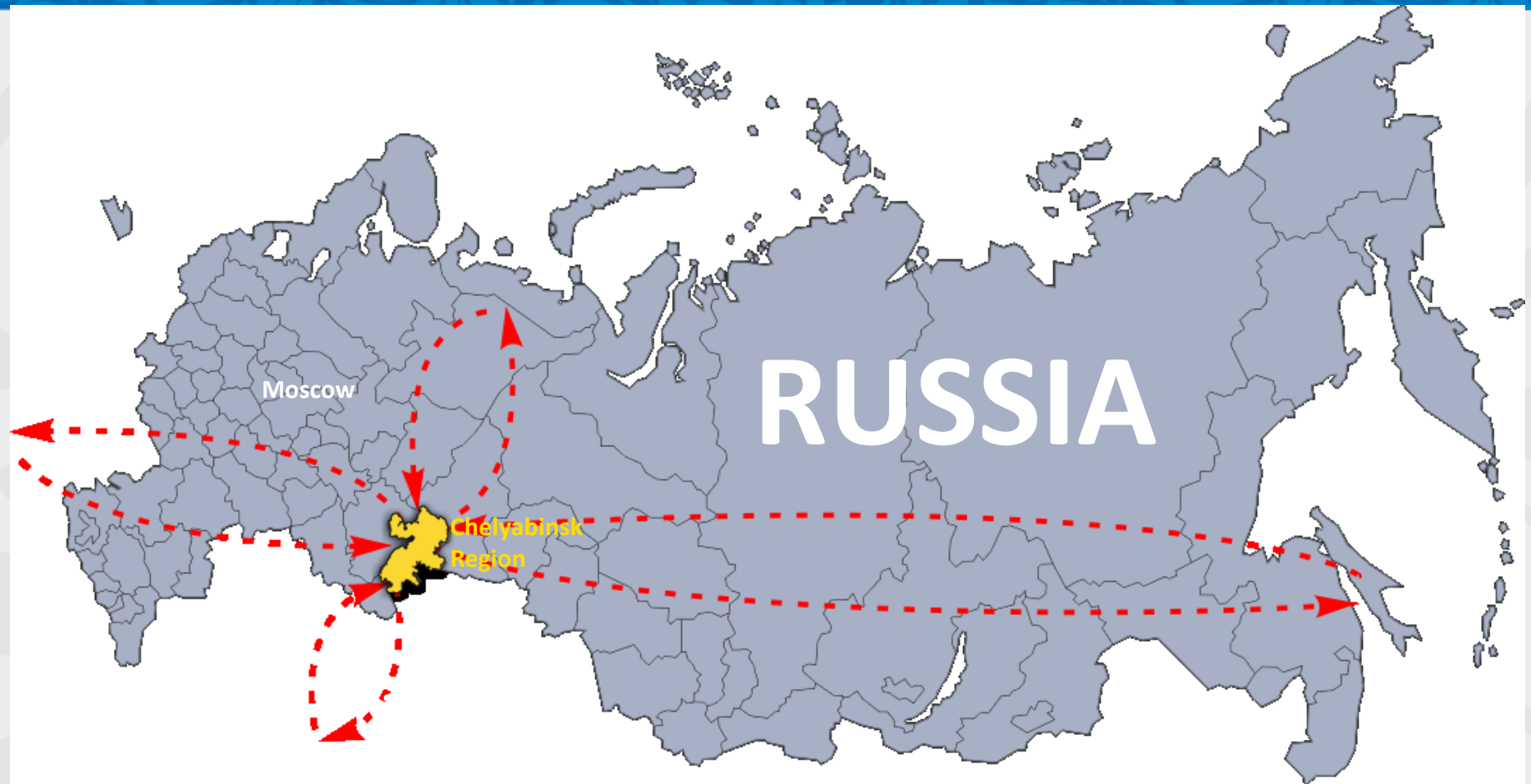


«Investment Potential of the Chelyabinsk Region»

2013



Chelyabinsk region







- is situated in the centre of Russia on the boundary between Europe and Asia
- territory of 90 thousand sq. kilometers
- is situated on the junction of transport communications








