

# INVESTOR'S GUIDE



ECONOMIC  
DEVELOPMENT  
AGENCY  
Leningrad region

**INVEST**  
IN LENINGRAD  
REGION



# BRIEF'21

Baltic Region Investment Forum



# NEVA 2021

22 September, Saint Petersburg



LENINGRAD REGIONAL OFFICE  
BUSINESS RUSSIA



More details: page 19

Take part in the key  
economic event  
of Leningrad region!

- Economic trends from the leading Russian economists
- Business networking session – over 1,000 participants from Russia, Europe and Asia
- Dialogue between business and authorities concerning localization and business support
- New investment niches and development of cooperation ties

Organizers:



ECONOMIC  
DEVELOPMENT  
AGENCY  
Leningrad region

INVEST  
IN LENINGRAD  
REGION



INDUSTRY  
DEVELOPMENT  
CENTRE  
OF LENINGRAD  
REGION

Co-organizer:



Deutsch-Russische  
Auslandshandelskammer  
Российско-германская  
внешнеторговая палата

Partner:

LENINGRAD REGIONAL  
OFFICE BUSINESS  
RUSSIA



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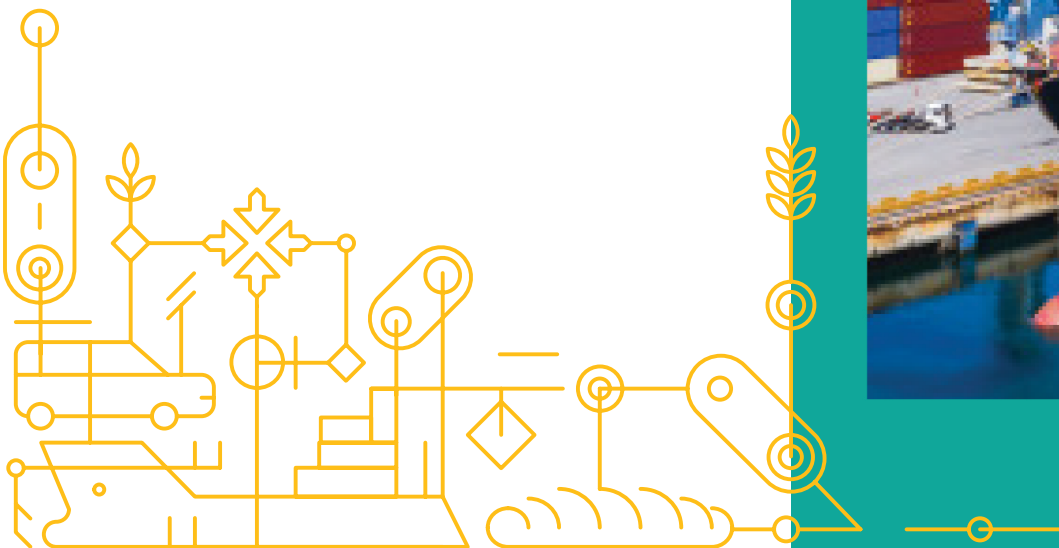
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# GENERAL INFORMATION ABOUT THE REGION

- Geography and transport infrastructure
- Advantages of localization
- Industrial development of the region
- Industry map
- Economy and ratings
- Investment climate





