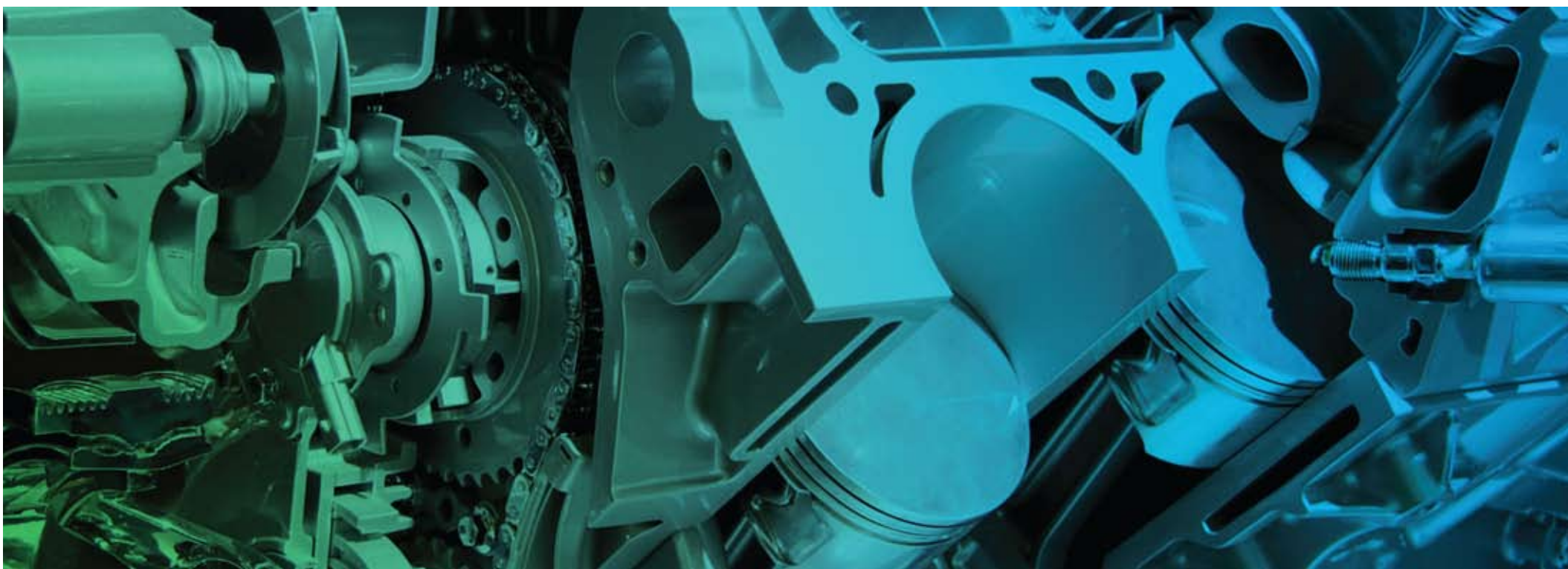


# THE AUTOMOTIVE INDUSTRY IN LENINGRAD REGION



COMMITTEE FOR ECONOMIC DEVELOPMENT  
AND INVESTMENT ACTIVITIES  
OF LENINGRAD REGION

This booklet represents up-to-date information on an economic situation and investment potential of Leningrad region, on business development features and state support incentives for investors.

The booklet consists of two parts: information on investment climate of Leningrad region and the automotive industry development potential of Leningrad region.

# Contents

- Welcoming speech by the Governor of Leningrad Region .....4
- Seven success factors of Leningrad region .....6
- Foreign investment projects that are placed on the territory of Leningrad region.....16
- Automotive industry in Leningrad region .....18
- Industrial parks for automotive plants placement.....20
- Contact information .....30



## Welcoming speech by the Governor of Leningrad Region

Today Leningrad region becomes one of the most important automotive industry centres in Russia. Not only large assembly plant of the «FordSollers» company operates in the region but also more than 20 producers of the automotive components. The development of the industrial cluster for automotive assembly and components production is among the priority areas of economic development outlined in the strategy of socio-economic development of Leningrad region.

The 47th Russian region (Leningrad region) has all necessary conditions for implementation of the new investment projects in the sphere of the automotive industry. One of the best tax regimes in Russia was created in Leningrad region as well as the developed network of industrial parks and zones prepared for placement of the production facilities. Also the system based on the principle of «one-stop-shop» is functioning in the region to support the investment projects. There are also some objective advantages in the region: the availability of Russian and European sales markets and highly developed transport and logistics infrastructure. All these advantages allow businesses to operate successfully in Leningrad region as well as to increase the degree of localization of the automakers.

The present booklet devoted to the automotive industry of Leningrad region will introduce to you the enterprises that have been already operating in the region, and also regional investment policy aimed at developing the attractive and transparent conditions for the enterprises.

We are open for cooperation. And I hope this publication will be a good guide in business development in Leningrad region.

Governor of Leningrad region  
**Alexander Drozdenko**



## Seven success factors of Leningrad region

- Unique logistic facilities and access both to Russian and European markets
- 2nd largest local consumer market in Russia\*
- Qualified employees
- Transparent access to the tax incentives
- Reasonable Investment costs
- Availability of b2b services
- Investment assistance system

\*Taking into account proximity of St. Petersburg

Foreign direct investment in 2012:

**\$ 1,4 bln**

In 2012 the investment volume into the regional economy reached 10,64 bln dollars. In this volume foreign investments reached 1,4 bln dollars that is almost twice higher than similar indicators for the previous period.



Leningrad region took the 14th place in the DoingBusiness regional rating in 2012 .



International rating agency «FitchRatings» in July 2013 changed the outlook on the long-term ratings of Leningrad region from «Stable» to «Positive». «FitchRatings» expects economic growth in the region at a higher rate than the national average maintaining a low level of debt, good operating performance and high liquidity.

