

GUIDE TO INDUSTRY IN THE LENINGRAD REGION



LENINGRAD REGION COMMITTEE
FOR ECONOMIC DEVELOPMENT
AND INVESTMENT ACTIVITY

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INTRODUCTION BY THE GOVERNOR OF THE LENINGRAD REGION



Dear friends,

Industry is the fundamental basis of the Leningrad Region's economy. Enterprises with stable, successful operations make a significant contribution to the gross regional product (GRP) and represent a key source of tax revenue for the regional budget.

Today, we are seeing the successful development of industrial production in the Leningrad Region, which helps ensure a high rate of economic growth for the region as a whole.

In 2012, industrial output increased by 4.2%. Our region ranks among the top three leaders in industrial production in north-western Russia, particularly by such indicators as the volume of industrial goods shipped and production of natural resources.

The Leningrad Region is a major transport and logistics centre for north-eastern Europe. Across the region, ports, industrial zones and technology parks have been expanding their capacity, and integrated development plans are being implemented.

Our achievements have established a solid base and favourable conditions for the further development of the Leningrad Region's industrial sector. Enterprises with sustainable operations are the best advertising for our business climate and the effectiveness of the region's investment policy. Owing to this, in 2012 we brought in over RUB 330 billion to the regional economy. The region offers an investor-friendly tax regime, and a clear, transparent support system for investment projects.

This Guide to Industry in the Leningrad Region is intended to be a reliable guide that can help investors establish and develop their businesses in the Leningrad Region.

Our region is open to all who are enterprising and ready to take the initiative, and who value solid commitments and guarantees.

Alexander Drozdenko
Governor of the Leningrad Region

A handwritten signature in blue ink, which appears to be 'A. Drozdenko', written on a light-colored background.

FOREWORD BY THE MANAGING PARTNER OF PwC RUSSIA



The Leningrad Region today presents a vivid example of a dynamic, rapidly growing economy. The availability of an extensive raw materials base, skilled labour, access to both Russian and European markets, and significant industrial and technological potential support the Leningrad Region's development as a highly industrialised region where all types of production are represented.

The Leningrad Region is unique in terms of its geographical location. Access to the Baltic Sea, geographic proximity to Western Europe, rapid development of practically all modes of transport, and the availability of ports and logistics hubs make the Leningrad Region one of the largest transportation hubs in north-western Russia as well as an important link in Russian and global transport networks.

Among the region's top priority objectives today are the further improvement of living standards and creating favourable conditions for the development of new investment projects.

The Leningrad Region Government has been actively implementing mechanisms aimed at smoothing the way for investors, such as investment project support on a "one-stop-shop" basis, which have contributed to creating a highly favourable environment for doing business.

In addition to a simplified procedure for obtaining tax preferences, another advantage of doing business in the Leningrad Region is the availability of functioning industrial parks and clusters.

This Guide presents the most interesting and helpful information about the economic situation in the region, including the region's development prospects, special aspects of establishing and doing business in the region, and government support programmes for investors.

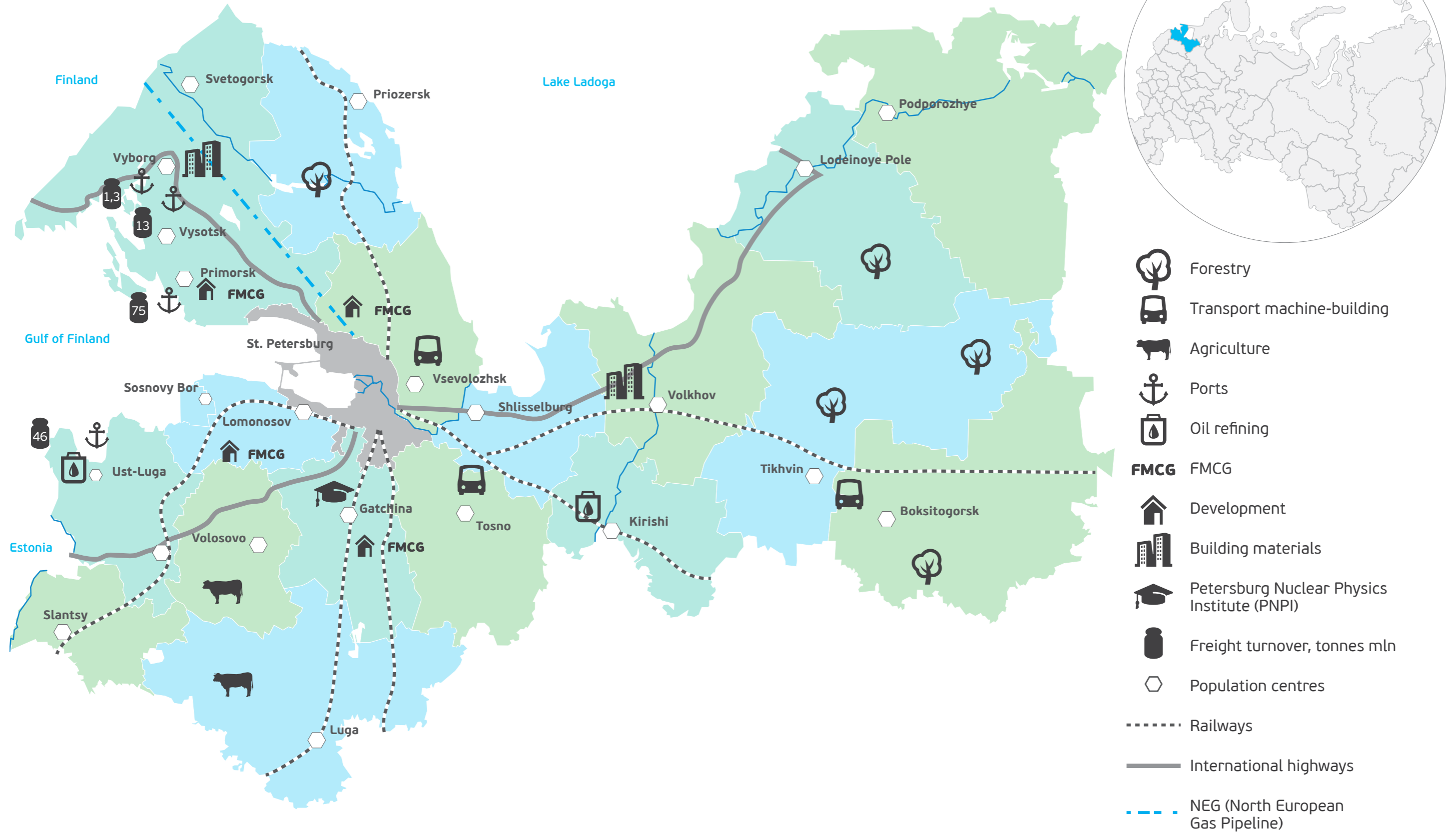
We strongly believe that this publication will be helpful to both existing and potential investors, and wish the Leningrad Region Government continuing success in their work for the benefit of the region.

David Gray
Managing Partner
PwC Russia



ONE OF RUSSIA'S MAJOR TRANSPORT HUBS WITH A STABLE ECONOMY

Map of the Leningrad region



INVESTMENT POTENTIAL OF LENINGRAD REGION



SOCIAL AND ECONOMIC SITUATION

The Leningrad Region is located in north-eastern Russia and has an area of 83,900 square km. The region has a population of 1.75 million people, of which 65.2% are urban dwellers and 34.8% live in rural areas. The region borders on Finland and Estonia and has administrative borders with five other constituent regions of the Russian Federation: the Novgorod, Pskov and Vologda regions, the Republic of Karelia and the City of St. Petersburg.

Moreover, the Leningrad Region is rich in various natural resources. The region has major reserves of: bauxite, clay, phosphorite, shale, granite, limestone, sand and peat. New types of feedstock have been discovered in the region, including magnetite ore of tin-silver and uranium mineralisation, ornamental stones, natural gas and bitumen.

The region is also among the leaders in north-western Russia in timber cutting, processing and export.

These factors support the Leningrad Region's development as a highly industrialised region where all types of production and transportation are represented.

The region's diversified economy ensures the consistent growth of key macroeconomic indicators:

- the net profit of regional enterprises and organisations grew by 23% versus the same period the year before;
- capital investments grew by 0.8% year on year;
- the volume of construction work grew by 8.7% year on year;
- real personal income rose by 3.0% year on year;
- real wages rose by 8.5% year on year.

GROSS REGIONAL PRODUCT (GRP)

A key indicator of the region's successful development is its growing gross regional product (GRP).

In 2010, the region's GRP was RUB 502.1 billion, representing 5.4% growth over 2009. In 2011, GRP increased to RUB 573 billion (representing a 106.6% year-on-year percentage change in comparable prices) and GRP per capita amounted to RUB 332,000 (113.7% in current prices). As a result of the anti-

ipated positive growth trend in the industrial sector, active construction of new enterprises, increased capital investment, and further growth in the market for goods and services, the GRP physical volume index for 2012 grew 5.1% compared to 2011. In 2011, GRP per capita was about RUB 363,000, whereas in 2000 it was only RUB 33,300.

Per capita GRP (RUB) in the constituent regions of the North-Western Federal District

| | 2008 | 2009 | 2010 |
|--------------------------------|-----------|-----------|-----------|
| North-Western Federal District | 251,321.0 | 253,974.1 | 286,472.5 |
| Republic of Karelia | 167,192.1 | 154,440.7 | 198,212.9 |
| Republic of Komi | 302,912.6 | 316,939.4 | 389,916.6 |
| Arkhangelsk Region | 228,702.4 | 257,189.6 | 289,310.1 |
| Vologda Region | 241,630.9 | 175,498.3 | 209,385.6 |
| Kaliningrad Region | 191,241.9 | 180,794.5 | 207,188.1 |
| Leningrad Region | 234,748.4 | 263,925.8 | 292,077.8 |
| Murmansk Region | 252,433.9 | 240,882.1 | 294,219.8 |
| Novgorod Region | 177,355.4 | 182,978.5 | 200,184.7 |
| Pskov Region | 104,564.7 | 107,798.0 | 124,778.3 |
| City of St. Petersburg | 312,973.8 | 321,451.6 | 342,968.0 |

INVESTMENT CLIMATE

Active investment is a critical element in the future development of the region's economic and social environment.

The Leningrad Region's investment climate is characterised by the following:

- a unique geopolitical location (as both Russia's "gateway to Europe" and Europe's "gateway to Asia," a major transport hub, and port facilities currently in operation or under construction);
- large-scale innovation and industrial potential, and a large pool of skilled personnel;
- an established regulatory framework for promoting investment;
- a system of tax incentives and government support for investors;
- information transparency and openness;
- a high level of political, social and economic stability.

These factors make the Leningrad Region attractive not only to Russian but also foreign investors. Capital investment in the region totalled about RUB 330.1 billion in 2012, or 0.8% higher than in 2011 in comparable prices and 8% higher in current prices.

Foreign investment in the region in 2012 amounted to USD 1.4 billion, an increase of 1.9 times from 2011, of which 76.8% was foreign direct investment (FDI) totalling USD 1.1 billion, also representing an increase of 1.9 times over 2011.

Investments in developing industrial production and transport infrastructure hold the largest share of total investment in the region.

Private funds (non-budgetary funds) account for 83.1% of real investment in the region.

The Leningrad Region Government's investment policy aims at the efficient use of available resources to attract significant investment to the region, thereby creating dozens of new enterprises and boosting consistent growth in tax revenues to the regional budget, including revenue from large foreign companies. Major foreign investors, such as Caterpillar, Ford Motor Company and many others, have recently come to the Leningrad Region. In most cases (e.g. Nokian Tyres, Metsä-Botnia Ab, Roca Sanitario S.A.), the decision to invest in the Leningrad Region has been linked to the signing of contracts granting most-favoured status.

Performance and results:

- No. 2 in the North-Western Federal District by investment volume (RUB 330.1 billion in 2011);

Over USD 1.4 billion (2012) in foreign investment alone

- In 2012, capital investments in the region exceeded 50% of GRP;



- The Leningrad Region is among the top 10 regions with the least investment risk (seventh among all regions according to Expert RA, 2011).

Investments in industry and transport account for the largest share of overall investment

Another equally important area for attracting investment is small and medium-sized enterprises (SMEs). The Leningrad Region Government has been making every effort to boost the development of technology parks (industrial parks, technology parks, etc.). The regional legislature has passed Leningrad Region Law No. 103-03 of 9 December 2011 "On Government Support Measures for Organisations Conducting Business on the Territory of Industrial Parks and Technology Parks of the Leningrad Region."

Key principles of the regional investment policy:

- Simplified investor access to benefits and preferences;
- Development of a network of regional industrial and technology parks;
- Reliance on the "one-stop-shop" principle for implementing investment projects;
- Introduction of a Standard for Promoting a Favourable Investment Climate in the Region.

Changes in regional investment laws:

- reduction in the corporate income tax rate to **13.5%**;
- reduction in the property tax rate to **0%**;
- tax benefit period – up to eight years;
- for investments of over RUB 300 million.

2012: over **500 hectares** of available land, by 2015: over **1,000 hectares**

"Direct corridor" of support from the regional government all the way to municipal authorities

The Leningrad Region is the first region where the Strategic Initiatives Agency's (SIA) roadmap includes a Standard for Promoting a Favourable Investment Climate at the municipal level.

CREDIT RATING

International credit rating agency Standard & Poor's raised the Leningrad Region's long-term credit rating to "BB+" and its national scale rating to "ruAA+" in December 2011. The region's anticipated unsecured debt recovery rating is still "3". The region's outlook is "stable".

In June 2012, international ratings agency Fitch upgraded Leningrad Region's long-term ratings in foreign and local currency from "BB" to "BB+", and also affirmed the region's short-term rating at "B". Fitch also raised the national long-term rating for the region from "ruAA-" to "ruAA". The outlook for these long-term ratings is "stable". This rating action applies to the Leningrad Region's outstanding issued bonds worth RUB 1.3 billion.

INTRODUCTION OF A STANDARD FOR EXECUTIVE AGENCIES TO ENSURE A FAVOURABLE INVESTMENT CLIMATE IN THE LENINGRAD REGION

On 21 September 2012, an agreement was signed with the Strategic Initiatives Agency (SIA) to implement a Standard for executive agencies' efforts to promote a favourable investment climate in the Leningrad Region within the framework of the XI International Investment Forum - Sochi 2012.

The SIA roadmap calls for carrying out the 15 points of the Standard. What sets Leningrad Region's roadmap apart from that of other regions is that it features an additional provision in the Standard (point No. 16) providing for measures to improve the investment climate at the municipal level.

A front office has been opened at the Economic Development Agency of Leningrad Region (state public institution) which operates on the "one-stop-shop" principle. Investors can request information from the Agency about tax support provided by the Leningrad Region Government and the availability of industrial sites. The Agency can also provide assistance in obtaining required permits, as well as support in communications and interactions with the representative offices of federal executive agencies.

Furthermore, the regional authorities have set up the Investment Council at the Office of the Governor of the Leningrad Region. Vice-governors and senior executives of major companies operating in the region are members of the Investment Council. The regional authorities and business community have joined forces to develop initiatives for reducing administrative barriers, issuing proposals for cutting the waiting time and simplifying procedures for required permits to investors. Work is also under way to create the necessary conditions for the rational establishment of enterprises and deployment of labour throughout the Leningrad Region.

