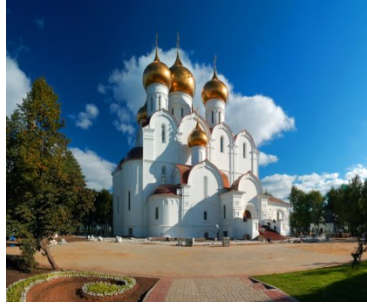
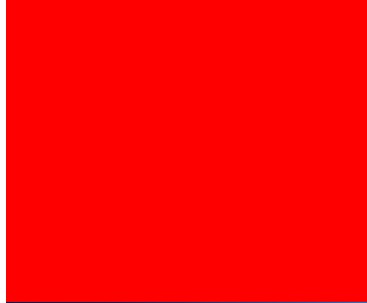


# From logistics and distribution to production localization



**2013**



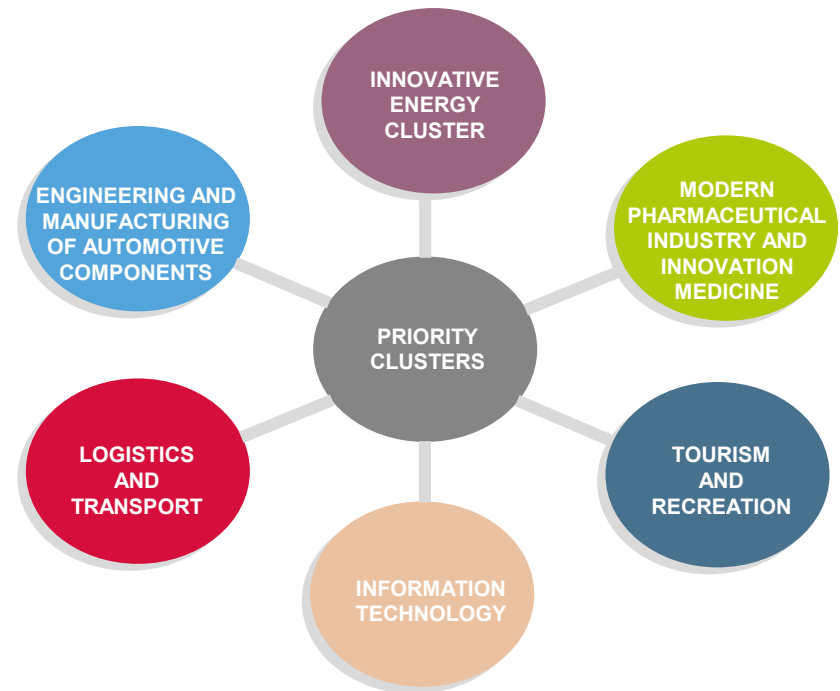


# Concept of cluster development

**THE PURPOSE OF OBLAST CLUSTER POLICY** is improving the competitiveness of the regional economy through the development of promising clusters on the basis of existing businesses, educational institutions and research organizations, and by bringing new businesses and organizations in the territory of the region.

## The main directions

- preparation of promising investment areas and the establishment of industrial parks, secured all the necessary infrastructure
- development of vocational education and training for promising clusters, including formation for the training of specialists
- development of a system of innovation activity in Oblast, including the definition of the forms and mechanisms of state support for R & D
- support for research institutes and scientific organizations in strengthening the material-technical base and attracting funding for joint research projects



- **The choice for benefit of cluster development has been made by Yaroslavl Oblast because this development allows to develop mutually beneficial cooperation between the Government, business, educational institutions, the scientific organizations and the public for development of economy of the territory and leads to large-scale multiplicative effect.**



# Cluster of mechanical engineering and automotive components

## The cluster development strategy basing on regional competencies

### Leading industries of the region

### Development directions

Technical textiles

Production of passenger compartment items

Chemical industry

Production of high quality motor oil and car chemicals

Production of plastic items

Manufacturing of rubber products

Expansion of OEM-coatings production

Automotive industry

Placement of assembly plants, stamping

Foundry

Production of engines, fuel systems and components

Power engineering industry

Production of electric and hybrid engines

Radio electronics

Manufacturing of lighting equipment, electronic control units, etc.