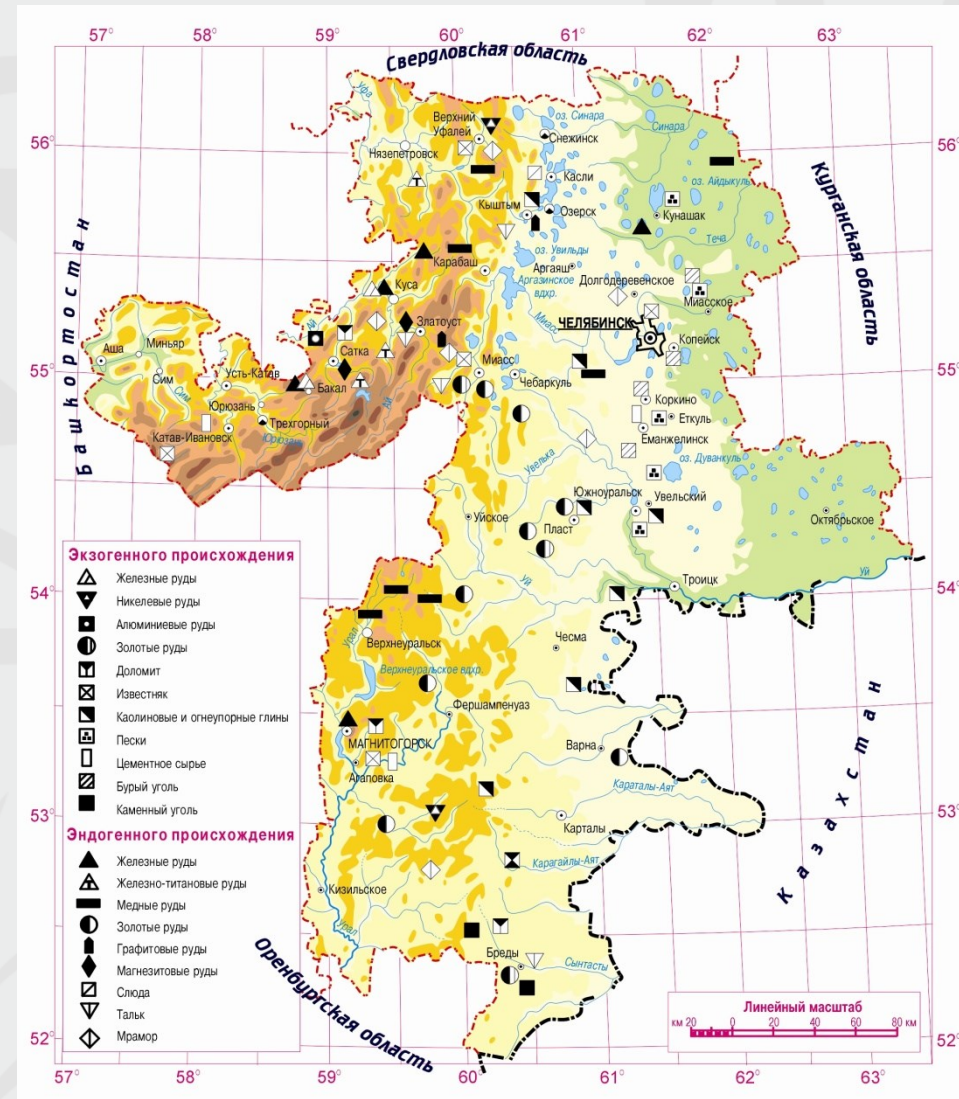
Natural Resources

Chelyabinsk region is a monopolist in mining and processing in Russia:

-  Graphite (95%),
-  Magnesite (95%),
-  Talc (70%),
-  Dolomite (71%)

There are more than 300 deposits of:

-  Iron Ores
-  Copper-Zinc Ores
-  Gold
-  Refractory Ore Materials
-  Graphite, Quartz, Kaolin, Barite
Phosphorite etc.





