

Alabuga

special
economic zone



The Republic of Tatarstan is one of the most economically developed regions in the Russian Federation

The Special economic industrial zone «Alabuga» was created on December 21st, 2005 in the Republic of Tatarstan



The centre of the largest industrial region
800 km east of Moscow

Territory – 67 800 km²
Population – 3.8 mln.
GRP – \$ 39.9 bln. USD
Industrial output – \$ 41.2 bln. USD

The Republic of Tatarstan rankings

(out of 87 regions)

Tatarstan is the best region for business in Russia
(Forbes, 2011)

Forbes

Tatarstan is 1st in terms of doing business in Russia
(Ernst & Young, 2011)

 **ERNST & YOUNG**



The SEZ «Alabuga» provides an excellent set of conditions for investors who intend to establish new production in Russia

- ❑ Located in one of the biggest industrial centres of Russia
- ❑ Attractive tax and customs preferences
- ❑ Developed industrial infrastructure
- ❑ Decreased bureaucracy
- ❑ Strong governmental support
- ❑ Low cost land plots
- ❑ Proven track record - many global companies have already established production in the SEZ



The SEZ «Alabuga» in the structure of special economic zones (altogether 25 zones)

71% of the production
output • 41.4 bln. RUB

60% of tax
payments • 3.7 bln. RUB

52% of investments
• 27 bln. RUB

* cumulatively

Investment incentives and preferences

(for 10 years since tax base introduction)

Tax	Tax rate for	Tax rate for
	<i>Non-residents</i>	<i>SEZ residents</i>
Property tax	2.2 %	0 %
Land tax	1.5 %	0 %
Transport tax	0.3-3.8 \$	0 \$

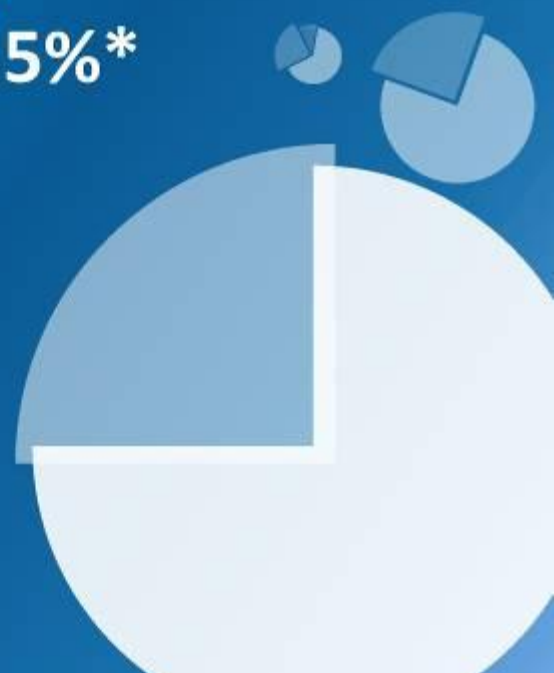


Profit tax

(starting from the 1st year of earning profit)

Period	Tax rate for <i>Non-residents</i>	Tax rate for <i>SEZ residents</i>
First 5 years	20%	2%*
Second 5 years	20%	7%*
Till 2054	20%	15.5%*

*including federal 2% profit tax



Insurance contributions

for residents,
carrying out innovation activities

Year	For <i>Non-residents</i>	For <i>SEZ residents</i>
2011-2017	30%	14 %
2018	34 %	21 %
2019	34%	28 %



Free customs zone

Foreign countries

Import equipment

VAT - 0%

Import duty - 0%

Russian Federation

SEZ «Alabuga»

SEZ «Alabuga» infrastructure

Governmental investments by 2015 will rise up to \$ 850 mln. USD
More than \$ 500 mln. USD have already been invested

- INDUSTRIAL INFRASTRUCTURE
- CUSTOMS INFRASTRUCTURE
- BUSINESS INFRASTRUCTURE



Industrial infrastructure

Land plots with an access to:

- ☐ Inner-site roads
- ☐ Railway branch line
- ☐ Gas
- ☐ Electricity
- ☐ Heating
- ☐ Water
- ☐ Sewerage
- ☐ Storm sewage
- ☐ Drainage
- ☐ IP Phone
- ☐ High-speed Internet





