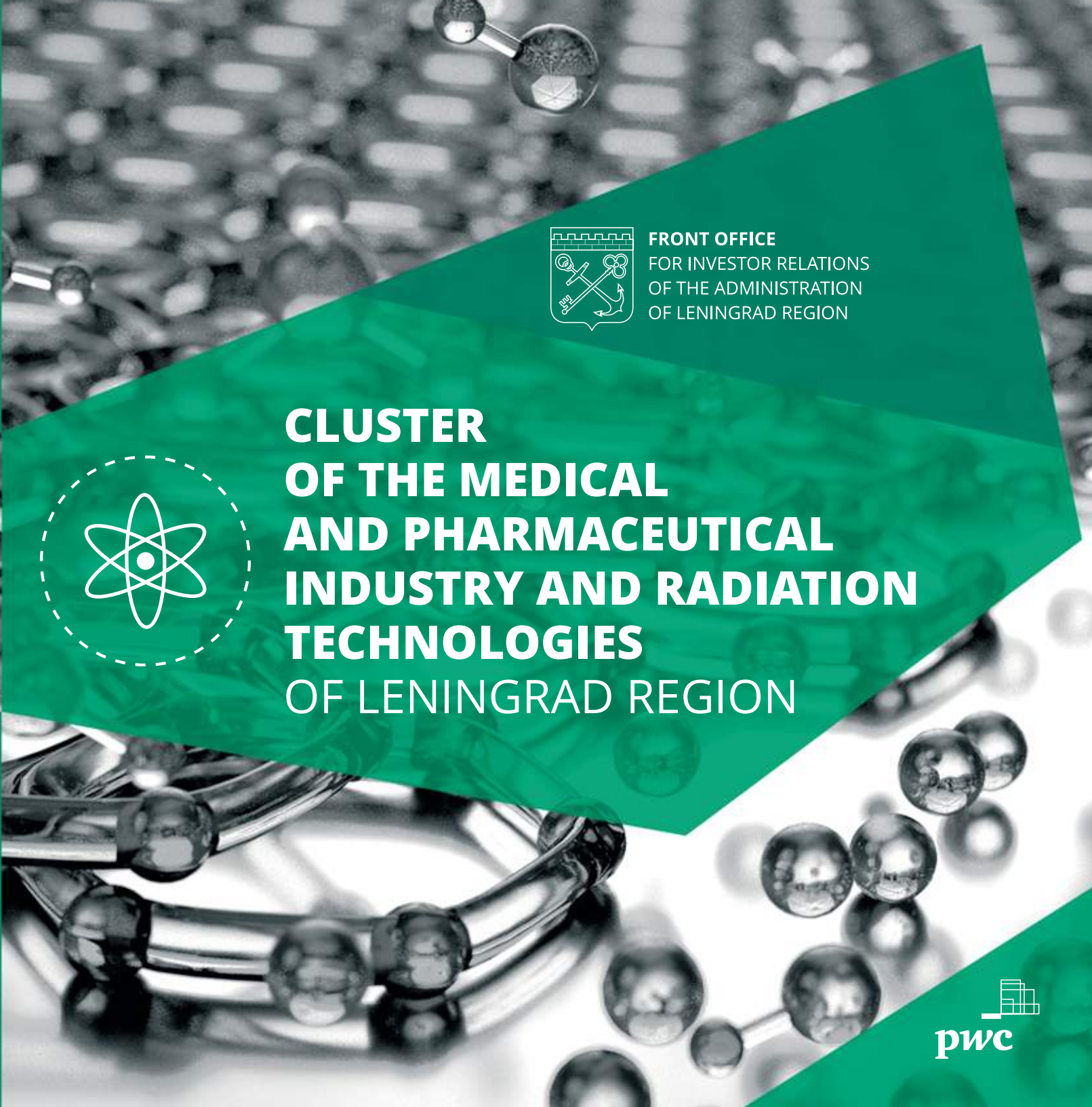


FRONT OFFICE
FOR INVESTOR RELATIONS
OF THE ADMINISTRATION
OF LENINGRAD REGION

CLUSTER OF THE MEDICAL AND PHARMACEUTICAL INDUSTRY AND RADIATION TECHNOLOGIES OF LENINGRAD REGION

pwc

WELCOME ADDRESS FROM THE GOVERNOR OF LENINGRAD REGION

Dear friends,

To be a successful region means being a trendsetter. This implies developing technologies, offering new business solutions and supporting innovation.

The innovative Northwest Cluster of the Medical and Pharmaceutical Industry, and Radiation Technologies is one of the most vital projects for Leningrad region. The evolving business environment in the Cluster can generate a favourable climate for developing cutting-edge technologies, as well as science-intensive hi-tech production facilities.

Moreover, it is an actively developing region with low investment risks and a stable economy. Our economic indicators are strong, thus giving investors confidence in the future.

This guide provides information on the Cluster's existing facilities and the investment policy implemented in the region to ensure efficient development of high-tech companies.

We are open for cooperation and I hope that this guide will assist you in setting up and developing your business in the region.

Alexander Drozdenko
Governor of Leningrad region

INTRODUCTION BY COUNTRY MANAGING PARTNER, PWC RUSSIA

Dear friends,

Welcome to the Investor's Guide to Leningrad Region's Northwest Cluster of the Medical and Pharmaceutical Industry, and Radiation Technologies — a leader in growth and investment appeal in Russia.

The Cluster is a leading production and R&D centre in Russia.

A unique geographical location with access to Russian and global sales markets, high innovation, technological and R&D potential, advanced infrastructure, highly qualified personnel and government support for investors makes the region very attractive in terms of development potential.

Leningrad region has been implementing a consistent economic and investment policy. The region has created a favourable environment for mutually beneficial inbound and outbound investments, which is continuously being improved.

