

# The Government of Voronezh Region



**Public support  
for business expansion**

**In Voronezh Region**

# INVESTMENT PROMOTION AGENCY:



Year of establishment: 2007

Founded by: Department of Economic Development of the Voronezh region

Works: on the basis of Annual Government Assignment

Funding: budget of Voronezh Region

The main task: Investment facilitation and support for businesses entering the regional market

# Services for business:

A background image showing two businessmen in suits climbing a large, 3D red line graph that trends upwards. The graph is set against a light blue sky. One businessman is at the top of the graph, leaning forward, while the other is at the bottom, also leaning forward as if climbing.

1. Company promotion to the regional market

2. Assisting the investors with projects implementation

3. Obtaining Public Support

# 1. Company promotion to the regional market



# SERVICES FOR COMPANY PROMOTION TO THE REGIONAL MARKET



Potential partners  
research in the  
Region



Business visits



Meetings and  
negotiations

Participation in  
trade-fairs and  
exhibitions

Presentations  
for target  
audience

# POTENTIAL PARTNERS RESEARCH IN THE REGION

Creating a list of potential partners according to customers profile

Information distribution about company, its production and service

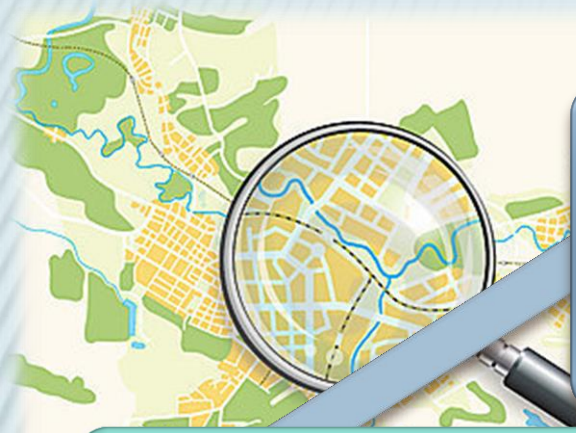
Translation of necessary information into Russian

Comfort letters with partnership suggestions

Contactual function



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# BUSINESS VISITS

Negotiation  
with  
perspective  
regional  
partners

Meetings with  
regional and  
municipal officials

Tailor made  
programs of visits  
(visa, hotel,  
transfer)

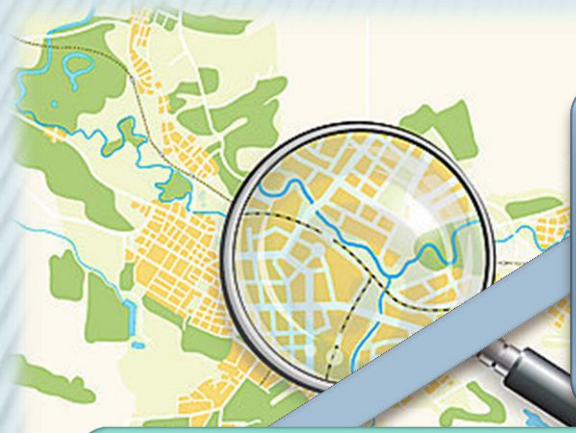
1

2

3



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# TRADE-FAIRS AND EXHIBITIONS



Detailed annual plan of exhibitions  
(industry, economy, agriculture, construction, health care)



Leaflets distribution

Exhibition booths, stands and boards



Listing on exhibition business-program

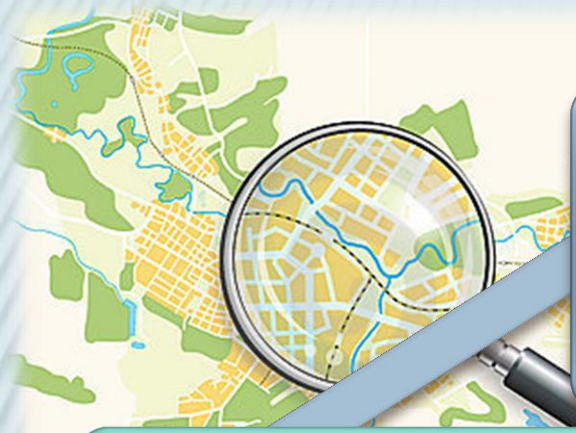
Negotiations with companies-participants of the trade-fair

