The Republic of North Ossetia - Alania investment passport.

The Republic of North Ossetia - Alania is located in the North Caucasian Federal District of the Russian Federation.

The area of the Republic is 8000 sq km (that is 0.05% of the Russian Federation square). 48% of the area consists of mountains.

By the 1 of January, 2014, the Republic consisted of 6 cities, 1 urban-type settlement and 214 villages.

The population of North Ossetia is in the amount of 704 000 people (0.5% of Russian federation population). 450.4 thousands of people live in urban area. The capital of the Republic is Vladikavkaz, where there live 307.3 thousands of people.

CULTURE


EDUCATION AND SCIENCE

Nowadays the system of professional education of the Republic of North Ossetia - Alania realizes the preparing of qualified personnel on the basis of social order and state task for the companies and enterprises almost in all spheres of the economy of the region, including for large Russian companies with investment activity on the territory of the Republic.

In 2014 more than 39 thousand of young people of the Republic from 15 to 30 years studied at state and non-state organizations of professional and higher education. In the Republic there are 9 educative organizations of higher education (5 state and 4 non-state).

At the educative organizations the training of personnel is realized at 28 programs of skilled workers (employees), 58 programs - or mid-career professionals and more than 100 undergraduate majors, specialties and graduate higher education.

According to the data of the 2014 of training programs, there were accepted 1379 people by the program of skilled workers’ training and 1495 people by the program of mid-career professionals.
In the system of economy of the Republic of North Ossetia there are marked out the following clusters of formation and development of main branches:

1. tourism and recreation cluster
2. agro-industrial cluster
3. energetic cluster
4. nano-cluster (scientific and production, IT cluster)
5. transport and logistic cluster
6. building materials cluster
7. industrial cluster – metallurgy, mining industry.

TOURISM AND RECREATION CLUSTER

Modern economic conditions allow us to see tourism as one of the main branches of national and world property. Based features of it are high income level and intensive development speed.

The uniqueness of nature and climatic conditions and rich cultural and historic traditions are prerequisites for the development of the touristic and recreation cluster in North Ossetia. The development of touristic branch will support not only economic, but social evolution of the Republic. Moreover, it will play a significant role in increasing the state budget revenue. One of the perspective directions in the cluster development is eco-tourism. It is the form of stable tourism that means visiting virgin natural territories (with the minimal level of anthropogenic influence).

Eco-tourism in the Republic of North Ossetia is performed by such a perspective types of touristic activity as agro-tourism, mountain and recreation tourism, medical and sanitary tourism, historical and regional tourism, ethno-ecological tourism, “green tourism” etc.

Agro-tourism is new direction for our country that has very high potential for development exactly in the Republic of North Ossetia. This kind of tourism includes tourism in rural area, hunting tourism, mounted tourism. The development of agricultural tourism implies habitation in countryside and mountain settlements. This direction is the most perspective in North Ossetia because of the high indicators of settling agricultural holding. The benefits of this type of eco-tourism are the absence of expenses for infrastructure, resource procuring, and comfortable residence for tourists because of the traditional hospitality of ossetian people.

Perspective types of eco-tourism in the Republic of North Ossetia - Alania are: hunting tourism (including hunting of trade animals, birds and fish), mountain and recreation tourism (including mountaineering, ski tourism, alpinism, snowboarding etc) and other types of touristic practice. The large ski resort - Tsei, North Ossetian Natural Reserve, National park “Alania”, State Tsei Natural Reserve are located in North Ossetia. They provide preservation of rich biological variety of the region.

Medical and health tourism develops actively in the Republic. The Republic has sanatorium resort base, located on the ecologically favorable, sometimes even unique, territories. For example, areas of mineral water. There is climatic resort area Redant in the Republic. Balneological resort is characterized by the presence of mineral springs, containing zinc, copper, iodine and bromine.
There are more than 300 springs of mineral and fresh water in the Republic. Operating reserves of them are more than 15,000 cubic meters per day. Mineral waters of North Ossetia possess unique balneal properties, chemical and gas composition, create good conditions for the development of balneological services.