This guide was prepared jointly with Leningrad region and is intended to familiarise potential investors with our most promising industries and the region's investment potential, and to contribute to the region's successful economic development on mutually advantageous terms.

Igor Lotakov

Country Managing Partner, PwC Russia

GENERAL INFORMATION

LENINGRAD REGION'S AREA

S – 85,900 sq. km.

RUSSIA

Helsinki (200 km)

Stockholm (690 km)

Moscow (500 km)

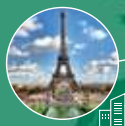
Kazan (1200 km)

Novosibirsk (3100 km)

London (2100 km)

Berlin (1300 km)

Paris (2200 km)



Rome (2300 km)

Madrid (3200 km)

Beijing (6000 km)

Tokyo (7600 km)

ADMINISTRATIVE AND TERRITORIAL DIVISION

17 municipal districts
1 city district
61 urban settlements
138 rural settlements

Major cities:

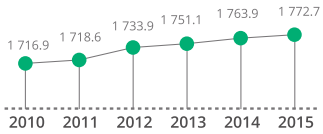
Gatchina — 95,000 people
Vyborg — 80,000 people
Sosnovy Bor — 67,000 people
Vsevolozhsk — 64,000 people

POPULATION, in '000s:
1,772,7 PEOPLE

URBAN POPULATION
1,142,5
PEOPLE

RURAL POPULATION
630,2
PEOPLE

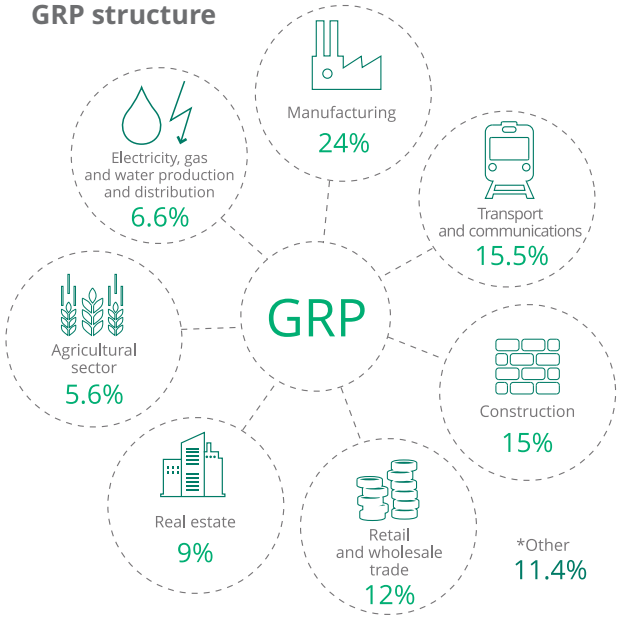
Population changes, in '000s:



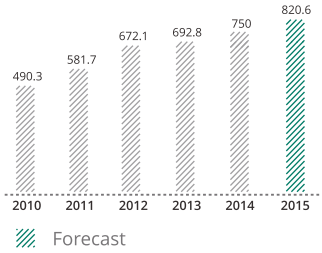
Economically active population — 956,000 people

ECONOMY

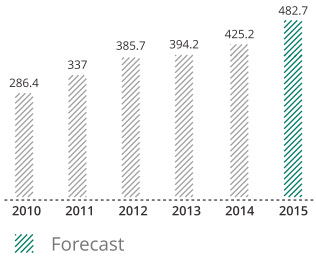
GRP structure



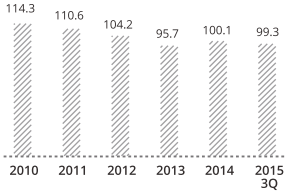
Gross regional product, RUB billion:



GRP per capita, RUB thousand:

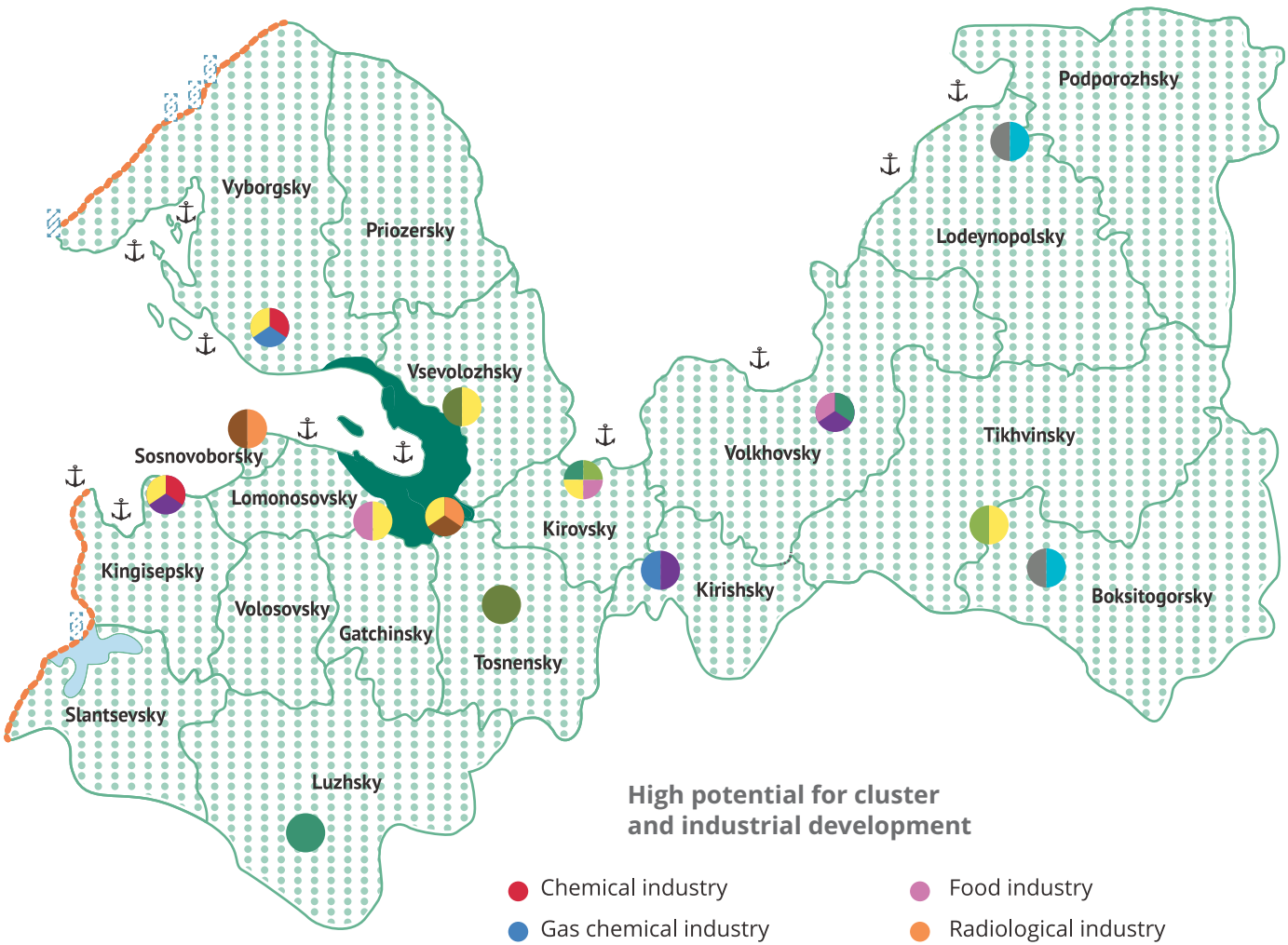


Index of industrial production, %



Foreign trade turnover, USD billion:

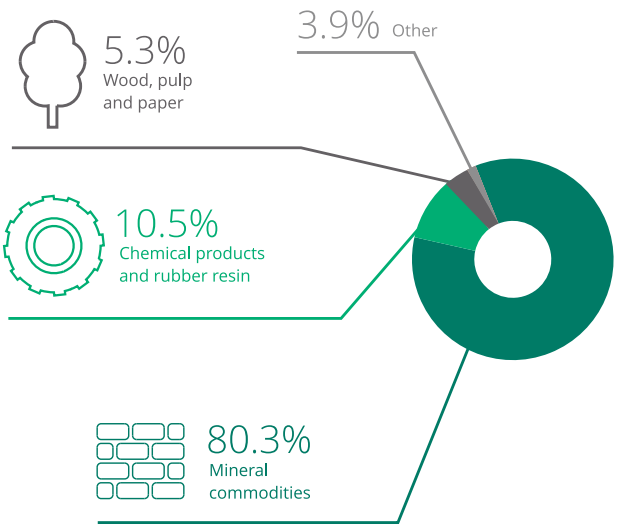
MAP OF LENINGRAD REGION'S INDUSTRIAL COMPLEX



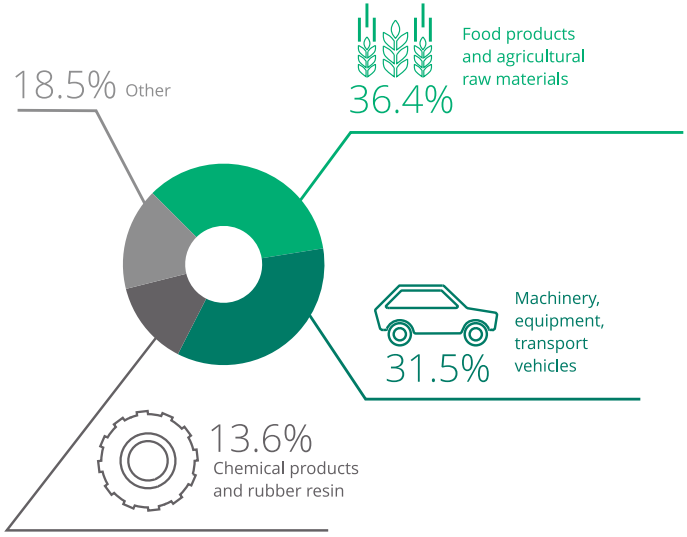
High potential for cluster and industrial development

- Chemical industry
- Gas chemical industry
- Petrochemical industry
- Transport and logistics industry
- Transport engineering
- Automotive industry
- Food industry
- Radiological industry
- Pharmaceutics and medicine
- Construction materials
- Timber industry
- Agribusiness

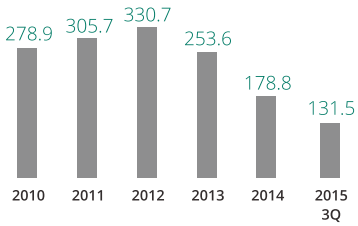
EXPORT COMMODITY STRUCTURE (2015 3Q)



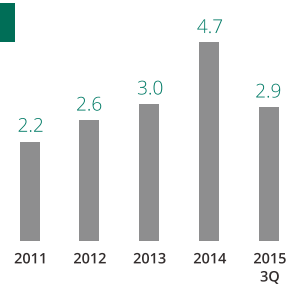
IMPORT COMMODITY STRUCTURE (2015 3Q)