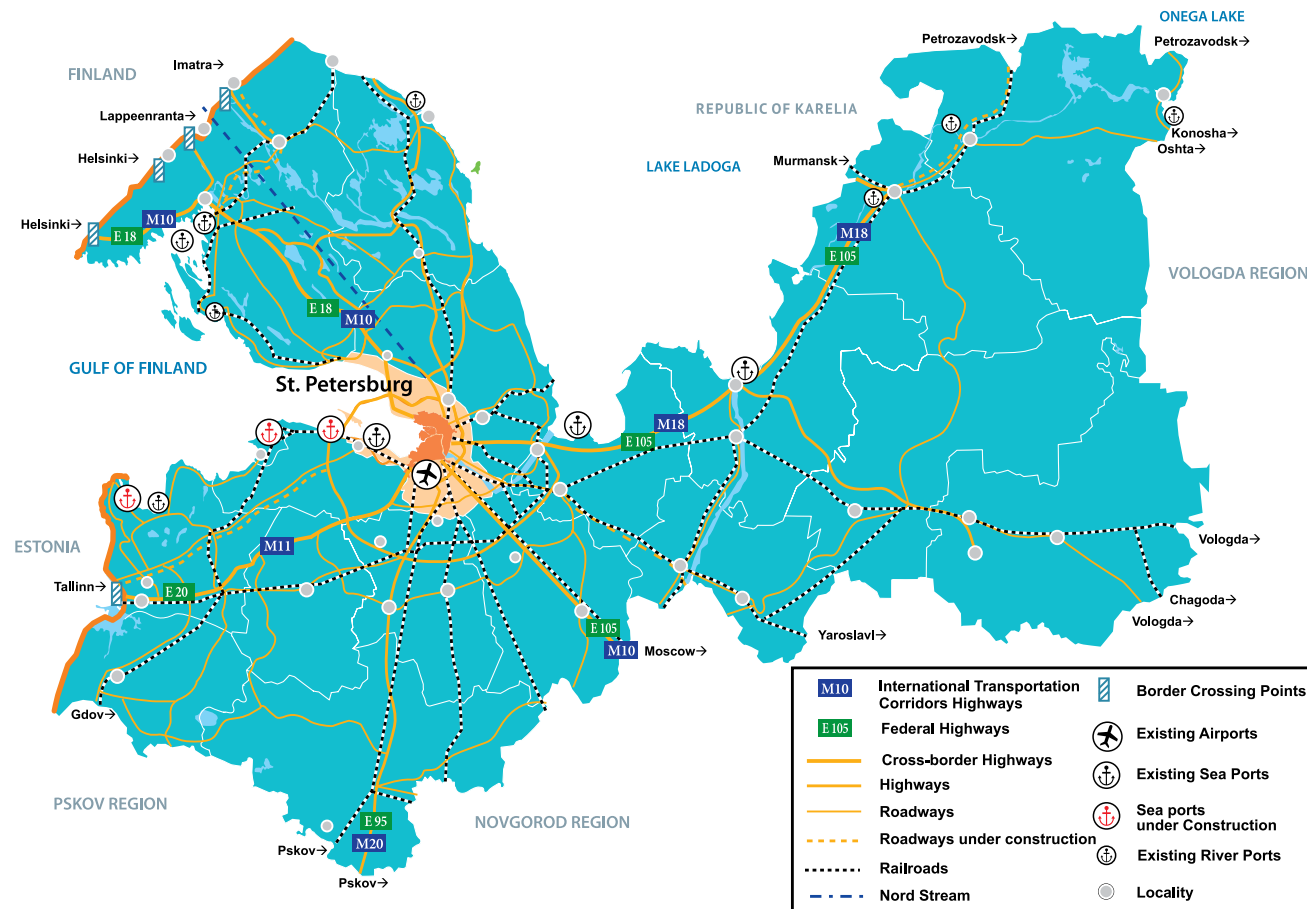
An aerial photograph of a city, likely Leningrad, is shown with a semi-transparent teal overlay. A white horizontal line runs across the middle of the image. The text "LENINGRAD REGION" is centered in white, bold, uppercase letters. The background shows a dense urban area with various buildings, a large industrial or port facility with a crane, and a large ship docked at a pier in the foreground.

## LENINGRAD REGION



# Transport and logistics infrastructure of Leningrad region

Leningrad region is the largest transport and logistics hub of the North-Western Federal District. The borderland position (border with the EU), the availability of large existing and under construction sea ports (Primorsk, Ust-Luga, Vysotsk, Vyborg), the transport hub located in the alignment of the pan-European transport corridor and international transport corridor «North-South» enable rapid delivery of products to industrial companies in other regions of Russia and the EU.







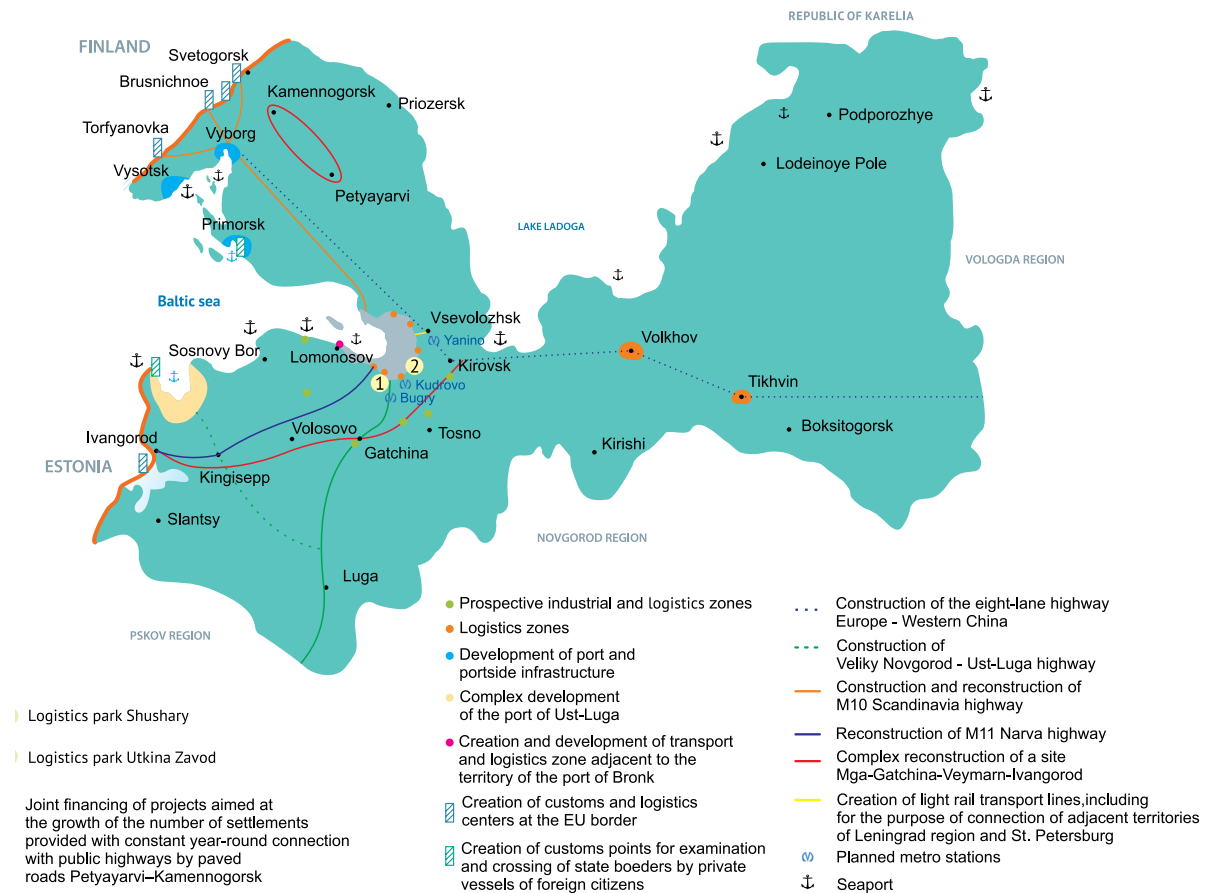
# The executive authorities' favorable investment climate activity standard