# Cluster of mechanical engineering and automotive components



## Main sectors and participants of Yaroslavl cluster



**Engine units and components**



**Tyres, mechanical rubber goods**



**Gear and Cables**



**OEM coatings**

**Yaroslavl Motor Plant,  
Tutaev Motor Plant**



**Yaroslavl Tyre Plant.  
Yaroslavl**



**ЯРОСЛАВСКИЙ  
ШИННЫЙ  
ЗАВОД**

**TIIR, Markon,,  
RybinskAutoCabl**



**DuPont-Russian  
coatings,  
Yanos**



АСКИ











# Cluster of pharmaceutical industry and innovative medicine

## Cluster Investment Projects




Total amount of investment – 25,7 billion rubles at the first stage

Projects	Amount of investment	The end of construction
 <p>R-Pharm</p> <ol style="list-style-type: none"> <li>1) Plant to produce various over-the-counter medicine in the way of pills/tablets/capsules , Yaroslavl</li> <li>2)Pharmoslavl – chemical plant for production of active pharmaceutical ingredients of chemical origin</li> <li>3) Plant for manufacturing of biotechnological substances</li> <li>4) Logistical complex</li> </ol> 	<b>10,6 billion rubles</b>	<ol style="list-style-type: none"> <li>1) completed</li> <li>2) 2013 year</li> <li>3) 2013 year</li> <li>4) 2013 year</li> </ol>
 <p>Takeda</p> <p>Plant for producing of various over-the-counter medicine , Yaroslavl</p> 	<b>2,4 billion rubles</b>	completed
 <p>TEVA</p> <ol style="list-style-type: none"> <li>1)Plant for producing of various over-the-counter health products, Yaroslavl</li> <li>2)R&amp;D center</li> </ol> 	<b>10,5 billion rubles</b>	<ol style="list-style-type: none"> <li>1) 2014 year</li> <li>2) 2018 year</li> </ol>



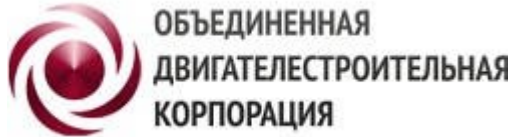
# Cluster of pharmaceutical industry and innovative medicine

## Cluster Investment Projects

	Projects	Amount of investment	The end of construction
	Plant for microbicides manufacturing, Pereslavl, Yaroslavl Oblast	<b>0,64 billion rubles</b>	the 1st stage is completed
	Plant for vaccines manufacturing, Pereslavl, Yaroslavl Oblast	<b>1,6 billion rubles</b>	2014 year
	Center for Technology Transfer	<b>677 million rubles</b>	2011-2014
	Technology Transfer Center	<b>600 million rubles</b>	2012-2015



## Cluster Participants



Huadian Teninskaya-CHP





The Government of Yaroslavl Oblast implements a regional program for the development of regional co-generation. In construction of the cogeneration installations gas turbines of regional production are used. The program is a pilot project of the Ministry of Energy.

## The development of co-generation program

Tutaev PSU, power 52 MW, the contractor - JSC Saturn - Gas Turbines  
Project implementer- OAO "Yaroslavl generating company."  
Start of the project: 2011.

Rostovskaya PSU, power 26 MW, with the participation of JSC Yaroslavl generating company  
The preliminary cost of the project amounts more than 1.5 billion rubles.  
Start of the project: 2012.

Rybinskaya PSU, power 230 MW.  
Start of the project: 2013.

Pereslavskaya PSU, power 52 MW.





