



# LIPETSK

SPECIAL  
INDUSTRIAL  
ECONOMIC  
ZONE

GREAT OPPORTUNITIES FOR MANUFACTURING

RUSSEZ®

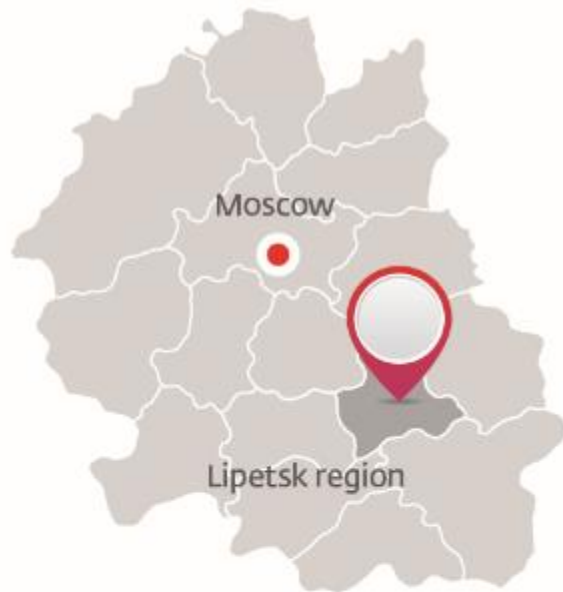
Lipetsk

Special Economic Zone  
Industry

## Special economic zone "Lipetsk"

### Principal targets:

- Promoting science-intensive industries,
- Encouraging products with higher VAT share,
- Adopting new technologies,
- Promoting import substitution.



Total area of 1024 He.



### Target industries:

- Metal processing,
- Machine building,
- Power equipment manufacturing,
- Medical equipment manufacturing,
- Vehicles assembly, auto components production.



# Geography & Logistics

One of its advantages is an extremely convenient location in the heart of Central Russia, offering investors flexible logistics solutions.

- SEZ area extended along the Lipetsk-Gryazi roadway is conveniently linked to the mainstream federal highways:
  - M-4 «Don» - 70 km
  - M-6 «Caspiy» - 85 km
- South SEZ «LIPETSK» border is laid parallel to the federal railway lines and is linked to the internal SEZ railroads.
  - Cargo railway station «Kazinka» - 0.2 km
  - Cargo railway station «Gryazi Orlovskie» - 0.8 km
  - Passenger railway station «Lipetsk» - 20 km
  - Passenger railway «Gryazi Voronezhskie» - 10 km
- The Lipetsk Airport, now made international by the Government's resolution, is situated only 35 km away.



SEZ area lays right in the centre of European Russia between the city of Lipetsk which the region capital home to over 0.5 bln. people and a smaller town of Gryazi with the population of about 50 000 people.



# Lipetsk Region

Lipetsk region is one of the most investor-friendly destinations in Russia where you can find everything for a fulfilling life – comfortable accommodation and quality healthcare, sport and leisure opportunities, exciting culture environment.

The volume of industrial production per capita

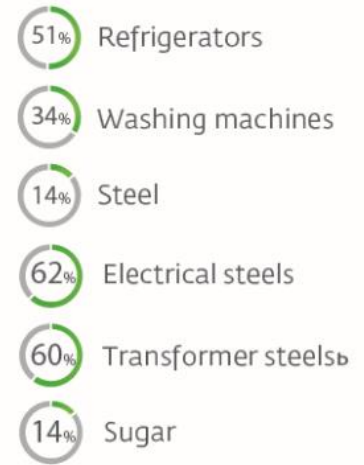


Long record and high level of the regional industry development give vast opportunities for localizing business. Italian investor INDESIT International - one of the largest European manufacturers of home appliances - working in Lipetsk since 1989 now localize over 45% of components locally.



The immediate proximity to Novolipetsk Steel Factory (NLMK) - one of the world's largest steel companies - renders perfect resources and supply opportunities. NLMK's total share on the Russian steel market exceeds 13%, incl. up to 100% of electrical steels.