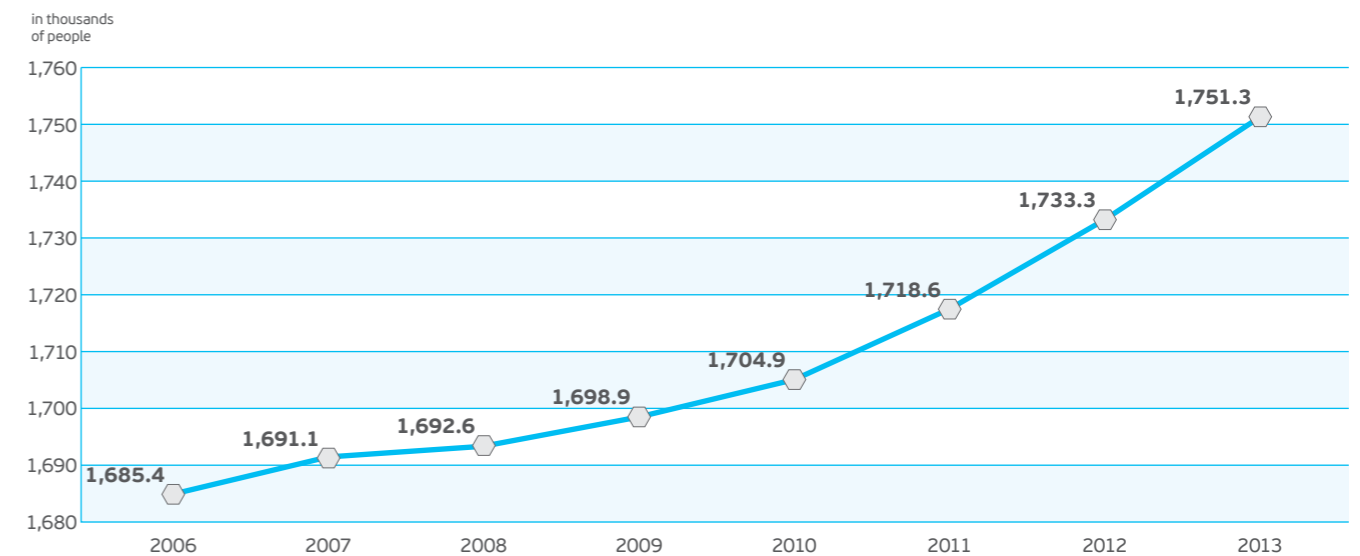


Points of the Standard:

- Approving a regional investment strategy by the higher government bodies of the relevant constituent region of the Russian Federation;
- Developing and annually updating a plan for setting up investment projects and infrastructure facilities in the region;
- An annual address by the chief executive of the constituent region of the Russian Federation "on the investment climate and investment policy in the region";
- Drafting and enacting a regulatory legal act of a constituent region of the Russian Federation for the purposes of protecting investor rights and supporting measures for investment activity;
- Establishing a council for improvement of the investment climate;
- Establishing a specialised agency for raising investment and investor support;
- Providing accessible infrastructure so that investors can develop production and other facilities (industrial and technology parks);
- Availability of professional training and advanced training facilities with a focus on specialist fields that meet the requirements of the region's investment strategy and investor needs;
- Setting up a special bilingual website dedicated to investment activities in the constituent region of the Russian Federation;
- Establishing consistent rules and regulations in the constituent region of the Russian Federation to support investment projects based on the "one-stop-shop" principle;
- Presentation of a Regional Investment Declaration by the chief executive of a constituent region of the Russian Federation;
- Drafting and enacting a regulation on procedures to assess the impact of regulatory legal acts (both enacted and pending) which have a bearing on business activities;
- Availability of a system for professional training, professional development and assessment of competencies for both personnel of relevant regional government bodies and specialised organisations responsible for raising investment and investor support;
- Including a representative of energy consumers in the executive body of the constituent region of the Russian Federation responsible for government regulation of tariffs set by the Regional Energy Commission and establishing a consultative body that includes representatives of the business community;
- Availability of a forward channel(s) for direct communications between investors and regional leaders to ensure prompt resolution of issues and problems encountered during the course of investment activities.

The SIA Expert Group for Implementation of the Standard has assigned "fully completed" status to four of the above mentioned points.

WORKFORCE



With respect to demographics, the Leningrad Region has been experiencing a steady population increase. The region's population stood at 1,751,300 people at the start of 2013 with 65.2% living in urban areas and 34.8% in rural areas. In January-November 2012, the region's population increased by 13,300 people, or 0.8%.

In recent years, the Leningrad Region's labour market has remained stable thanks to greater overall labour demand in the economy. Furthermore, at 0.4% the Leningrad Region had the second lowest unemployment rate after St. Petersburg among the 11 constituent regions in the North-Western Federal District.

Since the beginning of the year, the registered unemployment rate has slightly decreased by 0.1% and, as of 1 January 2013, it came to 0.46% of the economically active population.

Around 30,800 people applied with state employment services for assistance in finding a job in 2012, down from 36,800 people in 2011.

At the start of 2013, 6,400 people were registered as unemployed. This is a decrease of 407 people, or 6.0%, compared to the beginning of 2012 (a decrease of 154 people, or 2.4% from 1 December 2012).



Research officers of OAO Concern Rosenergoatom – Leningrad Nuclear Power Plant



Car assembly at ZAO Ford Motor Company

TRANSPORT AND LOGISTICS SYSTEM

Few Russian Federation constituent regions are as reliant as the Leningrad Region on the transport sector as a key area of regional economic specialisation. The region is undoubtedly one of the most important links in both Russia-wide and global transportation systems as it acts as a nationwide channel for freight and passenger flows.

When considering the structure of the Leningrad Region's transport system, it is important to emphasise the high level of development of practically all modes of transport. The Leningrad Region is the leader in the North-Western Federal District in terms of road density and length.

The total length of the region's roads covers over 22,000 km, including five federal highways (Russia, Scandinavia, Kola, Pskov, and Narva) and 11 main regional thoroughfares.

Railways play a major role in the Leningrad Region, with a total length of 2,500 km. The main rail routes cover both neighbouring Russian regions and EU countries (Finland and Estonia).

Inland water transport is also important for the region. The Neva River, Lake Ladoga, the Svir River and Lake Onega are parts of the Volga-Baltic Waterway, the main ports on which include Petrokrepost, Svirtsya and Voznesenje. Several rivers are used for local boat traffic (e.g. the Volkhov and Luga rivers). Many other rivers, especially in the eastern part of the region (the Oyat, Pasha, Syas rivers and others), are used for timber-rafting. Various vessels travel through the Gulf of Finland on local marine routes between St. Petersburg and Vyborg.

The construction of new port complexes in Primorsk and Ust-Luga, as well as the reconstruction of existing port facilities in Vyborg and Vysotsk, has significantly contributed to the development of the regional transportation system. The Leningrad Region and Russian Federation governments have paid considerable attention to the development of transport and production facilities on the Gulf of Finland coastline.

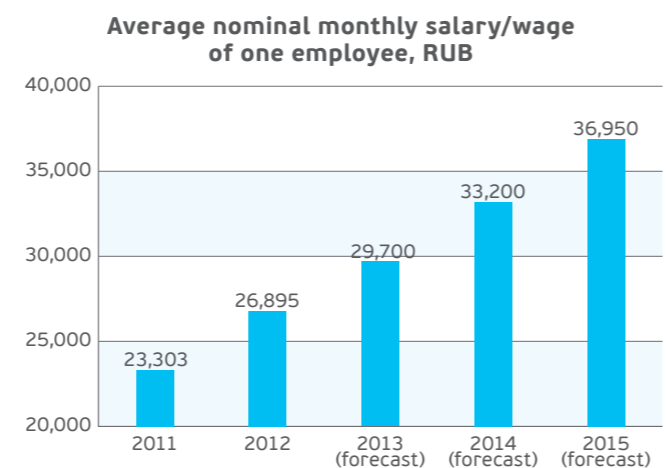


Workshop of OOO Swedwood Tikhvin

and retail; repair of automobiles, motorcycles, household goods and individual supplies (7.8%); real estate transactions, leasing and services provision (6.1%); provision of other services, including utilities, social and personal services (4.3%) and transport and communications (1.0%).

A decrease in the number of people employed was posted in the following eight sectors: construction industry (7.8%); financial sector (4.6%); social insurance (4.1%); agriculture, hunting and forestry (2.6%) and education (2.0%).

Annual employment growth is forecast at a rate 0.2% for 2013-2015, owing to investment projects for expanding existing facilities and creating new enterprises in the region, as well as demand for additional qualified labour.





According to the administration of the St. Petersburg Big Port, freight handling in 2012 by Leningrad Region-based stevedoring organisations, operating at ports on the Gulf of Finland, came to 136,651,400 tonnes, representing growth of 22% compared to 2011.

Port infrastructure development projects in Ust-Luga, Vysotsk, Vyborg and Primorsk will likely increase the Leningrad Region's overall port capacity to 250-300 million tonnes by 2015. As a result, the region will become a leader among port services providers on the Baltic Sea, thus helping to meet a key state policy objective for shifting freight traffic flows from neighbouring countries to Russian ports.

Pipeline transport is also significant for the economy of the Leningrad Region.

The Baltic Pipeline System (BPS) project is one of the most promising initiatives in this area for the Russian economy. The implementation of this project has helped create a new transportation route for oil exports from the Timano-Pechersky region, western Siberia, the Urals-Volga region and several CIS countries. In the next project stage, the BPS-2 branch to Ust-Luga will reach full capacity, which should come to around 50 million tonnes of oil and petroleum products per year.

OAO Gazprom has been successfully carrying out the construction of the North European Gas Pipeline (NEG), the Leningrad Region section of which will run for 598 km. The commissioning of this gas pipeline has opened up a whole new route for delivering Russian gas to European markets. The ocean section of the NEG runs through the Baltic Sea from Portovaya Bay in Vyborg, Russia, to Greifswald on Germany's north-eastern coast. The NEG's overall carrying capacity is 55 bcm of gas per year.

In January-December 2012, services provided by transport organisations totalled RUB 108.9 billion, representing 23.2% growth (in current prices) compared to the same period in 2011.

Given new operational units and increased operational capacity, as well as the implementation of promising investment projects, it is feasible to expect 10% annual growth (in current prices) for services provided by transport organisations.

Freight handling by stevedoring organisations of the Leningrad Region in 2012

| Seaport | Freight handling (tonnes '000) | versus 2011 |
|---------------------|--------------------------------|-------------|
| Seaport of Primorsk | 74,768.7 | 100.0 |
| Seaport of Vysotsk | 13,634.2 | 102.0 |
| Seaport of Vyborg | 1,462.4 | 133.0 |
| Seaport of Ust-Luga | 46,786.1 | 210.0 |



Ports, transport and logistics system of the Leningrad Region

(Source: The Concept for the Leningrad Region's Social and Economic Development up to 2025)

FOREIGN TRADE

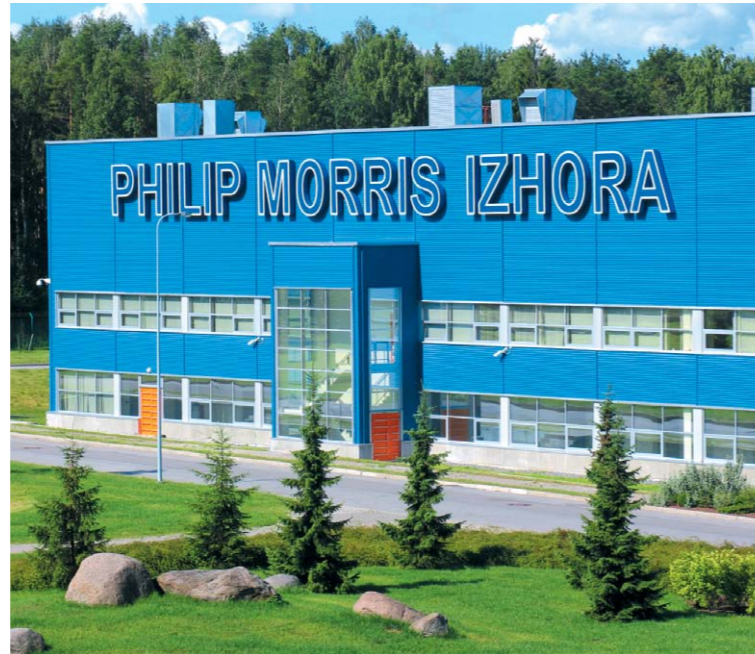
The Leningrad Region ranks second in the North-Western Federal District for export volume (30.5% of the federal district's total exports) and third for imports (9.0%).

The region engages in trade with business partners from 142 countries. Its main trading partners are Switzerland (26.5% of trade turnover); the Netherlands (22.6%); Great Britain (10.9%); Germany (5.6%); Finland (3.9%); and Sweden (3.3%). Non-CIS countries accounted for 98.7% of the region's total foreign trade turnover in January-September 2012.

Major companies within the Leningrad Region involved in foreign trade operations include OOO PO Kirishinefteorgsintez, ZAO Ford Motor Company, OAO TNK-BP Holding, OAO ANK Bashneft, OOO Enisei, ZAO Philip Morris Izhora, OAO NK Rosneft, OOO PG Fosforit and OOO Nokian Tyres.

Exports in January-September 2012 increased by 14.4% (USD 12.2 billion) year on year.

The Leningrad Region traded with 95 countries in January-September 2012.



ZAO Philip Morris Izhora

Geography of exports

| Country | | Products |
|---------------|-------|--|
| Switzerland | 34.6% | oil products, tobacco |
| Netherlands | 28.4% | oil products, ferrous metals |
| Great Britain | 13.4% | oil products, inorganic chemical products |
| Sweden | 3.8% | oil products, tyres, timber |
| Finland | 3.2% | organic chemicals, oil products, timber, tyres |
| USA | 2.8% | oil products, tyres, ferrous metals |
| Estonia | 1.8% | fertilizers, timber |
| Belgium | 1.5% | oil products, engineering products |
| France | 1.4% | oil products, engineering products |
| Germany | 1.3% | oil products, tyres, ferrous metals |
| Ukraine | 1.2% | tobacco, cigarettes, electric equipment, paper |

Major exporters in the region include OOO PO Kirishinefteorgsintez (oil products, organic chemicals), OAO TNK-BP Holding (oil products), OAO ANK Bashneft (oil products), OOO Enisei (oil products), OAO NK Rosneft (oil products), OOO Nokian Tyres (tyres), OOO PG Fosforit (fertilizers, inorganic chemical products), ZAO TFZ (ferrous metals), ZAO International Paper (pulp and paper, cardboard) and OOO Volkhovneftekhim (oil products).

In light of Russian economic development forecasts for 2013-2015, which expect total oil and petroleum product export volumes to decline, and given that the mineral resources product group accounts for over 80% of the Leningrad Region's total exports (with oil products accounting for 99.9% of this group), annual growth of the region's total exports in the medium term is not expected to exceed 2.2%. Meanwhile, imports in January-September 2012 (USD 3.9 billion) decreased by 24.2% year on year while non-CIS imports (USD 3.8 billion) decreased by 24.4%. At the same time, imports from CIS countries (USD 22 million) increased by 18.8%. The region's trading partners included 115 non-CIS countries and six CIS countries.

Geography of imports

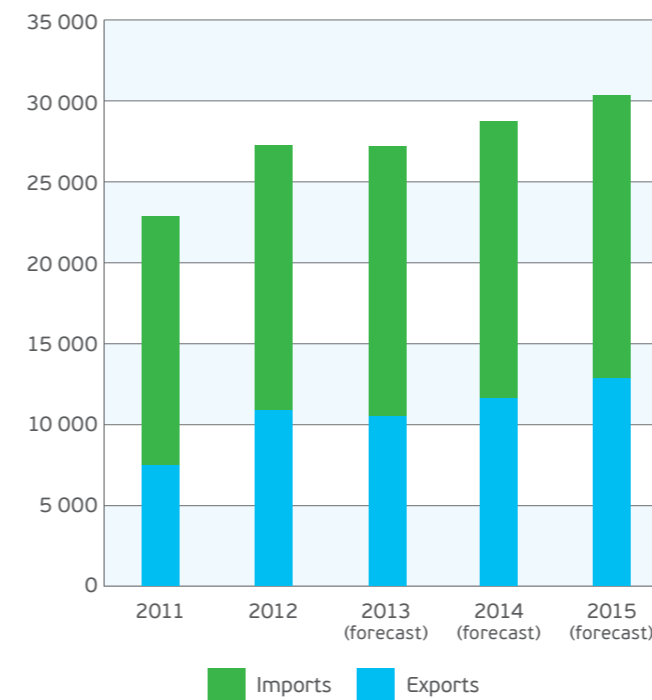
| Country | | Products |
|-------------|-------|--|
| Germany | 19.0% | land vehicles and parts, engineering products, electrical equipment |
| China | 7.9% | electrical equipment, engineering products, tobacco and tobacco offal, ferrous metal products |
| France | 6.2% | electrical equipment, land vehicles and parts, engineering products, plastics and plastic products |
| Finland | 6.0% | engineering products, rubber and rubber goods, paper |
| Italy | 5.3% | engineering products, land vehicles and parts, spirits |
| Brazil | 5.2% | tobacco and tobacco offal, coffee, meat |
| Spain | 4.3% | land vehicles and parts, engineering products, electrical equipment |
| Netherlands | 4.2% | engineering products, electrical equipment, parts and fittings for land vehicles |
| USA | 4.0% | engineering products, land vehicles and parts, tobacco, meat |
| Belgium | 3.4% | land vehicles and parts, electrical equipment, rubber and allied products |

Major importers in the Leningrad Region include ZAO Ford Motor Company (land vehicles and parts, engineering products, electrical equipment), ZAO Philip Morris Izhora (tobacco, paper, engineering products), OOO Nokian Tyres (rubber, engineering products, textiles), ZAO Group SEB-Vostok (electrical equipment, aluminium products), OOO Omega (fruits), OOO Kraft Foods Rus (coffee), OOO Cres Neva (tobacco), OOO Caterpillar Tosno (engineering prod-

ucts, parts and fittings for land vehicles), OOO Pobeda LSR (engineering products, ferrous metals products), and ZAO International Paper (inorganic chemical products, engineering products, lime, kaolin).

Imports to the Leningrad Region are forecast to reach USD 9.4 billion by 2015, or 24.6% higher than in 2011.

Foreign trade turnover (USD mln)



OOO PO Kirishinefteorgsintez

INDUSTRIAL SECTOR OF THE LENINGRAD REGION



GENERAL STATISTICS, DYNAMICS OF DEVELOPMENT AND COMPARISON TO OTHER REGIONS

The industrial sector accounts for 31.5% (RUB 158.3 billion) of the Leningrad Region's GRP, while the region's share in the overall GRP of the North-Western Federal District is 65.3% (the contribution of the region's industrial sector to the North-Western Federal District's GRP is 51.2%). The region's industrial output accounts for 11.5% of Russia's total industrial output, including 11.7% of manufacturing output, as well as 42.7% and 37.1% of the North-Western Federal District's industrial and manufacturing output, respectively.