Free connection to utility lines

Connection cost to electricity lines:

Moscow - \$1 000 000 USD per 1 MW

Tatarstan - \$208 300 USD per 1 MW

SEZ «Alabuga» - \$0 USD per 1 MW

Land plot rent and purchase

Land plot rent at average:

\$ 0.09 USD per 1 m²/ year

10 ha = \$9 000 USD per year

Land plot purchase at average:

\$ 0.341 USD per 1 m²

10 ha = \$34 100 USD



READY INDUSTRIAL BUILDING

SEZ "Alabuga", Russia



Don't want to build yourself,
rent in ready industrial building
200 000 sq. m to rent



Customs infrastructure



- Customs post operates only for the SEZ «Alabuga» residents
- E-declaration
- Customs clearance within 3 hours

Customs infrastructure



Customs Infrastructure of the SEZ «Alabuga»



Business infrastructure

«B+» class office centre

with all the necessary services needed for everyday work:

- OFFICE PREMISES
- CONFERENCE HALLS
- MEETING ROOMS
- EXHIBITION HALL
- CANTEEN-RESTAURANT
- INSURANCE COMPANIES
- CUSTOMS BROKERS
- GYM



Business infrastructure



KAMA
INDUSTRIAL CENTRE -
POPULATION OF OVER

1 000 000
PEOPLE

SEZ «Alabuga»



Yelabuga
70 000



Kazan
1 100 000



Nizhnekamsk
227 000

Mendeleevsk
22 000



River port



Naberezhnye Chelny
513 000



«Begishevo» airport

6 flights a day to Moscow and back

flight time — 1 h. 30 minutes

40 minutes drive
from airport



Each year we train for you locally

(According to employment centre of Elabuga)

20 000		workers	400 USD
4000		engineers	800 USD
6000		managers	500 USD

The work force of Kama economic region Naberezhnye Chelny, Nizhnekamsk, Yelabuga, Mendeleevo



29 Universities and Institutes

28 Colleges

20 200 new specialties

Average monthly wage (including tax):



Kazan

\$ 680 USD



Naberezhnye Chelny

\$ 580 USD



Yelabuga

\$ 540 USD

*The level of average wage in Kazan
is 45% to Moscow level
(according to PWC research)*

8 out of 11

RUSSIAN BIGGEST CITIES

are located
within 1000 km area
(52% of the Russian
population)