## LIPETSK REGION SHARE IN RUSSIAN GROSS INDUSTRIAL OUTPUT







# Keeping the Legacy Alive

Founded by Peter the Great in 1703 the city treasures its cultural heritage and centuries-old traditions.



Lipetsk region is the motherland to world-famous masters, scholars and Nobel Prize winners.

The land of great and ancient history  
Lipetsk is building its future with the highest  
esteem for the outstanding past.





# Workforce availability



Availability of skilled technical talent

- **22** higher-learning institutions
- more than **30 000** students
- **4 500** graduates annually

Valid agreement with leading recruitment agencies. Database of **5000** CVs at investors disposal





# State support to Investors

Today Investors from all over the world (Japan, Germany, Italy, Belgium, Holland, Switzerland, Israel, the USA, Poland, China, Ukraine & Russia) successfully run their projects in SEZ «Lipetsk».

SEZ «Lipetsk» advantages:

-  State-run engineering infrastructure
-  Tax holidays
-  Customs benefits (Free Customs Zone)
-  Reduced land costs
-  Swift and clear paperwork
-  Legal safeguards against adverse legislation





# SPECIAL ECONOMIC ZONE «LIPETSK»

Lipetsk SEZ has once again confirmed its status as one of the most efficient platforms for industrial investments. FDI Magazine published by the Financial Times Ltd named LIPETSK SEZ the top choice European location for large tenants in its Global Free Zones rating in 2014.

fDi Magazine is firmly established as the leading title for the business of globalisation. Published bi-monthly with an ABC audited circulation of 15,284 active corporate readers, fDi Magazine provides senior decision-makers with an up-to-date image of the ever changing global investment map.

Financial Times (FT) is an international daily newspaper with a special emphasis on business and economic news internationally and an average daily readership of 2.2 million people worldwide.





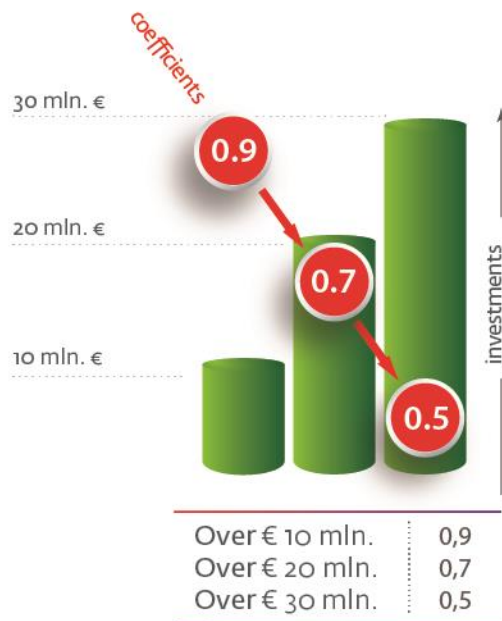


# Reduced Land Costs

Land Lease Rate within SEZ «LIPETSK»  
may not exceed 2% of the land cadastral cost

Land Lease: € 1000 / He / year

Decreasing coefficients are applied proportional  
to the scope of investments:



After the property title is registered  
a tenant gets the right to purchase the land

Selling Value: € 3900 / He





# Tax Holidays

**PROFIT TAX**  
from the start  
of the profit period

**20%** Outside SEZ «LIPETSK»

Applied to  
SEZ «LIPETSK» residents  
2% - for 5-7 years  
7% - next 10 years  
15,5% - later on

**PROPERTY TAX**  
from the moment  
of the ownership title registration

**2,2%** Outside SEZ «LIPETSK»

Applied to  
SEZ «LIPETSK» residents  
0% - for 10 years

**LAND TAX**  
from the moment of the land  
ownership title registration

**1,5%** Outside SEZ «LIPETSK»

Applied to  
SEZ «LIPETSK» residents  
0% - for 5 years

**VENICLE TAX**  
from the moment  
of the venicle registration

up to € 3 per 1 h.p.  
of the engine capacity

Outside SEZ «LIPETSK»

