

# LIPETSK REGION - TERRITORY OF DEVELOPMENT



## INVEST IN LIPETSK REGION!

**PARTNERS:**





«It is necessary to give investors a clear signal in which territories it is more profitable and wiser to work, to create certain production and what state support business can expect in near future»

President of the Russian Federation  
Vladimir Putin





«Investments for us is a necessary condition for the sustaining of economic growth, which will result in the improvement of quality and level of living conditions»

Head of the Administration of Lipetsk Region  
Oleg P. Korolev

Length of railway network is more than 800 km.

The territory of the region is crossed by 3 railways connecting Moscow with the industrial centers of the South of Russia, with the Volga region, as well as with the western cities.

Major railway junctions are Yelets and Gryazi



#### LENGTH OF HIGHWAYS

is more than 17 thousand km.

Modern highways link the regional center with federal highways - M4 "Don", M6 "Caspian" M10 "Russia"

International airport of Lipetsk has daily flights to Moscow and Saint Petersburg.

Flight time is about 40 min. and 1h. 55 min. respectively



**Lipetsk region has a developed transport infrastructure.**

5 customs offices

**Saturation of transport infrastructure puts the region to the top ten regions of the Russian Federation**

# Lipetsk region – convenient geographical position

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18 municipal districts,  
2 urban districts,  
6 urban and 289 rural  
settlements

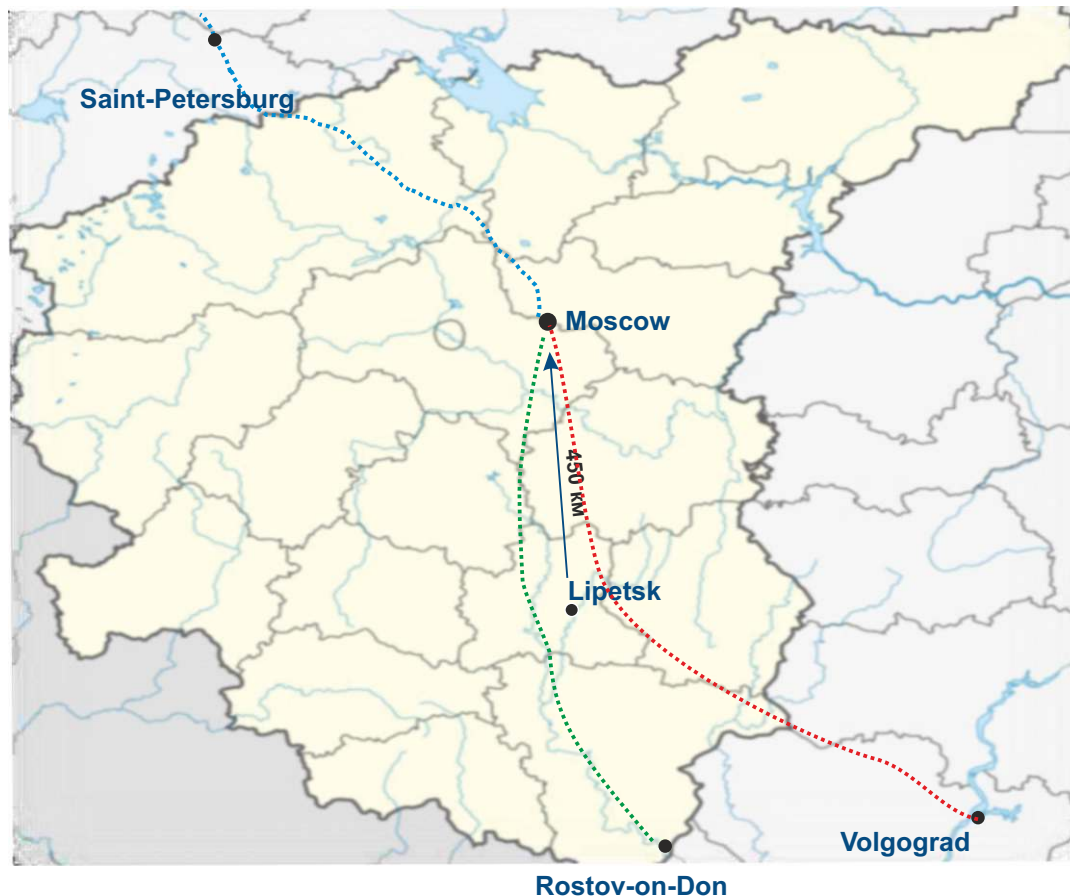
TOTAL AREA  
24 th. sq.kms

POPULATION  
1159,9 th. people

DENSITY OF  
POPULATION  
48,4 people/sq.km.