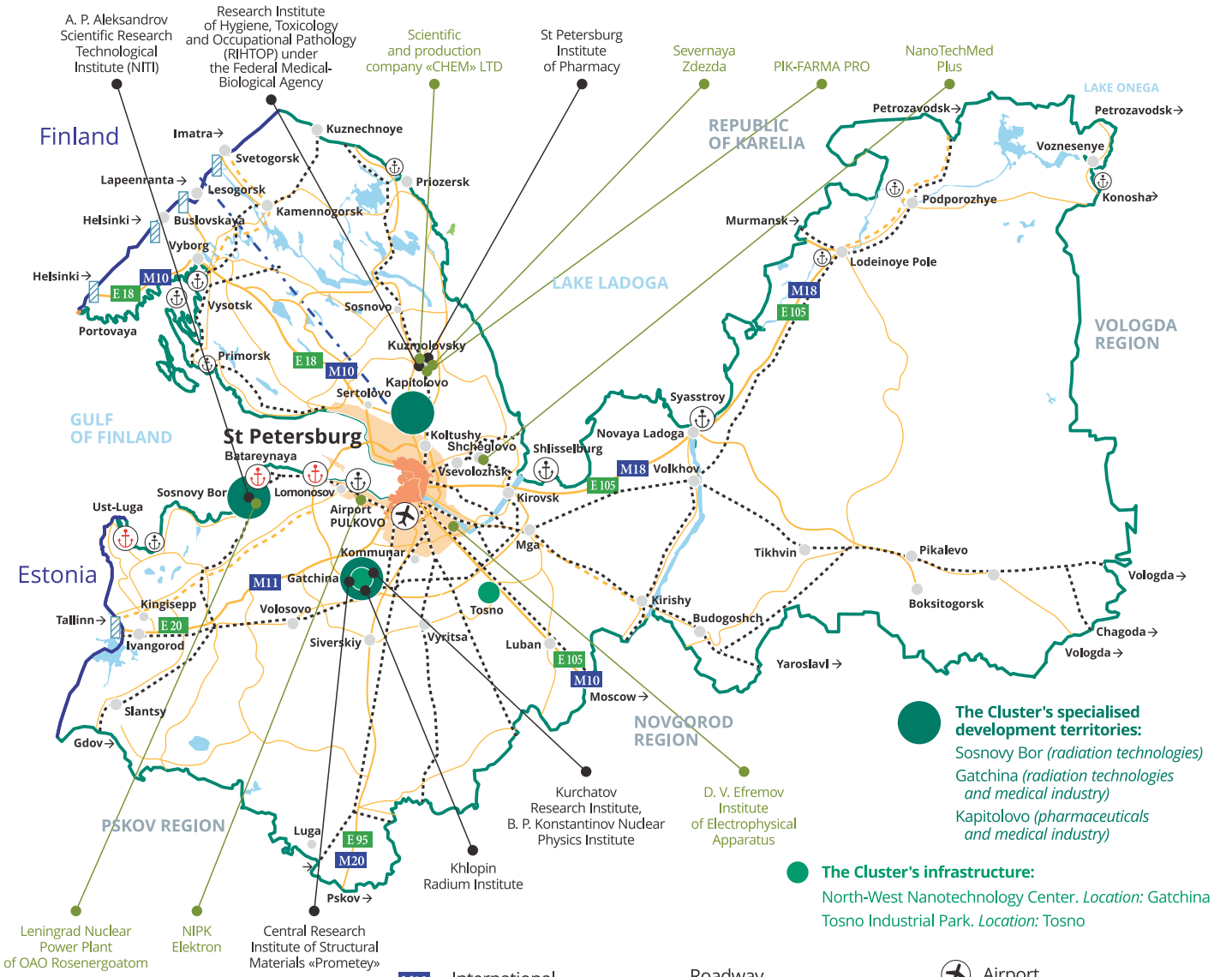
CAPITAL INVESTMENT, RUB BILLION:



FOREIGN DIRECT INVESTMENT, USD BILLION:



RADIOPHARMA CLUSTER DEVELOPMENT MAP



THE CLUSTER'S STRUCTURE

Northwest Cluster of the Medical and Pharmaceutical Industry, and Radiation Technologies:

- is located in St Petersburg and Leningrad region;
- 200 organisations, including 40 R&D and 120 production entities;
- the Cluster's total personnel comes to 59,000 persons;
- scientific potential: over 100 universities training 8% of all Russian students; the Cluster's entities account for 18% of the cutting-edge technologies developed in Russia;
- in 2014–2017, planned R&D costs of the Cluster's entities come to RUB 4.5 billion, investments in production development exceed RUB 10 billion, and investments for acquisition of equipment stand at RUB 5 billion.

Key areas of the Cluster's research, technology and production development include:

- developing original domestic import-substituting medical products and substances;
- developing and producing original domestic import-substituting medical equipment;
- developing nuclear technologies for the next-generation nuclear industry; R&D in nuclear medicine;
- developing original domestic import-substituting radio-pharmaceutical and isotopic products, and emission sources;
- carrying out basic and applied research in elementary-particle physics and high-energy nuclear physics, condensed-matter physics, molecular-based and radiation biophysics, and proton-based research.

