

General characteristics and assessment of the economic potential of the Khabarovsk Territory

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Abstract—The article discusses the general economic characteristics of the Khabarovsk Territory, highlights the leading sectors of the economic complex. It was determined that the development of the region is determined by the conditions for the functioning of the economy, diversified production potential, state investment support and structurally high-quality qualified personnel. The authors presented directions for using the potential of the development of the Khabarovsk Territory.

Keywords—*economy of the Khabarovsk Territory, characterization and assessment of the potential of self-development, conditions for innovative activity in the region, economic and geographical advantages and problems of the development of the territory*

I. INTRODUCTION

The Khabarovsk Territory is one the most economically developed areas of the Russian Far East.

The Khabarovsk Territory has an important structural advantage over the most subjects of the Russian Far East. Its economic structure is diversified. Unlike single-industry economies, the region does not have a single strongly marked engine of growth; on the contrary, its economy is based on a balanced combination of economic sectors, including natural resource industries, processing industries, and service industries: transport, trade, public administration services and real estate transactions.

II. RESULT AND DISCUSSION

In 2017, the structure of gross regional product of the Khabarovsk Territory includes: industrial production (21.7 %), transport and communication (20.3 %), trade (15.7 %), education and health care (9.6 %), public sector (9.2 %), real estate transactions (8.0 %), agriculture and forestry (5.7 %), building (4.4 %), fishery (2.2 %), other economic activities (3.2 %) [1]. Processing industries account for 10.7 % of the GRP (which is over 64 % of the total industrial production) and include: engineering (3.6 %), petroleum products (2.8 %), food and beverages (1.9%), and metallurgy (0.8 %).

In 2018, the leading economic sectors of the Khabarovsk Territory are industrial sector (24.3 % of the gross regional product), transportation and communication sector (19.9 %), and trade sector (15/1 %). In industrial production, the share of manufacturing sectors is about 63 % [2].

The Khabarovsk Territory is one of the most dynamically developing Far Eastern territories.

The economy of the Khabarovsk Territory is diversified; it is based on the developed and diversified industrial production and transport service of main cargo flows.

The main branches of industry specialization are fuel and energy complex (31.2 % of all products shipped), machine-building complex (29.1 %), metal ore mining (12.5%), food production (6.6%), and metallurgical production (5.7%).

The Khabarovsk Territory has historically been a manufacturing center of the Russian Far East. The main advantage of the region is concentration of defense industry enterprises on its territory which produce high-tech products with high added value.

The leading industries of the territory in terms of production volume, accumulated production potential, scientific and technical potential, and human resources, are: engineering, petroleum refining, mining of non-ferrous metals, food production (including beverages), metallurgy and manufacture of metal products, electric power industry.

The Khabarovsk Territory ranks 7th in Russia in terms of gold mining and the 2nd in terms of platinum mining [3]. The region is the only subject of the Russian Federation where tin is mined.

The Khabarovsk Territory produces more than one fifth of total electric and thermal energy in the Far Eastern Federal District, the main share of engineering products, wood materials, petroleum products, and all rolling of ferrous materials in the Far Eastern Federal District.

The region produces more than 14 % of total agricultural products of the Russian Far East. In the structure of gross agricultural production, the share of crop production is 54.3 %, and the share of livestock products is 45.7 %. Low profitability of agricultural production (about 6 %) is compensated by budget subsidies, 75 % of which are provided by the regional budget.

The Khabarovsk Territory ranks 4th (and 5th in the Russian Federation) in the Far Eastern Federal District in terms of catch volume of aquatic biological resources. The fisheries industry is one of the main sources of livelihoods of the northern areas of the region. The maximum catch volume is determined by quotas for each commercial object. The overall quota usage amounts to more than 90 %.

The construction industry produces 4.8 % of the gross regional product of the Khabarovsk Territory. In terms of

housing construction, the region ranks 3rd in the Far Eastern Federal District.

Among social and cultural facilities, the main focus is on ambulatory clinics, heating lines, preschool educational institutions, general education institutions in rural areas, sports facilities and multifunctional sports complexes, shopping and entertainment centers.

The transportation system of the Khabarovsk Territory is one of the key transport hubs of the Far Eastern Federal District; it includes railway lines (Trans-Siberian and Baikal-Amur Railways), seaports (Vanino, Sovetskaya Gavan, Nikolaevsk-on-Amur, De-Kastri, Okhotsk), and 16 airports, including the Khabarovsk Novy International Airport, which is one of the largest airports in the Far East of Russia.

In 2016, 117.6 billion rubles of investments were involved in the region's economy. The Khabarovsk Territory ranks 35th among 85 subjects of the Russian Federation in terms of the volume of fixed investment.

In general, it can be argued that the region's potential is determined by its rapidly developing economy, as well as diversified production potential, government investment support and highly qualified personnel, which creates a favorable investment climate and makes the region attractive for investors. The development of interregional cooperation with the subjects of the Russian Federation and economic cooperation with foreign partners is one of the main factors for the development of the regional economy [4].

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In the export structure of the region the largest share is occupied by industrial goods (66.4 %), followed by food products (13.2 %), and pharmaceuticals (2.3 %).

In the import structure the largest share is occupied by industrial goods (34.6 %), followed by food products (26.4 %), and common consumption goods (8.5 %).

The economy of the Khabarovsk Territory is focused on export. For a number of key industries, an export quota is 50.0 % and more. The region has about 100 foreign trade partners among other countries. However, the most active trade cooperation is held between the territory and Northeast Asian countries: China, the Republic of Korea and Japan.