ECONOMICALLY ACTIVE  
POPULATION  
597,2 th. people

- ..... M4 «Don» Highway
- ..... M6 «Caspian» Highway
- ..... M10 «Russia» Highway



**Lipetsk region is the largest producer of steel and rolled metal**



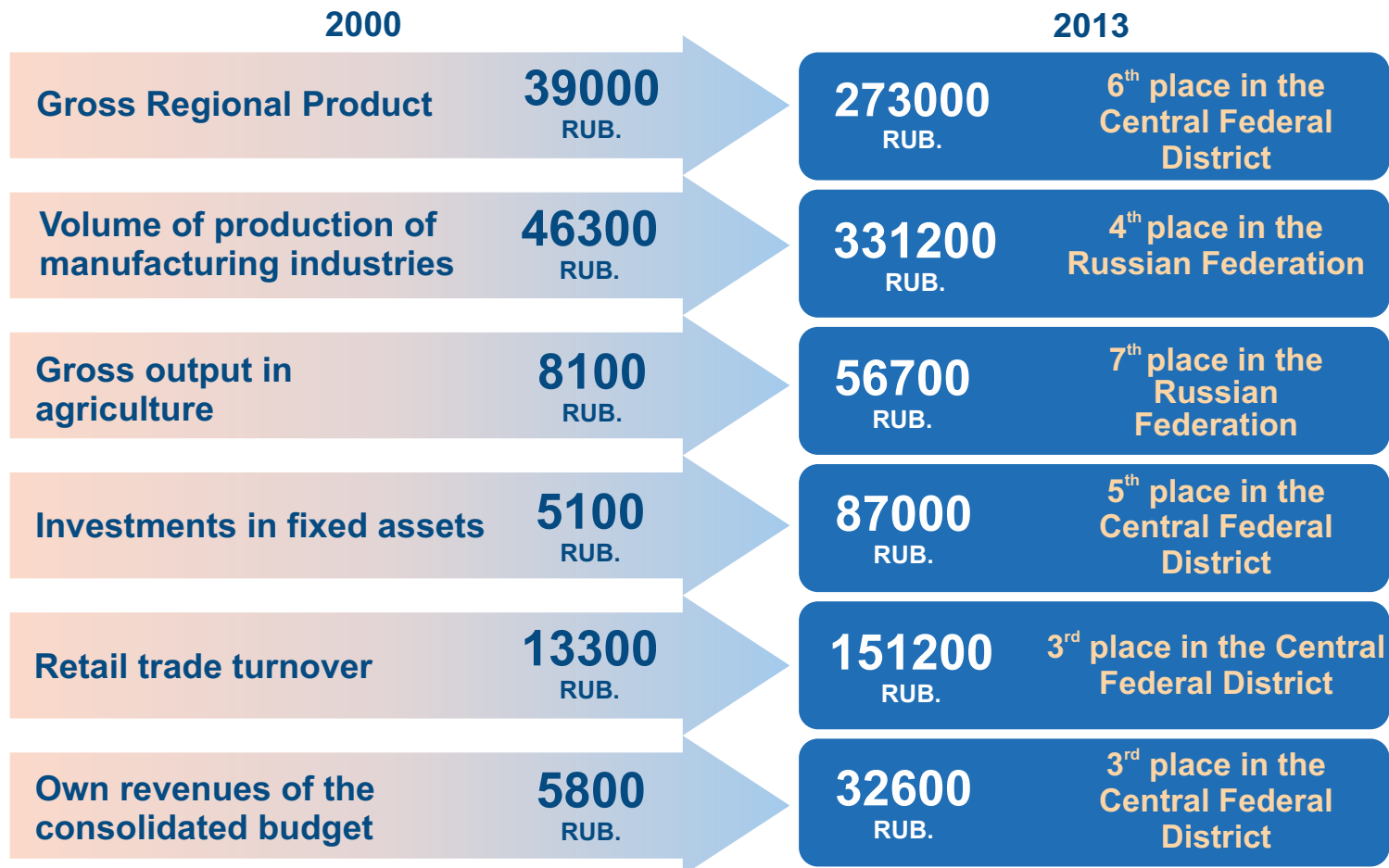
**Agro-industrial complex makes up one third of the GRP and fully provides the population with food**