THE CLUSTER'S RESEARCH AND TECHNOLOGY INSTITUTIONS

CLUSTER RESIDENT	LOCATION	SPECIALISATION
B.P. Konstantinov Institute of Nuclear Physics	Gatchina, Leningrad region	A multi-purpose research centre engaged in applied research in elementary-particle physics and high-energy nuclear physics and condensed-matter physics, as well as molecular-based and radiation biophysics.
Khlopin Radium Institute	Gatchina, Leningrad region	ROSATOM subsidiary carrying out nuclear physics, radiochemical, geochemical and ecological research largely related to the nuclear industry, radioecology and isotope production. It is one of the Russian and global leaders in these areas.
Central Research Institute of Structural Materials «Prometey»	Gatchina, Leningrad region	Russia's leading cross-industry materials research centre. The institute focuses on the following key sectors: shipbuilding, nuclear, thermal power and hydropower sectors, gas and oil refining, heavy engineering and military hardware.
A.P. Aleksandrov Scientific Research Technological Institute	Sosnovy Bor, Leningrad region	Scientific research centre for integrated naval nuclear propulsion reactor (NPR) tests.
Research Institute of Hygiene, Occupational Pathology and Human Ecology under the Federal Medical and Biological Agency of Russia	Kuzmolovsky, Leningrad region	The institute's major R&D areas include: developing a medical and sanitary framework for occupational and environmental medicine, draft regulations and methodological guidelines on ensuring sanitary and epidemiological safety; conducting comprehensive toxicology, hygiene, environmental and chemical analytical research.
St Petersburg Institute of Pharmacy, Institute of Experimental Pharmacology, Scientific and Production Association House of Pharmacy (DOM FARMATSII)	Kuzmolovsky, Leningrad region	The group conducts preclinical studies of pharmaceuticals, specialised foods, biologically active additives, and cosmetic products for Russian and foreign companies as per the requirements of Russian and international law. One of the priorities for these institutions is the development of new medicines for preventing and treating socially significant diseases.

THE CLUSTER'S MANUFACTURING ENTITIES

CLUSTER RESIDENT	LOCATION	SPECIALISATION
NIPK Elektron	St Petersburg	The company designs integrated IT solutions for such medical specialities as oncology, pulmonary diseases, traumatology and orthopaedics, cardiology and surgery, gastroenterology and pediatrics, as well as for multi-purpose MTPIs. The company develops and manufactures medical diagnostics equipment, including X-ray-based digital diagnostics systems, multi-purpose X-ray systems used for diagnostics, interventional image-guided systems, CT systems and nuclear medical equipment.
The D.V. Efremov Scientific Research Institute of the Electrophysical Apparatus	St Petersburg	A leading Russian scientific, R&D and manufacturing organisation for the design and manufacture of electrophysical equipment and systems for scientific and applied purposes in such areas as physics of plasma, atomic and nuclear physics, elementary-particle physics, healthcare, radiation and energy technologies, and introscoping.
NanoTechMed Plus	Shcheglovo, Vsevolozhsky district	A local innovative company focused on developing technologies and manufacturing carbon-based medical devices. Carbon nanostructure implants (CNI) can be used for replacing spinal vertebrae and disks in case of spinal injuries and diseases; repairing fractured bones.
Leningrad Nuclear Power Plant of OAO Rosenergoatom	Sosnovy Bor, Leningrad region	A branch of Rosenergoatom Concern OJSC. The Leningrad NNP is a major producer of electrical power in the Russian Northwest. The plant also produces over 20 name-brand medical and general-industry radiochemical isotopes.
Scientific and production company «CHEM» LTD	Kuzmolovsky, Vsevolozhsky district	Scientific and Production Company «CHEM» LTD develops and carries out the industrial chemical synthesis of medicines substances. The company's main priority is the development of science-intensive technologies and their use in substance production.
Severnaya Zdezda	Kuzmolovsky, Vsevolozhsky district	The company specialises in the production of solid dosage drugs such as tablets, coated tablets and hard gelatin capsules.
PIQ-PHARMA PRO	Kuzmolovsky, Vsevolozhsky district	One of the few Russian companies producing not only finished dosage forms, but also pharmaceutical substances, thereby assuring the high quality of products at all stages of drug development. Currently, the company has 12 drugs in its portfolio. These include metabolic, cardiovascular and nootropic drugs, which have proven their effectiveness in treating and preventing a wide range of diseases. Furthermore, PIQ-PHARMA has 10 products of various therapeutic categories in different stages of development.

PROJECTS CURRENTLY BEING IMPLEMENTED

1. Gatchina City Urban District as a radiation technologies development centre

Participants of the project: Government of Leningrad region, Gatchina City Administration, OAO Rusnano, Kurchatov Research Institute, Konstantinov Institute of Nuclear Physics, Noncommercial Partnership Northwest Cluster of the Medical and Pharmaceutical Industry and Radiation Technology.

Gatchina boasts high innovation and production potential and hosts three large organizations specialising in radiation technologies.

The key projects to be implemented as part of the development framework for the Gatchina City Municipality as a radiation technology centre include:

A) Establishing and developing the North-West Nanotechnology Centre

The Gatchina Nanopark will act as a key facility in the innovation infrastructure developed in Leningrad region with the aim of ensuring the necessary conditions for the successful development of innovation activities in the region. The project is unique as it involves the development of an innovation production site with a concept that effectively combines the following elements:

- a nanotechnology centre, a technopark;
- a Greenfield industrial park;
- a Brownfield industrial park.

B) Putting the PIC high-flux research reactor into operation

The commissioning of the PIC R&D reactor complex will significantly increase Russia's share in the global markets for technology services related to the application of neutron and nuclear methods in the development of new materials and products. The new complex will satisfy the demand of all consumers interested in neutrons not only across Russia and CIS, but also worldwide.

The PIC reactor complex and the international neutron research centre now being established will be a unique project with the highest capacity worldwide in the forthcoming 20-25 years.

2. Creation and development of Tosno Industrial Park

The industrial park, which has a total area exceeding 110 ha, will include 15 sites (between 4 and 10 ha) prepared to host production facilities with hazard classes III–V.

The project for the establishment of Tosno Industrial Park will create more than 1,500 jobs in Leningrad region.

At present, work is underway to develop the project's framework in order to establish and develop the industrial park, as well as put together a set of necessary primary permit documentation. A project for forest development has also been prepared and approved. In addition, a forest declaration has been drafted.