In the sphere of tourism and recreation on the territory of the Republic there are 9 perspective investment platforms for settling and development: Mamisonskaya platform, Naro-Zakkinskaya platform, platform Tsei, Tamisk-Biragzangskaya platform, Kurtatinskaya, Digorskaya, Kora-Ursdonskaya, Kazbekskaya and Vladikavkazskaya platforms.

Zaramag, Karmadon, Redant and Tamisk are the most famous resorts in North Ossetia. Zaramag and Karmadon are balneological resorts, main medical factors of which are unique climate and mineral waters.

The outcome of the natural potential in the area of the gorge Mamison in the Republic of North Ossetia - Alania should be a year-round mountain recreation complex "Mamison", which is included in the tourism and recreation cluster of the North Caucasian Federal District (project "Height 5642" - ski tourism cluster "Arhiz "," Elbrus "," Matlas "," Mamison ").

Within the framework of the Federal target program "South of Russia" there are implemented measures for the creation of infrastructure for the future resort "Mamison", including gas, electricity, water supply, road construction and civil engineering.

There is established touristic-recreational special economic zone in Alagirskyi and Irafskyi areas of the Republic. It is planned to create special system of tax and customs facilities for residents.

One of the strategic tasks of the development of touristic-recreation cluster is to stimulate the development of new tourist centers in addition to the existing resorts in the Republic of North Ossetia - Alania. Formation of new investment areas will accelerate the process of renewal of fixed funds industry. It will increase competition and quality of services, and will also increase the diversity of the tourist offer, the density of recreational areas and the level of the infrastructure settling.

The investigation of different aspects of historical cooperation of human with nature has high perspectives. So the historical and regional tourism is exactly dedicated to it. It provides travel products and services associated with visiting cultural and historical sites, including sites of urban planning culture, historical monuments, architecture and culture. The Republic has a vast cultural heritage in the traditions and material monuments, well-known figures of culture and art, is a leader in the North Caucasus in the sphere of cultural services.

Ethno-ecological tourism in North Ossetia means investigation of certain ethnic groups life, their origin, language, culture, location territory, demographic peculiarities, the features of relations with nature in real time.

The foreground direction is the development of tourism and recreation complex in Alagirskyi area.

Tourism and recreation cluster is a unique competitive advantage of the Republic of North Ossetia - Alania. Its development will contribute the development
of the branches – agro-industrial complex, transport and logistic complex, the material production and services sphere.

**AGRO-INDUSTRIAL CLUSTER**

Main directions of the strategic development of the agro-industrial complex of the Republic are the following: cultivation and reprocessing of cereals and production of maize starch, molasses, glucose, dextrin, corn oil, fruits and vegetables reprocessing and preserving, the development of animal husbandry, fisheries, milk reprocessing and production of a wide range of dairy products.

Main goal of the cluster development is to provide the population with high-quality organic food of own production by the introduction of advanced technologies into existing enterprises and the creation of modern agricultural holdings.

In the Republic there are widely used animal husbandry complexes, complex project of the milk production and its reprocessing. LLC “Miranda” has realized very important innovation project “Organization of the fuel bi-ethanol production” with the productivity 72 million litres of bi-ethanol per year, and project of the complex of wheat reprocessing for gluten and foodstuffs.

The most successful and developed enterprises of food industry are:

1. “tribal reproducer “Mikhailovskyi””
2. LLC “FAT AGRO”
3. LLC “Agro-industrial holding “Master-Prime. Berezka””
4. LLC “Company “Yes””
5. JSC “Salut”
6. LLC “POPO”
7. LLC “Prestij”
8. JSC “Vladikavkaz beer – nonalcoholic factory “Darial”
9. LLC “Bukhardon”
10.LLC “Russo”
11.LLC “Apriori”
12.JSC “Ariana”
13.LLC “Alania-Fish”
14.SPK “De-Gusto”
15.JSC “Semenovod”
16.LLC “Agro-company “Kazbek””

Food industry of the Republic of North Ossetia - Alania is performed also by alcoholic drinks and mineral water. The Republic takes third place among all the regions of the North Caucasian Federal District in the sphere of champagne production. The presence of mineral sources is its competitive advantage. According to the significant reserves of mineral and table water one of the priorities of the food industry is to expand their industrial production, including for export.