The Leningrad Region's industrial sector includes over 300 large and medium-sized enterprises engaged in various types of business activities.

The region's own internal industrial output accounts for more than 70% of total goods shipped in the region. Manufacturing (82.4% of the region's total industrial output); production and distribution of electric power, gas and water (13.8%); and mining (2.1%) form the core of the region's industrial sector.

Successful industrial development is possible due to the availability of a local minerals resource base, skilled labour resources, and the region's huge industrial and technological potential.

Industrial enterprises across the region produce the following types of technological and industrial products: passenger cars, passenger car tyres, electrical and thermal power, paper, cardboard, motor petrol, furnace oil, diesel fuel, mineral fertilizers, grinding tools and non-metallic building materials, among other products.

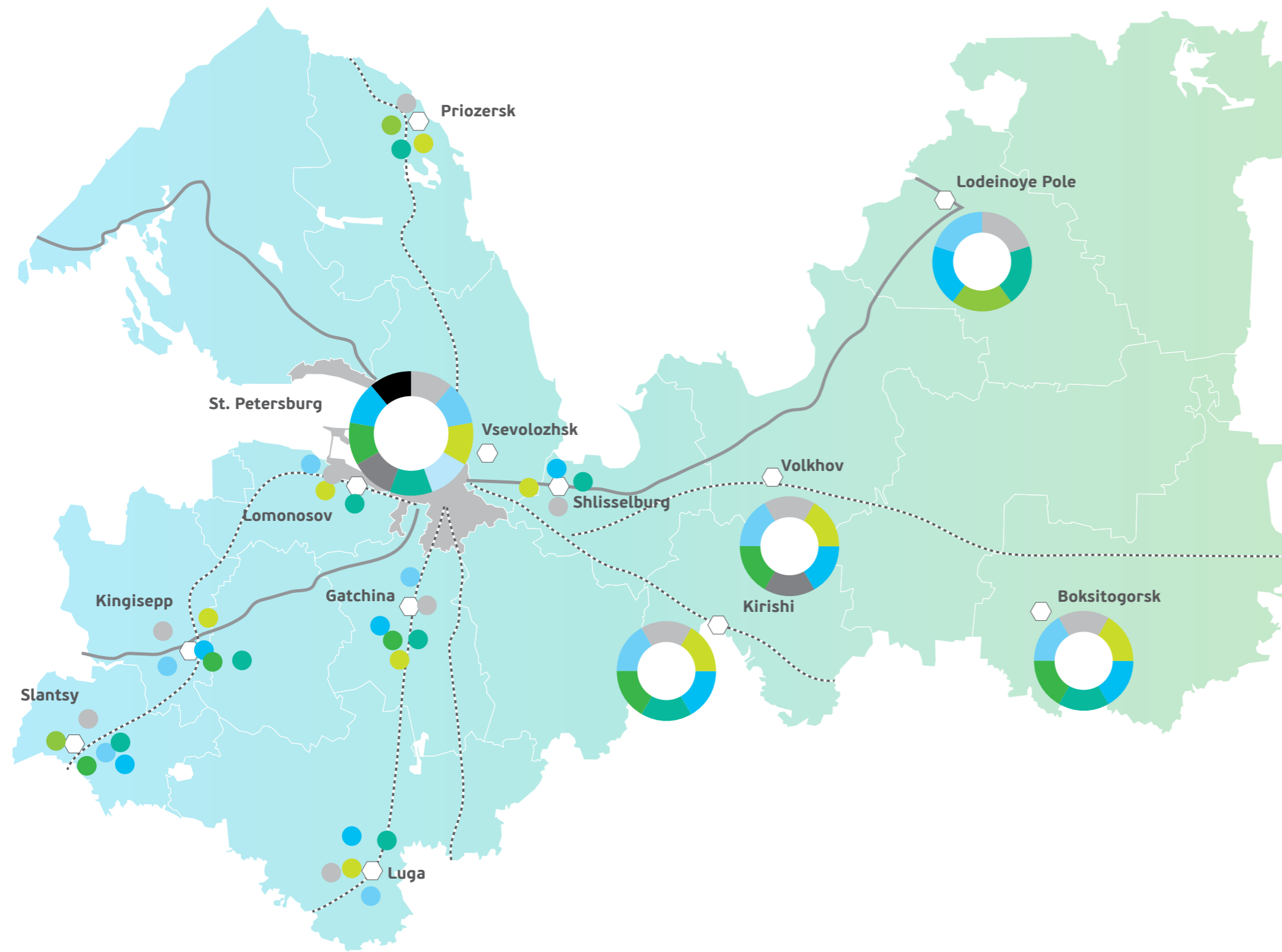
In the comparison with 2009, a year dominated by the economic crisis, the Leningrad Region's industrial output in 2010-2012 rose by 26.9% for the industrial sector overall; 34.1% for mining; 32.5% for manufacturing; and 7.5% for production and distribution of water, gas and electricity. This growth was driven by a series of measures taken by the Leningrad Region Government to support enterprises that are eager to install modern production equipment, launch production of competitive goods, and carry out programmes to enhance energy efficiency.

The number of people employed in industry represents over 28% of the Leningrad Region's total workforce, excluding small business (114,000 people). The average monthly salary/wage is RUB 31,500.

Industrial production index by type of business, %

| Types of business | 2009 | 2010 | 2011 | 2012 |
|---|-------------|--------------|--------------|--------------|
| Total industrial production | 96.9 | 113.8 | 107.0 | 104.2 |
| Mining | 63.8 | 112.7 | 108.7 | 109.5 |
| Manufacturing sector | 98.9 | 115.4 | 108.6 | 105.7 |
| Electric power, gas and water production and distribution | 94.6 | 107.1 | 97.9 | 93.2 |

Leningrad Region's industry map



- Heavy engineering
- Metals manufacture
- Chemicals
- Fuel and energy
- Building materials
- Forestry, wood-processing, pulp and paper industries
- Food & beverages
- Consumer goods manufacturing
- Other
- Population centres
- Railways
- International motorways

| | | | |
|--|---------------------------------|--|------------------------------------|
| | Nokian Tyres | | LSR-Cement |
| | Ford Motor Company | | Philip Morris |
| | Caterpillar | | Ariston |
| | Eurodisk | | Kraft foods |
| | Tekhstroimash | | Henkel |
| | Pharmsynthez | | Tikhvin Freight Car Building Plant |
| | PIYAF | | Tenneco Automotive |
| | RATEK | | LAES |
| | International Paper | | Gestamp Severstal Vsevolzhsk |
| | Swedwood | | Rockwool |
| | Veda – PAK | | EuroAeroBeton |
| | MM Polygrafoformlenie Packaging | | Luga Abrasive Plant |
| | Svir Timber | | Talosto |
| | Slantsy Plant | | Kirishinefteorgsintez |
| | Pikalyovsky Cement | | |

NEW PRODUCTION FACILITIES COMMISSIONED IN 2006–2012

Total investment volume
by new industrial enterprises
for the period was USD 4.1 billion



OOO Volkhovneftekhim



OOO Kraft Foods Rus



OAO Vyborskaya Cellulose (currently - OAO Vyborg Timber Corporation)

2006

OOO Rockwool North
OOO Roca Santekhnika
OOO Metsä Svir
OOO Svir Timber
ZAO Peterwood
SP ZAO Ekurus
OOO NPO Diomar

2007

OOO MegaProfile
OOO Aller PetFood
ZAO SZNK – Beton
OOO Tenneco Automotive Volga's
branch in the Leningrad Region
OAO Baltiysky Lesopromyshlenny
Holding
OOO Veresk-1
OOO Alpla

2008

OOO Teplovoye Oborudovanie
OOO BIG
Vyborg branch of OAO Granit –
Kuznetchnoe
OOO Karjer Shcheleiki
Branch of OOO Kraft Foods Rus
OOO Galactika
OOO Petergof
ZAO Ilim Gofra
ZAO GOTEK North-West
OAO International Paper
ZAO Smurfit KAPPA SPb
ZAO Faurecia ADP
OOO Signal
OOO Novaya Kompanija
ZAO LenOblDomStroy
OOO SUMI-LON

2009

ZAO EuroAeroBeton
ZAO Slavyansky Stroitel
OOO MV Eurodisk
OOO Gestamp Severstal Vsevolzhsk
OOO Mayr-Melnhof Holz Efimovskij
OOO Hermes
OOO N+N
OOO Orica St. Petersburg
ZAO Tikhvin Ferroalloy Plant

2010

OOO Lexel Elektromaterialy SPb
OOO Pit Product
OOO Concord Management & Con-
sulting
OOO Remos-Alfa
OOO Vneshttransport
OOO PF Kvinteks
ZAO Severo-Zapadny Holding
ZAO BaselCement-Pikalyovo
OOO Cement
OOO YURA Corporation Rus

2011

OOO Volkhovneftekhim
OOO Gazstroy
OOO Baumit
OOO KDSK
OAO Ruscam Kirishi
OAO Vyborskaya Cellulose
OOO Pervaya Upakovochnaya Fabrika
ZAO YIT Lentek
OOO Schneider Electric
Zavod ElektroMonoblok
OOO Antolin Group St Petersburg
OOO SZK Ecotekhnologii

2012

Tikhvin Freight Car Building Plant CJSC
OOO Mettem-LSK
OOO Elektromodul
ZAO Elopak
OAO Pobeda LSR

PRODUCTION DISTRIBUTION BY TYPE OF CORE ECONOMIC ACTIVITY

The region's successful industrial development has been bolstered by its favourable geographic location, the availability of a local minerals resource base, skilled labour resources and high-capacity industrial and technological potential.

The Leningrad Region's industrial sector includes over 300 large and medium-sized enterprises engaged in various types of business activity.

Industrial enterprises in the region manufacture passenger cars, passenger car tyres, electrical and heat power, paper, cardboard, motor petrol, furnace oil, diesel fuel, mineral fertilizers, grinding tools, and non-metallic building materials, among other products.

A wide-ranging upgrade of industrial capacity and expansion of the range of products made has supported the sustainable development of the region's industry. The Leningrad Region Government has undertaken a series of measures to create conditions that incentivise local enterprises to boost their output, improve profitability and production quality, and preserve the region's labour potential.

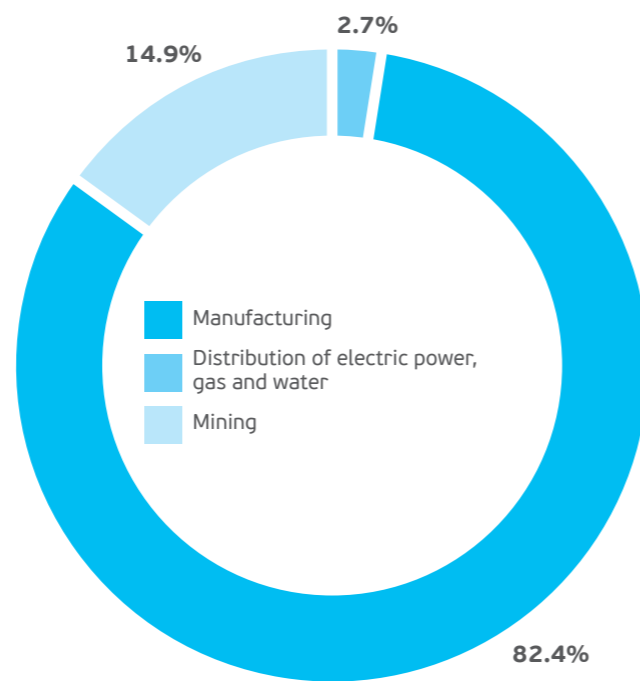
Support is provided to enterprises that install advanced production equipment and take steps to improve the energy efficiency of their operations.



Glazers operating at ZAO International Paper



Car assembly at ZAO Ford Motor Company



INDUSTRY PROFILE

Industry is the primary sector of the Leningrad Region's economy and accounts for one-third of the region's GRP. The average number of people employed in industry equals roughly 30% of the Leningrad Region's total workforce, excluding small businesses.

The region's own internal industrial output accounts for more than 70% of total goods shipped in the region.

Manufacturing (82.4% of the region's total industrial output); production and distribution of electric power, gas and water (14.9%) and mining (2.7%) form the core of the region's industrial sector. In comparison to 2009, a year dominated by the economic crisis, in 2010-2012 the Leningrad Region's industrial output rose by 26.9% for the industrial sector overall; 34.1% for mining; 32.5% for manufacturing; and 7.5% for production and distribution of water, gas and electricity.

This growth was facilitated by a series of measures taken by the Leningrad Region Government to support enterprises that have installed modern production equipment, launched the production of competitive goods, and carried out programmes to enhance energy efficiency.



OOO Caterpillar Tosno



Construction of LAES new buildings

MANUFACTURING SECTOR

Manufacturing enterprises hold a leading position in the region by volume of industrial products shipped (over 80%). The average number of employees in manufacturing accounts for over 70% of the total workforce in the region's industrial sector.

Enterprises engaged in these types of economic activities produce the following types of technological and industrial items: passenger cars, passenger car tyres, paper, cardboard, motor petrol, furnace oil, diesel fuel, mineral fertilizers, and grinding tools, among other products.

There are a total of 250 manufacturing enterprises in the region, which account for 23.8% of the GRP and 82.4% of the region's industrial complex.

Tax payments to the regional budget: RUB 11.8 billion. Average staff headcount: 87,400 people

Average monthly salary/wages: RUB 33,882. Production output grew by 5.7% in 2012 compared to 2011. For instance, output of machinery and equipment went up by 19.9%; other non-metallic minerals (brick, rammed concrete, cement, precast concrete units) by 10.2%; woodworking and wood products by 7.5%; food products by 6.5%; electrical



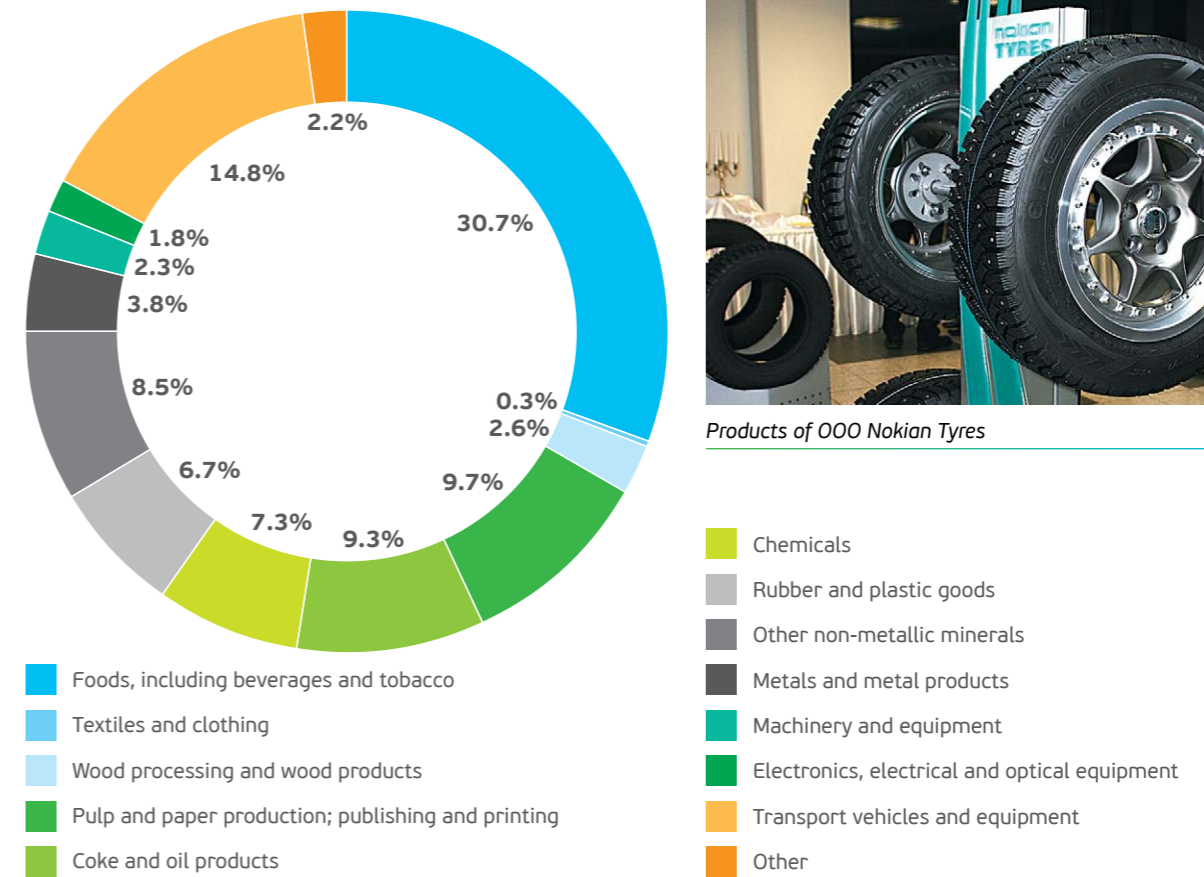
The vessel, produced by OAO Leningradsky shipbuilding plant PELLA

equipment by 6.2%; pulp and paper by 4.1%; coke and oil products by 2.9%; and transport vehicles by 2.2%.