Leningrad region is among the first regions of the Russian Federation that signed the agreement with Autonomous Non-Commercial Organization Agency for Strategic Initiatives on Promotion of New Projects (ASI) in 2012. In the frames of this agreement the roadmap of favorable investment climate standard for regional authorities was developed.



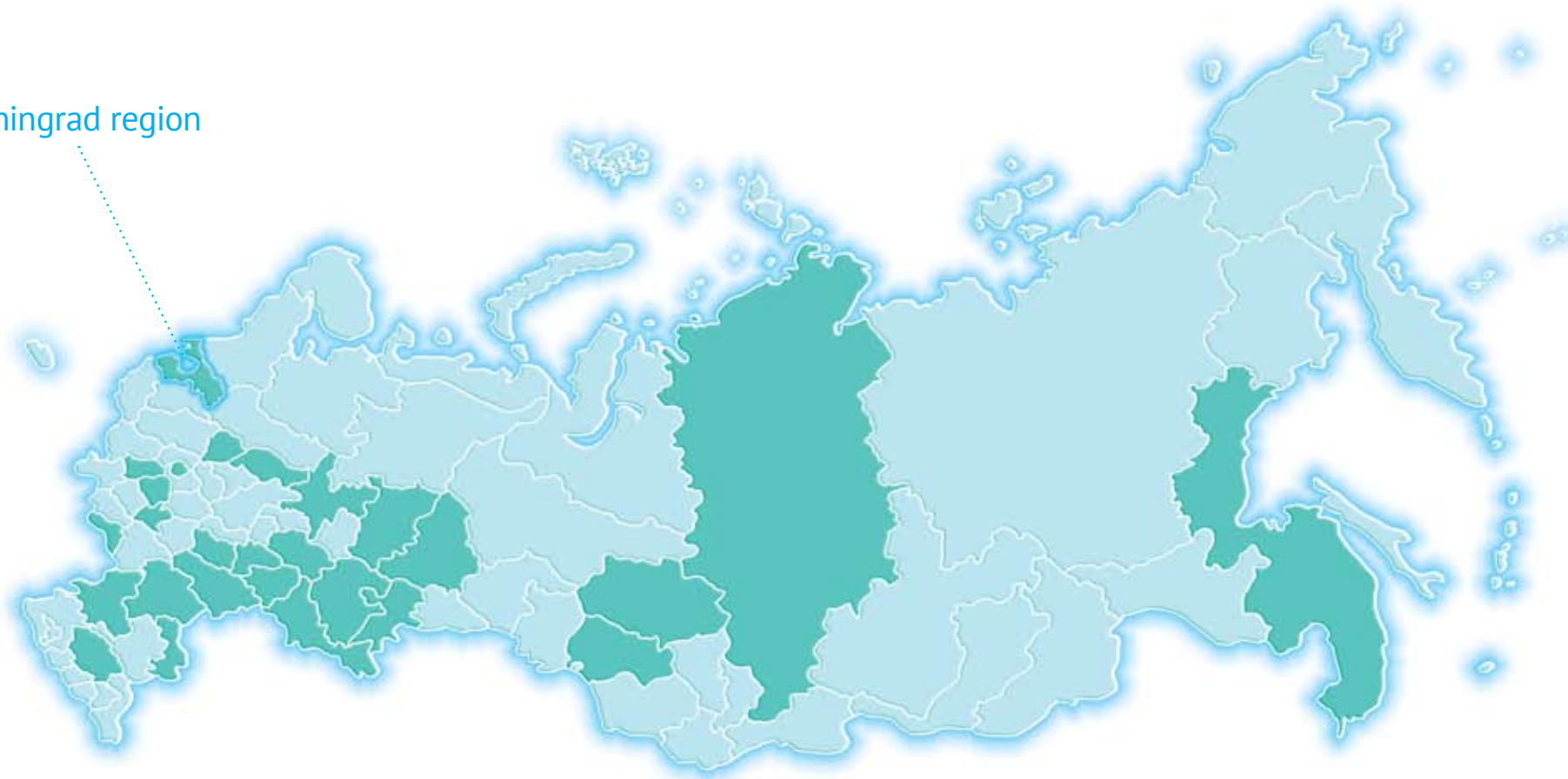
## AGENCY FOR STRATEGIC INITIATIVES

The distinctive feature of the roadmap (for the first time among the other regions of Russia) is the implementation of the additional point «Introduction of the municipal Authorities favorable Investment Climate standard for the municipal authorities of Leningrad region». ASI together with the Leningrad region government opened the ASI's front-office to promote work with investors.



# The Russian Federation

Leningrad region



- Regions that have signed cooperation agreements –28
- Regions, implementing regional investment Standard –01
- Regions from which Agency for strategic initiatives received projects –49

As of 18th November, 2013 the following Standard requirements were executed:

- Investment climate improvement Council presence.
- Industry placement infrastructure is available for investors (industry zones, industrial and technology parks).
- Leningrad region government has developed direct communication channel for the rapid investors' operational issues solution .
- Adoption of legal regional act on investor protection and support mechanisms for investment activities.
- Investment support training, improvement and competence evaluation system availability for the regional authorities and specialized state institutes.
- Availability of the bilingual Internet site representing the investment activity process in the region.
- The professional training and re-training system mechanisms corresponding the investment strategy of the region and investor's needs.
- The specialized organization supporting investment activity and work with investors.
- The “one-stop-shop” investment supporting system.
- The regional Investment strategy presence.
- The acceptance of the Investment declaration by the Governor of Leningrad region.