Pop

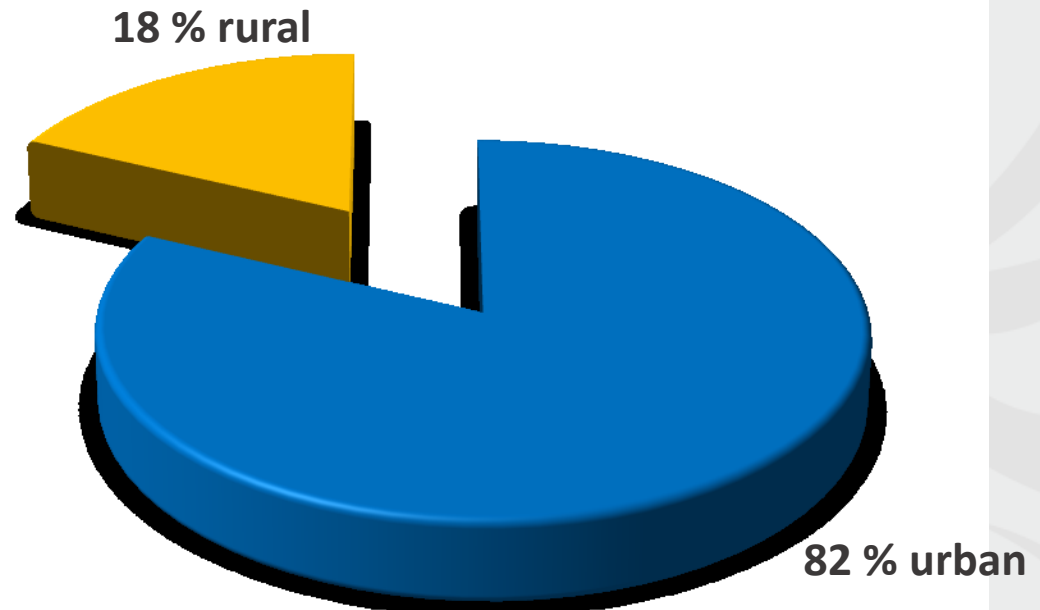
al

Population: 3.5 million

Largest cities:

Chelyabinsk, Magnitogorsk,
Zlatoust, Miass

Number of the employed in various
branches of economy:
over 1.8 million



There operate:

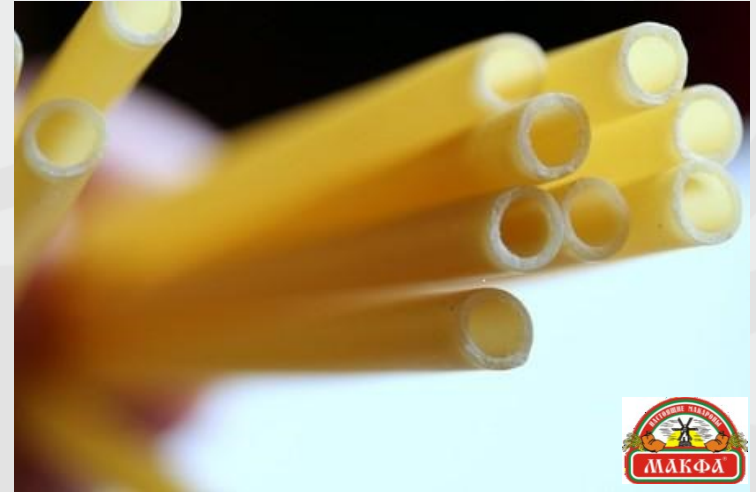
- over 40 higher education establishments;
- more than 50 scientific and research organizations and design institutes

The South-Urals State University is
a national research centre



In 2012 We Rank:

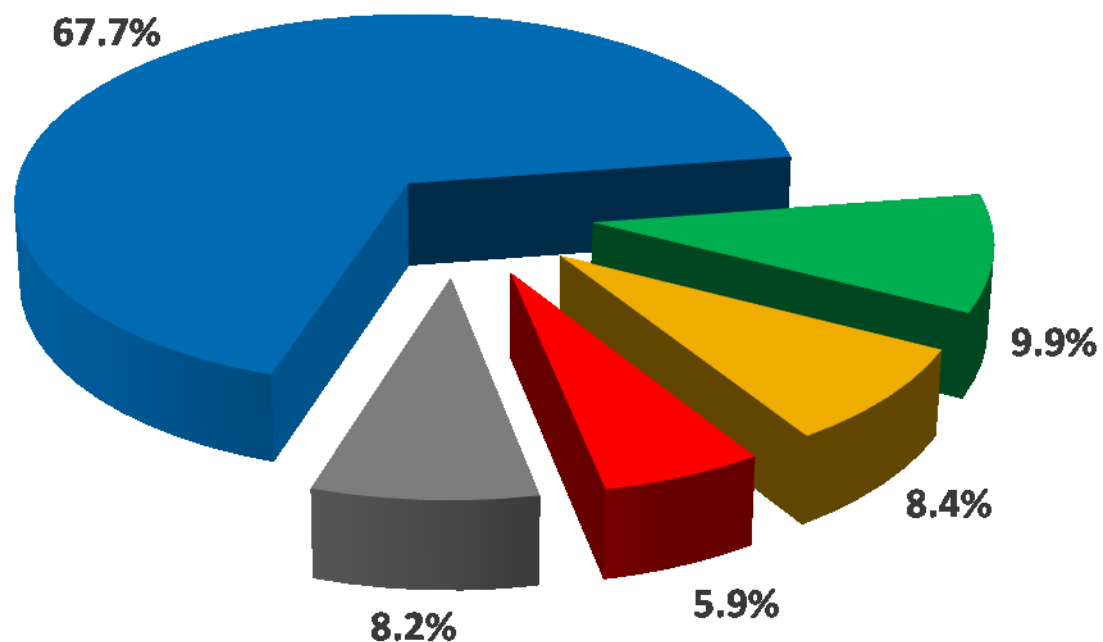
- Total output of products, services is **\$64 billions**
- **1st** in pasta production
- **3rd** in poultry production
- **6th** in manufacturing activity production
- **8th** in foreign investment
- **11th** in agriculture production





Production:

- **Metallurgy**
- **Automobile and machine building**
- **Food industry**
- **Construction materials**
- **Other**





Metallurgy Complex

«Magnitogorsk Integrated Iron and Steel Works»:
«Chelyabinsk Integrated Iron and Steel Works»
«Asha metallurgical works»
«Uralskaya Kuznitsa»

Rolled metal acceptance program:





The Region is the leader in **poultry, dairy, meat and breed husbandry**

Poultry production

Annual poultry production of **200 thousand tonnes.**

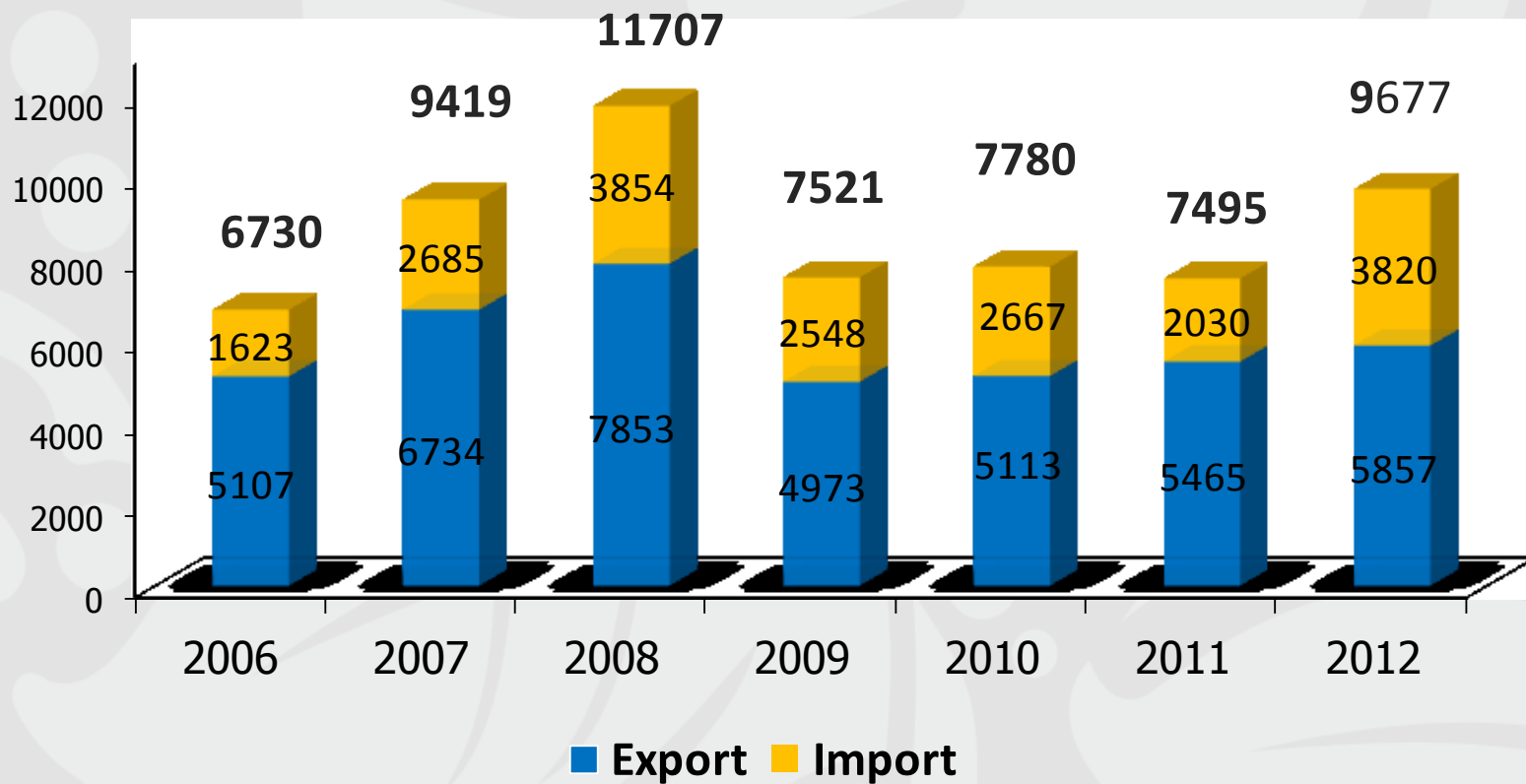
Livestock breeding

There are **30** pedigree stock-breeding complexes including 16 meat produce ones of Hereford and Simmental breeds.

Hothouse farms: total investment of over **5 million roubles**, production capacities of **22 thousand tonnes of vegetables per year.**



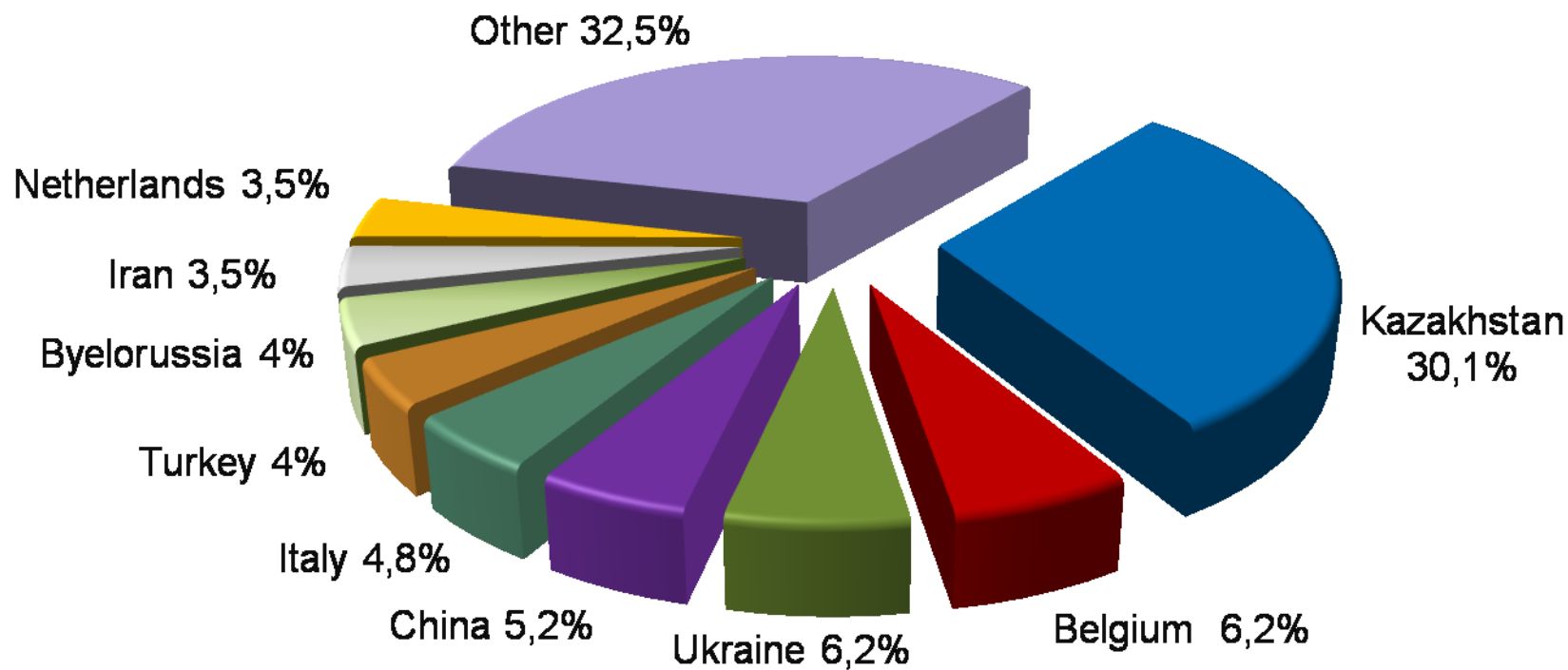
Foreign Trade Turnover (\$ million)