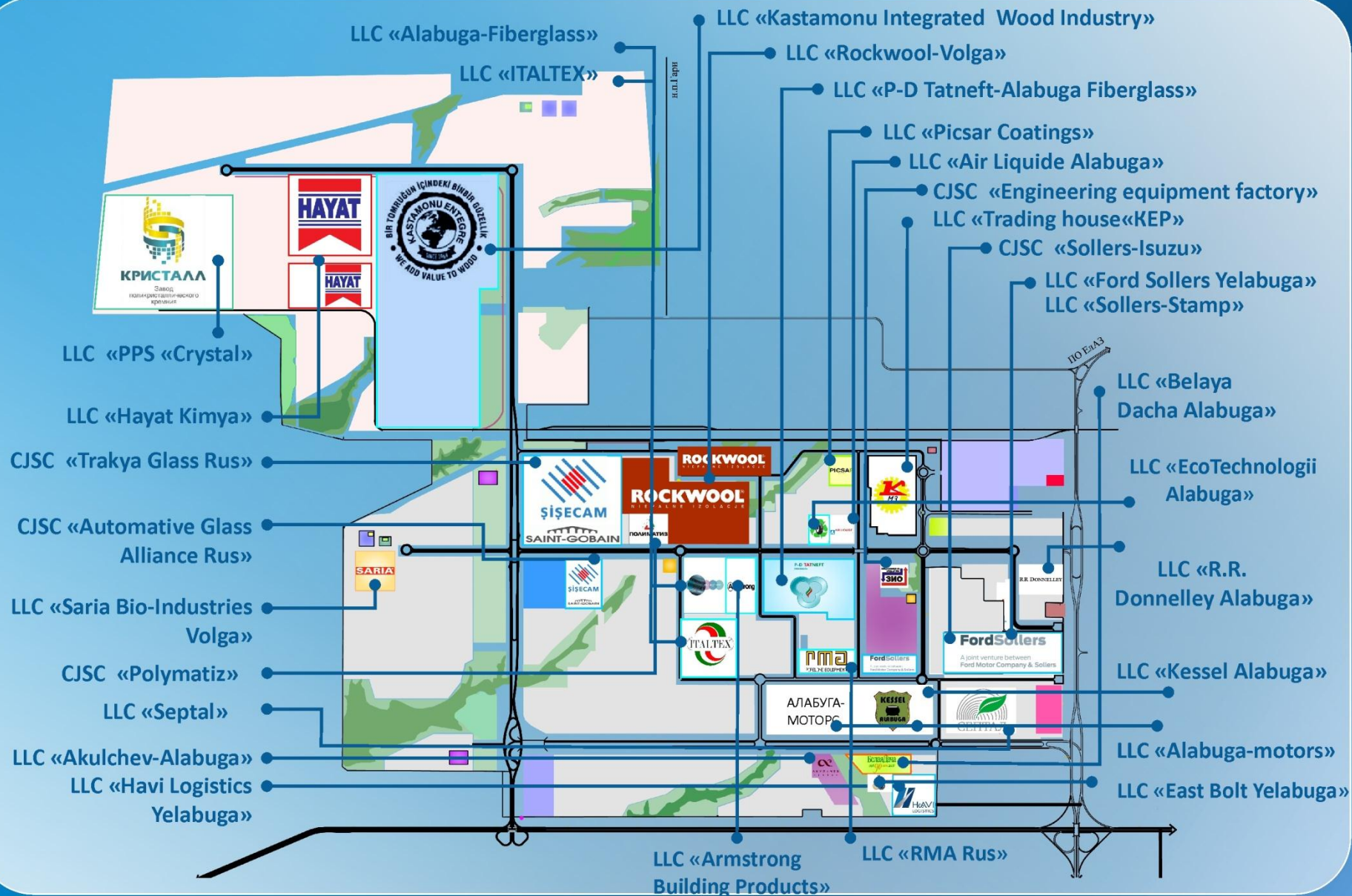


Sales market

Population: 114 399 500 people



Map of the SEZ «Alabuga»



SEZ «Alabuga» residents

\$ 3 bln. investments

FordSollers

Совместное предприятие
Ford Motor Company и Sollers



RR DONNELLEY



Ford Sollers Yelabuga



- Production of LCV Ford Transit, SUV Ford Explorer, stamping production
- Investment volume: \$750 mln. USD
- Output capacity: 85 000 vehicles, 180 000 engines annually
- 3000 jobs

«SEZ «Alabuga» - is one of the most effective examples of public-private partnership that I have ever come across with in the world.»

General director,
Ford Motor Company
Alan Mulally

Sollers-Isuzu



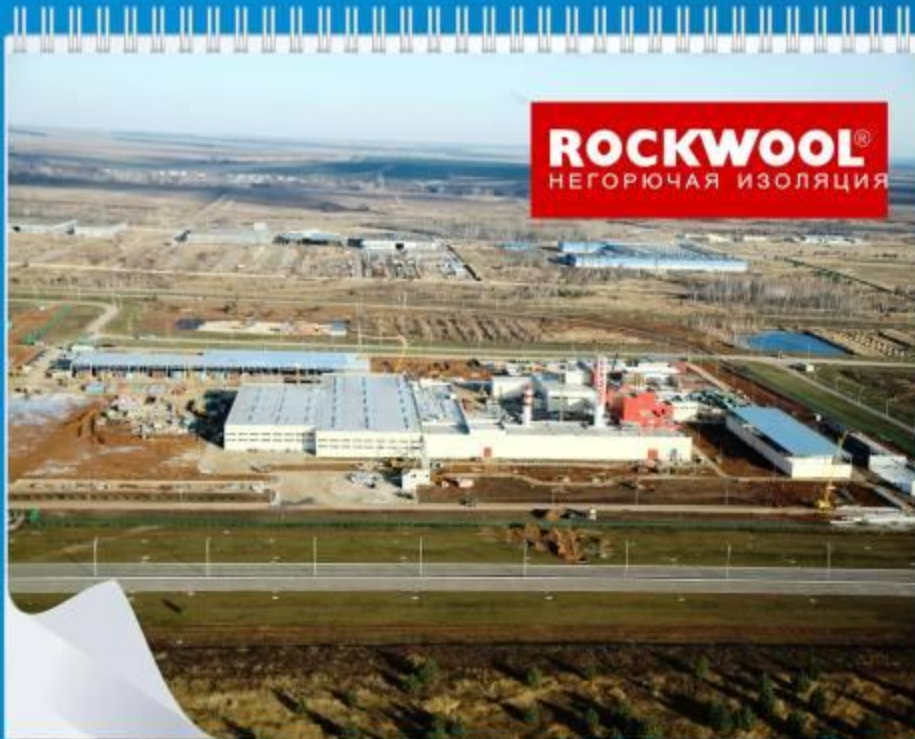
- Production of commercial trucks
- Investment volume: over \$12 mln. USD
- Plant capacity: 989 automobiles
- 56 jobs