The region's top 50 largest manufacturing enterprises are:

- | | |
|---|---|
| 1. OOO Nevsky Porogi | 26. OOO Reksam Vsevolzhsk |
| 2. ZAO Philip Morris Izhora | 27. ZAO Tubeks |
| 3. OOO Cres Neva | 28. ZAO Titanit |
| 4. OOO Kraft Foods Rus | 29. OAO Podporozhsky Mechanical Plant |
| 5. OOO PO Kirishinefteorgsintez | 30. OOO Caterpillar Tosno |
| 6. OOO Volkhovneftechim | 31. OAO Zavod Burevestnik |
| 7. ZAO Metachim | 32. OAO Zavod Pirs |
| 8. OOO PG Fosforit | 33. ZAO Priborostroitel |
| 9. ZAO Pikalyovskaya Soda | 34. OOO Ariston Thermo Rus |
| 10. OOO Nokian Tyres | 35. OAO Tosnensky Mechanical Plant |
| 11. OOO Orion | 36. OOO Teplovoe Oborudovanie |
| 12. OOO NTLupakovka | 37. OAO Nevsky Zavod Electrosheet |
| 13. OAO Slantsevsky Zavod Polimer | 38. OAO Zavod Ladoga |
| 14. ZAO Ford Motor Company | 39. OAO Zavod Krizo |
| 15. OAO Vyborgsky Shipbuilding Plant | 40. SZPK - a branch of OAO Elteza |
| 16. ZAO TSZ Titran-Express | 41. OOO Schneider Electric Zavod ElectroMonoblock |
| 17. OOO Nevsky SSZ | 42. OAO Luzhsky Abrazivny Zavod |
| 18. Tikhvin Freight Car Building Plant CJSC | 43. ZAO Pikalyovsky Cement |
| 19. OOO YURA Corporation RUS | 44. OAO Slantsevsky Cementny Zavod Tsesla |
| 20. OAO LSZ Pella | 45. OOO Cement |
| 21. ZAO Baseltsement-Pikalyovo | 46. OAO Nefrit-Keramika |
| 22. ZAO TFZ | 47. OOO N+N |
| 23. OAO RUSAL Boksitogorsk | 48. OOO Rockwool-North |
| 24. OAO SUAL Branch | 49. ZAO Veda-PAK |
| 25. OAO Volkhovsky Aluminium Plant | 50. OAO Rusjam Kirishi |

Manufacturing sector activity



Products of OOO Nokian Tyres

Industrial production index by type of business, %

| Type of business | Percentage, % | 2010 | 2011 | 2012 |
|---|---------------|--------------|--------------|--------------|
| Industrial production, total | - | 113.8 | 107.0 | 104.2 |
| Manufacturing sector | 100.0 | 115.4 | 108.6 | 105.7 |
| Foods, including beverages and tobacco | 30.7 | 112.4 | 97.4 | 106.5 |
| Transport vehicles and equipment | 14.8 | 150.0 | 129.4 | 102.2 |
| Pulp and paper | 9.7 | 102.4 | 120.6 | 104.1 |
| Coke and oil products | 9.3 | 104.2 | 100.2 | 102.9 |
| Other non-metallic minerals | 8.5 | 118.5 | 105.2 | 110.2 |
| Chemicals | 7.3 | 125.5 | 101.8 | 98.2 |
| Rubber and plastic goods | 6.7 | 140.2 | 146.5 | 93.1 |
| Metals and metal products | 3.8 | 101.5 | 93.1 | 99.6 |
| Wood processing and wood products | 2.6 | 142.1 | 170.0 | 107.5 |
| Machinery and equipment production | 2.3 | 150.0 | 160.0 | 119.9 |
| Electronics, electrical and optical equipment | 1.8 | 130.7 | 230.0 | 106.2 |
| Textiles and clothing | 0.3 | 93.6 | 133.5 | 89.8 |

DEFENCE-INDUSTRIAL COMPLEX

The defence-industrial complex of the Leningrad Region is represented by the following enterprises: OAO Burevestnik Plant, OAO Ladoga Plant, OAO Svir Shipyard, FGUP Morozov Plant, OAO Krizo Plant, OAO Aviation Repair Plant 218, and OAO Leningrad Plant Sokol. These enterprises are engaged in the following industries: mechanical engineering and machinery, vehicle and equipment manufacturing, and chemical production.

Defence-related enterprises in the Leningrad Region account for about 0.7% of overall industrial output, and their average workforce represents 4.5% of the total workforce for the entire manufacturing sector.



OAO Plant Krizo

Despite a slight increase in output in 2012, most defence-related enterprises still face several problems that have a negative impact on their operations and development:

- weak utilisation of production facilities and, primarily, facilities necessary for fulfilling state defence contracts;
- inconsistent supply of spare parts from manufacturing plants;

- higher material costs for the supply of purchased disposable materials and components;
- high average employee age at defence-related enterprises, high percentage of specialists at pre-retirement and retirement age;
- highly depreciated fixed assets (over 60%).

In order to improve financial stability while also maintaining necessary production and workforce capacity at defence enterprises, the following measures are necessary:

- full utilisation of production facilities at military-related enterprises with defence and/or civilian contracts;
- federal budget subsidies to defence enterprises for re-funding interest rates on loans raised to fulfil orders.

Issues such as decision-making regarding development strategy in the defence-industrial complex, maintaining capacity utilisation with state defence orders, establishing a personnel training system that ensures efficient operations in the sector, and upgrading production facilities at military-related enterprises are usually beyond the powers of the regional authorities. However, the Leningrad Region Government actively interacts with federal government agencies with respect to support for the region's defence-industrial sector.

The Leningrad Region Government and the Russian Federal Service for Defence Contracts have signed a cooperation agreement to coordinate their activities with respect to the placement and fulfilment of state defence orders by the region's defence sector enterprises.

In general, the industrial sector makes the greatest contribution to budget revenues compared to other sectors in the regional economy. For instance, industrial enterprises contributed RUB 21.3 billion in tax payments to the regional budget in 2011. The bulk of this amount (76.5%) came from manufacturing enterprises.



MINING

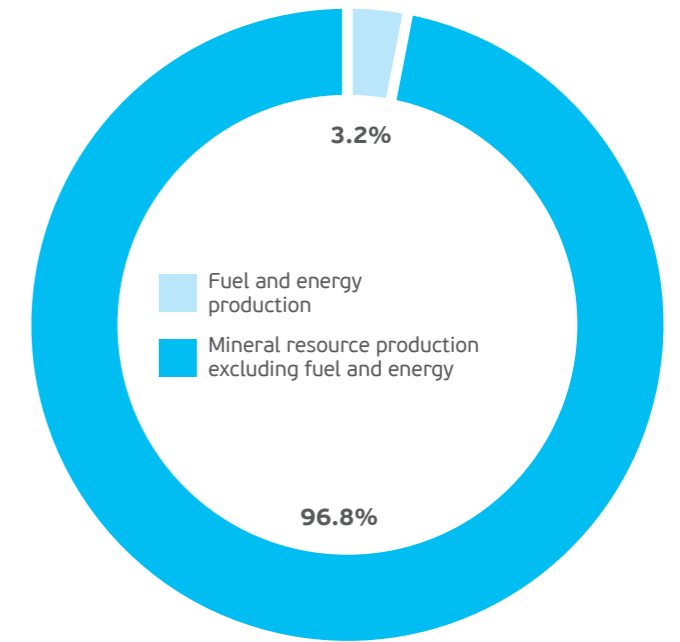
Mining operations include production of fuel and energy resources (peat), as well as the extraction of mineral resources in addition to fuel and energy (aggregates).

The proportion of mineral resources production in the region's overall industrial output is around 3%, and represents 0.9% of GRP. The average number of employees involved in mining is 6,100 (5.1% of the total industrial sector workforce).

There are a total of 25 mining enterprises in the region.

The top 10 mining enterprises are:

1. ZAO LSR-Bazovye
2. ZAO Kamennogorskij Kombinat Nerudnykh Materialov
3. ZAO Kamennogorskoe Karieroupravleniye
4. OOO TsBI
5. OOO 463 KNI
6. ZAO Vyborgskoye Karieroupravleniye
7. ZAO Semiozerskoye Karieroupravleniye
8. OAO Kampes
9. ZAO Gavrilovskoye Karieroupravleniye
10. OOO Dorpromgranit



Total tax payments to the regional budget:
RUB 2.4 billion per year

Average monthly salary/wages are: RUB 31,445



Extraction of ore in Kamennogorsk

Leningrad Region industrial production index by type of business, %

| Type of business | Percentage, % | 2010 | 2011 | 2012 |
|---|---------------|--------------|--------------|--------------|
| Industrial production, total | - | 113.8 | 107.0 | 104.2 |
| Mineral resources production | 100.0 | 112.7 | 108.7 | 109.5 |
| - fuel and energy | 3.2 | 75.4 | 81.7 | 119.3 |
| - mineral resources excluding fuel and energy | 96.8 | 113.4 | 109.6 | 109.3 |

PRODUCTION AND DISTRIBUTION OF POWER, GAS AND WATER

The top 10 enterprises are:

1. Branch of OAO Rosenergoatom Concern Leningrad Nuclear Power Plant
2. Branch of OAO OGK-2 – Kirishskaya GRES
3. Nevsky Branch of TGC-1 – HPP-6
4. Nevsky Branch of TGC-1 – HPP-13
5. Nevsky Branch of TGC-1 – Cascade-1
6. Nevsky Branch of TGC-1 – Cascade-2
7. Nevsky Branch of TGC-1 – CPP-8
8. OAO Lenenergo's Tikhvinskiye Power Grid Branch
9. OAO Lenenergo's Vyborgskiye Power Grid Branch
10. OAO Lenenergo's Kingiseppsky Power Grid Branch

The production and distribution of power, gas and water account for 14.9% of overall industrial output and 6.8% of GRP. The average headcount is 25,900 employees, which represents over 20% of all employees in industrial production and over 7% of the region's total workforce. The average monthly salary is roughly RUB 33,961. The region is home to more than 60 operational enterprises. Tax payments to the regional budget come to RUB 3.4 billion.

Leningrad Region industrial production index by type of business, %

| Types of business | Percentage, % | 2010 | 2011 | 2012 |
|--|---------------|--------------|-------------|-------------|
| Total industrial production | - | 113.8 | 107.0 | 104.2 |
| Production and distribution of power, gas and water | 100.0 | 107.1 | 97.9 | 93.2 |



Premises of Leningrad nuclear power-plant

AGRICULTURAL SECTOR

The Leningrad Region's agribusiness sector is one of the fastest developing sectors in the regional economy, demonstrating the steady growth and sustainability of all agricultural segments over recent decades.

Agricultural output accounts for 10.3% of GRP. Production amounted to RUB 65 billion in 2012, up 4.3% from the previous year, or 36% of all agricultural production in the North-Western Federal District. The Leningrad Region remains the main food producer for the North-Western Federal District. The region's agricultural sector specialises in livestock production, which accounts for 73.6% of gross output.

The Leningrad Region is one of only a few Russian regions where a large agricultural sector was preserved during the reform period. A total of 76% of gross output comes from farms. In addition, farms produce 97% of meat, 92% of milk and 99% of grain and eggs in the region. There are 453 organisations in the agribusiness sector, including 234 farms, 6 combine fodder factories, 123 food and processing enterprises, and 90 fishery enterprises.



Such centralisation of the region's agricultural sector allows for optimal results in managing the industry as effectively as possible, including in terms of introducing innovations and upgrading production facilities. Agricultural production based on advanced, innovative technologies helps the region to remain a leader in the North-Western Federal District in terms of cattle productivity, eggs and poultry production as well as main crop yields.



SUCCESS STORIES

ZAO INTERNATIONAL PAPER

Address: 17 Zavodskaya St.
Svetogorsk, Leningrad Region, Russia.

ZAO International Paper is a part of International Paper, the world's largest producer of paper and packaging materials with production facilities in North America, Europe, Latin America, Russia, Asia and North Africa. The company's head office is in Memphis, Tennessee, USA. International Paper employs around 70,000 people in more than 24 countries. International Paper's total sales came to USD 26 billion in 2011.

International Paper has been in Russia since 1998, when it acquired an integrated pulp-and-paper mill in Svetogorsk. The Svetogorsk Pulp-and-Paper Mill (SPPM) is an industry leader with one of Russia's most advanced pulp-and-paper production facilities. Since its acquisition of SPPM in 1998, International Paper has invested over USD 600 million in upgrading equipment, enhancing product quality and improving performance indicators, as well as promoting the efficient use of natural resources such as water, energy and timber. Its key investment projects include the construction of a Bleached Chemi-Thermomechanical Pulp (BCTP) production facility in 2008, the installation of a cardboard coating unit, and other projects aimed at boosting production efficiency while reducing its environmental impact.

International Paper will celebrate its 15th year in Russia in 2013. During this time, the company has seen impressive

“International Paper is one of the region's major taxpayers and an important player in the Russian pulp and paper market”



Franz Joseph Marx, President of International Paper Russia.

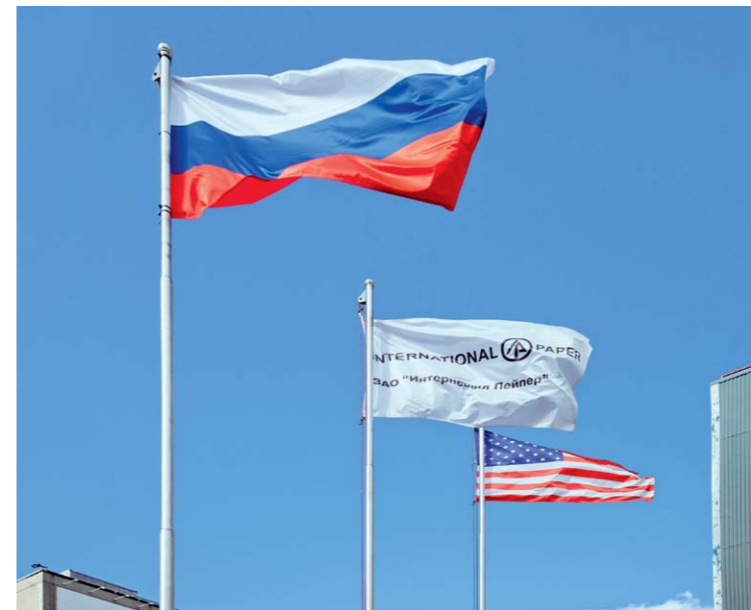
results in its business operations, as well as in its corporate social responsibility and environmental protection initiatives.

The company is the largest employer in Svetogorsk: SPPM employs over 2,000 people. Not only does SPPM keep the local economy going, but it also provides Svetogorsk residents with heat along with cold and hot water.

“Both Russia and Svetogorsk are of great strategic importance to International Paper. We have achieved great results over our 15 years in Russia, but there is always room for improvement. We have a lot of confidence in the future,” says Franz Marx, President of ZAO International Paper.

International Paper is famous on the Russian market for its stationary paper brands, namely Ballet® and Svetocopy®, both of which are produced at SPPM. The Svetogorsk plant is also a top producer of cardboard for packaging liquid food products and Bleached Chemi-Thermomechanical Pulp (BCTP). SPPM products are exported to over 15 countries, including China, India, South Korea, France and Germany.

International Paper's management is fully convinced that the success of their business is mainly driven by people, and, thus, they have consistently made every effort to hire professionals with high potential. The company has developed cooperative relationships with many educational institutions



in Russia, including St. Petersburg State Technical University, Moscow-based Skolkovo School of Management, St. Petersburg State Plant Polymer Technological University, St. Petersburg State Forestry Engineering University, and Svetogorsk Technical College, among others. These colleges and universities provide SPPM with skilled young professionals who work in various subdivisions of the company.

International Paper's environmental initiatives have been recognised by awards and prizes for the use of green technologies and the company's responsible management of forest resources. SPPM's production process relies on cutting-edge, environmentally friendly technologies. SPPM plans to install an on-site combined cycle turbine in 2013,



For more information on International Paper's activities and products, please visit www.internationalpaper.com

which should help the company raise the percentage of self-generated electricity capacity from 33% to 50%.

All SPPM products have been certified by independent organisations such as the FSC™ Chain-of-Custody Certificate issued by the Rainforest Alliance, an authorised body of the Forest Stewardship Council®. In 2012, SPPM received an FSC™ Chain-of-Custody Certificate for its achievements in sustainable forestry. Independent certificates issued to SPPM by well-known international organisations, such as the Forest Stewardship Council®, are evidence of SPPM management's concern for environmental protection and sustainability.