## Main factors influencing investors' decision on production location:

- Increasing supply volume to the growing home market
- Shortening the of placing-the-order-till- its-delivery-to-the-customer time
- Manufacturers of automobile equipment demand for supplies of Tier 1 automobile components
  
- Getting preferences in accordance with the Federal law aimed at government support of automobile component manufacturers

## The way of production location:

- ✓ *establishing your own production*
- ✓ *contract manufacturing with a local manufacturer*
- ✓ *foundation of a joint venture with a local manufacturer*

## The place for production location:

- ✓ *buying the land for own production*
- ✓ *buying the local manufacturer and its technical reequipment*
- ✓ *location of production in one of the existing industrial parks*



# KOMATSU

2007, adoption of the decision by Komatsu to build the plant assembly and construction machinery trucks in the Yaroslavl region

2008, the ceremonial laying of the foundation stone in the industrial park Novoselki

2009, start of the plant construction

June 2010, construction is completed

September 2010, shipment of the first batch of hydraulic excavator HD785-7

Planning and construction of the plant Komatsu building was performed by **Lindab Buildings**, which is located in the industrial park «Novoselki»



## Komatsu Manufacturing Rus Plant today:

Number of employees: 230

Land area: 500,000 m<sup>2</sup>

The production capacity: 3000 units per year

Building area: 50,200 m<sup>2</sup>



# Successful experience



September 2009, an agreement for plant building in Yaroslavl Oblast

June 2010, laying of the plant first stone in the presence of the Chairman Minister Vladimir Putin

March 2011, construction of the building outer contour is completed

2013, prediction of the first plant production





# Educational potential on service of investments

**Komatsu Manufacturing Rus** implements the following projects within the establishment on the basis of educational institutions of training centers for employees:

- With **YSTU** on specialties:
  - Technology of robotic welding
  - Technology of assembling tractors
  
- With **RGATU** on specialties:
  - Nondestructive ultrasonic quality control
  - Mechanical machining
  
- With **Professional Lyceum № 21** on the specialty:
  - Technology of welding

**Takeda Pharmaceuticals Ltd.** and **Yaroslavl Chemical Technology Lyceum** provide skills training for the company on specialties:

- The laboratory assistant of chemical analysis – the laboratory assistant of the spectral analysis.
- Microbiology laboratory assistant;
- Operator in biotechnology.

## Directions of preparation for specialist engineers:

- Automobile equipment
- Metallurgy
- Management system and automatic control
- Engine-building
- Electrical systems

## Leading universities of the Yaroslavl Oblast:

- Yaroslavl State University
- Yaroslavl State Technical University
- Yaroslavl State Pedagogical University
- Yaroslavl State Medical Academy
- Rybinsk State Aviation Technical University

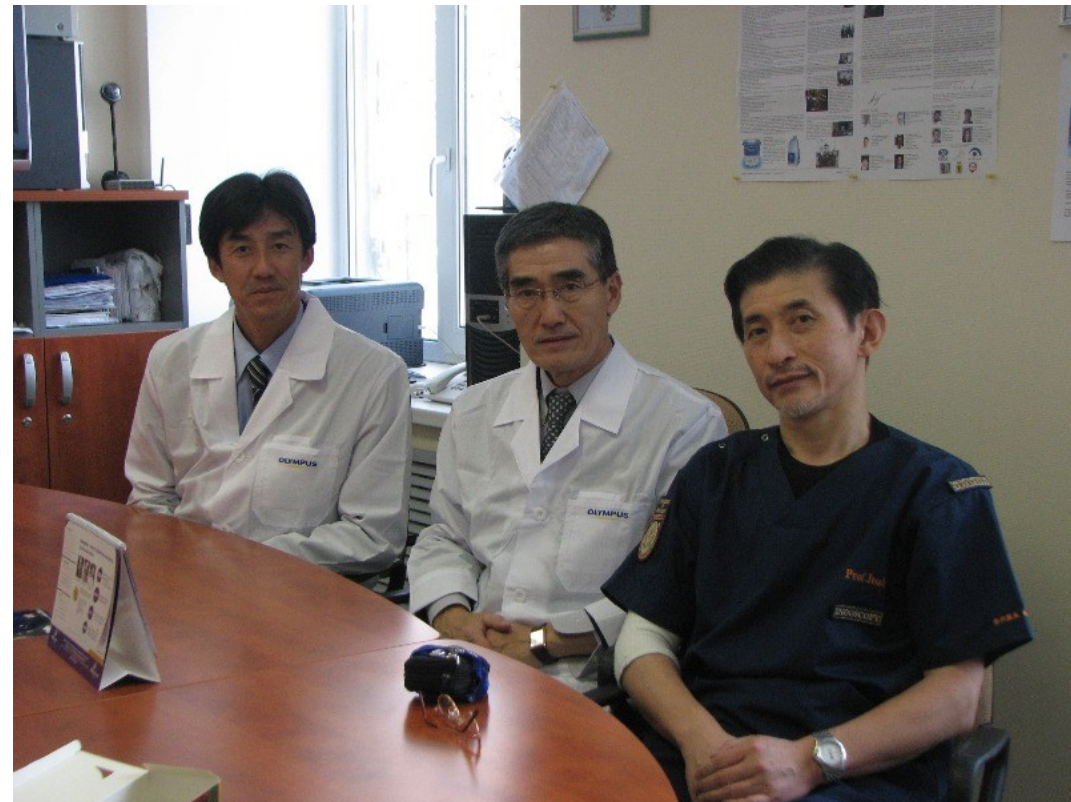
**In the Yaroslavl region 4 profile branches of Russian Academies of Sciences institutes, 4 scientific research institutes and 5 design institutes and design bureaus are located**