# The front-office for the investment projects support

The Economic Development Agency of Leningrad Region is a supporting organization for the investment projects in the region.

## The main functions of this institution:



- providing the investor with an information of project placement possibilities in the region: brownfield and greenfield land plots, engineering infrastructure; socio-economic development of the region and the municipalities, labor resources and educational establishments availability;
- supporting the communication process with regional and municipal authorities who is responsible for the investment projects realization process;
- providing the investor with the information on the government incentives for the investors who are launching projects in the region;
- providing the investor with the information on the administrative procedures needed for implementation of the investment project, documents' requirements, time terms of the administrative process.

On the basis of the Economic Development Agency of Leningrad region the “the one-stop-shop” for investment projects is functioning.



Standard set of documents



Consideration of the draft



Final decision



Signing of a contract

## The Investment strategy

The Investment strategy of Leningrad region is developed in order to enhance the investment climate and image of the region, create special conditions for growth of the investment volumes into the economy of the region, increase the number of investors and the efficiency of their investments.

# The Investment Council under the auspices of the Governor of Leningrad region



The Investment Council was formed under the auspices of the Governor (Order of the Governor of Leningrad region from July 16, 2013 № 506-p). Among the members of the Council are the deputy governors and heads of the major companies operating in the region, as well as the representatives of the majority of business associations and unions.

Law of Leningrad region from 29.12.2012 No 113-03 «On state support of organizations engaged in investment activity on the territory of Leningrad region»

- Simplifies procedures of state support provided to investors on the territory of Leningrad region.
- Accurately describes all procedures, and also regulates terms of consideration and contract signing from Leningrad region.



In June, 2013 the first contract under the new regional law No. 113-03 was signed with the JSC Mondelez Rus company. Consideration, coordination and signing of the contract was executed within 35 days that conforms to requirements of the regional law No 113-03, and also allows investors to begin application of tax privileges in earlier terms.

## State support measures

Profit tax (regional part)  
decrease from 18% to 13,5%.

The property tax is reduced from 2% to 0%.

Informational and consulting support.

## Terms of tax benefits granting

- Investments should exceed 300 million rubles.
- Work in the law approved activities.
- Revenue from sale of goods (works, services) on these activities\* in total revenue - not less than 70%.
- Benefits are available after setting the property on the balance sheet.

\*Including "Manufacture of motor vehicles, trailers and semi-trailers".

## Tax incentives terms\*

Investments volume (million USD)	Application period (number of consecutive tax periods, years)
From 8,6 to 14,3 inclusive	4
Over 14,3 to 85,7 inclusive	5
Over 85,7, except the Russian National Classifier of Economic Activities codes (34.1; 29)	6
Over 85,7 for the Russian National Classifier of Economic Activities codes (34,1; 29)	8

\*Upwards of 1,4 mln. USD for the organizations investing to Lodeynopolskiy, Podporozhskiy and Boksitogorskiy municipal areas.



## Foreign investment projects successfully implemented in Leningrad region





**THE AUTOMOTIVE INDUSTRY  
IN LENINGRAD REGION**

## Automotive industry in Leningrad region\*

At present there are 8 automotive assembly plants located on the territories of Saint Petersburg and Leningrad region.

### The automotive assembly plants of Saint Petersburg and Leningrad region

Company	Location	Investments volume, million USD	Staff (persons)	Performance (pieces per year)	Localisation level (%)
General Motoros Auto	Saint Petersburg	303	2 500	98 000	20% (2012)
Caterpillar Tosno	Leningrad region, Tosno	100	500	2 300	
MAN Truck & Bus Production RUS	Saint Petersburg	~ 33	~ 230	6 000	
Nissan Manufacturing Rus	Saint Petersburg	200	1 900	50 000	31,7% (2013)
Scania Peter	Saint Petersburg	~ 270	600	7 500	~15-20% (2013, several modifications)
TOYOTA Motor Manufacturing Russia	Saint Petersburg	~ 230	1 600	50 000	15% (2013)
Ford Sollers Holding	Leningrad region, Vsevolozhsk	330	2 750	125 000	35% (2013)
Hyundai Motor Manufacturing Rus	Saint Petersburg	600	2 200	224 000	45% (2013)

The assembly plants growth led to the growth of automotive components plants presence on the territory of the region. There are a lot of automotive components plants on the territory, among them the branches of the world leaders and also local companies.

