RUSSIA OPENS THE EURASIAN MARKET

- Over 20 million sq km
- GDP by PPP: 3,86 bln $ (15% of the world's land)
- Industrial output: 755,7 bln $

Population, mln:
- Russia: 146,877
- EAEU: 183,626

GDP, bln $:
- Russia: 1283
- EAEU: 1477

Turnover with third countries, bln $:
- Russia: 473,3
- EAEU: 596,9

NATURAL RESOURCES:
- Oil: 2 place in the world, 554,3 mln tonns
- Gas: 2 place in the world, 579,4 bln m³
- Steel: 5 place in the world, 71,5 mln tonns
- Aluminium: 2 place in the world, 3,49 mln tonns
- Wood: 25% of world reserves
HOW YOU TRADE IN RUSSIA

IMPORT & SALES

Through branches

Through Russian legal entity

Through distributors

OR

LOCALIZATION OF MANUFACTURING
HOW YOU MAKE IN RUSSIA

LOCALIZATION FORMATS

JOIN VENTURE
creation of a co-venture involving Russian and foreign companies and further organization of production within SPV

OWN PLANT CONSTRUCTION
creation of own productive capacities, operated by a subsidiary of an international company

CONTRACT MANUFACTURING
an output of customized products using capacity of an independent manufacturer, who ensure full compliance with technological cycle and quality control of ready products in accordance with the customer requirements
NEW INDUSTRIAL POLICY

The Federal law on industrial policy in Russia № 488-FZ

Government

- Special investment contract
- Network of funds for industrial development
- "Russian-made product"
- Development of production infrastructure
- State industry information system

Private investor

- Establishment or modernization of industrial production
- High-performance workplaces
- Production of innovative products
SPIC: A MUTUALLY BENEFICIAL FORMAT OF STATE-BUSINESS COOPERATION

STATE OBLIGATIONS
- stable tax and regulatory business conditions
- special federal and regional incentives for the SPIC parties

INVESTOR'S OBLIGATIONS
- creation/modernization of and mastering industrial production
- investments in the amount of not less than 11 mln €

RUSSIAN MADE PRODUCT
expedited and simplified procedure of obtaining the status of a Russian manufacturer

FACILITATED ACCESS TO GOVERNMENT CONTRACTS
opportunity to receive the single product supplier status for products manufactured under the SPIC (participation in state purchase contracts on a non-competitive basis)

TAX BENEFITS
- non-deterioration of tax conditions
- possible reduction of the profit tax rate to 0%
- opportunity to reduce the rates of regional and municipal taxes (property tax, land tax, etc. depending on the regional or municipal legislation)

ACCELERATED DEPRECIATION OF FIXED ASSETS
provision of certificates to product purchasers confirming the opportunity to apply accelerated depreciation

OTHER INCENTIVES (with respect to industry regulations and legislation of a constituent entity of the RF)
a lease contract for a land plot being the state-owned or municipal property without bidding for parties to a SPIC (for the project implementation under a SPIC)
infrastructural obligations
ACTIVITY STATUS FOR FEDERAL SPIC CONCLUSION

**SIGNED**

**MAZDA SOLLERS Manufacturing Rus – Primorye Territory**
Manufacturing of motor vehicle engines for export

**CLAAS – Krasnodar Territory**
Modernization of agricultural machinery plant

**DMG MORI AG Group – Ulyanovsk Region**
Modernization of the Ulyanovsk machine-tool plant

**HMS Livgidromash – Orel Region**
Localization of manufacturing of pumps for oil refining

**Tomskie Technologii Mashinostroeniya – Tomsk Region**
Manufacturing of domestic blowoff and control valves, electric drives and electric devices