**Lipetsk region is the leader in Russia for the production of juices and canned fruits and vegetables**



# The economic growth of Lipetsk region in figures (Per capita)

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**Industry of the region consists of more than 2 thousand enterprises of which 800 are large and medium size ones, including:**

- JSC "NLMK"
- JSC "Indesit International"
- JSC "Yeletsgidroagregat"
- JSC "Energy"
- JSC "Griazinsky Cultivator Plant"
- JSC "Stroy mash"
- "Assol Company" LLC



**High-tech enterprises rapidly evolve in the region**

**Food processing industry consists of 370 companies, of which 180 are large and medium size ones, including:**

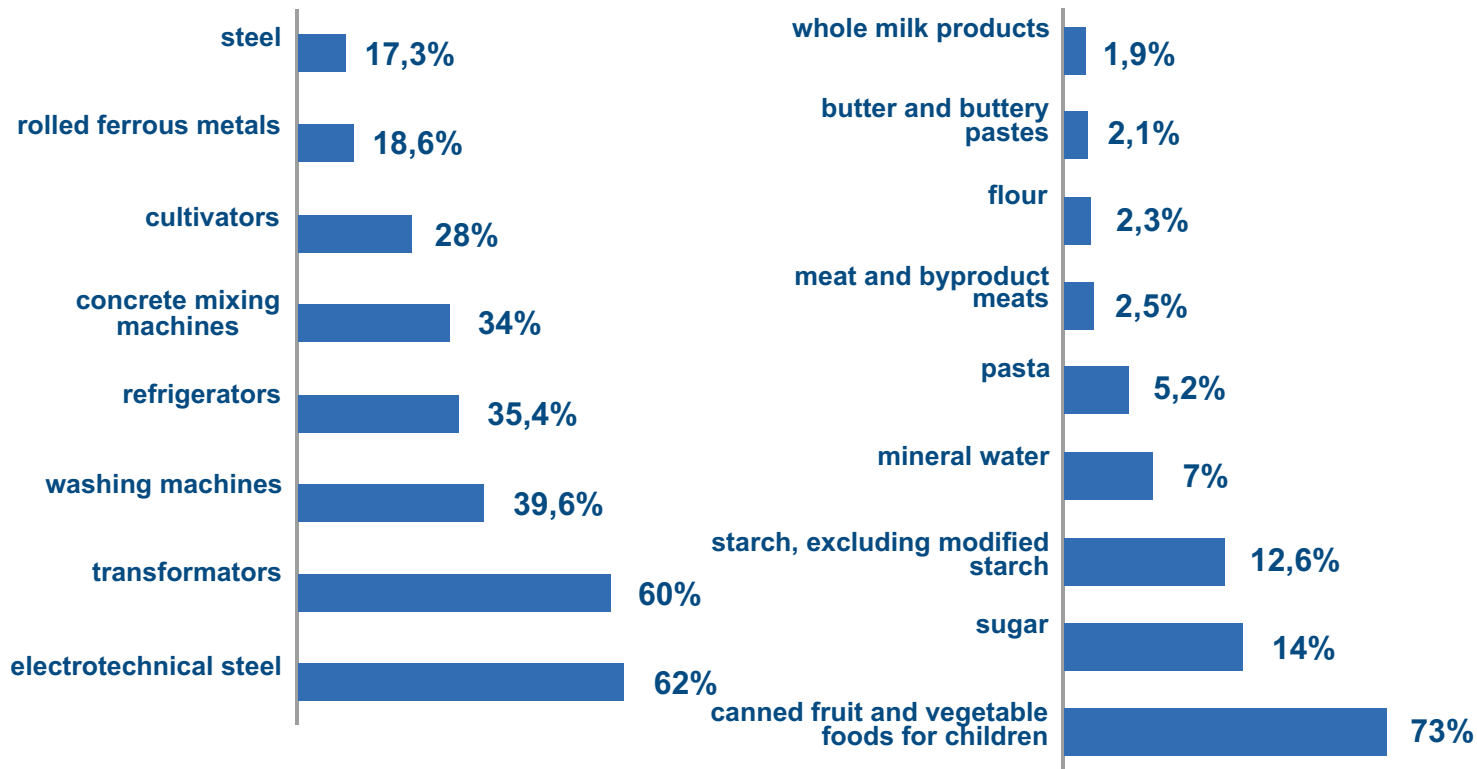
- "LIBOIL" LLC
- "Lebedyansky" LLC
- JSC "Progress"
- JSC "Dobriniski Sugar Factory"





