

NORTH CAUCASUS PROJECTS: HAVEN FOR INVESTORS



In an interview with the Voice of Russia, the Chief Executive Officer (CEO) of the North Caucasus Development Corporation, Anton Pak discussed the merits of the projects that were being carried out in the region at present.

The CEO indicated that investments have been made in seven projects that are in various areas in the region. He says, that there are basically three main segments. The first one would be infrastructure projects as regards the construction of the Multifunctional Exhibition Centre in Mineralnye Vody. **This project is important for attracting tourists to the region.**

It has been observed by the CEO that there are many hotels that get filled up during the peak season, and are empty during the low season. No suitable venues however, are there to attract businessmen to hold their conferences and exhibitions. Nor are there adequate venues for political events and major concerts with more than two hundred people in attendance. Hence, the need for more infrastructure projects.

Mr. Antok Pak also discussed the great disparity in infrastructure, as compared to the aggregate population of Caucasus Mineralnye Vody of over a million dwellers. As the capital of the North Caucasus Federal District, the region is visited by guests from all republics with a population density of around 10 million people - there is therefore a need to construct an exhibition center, among others to attract the tourists to the place.

The second infrastructure project is countryside development that includes the construction of a tourist haven at Mount Elbrus, a dormant volcano found in the western Caucasus mountain range. A haven for fifty people will be open in July for tourists and mountaineers alike. Another category of these projects is those that pertain to the agricultural sector. These would include cultivation of crops and the restoration of irrigation infrastructure in the countryside. The outcome saw farm yields of two to two and half more than previous yields per hectare. The infrastructure for irrigation has been launched on June 15.

The third infrastructure projects are those related to the industry that have been carried out with the help of foreign investments. It is a complex project that deals with the production of aluminum rondels. A rondel is an aluminum billet from which an aerosol can is made. These billets were previously made in Greece. The technology was brought to Russia in the city of Nevinnomyssk, where the initial production run will be launched this July.

When queried further by the Voice of Russia, Mr. Anton Pak discussed at length that - all three projects hold promise but may have their own peculiarities. The agriculture sector is attractive to foreign investors and is capable of getting international funding. **Tourism is also one area that attracts foreign investments.** However, investments in these projects are for the long term because the payback period for hotel construction is from two to three years. Large amount of investment pours into infrastructure for tourism since there is huge commercial potential for these types of projects.

When queried about the impact of change in the political scene, Mr. Antok Pak said that it would be the changes in government policy on Caucasus that would have the greatest impact. These are long term projects that are presently implemented where results can only be seen five to seven years into the future. However, there is an increasing trend of interest by foreign investors in local projects, so that the company looks hopeful in eyeing the future.

Date: 2013-07-01

Article link: <https://www.tourism-review.com/north-caucasus-tourism-projects-launching-news3760>