

modern ceramics plant is full of the latest Italian equipment, with an annual capacity of 4 million square meters of tile worth \$20 million. ZAO Keramin St. Petersburg, co-founded by Belorussian Keramin — the leading tile manu-

factured stable income is the largest in the region. The plant will boost capacity by 1.5 times from 120,000 tons to 180,000 tons of waste processed annually. Compost production will go up from 30 percent to 50 percent.

per square centimeters even when loaded. By way of comparison, the average surface pressure of a grown man is 0.5 kg.

As Semenenko admitted, despite the fact that Gazprom is one of the

been demonstrated to the public.

The shiny ground-effect machine develops a speed of up to 100 kilometers per hour, propelled by a 100-horsepower Rotax-912ULS2 aviation engine. According to Semenenko, foreign cus-

tomers are mostly from the oil and gas industry workers that they prefer to get a cheap Kamaz truck, have it break down within one year and buy a new one the following year," the undisclosed source said.

## I N B R I E F

### Construction Halted

■ **ST. PETERSBURG (SPT)** — The St. Petersburg administration's construction committee halted construction of several buildings after a tour of sites in two of the city's districts revealed breaches of procedure, Interfax reported Thursday.

Construction of the Ladozhsky retail center on Utkin Prospekt was halted for lack of certification and documents attesting to the quality of the work. A residential building on Lenskaya Ulitsa also came under scrutiny when it was found that piles were being driven without the necessary approval.

The construction committee plans to evaluate the status of 38 sites throughout the city.

### Novgorod Investment Up

■ **NOVGOROD (SPT)** — Foreign investment in Novgorod in 2003 went up 3.5 times to \$212 million, Interfax reported Wednesday.

According to the region's state statistics committee, 44.8 percent of investment went to the forestry, wood processing and pulp and paper industries, with 39.5 percent going to food processing.

Finland was responsible for 45.4 percent of the investment figure in 2003, while France brought 19.7 percent and Great Britain ranked third with 13.8 percent.

### Waste Processing Plant

■ **ST. PETERSBURG (SPT)** — The mechanized waste processing plant in the town of Yanino outside of St. Petersburg will be refurbished by January 2005, the city's committee on roads and services told Interfax Tuesday.

The plant will boost capacity by 1.5 times from 120,000 tons to 180,000 tons of waste processed annually. Compost production will go up from 30 percent to 50 percent.

Once construction work has been completed, new equipment will be set up in April 2004. With the exception of special presses imported from France, all equipment at the plant was manufactured in Russia.

### Telecom Investment

■ **ST. PETERSBURG (SPT)** — Total investment in the Russian telecommunications industry in 2003 was up 1.5 times and amounted to more than 78 billion rubles, deputy telecommunications minister Alexander Kiselyov told journalists Tuesday.

Revenues from telecommunications services were up by 42.4 percent over 2002, while postal and IT revenues were up by 35 percent and 20.3 percent respectively.

The number of cell phone subscribers doubled in 2003 over 2002 to reach 36 million.

### More Gas Stations

■ **PASHA, Leningrad Oblast (SPT)** — Oil major Yukos plans to increase investment in developing a chain of gas stations in the Leningrad Oblast by 46 percent to \$8 million in 2004, Interfax reported Tuesday.

Valentin Tatura, general director of the St. Petersburg branch of Yukos-M Trading House, the company's gas station subsidiary, told journalists at the opening of a new gas station in the town of Pasha Tuesday that Yukos-M will invest 41 million rubles in the oil storage facility it purchased from the Pashsky

collective farm.

"This will allow us to double the amount of petroleum products stored to 2,000 tons," Tatura said.

Yukos-M plans to open two gas stations in St. Petersburg and two in the Leningrad Oblast by the end of 2004.

### Baltic Bank Loan

■ **ST. PETERSBURG (SPT)** — Donau Bank AG will open a credit line worth 2 million euros for Baltiisky Bank for a term of one year, a Baltiisky Bank press release said Wednesday.