# Share of Lipetsk Region in the Volume of Russian Production

Инвестируйте в Липецкую область!  
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## ATTRACTIVE CONDITIONS FOR INVESTORS

- Stable political and social situation in the region
- Convenient geographical location
- Developed transport, utilities and social infrastructure
- Rich in nature and the tourist and recreational potential
- A wide range of state and municipal preferences
- System of the investment stages: from the moment of signing an agreement till the commissioning of the object
- Availability of investment sites for the modernization of the existing industries or creation of the new ones
- Qualified Human Resources



**Lipetsk Region is the best region for the organization of production**



**The region is included to the top ten regions of Russia with the conditions for development of small and medium businesses**

# Projects implemented in Lipetsk Region by the world's leading manufacturers and Russian producers

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[www.admlip.ru](http://www.admlip.ru)

**"Bekaert Lipetsk" LLC (Belgium)**  
Production of steel cord and bead wire



**"ALU-PRO" LLC (Italy)**  
Production of aluminum profiles



**"SEST LUVE" LLC (Italy)**  
Production of heat exchange equipment



**"LANXESS Lipetsk" LLC (Germany)**  
Production of components and technological parts for the manufacture of tires



**"Hawle Industriewerke" LLC (Austria)**  
Production of valves for water supply



**"Yokohama R.P.Z." LLC (Japan).**  
Production of automobile tires  
**"YOKOHAMA"**



**"Fenzi" LLC (Italy)**  
Manufacture of sealing materials



**"Farm Frites Belaya Dacha" LLC (Netherlands, Russia)**  
Processing and preserving of vegetables



**"PPG Industries Lipetsk" LLC (USA)**  
Production of industrial coatings



**"Motorinvest" LLC (China)**  
Manufacture of motor vehicles





Lipetsk region is one of the most attractive regions of Russia for investments



# Projects implemented in Lipetsk region by the world's leading manufacturers and Russian producers

Инвестируйте в Липецкую область!  
[www.admlip.ru](http://www.admlip.ru)

"Lipetsk Carriage Building Works ANT" LLC (USA)  
Production of railcars with improved performance



"Horsch Rus" (Germany) LLC  
Production of machines and equipment for agriculture



"Rafarma" CJSC (Russia)  
Manufacture of pharmaceutical products



JSC "Dobrinskiy sugar factory" (France)  
Manufacture of sugar



"ABB Electrical Equipment" LLC (Sweden)  
Manufacture of electrotechnical equipment



"Ropa Rus" LLC (Germany)  
Manufacture of machinery, spare parts and equipment for agriculture