Including Kazakhstan



Foreign Trade Turnover in 2012





Trade Turnover with Japan





Regional Government offers:

- **Land grants**
- **Utility networks and infrastructure**
- **Single window system for regulatory documentation**
- **Tax exemption**



Incentives for Investors

Tax deductions (by tender)
for the period of 5 years:

• **Profit Tax** reduced to **13,5%**

• **Property Tax** reduced to **1,1%**

• **Land Rent Rate** lowered



Incentives for Investors

www.oblinvest74.ru

**Start office for
foreign investors :**

-free consulting
services

-translating and
interpreting services

-office space and
equipment



**Address: office 609, 159 Kirov
street, Chelyabinsk**

Telephone: 007-351-7793083

Fax: 007-351-7793084

E-mail: invest.chel@gmail.com



Investment in Chelyabinsk

**STANDARD
& POOR'S**

Chelyabinsk Region was assigned **BB+** long-term rating by Standard & Poor's. Financial stability rating by national scale has been **ruAA+**. The forecast on both ratings is Stable.

FitchRatings

Rating Agency Fitch Ratings:

Long-term rating **BBB-/Positive**

Short-term **F3**, national long-term **AA (rus)**



Foreign Investors' Success Stories



FORTUM (Finland) – electric energy generation, investment of **\$1880 million**



Cividale (Italy) – steel mill construction, investment of **€670 million**



REXAM (Great Britain) – beverage can production, investment of **\$100 million**



SAINT GOBAIN (France) – construction products, investment of **€80 million**



ROCKWOOL (Denmark) – mineral wool board production, investment of **\$60.8 million**



EMERSON (USA) – automation tools production, investment of **\$37.7 million**



RM-TEREX (USA) – SKD assembly of 100-tonnes dump trucks, investment of **\$12.5 млн.**