LLC “Bilag” realizes the project “Production of drinking glacial water”. The uniqueness of the project is that there are no same projects in Russia, where the
factory is built at an altitude 1800 meters. Planned production capacity of a factory is 184 millions of litres of water per year. Manufacturing accommodation, warehouses are ready for exploitation. Now it is led work on acquisition and starting-up of the equipment. Total cost of the project – 1125 million rubles.

Existed production capacity of active enterprises and new enterprises in the sphere of food and reprocessing production that are planned, allow establishing high-quality agro-industrial cluster.

ENERGETIC CLUSTER

To increase investment appeal of the Republic there should firstly be developed those directions, which can play a key role in the investor attraction. One of the based aims of each investor is to reduce the period of repayment. This can be reached either by reducing charges or increasing marketing. With absence of large internal market, it is necessary to realize on the territory of the Republic levers for charges reduction, which should be able to compete with such an advantages of other markets as proximity to the sea harbors (transport lever).

One of such a strong levers is cheap hydro-energy, which makes the investigation of hydro-energetic potential of the Republic a main task. Its realization through the building and start of small hydro-station cascades on the mountain rivers and through other alternative energy sources can not only meet the demand of electricity in the Republic, but also to develop its external customers.

North Ossetia has a great hydro-energetic potential with the variety of mountain rivers (5.2 milliard kilowatt hours). Nowadays it is used by 8 hydropower stations. So it is very important to create and place in operation new stations. Currently under construction there are Zaramag hydroelectric stations with capacity of 352 MW (Phase 1) and the annual output of 812 million kilowatt hours, commissioning of which is planned in 2018. It is planned further construction of about 25 small hydropower plants on the mountain rivers of the Republic.

As a result of the implementation of projects for the construction of power generation capacity the Republic will be fully supplied with electricity of its own production. Future directions of the development of energetic cluster in the Republic are: creation of new electro generating powers, development of petroleum industry and alternative energy sources. At the territory of the Republic there are petroleum sources at the amount of 13.4 million tons.

NANO-CLUSTER (SCIENTIFIC AND PRODUCTION, IT CLUSTER)

The main principle of long term social and economic strategy of the Republic is to transfer economy to new innovation path of development.

The Republic of North Ossetia - Alania has high scientific and technological potential, qualified scientific, engineering and labor personnel, who provide techno-modernization of the based economy branches.
The realization of innovative policy is conducted by the efforts of scientists and innovators. They work at educational organizations of higher education, research institutes of the Republic.

In the Republic there exist Vladikavkaz scientific center of Russian academy of science and the Government of North Ossetia Alania, International innovative scientific and technological center “Stable development of mountain territories” of North Caucasian Mining and Metallurgical institute (State technological university) under the aegis of UNESCO, Center “Physics and technology of nanostructures" on the basis of the North Ossetian State University, Center of Technology Transfer.

By the resolution of North Ossetia government 27 of December, 2010, №382 there was created permanently acting expert collective agency – Council of the development of scientific and technological and innovative activity by the Government of the Republic of North Ossetia. It includes the representatives of region development institutes, higher education and research institutions. The Council is the coordinating body for coordinating the work of the executive authorities of the Republic of North Ossetia-Alania, public organizations, associations for the formation and implementation of state policy in the field of innovation.

Innovative scientific and production enterprise LLC “Vladikavkaz technological center “Baspik”” realizes design, production and implementation of knowledge-intensive electronic production and technologies, it specializes on the output of micro-channel plates (MCP) 2-4 generation, fibro-optic plates (FOP), detectors with MCP and FOP, micro-channel electro-optic transformers of 2 generation, night viewing devices.

On the basis of LLC "WTC" Baspik "acts leading Russian scientific school in the field of micro-channel plates. The company has developed and mastered 12 types of unique position-sensitive detectors for use in the aerospace industry, nuclear industry, and experimental nuclear physics. Currently, these products are already being implemented in the foreign market (Germany, France, Switzerland, USA).

