru/en/region.html> and http://ec.europa.eu/external_relations/north_dim/kalin/index.htm#eco

The climate is transitional from temperate continental to maritime. The average annual temperature ranges from +6.2 to +7.6 °C (compared to +3.5 °C for Moscow and +4.1 °C for St. Petersburg) with an average July temperature of +17 °C and an average January temperature of +3 °C. The frost-free period is about 180 days. Winds are predominantly from the west. The mild, healthy maritime climate of the Kaliningrad coast with its lack of abrupt temperature fluctuations has great curative properties. In fall and winter, southerly and southeasterly Atlantic winds bring air masses warmed by the Gulf Stream, which raise the temperature and decrease atmospheric pressure. The strongest solar UV radiation in Russia occurs in the city of Svetlogorsk in the center of Kaliningrad's resort zone, where there are up to 135 sunny days per year. To a great extent, this is due to the geographic location of the resort area, which is 51 south of St. Petersburg and 300 km west of Riga. After storing up heat during the summer, the sea here never freezes.

Kaliningrad is rightly called the capital of amber country, since more than 90% of the world's explored amber reserves are found in Kaliningrad Region. There are also considerable industrial, scientific, and recreational opportunities here. Natural resources include amber, oil, coal, rock salt, large peat and water reserves, mineral water, and therapeutic mud.

1.2. Infrastructure

Kaliningrad Region has a well-developed transportation infrastructure. The Kaliningrad Railway has lines to Lithuania and Poland and a total route length of 756 km. The region has one of Russia's best road systems, with 6800 km of paved roads (92% of the total length). Kaliningrad has direct passenger bus (to seven cities in Poland and three in Germany), air, and rail connections to other centers.

1.3. Population

Kaliningrad Region is divided into 13 administrative districts with 22 cities and 5 towns. The region has a population of 950 000 people, 80% of whom live in urban areas and 20% in rural areas.

Although Kaliningrad Region is Russia's smallest territory, it is the country's third most densely populated region (63 people/km²). The ratio of men to women is 48 : 52. The population is

multinational, with representatives of 97 different nationalities and ethnic groups. Russians make up more than 78% of the population, Belarussians more than 8%, Ukrainians more than 7%, Lithuanians more than 2%, Germans 0.6%, Poles 0.5%, and other nationalities about 3%.

Kaliningrad itself has a population of about 426 000. In recent years, population growth has occurred as a result of immigration; the region's actual birth rate is 4.7 per 1000. The population breakdown by age group is as follows:

- working age - 60.7%,
- under working age - 19.9%,
- over working age - 19.4%.

Employment of the population by sector:

- Total - 174 504 people 100%
- Industry 37%
- Construction 6%
- Transportation 11%
- Communications 2%
- Trade 6%
- Health 8%
- Education 7%
- Science 3%
- Culture 2%
- Public services 5%
- Other 13%

1.4. History

The territory that the oblast occupies today is known in Europe from early Middle Ages. The XIII century was marked by arrival to this area of the knights of the Teutonic Order who conquered heathen Prussians and organized here a military religious state. Later the Teutonic Order was reorganized into

the Prussian dukedom that in XVIII became a part of the Prussian kingdom. In 1772 a part of the kingdom got the name of the Eastern Prussia with the centre in Koenigsberg (founded in 1255). Eastern Prussia was abolished by the decision of the Berlin (Potsdam) Conference in 1945. Two thirds of its territory were given over to Poland and on the lands adjoining Koenigsberg the Kaliningrad oblast was founded in 1946 within the Russian Federation.

After the WWII, Kaliningrad became one of the major fishing regions of the USSR. Two large seaports were constructed in Kaliningrad on the base of the former Lesnaya harbor and in Pionersky on the territory of the fishing harbor. Reconstruction of the food industry began as well. The operating capacity of electric power stations doubled, and pulp and paper production increased. Profound changes took place in the region starting in 1991. They were mainly related to the abolition of Kaliningrad Region's status. It had formerly been an area closed to foreigners where major formations of the Russian army and Navy had been shifted. This event stimulated economic activity in the region and made it attractive to foreign investments. In January 1996, the region was declared a Special Economic Zone.