International Paper is also aware of the pressing need to support local communities, and, since 1999, the company has invested over USD 6.9 million in social projects in both Svetogorsk and the surrounding area, including the repair and renovation of the municipal clinical hospital and sports centre, as well as support for children's and youth educational and sports institutions. The company's contributions to the quality of life in the Leningrad Region were highlighted in December 2011 in a letter from then-Russian President Dmitry Medvedev, who thanked the company for its efforts.

TIKHVIN FREIGHT CAR BUILDING PLANT CJSC

Address: Industrial Site, Town of Tikhvin, Leningrad Region, Russia

Tikhvin Freight Car Building Plant CJSC (ZAO Tikhvinsky Vagonostroitelny Zavod or TVSZ) is a modern industrial enterprise with a full production cycle for manufacturing next-generation freight wagons featuring improved performance characteristics. In terms of investment volume, production space and technological infrastructure, it is one of Europe's largest freight car building enterprises. The plant's annual production capacity is 13,000 freight cars, 90,000 tonnes of railway castings and 65,000 mounted wheels.

In its railcar production, ZAO TVSZ was the first to rely on advanced technologies and the engineering solutions of global wagon and automakers, specifically automated production lines and industrial robots produced by such global engineering leaders as Spain's Danobat and Germany's Eisenmann, KUKA Systems, Heinrich Wagner Sinto and Siemens-VAI, whose products are currently used by Volkswagen Group, General Motors, BMW AG, Ford Motor Company and Airbus S.A.S. TVSZ also relies on advanced machinery and equipment in its foundry production. Among TVSZ's global industry peers, only Daimler AG (Germany) uses similar machinery and equipment in the production of truck castings. Once TVSZ's production facilities reach full capacity, the company will be able to produce one unit of mounted wheels every 4.5 minutes and one wagon car every 24 minutes.

TVSZ's products include four types of newly designed freight wagons, which were jointly developed by leading Russian and American engineering firms based on an innovative wheeled frame (the "Barber") with mounted wheel axles with load capacities of 23.5 tonnes and 25 tonnes.

".. Our plant is one of Europe's largest freight car producers."



Oleg Menshikov, Operations Director of CJSC TVSZ.

TVSZ-produced wagons have enhanced lift capacity. In terms of useful life and durability (based on a number of characteristics), they outperform traditional wagons by a factor of three to five times. Large-scale use of TVSZ wagons help to reduce the size of required wagon fleets, as well as further improve the efficiency of cargo movement, and ensure traffic safety and greater traffic speed, which, in turn, helps to improve the handling capacity on Russia's railways.

After one year of using TVSZ-made freight cars, OAO SUEK has affirmed the high quality of the product's manufacturing standards, such as the projected undercarriage life of 500,000 km. The advantages of new TVSZ wagons have not only been recognised by Russian consumers, but also by international companies. Europe's largest wagon manufacturer, Tatravagonka A.S. (Slovakia), has been using the Barber wheeled frame in the production of freight rolling stock for use in the Russian Federation. TVSZ has entered into a joint venture with Mitsui Corporation (Japan) for the long-term lease of rolling stock produced by ZAO TVSZ.

TVSZ is one of the largest employers in the Leningrad Region, with a current workforce of over 2,600 people.



At full production capacity, TVSZ's total workforce is expected to reach 4,400 employees.

A priority task for TVSZ is guaranteeing the consistently high quality of its products. To this end, the company is eager to bring out the potential of each employee. Training, advanced vocational training and professional development of employees are conducted through the TVSZ Corporate Training Centre, which is equipped with interactive facilities and classrooms, as well as simulation systems in production laboratories. These training initiatives are also based on the training centres of TVSZ's equipment suppliers in Europe and the United States, as well as educational institutions in St. Petersburg and the Leningrad Region.



For more information, please visit www.tvsz.ru

TVSZ Executive Director Oleg Menshikov says: "Personnel are one of the key components of a modern production system. TVSZ's human resources policies are based on positive partnership relationships between the company and its employees, thereby establishing a firm foundation for the company's sustainable development and the continuity of our workforce."

In addition to the construction of the Tikhvinsky plant, a large-scale housing programme has been successfully launched and completed. Nine residential clusters with over 2,000 apartments have been built for the plant's employees. It was one of the Leningrad Region's largest housing construction projects in districts that do not border on the City of St. Petersburg, and ranks among Russia's top 10 corporate housing facilities. TVSZ employees are entitled to join a corporate home buying programme with preferential mortgage terms, as well as various government support programmes.

OAo UST-LUGA COMPANY

Open Joint-Stock Company Ust-Luga Company (OAo Ust-Luga Company) was incorporated in 1992 specifically for the construction of the Ust-Luga Commercial Seaport, located at Luga Bay on the Gulf of Finland in the Baltic Sea. The seaport's annual processing capacity comes to 180 million tonnes of cargo.

The construction of the seaport has been implemented as part of the federal programme "Development of Russia's Transport Systems." In addition, the structure for interaction among all project stakeholders represents one of Russia's first examples of a successful public-private partnership.

Today, Ust-Luga Company is the initiator and developer of an integrated project to develop the Ust-Luga Commercial Seaport and its adjacent areas, which forms the basis for the establishment and development of five interrelated clusters: Transport and Logistics, Industrial, Residential, Recreational and Agricultural.

According to a Russian Federation Government resolution, the project titled "Comprehensive Development of the Ust-Luga Commercial Seaport and Adjacent Areas" (the "Project") has been deemed a priority investment project for Russia's North-Western Federal District.

The Project has also been made part of the Leningrad Region's "Strategy for Social and Economic Development until 2020." The Ust-Luga Company and the Leningrad Region Government are jointly carrying out the Project on a public-private partnership basis.

"The region's sustainable development: change begins with us."

Svetlana Makarova, General Director of OAo Ust-Luga Company, says: "The Ust-Luga Commercial Seaport is the foundation of the Project while the Industrial Zone is its 'driver.' Enterprises involved in deep conversion and refining of hydrocarbons will be the anchor investors, while satellite and other companies will act as links in their production chains."

The crude oil and petrochemical sectors will be the main drivers of the Industrial Zone. Likely residents from these sec-



Svetlana Makarova, General Director of OAo Ust-Luga Company

tors include companies engaged in the deep conversion of hydrocarbons and manufacture of higher-value-added products for further sale both globally and on the Russian market.

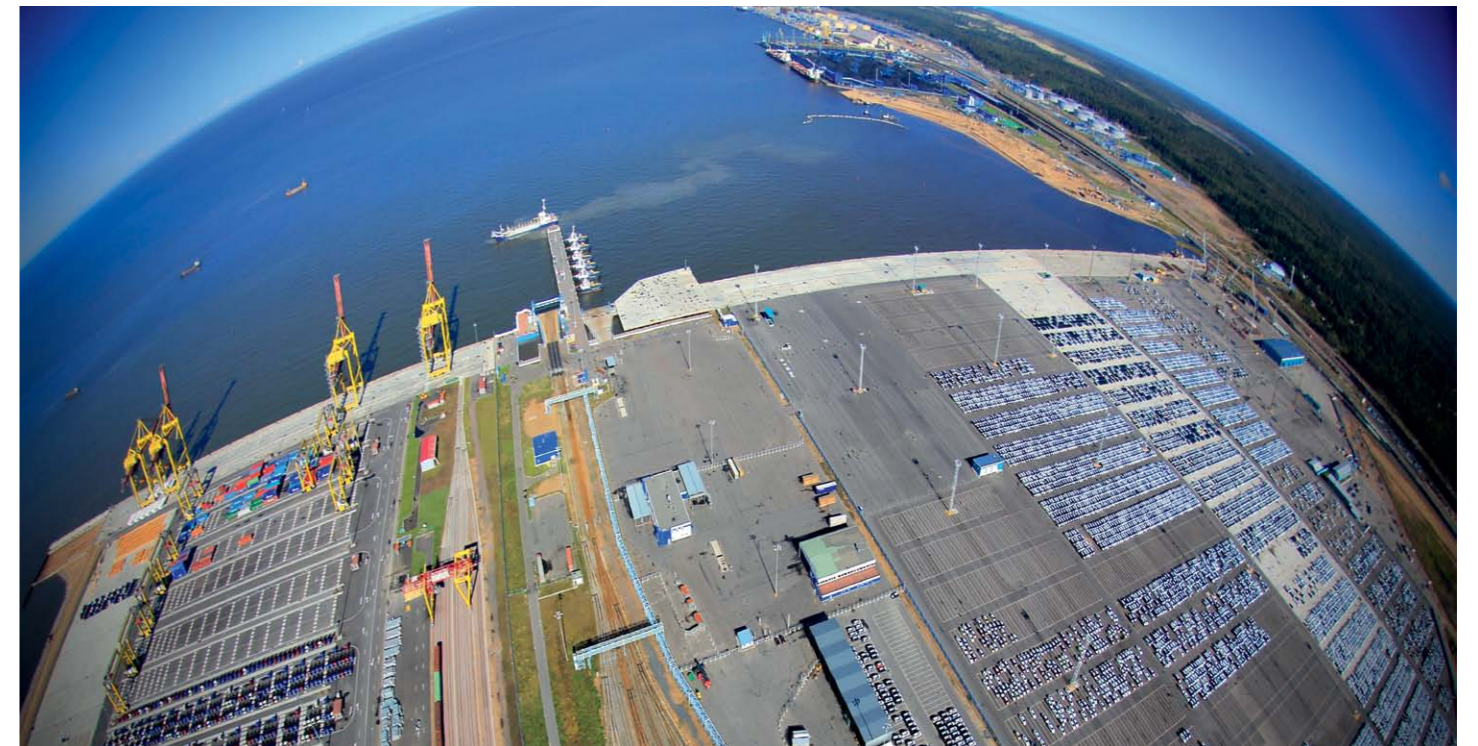
In order to attract manpower for the project and create comfortable living conditions for people, OAo Ust-Luga Company has commissioned the development of a framework plan for the construction of a new town with a projected population of 34,500 (with eventual expansion to 54,000 people) in the village of Ust-Luga in the Kingiseppsky District. The area for development covers 1,849 hectares. The total planned investment comes to RUB 43.9 billion, including RUB 23.3 billion earmarked for engineering and social infrastructure. The construction of the first section of the new town is now under way.

A key focus for the Project is sustainable development based on maintaining a balance between economic, environmental and public interests.

OAo Ust-Luga Company was a participant in the major Russian-Finnish project Environmentally Friendly Port, implemented within the framework of the Southeast Finland-Russia Programme for Cross-Border Cooperation under the auspices of the European Neighbourhood and Partnership Instrument (ENPI).

In addition to OAo Ust-Luga Company and the St. Petersburg Hydrometeorological State University, the Finnish project consortium partners include the Marine Research Centre of Turku University and the University of Applied Sciences in Kymenlaakson, Finland.

Associate members in the project include the administrations of Hamina-Kotka Port, the City of Kotka, the Finnish Ports Association, and the Leningrad Region Government's Committee on Natural Resources and Environmental Protection.



Ust-Luga Commercial Seaport, aerial view

The Project will be implemented over two years with total funding coming to EUR 570,000. These funds have been allocated as part of the Programme for Cross-Border Cooperation under the auspices of the ENPI, which is financed from the EU budget and the state budgets of Finland and the Russian Federation.

Under this project, a series of steps and activities will be developed to improve the ability of seaports to combine sustainable growth and enhanced environmental protection. Awareness programmes for both the general public and all project stakeholders will be set up to explain the advantages of a "green" approach to the sustainable development of the region. Furthermore, an

action plan and strategy for the sustainable, environmentally responsible development of the Ust-Luga Commercial Seaport and adjacent areas will be compiled and put forward.

One of the key steps is the development of the Centre for Environmental Monitoring in Ust-Luga and the professional training of its personnel.

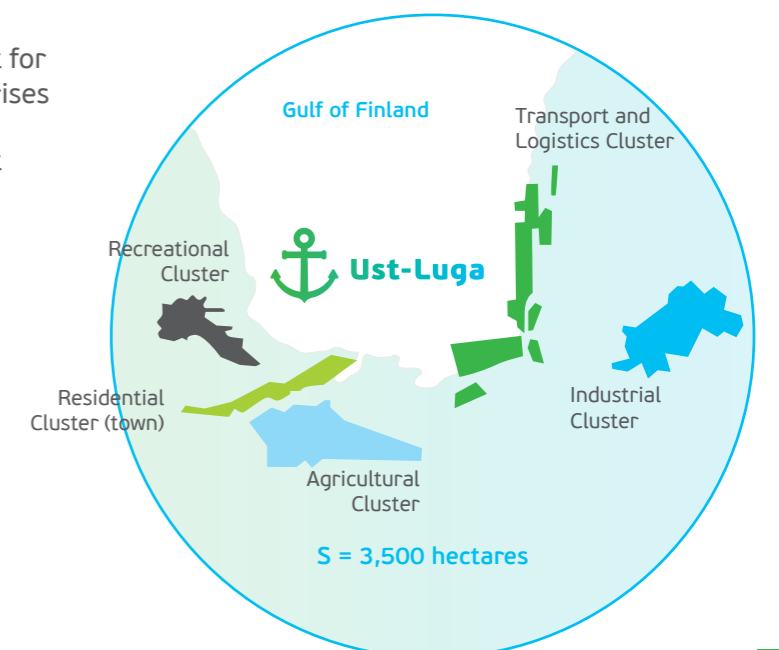
As a result of the Project's implementation, a large section of the Leningrad Region's Kingiseppsky District will serve as a model for implementing similar projects in other regions of the Russian Federation.

Project for the full-scale development of the Ust-Luga Commercial Seaport and its adjacent territory

RUB 538 billion in investment for establishing enterprises
RUB 67.8 billion in investment for infrastructure

- Convenient location at the intersection of two international intermodal transport corridors
- Over 50 companies
- Over 17,000 employees
- More than 22.7 million tonnes of cargo shipped in 2011

Timeframe: 2011-2030



GALACTIKA GROUP OF COMPANIES

Address: 1 120th Gatchina Division St.,
Town of Gatchina, Leningrad Region, Russia

More than 20% of the region's raw milk is delivered to the Galactika Group of Companies' processing facilities, which represents nearly 60% of the region's dairy output.

The Galactika Group of Companies includes:

- Galactika Dairy;
- Baby Food Plant;
- Gatchinsky Dairy Plant;
- Torosovo Dairy Farm;
- Orlinskoe Dairy Farm;
- Galactika Trading Company.

The official opening ceremony for Galactika Dairy was held in the town of Gatchina, Leningrad Region, in August 2008.

Both foreign and Russian experts have recognised Galactika Dairy as one of Europe's most advanced dairy enterprises. It is a fully automated plant, equipped with innovative technologies and able to produce high-quality goods. The dairy facility is equipped with new advanced high-performance equipment supplied by European manufacturers. The production processes are operated in accordance with Finnish company Valio's brand requirements.

“ Our main objective is to provide households with all kinds of dairy products of the highest quality that are compliant with EU standards. ”

The architectural and planning solution was based on design and production solutions recommended by Finnish company Re-Engineering and Swedish equipment supplier Tetra Pak. The structure of adjacent organisations and traffic interchanges were given due consideration when the facility's components, including personnel and auxiliary rooms, were designed.

The new plant aims to supply households in the Leningrad Region and St. Petersburg with the full range of dairy products, which are of the highest quality and in compliance with EU standards.

OAD Gatchinsky Dairy Plant, export trading company Foodline (part of the Lenoblmoloko Group of Companies), Valio and Tetra Pak are participants in this project. The facility is fully equipped with Valio and Tetra Pak production lines.

The group's products are marketed under the Bolshaya Kruzhka, MilkTime, TOM and JERRY, and Luntik trademarks, among others.

In December 2009, Valio launched branded production at Galactika Dairy, thus further confirming the high level



Igor San-Senovich Dyu, Chairman of the Executive Board,
LLC GALACTIKA

of the enterprise's quality management system. Valio and Tetra Pak are strategic partners of Galactika Dairy Plant, which has helped the group's enterprises make use of these industry leaders' advanced expertise. Furthermore, Valio has accredited the production quality control system at Galactika's facilities.

Tetra Pak is also the supplier of machinery and packaging line equipment.

The invariably high quality of Galactika products is also guaranteed by Food Safety Management System ISO 22000:2005 and Quality Management System 9001:2008.

The Baby Food Plant was established in Gatchina in 2003. This is a modern facility with highly automated technological processes and Tetra Pak equipment. The plant produces milk in aseptic packaging, as well as juices and nectars both under its own brand and for private partner brands.

The Baby Food Plant is also a participant in the School Milk social programme. It produces children's Bolshaya Kruzhka milk in convenient individual 200g packages and delivers this product to several schools in the region.



The Gatchinsky Dairy Plant has been operating on the dairy market of St. Petersburg and the Leningrad Region for more than 60 years. Today, the plant produces pasteurised dairy products using traditional technologies.

Located in the Volosovo District, Torosovo Dairy Farm is considered to be one of the best farms in the Leningrad Region. The farm's livestock is comprised of 1,500 cows.

Orlinskoe Dairy Farm is located in the Gatchina District of the Leningrad Region. The farm's livestock is comprised of 1,300 cows. The farm has been consistently upgrading its equipment, conducting personnel training and expanding its dairy livestock. They have also been working on improving milk quality.