Applied to  
SEZ «LIPETSK» residents  
0% - for 10 years



# State safeguards

- SEZ «LIPETSK» residents companies can apply an accelerated depreciation coefficient to their fixed assets.
- SEZ «LIPETSK» residents are not restricted in losses deferment.
- State safeguards against adverse legislation. Under Russian Federal Law fiscal legislative acts aggravating the position of SEZ investors are not applied to them for the whole term

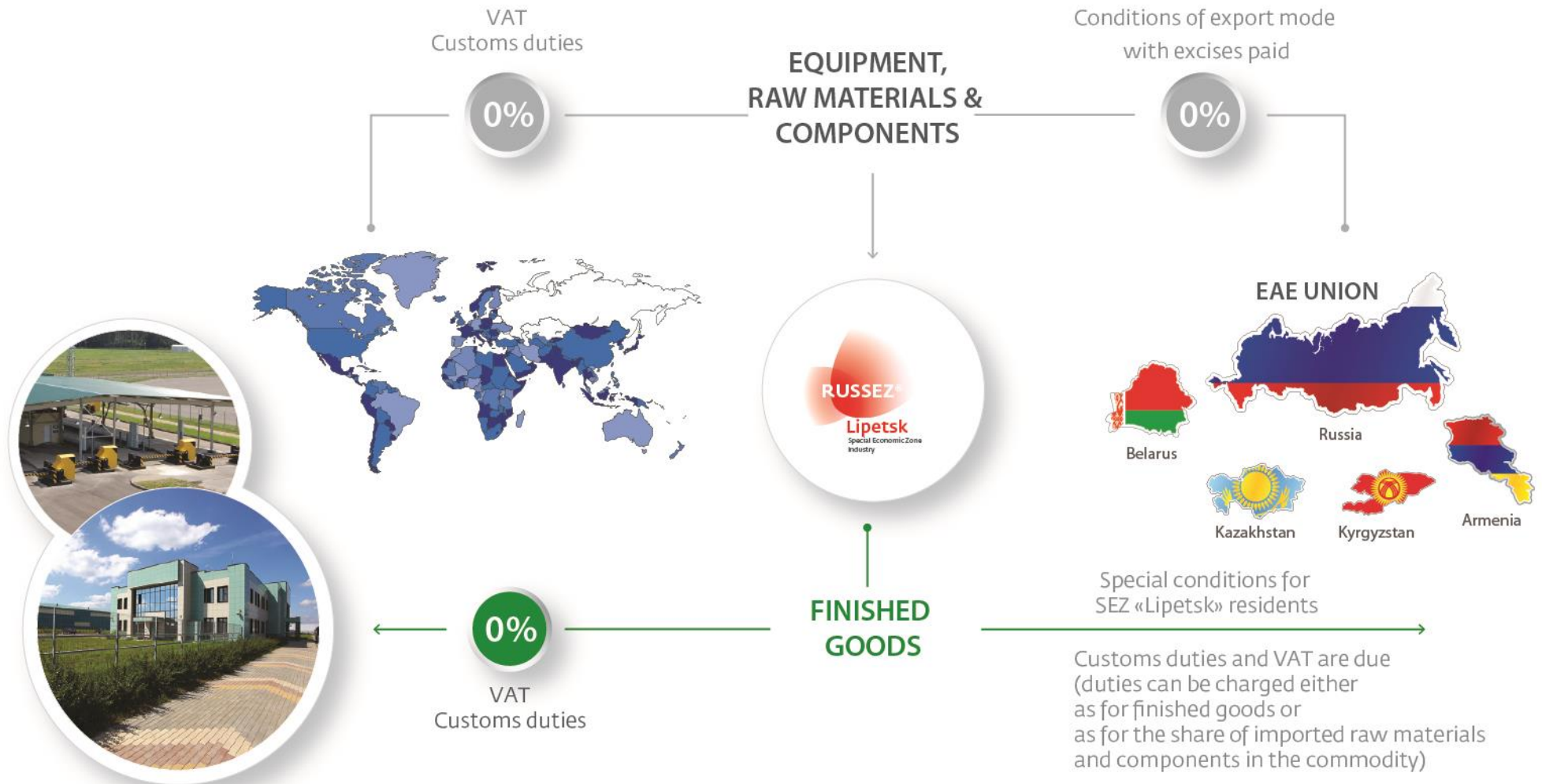






# FREE CUSTOMS ZONE

Customs infrastructure is fully available on the SEZ site.





