

cooperation
transparency
reputation of the region
innovation
special economic zone
increase
1st place Forbes ranking
development
economy



KALININGRAD REGIONAL
GOVERNMENT



KALININGRAD REGION
DEVELOPMENT
CORPORATION

PRESENTATION OF THE INVESTMENT & INDUSTRIAL POTENTIAL OF THE KALININGRAD REGION

2015

GENERAL INFORMATION ABOUT REGION

Total area

15 100 km²

Population (2014)

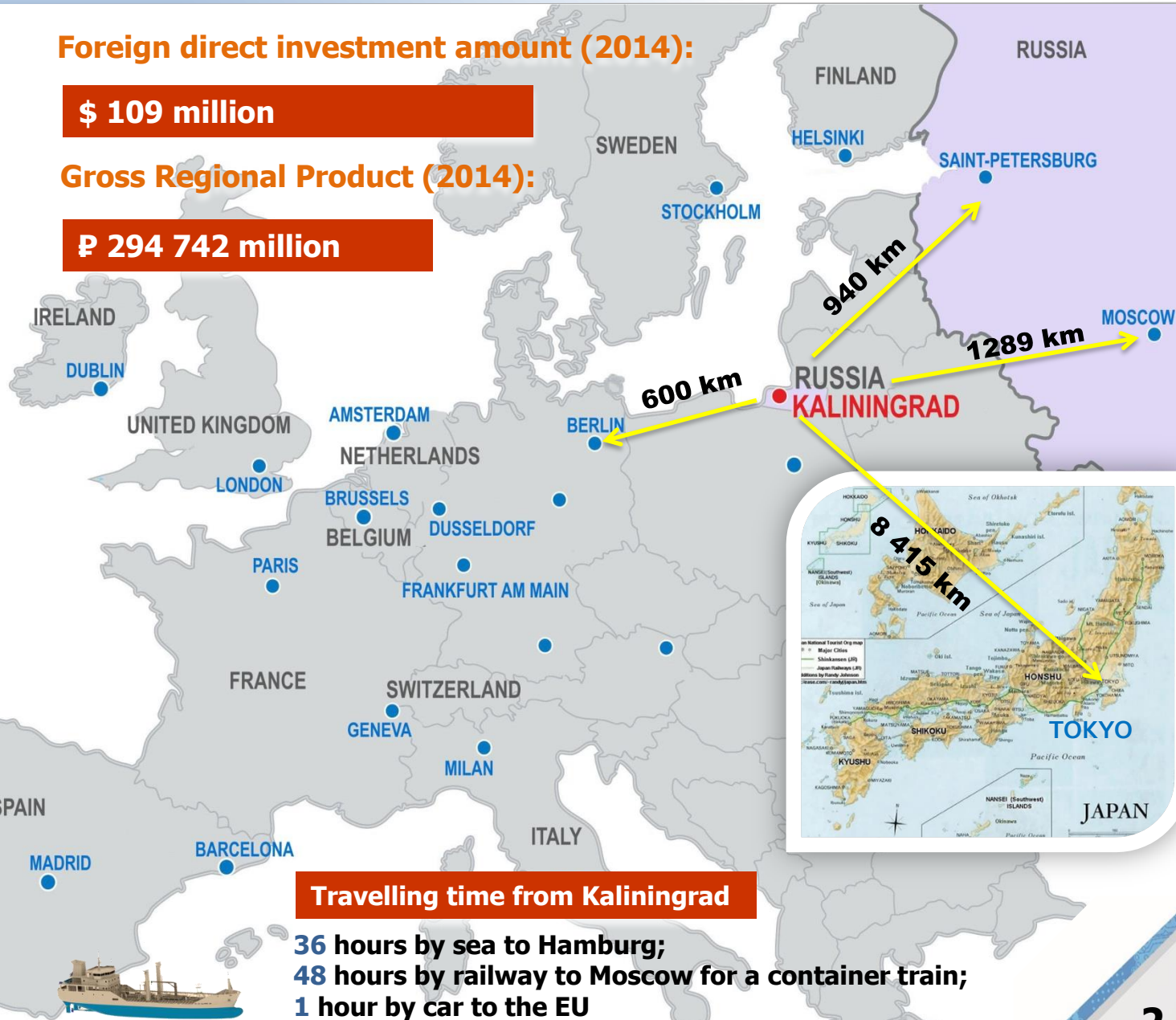
974 856 people

Foreign direct investment amount (2014):