Galactika Trading Company is responsible for sales and marketing of products manufactured by the enterprises of the Galactika Group of Companies. The products of the Ga-

Galactika Group of Companies are available in practically all national and local retail chains, as well as traditional stores in Moscow, St. Petersburg, and other Russian regions, and some CIS countries. The company has been successful in working with more than 8,000 retail and wholesale companies.

In January 2013, an opening ceremony was held at a new dairy plant in the village of Falenki. OOO Galactika Vyatka, part of the Galactika Group, was responsible for the launch of the new facility.

Furthermore, a quality control centre is being set up at the plant to improve the quality of the facility's raw milk supply.

In January 2013, the dairy plant started producing milk with varying fat content, pasteurised at ultra-high temperatures and packaged using Tetra Pak technology.

In the plant's first stage, 50 tonnes of milk can be processed per day, along with UHT milk production. The second stage foresees increasing milk processing up to 100-150 tonnes per day and expanding the product line to include cottage cheese, curds and butter.



DEVELOPMENT PRIORITIES AND GOVERNMENT SUPPORT



DEVELOPMENT PRIORITIES AND SOURCES OF GROWTH

The main components of the Leningrad Region's strategic development involve achieving a new level of quality in social and economic development, developing high-tech production facilities and maintaining sustainable investment growth. According to the "Concept for the Leningrad Region's Social and Economic Development until 2025" (the "Concept"), one of the main development targets is stable annual economic growth of at least 5% of GRP. To this end, the following strategic objectives should be achieved:

- a) Development of traditional economic sectors in the Leningrad Region;
- b) Cultivation of new innovation-focused economic sectors (which create new sources of growth);
- c) Promotion of investment in the Leningrad Region.

A. According to the Concept, the development of traditional manufacturing sectors is achievable through the following initiatives:

1. Development of traditional production industries (engineering, chemical and petrochemical industries, construction materials production, mining and minerals)

The principal objectives of the regional authorities will be the following:

- Upgrading technologies at leading industrial enterprises;
- Eliminating imbalances in the industrial development of the region's municipal districts;
- Carrying out measures to provide regional enterprises with better access to global markets;
- Creating new zones and sites for the establishment of production facilities.

2. Development of transport and logistics facilities

The principal objectives of the regional authorities will be the following:

- Eliminating imbalances in the development of transport infrastructure;
- Establishing a single logistics system for the region;
- Improving transport and logistics facilities connected to Russia's international border;
- Developing the region's port infrastructure;
- Coordinating development of transport systems in the Leningrad Region and St. Petersburg;
- Diversifying fixed route transport systems in the region;
- Setting up an infrastructure that guarantees transport security.

3. Development of agriculture and fisheries

The principal objectives of the regional authorities will be the following:

- Developing agricultural segments with the strongest potential for growth in light of Russia's accession to the WTO (poultry and pig breeding);
- Attracting investment to core segments and developing infrastructure to support the agribusiness sector (dairy

and beef production, vegetable and potato cultivation);

- Developing fisheries and local segments ;
- Supporting small agricultural businesses.

4. Development of the forestry industry

The principal objectives of the regional authorities will be the following:

- Encouraging diversification of timber products in light of Russia's accession to the WTO;
- Facilitating deeper processing of raw materials;
- Overcoming reliance on imports and reducing commodity exports;
- Creating new infrastructure for the timber industry.

5. Promotion of tourism

The principal objectives of the regional authorities will be the following:

- Eliminating imbalances in development of the tourism industry;
- Creating a single system for tourism in the region;
- Improving the quality of tourist services in the region.

6. Development of small and medium-sized enterprises (SME)

The principal objectives of the regional authorities will be the following:

- Removing administrative barriers;
- Developing support infrastructure for business;
- Improving financial incentives for small business;
- Promoting cooperation between small and large business.

7. Development of the consumer market

The principal objectives of the regional authorities will be the following:

- Encouraging growth of small consumer businesses;
- Developing commercial and service infrastructure;
- Developing trade in light of Russia's accession to the WTO.

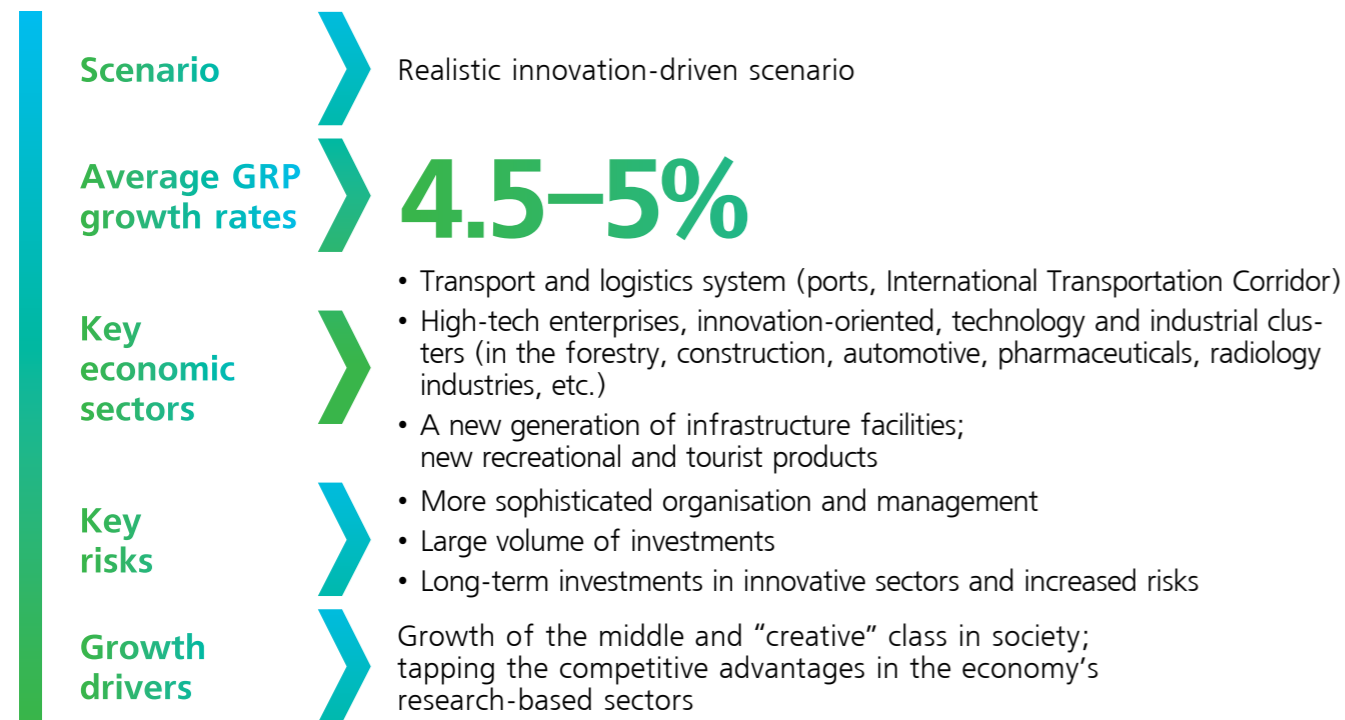
B. The objective of encouraging new innovative sectors (creating new sources of growth) is achievable by the regional authorities through the following priorities:

1. Creating innovation development areas and zones in the Leningrad Region;
2. Increasing the percentage of innovation-focused enterprises in the region;
3. Supporting innovation-driven activity at the region's small and medium-sized enterprises.

C. The promotion of investment activity in the Leningrad Region is achievable through the following priorities:

1. Eliminating imbalances in the investment appeal of different economic sectors;
2. Cultivating the steady development of investment potential in all districts;
3. Creating new platforms for raising investment.

A realistic innovation-driven scenario – target objectives for the region's development



Key development drivers under this scenario:

- Investing in technological development and an innovation-focused economy, establishment of pilot development zones: Gatchina and Sosnovy Bor.
- Introducing new formats and modern services in the transport and logistics, consumer market and service sectors.
- Differentiating and prioritising development projects for various zones (support of infrastructure projects for remote territories, implementation of new mechanisms that encourage business activity, etc.).
- Developing agglomerated areas on the borders between the Leningrad Region and St. Petersburg (Bugry-Murino, Vsevolozhsk-Yanino, Kudrovo, Volkhonka, which includes the construction of housing and the creation of around 50,000 new jobs in manufacturing, logistics and innovation development).
- Improving connections between territories and carrying out an extensive infrastructure programme (upgrading utilities and roads, building road links, etc).

According to the draft “Concept for the Social and Economic Development of the Leningrad Region,” sustainable annual growth in industrial production is a key indicator.

Ways to achieve the objective:

- 1) Developing transport and logistics facilities (key objectives include growth in freight turnover and freight handling volume, as well as greater tax revenues from the transport and logistics sector).
 - Implementing integrated projects for the development of international transportation corridors and technical transport infrastructure, including the expansion of rail and road networks and development of related infrastructure facilities;
 - Developing a modern, efficient port infrastructure in part through integrated public-private partnerships (PPP) projects, such as:
 - » the full-scale development of the Ust-Luga Port;
 - » development of port facilities and construction of

new port capacity and infrastructure;

- » establishment and development of an industrial production zone adjacent to the port (which would support and develop the necessary engineering, transport and business infrastructure);
- » development of a new urban zone through the creation of necessary housing, working, living and recreational facilities for the new area’s residents;
- » establishment of leisure and tourism areas so that Ust-Luga’s recreational potential is fully utilised (in the Kingiseppsky Municipal District);
- » development of external and internal engineering and transport links (including the construction of federal and regional highways);
- » implementation of other integrated projects to develop port infrastructure and adjacent areas.

Improving the investment climate and attracting new funding for the development of transport and logistics, including the introduction of a governance framework aimed at raising private capital and creating financial instruments that

would help mobilise fund investors (for use in the development of new transport and logistics infrastructure).

- 2) Developing agriculture and fisheries.
- 3) Developing the forestry industry.
- 4) Promoting tourism.
- 5) Developing traditional industrial segments (heavy engineering, chemicals and petrochemicals, manufacturing of construction materials, mining and minerals):
 - Creating conditions that encourage the Leningrad Region’s industrial enterprises to be competitive by developing R&D capabilities, streamlining production capacities, providing technical and equipment upgrades, and improving the regulatory framework;
 - Upgrading production technologies in traditional manufacturing segments and encouraging the launch of new products (promotion of innovation-driven businesses, including the setup of business incubators and technology parks to intensify innovation activity);
 - Strengthening cooperation between Leningrad Region industrial enterprises (building links between regional suppliers and producers [forming supply chains], establishing industrial parks, and attracting investors along with both Russian and foreign residents for technology clusters);
 - Supporting and encouraging development of the local market and providing regional enterprises with better access to global markets.
- 6) Encouraging development of new innovation-driven economic sectors (identifying new additional sources of growth).

The rising percentage of enterprises which have introduced technological innovations is a demonstration of the progress made towards this strategic objective.

The main initiatives for achieving this objective are:

- a) Innovation-driven and technological development in the Leningrad Region:
 - Boosting the investment attractiveness of the regional economy’s most promising high-tech sectors, encouraging capital flows and recruiting highly qualified talent thanks to an array of measures with respect to taxes, tariffs and other types of government regulation, as well as access to different types of financial support;
 - Eliminating regulatory barriers that hinder the development of innovation-driven initiatives in the region;
 - Building partnerships with leading public sector companies (e.g. Rosatom and Rusnano) to assist them in the development and introduction of innovation-driven programmes in the region;
 - Establishing sites for innovative and technological development (pilot sites at Gatchina and Sosnovy Bor);

- Fostering conditions for the establishment of a regional university and campus in the Leningrad Region. Universities that combine academic research and teaching can be a key source and centre of new knowledge. The development of such a university in the region is a long-term strategic goal.
- b) Creation of conditions for implementing a policy aimed at establishing industrial and innovation clusters. The Leningrad Region should be integrated with those St. Petersburg-based innovation clusters that already exist or are in the process of being established.
 - Developing a combined cluster of medical, pharmaceutical and radiation technology enterprises for St. Petersburg and the Leningrad Region (organisational development and support for priority projects);
 - Drafting a uniform concept for the development of industrial and innovation clusters in the Leningrad Region.
- 7) Ensuring annual increases in investment.

A key indicator of the progress being made toward achieving this strategic objective is approximately 7% annual growth in private investment in fixed assets:

This objective can be achieved through the following:

- Developing and adopting an investment strategy for the Leningrad Region, as well as following a roadmap with action plans for improving the region’s investment climate;
- Drafting a plan for setting up investment target firms (investees) with a list of priority investment sites in the region (and assigning a supervisor for each investment site in the relevant regional executive body);
- Carrying out procedures for assessing the regulatory impact of laws governing business activity;
- Setting up a consultative coordinating body and a special entity for the purpose of attracting investment;
- Drafting and enacting a regional law for protecting investor rights and implementing investment support tools;
- Developing and approving a programme to prepare sites in the Leningrad Region for the potential relocation of enterprises from St. Petersburg. Municipal districts neighbouring St. Petersburg and highly industrialised areas (Tikhvin, Kirishi, Volkhov) could serve as pilot areas for industrial development;
- Establishing sites for the development of both traditional and new production enterprises, as well as service sectors;
- Providing support for small business and developing programmes to train a new generation of entrepreneurs, which should cover the sustainable development of the region’s remote areas (primarily in agriculture and forestry);
- Developing the Entrepreneurs 2.0 programme to encourage and support a new generation of entrepreneurs in the Leningrad Region.

CLUSTER POLICY

Russia's cluster development policy is a key mechanism for achieving rapid economic growth. Cluster-based development is an integral part of improvements in industrial policy. On 28 August 2012, Russian Prime Minister Dmitry Medvedev issued Order No. DM-P8-5060, which approves a list of territorial innovation clusters.

The cluster-based approach is intended to enhance the competitiveness of the Leningrad Region's economy, both through maintaining its unique (on a macro-regional and even global scale) profile and encouraging growth through the extensive introduction of innovations and technological advances. The cluster model is considered to be the most effective tool for managing and encouraging the economic and social development of a specific area. It helps build ties between diverse companies of varying sizes and, thanks to public-private partnership (PPP) structures and public financing tools, it can mobilise private initiatives and the resources needed to carry out large-scale projects, which otherwise would not be economically feasible for individual participants alone.

The Leningrad Region has the potential to develop three types of industrial clusters:

Innovation clusters. Such clusters are designed to tap into the region's research capabilities and focus on high-tech products and services (medical services, pharmaceuticals, biotechnology, radio and laser technologies, IT and micro-electronics). The Leningrad Region's considerable research resources are largely concentrated in physics and related disciplines, such as radio, laser and optical technologies. The Kurchatov Research Institute, the Konstantinov Institute of Nuclear Physics (Gatchina), the Alexandrov Research Institute of Technology (Sosnovy Bor), the Research Institute of Optics and Electronics (Sosnovy Bor), the Pavlov Institute of Physiology of the Russian Academy of Sciences (Pavlovo) and the State Institute of Applied Chemistry (Kuzmolovsky) are leading national research centres and form the core of the pharmaceutical, medical and radiation technology cluster in St. Petersburg and the Leningrad Region. According to the results of a tender, this cluster has been included in the list of pilot clusters in Russia.

Global industrial clusters. Such clusters form a part of global supply chains, and are developed by multinational players setting up new enterprises. In the Leningrad Region, these clusters exist in the heavy engineering (auto making, special vehicle manufacturing, ship-building, and railcar manufacturing) and pulp-and-paper industries. With respect to the automotive and car component manufacturing sectors, major companies such as Ford Motor Company and Nokian Tyres, as well as Gestamp Severstal Vsevolozhsk and others form the core of the Leningrad Region's cluster. Extensive construction of new car assembly plants in St. Petersburg and the region opens up substantial opportunities for automotive sector development. Component manufactures for regional OEM plants such as TRW Automotive, INERGY AutomotiveSystems, TOYOTA TSUSHO RUS LLC and others intend to localise their production in the Leningrad Region and are, therefore, willing to become residents of the dedicated cluster. This segment of the heavy engineering cluster will develop at a faster rate thanks to the localisation of component manufacturing.

Some of the fastest-growing segments in the vehicle manufacturing cluster are represented by such enterprises as Tikhvin Freight Car Building Plant, OOO Caterpillar Tosno, OAO Vyborg Shipbuilding Plant and Leningrad Shipbuilding Plant Pella.

ZAO International Paper, OAO Vyborg Tselyuloza, OAO Syasky TsBK and OAO Svyatogorsky TsBK (pulp-and-paper plants) are also potential residents in the pulp-and-paper industry cluster.

Local industrial clusters. These clusters utilise local resources (raw materials, timber and agricultural resources) or rely on local markets. Examples of this type of cluster cooperation can be found in the timber sector (OOO Svedwood-Tikhvin and OOO Svir-Timber), building materials production (ZAO Pikalyovo Cement, LSR-Cement, OOO Rockwool-North and ZAO LenoblDomStroy), and the food industry (ZAO Philip Morris Izhora, OOO Kraft Foods Rus and OOO Nevsky Porogi).