LLC “Vladikavkaz technological center “Baspik”” realizes investment projects in common with JSC “Screen-Optical systems” (city Novosibirsk), about the creation in Vladikavkaz the production of optic-electronic elements, devices and equipment of dual-use, nano-microelectronics – micro-channel and fiber-optic plats of new generation, as well as JSC "Cathode" (city Novosibirsk) to establish serial production of photoelectric devices and equipment, products mikronanofotoelektronic.

Few small enterprises of the Republic implement innovative investigations. They received grants within the limits of the Fund of Assistance to Small Business in science and technology in such spheres as:

1. The development of a unique electron-mechanical lock with the highest degree of protection (LLC "Electronic reservation")

2. The development of technology for recycling (plastics waste) and the organization of the production of innovative products: mats to cover the tracks of tramways, manholes, electrolysis baths for refining copper (LLC "Katid")
3. The development of a unique technology of spot welding electrodes used in the automobile production, aircraft construction etc. The main parameters are 3-4 times surpassing the analogues of leading foreign manufacturers (LLC "Zeus")

4. The development of a unique technology of growing ultra-pure single crystal antimonide indium for the needs of the defense industry (LLC "Tehnoir") and others

In 2014 in Vladikavkaz there has been inaugurated business incubator “IT-park “Alania””, where there is being realized placement of the enterprises of innovation type with the provision with organizing and technical infrastructure.

According to the Resolution of the Government of North Ossetia-Alania 11 april,2013, №132 in the Republic there was established state autonomous foundation “Techno-park “Alania””.

On the basis of techno-park it is planned to develop three main directions: IT, development of innovative building technologies and production of innovative building materials, development and introduction of technologies and equipment in the sphere of energy-saving, energy-effectiveness and energy and heat generation.

It is building of ground-based nets of digital TV and radio broadcasting in the Republic.

To increase investment appeal of the Republic we should increase the level of entering IT in all the spheres of economy, to inject informational systems of administrative decisions support, complex systems of enterprises automation, to use as much as possible the potential of web-representations (websites) of enterprises to inform potential investors about the direction of activity.

Very important direction of activity is Government’s support for small innovative companies, that work in the sphere of IT-service, development of information products, development of cloud computing, mobile applications and software for financial and bank spheres.

**TRANSPORT AND LOGISTIC CLUSTER**

To increase investment appeal of the Republic there should be developed transport infrastructure. Transport infrastructure of the Republic of North Ossetia – Alania consists of transport main lines, means of transport, trucking companies and transport structures of the Republic.

There are occurred the following measures for development:
- building of highway Nijnii Zaramag – recreation complex “Mamison”
- reconstruction of Beslan airport
- reconstruction of highway M-29 “Caucasus”
- modernization and reconstruction of highway Alagir (M-29 “Caucasus” – Nijnii Zaramag till the border with Georgia (TransCAM)
- reconstruction of road Chikola - Matsuta with approach to v. Galiat
- provision of villages with the net of roads of common use.

According to the Strategy of railway transport development in Russia till 2030, in North Ossetia there is the construction of the railway line on the bypass of the city
of Beslan, as well as the reconstruction of the public road of regional significance "Entrance to the resort" Tsey."

The Republic of North Ossetia - Alania has efficient strategic location on south borders of the Russian Federation, being situated in the center of land transport nets among countries of Europe, the Middle East, which involves building of modern transport and logistic complex, including 2 federal highways through the Main Caucasian Ridge that host modern automobile border checkpoints, extensive rail and road system, the international airport "Vladikavkaz", equipped transport terminals.

Full use of the transit potential of the country will allow the development of trade, the financial system and the transport and logistics activities. Development of transport corridors, runs through the country, will contribute to the growth of budgetary effect, the organization of the associated infrastructure, open up opportunities for the economy and trade. Consolidation of logistics capabilities transportation by road, rail and air transport modes allow to organize sustainable transit and wholesale of industrial, agriculture, construction, fuel and energy complex products.

To develop transport and logistic complex of the Republic it is planned to create special economic zone with the regime of free customs zone. The necessity of it’s creation is related to the maintenance and development of international traffic, requiring customs registration of products. The possibility of rapid customs registration (and free customs zone) increases attractiveness and competitiveness of the use of transport corridor “North-South”.