The Austrian bank's funds will be used to guarantee import contracts for clients of Baltiisky Bank.

Baltiisky Bank ranked 41 for the first three quarters of 2003 in the Interfax-100 rating of Russian banks.

### MegaFon Subscribers Up

■ **ST. PETERSBURG (SPT)** — The Northwest branch of cellular services provider MegaFon saw a 64 percent increase in the number of subscribers in 2003, to 2.512 million, Interfax reported Wednesday.

The branch's commercial director Nikolai Demenchuk told journalists at a press conference Wednesday that on Jan. 1, 2004, the company had 1,407 base stations in the region — 691 of them in St. Petersburg, 251 in the Leningrad Oblast, and 465 in other Northwest regions.

The company says it holds 50 percent of the cellular services in the region.

Demchuk also said MegaFon increased coverage in the St. Petersburg metro in 2003. "Subscribers can use their cell phones at a total of 51 metro stations, including transfer and above-ground stations.

# Many Milestones Passed As IT Links the Country

By **Sophia Kornienko**

STAFF WRITER

The number of mobile subscribers in Russia has caught up and equaled the number of fixed-line subscribers at 36 million, communications officials and tycoons said to visitors to the NORWECOM-2004 telecommunications and information exhibition on Tuesday.

In St. Petersburg, mobile telephone service consumption exceeds fixed-line usage by 10 percent, and this year's loudest message is that the country's great leap forward in technology covers virtually all communication industries, even the traditionally backward postal services, they said.

Up to 12 percent of Russians use the Internet at least occasionally, and St. Petersburg consistently rates second behind Moscow in terms of the number of personal computers per head of population, said a representative of City Hall's communications committee.

This welter of upbeat news was presented at the exhibition running at Lenexpo from Tuesday until Saturday. It is the 11th time the International Exhibition of Communication and Telecommunication Systems has been held to demonstrate the latest information and communication trends.

At a press conference preceding the exhibition, officials declared that the Northwest region has completed the first stage of the journey toward a digital society — the technological foundations are in place — and the second stage — creating a unified information area — has started.

Sergei Kuznetsov, general director of North-West Telecom, one of the country's leading telecommunication companies, said that the notorious queues for fixed-line connections in St. Petersburg's private homes should become history this year.

The same goes for analog telephone lines, Kuznetsov added, saying that "within three to four years we want the whole of the city's outdated telephone network to be purely digital."

Up to 60,000 analog numbers will be replaced by digital ones by the Telecominvest-owned Petersburg Transit Telecom, or PPT, which has created 450 kilometers of multi-service fiber optic network connecting all the North-West Telecom's 36 junction centers.

These allow transmission of voice, digital and multimedia data using the same lines. In emergencies the network is capable of self-restoration by excluding the damaged section and introducing a bypass. The city's biggest Internet provider specializing in Asymmetric Digital Subscriber Line, or ADSL, broadband connections Web Plus has come up with an innovative solution to divide single city lines into three numbers for simultaneous use; the project is called Telephone Cloning.

Also multiplying are the recently emerged public Internet access terminals.

More than a dozen Siemens pay-for web terminals were installed in the city last summer, including one at Pulkovo I Airport, said Igor Knyshev, an IT Manager with St. Petersburg Taxophones, a Telecominvest group of operators.

See **NORWECOM, Page 6**





The Norwecom 2004 telecommunications trade fair ran Feb. 24-28 at Lenexpo's main pavilion on Vasilievsky Island. SERGEY GRACHEV/SPT

## NORWECOM

Continued from Page 5

Such terminals are specifically designed to resist below-zero temperatures and are protected with reinforced screens. Besides web access, they can also be used for sending SMS messages and for video conferences. Access is via a prepaid card.

The number of WiFi hotspots to spring up around St. Petersburg in the nearest future is kept secret, but such giants as Megafon, MTS and BeeLine have announced they are planning to open their access points shortly.

