«Investment Potential of the Chelyabinsk Region»
Russia Chelyabinsk Region - Moscow is situated in the centre of Russia on the boundary between Europe and Asia. The territory of 90 thousand square kilometers. It is situated on the junction of transport communications.
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.
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
- 1\text{st} in pasta production
- 3\text{rd} in poultry production
- 6\text{th} in manufacturing activity production
- 8\text{th} in foreign investment
- 11\text{th} in agriculture production
«Magnitogorsk Integrated Iron and Steel Works»:
«Chelyabinsk Integrated Iron and Steel Works»
«Asha metallurgical works»
«Uralskaya Kuznitsa»

Rolled metal acceptance program:

- KIA
- Ford
- Volkswagen
- Renault Nissan
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**.
Including Kazakhstan
Incentives for Investors:

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

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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.

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)**
Creating of new international transport communication “China-Kazakhstan-Chelyabinsk region-Western Europe”

- **Deep Sea-Route**
  - Distance: 23,000 km
  - Time: 50 days

- **TLC-Gate**
  - Distance: 3,100 km
  - Time: 10 days

- **Transsib-Route**
  - Distance: 12,000 km
  - Time: 36 days

Shortening of transit way by 4 times

Freight traffic – 3-5 million tonnes of containers

Demand – 2 thousand trucks
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
- 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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OF THE CHELYABINSK REGION

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