The increase of turnover volume will allow using storage areas, increasing the number of rail and road transport, infrastructure development, serving not only the flow of goods in connection with the performance of customs formalities, but also to solve questions of public catering, domestic and medical service of carriers, technical service of transport means, to create jobs, to vast tax base, it will contribute solving social and economic problems.

Currently, in the border region of the Republic private investors has already started the building of transport and logistic terminal.

BUILDING MATERIALS CLUSTER

The industry of building materials in the Republic has factories of bricks, concrete, lime, ferroconcrete products, sand and gravel mixture and metal constructions production.

During last years there has been created the production of metal-tile, reinforced foamed concrete, polystyrene concrete, decorative masonry block, high-art metal items for cold forging technology, stationary cellular polystyrene forms for monolithic house building.

Identified and explored deposits of limestones, marl, dolomite, marble, basalt have practical interest.

There are being realized the projects on the production of high-quality bricks, exploration of boulder-gravel deposits, organization of full cycle production of
high-technological resource-saving building materials. Crushed stone, which had been produced in the Republic, has been used in Olympic objects building in Sochi.

North Ossetia has large sources of building materials:
- sand and gravel mixture – 250 million cube meters at 33 deposits and areas
- building sands in industrial categories – 16265 thousands cube meters and C2 – 27290 thousands cube meters
- loamy raw materials – 16 deposits and areas. In addition, more than 40 expressions of different genetic types of loam, raw materials are being tested for the preparation of drilling fluids, the manufacture of ceramic and pottery;
- dolomites – 228076 thousands tons of category A+B+C and 4231 thousand tons of category C2 (70.7% of dolomite raw materials for glass industry, or 10.2% of dolomites for metallurgy of Russian reserves)
- limestone – 105871 thousands tons of categories A+B+C (8.3% of the carbonate raw materials in Russia)
- marls – 95598 thousand tons of category A+B+C
- bentonite loam – 50 million tons of categories P1 and P2 and 10 million tons of category C2
- quartz sands – 8.5 million cube meters of explored reserves and more than 65 million tons of forecasted sources.
- Facing stones – 2953 thousand cube meters of categories A+B+C.

In the Republic there is a number of perspective roofing slates deposits and more than 70% of dolomites reserves in Russian Federation. By JSC “Cavdolomit” it is planned a large project on the development of the quarry based on Bosnian deposit of the Republic of North Ossetia-Alania, located on the right bank of the Terek 17 km south of the city of Vladikavkaz. Bosnian dolomite deposit is one of the best in Europe due to the high technological properties, purity, huge explored and virtually unlimited geological reserves and is a source of unique in its composition of dolomite, which is characterized by consistency on chemical, mineralogical, petrographic and physico-mechanical parameters.

For the Republic the main direction is realize the project on the basalt mining and organization of manufacture of its products. The attraction of extra-budgetary investments will help to organize high-effective production of the wide range of products from basalt, basalt pipe, thread, mesh reinforcement, insulation in construction and production of rail cars.

The planned development of large-scale cluster materials will completely eliminate the deficit in the country according to the positions and make their supply to neighboring regions and the Transcaucasia.

**INDUSTRIAL CLUSTER – METALLURGY, MINING INDUSTRY**

Significant reserves of various minerals cause the conditions for the development of the cluster.

The largest deposits of zinc – such as Djimidonskii deposit, Kadat-Khampaldonski deposit, Kakadur-Kanikomski deposit – are situated in the
Republic of North Ossetia-Alania. All the lead deposits of the North Caucasian Federal District are on the territory of the Republic. The largest part of the sources is located at Djimidonsk Ore Field.

On the territory of the Republic of North Ossetia-Alania there are reserves of non-ferrous, precious and rare metals (copper, tungsten, molybdenum, lead, zinc, cobalt, gold, silver, platinum group of metals, rhenium and others).

There are 60 large and medium-sized enterprises of the extraction of ores, repair of railway rolling stock, the production of lead, zinc, tungsten, copper rolled products, hard alloy materials, glass, electrical equipment, packaging, furniture, knitwear, food. The share of individual types of products is quite significant on a national scale. For example, the country produces 39% of Russian zinc, 46% lead, almost 38% of tungsten carbide 15%, 32% cadmium, a third par of electro contactors, about half of the curtain nets.