Besides, a variety of affordable wireless hardware, mainly 802.11b wireless networking adapters and base stations are becoming available in computer stores around the city, which can be tried immediately at the same stores, as many of them are currently listed among Quantum Telecommunications' free hot spots.

As reported by specialists, Belkin adapters, priced at \$90, are rating best among Russian-made wireless products.

"It's no secret that some people still don't even have telephones", First Deputy Communications Minister Alexander Kiselyov said in the middle of everyone's digital euphoria.

The remaining information gap between the more technologically advanced and dynamically progressing cities and the more remote areas is a global problem experienced in industrially developed countries as well as in emerging economies, he said.

It is Russian Post, a recently formed state-owned enterprise, that has been charged with extending technology to the far reaches of the country from its tens of thousands of postal outlets.

Even in areas where no home-based means of communication are available, post offices will become the only access points, equipped with satellite lines and terminals.

The Antimonopoly Ministry is struggling to find ways for Russia's companies that have welfare obligations, such as Russian Post and telecommunications holding Svyazinvest to at least get their investments to pay off.

Russian Post's annual turnover is 1 billion euros, as compared to United States' chief postal operator USPS's \$80 billion.

In many small towns "the postal service is also a representative of state authorities," Russian Post spokesman Sergei Grigorenko said in an interview. "In those places where no other facilities are within easy reach, the post office is also a bank, and a shop, and a drug store," Grigorenko said.

In his view, the creation of a unified operator, nearly completed now, is going to increase responsibility and delivery service quality.

One of the programs implemented to make the Russian Post more reliable is the introduction of automatic sorting centers.

Twenty-five centers are to be built in the country; the first are being installed in the Moscow region and in St. Petersburg.

Grigorenko also said Russian Post is

trying to attract young staff to shake off the old image of the state-run postal service, which had always been either the Pochtalion Pechkin (a shabby-looking corrupt postman cartoon character wearing a fur-hat year-round) or a half-educated babushka weighed down by an old bulging bag.

In March, Russian Post will take over the express international post services that used to be managed by the Russian-French joint venture EMS Guarantpost.

EMS tried to win its rights back in court in 2002 and 2003, but did not succeed, Interfax reported.

"The speed of delivery has always been our headache", Kiselyov said. "Now, we have got the express services and wings of our own."

Russian Post has begun to develop its own courier transportation network including trucks and airliners — "we will work on cutting down on both inbound and outbound mail delivery times," Kiselyov added.

"Low home penetration rates across the Central and Eastern European region are preventing the market from reaching its full potential", said Joshua Budd, senior analyst with IDC CEMA's Telecoms and Internet group.

"Estonia and Slovenia stand out as leaders in the region, as both countries have Internet penetration levels on par with Western Europe," he said.

"This can be attributed to government efforts to promote Internet usage in schools and public access points, as well as to private initiatives among businesses to promote the Internet."

# Enel Mana

REUTERS

MOSCOW — The gained its first foreign when monopoly Uni tems gave Italian firm contract to manage modern power plant.

UES CEO Anat state utility Enel and ner ESN investment Finnish Fortum to ru CHP thermal plant. T St. Petersburg and ex

"Enel's financial terms turned out more attractive, cheaper for us," Chubais said. UES declined to release details of the winning bid, but said the technical proposals on how to manage the plant were very similar.

Enel had called conditions for the ten low, and several Europ expressed interest late the running.

JP Morgan, adviser ment contract, said the had been high. UES g pressions of interest fr

# Vimpe Freque

COMBINED REPORTS

MOSCOW — Nation operator Vimpelcom denied access to new fr ing concern that a row could be behind the inflict real damage on i

Vimpelcom acknow December it had been for additional radio fr and its network in the

Its main competitor, tems, has already ann own requests were gran

Vimpelcom CEO A mov has also said the C Ministry said a final com's request for a lic East, the only territory Vimpelcom cannot op have to acquire a loc wanted to work there.

"While Vimpelcom