1.5. Resources: raw materials, mineral and natural resources

Water covers a total area of 1400 km² in Kaliningrad Region. The Pregolya, Neman, Prokhladnaya, and Krasnaya rivers and 4600 other small rivers, canals, and streams flow through the region. There are also a number of lakes, the largest of which is Vishtynetskoe Lake. Bogs are concentrated in Krasnozhamensky, Polessky, and Slavsky districts.

There are 1 512 500 hectares of land reserves in Kaliningrad Region consisting of farmland (815 300 hectares or 53.9% of the total), forests and brush (308 900 hectares; 20.4%), disturbed land (4800 hectares; 0.3%), and submerged land (119 100 hectares; 13.2%). There are also 34 000 hectares of specially protected lands. These are recreational areas such as Curonian Spit Preserve, a nature preserve system that includes the Baltic Spit and Vishtynetsky preserves, and other areas where rare and vanishing plant species grow.

Kaliningrad Region is located in the deciduous forest subzone of the mixed forest zone. More than 400 species of trees and shrubs grow in the forests, which cover an area of 308 900 hectares (18% of the region's total area) and have protective and conservation functions. The most common trees are spruce, pine, oak, maple, and birch. The region's forests are subdivided into water-protection forests (17 200 hectares), roadside shelter belts (13 800 hectares), city and community parks (54 500 hectares), urban forests (7400 hectares), ravine (antierosion) forests (3700 hectares), and protected beech woods (500 hectares).

Amber deposits are located mainly in the northwestern part of the Samland Peninsula. It is part of an amber-bearing area bounded on the north and west by the Baltic Sea, on the south by the shore of the Gulf of Finland, and on the east by the Zelenogradsk-Kaliningrad railway line. Amber deposits cover an area of 300 km², but only 25-30% of this area has been explored. Total amber reserves on the Samland Peninsula are estimated at 283 000 tons. The largest reserves are found in the Palmikenskoe deposit between the towns of Sinyavino and Pokrovsk. The northern part of the amber-bearing strata extends under the Baltic Sea, where the amber beds crop out at a depth of more than 8 m. Amber is produced commercially at the Palmikenskoe deposit. Excavators and powerful monitors are used to remove and wash away the barren rock from the amber layer. The amber-bearing "blue earth" is delivered to a concentrating plant, where it is washed and the amber is sorted before delivery to the Kaliningrad Amber Plant (Kaliningradsky yantarny kombinat) for processing. Amber production is currently several hundred tons per year, but only one-tenth of this production is used to make jewelry. This work is carried out at the state-owned Amber (Yantar) Company, which not only makes jewelry, but also manufactures other products, e.g., succinic acid and high-quality insulators.

Oil was discovered in Kaliningrad Region as early as 1963, but commercial oil production began only in 1975. Very low-sulfur (0.2%) oil was discovered on the Baltic shelf at a depth of 1500-2000 m in 1983. Geological oil reserves in Kaliningrad Region are estimated at 275 million tons, or 800 000 tons of oil per year.

Peat deposits cover an area of more than 1000 km², or more than 7% of Kaliningrad Region. The thickness of the deposits ranges from 3-5 m up to 12 m, and reserves are estimated at more than 3 billion m³. Peat is used mainly in agriculture as an organic fertilizer. The region also produces brown coal; reserves are estimated at 50 million tons. High-quality rock salt is produced in Kaliningrad Region from reserves estimated at 10 billion tons. The salt is used to meet regional needs and is also exported to other countries.

The region has a large number of deposits of non-ore materials such as sand, clay, sand-gravel mix, and heavy sand containing titanium, zirconium, and ferromanganese used in the construction industry. Therapeutic peat mud and highly mineralized water located deep underground are widely used in the region's health care services.

2. Economic development and entrepreneurial opportunities in the Kaliningrad region²

The region's geographic location, ice-free coast, and nearness to the Atlantic Ocean and European countries create favorable conditions for the development of many maritime economic sectors, foreign trade ties, and the resort business. The fishing industry, which comprises companies involved in catching and processing fish, as well as numerous service facilities, is the leading food industry sector. The most developed industries in Kaliningrad Region today are the fishing industry (catching and processing), engineering and metalworking, pulp and paper, coke, and mineral production (oil, amber, coal, and peat).