# Utilities and Infrastructure

- Investors are fully provided with all the required utilities. On-site infrastructure is state-run.
- All of the engineering networks are laid up to the borders of the resident company's land site.

- Electricity
- Gas
- Water
- Heat
- Sewage
- Telecommunications



- Roadway network
- Railways
- Airport

- Business center
- Offices for rent
- Conference-halls
- Public catering

- Customs post
- On-line clearance
- Check-points
- Bonded warehouse
- Parking
- Guarded area





# «Single Window» Service System

The concept of Investor-Friendly Administration through «Single Window» Office support lessens investor's exposure to bureaucracy and shortens the terms of papers acquisition.

- Resident companies can get all kinds of state services inside the SEZ area:
  - legal services,
  - preparing effective business-plans,
  - land managing services,
  - contractor's services in design works and construction,
  - environmental due diligence,
  - accounting services,
  - recruitment services,
  - customs clearance, etc.
- Reduced services costs.
- Swift documents acquisition.



«Special Industrial Economic Zone “Lipetsk” is the best site for the foreign investment projects in Russia.»

Bert de Grave  
President  
Bekaert company



«In order to chose a plant location we carefully examined more than 20 sites and as a result finally chose the Special Industrial Economic Zone “LIPETSK” due to its well-arranged infrastructure, relative proximity to Moscow, very friendly attitude of the local administration and a lot of other reasons.»

Okishima Shunichi  
Director General  
Yokohama RUS



«The authorities here are very responsive to the needs of investors, both Russian and foreign.»

Vittorio Torrembini  
President  
Association of Italian entrepreneurs  
in Russia GIM-Unimpresa





# Lipetsk SEZ Current Status

**44** companies now operating in SEZ Lipetsk represent Italy, Germany, Belgium, Japan, the Netherlands, USA, Russia, China, Switzerland, Israel, Ukraine, Poland, South Korea.



JOBS CREATED  
**2900**



**131.7** BLN.RUB.  
TO BE INVESTED



**31.8** BLN.RUB.  
MANUFACTURED  
PRODUCTS



**3.8** BLN.RUB.  
OF TAXES PAID

**15**

## OPERATING PLANTS

- Bekaert Lipetsk, Ltd.
- Lanxess Lipetsk, Ltd.
- Yokohama R.P.Z., Ltd.
- Razional, Ltd.
- Industrial Technologies, Ltd.
- Civil Supplies, Ltd.
- ALU-PRO, Ltd.
- FENZI, Ltd.
- CHSZ-Lipetsk, Ltd.
- SEST-LUVE, Ltd.
- TECHNА, Ltd.
- TRIOTT Lipetsk, Ltd.
- ABB Electrical Equipment, Ltd.
- OBO Bettermann Production, Ltd.
- ALTAIR, Ltd.

**4**

## PLANTS UNDER CONSTRUCTION

- AWT, Ltd.
- PPG Industries, Ltd.
- Viessmann Lipetsk, Ltd.
- Kemin Industries, Ltd.

**25**

## MORE COMPANIES OF PRELIMINARY STAGE





# LIPETSK SEZ PROSPECTS. NEW ELETS SITE



**46** tenants



**176** bln.rub. to be invested



**10 000** new jobs



**140** bln.rub. of industrial production volume



Site area  
1278 He

## Target industries:

- Machine building,
- Power equipment manufacturing,
- Medical equipment manufacturing,
- Vehicles assembly, auto components production.





# Thank you for your attention

SEZ «LIPETSK» JSC

Competent and enthusiastic team always at your disposal



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