Investment opportunities of Sverdlovsk region

November, 2011
Sverdlovsk region

HUMAN RESOURCES

ECONOMY LEADERSHIP POSITION

DEVELOPED INDUSTRY

INVESTMENT INFRASTRUCTURE
**Human resources**

- **Economically active population**: 2343 thousand people
- **Doctors of Science**: 1000
- **PhD**: 5000
- **State Universities**: 19
- **Scientific and research organizations**: 130

**194.8 thousand sq. km**
**4.4 million people**

Human Resources
Ural Federal University

Ural Federal University
52,000 students to 2012
5-20% of foreign students

Main specialization
- Biological and chemical technology
- Natural sciences
- IT
- Mathematics
- Metallurgy
- Machine building
- New materials and materials science
- Social political and human investigations and technologies
- Economy and management
- Construction
- Energetics
Economy leadership position

The fifth place in Russia by GRP

<table>
<thead>
<tr>
<th>Region</th>
<th>GRP (bln. euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moscow</td>
<td>337,6</td>
</tr>
<tr>
<td>Tyumen Region</td>
<td>125,6</td>
</tr>
<tr>
<td>Moscow Region</td>
<td>67,2</td>
</tr>
<tr>
<td>Saint-Petersburg</td>
<td>56,8</td>
</tr>
<tr>
<td>Sverdlovsk Region</td>
<td>37,7</td>
</tr>
<tr>
<td>Republic of Tatarstan</td>
<td>36,9</td>
</tr>
<tr>
<td>Republic of Bashkortosan</td>
<td>29,9</td>
</tr>
</tbody>
</table>

High investment ratings

- Credit rating from Standart&Poor’s agency: BB, positive outlook, 2010
- Ekaterinburg ranks the 3 place among «Best Russian cities for business» according to Forbes’ survey of 2010
- Sverdlovsk region ranks the 2 place among «Best Russian regions for business» according to Forbes’ survey of 2011

Rating of Sverdlovsk Region:

- Industrial Production: 5
- Retail turnover: 4
- Wholesale turnover: 4

Finance

- Regional budget in 2011: 3,085 bln. euro
- Capital investment in 2011: 5,020 bln. euro
- Foreign investment 2009: 1,025 bln. euro
Industrial character of economy

Structure of volume of the shipped goods and services in 2009 (in % to total amount)

- 14,8 Production and distribution of energy, gas and water
- 4,8 Mining
- 80,4 Manufacturing activities
- 44,8 Metallurgy
- 18,5 Machine-building
- 17,1 Other activities

Export structure in 2009

- 46% Machinery equipment production
- 22% Chemical production
- 16% Other
- 16% Metal and metalware

Import structure in 2009

- 48% Metal and metalware
- 15% Chemical production
- 13% Minerals products
- 10% Machinery equipment production
- 14% Other
### Examples of Investment projects in Sverdlovsk region

<table>
<thead>
<tr>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Siemens – Ural locomotive (Sinara Group)</strong></td>
</tr>
<tr>
<td>Creation of high-technology locomotive production</td>
</tr>
<tr>
<td><strong>«Pervouralsky novotrubny factory»</strong></td>
</tr>
<tr>
<td>Starting a new electric steel making facility (ESPK)</td>
</tr>
<tr>
<td><strong>«Iron Ozone»</strong></td>
</tr>
<tr>
<td><strong>Joint venture «Ural Boeng Manufacturing» (UBM)</strong></td>
</tr>
<tr>
<td>Rough machining of titanium forgings for the Boeing 787 Dreamliner</td>
</tr>
<tr>
<td><strong>JSC «Ural Methanol Group»</strong></td>
</tr>
<tr>
<td>Creation of a complex of deep processing of natural gas - methanol producing plant</td>
</tr>
<tr>
<td><strong>Investment projects of LLC Maxime URAL and the French company Saint-Gobain of</strong></td>
</tr>
<tr>
<td>production dry mix for building</td>
</tr>
<tr>
<td><strong>Complex development project - district «Academichesky» in Ekaterinburg</strong></td>
</tr>
</tbody>
</table>
1. **Special Economic Zone “Titanium Valley”, Verkhnyaya Salda, Sverdlovsk region**

2. **High-Speed Railway «Ekaterinburg – Kazan – Nizhny Novgorod – Moscow» VSM 2**

3. **Chemical Park Tagil**

4. **International exhibition Centre «Ekaterinburg-Expo»**

5. **Reconstruction of railway station in Ekaterinburg**

6. **Pharmaceutical Production Cluster**
Special Economic Zone
“Titanium Valley”
Verkhnyaya Salda, Sverdlovsk Region

- Unique position for your business
- Wide opportunities for industrial cooperation
- Tax and customs incentives for residents
- Administrative support from the Government of Sverdlovsk region
- Reach resource base and high scientific and technical potential
**Special Economic Zone**