Industry contributes more than 30% to the region's gross domestic product (GDP). Nearly 3000 industrial facilities operate in the region. The main industrial centers are the cities of Kaliningrad,

² Based on materials from electronic sources: http://ec.europa.eu/external_relations/north_dim/kalin/index.htm#eco

Gusev, Baltiysk, Sovetsk, Chernyakhovsk, and Neman, where more than 2/3 of all industrial production in the region is concentrated.

2.1. Fisheries and fishery supporting industries

Kaliningrad is currently the Russian fishing fleet's main base on the Baltic Sea. Other representatives of the food industry include companies in the dairy, cheese, meat, baking, confectionery, margarine, fruit canning, and yeast production sectors. The Baltic Sea influences the structure of many of the city's industrial facilities. Their products, e.g., frozen, smoked, and dried fish and canned and preserved goods, are known throughout Russia.

The region's large marine fishing industry has significance for the whole country. Nearly 300 fishing boats fish the Baltic Sea for flounder, Baltic herring, sprats, cod, and Baltic salmon. Kurshsky and Vislinsky bays also have an abundance of fish, mainly bream, perch, and eel. There is production of specialized equipment for the fishing industry, and a number of shipyards are in operation. Despite economic difficulties, the outlook for the fishing industry is good in both fish catching and processing. Several large fish canning plants operate in the region, supplying products to both the Russian market and for export abroad. More than 20 companies in the engineering industry, most of which are located in Kaliningrad, service the fishing industry.

2.2. Export / import and freight transport

Freight transport plays an important role in the regional economy, since general, packaged, and bulk cargoes, oil, and other products are transshipped through Kaliningrad Region's ice-free ports. The ports also provide vacant warehouse services for trade with Russia and neighboring Poland, Belarus, and Lithuania.

Kaliningrad companies handle 84% of the region's exports. The main exports are fish products, pulp (cellulose), fertilizer, oil, coke, and ferrous and nonferrous metals. Exports are primarily oriented towards raw materials. Goods are exported to other Russian regions and to many countries around the world.

Imports consist mainly of food, fuel, energy, and engineering products. Most goods are imported from Germany, Poland, Lithuania, Belarus, and Great Britain.

The ice-free ports, which can receive sea-going ships and river boats year-round, form the basis of the region's transportation facilities. They handle nearly 5 million tons of various cargoes per year, although there is enough available capacity to handle up to 12 million tons. Commercial and fishing ports and Western shipping lines are all part of the marine transport sector. Twenty companies have their own berths along the maritime canal, in Kurshsky and Kaliningrad bays, and on the Neman, Pregolya, and inland rivers.

2.3. Metalworking industries

The structural metal and metalworking industries are an important part of the region's economy. Companies in this sector build and repair ships, cranes, loaders, and instruments and equipment for the fishing industry and also manufacture electric welding equipment, gas pipeline control and automation systems, commercial processing and papermaking equipment, road-building machinery, and cars. Production of BMW cars began in summer 1999. The main engineering companies are Gazavtomatika, AO Baltkran, Sistema, Kvarts, Vagonostroitel, and the Fakel Experimental Design Bureau (OKB Fakel).

Defense industry companies such as the Yantar Shipyard (PSZ Yantar), and the Kvarts electronics plant are undergoing a conversion to civilian production.

2.4. Paper industry

The raw material for the region's pulp and paper industry (four pulp and paper mills and one paper factory) comes mainly from northern Russia. The plants have enough existing capacity to produce about 400 000 tons of pulp (11% of all Russian output), 150 000 tons of paper, and 30 000 tons of cardboard annually. Product quality is quite high, so there are prospects for them on foreign markets. The pulp and paper mills also produce ethyl alcohol, nutrient yeast, and other consumer goods. Industry output has been showing signs of increasing in the last few years.