1

2

3

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# PRESENTATIONS



# SERVICES FOR COMPANY PROMOTION TO THE REGIONAL MARKET



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# MEETINGS AND NEGOTIATIONS



Involvement of regional partners and dealers

Political support  
Meetings with officials

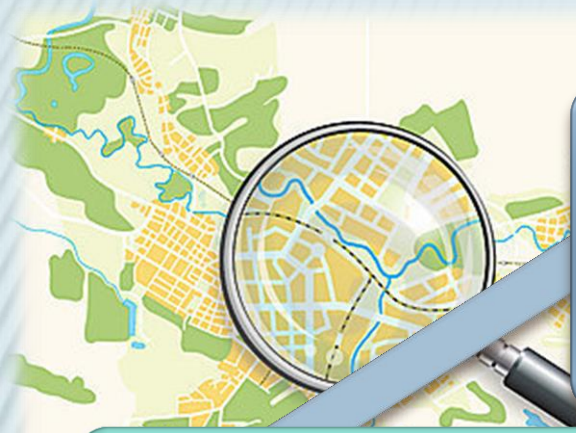
Legal support

Structuring

Matchmaking



# SERVICES FOR COMPANY PROMOTION TO THE REGIONAL MARKET



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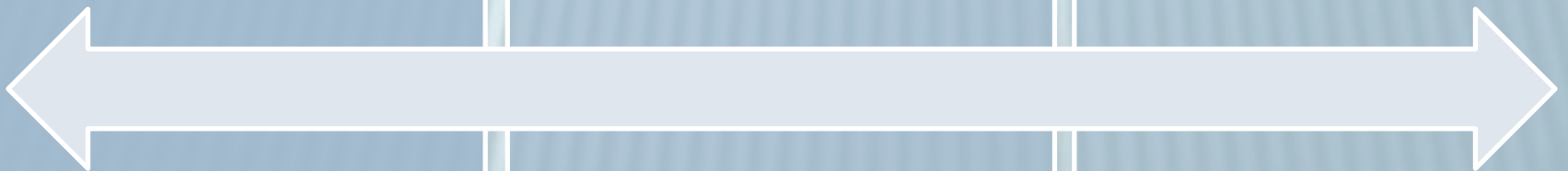
**Quick and effective  
entry and  
matchmaking**



**Understanding  
regional market  
rules**



**Confidence  
marketing in the  
region**





# Services for business:

2. Assisting the investors with projects implementation.



# AREAS TO SUPPORT INVESTMENT PROJECTS



Reporting of regional data;



Success story;



Scrutinizing land slots;



Working out design documentation;



Connection to the utility networks;



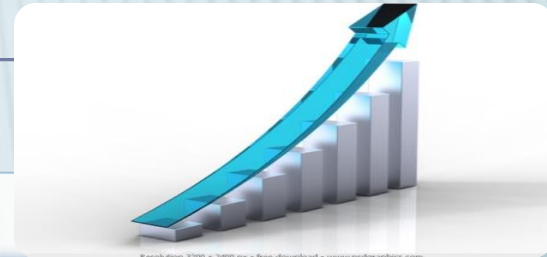
Recruitment services, providing staff;



Solving difficult issues of investment projects in work

# REPORTING OF REGIONAL DATA

Principles of business dealing in Voronezh region and Russian Federation



Legislative, legal and regulatory framework



Taxation

Cost of land, industrial buildings



Cost of natural resources

# Success story:



Lesaffre (France) – Ltd. “Voronezh yeast”  
*production of baking additives*



Furukawa Electric (Japan) –  
*production of fiber-optic*

PepsiCo (USA) -  
Ltd. «Anninskoe milk»  
*food production*



Knorr-Bremse  
(Germany) – Car  
repair plant  
«Vagonremmash»  
*production of rail-  
road spear parts*