CJSC "New Age Agrotechnology" (China)  
Production of drip irrigation systems



JSC "Lipetskmyasoprom" (Russia)  
Production of pork



"FONDITAL" LLC (Italy)  
Production of heating systems



Automobile plant LIFAN (China)  
Manufacture of motor vehicles





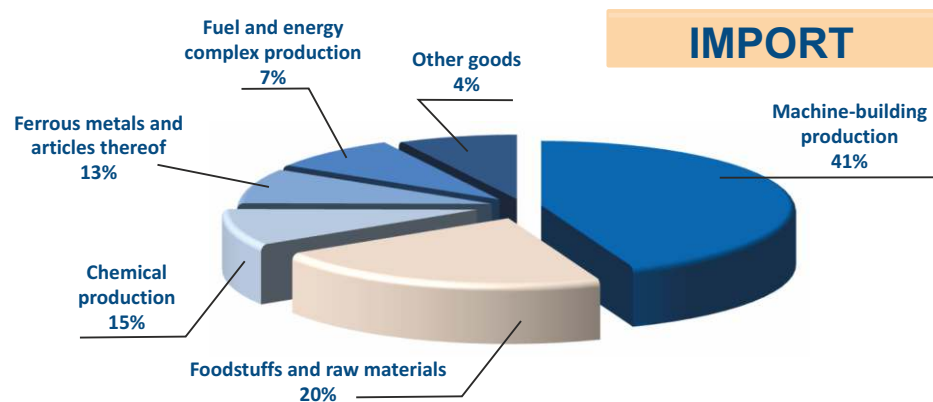
**Foreign economic activity in the region  
is carried out by about two hundred participants**



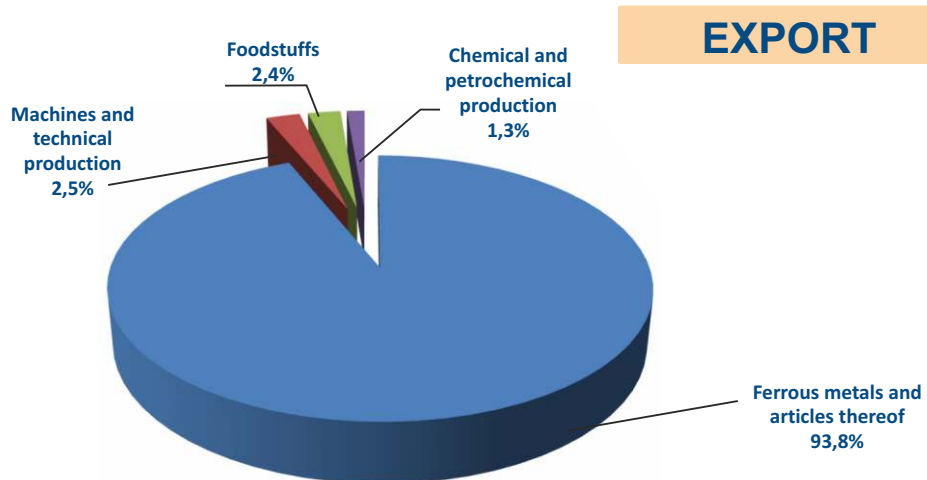
**In 2013 foreign trade turnover of Lipetsk Region achieved  
5.4 billion US Dollars**

# Foreign Trade Activity

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- Italy – 14%
- Ukraine – 14%
- Germany – 13%
- China – 10%
- USA – 8%
- Poland – 7%
- Netherlands – 5%
- Other countries – 29%



- Italy – 35%
- Turkey – 20%
- Denmark – 12%
- Germany – 11%
- Mexico – 8%
- Belgium – 6%
- Other countries – 8%



# Fitch Ratings

Long-term credit  
rating - 'BB'

Short-term - "B" rating

National scale rating -  
'AA- (rus) with a stable  
forecast



Minimal investments risk in  
2013  
3<sup>rd</sup> place



Lipetsk region is one of the first regions to  
implement the standards of executive authorities of the  
subjects of the Russian Federation to ensure a favorable  
investment climate