2.5. Light industry

Light industry comprises ten companies. One important product is furniture, which is ranked among the 100 best goods in Russia. The construction industry is developing rapidly, with nearly 2000 companies currently in operation. Construction contributes nearly 8% to the region's GDP.

2.6. Oil and gas industry

The fuel industry comprises OAO Lukoil-Kaliningradmorneft, OOO Kaliningradnefteprodukt (a subsidiary of Surgutneftegaz), and Kaliningrad-Gazkomplektimpeks, which represents the interests of Moscow-based Gazkomplektimpeks-OAO Gazprom.

Local power plants operating on imported fuel oil and gas meet about 20% of region's demand for electricity. The remaining power transits from Russia via Lithuania.

2.7. Agriculture and Food processing

Agricultural land occupies an area of 817 000 hectares of Kaliningrad Region; about 752 000 hectares are reclaimed lands. Favorable climatic conditions, a long growing season (160-180 days), sufficient moisture, and fertile soils create a good base for successful development of agriculture, although the potential of these rich agricultural lands is not being fully utilized. There are more than 4000 farms occupying 64 500 hectares of land in Kaliningrad Region. The productivity of natural forage lands is among the highest in the Russian Federation. However, there has been a steady decline in the area under cultivation in recent years, and soil fertility has also been decreasing.

For a long time, agriculture not only supported Kaliningrad Region, but also promoted its development. Since the start of economic reforms in 1990, the drop in agricultural production has been halted and there has even been a slight increase. The regional administration has passed laws to protect local producers and has also raised purchase prices. The government of Kaliningrad Region is taking all possible measures to make agriculture profitable. Today, agriculture contributes about 10% to the

region's GDP. The main agricultural sectors in Kaliningrad Region are livestock farming (beef and dairy cattle, poultry, and sheep), the fishery, and fur farming. Numerous companies of various forms of ownership process agricultural products. These companies include 5 meat-packing plants, 18 dairies, and 5 distilleries and breweries among others. The output of food industry companies could completely satisfy regional demand for meat and dairy products, eggs, potatoes, and other vegetables.

2.8. Tourism

Kaliningrad Region is located on the Baltic Sea and occupies a special place among seaside resorts, with a 30-km-long resort zone along its coast. Nature has generously endowed this region where the open sea combines with endless golden beaches, moderately warm summers and mostly frost-free winters, and abundant and varied plant and animal life. Everything here is favorable for healthy recreation and effective health-resort treatments.

The number of people interested in vacationing on the Kaliningrad seashore has been increasing year by year. The mild coastal climate of the Kaliningrad resort zone has special curative properties, and people are attracted here by the treatment centers that form the basis of an extensive system of health resorts. The swimming season runs from June through mid-September; the average water temperature during this period is 17-19°C with a maximum of 22°C. August is the "velvet season" (i.e., the nicest month) on the coast. The climate, modern health-resort treatments, and the local therapeutic mineral waters and peat mud have a beneficial effect on people suffering from cardiovascular diseases, nervous-system and musculoskeletal disorders, and certain other illnesses.

The main health resorts are located in the Svetlogorsk resort area. The small seaside town of Svetlogorsk is the center of a large resort that has become enormously popular. More than a million vacationers make use of its services each year, leaving with fond memories of health centers like Amber Coast (Yantarny bereg) and Otradnoe. There is a group of specialized children's sanatoria that effectively treat tuberculosis of the bones and joints, rheumatism, and the aftereffects of childhood neurological infections. The health resorts have all the necessary diagnostic and treatment equipment and experienced staffs of doctors and other medical personnel.

An account of the Kaliningrad coast would be incomplete without mention of the natural wonder of Curonian Spit, a narrow strip of land shaped by water and wind where the sea borders on a freshwater bay located above sea level. If you cross the spit from the bay to the sea (only a short distance), the bleak sandy landscape changes to pine woods. Millions of birds fly over the spit during their annual migrations. A surprising world full of harmony and contrasts and a distinctive microclimate welcome vacationers wanting to relax at the tourist centers, campsites, holiday homes, and children's camps on Curonian Spit. Today, the resorts of the Kaliningrad coast are full of life, with more bars, restaurants, casinos, and discos than any other Russian city.