## Professor Tohru Ito (Kanazawa) and Mr. Izumi Kadoya (Tokyo) are the Honorary Doctors of Yarosavl State Medical Academy

**YaGMA** in cooperation with  
**Olympus** and **Medical University,**  
**Kanazawa (Japan)**

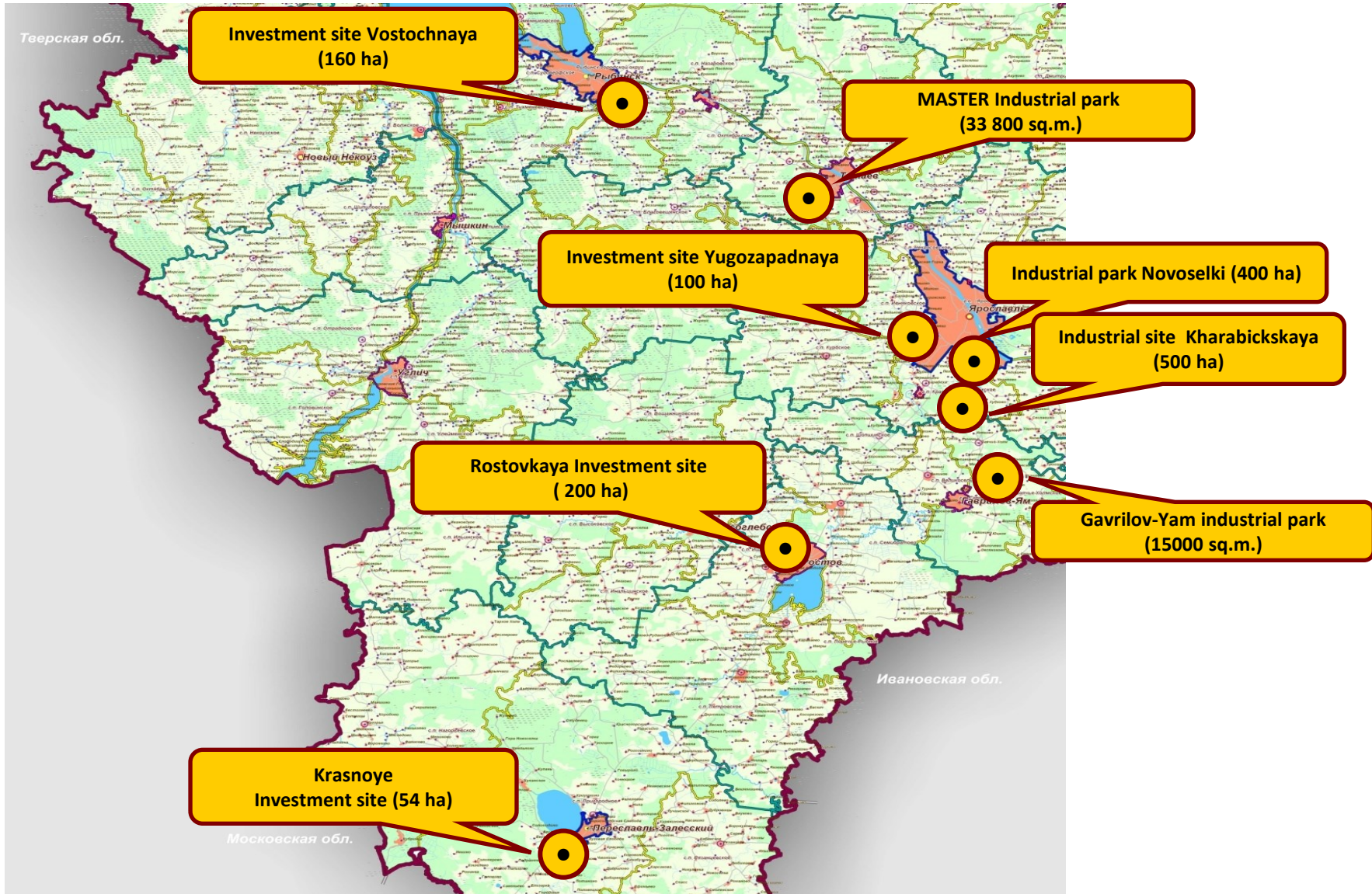
**01/09/2010** - opening of the  
Center for Educational and Academic  
mobility programs directed on  
implementation of educational  
programs of training for specialists  
according to standards of high-quality  
clinical and laboratory practice