The year 2017 will see the arrival of the park's first residents. At the moment, active negotiations are underway with potential residents in regards to signing agreements to accommodate production facilities within areas of more than 30 ha at the industrial park.

3. Establishing and developing production of finished pharmaceutical goods

ZAO Severnaya Zdezda is engaged in the construction of a new plant to produce finished pharmaceutical goods. The project envisages the construction of facilities to produce ophthalmic drops and nasal sprays, solid dosage forms (pills, capsules, sachet), and injectable dosage forms. The project is being implemented in 2015–2020. Overall investment comes to more than RUB 1 billion.

DEVELOPMENT PROGRAMME FOR THE CLUSTER'S ENTERPRISES IN 2014–2020

GOAL OF THE CLUSTER'S SUB-PROGRAMME

Developing a unified pilot innovative territorial cluster for medical applications, x-ray technologies and pharmaceutical industries in Leningrad region.

OBJECTIVES

- enhancing innovation-focussed activities in medical and pharmaceutical industries, including x-ray technologies, and improving the coordination of the Cluster participants' actions and cooperation, both within Russia and globally;
- ensuring growth in production and sales volumes (including overseas markets) of innovative medical and pharmaceutical products, as well as goods based on x-ray technologies;
- developing personnel, qualification and educational standards in the healthcare and pharmaceutical industries, as well as in the area of x-ray technologies.

The timeframe of the programme is from 2014 to 2020.

KEY AREAS OF THE CLUSTER'S DEVELOPMENT PROGRAMME INCLUDE

1. Building partnerships with development institutions, R&D entities and counteragents

Current status:

a) the following organisations form a system ensuring the coordination and implementation of the Cluster's development:

- *Economic Development Agency of Leningrad Region — Public Institution;*
- *Non-Commercial Partnership Northwest Cluster of the Medical and Pharmaceutical Industry;*
- *North-West Technology Transfer Centre (RUSNANO).*

b) to ensure the efficient coordination of efforts and foster an innovative environment, agreements have been signed with state-owned corporations ROSATOM, RUSNANO and Kurchatov Research Institute on cooperation within the development of an unified pilot innovative territorial cluster.

2. Creating a system to support the Cluster's enterprises and provide start-ups with financing

Creation of the North-West Technology Transfer Centre.

- Financial portfolio of over RUB 800 million;
- Industry focus: nanoelectronics, nanomaterials and X-ray technologies;
- The project aims to create small innovation companies and develop medium- and large-sized enterprises specialising in nanotechnologies and X-ray technologies.

3. Creating conditions and infrastructure for innovations at all development stages – from innovation research to marketing of innovative products

- Creation of the North-West Nanotechnology Centre in Gatchina;
- Creation of a preclinical trial centre;
- Creation of a high-tech medical equipment engineering centre;
- Creation of the Tosno Industrial Park.

STATE MEASURES OF SUPPORT FOR THE RADIOPHARMA CLUSTER'S RESIDENTS

Leningrad region offers a broad list of support measures for the Northwest Cluster of the Medical and Pharmaceutical Industry, and Radiation Technologies

BENEFITS FOR INVESTORS

Legislation: Leningrad region Law No. 113-oz of 29 December 2012 «On Government Support for Organisations Investing in Leningrad region and on Amending Certain Legal Acts of Leningrad region»

THE TIMEFRAME **FOR REVIEWING, APPROVING AND SIGNING** AN AGREEMENT FOR PROVISION OF GOVERNMENT SUPPORT FOR AN ENTERPRISE COMES TO **35 DAYS**

REDUCTIONS IN TAXATION

PROFITS TAX from 18% to 13.5% (regional part)

PROPERTY TAX from 2.2% to 0%

INVESTMENT AMOUNT	BENEFICIAL PERIOD
RUB 300–500 million	4 years
RUB 500 million–3 billion inclusive	5 years
over RUB 3 billion	6 years

CONDITIONS FOR RENDERING SUPPORT

- registration in Leningrad region;
- project implementation within three years;
- engaging in statutory activities;
- conclusion of an agreement with the Regional Government on state support for investment activity;
- property created or acquired under a project must be included on a company's books.

TAX BENEFITS FOR TRADING ACTIVITY

Legal basis for support:

1. Law of Leningrad region «On Measures of State Support for Trading Activity in the Territory of Leningrad region» No. 10-oz of 08.04.2002.

2. Resolution of the Government of Leningrad region «On Approval of the List of Several Types of Goods Sold in Accordance with Regional Law On Measures of State Support for Trading Activity in the Territory of Leningrad region» No. 158 of 05.09.2002.

3. Bylaws which determine order of granting subsidies to organizations carrying out trading activity.

Advantages of carrying out trading activity in Leningrad region:

- there are no similar measures of support granted to trading activity in any other subjects of the Russian Federation;
- favourable investment climate of Leningrad region, its geographical location and foreign economic relations allow actively developing trading activity;
- consulting and information support to organizations before receiving benefits and during the term of a contract.