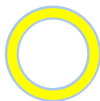
\$ 109 million

Gross Regional Product (2014):

€ 294 742 million



MAIN TRANSPORT CORRIDORS



European transport corridors:
1A «VIA HANSEATICA» (Riga – Kaliningrad – Gdansk)
IX D (Kaliningrad – Vilnius – Minsk)



Extensive railway network with both Russian and European gauge



Russia's only ice-free port on the Baltic Sea



An international airport (Khrabrovo Airport)



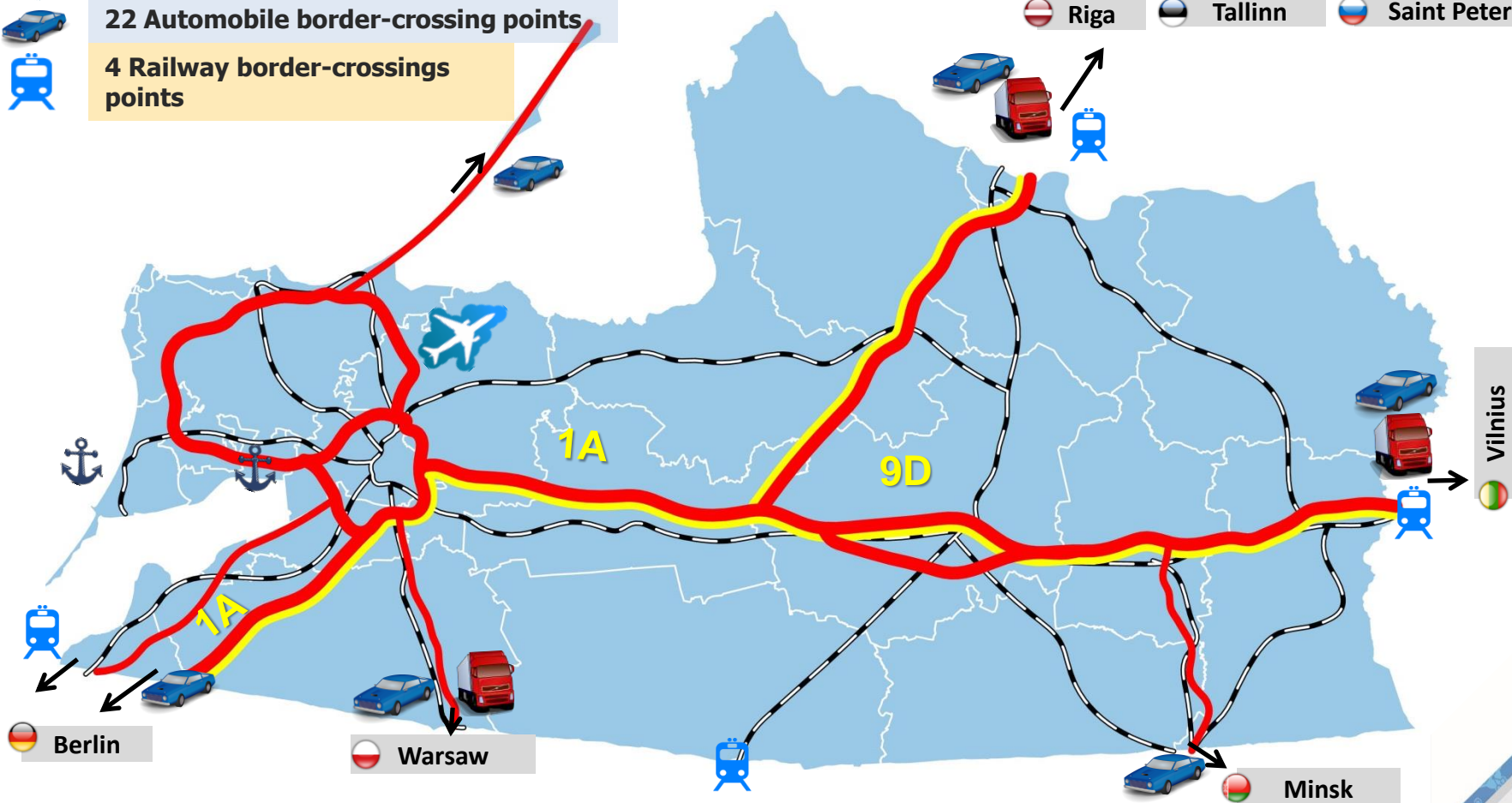
22 Automobile border-crossing points



4 Railway border-crossing points

- Four traffic lines
- Two traffic lines
- Trans-European corridor

- Riga
- Tallinn
- Saint Petersburg



SPECIAL ECONOMIC ZONE: SUCCESS STORY

SEZ Residents and companies (selected):



Tax preferences for SEZ-resident corporations

General taxation

SEZ taxation



INCOME TAX

20%

0% - during the first 6 years and **1/2** of the effective rate in the **7th** through **12th** years



PROPERTY TAX

2,2%



THE AMOUNT OF ANNOUNCED INVESTMENTS

Over 100 SEZ-resident companies
on 31.12.2014

90 300 million rubles



ACTUALLY INVESTED CUMULATIVE TOTAL

98 100 million rubles



ACTUALLY INVESTED IN 2014

6 500 million rubles



Federal Law No. 16-FZ "On the SEZ in the Kaliningrad Region":
till 2031

EXEMPTIONS FOR INVESTORS (RESOLUTIONS)



**Russian Federation
Government
Resolution of
29.11.2014 № 1275**

Provides the procedure of other **inter-budget transfers from the federal budget** to the Kaliningrad region budget to ensure the creation and maintenance of workplaces and to improve economic and social conditions of living in the Kaliningrad region **through the support of the Kaliningrad region Special Economic Zone residents**