**EuroChem-VolgaKaliy – Volgograd Region**
Mining processing and concentration plant from the Gremyachinskoe field

**EuroChem UKK – Perm Territory**
Establishment of industrial production: Usolskiy Potash Plant

**Mercedes-Benz RUS – Moscow Region**
Manufacturing of "Mercedes Benz" vehicles

**Transneft – Siberia – Tyumen Region**
Manufacturing of equipment for the operation of trunk oil pipeline facilities

**Vilo Rus – Moscow Region**
Localization of manufacturing of pumping equipment

**AstraZeneka Industries – Kaluga Region**
Manufacturing of pharmaceuticals, which have no analogues in the RF

**Sanofi Russia – Orel Region**
Manufacturing of pharmaceuticals, which have no analogues in the RF

**GEROPHARM – Saint Petersburg**
Manufacturing of insulin and organotherapeutic pharmaceuticals, which have no analogues in the RF

**APPROVED**

**Hamilton Standart-Nauka – Tver Region**
Manufacturing of heat-exchange units for environmental and thermocontrol system of Boeing aircraft

**VESTAS MANUFACTURING RUS – Ulyanovsk Region**
Manufacturing of Windmill blades, which have no analogues in the RF

**NovaMedica – Kaluga Region**
Manufacturing of sterile pharmaceutical products, including those which have no analogues in the RF

**BIOCAD – Saint-Petersburg**
Manufacturing of biological substances and FDFs
MAZDA SOLLERS Manufacturing Rus is a 50/50 joint venture of the Mazda Motor Corporation & Sollers Group

- 1st SPIC in Russia
- Investment over 30 mln USD
- 50,000 engines per year
- 609 new jobs
- Vladivostok / Primorskiy region
- Resident of the Nadezhdinskaya Advanced Special Economic Zone (TOR)
WELCOME TO RUSSIA

Industrial Parks of Russia, 2017

Russian Industrial Parks
- Operating
- Designed

1. Pleshnevskoe
2. SEZ Lipetsk
3. Deveg Cluster Mogilsk
4. Kushnoye Vostoct
5. A Plus Park Alibuga
6. Kazansky Silicon
7. KIP Master
8. SEZ Alibuga
9. Technopolis Khimgrad
10. A Plus Park Pushkin
11. Zavolzhskye
12. Kabanovo
13. Kravetsky
14. Nicolas
15. Ivanovo
1. SEZ Koluga-Borovsk
2. Don-Voronezh
3. Nizhne-Katunsky
4. Centre
5. Smart Park Energo
6. Bogashevo
7. RIO-industrial

1:12 000 000
1:20 000 000
## Setting Up of a Plant

### Industrial Parks

<table>
<thead>
<tr>
<th>Greenfield</th>
<th>Brownfield</th>
</tr>
</thead>
<tbody>
<tr>
<td>- engineering updated site for new construction</td>
<td></td>
</tr>
<tr>
<td>- easy to customize infrastructure</td>
<td></td>
</tr>
<tr>
<td>- most appropriate for big and medium size of business</td>
<td></td>
</tr>
<tr>
<td>- a large number of industrial parks in the territory of the Russian Federation</td>
<td></td>
</tr>
<tr>
<td>- tax benefits</td>
<td></td>
</tr>
<tr>
<td>- already existing energy facilities, buildings and infrastructure</td>
<td></td>
</tr>
<tr>
<td>- fast solution for placing machineries and production lines</td>
<td></td>
</tr>
<tr>
<td>- most appropriate for medium and small size of business</td>
<td></td>
</tr>
<tr>
<td>- a large number of industrial parks in the territory of the Russian Federation</td>
<td></td>
</tr>
<tr>
<td>- tax benefit</td>
<td></td>
</tr>
</tbody>
</table>

### Special Economic Zones

- established in accordance with Federal law sites
- tax and customs benefits
- special entering process
- reduced rates for real estate, and also rental rates

### Investment Sites

- all the rest
  - not defined option with wide variety of opportunities
SITE SELECTION SERVICES

Service is free of charge for all industrial companies

HOW IT WORKS

1. You provide us with technical and other parameters for the site.
   - More details you submit, the more qualitative offers you will get;
   - We are happy to advise you on the description of the parameters and provide a form to fill.