BENEFITS FOR TRADERS

1. REDUCTION OF CORPORATE TAX

13.5% instead of 18% included in the budget of Leningrad region

2. SUBSIDIES

Profit	Subsidy
• up to RUB 10 million	10% of corporate tax
• from RUB 10 million to RUB 60 million	RUB 135,000 and 20% of corporate tax
• from RUB 60 million to RUB 100 million	RUB 1,485,000 and 30% of corporate tax
• from RUB 100 million	RUB 3,105,000 and 35% of corporate tax

CONDITIONS FOR RECEIVING STATE SUPPORT

Registration in Leningrad region

Average monthly revenue over the current year exceeds RUB 100 million

Goods sold are included in the list affirmed by the resolution of the Government of Leningrad region No. 158 of 05.09.2002 «On Approval of the List of Several Types of Goods Sold in Accordance» with Regional Law «On Measures of State Support for Trading Activity in the Territory of Leningrad Region»

ADMINISTRATIVE SUPPORT FOR INVESTMENTS

«ONE-STOP-SHOP» SUPPORT FOR INVESTMENT PROJECTS

Investors face various problems in the implementation of investment projects: starting from the need to carry out market studies and assessments to interaction with regional authorities and obtaining necessary permits. These issues are especially relevant bearing in mind the specific nature of doing business in Russia for foreign companies. To create an environment in which the fullest possible support and assistance is provided to businesses and investors, the Front Office for Investor Relations of the Administration of Leningrad Region was set up, which functions as a «one-stop-shop» to provide support to investment projects in the region.

Key advantages of «one-stop-shop» support for investment projects:

- the Front Office for Investor Relations of the Administration of Leningrad Region is a single point of entry for investors which solves all issues related to the implementation of investment projects;
- direct contact with representatives of the regional and municipal authorities at any level;
- accelerating the selection of land plots. The register of investment sites includes (the timeframe from when an application is received until the provision of a list of plots with access to utilities is three business days);
- provision of full and comprehensive information about tax benefits and other support measures for investors, consulting on issues related to effective legislation, urban planning documentation, etc.

INVESTOR APPLICATION

MEETING IN FRONT OFFICE

Investment project presentation.
Presentation on Front Office's services.

FILING AN APPLICATION FOR ASSISTANCE

Brief project description.
All information provided by investors is confidential.

The timeframe for reviewing an application is **5 days**

SIGNING AN AGREEMENT ON SUPPORT FOR INVESTMENT PROJECTS

Types of investment project support:
Information and advisory assistance.
Selection of an investment site.
Providing assistance in engineering and transport support.

The timeframe for reviewing an application is **5 days**

FOCUS AREAS OF FRONT OFFICE

INFORMATION AND CONSULTING SUPPORT OF INVESTORS

- providing assistance in obtaining documentation issued by municipal, regional and federal authorities;
- consulting on matters related to the acquisition of titles to land plots, consulting on urban planning documentation;
- making changes to site designs;
- consulting on current legislation;
- consulting on existing government support measures in Leningrad region.

SELECTION OF LAND PLOTS

- In Leningrad region, in order to optimise the launch dates for investment projects, the Front Office for Investor Relations of the Administration of Leningrad Region has put in place a number of procedures that enable the optimisation of investors' time spent on looking for investment sites that fully meet their needs.

  Selecting an investment site implies finding an investment site that meets the requirements of specific investment projects, providing accurate and objective information about the level of engineering support available for such sites, etc.

LAND PLOT SELECTION STAGES

INVESTOR APPLICATION FOR SUPPORT

The application contains a short description of the project and a set of requirements for the investment site: site type (Greenfield, Brownfield), size, required engineering and transport infrastructure, hazard class of operations, etc. All information provided by investors is kept confidential.

FRONT OFFICE PROVIDES A LIST OF INVESTMENT SITES

Timeframe – three working days.
A list of investment sites that meet the investor's request. If there are no sites that fully match all of the required parameters, information about the most suitable sites is sent to the investor.

SITE VISITS

After the investor studies the alternative investment sites, Front Office then agrees site visits with owners/tenants in order to come to a final decision on the location of production facilities (administrative, infrastructure, warehouses, etc.).

DEVELOPMENT INSTITUTIONS IN THE REGION

NON-COMMERCIAL PARTNERSHIP NORTHWEST CLUSTER OF THE MEDICAL AND PHARMACEUTICAL INDUSTRY, AND RADIATION TECHNOLOGIES

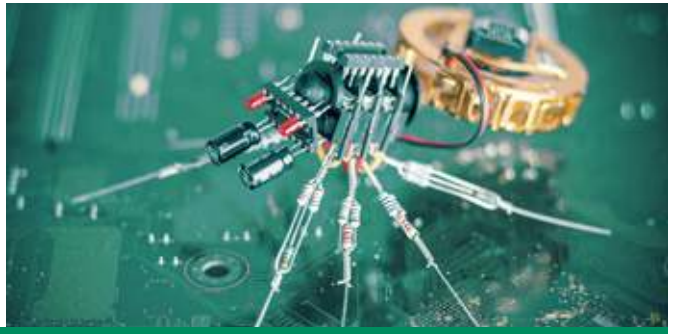
A specialised Cluster entity.
The Partnership's members include the Government of Leningrad region represented by OAO Lenoblinnovatsii, OOO North-West Technology Transfer Centre and state-owned corporation ROSATOM represented by AO Science and Innovation.

The Partnership's mission

In order to foster favourable conditions for the efficient interaction of the Partnership's members, educational and scientific institutions, non-commercial and public organisations, the federal and local municipal authorities aim at developing a cluster of medical and pharmaceutical industries, as well as radiation technologies, in Leningrad region and throughout Russia.

Key areas of the Partnership's activity

The Partnership ensures the comprehensive coordination of the Cluster's participants, the efforts of the regional authorities, the use of infrastructure facilities, and measures of government support, as well as innovation development mechanisms in Leningrad region. It also provides support to innovation-oriented projects from their inception to making sure that they reach their design capacities. To ensure the Cluster's development, the Partnership also provides methodological, information, expert and analytical support to this institution and its participants.



NORTH-WEST TECHNOLOGY TRANSFER CENTRE

NWTTC provides a full range of services aimed at structuring and commercialisation of innovation projects in the sphere of nanotechnologies, as well as infrastructure support of their industry and market entry.