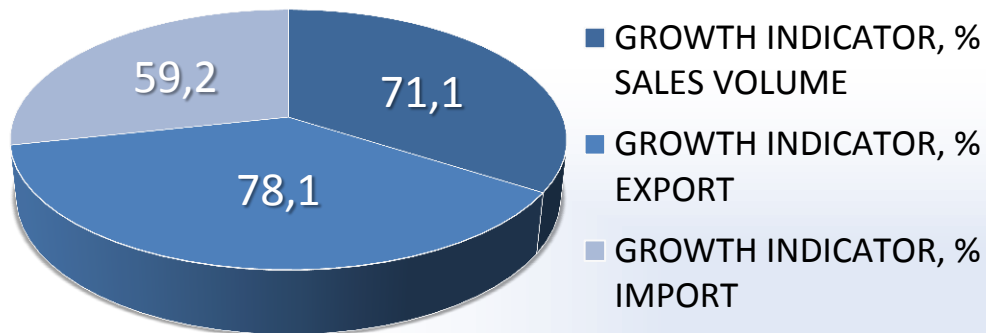


**Russian Federation
Government
Resolution of
28.04.2015 № 423**

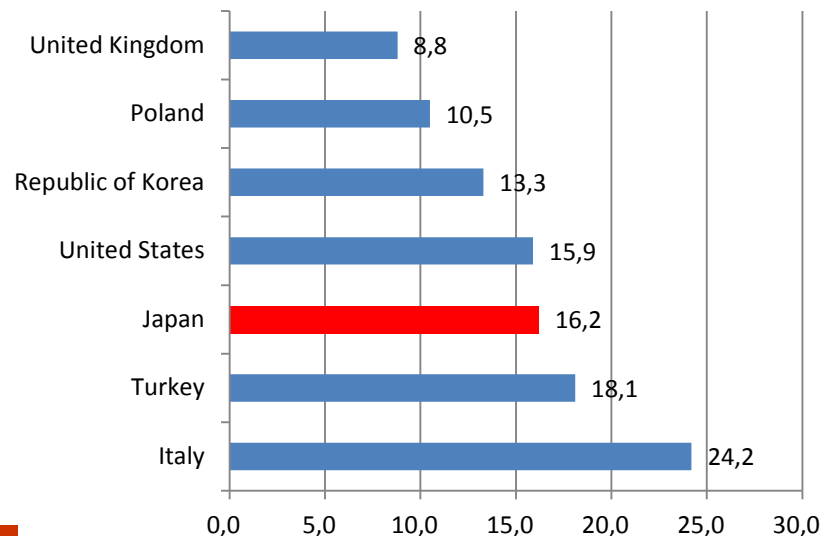
Provides the regulations of other inter-budget transfers from the federal budget to the Kaliningrad region budget for **partial compensation to Russian legal entities of the transportation costs**. Compensations covers transport of finished goods produced in the Kaliningrad region from the territory of the Kaliningrad region to the territory of the Russian Federation by public **rail transport**; as well as **transportation of raw materials, building materials and components for the production of goods** in the territory of the Kaliningrad region from the territory of the Russian Federation

MAIN INDICATORS OF RUSSIA-JAPAN ECONOMIC RELATIONS

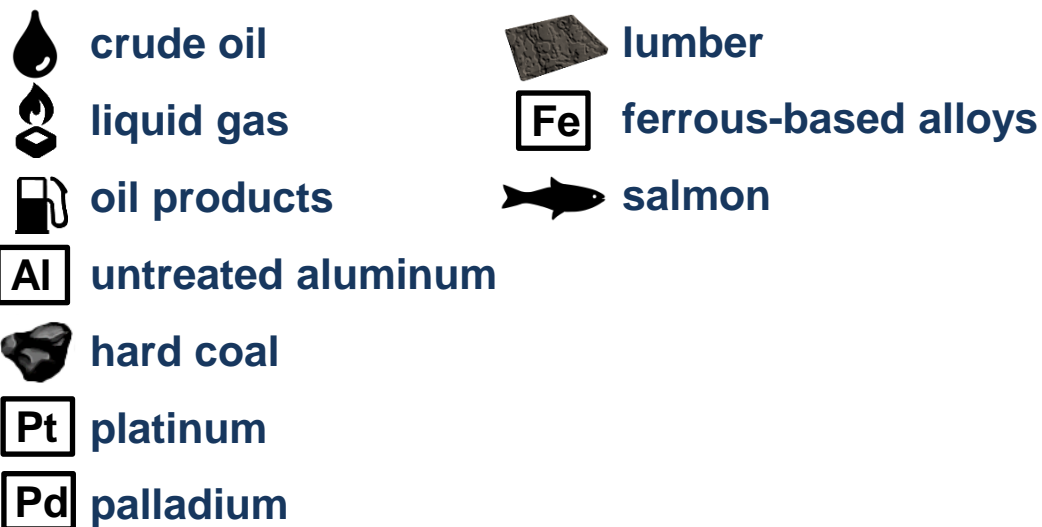
RUSSIA'S AND JAPAN'S GROWTH INDICATORS (2014-2015), %