2. We send the request directly to all sites.

3. Industrial parks return with commercial offers.

   At your choice, we can refer the flow of offers directly to you from the designated geography (for example, the whole of Russia or only the South regions or only Moscow and Moscow region). Also, we are ready to consolidate neutrally all proposals and send them to you, so that you can unilaterally contact them at your choice.

In order to start the process you need to answer the following questions:

1. Are you agree to send a request with your technical parameters to industrial parks?
2. Do you wish to indicate your contacts in the request? And if so, please indicate the contact person, email, and phone number.
3. Should we mention the name of your company in the request or make it anonymous?
4. What kind of audience would you like to cover:
   - Only AIP members (130 companies from 46 regions)
   - AIP members + partners, AIP website visitors and recipients of AIP mailings (~ 4 000 organizations)

We provide the service for the preliminary selection of the site:
- **Free of charge** for manufacturing companies from Russia and foreign countries
- **Objectively** (you make your choice on the basis of maximum coverage)
- **Transparency** (you are involved in the process)

YOU ARE WELCOME!

PLEASE SEND YOUR REQUEST TO GR@INDPARKS.RU
## SERVICES OF THE ASSOCIATION OF INDUSTRIAL PARKS

### SITE SELECTION FOR LOCALIZATION OF PRODUCTION
- Comparative analysis of the regions, based on the objectives of the project
- Comparative analysis of the regions, based on the objectives of the project
- Comparative analysis of the regions, based on the objectives of the project

### GR
- Ensuring cooperation with the authorities in accordance with the law
- Assistance in providing state support for investment projects
- Preliminary study of investment agreements
- Providing support to projects in the implementation phase

### SPECIAL SECTOR CONSULTING
- Procedures for connecting to the utilities networks in Russia
- Land and land management regulation
- Issues of industrial construction (permits, approvals, involvement of partners)
- Exchange of experience, best practices
- Attracting international partners to implement projects in Russia
JAPANESE COMPANIES IN RUSSIA

In total for the last 20 years in Russia there **were established** 69 manufacturing enterprises with full or partial Japanese participation.

20 Japanese enterprises localized their production in **industrial parks**

**AMONG THEM:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMC Pneumatic</td>
<td>Industrial-warehouse complex for vacuum technology</td>
<td>Industrial parks Greenstate in the Leningrad region</td>
</tr>
<tr>
<td>Yokohama</td>
<td>Factory for the production of automobile tires</td>
<td>SEZ of Lipetsk region</td>
</tr>
<tr>
<td>YKK</td>
<td>Manufacture of zippers</td>
<td>Industrial park Degas Cluster Noginsk, Moscow region</td>
</tr>
<tr>
<td>FUSO TRUCKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HITACHI</td>
<td>Industrial machinery</td>
<td>Industrial park Raslovo, Tver region</td>
</tr>
<tr>
<td>DMG MORI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridgestone</td>
<td>Automobile tyres</td>
<td>Industrial park Zavolzhye, Ulyanovsk region</td>
</tr>
<tr>
<td>KOMATSU</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### JAPANESE COMPANIES IN RUSSIAN INDUSTRIAL PARKS