Below are the priorities for cluster policy during the initial stage:

- Building ties between regional suppliers and producers and forming supply chains. During the first stage, the region's investment policy concentrates on attracting and accommodating component producers for regional OEM plants. Additional efforts will be made for the development of intra-cluster cooperation, such as the establishment of industrial parks for suppliers and the organisation of conferences for suppliers and major customers based in the Leningrad Region.
- Helping to enhance engineering and production competencies both internally and by bringing in specialised companies to the region, as well as building ties with institutions of higher education. This approach helps accelerate the development of the clusters as places where innovation and production capabilities can converge.
- Creating support tools for technical and continuing education with a special focus on the development of master's and bachelor's degree programmes in technical disciplines.



TAX AND FINANCIAL INCENTIVES

The Leningrad Region Government has adopted several laws that encourage investment in the region and provide additional benefits to investors:

- Leningrad Region Law No. 113-oz of 29 December 2012 “On Government Support for Organisations Investing in the Leningrad Region and on Amending Certain Legal Acts of the Leningrad Region”;
- Leningrad Region Law No. 103-oz of 9 December 2011 “On Government Support Measures for Organisations Conducting Business in Industrial and Technology Parks of the Leningrad Region”;
- Leningrad Region Law No. 78-oz of 14 October 2011 “On the Involvement of the Leningrad Region Government in Public-Private Partnerships”;
- Leningrad Region Law No. 46-oz of 16 June 2005 “On Corporate Income Tax Rates for Investors Conducting Investment Activity in the Leningrad Region”;
- Leningrad Region Law No. 98-oz of 25 November 2003 “On the Corporate Property Tax” (as amended on 26 March 2004, 25 November 2004, 6 April 2005, 20 June 2005, 5 October 2005, 12 July 2006, 30 November 2006, 24 April 2007, 20 July 2007, 25 December 2007, 27 July 2009, 9 October 2009, 30 December 2009, 8 February 2011, and 3 February 2012);
- Leningrad Region Law No. 24-oz of 22 July 1997 “On Government Support for Investment Activity in the Leningrad Region” (amended on 30 December 1999, 13 July 2000, 26 March 2001, 22 July 2003, 25 November 2003, 12 March 2004, 8 October 2004, 16 June 2005, 26 July 2006, 11 December 2006, 31 October 2008, and 26 December 2008);

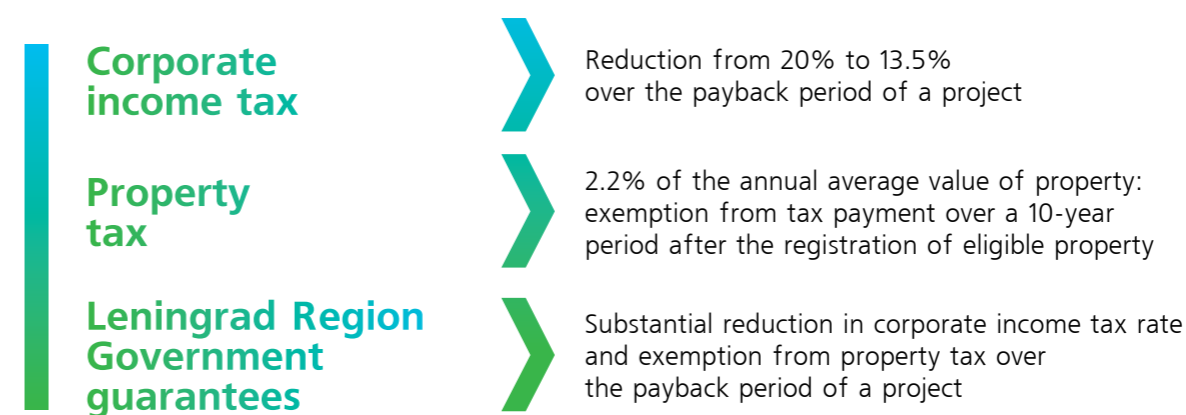
- Leningrad Region Government Resolution No. 366 of 9 November 2011 “On Approving the List of Economic Codes to Be Assigned Most-Favoured Treatment”;
- Leningrad Region Government Resolution No. 169 of 10 June 2009 “On Approving the Draft Template of an Agreement on Government Support for Investment in the Leningrad Region and Amending Leningrad Region Government Resolution No. 318 of 27 December ‘On Approving the Structure, Personnel Roster and Regulations of the Leningrad Region Committee for Economic Development’”;
- Leningrad Region Government Resolution No. 201 of 2 August 2010 “On Approving the Procedure for Handling Agreements on Government Support for Investment in the Leningrad Region”;
- Leningrad Region Government Resolution No. 413 of 30 December 2009 “On Approving the Procedure for Issuing Grants from the Leningrad Region Budget to Legal Entities Investing in the Region and Eligible for Most-Favoured Treatment Status”;
- Leningrad Region Government Procedure for Allocating Guarantees, approved by Regional Law No. 98-oz of 25 December 2011 “On the Regional Budget of the Leningrad Region for 2012 and for the 2013-2014 Forecast Period” (Appendix 108);
- Leningrad Region Government Order No. 289-r of 15 July 2009 “On the List of Documents Required to Qualify for Government Guarantees in the Leningrad Region and the Document Submission Procedure.”

A series of government support and investor protection measures provides tax benefits and subsidies to investors over the entire period of most-favoured treatment status.

Leningrad Region Law No. 24-oz of 22 July 1997 “On Government Support for Investment in the Leningrad Region” is considered to be one of the most transparent and understandable laws for foreign and Russian investors, and for good reason. Since the law’s enactment, over 160 contracts have been signed between the Leningrad Region and investors.

Under this law, most-favoured treatment is provided to investors for the entire investment payback period, plus a two-year period after payback. This treatment grants the following tax benefits to investors:

- for corporate profit tax – a 13.5% rate;
- over the actual investment payback period but no longer than the payback period specified in the business plan for an investment project;
- over a two-year period following the actual payback period for those investors with at least 90% of revenue generated from investment projects carried out in accordance with a government support agreement;
- 0% property tax rate.



Leningrad Region Law No. 113-oz of 29 December 2012 “On Government Support for Organisations Investing in the Leningrad Region and on Amending Certain Legal Acts of the Leningrad Region” was adopted in order to cut administrative barriers and ease the procedure for obtaining most-favoured treatment for investors. The new law fixes the tax benefits period (from four to eight years) depending on the investee (from RUB 300 million to RUB 3 billion). The law also significantly reduces the review period for investor requests. For instance, an agreement to provide government support for investment activity must be signed within 35 working days after all the required documents are submitted by an investor.

Leningrad Region Law No. 98-oz of 25 November 2003 “On the Corporate Property Tax” exempts investors from corporate property tax on properties created or acquired for the implementation of an investment project in accordance with the project’s business plan (and not included in taxable property within

Leningrad Region prior to the start of the investment project):

- over the actual investment payback period but no longer than the payback period specified in the business plan for an investment project;
- within two years after the actual investment payback period.

Leningrad Region Law No.65-oz of 19 July 2012 “On Introducing a Reduced Corporate Income Tax Rate for a Specific Group of Taxpayers – Organisations Conducting Investment Activity in the Leningrad Region” reduces the corporate income tax rate applicable to the portion payable to the regional budget from 18% to 13.5% for those investors making investments in business development in the Leningrad Region amounting to at least RUB 1 billion over a three-year period. The taxpayer may qualify for the benefit during five tax periods provided that it does not reduce payments due to the regional budget.

Government support is also available in the form of subsidies from the regional budget, which can be used for the partial reimbursement of costs for certain groups of enterprises operating in the Leningrad Region. In 2012, the following subsidies were provided:

| No. | Event/activity (subsidy) | Amount, RUB million (2012) | Number of enterprises receiving subsidies |
|---------------|---|----------------------------|---|
| 1 | Refunding a portion of the interest on loans taken out by textile, clothing, leather, leather goods and footwear manufacturers | 10.4 | 3 |
| 2 | Reimbursement of a portion of the costs of enterprises' energy conservation efforts | 5.75 | 3 |
| 3 | Reimbursement of a portion of the costs incurred by socially significant manufacturing enterprises operating in one-industry towns in the Leningrad Region for the transport of nepheline concentrate by rail | 372 | 1 |
| 4 | Reimbursement of costs for the sale of goods by traders that are eligible for government support measures | 1,001.6 | 1 |
| 5 | Reimbursement of a portion of costs relating to increases in innovative internally produced goods, performed work and provided services | 5.2 | 8 |
| 6 | Subsidies to legal entities producing goods, performing work and providing services, and involved in investment activity | 1,653.8 | 4 |
| Total: | | 3,048.75 | 20 |

In 2013, subsidies will be provided to the following:

- Legal entities owned by public organisations of disabled people operating in the Leningrad Region in order to reimburse their costs on the acquisition of manufacturing equipment and special gear;
- Legal entities operating in one-industry towns in the Leningrad Region in order to reimburse their costs for transport of nepheline concentrate by rail;
- Reimbursement of a portion of the interest on loans taken out by textile, clothing, leather, leather goods and footwear companies;
- Reimbursement of costs for the sale of goods by traders eligible for government support;
- Reimbursement of a portion of the costs of enterprises' energy conservation efforts.

SUPPORT FOR THE PIKALYOVO PRODUCTION COMPLEX

The Town of Pikalyovo in Boksitogorsk District is a typical one-industry town, the main employers of which are its alumina facilities. The largest local companies are ZAO BaselCement-Pikalyovo (alumina production), ZAO Pikalyovsky Cement (cement production) and ZAO Pikalyovskaya Soda (potash and sodium carbonate production).

A global crisis in the market for non-ferrous metals started in 2008, which resulted in a dramatic decline in alumina demand and has affected the operations of these companies. For example, unemployment reached a critical 3% in 2009.

In order to stabilise the social and economic situation in the town, a working group was set up in 2009, by an Executive Order of the Leningrad Region Governor, in order to develop and implement measures to stabilise the operations of enterprises in the Pikalyovo production complex.

During a period of reduced demand for alumina, one of the available options was the production of by-products: nepheline slurry and carbonate solution. ZAO BaselCement-Pikalyovo produces these products derived from processed nepheline concentrate. The by-products are supplied to ZAO Pikalyovsky Cement and ZAO Pikalyovskaya Soda. As a result, a single processing complex for nepheline concentrate has been set up in Pikalyovo.

The only producer and supplier of nepheline material is OAO Apatit, which is based on the Kola Peninsula. So that Pikalyovo enterprises would break even in 2012, and after an application was made by the Leningrad Region Government, the Russian Federation Government granted a subsidy to the Leningrad Region budget to reimburse the town's primary employer's costs for transport of nepheline concentrate by rail. This state support came to RUB 372 million.

This financial support will be continued in 2013 thanks to the further active cooperation between the Leningrad Region Government and the federal authorities. In particular, a decision has been made to allocate RUB 120 million from the federal budget.

The principal outcome of the working group's activity was the development of the Integrated Investment Plan for Modernising the One-Industry Town of Pikalyovo (IIP) in 2010 and its inclusion in the Government Programme for Supporting One-Industry Towns, under which federal budget funds, together with co-funding from regional budgets, are allocated towards diversifying the economy of one-industry towns, reducing labour market tension, and promoting small and medium-sized enterprises.

In 2010, the Russian Federation Government allocated a federal budget subsidy of RUB 532.7 million for the implementation of IIP activities, including co-funding for capital construction projects in Pikalyovo. RUB 57.4 million was allocated from the

Leningrad Region budget to the Town of Pikalyovo for preparing engineering infrastructure in support of investment projects.

The Leningrad Region Government, together with the Pikalyovo Municipal Administration, has developed the long-term Leningrad Region special-purpose programme "Infrastructure Support for Integrated Investment in the Development and Economic Diversification of the Town of Pikalyovo."

Since 2010, over RUB 1 billion has been allocated from the Russian Federation's consolidated budget to support the social and economic development of Pikalyovo, as well as the operations of its production facilities.

In 2013, the construction of engineering infrastructure facilities is expected to reach completion for the following industrial sites: Industrial Site No. 1, an enterprise for fabricating frame buildings (investor: OOO InvestStroi); Industrial Site No. 2, a commercial greenhouse (investor: OOO Krugly God); Industrial Park (Industrial Sites No. 3 and 4) (investor: ZAO Glavsnab Invest); and Industrial Site No. 5, a facility for the end-to-end processing of nepheline slurry from ZAO BaselCement-Pikalyovo into non-marketable waste (investor: ZAO Basel Cement-Pikalyovo). Altogether, 1,294 jobs will be created thanks to these investment projects.



Alumina workshops at ZAO BaselCement-Pikalyovo

INDUSTRIAL PARKS AND ZONES IN LENINGRAD REGION



The Leningrad Region currently offers many sites that can potentially accommodate manufacturing facilities for various industries. These include: the Brick Factory Industrial Zone; the Razmetelyovo Industrial Park in the Vsevolzhsk District; the Industrial Park Gorelovo-YIT Lentek in the Lomonosov District, and the Industrial Park in the town of Kirovsk. Furthermore, developers are currently working on the following industrial parks in the Vsevolzhsk and Gatchina municipal districts: Doni-Verevo, Utkina Zavod, Marienburg (the second stage), Prinevsky, and KOLA.

Under the regional Law "On Government Support Measures for Organisations Operating at Industrial and Technology Parks in the Leningrad Region," residents of such parks can qualify for subsidies from the regional budget equal to corporate income tax paid to the region on profits earned from operations at an industrial or technology park.

In addition, the law allows for reducing the rate of corporate income tax payable to the regional budget to 13.5% if a resident earns 70% or more of its total profit from operations at an industrial or technology park.

Also, residents are exempt from property tax on properties located within an industrial or technology park.

A 100-hectare land plot in the Tosno District of the Leningrad Region, adjacent to the Era-Henkel and Caterpillar factories, has been set aside for an industrial park which will accommodate enterprises (class III hazard).

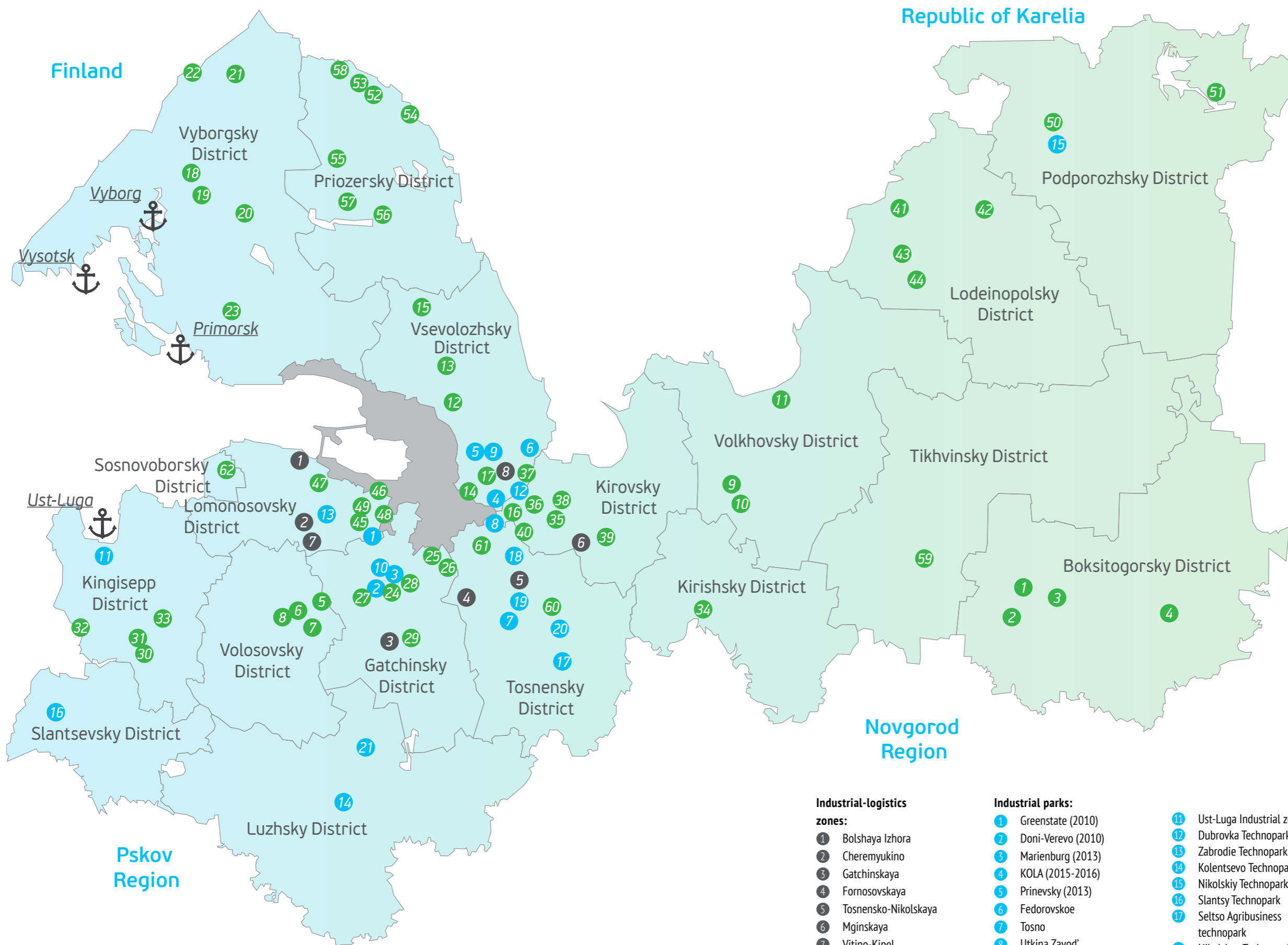
The Tosno District site will be the first park where public funds will be used to finance the construction of utilities infrastructure and production facilities. The project will be implemented in several stages. RUB 390 million has already been allocated from the regional budget to finance the first stage, after which new sections with investor-ready premises will be commissioned every year.