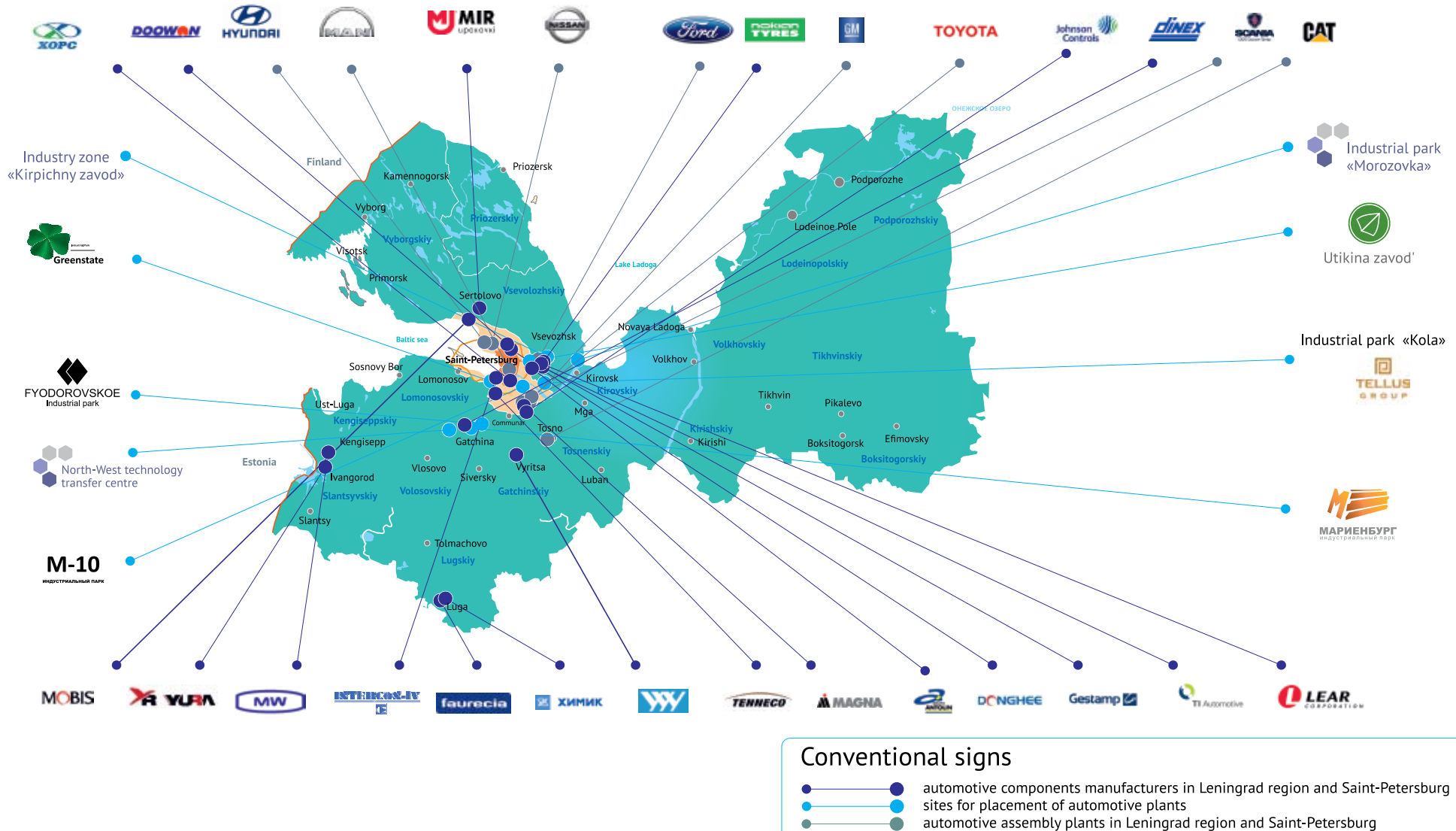


\*Including companies with production sites located on the territory of Saint Petersburg

## The automotive components companies localized their production in Saint Petersburg and Leningrad region

Company	Specialisation	Localisation	Consumers
MOBIS MODULE CIS	control panel, console, front and rear bumpers	Saint Petersburg	Hyundai
TI Automotive	fuel and brake lines	Leningrad region, Vsevolozhsk	Ford
Vlankas	plastic auto parts (bumpers)	Saint Petersburg	GM
Gestamp-Severstal Vsevolozhsk	stamped metal components and assemblies	Leningrad region, Vsevolozhsk	Ford, Volkswagen, GM, Peugeot-Citroen, Renault-Nissan, Volvo Trucks, Toyota
Grupo Antolin	components for interior decoration	Leningrad region, Vsevolozhsk	Hyundai, Ford, Skoda, Renault, Volkswagen
Johnson Controls International	seats (Focus)	Saint Petersburg	Ford
Dinex RUS	mufflers, catalysts, bent pipes	Leningrad region, Gatchina	KAMAZ, GAZ, Volvo, Terex, Volgabus, PTZ
Donghee Rus	front engine mounts, hatches, rear and front suspension, fuel tanks, pedals	Saint Petersburg	Hyundai, Kia
Duvon Rus	climatic systems	Saint Petersburg	Hyundai
Interco IV	blanks from metal, the large equipment for the automotive industry	Saint Petersburg	Ford, KAMAZ, UAZ, Caterpillar, AUTOVAZ
Jura Corporation RUS	electrics	Leningrad region, Ivangorod	Kia, Hyundai
LIR	seats (Mondeo)	Leningrad region, Vsevolozhsk	Ford
MAGNA	body parts, metal parts of the passive safety systems	Saint Petersburg	Hyundai, Nissan, GM, Volkswagen
MV Eurodisc	steel wheels	Leningrad region, Kingisepp	Autoframos, AUTOVAZ, Peugeot – Citroen, Ford, Nissan, Volkswagen
Nokian Tyres	winter and summer tires for passenger cars and SUVs	Leningrad region, Vsevolozhsk	
Orion (MIR Upakovki)	plastic interior components	Leningrad region, Sertolovo	Ford, Renault-Nissan, GM, Magna, Antolin
Severstal SMK Vsevolozhsk	metal processing	Leningrad region, Vsevolozhsk	Gestamp Sevestal, Ford, Hyundai, Volkswagen; Renault-Nissan
Tenneco Automotive Volga	exhaust systems and stabilizing systems	Leningrad region, Gorelovo	GM-Avtovaz, FORD-Sollers, Renault-AVTOVAZ, GM, Daimler, Nissan
UZOR	fabric for upholstery and covers for cars	Leningrad region, Vyritsa	AUTOVAZ, UAZ
Faurecia ADP	bumpers, instrument and door panels, roof elements, elements of interior trim	Leningrad region, Luga	Renault, AUTOVAZ Nissan, Ford, Peugeot, Citroen, Skoda, Volkswagen, M
HIMIK	autocosmetics	Leningrad region, Luga	
XOPC-SILICONE	car care products and household cleaning products	Saint Petersburg	KAMAZ, Ural, AUTOVAZ, MAZ

# Industrial parks for automotive plants placement







Industrial park:  
"Morozovka"  
100 ha



North-West technology  
transfer centre  
12,5 ha



Industry zone  
"Kirpichny zavod"  
628,6 ha



Industrial park  
"GREENSTATE"  
112 ha



Industrial park  
"Utikina zavod"  
129,5 ha



Industrial park  
"Fyodorovskoe"  
121 ha



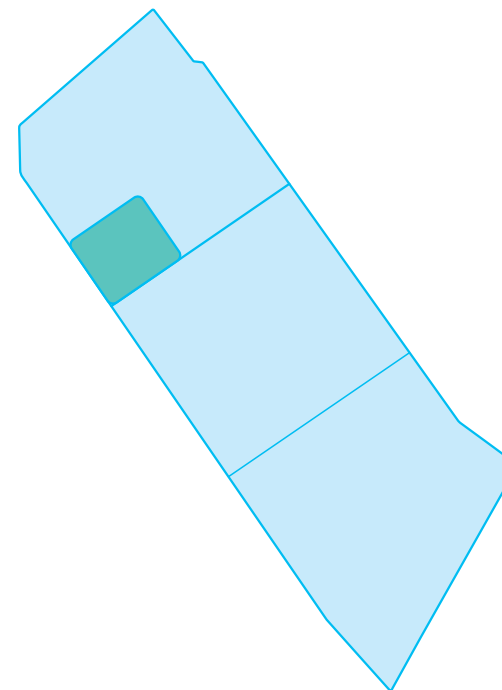
Industrial park  
"Marienburg"  
34,83 ha



Industrial park  
"Kola"  
123,7 ha

For information on other sites, please find contact details provided at the end of the booklet.