2.9. Analysis of Regional Strengths and Opportunities: Kaliningrad as New Hong Kong

To compensate territorial isolation of the region from mainland Russia and encourage social and economic development of the region, a free economic zone "Yantar" was set up on the territory of the region in 1991 by the Decree of the Government of the RF. On January 22, 1996, the President of the Russian Federation signed the Federal Law "On the Special Economic Zone in Kaliningrad Region," which grants special privileges to economic entities in the region. The creation of the Amber (Yantar) special economic zone was necessary in order to accelerate the region's socioeconomic development, provide favorable conditions for attracting foreign capital and technologies, and increase export opportunities.

The use of preferential duties has significantly decreased the heavy losses incurred by companies in the region as a result of being isolated from Russia. VAT (value-added tax) and duty exemptions make production costs 35% lower than in other Russian regions.

Kaliningrad suffered from a steep economic decline in the nineties, worse than the Russian average, and with all its negative social consequences. Income levels, public health, environment, and education deteriorated, while problems with corruption, crime, and drug-use increased. Much of the Kaliningrad economy was unable to transform quickly enough to create the opportunity for new entrepreneurial opportunities.

Since 2001, Kaliningrad has rapidly picked up on the positive economic trends of Russia as a whole, and to some extent also the neighbouring countries. For five consecutive years, economic growth in Kaliningrad has been faster than the Russian average. It has become an import centre for manufactured goods from the EU and a centre for Russian exports to the world. Trade is booming in Kaliningrad, due to customs and tax benefits granted to it by the Federal Government.

2.9.1. Foreign investment opportunities

There are some visible examples of foreign investment in Kaliningrad, but in general investment levels are still relatively low. The region's most important trading and investment partners are Lithuania, Poland, Germany, Sweden, and the UK. Kaliningrad has been a Special Economic Zone (SEZ) for many years now. The related old law granted exemptions from customs duties components imported in Kaliningrad and processed on the spot. A revised law came into effect in April 2006. The new rules allow for continuation of the existing incentives for those investors who are already in Kaliningrad, for a transitional period of 10 years. The new law puts more emphasis on tax advantages aiming at attracting more investment in particular in manufacturing industries. The SEZ law also contains a simplified visa regime for entry visas for foreign nationals involved in investment projects in Kaliningrad.

The special economic zone gives foreign investors certain advantages: foreign goods imported into Kaliningrad Region with 30% local added value are considered locally produced goods, and the added value on certain kinds of electronics and sophisticated household equipment is only 15%. These goods are not liable to customs duties or VAT when re-exported to Russia. Kaliningrad Region's main trading partners are Germany, Poland, and Lithuania.

Investments in the special economic zone are made in the forms stipulated in legislation of the Russian Federation and international agreements signed with the Russian Federation. Kaliningrad Region is between 11th and 20th place among Russian regions in terms of investments in its economy. More than 1000 joint ventures have been set up since the adoption of the federal law establishing the special economic zone, and companies from 60 countries have invested capital in economic development in the region. The most attractive sectors for foreign investors are trade and purchasing,

international freight and passenger transport, catering, motor vehicle servicing, production of fish products, and consulting services.

Germany is the leading investor (30% of total investments), followed by Great Britain and Sweden. Germany is also the leader in foreign trade turnover, followed by Poland, Lithuania, the United States, the Netherlands, Belgium, Spain, Great Britain, Italy, and France. In recent years, foreign trade turnover has increased more than 2.5 times annually, and price increases on basic commodities have decreased three times compared to Russia as a whole. Ports of call for foreign ships have been opened in Kaliningrad, Svetly, and Baltiysk. Residents of Kaliningrad Region can legally travel to Poland and Lithuania without a visa. Kaliningrad was one of the first regions to sign an agreement on distribution of jurisdiction and powers with the federal government. The Administration of Kaliningrad Region is prepared to work with all investors interested in developing the special economic zone.