VOLUME OF SALES, bln. rubles



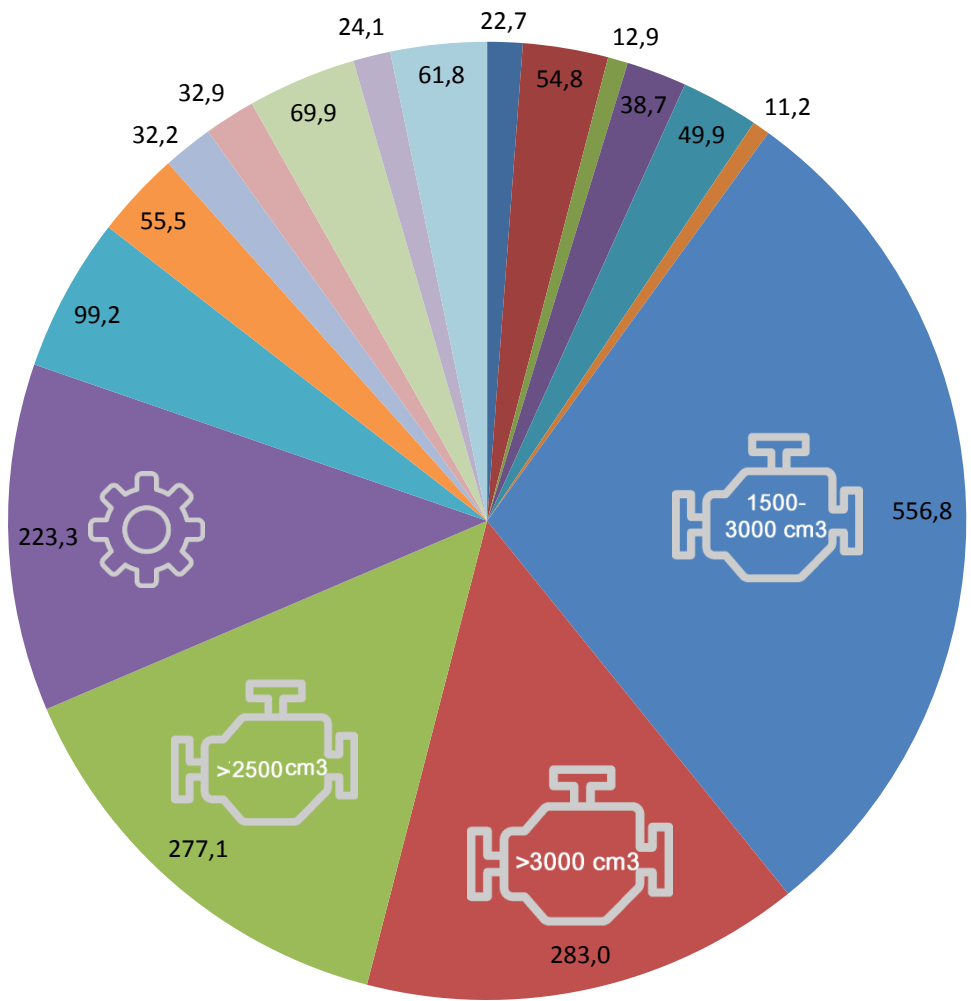
MAIN RUSSIAN EXPORT ARTICLES 2014 (OVER 98% OF ALL SUPPLIES)



Japan import trade to Russia amounted to **\$ 10.8 billion** or **3.8%** of total **import** in 2014.

The supply of **mineral fuel** was about **86%** in the commodity pattern of Russian export to Japan in 2013.

IMPORT FROM JAPAN INTO RUSSIA (2015 FIRST HALF) (bln. USD)



- Suspended ship power plants
- Engines with reciprocating motion of the piston
- Playloader
- Machines steerable
- Parts of copy machines
- TV recorders, digital recorders
- Internal combustion engines (1500 - 3000 cm3)
- Internal combustion engines (more than 3000 cm3)
- Other vehicles with engine (more than 2500 cm3)
- Bodies for motor vehicles
- Other body parts (driver's cabins incl.)
- Cars gearbox
- Wheels and parts
- Shock struts
- Other car parts
- Medical tools and devices
- Body hygiene kit

AUTOMOBILE MANUFACTURE

AUTO CLUSTER DEVELOPMENT ON THE BASIS OF JOINT VENTURES

Creation of automotive industries cluster on the basis of GC "AVTOTOR" with a general output of **250** thousand cars per year



VEHICLES & COMPONENTS

Currently AVTOTOR manufactures vehicles using autopackages from SKD-1 to CKD levels which based on a complex of modern, high-tech production and testing equipment