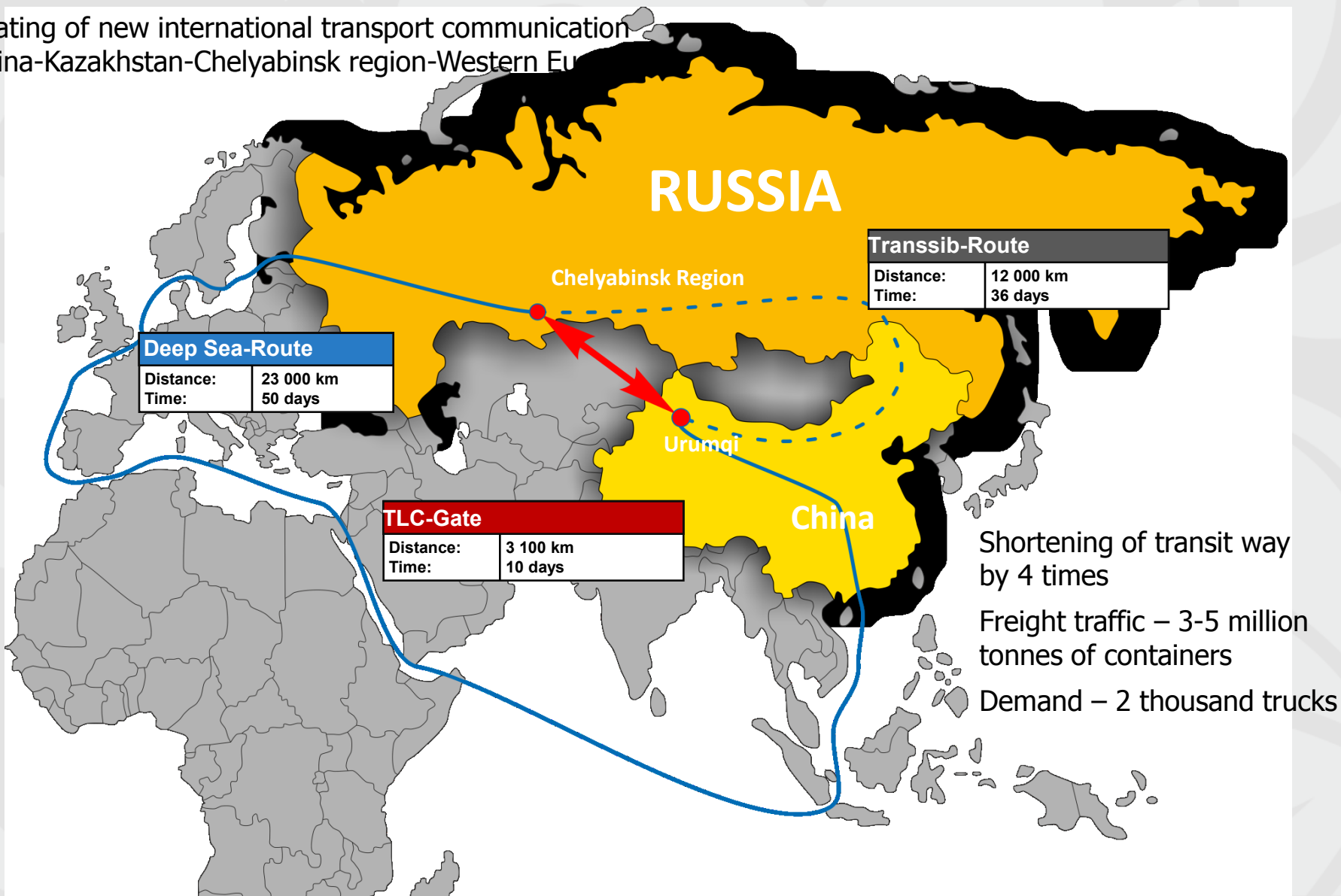
SMS group (Germany)

SMS group



Transport and Logistics Center

Creating of new international transport communication
"China-Kazakhstan-Chelyabinsk region-Western Europe"





Possible Directions of Cooperation

Drawing technologies and investments into the sphere of industrial production and establishing new joint enterprises (machine-tool building, instrument engineering)

Drawing technologies and investments into the sphere of agriculture and agriculture products processing (vegetable processing, hothouse development, hydroponics)

Drawing technologies and investments into the sphere of water treatment and water purification, solid waste recycling)

Consumer goods production, home and office appliances production



Possible Directions of Cooperation

Components production for Japanese automobile plants located in Russia:

Mitsubishi in Kaluga,

Isuzu in Elabuga,

Komatsu in Ivanovo, Yaroslavl,

Nissan in Saint-Petersburg,

Mazda in Vladivostok,

Toyota in Vladivostok, Saint-Petersburg.

Exploitation of deposits

Export increasing of Chelyabinsk enterprises' production (ferrous and non-ferrous metallurgy, machine building, mill industry)

Development of tourism and recreation spheres



Automobile Industry:

In 2012 about 30 automobile enterprises manufactured products of **\$1 billion**:

7,145 Lorries

727 Fire engines

1,718 Special task vehicles

1,818 Semitrailers

+ AUTOMOTIVE COMPONENTS of **\$250 million**





Our Advantages:

Convenient geographical position between Europe and Asia

High-developed metallurgy and machine building complexes

High Ratings

Favourable investment climate

Qualified personnel for automobile industry

Capacious consumer market for heavy haulers
(there are 17 regions within 1000 kilometers from Chelyabinsk there more than 39 million people – over 27% of Russia population. Trade turnover of these regions is over \$4,5 billion)

Construction of a new transport and logistics centre

WELCOME TO THE CHELYABINSK REGION!

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Internet: www.econom-chelreg.ru

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