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>PRODUCT PROFILE</th>
<th>LOCALIZATION (INDUSTRIAL PARK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFS Rus VOKK</td>
<td>Fiber optic cable production</td>
<td>IP Maslovskiy, Voronezh region</td>
</tr>
<tr>
<td>PSMA Peugeot Citroen Mitsubishi</td>
<td>Automobile manufacturing</td>
<td>IP Raslovo, Kaluga region</td>
</tr>
<tr>
<td>SMC Pneumatic</td>
<td>Manufacturing-logistic center for vacuum equipment</td>
<td>IP Greenstate, Leningrad region</td>
</tr>
<tr>
<td>Yokohama</td>
<td>Automobile tyres</td>
<td>SEZ Lipezk</td>
</tr>
<tr>
<td>YKK</td>
<td>Zipper production</td>
<td>IP Dega Noginsk, Moscow region</td>
</tr>
<tr>
<td>Arkray</td>
<td>Glucometers and test strips</td>
<td>SEZ Dubna, Moscow region</td>
</tr>
<tr>
<td>Daido MetalRus</td>
<td>Mechanical engineering (sliding bearings)</td>
<td>IP ZMZ - Zavolzhskiy, Nizhny Novgorod region</td>
</tr>
<tr>
<td>MAZDA Sollers manufacturing Rus</td>
<td>Automobiles and automotive engines</td>
<td>TAD (Territory of advanced development) Nadezhdinskaya</td>
</tr>
<tr>
<td>FUSO Trucks Rus</td>
<td>Manufacture of lorries</td>
<td>Kama industrial park &quot;Master&quot;, Republic of Tatarstan</td>
</tr>
<tr>
<td>SANO Volga</td>
<td>Automotive components for fuel and brake systems</td>
<td>SEZ Togliatti, Samara region</td>
</tr>
<tr>
<td>ATSUMITEC Toyota Tsushi Rus</td>
<td>Gear selection mechanisms for manual transmission and automatic transmission for the automotive industry</td>
<td>SEZ Togliatti, Samara region</td>
</tr>
<tr>
<td>HI-LEX RUS</td>
<td>Cables for control system and power window cables</td>
<td>SEZ Togliatti, Samara region</td>
</tr>
<tr>
<td>HITACHI Construction Machinery</td>
<td>Industrial equipment</td>
<td>IP Raslovo, Kaluga region</td>
</tr>
<tr>
<td>SOLLERS ISUZU</td>
<td>Automotive production - Isuzu</td>
<td>IP UAZ, Ulyanovsk region</td>
</tr>
<tr>
<td>Takata-Petri</td>
<td>Automotive Safety Systems</td>
<td>IP Zavolzhie, Ulyanovsk region</td>
</tr>
<tr>
<td>Bridgestone</td>
<td>Automotive tyres</td>
<td>IP Zavolzhie, Ulyanovsk region</td>
</tr>
<tr>
<td>DMG MORI</td>
<td>Machine tool equipment</td>
<td>IP Zavolzhie, Ulyanovsk region</td>
</tr>
<tr>
<td>JGC Evergreen</td>
<td>Construction of hydroponic greenhouses with a total area of 10 hectares (1st stage - 2.5 hectares)</td>
<td>IP Avangard, TAD Khabarovsk</td>
</tr>
<tr>
<td>KOMATSU MANUFACTURING Rus</td>
<td>excavators and forklifts</td>
<td>IP Novosyolki, Yaroslavl region</td>
</tr>
<tr>
<td>TAKEDA FARMACEUTICALS</td>
<td>Pharmaceuticals</td>
<td>IP Novosyolki, Yaroslavl region</td>
</tr>
</tbody>
</table>
THE RUSSIAN DELEGATION TODAY

Denis Zhuravskiy  Executive Director
Maxim Pazdnikov  Cochairman of the Board
Yana Leles  International Affairs Director
Iwao Ohashi  Advisor on Japan and APAC countries
Calin Anton  Chairman of the Industrial construction Committee
<table>
<thead>
<tr>
<th>Company/Institution</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial park Stupino-1</td>
<td>Shatalin Valeriy</td>
<td>Commercial Director</td>
</tr>
<tr>
<td>MLP</td>
<td>Belavin Gleb</td>
<td>Deputy General Director</td>
</tr>
<tr>
<td>Noerr</td>
<td>Stefan Weber</td>
<td>Partner, Head of Moscow Office</td>
</tr>
<tr>
<td>Corporation for Development of the Stavropol Territory</td>
<td>Abdurakhimov Zaur</td>
<td>CEO</td>
</tr>
<tr>
<td>Technopolis Khimgrad</td>
<td>Ayrat Gizzatullin</td>
<td>CEO</td>
</tr>
</tbody>
</table>
THE RUSSIAN DELEGATION TODAY

Ksenia Nikitina  
Manager of the Promotion Department

Sergey Evseev  
CEO

Inchina Anna  
Director for development

Olga Belova  
Head of Consultancy BU

Tatiana Efimova  
Business Development manager