The most successful and developed enterprises of metallurgical production, inside which there is the foundation for the development of the investment, are the following:

- factory “Electrozink” – the largest enterprise of non-ferrous metallurgy of Russian Federation. Located in the industrial area of Vladikavkaz, is a part of Ural Mining and Metallurgical Company
- factory “Pobedit” – specializes at the production of heavy and hard alloys, based on tungsten and molybdenum
- JSC "Magnit" - the production of magnets and magnetic systems, cores and steel art castings
- LLC “Vladikavkaz technological center “Baspik”” – the production of microelectronic products
- JSC “Kron” – the production of special materials, polymeric pipes, glue, compound
- JSC “Iristonsteklo” – glass containers production

The production of electro-equipment includes strategically important for investment development enterprises:

1. JSC "Electro contactor" (electro contactor’s production of low and high-voltage)
2. FSUP “Gran”
3. JSC “NPO-Binom”
4. FSUP “Alagir resistance plant” (resistors production)
5. JSC “Raduga” ((production units and components for tracking systems for air traffic control).

EXTERNAL ECONOMY ACTIVITY

In 2014 external trade turnover of the members of External Economic Activity of the Republic of North Ossetia amounted 92.67 million USD that is 13.1% lower than during the same period in 2013.
The external trade balance was negative in the amount of -2.15 million USD. Its formation was mostly influenced by the trade with: Armenia (negative balance is -7.80 million USD), Italy (-7.46 million USD) and China (-4.98 million USD). Meanwhile the essential magnitude was positive trade balance with Turkey (18.45 million USD).

The Republic of North Ossetia share among the subjects of the North Caucasian Federal District in 2014 in external trade turnover is 2.95% (in 2013 it was 3.36%).

Non-CIS countries dominated in external trade with the share of 83.67% of turnover. The largest in magnitude was trade with Turkey (23.32 million USD), with Georgia (14.76 million USD), South Ossetia (11.11 million USD) and China (6.05 million USD).

The main export goods are metals and its products – 23.98 million USD – that is 52.9% in the system of export in the Republic. The basis of import is machine-building products – 17.84 million USD (37.6%) and foodstuffs and raw materials – 16.83 million USD (35.5%).

**EXPORT**

The share of export in the commodity turnover of the Republic is 48.83% of cost volume in I-IV quarter of 2014. The members of External Economic Activity of North Ossetia carried out export operations in the amount of 45.26 million USD that is 2.76 million USD higher than the same period 2013. Members of External Economic Activity of the Republic in their export operations favored non-CIS countries. The cost volume of export in these countries is estimated at 40.43 million USD (with the share of export 89.3%). In the CIS countries it is estimated at 4.82 million USD, or 10.7%.

Cost volume of the export of metals and its products is 23.98 million USD (or 52.9%). It is 11.5% lower than in 2013.

Cost volume of the export of foodstuffs and raw materials is estimated at 15.40 million USD (34.04% of export volume). So it is 120.3% higher than in 2013.

The share of mineral products in the I-IV quarter of 2014 is estimated at 2.36 million USD (5.2% of export volume). Indicators decreased in 15% in comparison with 2013.

The share of chemical products in the value of exports amounted to 3.6% (in absolute terms - 1.65 million USD).

Also during the reporting period, traders of the Republic exported goods classified as "Other" totaling 528.01 thousand USD (1.2% of export volume).

**IMPORT**

The largest trade-partners in import operations with North Ossetia are the following:

1. Non-CIS countries – Georgia (18%), Italy (15.7%), USA (9.2%), Turkey (5%) and China (11.6%).
2. CIS countries – Armenia (17.2%) and Ukraine (4%).

The volume of the Republic external trade (import part) in 2014 amounted 47.41 million USD, being reduced in 16.7 million USD according to the indicators of 2013.

From Non-CIS countries there have been imported goods in the amount of 37.11 million USD (that is 21.5% lower than in 2013), and from CIS countries – 10.3 million USD (39% lower than in 2013).

