Each major investment project ($ billion) in fact is the realization of the country's strategic goal. Guides for the analysis of such projects provide for their evaluation from a financial and economic point of view. The purpose of economic evaluation is to measure the value of the project for society, a prerequisite for which is the balance of interests of all participants. To measure the value of the project, direct and indirect effects and damages are determined, for the evaluation of which it is recommended to use shadow prices.

Theoretically, shadow prices, as in linear programming, should be partial derivatives of the objective function for the corresponding benefit (plus) or damage (minus). In fact, even the best manuals contain only very general recommendations on how to use them.[1]

Price as an agreement between the buyer and seller arises only at the time of the transaction. Prior to this, there are two prices: buyer (demand) and seller (supply).

Assessing a project at seller prices carries the risk of overpricing. For this reason, it is fundamentally important to evaluate the effect of the project at buyer prices consistent with the country's development strategy.

A tool for linking prices to the country's strategy is the price level proposed by the author in 2005 [2] (the ratio of the price of a product to GDP per capita). A unique property of the indicator is predictability in a developed market, which is illustrated by the dynamics of the level of prices for butter in Sweden over 200 years.
The graph shows that the extrapolation of the trend of 1800-1914 to the “zero” years of the 21st century (90 years!) turned out to be an acceptable approximation.


The value of price forecasts for the years to come will increase significantly if coordinated by the agency responsible for developing the country's development strategy. The coordination method is a platform for interested parties to discuss demand and supply price forecasts for the depth of the country's development strategy. Using this Agency's Input-Output model for linking prices will protect the country from price distortions due to the fact that demand prices will be counterbalanced to offer prices when setting tariffs for natural monopolies. Due to the lack of such a counterbalance in Russia today, industrial consumers overpay, according to the author's calculations, 1 US cent for every kWh of electricity. Because of this, in places provided with electricity, even small generation occurs, for example, MagnitEnergo [5]

Benefits for society from the use of demand prices to evaluate large investment projects:

1) a competent economic assessment of large investment projects that excludes situations like the Tominsky GOK in Chelyabinsk and other projects that have generated massive protests;
2) long-term contracts for the supply of products;

3) a counterbalance to the Wishlist of the monopolists in setting tariffs.

Literature