Sollers-Stamp



- Extrusions and welding fabrication of car body and chassis
- Investment volume: over \$110 mln. USD
- Annual output capacity: 75 000 tons
- 300 jobs

Rockwool-Volga



- Production of firesafe insulation materials
- Investment volume: over \$150 mln. USD
- Output capacity: 110 000 tons annually
- 141 jobs

«Rockwool invests \$150 mln. USD and constructs the largest mineral wool producing plant in the world. We were impressed by how the Government of the Republic of Tatarstan fulfills the promises.»

Nickolas Andrew Vince
General director, Rockwool Russia

P-D Tatneft-Alabuga Fiberglass



- Production of fiberglass and fiberglass-based goods
- Investment volume: over \$80 mln. USD
- Output capacity: 21 000 tons annually
- 300 jobs

«The economic effect we received implementing the project «P-D Tatneft-Alabuga Fiberglass» in the SEZ «Alabuga» reached almost 15%.»

Sattarov Ilvir Razinovich – director
«P-D Tatneft-Alabuga Fiberglass»

Air Liquide Alabuga



- Production of technical gases (oxygen, nitrogen)
- Investment volume: € 35 mln.
- Output capacity: 200 tons of liquid oxygen, nitrogen (daily)
- 36 jobs

«We are very proud of our first contract in the Republic of Tatarstan, and together with this, our cooperation with the SEZ “Alabuga”, where we have a resident status. We believe that the project we are implementing there will be our first step to further mutually beneficial work with this dynamically developing region

General Director
LLC “Air Liquide Alabuga”
Alexey Shuvalov

Polymatiz



- Production of nonwoven fabric and other polymer good
- Processing of PP, produced by Nizhnekamskneftekhim
- Investment volume: over \$40 mln. USD
- Output capacity: 17 000 tons annually
- 113 jobs

«Close proximity to raw materials and ready industrial infrastructure were crucial reasons for choosing the SEZ «Alabuga site.»

General director CJSC «Polymatiz»
Maksimov Oleg Dmitrievich

Kastamonu Integrated Wood Industry



- Production of medium density fiberglass, oriented strand board, chipboard
- Investment volume: over \$113 mln. USD
- Output capacity: 475 000 m³ annually
- 235 jobs

Trakya Glass Rus



- Production of float-glass, mirrors, coated-glass
- Investment volume: over \$252 mln. USD
- Output capacity: 250 000 tons annually
- 377 jobs

«SEZ «Alabuga» - is one of the best prepared industrial sites we have ever seen.»

General director
CJSC «Trakya Glass Rus»
Mehmet Ali Tiryaki

Automotive Glass Alliance Rus



- Production of automobile glass
- Investment volume: over \$67 mln. USD
- Output capacity: 500 000 automobile sets
- 265 jobs

«SEZ «Alabuga» - is one of the best prepared industrial sites we have ever seen.»

General director
CJSC «Automotive Glass Alliance Rus»
Mehmet Ali Tiryaki

Hayat Kimya



- Production of household and sanitary paper products
- Investment volume: \$62 mln. USD
- Output volume: 60 000 tons annually
- 335 jobs

«Hayat Group's decision on localization of the second production facility in the SEZ «Alabuga» is an evidence of our deep trust and confidence in the project's success.»