# Industrial park "Morozovka"

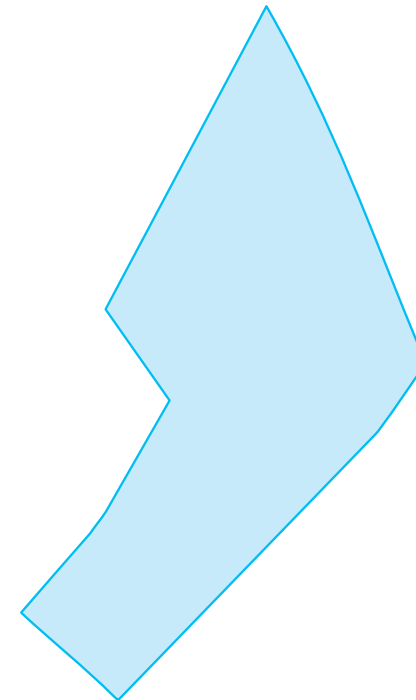


Management company	JSC "LENOBLINNOVATSII"
Location	Leningrad region, Vsevolozhsky district
The total area (ha.)	100 ha.; 100 ha. available
Distance to Saint Petersburg	36 km
Road availability	Ogneva str. 0,1 km; Ringway - 30 km;
Seaport	seaport Saint Petersburg - 63 km; seaport Ust'-Luga - 210 km
International airport	53 km
Water supply	450 m <sup>3</sup> /day
Sewerage	450 m <sup>3</sup> /day
Electric power supply	20 MWt
Gas supply	30 000 000 m <sup>3</sup> /year
Hazard class	II-IV
Current status of Project	Has passed interdepartmental regional commission; works on the formation of sites and survey works are carried out



# North-West technology transfer centre

Residents: North-West technology transfer centre (NWTTC).



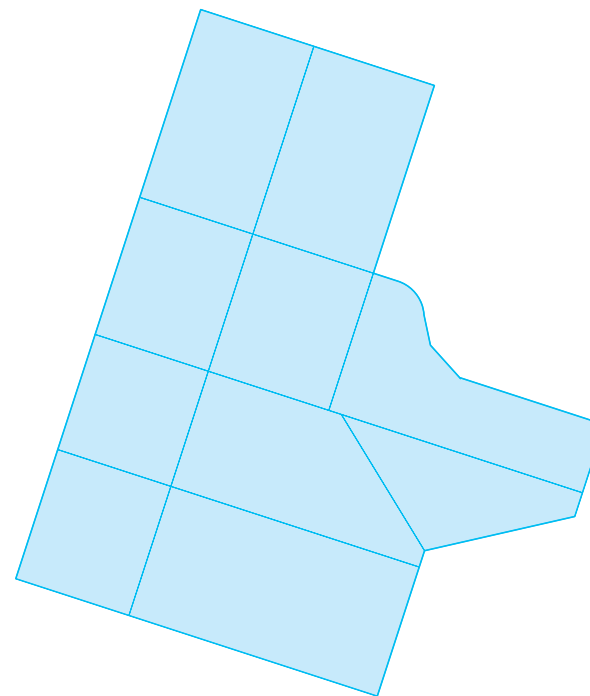
Management company	JSC "LENOBLINNOVATSII"
Location	Leningrad region, Gatchinsky district
The total area (ha)	12,7 ha.; available: 9,7 ha.
Distance to Saint Petersburg	30 km
Road availability	Pushkinskoe highway – 0 km; Leningradskoe highway -0,2 km; Krasnoselskoe highway -1,2 km; Ringway - 30 km;
Seaport	seport Saint Petersburg - 48 km; seport Ust'-Luga - 140 km
International airport	30 km
Water supply	150 m <sup>3</sup> /day
Sewerage	150 m <sup>3</sup> /day
Electric power supply	5 MWt
Gas supply	1 980 000 m <sup>3</sup> /year
Hazard class	V
Current status of Project	Land is issued, research works on the buildings of the NWTTC are carried out

## Industry zone "Kirpichny zavod"



Residents: Ford Sollers Holding, Polar, Nokian Tyres, Severstal SMK Vsevolozhsk, etc.

Location	Leningrad region, Vsevolozhsky district
The total area (ha)	628,6 ha.; 80 ha. available
Distance to Saint Petersburg	25 km
Road availability	Vsevolozhsk – Morozov vil. – 0 km; «Yuznoe highway» - 0 km
Seaport	37 km
International airport	54 km
Railroad	Driveway train path passing through the uncommon property industrial zone (300 m from the considered sites)
Water supply	25000 m <sup>3</sup> /day – lake water, 50000 m <sup>3</sup> /day purified water
Sewerage	2500 m <sup>3</sup> /day
Electric power supply	110/10 kV 2x63 MVA transformers
Gas supply	Is available
Heat supply	207 MWt
Hazard class	III-V
Current status of Project	Functioning industrial zone

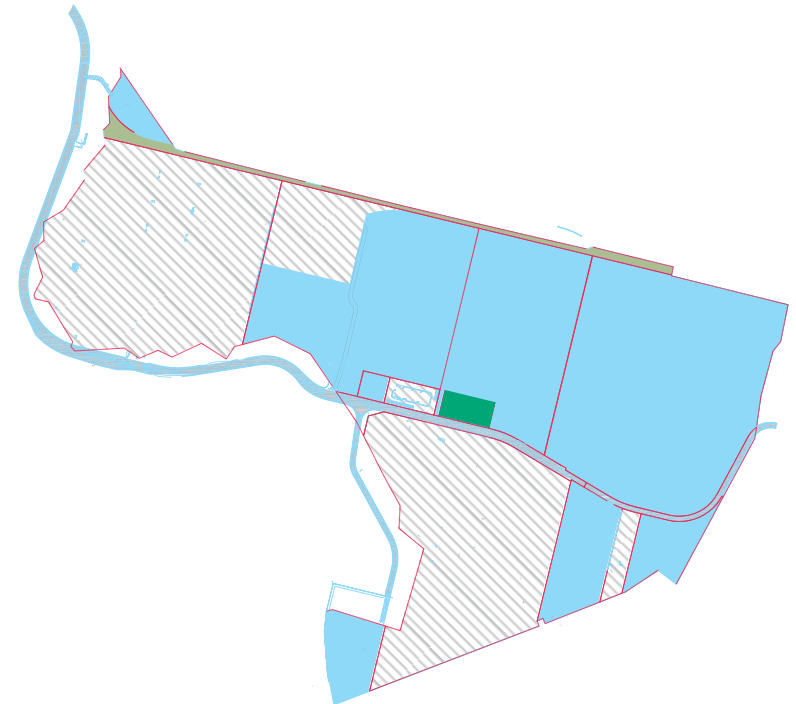


# Industrial park "GREENSTATE"



Residents: logistics center "Gorigo", meat processing plant "Pete Product", Siemens Gas Turbines Technologies, etc.