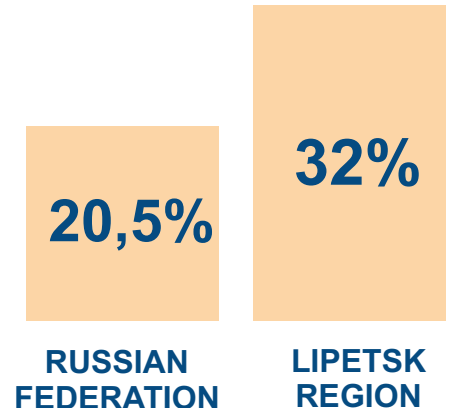




## All the provisions of the Standards have been carried out in the region

## Share of investments in fixed assets of the GRP (GDP) in 2013

- There is an approved “Investments Strategy for the period of up to 2020”;
- There were adopted “Regulatory legal acts for the protection of investors' rights and mechanisms to support investment activities”;
- Council for the Improvement of the Investment Climate has its regular sittings;
- There is a specialized organization to attract investments and to work with investors (JSC “Lipetsk Region Development Corporation»);
- Investment territories provide maximum availability of infrastructure;
- There are programs for training and retraining of personnel for the professions corresponding to the Investment Strategy of the region;
- Conditions to ensure the availability of infrastructure have been created;
- There is a complex of measures to support investors;
- There are “Regulations for the Maintenance of Investment Projects in the Region” on the principle of “One Shop Stop“;
- An Investment Memorandum is adopted annually;
- There is a “Method of Evaluation of a Regulatory Impact Assessment of Draft Normative Legal Acts” which may affect entrepreneurial and investment activities;
- Advanced IT and Internet connectivity.





There is a three-tier system of creating a favorable investment climate in Lipetsk Region, which offers investors the choice of the best opportunities for business location, including the sites that have all the necessary infrastructure



**1st TIER**

**SPECIAL ECONOMIC ZONE OF THE FEDERAL LEVEL  
of industrial and productive type "Lipetsk"**  
(Federal law of 22.07.2005 № 116-FZ «On Special Economic Zones  
in the Russian Federation», Resolution of the Government of the  
Russian Federation of 21.12.2005 № 782)

**2nd TIER**

**SPECIAL ECONOMIC ZONES OF REGIONAL LEVEL**  
(Law of Lipetsk Region of 18.08.2006 № 316-OZ  
«On Special Economic Zones of Regional Level»)

**3rd TIER**

**PRIVATE INDUSTRIAL PARKS**  
(Law of Lipetsk Region of 14.06.2001 № 144-OZ  
«On Industrial Policy of Lipetsk Region», Resolution of the  
Administration of Lipetsk Region of 04.08.2011 № 278 «On  
the Approval of the Allocation of a Territory to an Industrial  
Park of Lipetsk region»)



The Investor Policy of Lipetsk Region is aimed at the reduction of administrative barriers, the development of a "One Shop Stop" principle and the provision of public and municipal services in electronic form



## CENTRE FOR THE SUPPORT OF INVESTMENT PROJECTS



10

FREE SERVICES IN A “PACKET APPLICATION”

14

DIRECTIONS OF PAID SERVICES

More than 200 applications from investors and participants of regional SEZ in 2014

Support for investment projects throughout Lipetsk region, regardless of the size of business





**There is a powerful system of state support for businesses and investments in Lipetsk Region**



**JSC "LIPETSK REGION  
DEVELOPMENT CORPORATION»**

**“ONE SHOP STOP” CENTRE FOR THE  
SUPPORT OF INVESTMENTS PROJECTS**

**THE INVESTMENTS FUND OF LIPETSK  
REGION**

**PUBLIC-PRIVATE PARTNERSHIP**

**MORTGAGE FUND**

- **MORTGAGE FUND OF LIPETSK REGION**
- **MUNICIPAL MORTGAGE FUNDS**

**FORMED NORMATIVE BASIS,  
WORKING MECHANISM OF PUBLIC  
CONSULTATIONS**

**REGULATORY IMPACT ASSESSMENT**  
**introduced since 2012**

**FDi Magazine**

**FINANCIAL TIMES**

Lipetsk region is one of the first regions of Russia with a special economic zone of the federal level

Active development of the SEZ "Lipetsk" thanks to its effective and transparent administration, complex of tax and customs preferences for residents, modern infrastructure, convenient location and qualified personnel



Special Economic Zone "Lipetsk" rated as the best among the most attractive investment sites in Europe





REDUCTION OF THE TAX RATE	PREFERENTIAL TAX RATE AND ITS DURATION
Tax on Profits	0% for a period of 5 years from the date of making a profit, the next 5 years - 5%, after that - 13.5%
Land Tax	0% for a period of 5 years from the moment of the emergence of property rights on land
Property Tax	0% for a period of 10 years from the moment of registration of ownership rights
Vehicle Tax	0% for a period of 10 years from the moment of registration of a vehicle

## INFRASTRUCTURE OF THE SEZ

- Resident companies are guaranteed in the provision of necessary energy in full amount
- All communications are routed to the borders of the land of the resident
- No fee for the technological connection to electricity networks
- Financing of the construction of infrastructure objects is at the expense of the federal and regional budgets
- SEZ provides a free customs zone regime

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## Foreign goods are imported without customs duties and VAT

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## REDUCED PRICE OF LAND RESOURCES

RENT PAYMENT is not more than 2% of the cadastral value per year.