POTENTIAL PRODUCTION OF AUTOMOTIVE SPARE PARTS

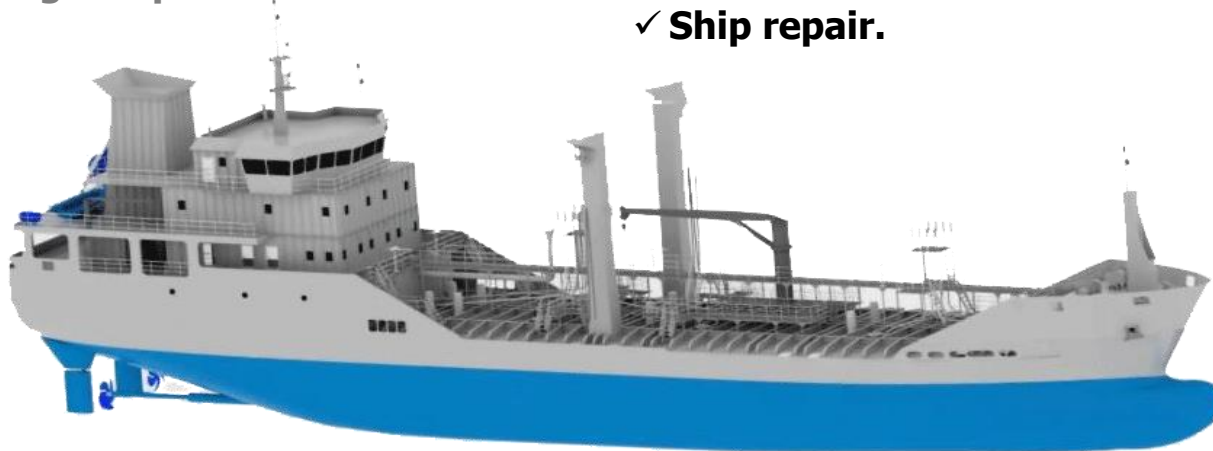
Seats
Exhaust systems
Chassis components
Driveshafts
Light alloy profiles
Plastic injection molding
Wire harnesses
Electronic control units

Interior upholstery
Noise- / vibration isolation
Rugs
Mechanical assembly production
Heat exchangers
Fittings
Press production

SHIPBUILDING & SHIPREPAIRING

Shipbuilding and ship repairing industry in the Kaliningrad region is represented by 12 enterprises, where about 6,000 people are employed.

The production capacity of the "Yantar" shipyard allows to build ships and boats with the launching weight up to 12 000 tons. The plant has two shipbuilding complexes.