Management company	ZAO YIT Lentek
Localisation	Leningrad region, Lomonosovsky district
The total area (ha)	112 ha., 50 ha. available
Distance to Saint Petersburg	1 km
Road availability	КАД - 1 km; Tallinskoe highway – 1 km; Moskovsoe highway (M 10) – 16 km; Kievskoe highway – 9 km
Seaport	port Saint Petersburg - 16 km; port Ust'-Luga - 120 km
International airport	10 km
Water supply	3000 м <sup>3</sup> /day
Sewerage	2720 м <sup>3</sup> /day
Electric power supply	26,6 MWt
Gas supply	Own boiler house
Heat supply	26 Gcal / h
Hazard class	IV-V
Current status of Project	Functioning platform with an integrated infrastructure

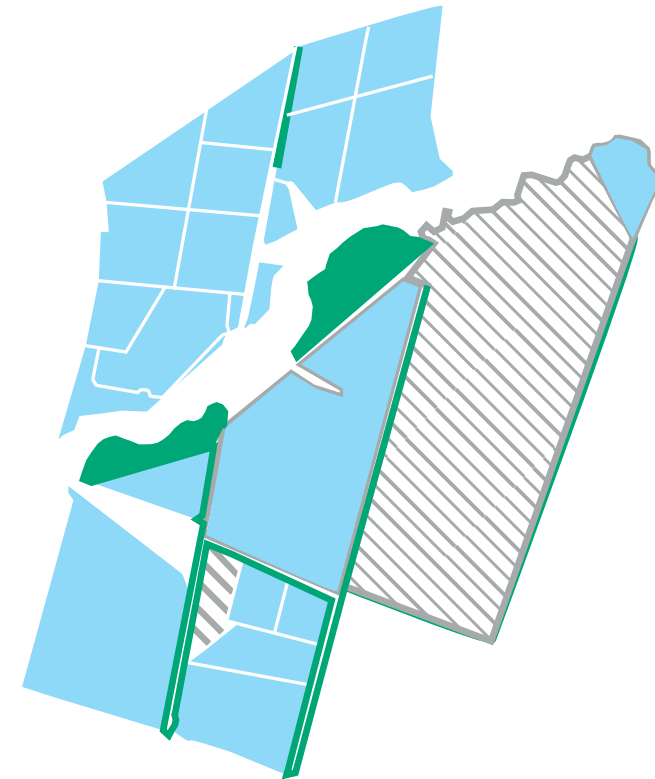


# Industrial park "Utikina zavod' "

Residents: X5 Retail Group, JSC Evrika, JSC Hlebny dom.



Management company	LLS "Management Company Utikina Creek Development"
Location	Leningrad region, Vsevolozhsky district
The total area (ha)	129, 5 ha.; 59,5 ha. available
Distance to Saint Petersburg	0,5 km
Road availability	Ringway - 0,06 km; Oktyabrskaya emb. - 0,55 km; Moskovskoe highway (M10) – 8,8 km; Pulkovskoe highway – 12 km; Murmanskoe highway – 3 km
Seaport	seport Saint Petersburg - 17 km; seport Ust'-Luga - 170 km
International airport	15 km
Water supply	1037 m <sup>3</sup> /day
Sewerage	1000 m <sup>3</sup> /day
Electric power supply	40 MWt
Gas supply	9000 m <sup>3</sup> /h
Hazard class	IV-V
Current status of Project	The project is accepted, planning works for infrastructure and residents' sites are carried out

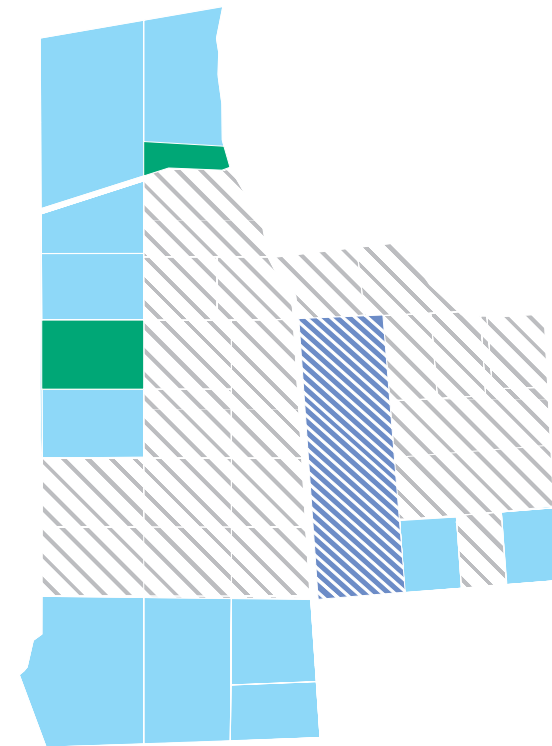


# Industrial park "Fyodorovskoe"



Residents: JOTUN PAINTS, Tranko, Sorozh-logistik, Metall Group GDSM, ARSI (fabricated metals), etc.