RENT costs 77 th. Rub. per 1 ha

REDEMPTION - 289 th. Rub. per 1 ha

**LIPETSK REGION  
IS THE ONLY  
RUSSIAN REGION WITH  
SPECIAL ECONOMIC ZONES  
OF A REGIONAL LEVEL :**

- 4 of an industrial and production type**
- 3 of an agro-industrial type**
- 2 of a tourism and recreation type**
- 1 of a technical innovation type**

**Special Economic Zone of a Regional Type is a project to optimize the process of the entrance of an investor to the region, which is aimed to reduce the expenses of an investor up to 30% and to accelerate the implementation of the project in two or more times**



REDUCTION OF THE TAX RATE	PREFERENTIAL TAX RATE AND ITS DURATION
Tax on Profits	13,5% - for a period of 5 years, but in case of manufacture of export and (or) import-substituting products - for 7 years
Land Tax	from 0.01 percent to 1 percent of the cadastral value of land per year (preferential rates are to be established by municipalities)
Property Tax	0% for a period of 7 years from the date of the registration of ownership
Vehicle Tax	0% for 10 years from the date of the vehicle registration



**Industrial parks in Lipetsk region are special territories to accommodate the new production with its sites located on the land designated for industrial activities**



Investors are offered the following options for the participation in a project of an Industrial Park :

- co-production and mutual supplies with a registered resident of the Industrial Park;
- rent of a ready-made industrial, warehouse and office space;
- Rentals with pre-emptive rights;
- purchase of land in the green-field with the delivered capacities;
- purchase of ready brown-field industrial, warehouse and office spaces with all necessary infrastructure;
- construction of buildings and structures for a customer (build-to-suit) in the green-field

REDUCTION OF THE TAX RATE	PREFERENTIAL TAX RATE AND ITS DURATION
Tax on Profits	13,5% for 5 years
Land Tax	0% for 7 years
Property Tax	0% for 5 years
Vehicle Tax	0% for 5 years

**Lipetsk region is a historical, cultural and attractive for tourists region**

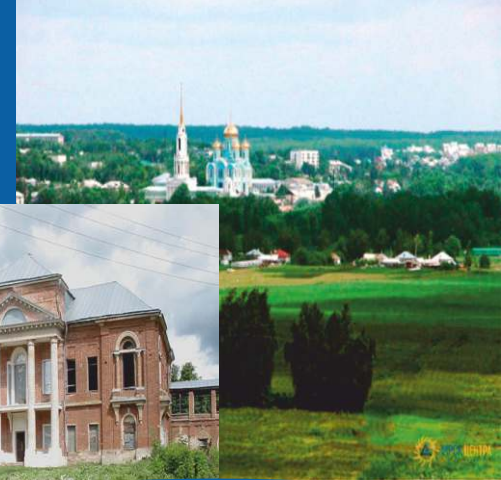
Yelets is one of the most beautiful old towns, the town of 33 churches, many of which are hundreds of years old (protected by UNESCO). Birth place of a famous Russian composer Tikhon Khrennikov

Zadonsk is one of the largest centers of Orthodox culture - "Russian Jerusalem"

Chaplygin is a "northern gateway" to the region. Among its attractions is a historical and natural museum-reserve of the traveller Semenov-Tyan-Shansky

Dankov is an old county town. Its main attractions are the hyperboloid tower by Shukhov, the Nechyaev-Maltsev manor and a planetarium

Dobroye District is a territory with rich natural and recreational potential, historical and cultural heritage, archaeological sites



**Lipetsk region offers its residents and visitors excellent opportunities for recreation, tourism, rehabilitation, sport fishing and hunting**