Pirelli (Italy) –  
Voronezh tyre works  
*Production  
of auto-tyre casing*



# SELECTION OF THE PRODUCTION SITES

## Key requirements:

- Distance to regional center
- Availability of qualified staff
- Presence of the railroad
- Distance to the regional and federal highways
- Availability of utilities: gas, water, electricity



# DESIGN FOR THE INVESTMENT PROJECT

Development and expertise of business plan and feasibility study of the project

Partner companies:

Getting a building permission

Contracted construction works

Preparation of design estimation documentation

# CONNECTION TO THE UTILITY NETWORKS

Power supply



Gas supply



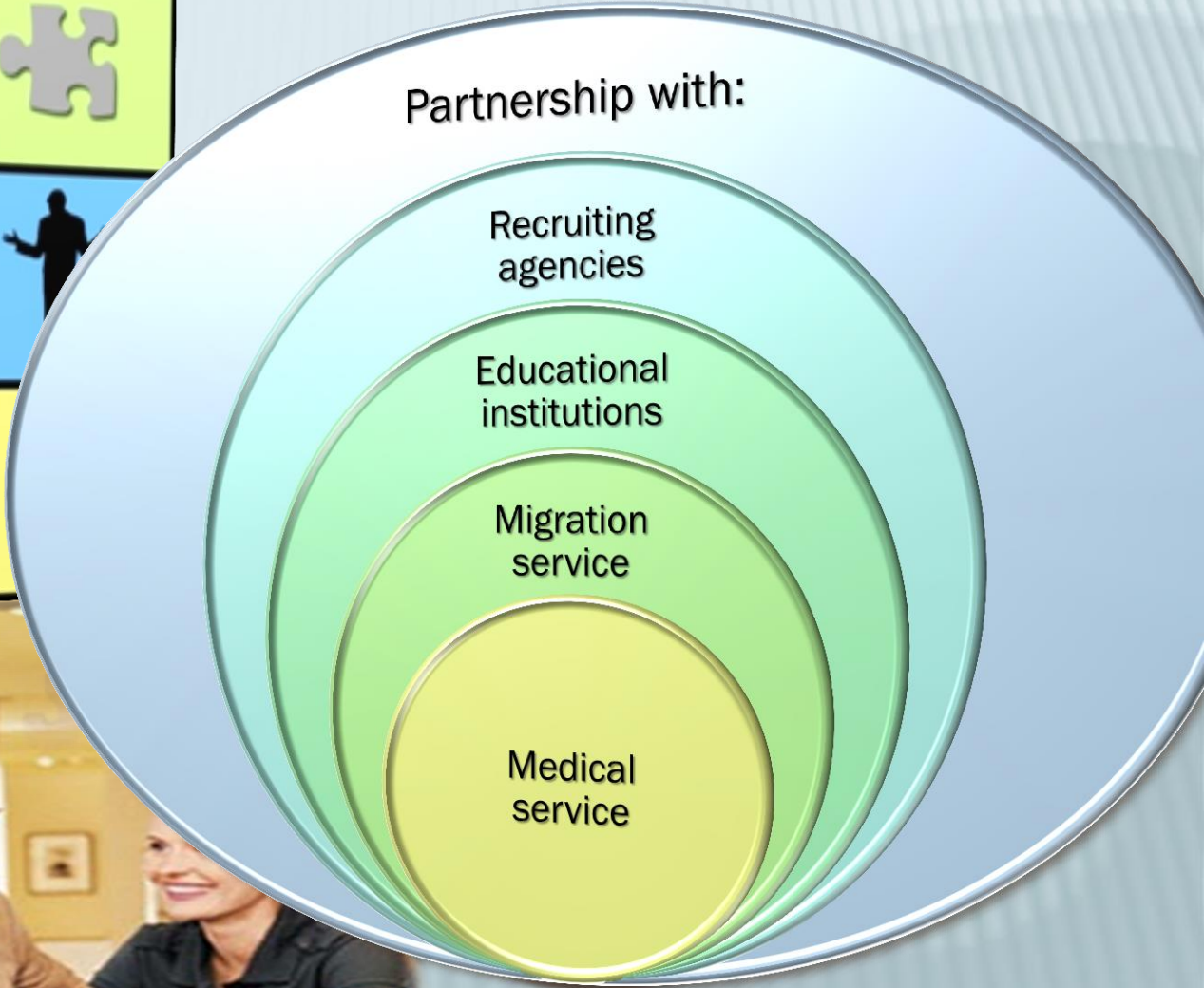
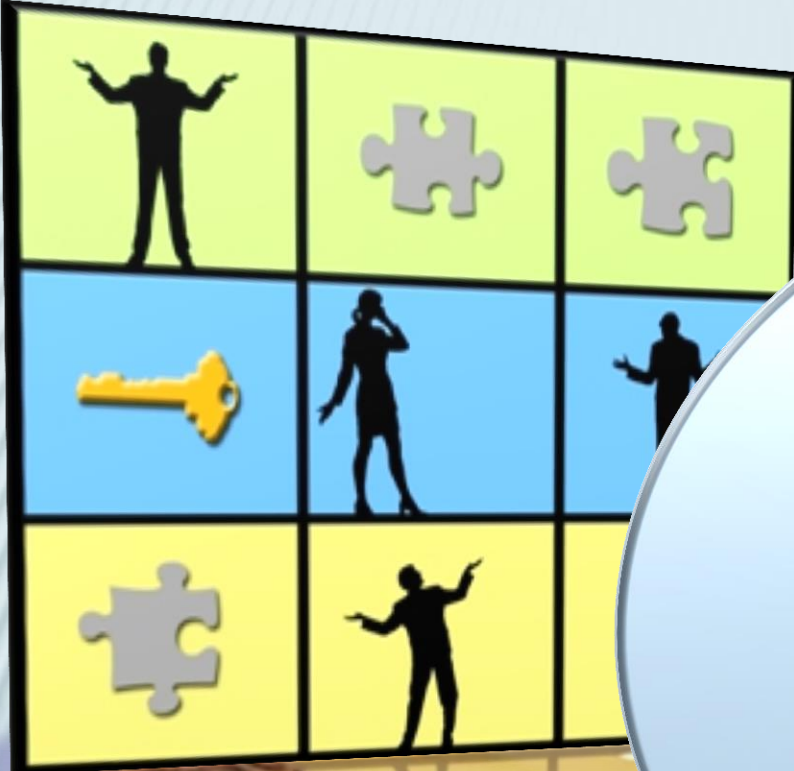
Water supply  
and sanitation