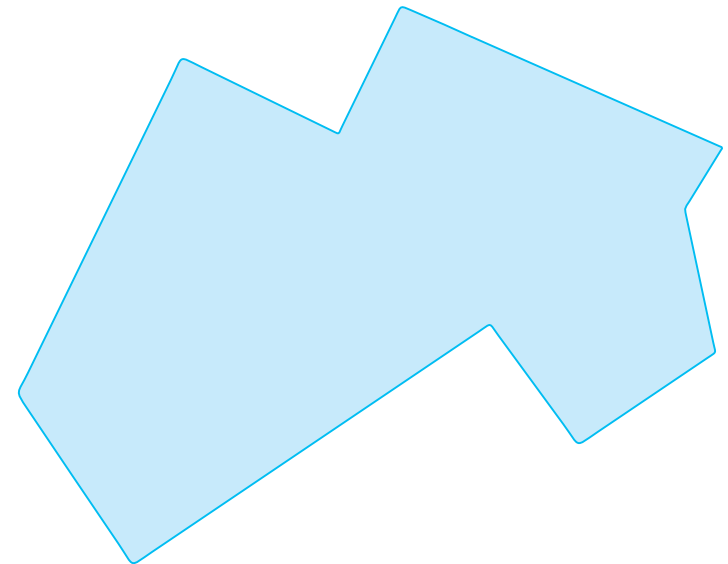
Management company	LLS "FED-IMMOBILEN"
Location	Leningrad region, Tosnensky district
The total area (ha)	121 ha., 35 ha. available
Distance to Saint Petersburg	22 km
Road availability	Ringway - 22 km; Moskovskoe highway – 7 km
Seaport	port Saint Petersburg – 42 km
International airport	22 km
Railroad	Project
Water supply	700 m <sup>3</sup> /day
Sewerage	400 m <sup>3</sup> /day
Electric power supply	10 MWt
Gas supply	8000 m <sup>3</sup> /h
Hazard class	III-V
Current status of Project	The project is accepted, planning works for infrastructure and residents' sites are carried out



# Industrial park "Marienburg"



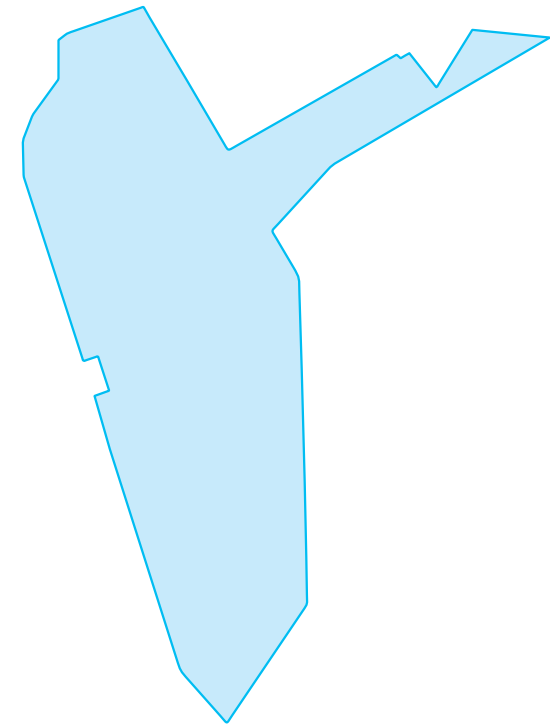
Residents: BWF Envirotec (filters), Petrocon (aluminum shape), Dinex (exhaust box).



Management company	LLS "Industrial park Marienburg"
Location	Leningrad region, Gatchinsky district
The total area (ha)	40 ha., 31,4 ha. available
Distance to Saint Petersburg	30 km
Road availability	Beltway - 30 km; Kievskoe highway – 7 km; Tallinskoe highway – 20 km
Seaport	port Saint Petersburg - 60 km; port Ust'-Luga – 100 km
International airport	30 km
Water supply	271 m <sup>3</sup> /day
Sewerage	711 m <sup>3</sup> /day
Electric power supply	6 MWt
Gas supply	1856 m <sup>3</sup> /h
Hazard class	III-V
Current status of Project	The project is accepted, planning works for infrastructure and residents' sites are carried out



# Industrial park "Kola"



Management company	LLS "TELLUS GROUP"
Localisation	Leningrad region, Vsevolozhsky district
The total area (ha)	123,7 ha.
Distance to Saint-Petersburg	1 km
Road availability	Ringway, Murmanskoe highway
Seaport	seport Saint Petersburg - 22 km; seport Ust'-Luga - 145 km
International airport	22 km
Railroad	railroad route - 2,3 km
Water supply	520 m <sup>3</sup> /day
Sewerage	520 m <sup>3</sup> /day
Electric power supply	41,7 MWt
Hazard class	IV-V
Current status of Project	The transfer process to the industrial land is finished, the planning works are in the process



# Contact information

## Government of Leningrad Region

Committee for Economic Development and Investment Activities of Leningrad region



Suvorovsky prospect 67, Saint Petersburg, Russia, 191311

phone: +7 (812) 576 69 98  
fax: +7 (812) 274 64 30  
e-mail: [econ@lenreg.ru](mailto:econ@lenreg.ru)  
website: [www.econ.lenobl.ru](http://www.econ.lenobl.ru)

## Front-office for investor relations



Office 402,  
Malookhtinsky prospect, 64, lit. B,  
Saint Petersburg,  
Russia, 195112

## Economic Development Agency of Leningrad region

(«one-stop-shop» system supporting the investment projects in the region)

phone: + 7 (812) 644 01 23      e-mail: [invest@lenreg.ru](mailto:invest@lenreg.ru)  
fax: +7 (812) 644 01 23      website: [www.lenoblinvest.ru](http://www.lenoblinvest.ru)

## Agency for Strategic Initiatives

(branch in the North-West Federal District)

phone: + 7 (921) 967 22 22      e-mail: [leningrad@asi.ru](mailto:leningrad@asi.ru)  
fax: +7 (812) 644 01 24      website: [www.asi.ru](http://www.asi.ru)

## Innovative Agency of Leningrad region

(North-West technology transfer centre, state industrial and technology parks)

phone: +7 (812) 644 01 24      e-mail: [info@lenoblinnovatsii.ru](mailto:info@lenoblinnovatsii.ru)  
fax: +7 (812) 644 01 24      website: [www.lenoblinnovatsii.ru](http://www.lenoblinnovatsii.ru)

## National Association of Automotive Components Manufactures (NAPAK)

(Saint-Petersburg branch specializing in project coordination and supply process)



Office T-1601, Moskovsky prospect, 97, lit. A, Saint Petersburg, Russia, 196084

phone: +7 (812) 449 75 56  
e-mail: [m.sviridova@rusautoconnect.com](mailto:m.sviridova@rusautoconnect.com)  
website: [www.rusautoconnect.com](http://www.rusautoconnect.com); [www.napak.ru](http://www.napak.ru)