General director
Onur Guven

Saria Bio-Industries Volga



SARIA®



- Production of meat-bone flour and animal fat
- Investment volume: \$23 mln. USD
- Output capacity: 24 500 tons
- 90 jobs

«The benefits of the SEZ «Alabuga» infrastructure and its advantageous geographical location allows LLC «Saria Bio-Industries Volga» to efficiently arrange raw materials supply and distribution of finished products.»

General director
Manfred Gellner

Picsar Coatings



- Production of liquid and powder paints, corrosion resistant paints and coatings for woods
- Investment volume: \$ 20 mln. USD
- Output capacity: 7 500 tons annually
- 30 jobs

«Creating a new high-tech paints manufacturing facility in the SEZ «Alabuga» is important for the economic upsurge and implementation of socially important programs in the country.»

General director
Ozheredov Igor Mikhailovich

Belaya Dacha Alabuga



- **Processing of vegetable products**
- **Investment volume: over \$ 18,5 mln. USD**
- **Annual production capacity: 9 600 tons**
- **250 jobs**

PPS «Crystal»



- Production of polysilicon
- Investment volume: \$324 mln. USD
- Production amount: 3 000 tons annually
- 770 jobs

Trading company «Kambarka machinery plant»



VOITH TURBO



- Production of diesel-hydraulic shunting and road engine locomotives
- Investment volume: \$ 105.3 mln. USD
- Output capacity: 150 locomotives
- 835 jobs

«Alabuga-Fiberglass»



- Production of carbon fiber
- Investment volume:
\$ 131.9 mln. USD
- Output capacity:
1500 tons/year
- 250 jobs

«ITALTEX»



- Production of PA-6,6 threads and tights
- Investment volume: \$ 117.8 mln. USD
- Output capacity: 2 400 tons of threads/year, 30 000 tons of tights/year
- 332 jobs

«R.R. Donnelley Alabuga»



- **Production of printing products**
- **Investment volume:
\$ 16.7 mln. USD.**
- **175 jobs**

«Kessel Alabuga»



- Production of wall-mounted gas boilers
- Investment volume: \$ 7 mln. USD
- Output capacity: 23 760 boilers/year
- 65 jobs

«Alabuga-motors»



- Production of electrobuses
- Investment volume: \$ 5.6 mln. USD
- Output capacity: 1 200 electrobuses/year
- 221 jobs

«Havi Logistics Yelabuga»



- **Construction of distribution centre**
- **Investment volume: \$ 20.1 mln. USD**
- **Processing of goods: 2 125.4 tons/ month**
- **53 jobs**

The engineering equipment factory



- Production of engineering equipment, heat pump units
- Investment volume: over \$15 mln. USD
- Output capacity: 35 000 units annually
- 222 jobs

Akulchev-Alabuga



- Confectionery and bakery production
- Investment volume: over \$15 mln.
- Output capacity: 7 000 tons annually
- 156 jobs

Septal



- Production of equipment for local and small sewerage systems
- Investment volume: over \$30 mln. USD
- Output capacity: 7 000 items annually
- 200 jobs

**Companies, approved by
the SEZ «Alabuga» Supervisory Board**

Armstrong Building Products



- Production of mineral fiber ceiling plates
- Investment volume: \$ 78 mln. USD
- Production volume: annually 22 mln. m² of products
- 206 jobs

RMA Rus



- **Production of steel ball valves for oil and gas extraction industry**
- **Investment volume: \$ 80 mln. USD**
- **Production volume: annually 11 000 valves**
- **160 jobs**

EcoTechnologii Alabuga



- **Processing of exhausted tires into rubber crumb**
- **Investment volume: \$ 14 mln. USD**
- **Production volume/year: 23 500 tons of rubber crumb**
- **39 jobs**

East Bolt Yelabuga



- **Production of bakery products**
- **Investment volume: \$ 5.6 mln. USD.**
- **Production volume: annually 76,5 mln. bakery items**
- **71 jobs**