2.10. Analysis of Regional Weaknesses and Threats: The Kaliningrad Puzzle

Lopata and Sirutavicius (1999)³ pointed out in their report, that the region is lagging behind the multidimensional growth of the Baltic sea region and, specifically, of its immediate neighbours - Lithuania and Poland. Kaliningrad Region belongs to the group of regions with a low gross regional product (GRP).

Aso, as Krickus (2005)⁴ noted, foreign investments and grants that have a positive impact on the region are welcomed but there is also the fear that Moscow may lose control over the oblast. While in the 1990s, Kaliningrad was perceived simultaneously as a flash point of conflict with its neighbours and a gateway to Europe. The first perspective was based on the presence of large numbers of Russian troops and on Russian fears that foreign revanchists (in Germany and Lithuania) claimed the oblast. Later in the decade, none of these latent points of conflict became manifest. According to U.S. Government estimates, there were 25,000 Russian military personnel in the oblast, and no foreign governments had

³ Lopata R., Sirutavičius V. (1999). Lithuania and the Kaliningrad Region: A Clearer Frame for Cooperation, *Lithuanian Foreign Policy Review*, 3 (51-66).

⁴ Krickus, R. (2005). Iron Troikas: The new threat from the East, *Lithuanian Foreign Policy Review*, 1-2 (98-122).

claims on it. But Kaliningrad did not become a gateway to Europe either. On the contrary, afflicted by daunting economic, political, and social problems, it was described as a “black hole” in the centre of Europe. Today it no longer receives the heavy subsidies it enjoyed during the Soviet era, and it has experienced greater dips in its agricultural and manufacturing sectors than other Russian regions. To make matters worse, the region’s residents and political leadership complain that the authorities in Moscow have ignored them or have adopted conflicting policies that have exacerbated the oblast’s economic problems.

2.10.1. Border crossing and transit

Considering the geographic location of Kaliningrad, cross border co-operation is of particular importance. A well functioning transport system connecting the EU and the neighbouring countries is essential for sustainable economic growth and the wellbeing of all citizens in this part of the world. Better integration of national networks will foster regional cooperation and integration not only between the EU and its neighbours, but also between the neighbouring countries themselves. In short, improving transport connections would be for the mutual benefit of both the European Union and its neighbouring partner countries. With this development in mind, in April 2004 the EU adopted an ambitious plan that focused investments on a limited number of major trans-European transport axes. In particular, the plan aimed at integrating the networks of the new EU Member states, thereby contributing to a stronger Single Market.

A Joint Statement on EU enlargement in April 2004, confirmed freedom of transit as set out in the Partnership and Cooperation Agreement (PCA) and Article V of the General Agreement on Tariffs and Trade (GATT), thus easing concerns about possible negative impacts of EU enlargement on transit of goods to and from Kaliningrad. Furthermore, customs authorities of Lithuania and Russia, together with the European Commission, have cooperated to ensure the transit arrangements function as smoothly as possible, including through the use of computer-based customs declarations.

Results of the efforts became visible in the strong growth rates in transit volumes in 2004 and

2005 (over 10% in 2004 and over 20% in 2005). However, the Russian authorities still consider that some problems in transit arrangements remain. The Commission has underlined its readiness to look into these concerns and has done so during technical meetings/consultations in November 2004 and 2005, as well as in numerous other contacts between experts.

3. Greenhouse Project Partner: Kaliningrad State Technical University⁵

Year of foundation: 1930

Type of institution: State

Rector: Prof. Victor E. Ivanov

Number of students: 6700

Diplomas and Degrees awarded: State Diploma;

- Bachelor's Degree – 4-year studies
- Masters's Degree – 6-year studies
- Specialist Diploma – 5-year studies

Having been founded on the basis of Moscow Technical Institute for the Fishery Industry, Kaliningrad State Technical University (KSTU) is justly considered as the beginning of Russian higher fishery education and a range of scientific schools in navigation, commercial fishery, and progressive technologies of food production. At present, it develops as a multi-disciplinary institution considering the demands and the economic potential of the Region, maintaining traditions of high quality specialist training for the fishery industry.