# Evaluation of local benefits

## Yaroslavl Oblast Investment Sites and Parks





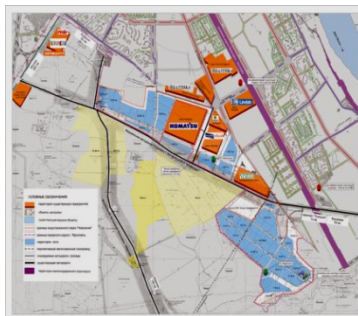
## Business-ready industrial sites of Yaroslavl Oblast

### Novoselki – a functioning industrial park

### Projected sites

#### Infrastructure

Total area: 387 ha  
 Electricity: 2X40 MW  
 Voltage: 10 и 0,4 KW  
Water supply  
 Service water: max. 5000 м3 /day  
 Drinking water: max. 3400 м3 /day  
Water removal  
 Sewage system (owned by Novoselki): max.3600 м3 /day  
 Storm sewage system: 600 liters/ssecond  
 Gas: max.45 mln. м3 /year



#### Novoselki industrial park residents



#### Yaroslavskaya Yougozapadnaya Promzona

Total area 100 ha  
 Availability 2014



#### Rostovskaya

Total area 200 ha  
 Availability 2014



#### Kharabickskaya

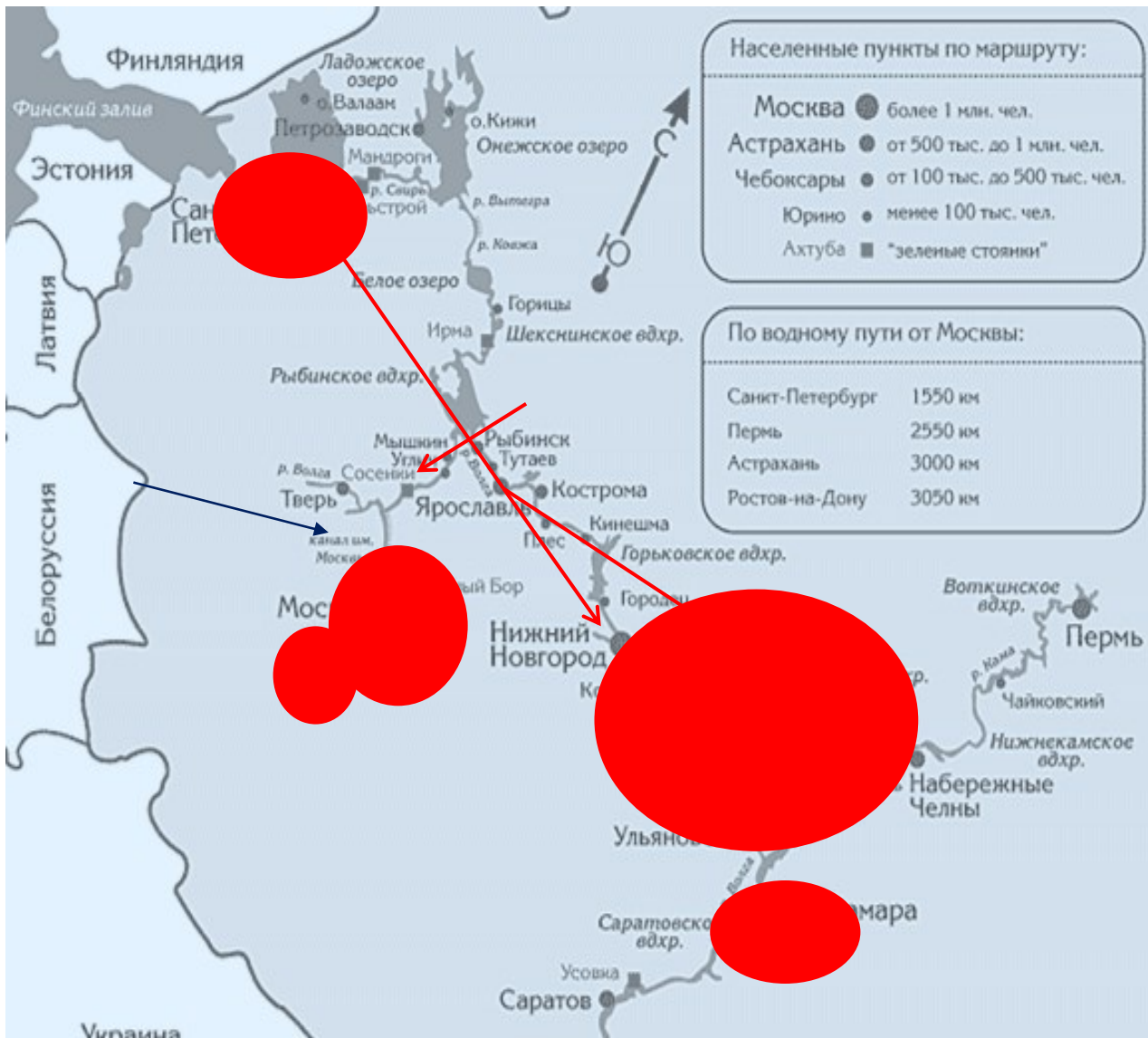
Total area 500 ha  
 Availability 2015



Yaroslavl Oblast Government adopted ***The Program On the Industrial Investment Sites Development for a Period of 2011-2015*** to create favorable business environment for investments.



## Marketing benefits of Yaroslavl Oblast



Yaroslavl Oblast is located in the central part of the Russian Federation. Convenient geographic location, which connects it by major highways with domestic and foreign markets allows us to consider the Yaroslavl region as a convenient area.





# Yaroslavl Oblast offers



✓ *comfortable conditions for life*

✓ *optimum conditions for business*

✓ *skilled labor*

✓ *developed transport system*

✓ *institutions to support investment projects.*

- ✓ Tax reliefs for investors for a period through 7 to 9 years
- ✓ Property tax zeroing for investors
- ✓ Profit tax lowering to 15,5 %
- ✓ Transportation tax zeroing
- ✓ Land tax relief
- ✓ Budget subsidies to compensate infrastructural expenses (comes as a part of investment agreement)

✓ RA Expert investment rating		3B1
✓ Fitch Ratings (national )		AA-
✓ World Bank rating Doing Business in Russia-2012		8th place
✓ Capital Investments (RUB mil.):	2010	30 538 =
✓	2011	37 293 =
✓	2012 (9 months)	36 510 =



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

# Thank you!

## Department for Investment Policy of Yaroslavl Oblast

*(state stimulation and regulation of investing activities, investment management, development and support of innovative activities, projects implementation of state-private partnership)*

Tel: +7 (4852) 40-19-03, e-mail: [der@region.adm.yar.ru](mailto:der@region.adm.yar.ru)