Foreign investors in Tatarstan

«ZF-KAMA»	production of transmission
CNH-KAMAZ Industrial	production of tractors
Schneider Electric	production of high-voltage substations and equipment
«Mercedes Benz Trucks Vostok»	production of Mercedes Benz cars
«Cummins Kama»	production of engines
«Leoni Wiring Systems»	of automotive wire harnesses, wiring systems
«Federal Mogul Naberezhnye Chelny»	production parts of cylinder groups
«Knorr-Bremze Kama»	production of brake systems
Wienerberger AG	production of construction materials (bricks)

Nearby city - Naberezhnye Chelny

20 km away from the SEZ «Alabuga»,
population of 510 000 people





ALABUGAI special economic zone



«Tatarstan» hotel



Emergency care hospital



«Fitness planet»



Nearby town - Yelabuga

10 km away from the SEZ «Alabuga»,
population of 70 000 people









«Brooklyn» club



Kazan (Volga)Federal University



Alabuga City Hotel



Hypermarket «Magnit»



Children Health Care Centre



Thank you for your kind attention!



Tel.: +7 (85557) 5-90-30

Mob.: +7 927 480 02 21

**e-mail: invest@sezalabuga.ru,
post@sezalabuga.ru
www.alabuga.ru**

SEZ «Alabuga» medium-term strategy

As of January, 1st, 2011:

25

resident-companies

\$2.6 bln. USD

Total resident investments

\$480 mln. USD

of governmental investments

To-be in 2014:

65

residents-companies

\$5,6 bln. USD

Investment volume



Back-up slides

Resident to - be steps (2 months)

**Registration of a legal entity, preparation
of a business-plan
and foundation documents**

**Project presentation for Supervisory Board
of the SEZ «Alabuga» (Kazan)**

**Project presentation for Expert Council
at the Ministry of economic development
of the Russian Federation (Moscow)**

**Agreement signing and
getting the resident certificate**

Services

Exploitational:

- heat supply;
- electricity supply;
- water supply;
- drainage;
- waste management, dumping, payments on environmental impact;
- maintenance of fire extinguishing systems and smoke exhaust systems;
- maintenance of electrical systems, water supply, heating, sewage;
- maintenance of air conditioning and ventilation;
- maintenance of heat regis and other office equipment;
- maintenance of elevators;
- carrying out maintenance of the building and the managing company territory;
- technical supervision;
- maintenance of utilities and roads;
- machinery services;
- passenger transportation;
- transport and logistics services;
- electrotechnical laboratory



Housekeeping:

- maintenance and cleaning of the rented premises and managing company territory, disinfection;
- protection of the building;
- office space rent;
- snow and ice clening and removal;
- conducting tenders;
- legal services;
- outside windows wash;
- ensuring the proper state of the external facade of the building

Constructional:

- geodesy services;
- technical customer;
- construction and commissioning technical supervision

Tariff rates

(2012 including VAT)*

Gas

\$ 117 USD per 1000m³

(consumption volume 100-500 mln. m³/year)



Electricity

\$ 0.09 USD per KW/h

(HV 110 kW)



Heating

\$ 54.87 USD per Giga cal



Water

\$ 1.35 USD per m³



Sewerage

\$ 2.1 USD per m³



Storm sewerage

\$ 1.23 USD per m³

*Indicative, unofficial data

Railway transportation per 1 40-tons weight railway cargo

Saint-Petersburg



SEZ «Alabuga»