⁵ Retrieved from <http://www.kgtu.ru/en/about/>

Students are trained in 42 higher educational courses at various levels, namely, Bachelor, Professional Diploma, Master, post-graduate (Kandidat Nauk) and doctorate (Doktor Nauk) Degrees; professionals are offered various upgrading courses. 600 teachers and researchers, including 75 professors holding the Doktor Nauk Degree, 80 academicians and corresponding members of international and public Russian Academies of Science form the faculty of the University. 28 scientists are awarded titles of honoured workers of science, Russian higher education, branches of science, and the fishery industry.

Scientific research is traditionally undertaken in many areas being the most important for the modern navigation, fisheries and seafood processing, power engineering, construction, production automation and control, information technology, natural science, nano-technology, etc. The University founded effectively working schools in ichthyology, commercial fishery, ship-building and repair, automation of production and control, technique and technology of raw materials processing. There are 12 research laboratories and scientific centres, four of them being of the applied character. Four dissertation councils work at the University.

Recently, intensification of scientific work has involved the University into 25 federal scientific programmes, as well as in TEMPUS and TACIS projects. Regional representatives of public professional Academies of Science applied Centre for new Information Technologies, Research Institute for Maritime Engineering Service, Institute of Ecology and Sustainable Development successfully operate on the University basis. International co-operation of the University with foreign educational and research organizations is constantly expanding, with the Baltic Sea region in particular.

3.1. Structure of the University (1 January 2005)

I. Academic divisions

1. Faculty of Bioresources and Nature Management

Departments:

- Ichthyology and Ecology
- Aquaculture
- Agronomy
- Zoological Engineering
- Agropedology and Agroecology

Training and Scientific Station

2. Commercial Fishery Faculty

Departments:

- Commercial Fishery
- Hydrologic System and Water Use
- Safety of Life

Training and Scientific Laboratory for CAD Systems for Commercial Fishery Technique

3. Mechanics and Technology Faculty

Departments:

- Food Products Technology
- Food and Refrigerating Machinery

- Machining Technology
- Theory of Machines, Mechanisms, and Machine Parts
- Engineering Drawing
- Food Biotechnology

4. Naval and Power Engineering Faculty

Departments:

- Ship-building
- Structural Mechanics of Ships and Strength of Materials
- Shipboard Power Plants and Thermal Power Engineering
- Electrical Equipment of Ships and Electrical Power Engineering

Civil Engineering Division:

- Construction, Heat and Gas Supply, and Ventilation

5. Automatic Production and Control Faculty

Departments:

- Production Automation
- Automatic Machine-Building Technology
- Control Systems and Computing Machinery

6. Economics Faculty

Departments:

- Enterprise Management
- Accounting, Analysis, and Finance
- Economics and Entrepreneurship
- Theory of Economics

Institute of Economy and Management

7. The Humanities Faculty

Departments:

- History
- Philosophy and Cultural Studies
- Foreign Languages
- Sports
- Social Sciences, Pedagogics, and Law

Training and Methodology Division

Psychology and Pedagogics Centre

8. Fundamental Training Faculty

Departments:

- Higher Mathematics

- Applied Mathematics

- Physics

- Chemistry

Centre for Pre-University Training

9. Dean's Office for Foreign Students

Department of the Russian Language

Fundamental Training Division for Foreign Students

10. Training and Methodology Division for Education in Fishing Economy

11. Department of Post-Graduate and Doctorate Studies

12. Upgrading Faculty

Training Centre for Labour Safety

13. Centre for Professional Training of Accountants

14. Regional Centre for Personnel Upgrading, Retraining and Certification of Construction Industry and Housing and Communal Services

II. Research and production divisions

1. Department for Science and Innovation

- branch laboratory for operational strength of vessels

- branch laboratory for shipboard systems

- branch laboratory for navigability of vessels
- testing laboratory for metalware, tools, and gear
- scientific laboratory for variable-frequency electric drive systems
- branch laboratory “Package for seafood”
- regional scientific laboratory for mechanisation and automation of technological processes in amber production
- “Baltstroy” testing laboratory
- scientific centre for economic problems of accomplishment and waste management
- Scientific centre for inspecting small fishing vessels of the Kaliningrad Region
- scientific centre for environmental management
- aquaculture centre
- quality management centre
- physics and technique centre:
 - scientific laboratory for micro- and nano-technology;
 - scientific laboratory for thermalphysic research automation;
 - scientific laboratory for geophysical hydrodynamics