PROSPECTIVE LINES OF DEVELOPMENT

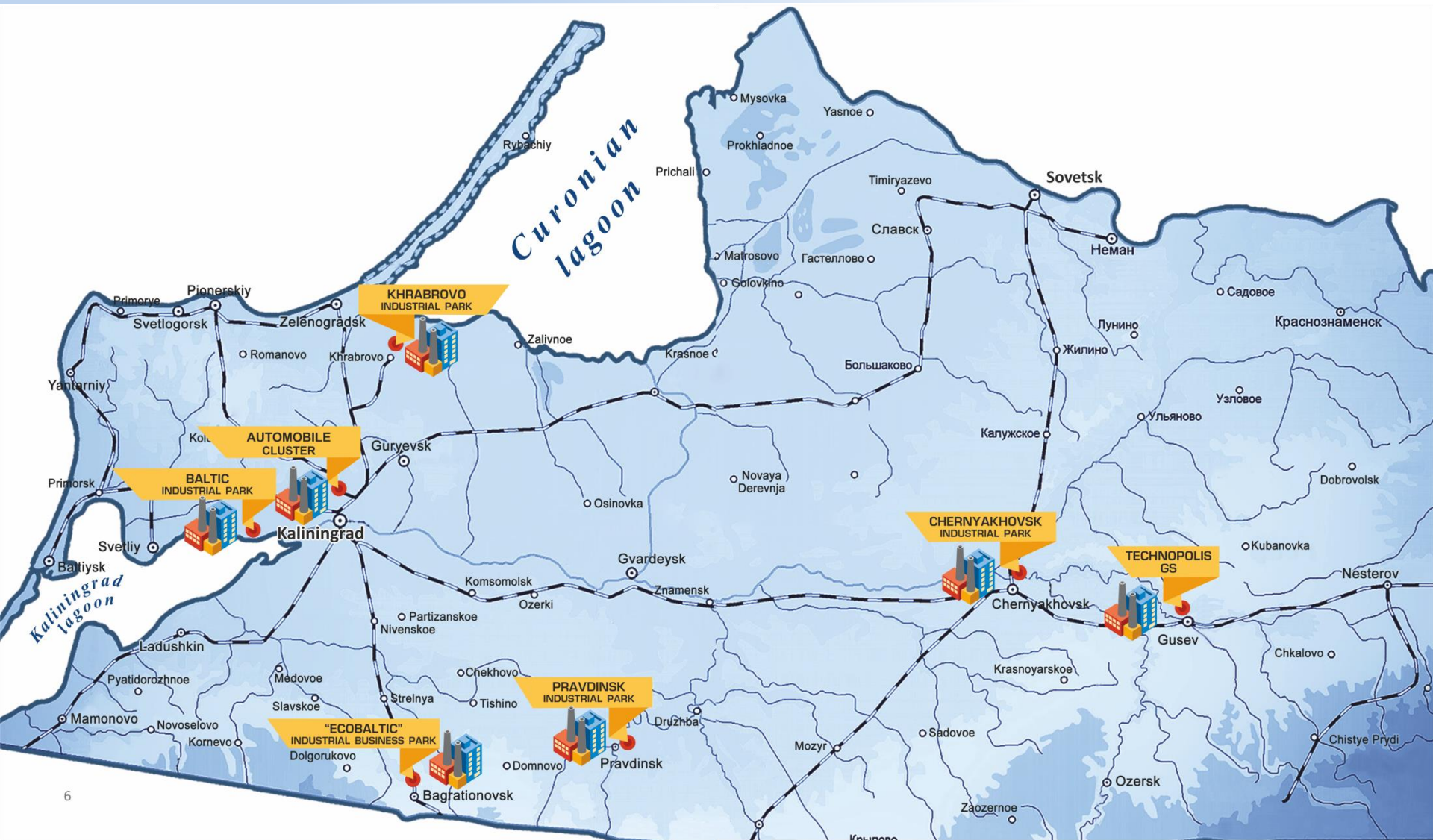
- ✓ Shipbuilding with the displacement up to 20 thousand tons.
- ✓ Floating platform and dock construction, tug-boat building.
- ✓ Ship parts and components production
- ✓ Ship repair.

INDUSTRIAL REPORTS

Approximately 500 large and small vessels were built at "Yantar" factory and more than 450 NAVI ships and vessels were repaired.

Currently, there is an increase of order volume in Kaliningrad's ship construction, the industry shows a positive trend.

INVESTMENT SITES



6

Investment sites added to the list of prospective industrial zones in the territory of Kaliningrad region, approved by Kaliningrad Region Government Decision No. 65 of September 8, 2011 «On the Concept of industrial development of the Kaliningrad Region for the period until 2015».

TOTAL AREA: 29 ha

CUSTOMS TERMINAL: 200 m

DISTANCE TO KALININGRAD CITY: 37 km

HIGHWAY ACCESS

Specialization:

- Pharmacy production;
- Food production;
- Industrial factories with 50 m. sanitary protection zone.

INFRASTRUCTURE



CURRENT

RESIDENTS



"ИНФАМЕД"
EiD
"INFAMED"

декоративные растения



JSC "Dart Plu"



SIRIUS

Шоколадник

сирис
ТАМОЖЕННЫЙ ТЕРМИНАЛ

TOTAL AREA: 271,6 ha

DISTANCE TO KALININGRAD CITY: 20 km

DISTANCE TO THE AIRPORT: 3 km

Specialization:

- small and medium-sized mechanical engineering (including manufacturing of automotive and shipbuilding components in the special clusters);
- manufacturing of amber jewelry and wares;
- manufacturing of biopharmaceuticals and drugs;
- innovation and nanotechnology companies (some in cooperation with ROSNANO JSC).



INFRASTRUCTURE



WE ARE READY TO COOPERATE!



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