“Titanium Valley”

**SPECIAL ECONOMIC ZONE DIRECTORY**

- **AREA** - 982 hectare
- **Ist STAGE** - 295 hectare
- **DEVELOPMENT in 2011-2013 years**

**PROVIDING WITH ENGINEERING SERVICES BY REGIONAL AUTHORITIES**

- Gas supply
- Energy supply
- Water supply
- Heat supply
- Drainage system

**TAX AND CUSTOMS INCENTIVES IN SPECIAL ECONOMIC ZONE**

<table>
<thead>
<tr>
<th>RUSSIAN FEDERATION</th>
<th>SEZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit tax</td>
<td>The tax rate is 20%</td>
</tr>
<tr>
<td>Property tax</td>
<td>The tax rate is 2,2%</td>
</tr>
<tr>
<td>Land tax</td>
<td>The tax rate is 1,5%</td>
</tr>
<tr>
<td>Transport tax</td>
<td>The tax rate depend on the car capacity</td>
</tr>
</tbody>
</table>

**SPECIAL CUSTOMS TAXING**

| Value-Added Tax | At the SEZ territory the VAT for imported foreign goods will be 0% |
| Customs Duties | At the SEZ territory the import duty will be cancelled |
High-Speed Railway «Ekaterinburg – Kazan – Nizhny Novgorod – Moscow» (1 549 km) VSM 2

Project goals:
- New type of passenger rail transport development - High-speed rail
- Business activity increase in result of multiple effects of project fulfillment
- Positive Environmental impact in result of efficient resource-using techniques

Development in 2011-2018
Price – 20,5 mln. euro/km
Suggestions to investors:
- share in authorized capital;
- participation in life cycle contract;
- borrowing funding
Chemical Park Tagil
Nizhniy Tagil, Sverdlovsk Region

- 100 hectares of the developed chemical industry area with buildings
- Network of engineering and technical support
- Developed transport infrastructure
- Service infrastructure
- Support of local and region administrations of Sverdlovsk region
### International Exhibition Centre «Ekaterinburg-Expo»

**Project initiator** | **Government of Sverdlovsk region**
---|---
Construction Site Area Square | 80 hectare
Total Exposition Area Square | 205,000 sq. m.
I Stage Buildings Square | 94,000 sq. m.
Planned start of I stage construction | September 2010
I Stage construction ending | July 2012
Total Investments | 175 mln EUR
Payback period | 15 years

I stage  
94,000 m²

II stage  
205,000 m²

Initial project of the exhibition centre – Ural international exhibition and forum of industry and innovations “INNOPROM-2012”
Reconstruction of railway station in Ekaterinburg

Project of reconstruction of Ekaterinburg railway station

Implementation of the electronic control system:
- management of the station
- ensuring the safety of passengers and baggage
- control of energy efficiency
- control of environmental stress and automation of all life support systems

Development of the adjacent territory

Reconstruction of the buildings

Underground Parking
Pharmaceutical Production Cluster

Main Lines of Activity
- Genetically engineered insulin in dosage form production
- Infusion solution for Hemo dialysis research and production
- Radio-pharmaceutical drugs research and production
- Anti-cancer nanotechnology drugs research and production
- Anti-virus drugs research and production

Administrative support

Federal level
- Approval of Russian governmental regulations about cluster forming and development
- Support from state corporations “Rosnano”, “Vnesheconombank” etc.

Regional level
- Joint financing of R&D
- Status of the cluster as a “Priority project of the Sverdlovsk region
Sverdlovsk region

Government support of investment activity

**Investment climate**

- Support the Governor and concurrency of the government
- Special education for human resources
- Financial mechanism, tax incentives
- Prepared Infrastructure for the investment
- Friendly administrative environment for investment

**Finance support**

- Regional government guarantees more than 8 bln. Rbl. (annually)
- Subsidy of interest rates

**Administrative support**

- Changes in the legislation
  Bills signed recently:
  - Reduction of income tax for newly created enterprises during 5 years \( (18\% \rightarrow 13,5\%) \)
  - Reduction of property tax from addition of mid-annual property value of the enterprise \( (2,2\% \rightarrow 0\%) \)
- Administrative support for priority investment projects of the Sverdlovsk region
  (Decree of the Governor of Sverdlovsk Region -> -> Commission on Modernization ->The status of a priority project -> 90 days)
- Development of the system «Single Window»
  (through the Ministry of investment and development of Sverdlovsk region)
- Direct, transparent and clear discussion with the Governor, regional authorities and partners
  (through www.u2020.ru)
Welcome to Sverdlovsk region!

First Deputy Chairman of the Government
- Minister of investment and development
of Sverdlovsk region
Mikhail Maksimov

+7 (912) 291 44 44 – mobile for investors
maksimov@gov66.ru

Sverdlovsk region in Web

www.u2020.ru
http://sverdl-invest.midural.ru