The new industrial zone will be ready by the end of 2014, while the first project stage, during which external utility networks will be designed, should be completed by the end of 2013.

The development of industrial and technology parks has been entrusted to a special company, OAO Lenoblinnovatsii, which is owned by the Leningrad Region.

List of companies/potential investors which have filed applications for locations:

| Name | Industry focus |
|--|--|
| TOYOTA TSUSHO RUS LLC (OOO Toyota Tsusho RUS) part of the TOYOTA Group | Basic assembly of car components and plastics production (automotive thermoplastics). |
| OOO Board Pack | Cardboard factory. |
| OOO Agrorybpromholding OAO Giprorybflot | Investment project – Fish farm in the village of Manuylovo, a rural settlement of Pustomerzhskoe, Kingiseppsky District, Leningrad Region (with a guest house, recreational facilities, children's playground and sports field). |
| French firm INERGY AutomotiveSystems Office in France (Strasbourg) | Investment project – Factory for producing plastic automotive fuel tanks. |
| OAO NIIPGradostroitelstva | Avikron vaccine factory (production and warehouse facilities) Production of Avikron monovalent and bivalent inactivated and live vaccines using highly efficient production methods. |
| ZAO Svetlana-Optoelektronika | Investment project – construction of a research and production centre (full cycle) for batch production of powerful semiconductor light sources and lighting devices. |
| Australian firm Austin Engineering Ltd | Branded equipment and Westech dump truck chassis, JEC mining machinery, a range of engineering services, including equipment repair, maintenance and tuning. |
| OOO AGRISOVGAZ | Construction of a high-tech hot galvanisation plant at the Fedorovskoe industrial park in the Tosnensky District. The facility will apply hot-dipped galvanised anti-corrosion coatings on metal frames. |
| OOO Izhitsa | Construction of production and warehouse facilities for the manufacture of innovative fish smokers. |
| OOO Metall and Innovations | Construction of a mini plant (using Mi.Da technology made by Italian company DANIELI) for the production of metal frames to be used in construction, i.e. iron rods (building bars). |
| OOO Vsevolzhsky Aluminium Alloy Plant (OOO VZAS) | Production of aluminium products. |
| Company TRW Automotive (Germany) | Production of seatbelts, air bags and brake systems for TRW cars. |
| OOO Severo-Zapadnaya Myasnaya Kompaniya | Construction of a slaughterhouse and primary meat processing facility in the Gatchinsky District of the Leningrad Region rural settlement of Bolshekolpanskoe near the village of Paritsy. |
| OOO Sibur | Construction of petrochemical facilities in Ust-Luga, Kingiseppsky District in the following preliminary configuration: instalment of a pyrolysis unit with capacity for over 1 million tonnes of ethylene, as well as the production of polyethylene, polypropylene, glycols and other petrochemical products. |
| ZAO Plemzavod Agro-Balt | A commercial dairy farm with up to 1,200 milk cows, as well as two cowsheds, a milking barn, maternity barn, non-milking cow yard, young stock yard, auxiliary buildings and structures in the area to the west of the B road. Pustomerja – Imenitsy, the village of Bolshaya Pustomerja, Kingiseppsky District, Leningrad Region (in the farm lands). |
| OOO Siemens Gas Turbine Technologies | Facilities for producing goods and providing maintenance services to gas turbines in the Lomonosov District. |
| OOO ALSTOM Atomenergomash | Facilities producing low-speed turbines and turbogenerators for nuclear power plants. |



- Industrial zones:**
- 1 Industrial sites in Pikalyovo
 - 2 Industrial site Mine № 14
 - 3 Chyudtsi
 - 4 Efimovskoe
 - 5 Kikerino
 - 6 Kikerino-Zapad
 - 7 Kalitino
 - 8 Volosovo
 - 9 Volkhovstroï I
 - 10 Industrial zones of Vydin Ostrov
 - 11 Siyasstroy
 - 12 Novodevyatkino/Kuzmolovskiy
 - 13 Laskolovo
 - 14 Sverdlovo
 - 15 Lesnoe
 - 16 Kirpichny Zavod
 - 17 Myaglovo
 - 18 Tammsuo
 - 19 Yugo-Vostochnaya
 - 20 Svetloe
 - 21 Lesogorskaya/Lesogorskaya I
 - 22 Svetogorskaya
 - 23 Ermilovskaya
 - 24 Torfyanoe-Prigorodny
 - 25 Kommunar
 - 26 Kobralovo
 - 27 Voiskovitsy
 - 28 Novy Svet
 - 29 Kamenka
 - 30 Phosphorit
 - 31 Kingisepp-Severnaya
 - 32 Kingisepp-Yuzhnaya
 - 33 Veymarn
 - 34 Kirishi
 - 35 Mga-Yug
 - 36 Pavlovo
 - 37 Kirovsk
 - 38 Molodtsovo
 - 39 Naziya-Yug
 - 40 Otradnenskaya
 - 41 Lodeinoe Pole-Yug
 - 42 Yanega
 - 43 Domozhirovo
 - 44 Zaostrovie
 - 45 Gorelovo
 - 46 Novoselie
 - 47 Peniki Industrial zone
 - 48 Nagornoe Investment zone
 - 49 Gorbunkey
 - 50 Nikolskoe-Sever
 - 51 Voznesenie
 - 52 Bogatyri
 - 53 Podosinovskoe
 - 54 Priozerskaya
 - 55 Melnikovo
 - 56 Pomtonnoe
 - 57 Romashki
 - 58 Kuznechnoe
 - 59 Yugo-Zapadnaya
 - 60 Tosno-Yuliyonovka
 - 61 Krasnoborskaya
 - 62 Kalische

Industrial-logistics zones:

- 1 Bolshaya Izhora
- 2 Cheremyukino
- 3 Gatchinskaya
- 4 Fornosovskaya
- 5 Tosnensko-Nikolskaya
- 6 Mginskaya
- 7 Vitino-Kipel
- 8 Yanino

Industrial parks:

- 1 Greenstate (2010)
- 2 Doni-Verevo (2010)
- 3 Marienburg (2013)
- 4 KOLA (2015-2016)
- 5 Prinevsky (2013)
- 6 Fedorovskoe
- 7 Tosno
- 8 Utkina Zavod'
- 9 Koltushi
- 10 Innovation technopark based at PIYAF RAN in Gatchina

- 11 Ust-Luga Industrial zone
- 12 Dubrovka Technopark
- 13 Zabrodie Technopark
- 14 Kolentsevo Technopark
- 15 Nikolskiy Technopark
- 16 Slantsy Technopark
- 17 Seltso Agribusiness technopark
- 18 Nikolskoe Technopark
- 19 Trigon Industrial Park
- 20 Ryabovo Industrial Park
- 21 Telmana Technopark

Industrial parks, industrial and industrial-logistics zones of Leningrad Region
 (Source: Concept for the Social and Economic Development of the Leningrad Region to 2015)

| Date of establishment | Implementation stage | Industry focus | Area, hectares | Number of registered residents |
|---|-----------------------|---|----------------|---|
| Vsevolzhsk Municipal District of the Leningrad Region | | | | |
| Utkina Zavod Industrial Park, Village of Novosaratovka | | | | |
| 2007 | Design / construction | Logistics, consumer goods manufacturing and food industry, construction (IV-V classes of hazards) | 140 | OOO Khlebny Dom OOO Evrika OOO X5 Logistics Group OOO Aqua-Service |
| Prinevsky Industrial Park, rural settlement of Zanevskoe, Village of Novosergievka | | | | |
| 2010 | Design / construction | Industrial enterprises (III, IV-V classes of hazards) | 12.7 | OOO Nord Side OOO Kango logistic |
| Kola Industrial Park, urban settlement of Sverdlovskoe | | | | |
| 2011 | Design | Accommodation of logistics facilities, warehouses, industrial premises, combined-use buildings, office, public and business centres | 123.7 | Business case preparation |
| Brick Factory Industrial Area, Town of Vsevolzhsk | | | | |
| 1998 | Design | Heavy engineering Metals Construction | 628.6 | ZAO Ford Motor Company ZAO Polar OAO Rusky Diesel OOO Merloni TermoSanitari Rus OOO Rostar-Vsevolzhsk OOO Neoprint AOZT Ladoga MAZ-Servis ZAO Nokian Tyres NPO RiM OOO Verzhina OOO Sistemy Teploenergetiki |
| Gatchina Municipality | | | | |
| Doni-Verevo Industrial Park, rural settlement of Verevskoe | | | | |
| 2007 | Design | Facilities of II, III, IV and V classes of hazards: agricultural (fertilizer warehouses, tangible assets); utilities and retail facilities (customs terminals, shopping centres, truck handling facilities); transport infrastructure (gas filling stations, car wash facilities and truck parking) | 208 | OAO Verevo (agricultural production) ZAO Avtomagistral (production facilities, road construction) OOO Lanta-Petroleum (oil depot) |
| Marienburg Industrial Park, rural settlement of Pudostskoe, in proximity to Industrial Zone No. 2 | | | | |
| 2006 | Design | Innovation, implementation, trial (pilot) and mass production – III, IV-V classes of hazards | 35 | Six to eight residents under consideration |
| Lomonosovsky Municipality | | | | |
| Greenstate Industrial Park (YIT-Lentek), Volkhonskoe Highway, 2B | | | | |
| 2007 | Ready | Industrial enterprises of IV-V classes of hazards, logistics facilities | 112.4 | Gorigo/OOO Evli SPb OOO Pit Product / Atria Russia OOO Viking Life-Saving Equipment Russia OOO Dermosil OOO Active Medical Group OOO Siemens Gas Turbine Technologies |
| Kingiseppsky Municipality | | | | |
| Ust-Luga Industrial Zone | | | | |
| 2011 | Design | Deep hydrocarbon conversion facilities, logistics, general industrial sector, polymeric production | 3,000 | Business case preparation |

| Type of ownership | Availability of infrastructure | | | | Transport accessibility | | |
|--|--|---------------------------|---|--|-------------------------------|--|--|
| | Power supply (MW) | Water supply (m3 per day) | Waste water treatment facilities (m3 per day) | Gas supply | Distance to nearest town (km) | Distance to nearest regional centre (km) | Distance to nearest airport – Pulkovo (km) |
| Private | 40 | 1,000 | 1,000 | – | 0.5 | 0.5 | 15 |
| Private | 10.2 | 60 | Local treatment | – | 5 | 0.7 | 20 |
| Private | 41.7 | 520 | Local treatment | – | On St. Petersburg city line | Intersection of Murmansk Highway and St. Petersburg ring road (external section) | 20 |
| Private, federal, (non-demarcated) state ownership | – | – | Territory of Vsevolozhsk town | Gas is supplied to the industrial area through a branch of the Belousovo – St. Petersburg high pressure gas pipeline (55 kgf/cm) and the gas distribution plant of the Brick Factory. A high pressure gas main pipeline runs from the gas distribution plant to the Rusky Diesel plant site and the boiler house. The gas distribution plant and gas main pipeline are on the balance sheet of OOO Lentransgaz. High pressure gas main pipeline. | – | 20 | 55 |
| State ownership under lease terms | 35 | 2,331 | 3,464 | 6,908 | 17 | 9 | 18 |
| State ownership under lease terms | 80 kW (can be increased up to 6.75 MW) | 217 | 577 | Gas can potentially be supplied | 40 | 2 | 30 |
| Private | 26.6 125 | 3,000 | 3,000 | – | 5 | 5 | 10 |
| State ownership under lease terms | 700 | – | – | – | 140 | 60 | 140 |

BUSINESS AND INDUSTRY ASSOCIATIONS



REGIONAL ASSOCIATION OF EMPLOYERS – UNION OF INDUSTRIALISTS AND ENTREPRENEURS OF THE LENINGRAD REGION

On 29 November 2012, Valery Izraylit, Chairman of the Board of Directors of OAO Ust-Luga Company, became the new President of the Regional Association of Employers - Union of Industrialists and Entrepreneurs of the Leningrad Region, which represents the interests of the region's business community. Alexander Gabitov, former First Vice-Governor of the Novgorod Region, was elected General Director of the Association's Executive Directorate.

In terms of investment attractiveness, the Leningrad Region ranks among the top three most successful regions in Russia. However, Russia's WTO accession will have serious implications for the regional industry. Enterprises' operating conditions in this new environment and ways of protecting the domestic market will most likely be discussed and promoted by the Association's structures.

The Association's leadership has identified three priority areas for their work:

- Improving the business environment in the Leningrad Region with respect to streamlining decision-making on tariffs and developing the region's human capital;
- Involving senior executives of major enterprises in the Association's activities;
- Facilitating cooperation with both the Russian Union of Industrialists and Entrepreneurs and its regional branch in St. Petersburg.

Representatives from the Regional Association of Employers - Union of Industrialists and Entrepreneurs of the Leningrad Region sit on a tripartite committee, which was formed to discuss the terms of social partnership. The committee is comprised of representatives of the Leningrad Region Government, trade unions and employers.

The Association is currently forming industry committees. Special attention will be given to the development of its district-level structures.



Valery Izraylit, President of the Regional Association of Employers - Union of Industrialists and Entrepreneurs of Leningrad Region

Leningrad Region employers' associations participating in social partnerships

| No. | Association | Director | Contact details |
|-----|---|---|---|
| 1 | Regional Association of Employers - Union of Industrialists and Entrepreneurs of the Leningrad Region | President Valery S. Izraylit Executive Director Alexander F. Gabitov | 2 Shpalernaya St., 191187 St. Petersburg Tel.: +7 (812) 334-16-77, Tel.: +7 (921) 996-27-88 Tel./Fax: +7 (812) 334-16-75 E-mail: gabitov@bk.ru E-mail: info@ust-luga.ru |
| 2 | Non-Profit Partnership - Union of Farmers of the Leningrad Region and St. Petersburg | President Alexander Y. Bykov Executive Director Leonid M. Kataev | 3 Smolnogo St. Office 2-59, II floor, 193311 St. Petersburg Tel./Fax: +7 (812) 710-09-53 E-mail: soyuz_fermerov@mail.ru (AIO) |
| 3 | Non-Profit Partnership - Union of Timber Manufacturers of the Leningrad Region | Chairman of the Board Yury V. Orlov | 28 Novorossiyskaya St., 194156 St. Petersburg Tel./Fax: +7 (812) 550-41-90 E-mail: unitwood@peterlink.ru Mob.: +7 (921) 908-62-21 |
| 4 | Interregional Association of Employers in the North-Western Agribusiness Sector | President Vladimir N. Gamak General Director of the Executive Directorate Vyacheslav V. Shavarov | 3 Smolnogo St. Office 3-10, 193311 St. Petersburg Tel.: +7 (812) 577-38-00, E-mail: mro_szapk@ro.ru Tel.: +7 (812) 915-09-43 Mob.: +7 (921) 944-53-60 |
| 5 | Regional Trade Association of Employers of Housing and Public Services Enterprises | Executive Director Zhanna Y. Zhuravleva President of the Board Vera V. Pastukhova | 3 Smolnogo St., 192288 St. Petersburg Tel.: +7 (812) 331-83-15 E-mail: Lenobl@zkh.ru Mob.: +7 (921) 961-84-28 Mob.: +7 (981) 794-30-05 |
| 6 | Union of Construction Companies of the Leningrad Region (Lenoblsoyuzstroy) | President Nikolay I. Pasyada Executive Director Sergei N. Chusov | 68 Malookhtinsky Pr., 195112 St. Petersburg Tel.: +7 (812) 333-18-84 E-mail: info-psz@mail.ru Tel./Fax: +7 (812) 333-18-81 E-mail: np_psz@mail.ru Mob.: +7 (921) 942-56-17 |
| 7 | Association of Woodworkers and Furniture Makers of St. Petersburg and the Leningrad Region | General Director Mikhail A. Piltser | 3 Smolnogo St. Office 2-143, 193311 St. Petersburg Mob.: +7 (921) 651-55-64 E-mail: pilcerm@mail.ru |
| 8 | Non-Profit Partnership - Association of Non-Profit Organisations of Small Business of Leningrad Region "Support for the Authorities and Business" | President Elena G. Shkoda | 18 Staroladozhsky Channel, 187320 Shlisselburg, Kirovsk District Mob.: +7 (921) 77-58-038 E-mail: shelg58@mail.ru |

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