2. New Information Technologies Centre

3. Centre of Investment and Entrepreneurship

4. Centre for Small Offset Printing

5. Experimental and production workshop

6. Training and experimental fish farm

III. Administration

1. Rector's office

2. Department of Accounting and Financial Control

3. Department of Planning and Finance

4. Personnel Department

5. Administrative Department

6. Quality Management Centre

7. Academic Department:

- Training and Methodology

- Practice and Employment

- Technical Aid

8. Scientific Library

9. Scientific Information Department

10. Patent Department

11. Standardization and Metrology Group

12. International Relations Department

13. Museum

14. Publisher

15. Editor's Office of the University's newspaper

16. Economic Department:

- Operation and Maintenance
- Redecoration and operation of buildings
- Life and Labour Safety
- Maintenance Supply
- Administrative Services of University's Buildings and Dormitories
- Connections and Telecommunication

17. Sports and resort camp in Otradnoye

18. First-aid post

3.2. Economics Faculty

As one of the oldest faculties of the University, the Economics Faculty has grown from twelve students in 1930 to 2,425 now.

Departments:

- Enterprise Management
- Economics and Entrepreneurship
- Accounting, Analysis and Audit
- Theory of Economics

Specialities:

- Finance and Credit
- Accounting, Analysis, and Audit
- World Economy
- Economics and Enterprise Management in Food Industry
- Economics and Enterprise Management in Agriculture
- Public and Municipal Administration
- Commerce
- Enterprise Management (Financial Management; Investment Management)

The Faculty trains students in subjects being the most perspective during the process of Russia's transition to market economy.

At present the faculty offers Bachelor's degree courses in "Management" and "Economics", and Engineer's Diploma in:

- Economics and enterprise management in food industry;
- Economics and enterprise management in agriculture;
- Enterprise management (specializations: "Financial management" and "Investment management");
- Finance and crediting
- Accounting, analysis and Auditing;
- Commerce (business);

- Public and municipal administration.
- World Economy

The curricula provide for profound knowledge of basic disciplines (economic theory, law, management, marketing, finance, bookkeeping, audit, statistics, taxation, world economy, price formation, economic analysis, information technologies in economics and management) and also imply special professional training in accordance with the chosen speciality and specialization. Economist-managers working at enterprises of all forms of property, provide planning and organization of goods and services production, ensure efficient business activity of enterprises, their development and competitiveness in a market economy.

Specialists in financial management deal with financial matters of enterprises. Among their main duties are: development of the rational financing scheme for the enterprise and managing cash flow and investment.

Investment managers deal with investment projecting and managing investment projects, analyse and estimate investment projects, calculate their cost efficiency.

Students specializing in finance and crediting are trained to work at state agencies, banks, exchanges, financial companies, investment foundations, etc. — at every position where specialists in state finance, banking and insurance, money's circulation, stock market, fiscal policy and budgeting are required.

Economists specializing in accounting, analysis and auditing provide information on assets, bonds, profits and expenditure of enterprises and organizations helping to organize their financial and economic relations on a qualitatively new level, protecting their interests and property.

Specialists in commerce work in the sphere of entrepreneurship searching for free commodities with the purpose of their purchase for further profitable sales or providing for the effective work of a company or an enterprise.

Professional career of managers specializing in State and Municipal Administration develops within state executive and legislative powers, at state organizations and institutions. In its educational activities the faculty also co-operates with Kaliningrad International Business Institute, and some foreign institutions, as well as Institute "European Business School (EBS) - Kaliningrad", which was set up in 1994 and is a part of the EBS International group of business schools located in Dortmund, Dublin, London, Madrid, Milan, Munich, New York and Paris. Partnerships have also been established with the Kaliningrad State Technical University in the area of training specialists in "Economy", "World Economy", "Business Administration" awarding diplomas both of the EBS and the KSTU.

Conclusion

The Kaliningrad region is a region with a lot of tradition and a lot of activity.