Communications



# SELECTION OF QUALIFIED SPECIALISTS





# Services for business:

## 3. Obtaining State support



# SYSTEM OF PUBLIC SUPPORT FOR INVESTORS

- Beneficial terms of land usage and leasing
- Subsidizing of the infrastructure costs
- Tax privileges
- Subsidies from regional budget on the payments for loan



# Financial support

Beneficial terms of *land usage*, example in rubles:

- the reduced cost of 1 Ha land plot in the IP "Maslovskiy" 115 000
- the market value of the same land plot – 3.5 -5.5 million

Subsidizing of the *infrastructure* costs from the regional budget (roads, electric power, gas, water, sewage water)

Recovery of expenses for engineering infrastructure up to 10 % of total project cost

Subsidies on the payments for the *loan* up to 2/3 of the refinancing rate of Central Bank of Russia

## Tax privileges

Name of Tax	Regular rate	Reduced rate
<b>Income tax</b>	20%	<b>15,5%</b> Up to 5 years
<b>Land tax</b>	1.5 %	<b>Full exemption from tax</b> <b>(0 %)</b> up to 5 years
<b>Property tax</b>	2.2 %	<b>Full exemption from tax</b> <b>(0 %)</b> up to 5 years

# CONTACTS

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**Thank You  
for your attention!**