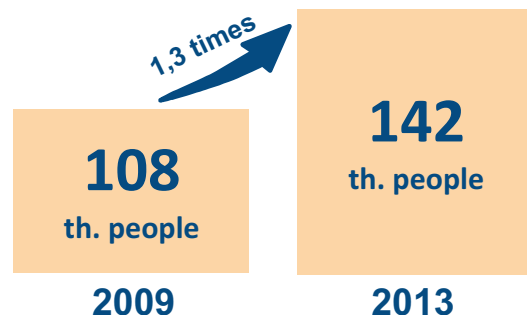


# We keep on creating better conditions for investments in tourism

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## Tourists Flow to Lipetsk region



Since 2007 there are **2** special economic zones of regional level of tourism-and-recreation type «Yelets», «Zadonshchina»

**8,7** bln. Rub. – volume of declared investments

LIPETSK REGION IS ONE OF 22 REGIONS OF RUSSIA PARTICIPATING IN THE FEDERAL PROGRAM «DEVELOPMENT OF DOMESTIC AND INCOMING TOURISM IN THE RUSSIAN FEDERATION (2011-2018)»

Since 2012 there are **2** clusters TRC «Yelets», ATC «Zadonshchina»

**7** bln. Rub. – total funding, including 1.8 bln.Rub. from the federal budget

Since 2014 there are **3** new touristic clusters TRC «Dobry», TRC «Shukhovsky», ATC «Oranienburg»

## LIPETSK REGION:

- the 15th place for the quality of life of the population
- within the top ten regions with the smallest proportion of the population with incomes below the subsistence minimum (4th place in the Russian Federation)
- a leader in the minimal level of unemployment rating (3rd place in the Russian Federation)
- among the leaders in terms of housing construction, including the individual one
- among the best regions of Russia to ensure the safety of life of its citizens
- provided with sports facilities - above average Russian indicators
- has a swimming pool in each municipal district



## Lipetsk Region Is a Comfortable Place For Living





## HEALTHCARE

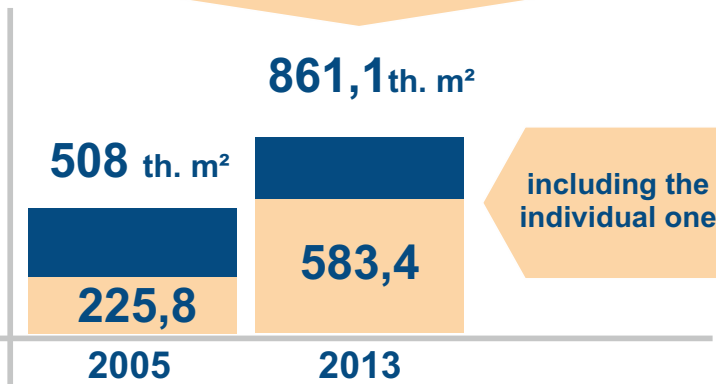
**5 medical centers** of the region to provide high-tech medical aid

**Available:** inter-municipal centers for specialized care



The region is one of the 30 regions of Russia to construct modern perinatal centers with a total funding of 1.8 billion Rubles

## HOUSING



## EDUCATION

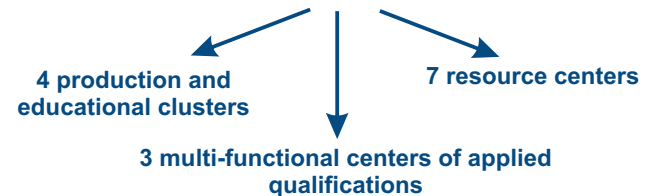
**75%** of schools meet modern teaching requirements

**100%** of schools are Internet connected

**17%** of schools use distance learning

**33%** of students are trained in accordance with the new federal state educational standards

Ensuring the region's economy with highly qualified personnel



## Migration attractiveness of the region

**1st place** in the Central Federal District on the results of the program of voluntary resettlement of compatriots



# We'll take a closer look at all your suggestions

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**Web site:** <http://invest-lipetsk.com>



## JSC «Corporation of Development of Lipetsk Region»

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**e-mail:** [info@oerzru.ru](mailto:info@oerzru.ru)

**Web site:** [www.korporaz48.ru](http://www.korporaz48.ru)



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## Center for the Support of Investment Projects

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**e-mail:** [info@centrer48.ru](mailto:info@centrer48.ru)

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## RBE «Center for the Development of Tourism of Lipetsk Region»

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