Machine-building products have been imported in the Republic in the amount of 17.84 million USD (that is 37.6% in the common import volume), that is 38.7% lower than in 2013.

Foodstuffs and raw materials have been imported in the amount of 16.83 million USD (35.5% of import volume). The volume of the imported product is 7.3% lower than in 2013.

The chemical products have been imported in the Republic in the amount of 4.29 million USD (9% of import volume). In comparison with 2013, indicators are reduced in 41.3%.

The import of metals and its products is in the amount of 3.63 million USD (7.6%).

Also, there is mentioned the import of goods marked as “Other” in the amount of 2.87 million USD (6% of cost volume of import products).

In addition, the import structure includes wood and pulp and paper products (0.5%), textiles, textile products and footwear (0.4%), mineral products in the amount of 1.46 million USD (3.1%).

INVESTMENT POTENTIAL

Investment potential of the Republic is firstly connected with the development of traditional for the Republic branches of economy: non-ferrous metallurgy, electronic, food, building materials, woodworking metallurgy, light metallurgy etc. Meanwhile, for the investments it is quite attractive and perspective resort and recreation sphere and tourism, and also small energetic.

To attract investments into the Republic there has been formed normative base that provides state support and quite pleasant investment climate.

In 2014 state support to enterprises and organizations (with investment activity) was in the amount of 15.5 million rubles by compensation of costs and subsidization of interest payments for loans for projects in the food industry, poultry farming, hospitality, communication development.

There were 23.5 thousands of small and medium-sized business subjects according to the results of 2013. There is a growing number of small and medium-sized enterprises by 4.2% compared to the previous year. This is a result of support of small and medium enterprises from the state, too.

In the branch structure of enterprises the leading spot belongs to wholesale and retail trade (50.4%), manufacturing (16.3%), construction (12.9%), agriculture (5.1%), real estate (4, 0%), transport and communications (3.2%).
In 2014 to support entrepreneurship there were directed funds from the state budget in the amount of 80 million rubles from the federal budget - 264 million rubles.

Moreover, during 2013-2014:

1. There was created a Council to improve investment climate. The council’s aims are - coordinated and effective solutions in the field of investment and entrepreneurship.

2. There was approved investment declaration of the Republic of North Ossetia - Alania, which sets out the principles of interaction between state authorities and the subjects of investment and entrepreneurship.

3. There was approved a plan on the creation of investment objects and necessary transport, energetic, social, engineering, municipal, telecommunication infrastructure in the Republic of North Ossetia - Alania.

4. There was approved United Order of the maintenance of investment projects with the principle of “one window”, that should regulate the relations in the preparing and realization of investment projects on the territory of the Republic. The Order is aimed at the unification of the procedure of the cooperation between investors and the executive authorities of the Republic, and also at the reduction of administrative barriers while realizing investment projects.

5. There was created specialized dual-language Internet-portal that was dedicated to the investment activity www.ossetia-invest.ru, where it is obviously performed investment map of the Republic with investment and innovative projects, investment areas, objects of infrastructure.

There are special organizations (institutes) of the support and development of investing activity:

JSC “Agency of investment development of the Republic of North Ossetia - Alania”, established at 12 of October, 2010, by the decision of single founder is created to support the economy of North Ossetia, to increase investing appeal of the Republic, to enlargement its competitiveness at internal and external markets.

Guarantee fund of the Republic of North Ossetia (The Fund of micro financing of small and medium-sized enterprises). It is created to develop state support of the entrepreneurship, and to provide with the access to financial and material sources for the subjects of small and medium-sized entrepreneurship.

“Center of entrepreneurship development” of the Republic of North Ossetia - Alania gives intermediary services for buying, selling and renting of uninhabited immovable, regulates the activity of uninhabited fund. Also the field of center’s activity includes the activity in the sphere of law, accounting and auditing, consulting on the questions of commercial activity and enterprise management.