The volume of accumulated foreign investments in the region's economy (as of July 1, 2016) is 773 million US dollars. The main investors are Cyprus, the Republic of Korea, China, Japan, Bahamas, Virgin Islands, Malaysia, Germany and the USA [5].

Allocation of cumulative direct foreign investments in the Khabarovsk Territory in terms of economic sectors is rather stable. The most attractive sector is mining (30.6 % of the total cumulative foreign investments), followed by transport and logistics services (7.5%), agricultural sector (4.6 %), real estate (3.8 %), and provision of services (2.6 %).

Support for small and medium-sized businesses is a constant priority in the socio-economic policy of the government of the Khabarovsk Territory. About 60 000 small

and medium enterprises provide employment to more than 200 thousand people in the region.

All of the above provides opportunities for the effective development of the region. However, attention should be drawn to the following. When implementing the Development Program for the Far East and Transbaikalia, it is necessary to take into account the specific features of the region. The same is true when determining the Khabarovsk Territory as a priority for the development of the national territory and as a direction for significant investment resources.

As noted by Russian Prime Minister Dmitry Medvedev, the Far East requires developing its own model, a kind of individual success formula. "We have already developed such a success formula for the Far East; it is called Advanced Development Territory" [6].

When discussing trends and opportunities for implementing the state economic policy for the development of the Russian Far East, including the Khabarovsk Territory, the duality of motivation of the region's priority development was noted [7].

On the one hand, the Khabarovsk Territory has a number of competitive advantages that can be used for its social and economic development:

- structural model of interaction of the elements of business environment for the region's innovative development, which considers modern concepts of competitiveness of territorial economic systems, is developed and implemented [8];
- natural resource potential of the region is quite rich and diverse, which attracts investors and allows expanding the production complex [9];
- transport and geographic location ensures accessibility both to the central regions of Russia and to the Asia-Pacific countries. But it should be noted that remoteness of the region is a factor of population outflow, which cannot be considered positive [10];
- relatively developed institutional and economic infrastructure. Meanwhile, it is necessary to create an effective combination of the scale and sources of investment resources with an adequate type of institutional regime for this purpose and with the optimal level of localization of institutions [7];
- diversified industrial production and the overall structure of the economy;
- high professional, educational and cultural level of the majority of the population [11];
- concentration of high education, cultural and scientific institutions in Khabarovsk and Komsomolsk-on-Amur. It should be noted that the city of Komsomolsk-on-Amur is recognized as the city of Presidential attention. Komsomolsk-on-Amur is the engineering and industrial capital of the Russian Far East. In the Presidential Address to the Federal Assembly in December 2015, President of Russia Vladimir Putin stated that "within existing programs it is necessary to concentrate resources and to direct

them without delay to solving the urban problems of Komsomolsk-on-Amur” [12]. For this purpose, a long-term plan for the integrated socio-economic development of the city has been developed [13];

- cooperation with the countries of the Asia-Pacific region, especially with the countries of Northeast Asia, in the field of economics, science, culture, education, tourism, sports, ecology and international exchanges. One may agree that the vector of Russia's economic policy is directed to close cooperation with the countries of the Asia-Pacific region, which changes the structure of exports in the country, as well as the center of concentration of resources that are necessary to form a new growth pole in the national economy [14];
- free ecologically clean area and settlements of indigenous peoples of the Far East and the North, which makes it possible to develop tourism as one of the main areas of the regional economy [15].

These potential opportunities are used by the region. The following external factors determining the state and dynamics of the social and economic systems should be noted [16]:

- economic conditions of the national market (in Russia and in the Russian Far East),
- conditions of the main foreign markets,
- institution building at the federal and federal districts level,
- state economic policy in relation to the Far East of Russia.

There are a number of factors that have the most significant impact on export dynamics in the region:

- trends in the development of the world economy (above all, the growth rate of the Chinese economy) and the conditions of foreign markets,
- deterioration of the region's access to credit resources as a result of economic sanctions against Russia.

III. CONCLUSION

In general, the Khabarovsk Territory can be considered as a prospective region for a “growth point”; however, a significant adjustment of emphasis and reference points is required. On the one hand, the region is characterized by lack of competitiveness in terms of standard market procedures. On the other hand, it is highly beneficial from the point of view of national geo-strategic and geo-economic objectives [17]. This means that the Development Programs for different levels of management should highlight both the goals of institutional integration and the ratio of investment and institutional factors for the formation of sustainable structural development of the Khabarovsk Territory. The authors consider that the implementation of the development potential of the Khabarovsk Territory should cover the following areas:

- accumulation of human capital based on the formation of a new quality of life (comfortable social and economic environment);

- efficient and rational use of natural resources (including forest and water resources, reserves of mineral deposits, etc.);
- creation of a comfortable space for economic activity, development of the infrastructure framework and the formation of industrial enterprises – integrators in the region;
- modernization of the economic structure and institutional environment for economic growth, with considering modern technological factors and the digital economy;
- creating a comfortable business and investment climate;
- government funding of large infrastructure projects aimed at creating an attractive infrastructure of the region in order to accommodate national interests (for example, participation in the One Belt One Road initiative, the Northern Sea Route and Arctic projects, etc.).

In general, such an approach will allow the Khabarovsk Territory to become a growth pole in the Far East, ensure interdependent growth of human capital and its quality, give impetus to the development of an innovative economy and international relations, and also make the region highly attractive for Russian and foreign investors.

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