NWTTC provides the following services to project companies:

1. Assisting in the creation and assessment of IP products under R&D projects and documentation of IP titles, providing legal support for technology transfers (licensing, certification, signing agreements, etc.); assisting with designing projects, developing and evaluating business models and project financial models, creating start-up companies and incorporation of legal entities;
2. Financing projects and raising additional project finance from such sources as development institutions and private investors, as well as Russian and international programmes;
3. Preparing analytical materials and marketing surveys;
4. Structuring transactions, providing accounting and legal support to project companies, as well as leasing equipment to project companies;
5. Promoting products/technologies on the market and supporting product/technology market entry, etc.

ECONOMIC DEVELOPMENT AGENCY OF LENINGRAD REGION

The authorities of Leningrad region have set up the Front Office for Investor Relations based out on the Economic Development Agency of Leningrad Region.

Workstreams:

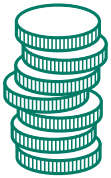
- providing assistance in engineering and transport support procedures;
- offering information and consulting support for investors;
- selecting investment sites.

THE CLUSTER'S WORKFORCE, SCIENTIFIC AND TECHNICAL POTENTIAL

The Cluster's R&D, technological and educational potential is represented by Russia's leading scientific and educational institutions:

- GBOU VPO St Petersburg Chemical and Pharmaceutical Academy;
- BOU VPO St Petersburg State Medical University named after academician I. Pavlov;
- GBOU VPO St Petersburg State Technology Institute;
- FGBOU VPO St Petersburg State University;
- FGBOU VPO St Petersburg State Polytechnic University;
- GBOU VPO North-Western Medical University named after I. Mechnikov;
- All-Russian Research Institute of Metrology named after D. Mendeleyev;
- St Petersburg Psychoneurological Research Institute named after Bekhterev;
- FGBOU VPO St Petersburg State Polytechnic University named after Peter the Great;
- FGBOU VPO St Petersburg Academy of Veterinary Medicine;
- FGBU Research Institute of Experimental Medicine affiliated with the North-Western Branch of the Russian Academy of Medical Sciences;
- FGBOU VPO St Petersburg State Electrical Engineering University LETI named after Ulyanov (Lenin);
- FGBUN Institute of Physiology named after I. P. Pavlov affiliated with the Russian Academy of Sciences;
- FGBUN Institute of Toxicology affiliated with the Federal Medical and Biological Agency.

THE CLUSTER'S LABOUR FORCE



The average salary in the Cluster comes to RUB 43,400

The Cluster employs 2,300 *researchers*

The number of the people employed in the Cluster comes to 59,000

Over 50% *of the workforce have a diploma of higher education or a secondary vocational education*

SWOT ANALYSIS OF THE RADIOPHARMA CLUSTER

STRENGTHS

- an advantageous geographical location along with a well-developed transport and logistic infrastructure and access to large markets;
- world-class competences;
- a wealth of human resources in the region;
- over 100 universities training 8% of all Russian students are located in St Petersburg and Leningrad region;
- availability of highly qualified personnel and high levels of university education;
- support from Russian state corporations: OAO RUSNANO and State Corporation ROSATOM;
- the Cluster's entities possess technological competencies applicable in various high-tech industries and areas (medicine, tool engineering, safety, materials science, non-destructive control, life-support systems, etc.);
- availability of fast-growing markets to sell products manufactured in the Cluster;
- availability of industrial territories prepared for the development of new production facilities (industrial parks);
- the Cluster's entities have access to the entire technological chain for innovation-oriented development: from fundamental research to a mass production of new products.

THREATS

- lack of new specialised small businesses that would be the Cluster’s future entities;
- poor coordination among the Cluster's entities;
- shortage of financing for intra-Cluster projects;
- departure of the most qualified engineering and medical personnel;
- radiation technologies, pharmaceutical enterprises and medical equipment are now being developed in isolation.

WEAKNESSES

- shortage of competencies and lack of experience in the commercialisation of technologies;
- the Cluster has no companies that are widely presented in global markets;
- lack of a system for open innovation and networking;
- shortage of interdisciplinary specialists, such as physicists-biologists, physicists-physicians, etc.

OPPORTUNITIES

- a systematised approach to professional guidelines and training of personnel who are in-demand;
- entry onto global markets, primarily, innovative R&D, engineering and design markets;
- the largest research and development centre for radiation technology in Russia and Europe will be built in Gatchina;
- attracting innovative and technological businesses, as well as localising hi-tech productions;
- large research projects are being implemented in order to develop the Cluster;
- ensuring partnerships with specialised enterprises in other regions;
- creating innovation-focussed and manufacturing infrastructure facilities;
- concluding agreements for strategic partnerships, student and postgraduate exchanges, training programmes to be run jointly with leading Russian and global scientific and research centres;
- fostering conditions to involve the Cluster's scientific and educational centres in research, scientific, technical and innovation programmes;
- raising budget and non-budgetary financing and investment for the Cluster’s projects.

CONTACT DETAILS

FRONT OFFICE FOR INVESTOR RELATIONS OF THE ADMINISTRATION OF LENINGRAD REGION

Economic Development Agency of Leningrad Region — Public Institution

«One-stop-shop» service for assisting investment projects and promoting the region's investment climate in Russia and abroad

Address: Office 402, 64B, Malookhtinsky pr., St Petersburg, 195112

Tel.: + 7 (812) 644-01-23

invest@lenreg.ru

www.lenoblinvest.ru

PWC IN ST PETERSBURG

Address: BolloevCenter, 4A, Grivtsova Lane, St Petersburg, 190000

Tel.: +7 (812) 326-69-69

www.pwc.ru

www.lenoblinvest.ru

The publication is prepared by Front Office for Investor Relations
of the Administration of Leningrad Region jointly with PwC