Novorossiysk



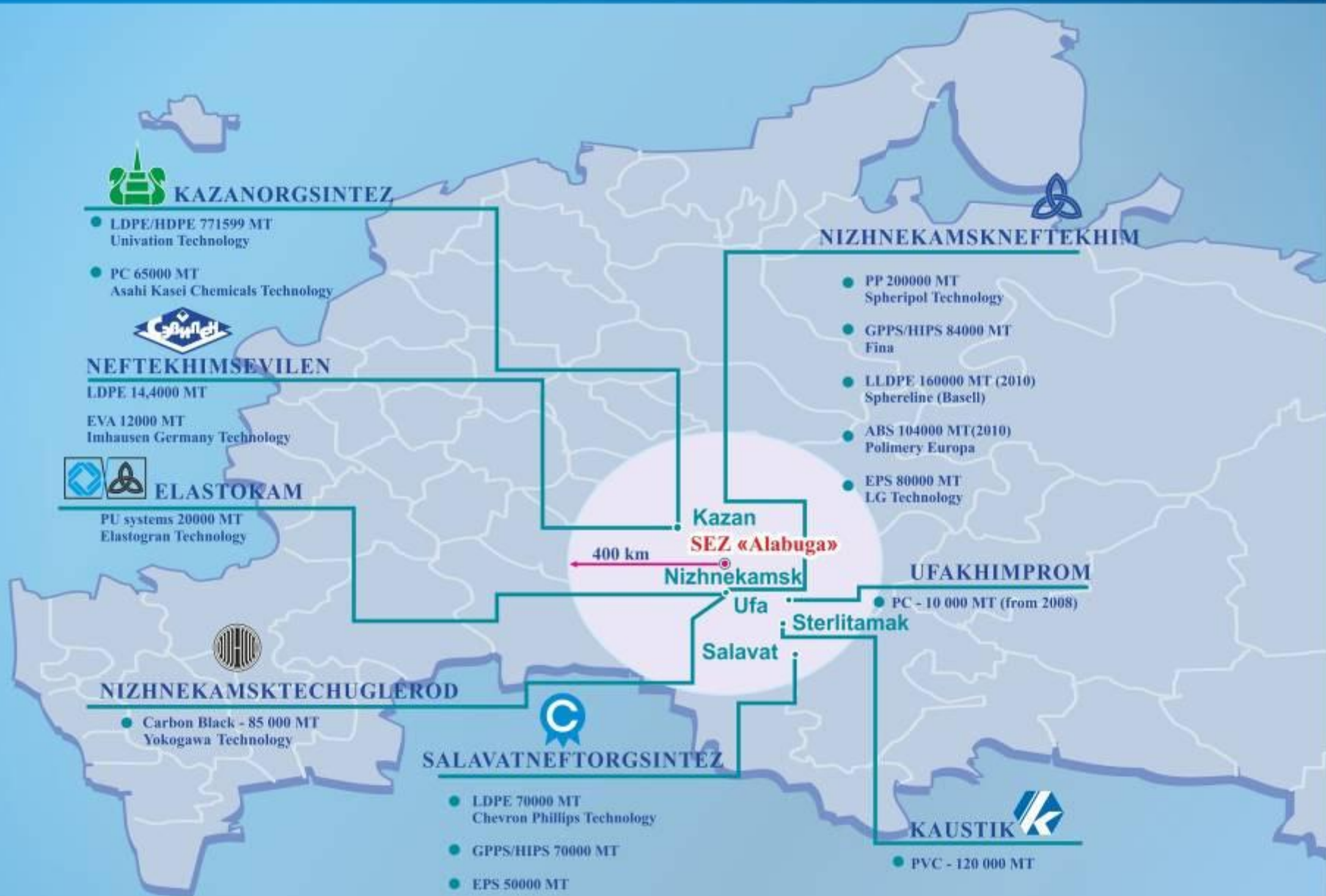
Vladivostok

Auto transportation

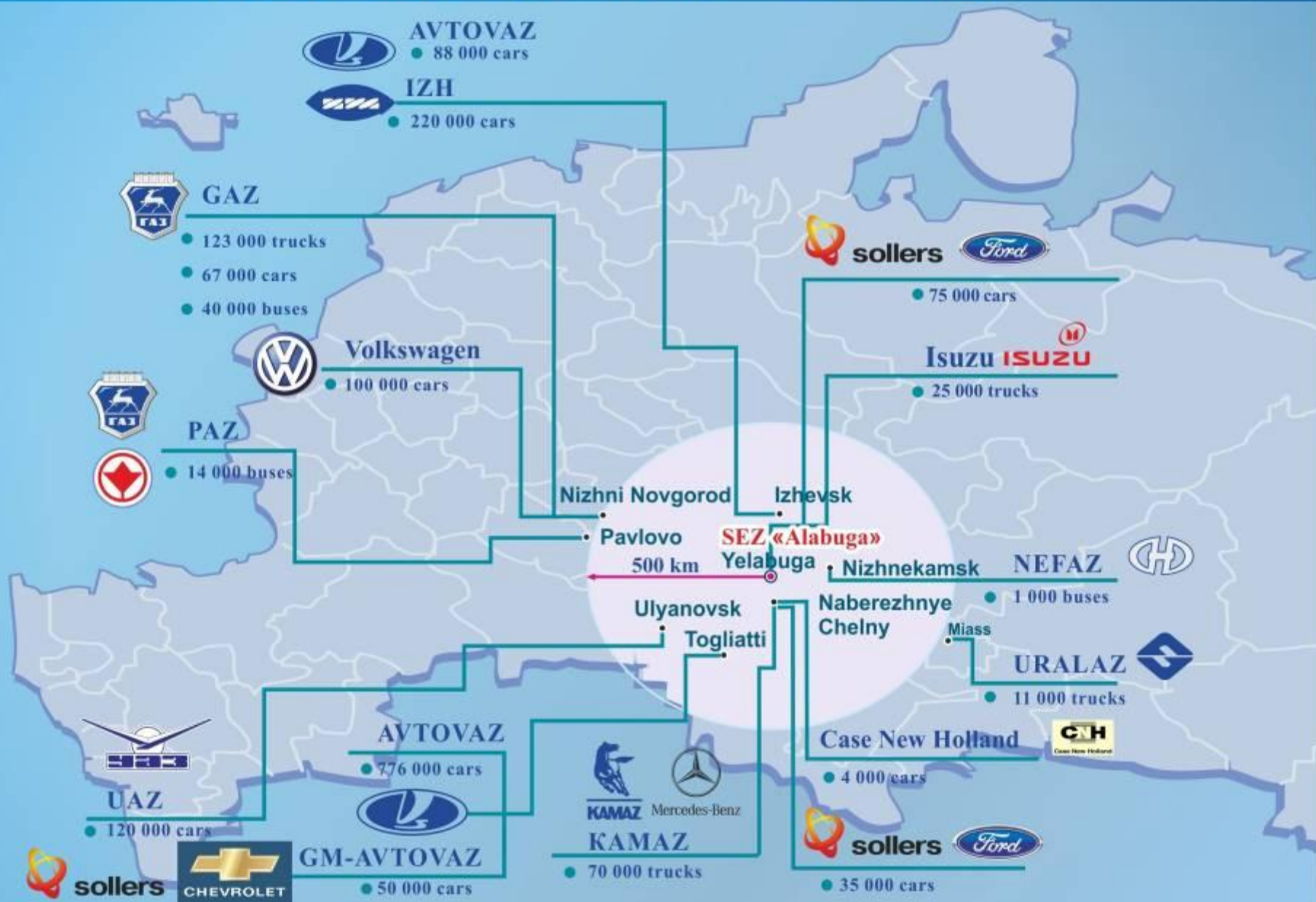
per 1 car of 82-90 м3 cargo (including VAT)



Polymers produced within 400 km from the SEZ «Alabuga»



Most major Russian carmakers located within 500 km from the SEZ «Alabuga»



Thank you for your kind attention!



Tel.: +7 (85557) 5-90-30

Mob.: +7 927 480 02 21

**e-mail: invest@sezalabuga.ru,
post@sezalabuga.ru
www.alabuga.ru**

Step

1

**Bring machinery/equipment
and **PAY NO VAT**
and **NO IMPORT DUTY****

Residents, registered
before 1.01.2012

Step

2

**Bring
components/raw materials
and **PAY NO IMPORT DUTY****

Residents, registered
before 1.01.2012

Step

3

Assemble/mix and **ADD 50% VALUE**



+



=



\$10

\$10

\$40

Residents, registered
before 1.01.2012

Step

4

Sell finished product to



RUSSIA



KAZAKHSTAN



BELORUSSIA

with **NO IMPORT DUTIES**

Residents, registered
before 1.01.2012

Single Window System (One Stop Shop)

- Tax Service
- Inspection of State Architectural Building Supervision
- Ministry of Ecology and Natural Resources
- Chamber of Commerce and Industry
- Pension Fund
- Ministry of Labor and Social Security
- Registration Service
- Certification Test Centre
- Service of Environmental, Technological and Nuclear Oversight
- Federal Real Estate Cadastre Agency
- Land Cadastre Chamber
- Migration Service
- Technical Inventory Bureau
- Fund of Obligatory Medical Insurance
- Social Insurance Fund