In 2014 there had been created: the Fund of exhibition and presentation activity of the Republic of North Ossetia – Alania and first national touristic-operator “Kazbek-tour”, focused on inbound and domestic tourism, particularly on the creation and development of regional touristic product.
JSC “Leasing Company of the Republic of North Ossetia” supports and develops the subjects of small and medium-sized entrepreneurship with the using of financial sphere.

Business-incubator IT-park “Alania” has been opened at February 2014. At the building occurs allocation of the innovative enterprises on a competitive basis. Also there is presented necessary consulting organizing and technical infrastructure. Presentations periodically are being held on the basis of the incubator.

For development of the Republic innovative infrastructure and for the realization of cluster politics on the development of production it is planned to create techno-park. Nowadays there is a conception “Techno-park Alania”. In the pipeline are: business-plan, the strategy of techno-park, project and estimate documentation. It is planned to develop such a directions as IT, the creation of innovative building technologies and the production of innovative building materials, development and introduction of technologies and equipment in the sphere of energy-saving, energy-effectiveness, energy-heat-generation.

In 2014 in the Republic there was a process of realization of important investment projects at the expense of extra-budgetary sources of financing.

JSC “RusGidro” continues the building of Zaramagkskaya hydropower plant on the river Ardon with capacity 342 MW. During last 3 years the investments into the project amounted more than 6.6 billion rubles.

LLC “UGMK-Holding” realizes the development program of JSC “Electrozink”. During 2013-2014 the investments amounted more than 1 billion rubles.

Investments of LLC "Agro-company Fat" in 2014 amounted to 100 million rubles. The company is implementing a project for the modernization of the brewing industry. Currently, in the "Group of companies" House Brewery Bavaria ", which includes Agro firm FAT ", employs more than 500 people.

LLC “Agro-industrial holding “Master Prime Berezka” has organized more than 1.5 thousands of horned cattle of elite breed “Montbeliard”. They produce high-quality milk production on their own production powers. During the realization there has been invested in the project more than 680 million rubles.

LLC “Alania-Fish” plans to realize the project on growing and processing of trout in Ardon area with the common volume of investments at the amount of 2 billion rubles. In 2015 the company plans to increase the supply of fish products to the domestic market up to 2000 tons. At present, the farm provides commercial products the Republic of North Ossetia-Alania, the North Caucasian Federal District, the Central Federal District (Moscow and Leningrad region).

SPK “De-Gusto” organized horticulture, nursery, production of cereals and legumes, reproduction and rearing of cattle meat breed Hereford. In 2014 the volume of fruit production was 1,500 tons, and this year is expected to increase yield by 2 times. Today, the number of cattle is 1800 heads.

For further development it is necessary to build to build a module for storage (fruit storage) with the capacity of 3 thousand tons and the factory of manipulation (sorting) in the amount of 130 million rubles. In this regard, work is underway to find financial resources on favorable farming conditions.
JSC “Tribal reproducer “Michailovskii” realizes the project “Modernization and spreading of tribal poultry breeding” with the financing volume of 225 million rubles. The capacity of the project is 4.3 thousand tons of the poultry and 30 millions of eggs per year.

LLC “Miranda” created integrated production of dry wheat gluten, starch, yeast feed, animal feed, as well as getting to the final stage of processing environmentally friendly bioethanol. The project cost 500 million rubles, of which in 2014 disbursed 160 million rubles.

In 2014 the state support to the enterprises and organizations (with the investment policy) was in the amount of 15.5 million rubles in a form of reimbursement of expenses and financing percentage payment for credit sources on the realization of projects in the sphere of food industry, poultry, hotel-business, the development of communication.

There is a law “About the participation of the Republic of North Ossetia - Alania in the projects of public-private partnership”. The aims are to increase investment and innovative activity, to provide the effectiveness of the use of property (which belongs to the Republic of North Ossetia), to create new property for the realization of priority directions of the development of economy and social sphere, to increase the quality of goods, services, etc.

Among the effective projects of the public-private partnership (PPP) can be mentioned the project “Complex system of collective security “Safe Republic”, for building, exploitation and technique provision of which there was created State Unitary Enterprise of the Republic of North Ossetia - Alania “Safety”. With the use of PPP mechanism there are being realized the measures on the creation of automatic system of photo-video-record of the Rules of Traffic violations.