# GEOGRAPHY AND TRANSPORT INFRASTRUCTURE



Pulkovo International Airport  
in Saint Petersburg



**4** seaports



**1,850 km**  
shipping ways



**>3,600 km**  
railways



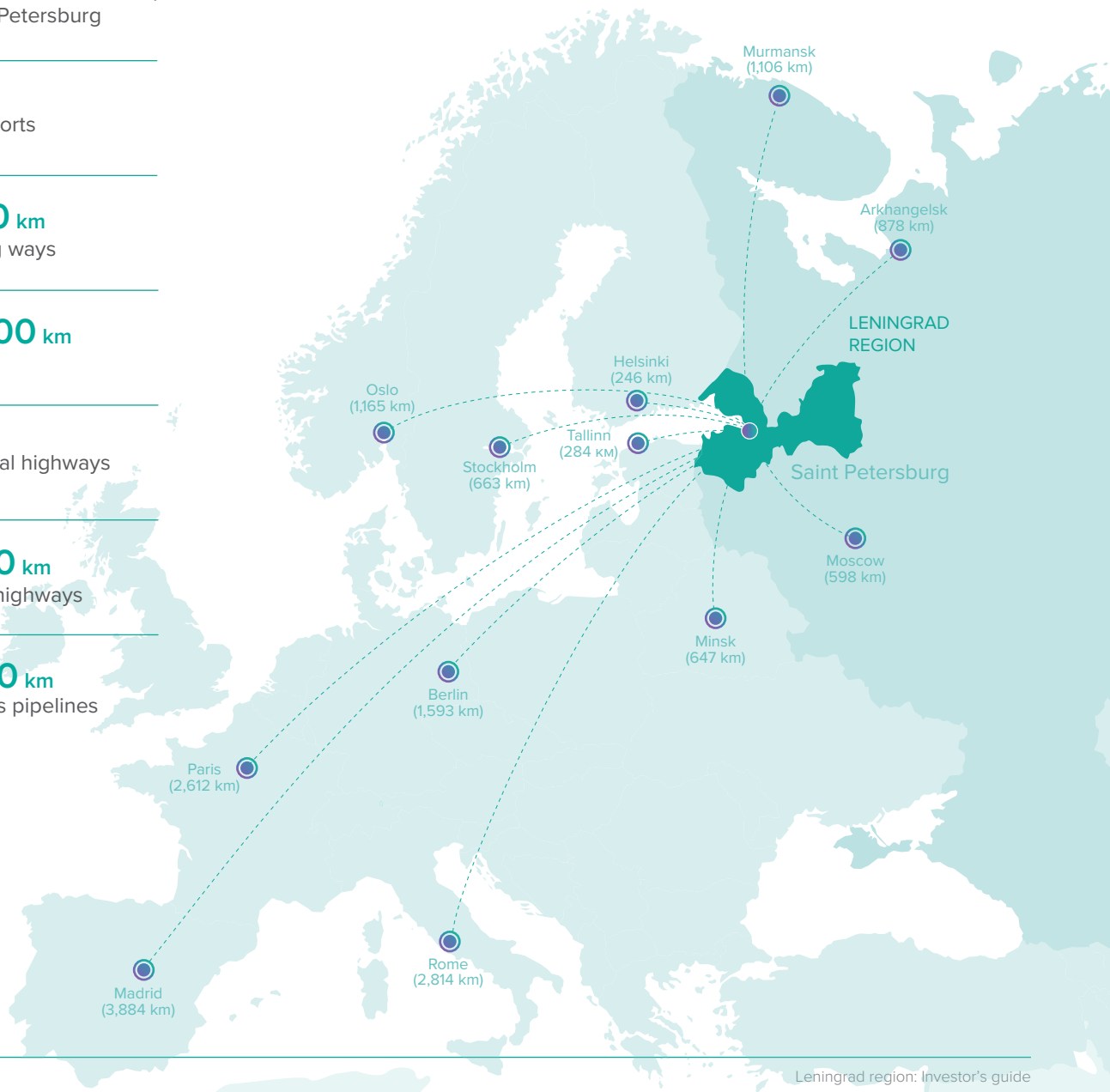
**5** federal highways



**≈ 600 km**  
federal highways



**2,200 km**  
main gas pipelines





# ADVANTAGES OF LOCALIZATION IN THE REGION

## Favourable geographical location

- Borders with the EU
- Located 600 km away from Moscow
- Borders with Saint Petersburg, one of the largest industrial centres in Russia
- Access to the Baltic Sea

## Effective measures of support for investors

- Investors support under “one-stop-shop” principle and “360°” system
- End-to-end solution for tax benefits
- Financing of investment projects through the regional Entrepreneurship Support Fund

## Access to human resources

- Ability to attract highly qualified specialists from Saint Petersburg
- Low cost of human resources (48,271 rubles – the average salary in 2020, which is 29.4% lower than in Saint Petersburg)

## Available infrastructure

- Wide choice of available investment sites, green-field and brownfield (289 available sites)
- Low cost of electricity supply
- Low rental rate for industrial areas
- Low cost of land lease

## Large transport and logistics hub

- Location at the junction of international transport corridors
- Ports of Leningrad region provide 21% of the export and import cargo turnover of the country
- The largest port – Ust-Luga (cargo turnover in 2020: 102.6 million tons of cargo – 1st place among all ports in the Baltic basin)

## Second largest consumer market in Russia

- The total population of Leningrad region and Saint Petersburg is about 7.3 million people (5% of the population in Russia)
- High consumer demand – retail trade turnover in the region and in the city in 2020 amounted to 1,995.9 billion rubles (4.1% higher than in 2019)

# INDUSTRIAL DEVELOPMENT OF THE REGION



**14 place**  
in terms of the volume  
of industrial production  
among Russian regions



**2 place**  
in terms of the volume  
of industrial production in  
Northwestern federal district



Industry is the basis  
of the regional economy



**36.9%**  
share in GRP



**98.6%**  
industrial production index in 2020




**145 countries**  
export partners  
of Leningrad region




**13 place**  
in terms of exports among  
Russian regions


**Priority development  
sectors of the region**




Food industry




Shipbuilding




Mechanical engineering




Petrochemical complex




Timber industry complex




Construction industry



Automotive industry

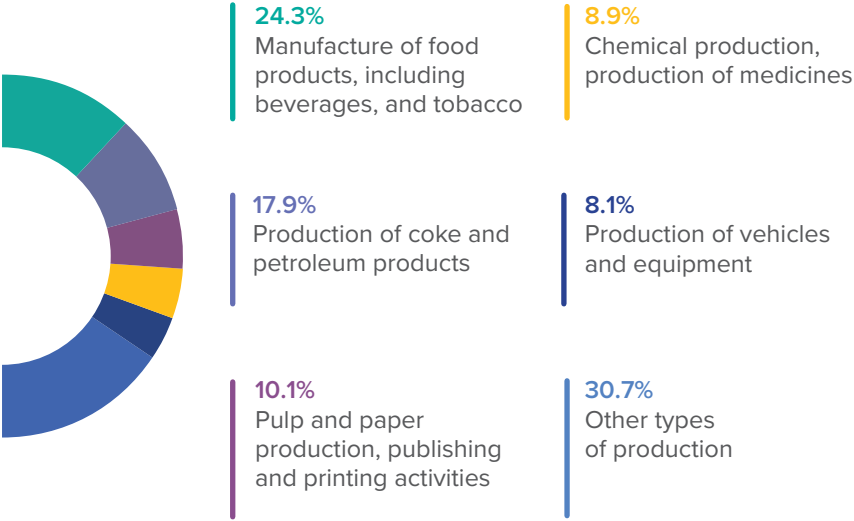


Power industry

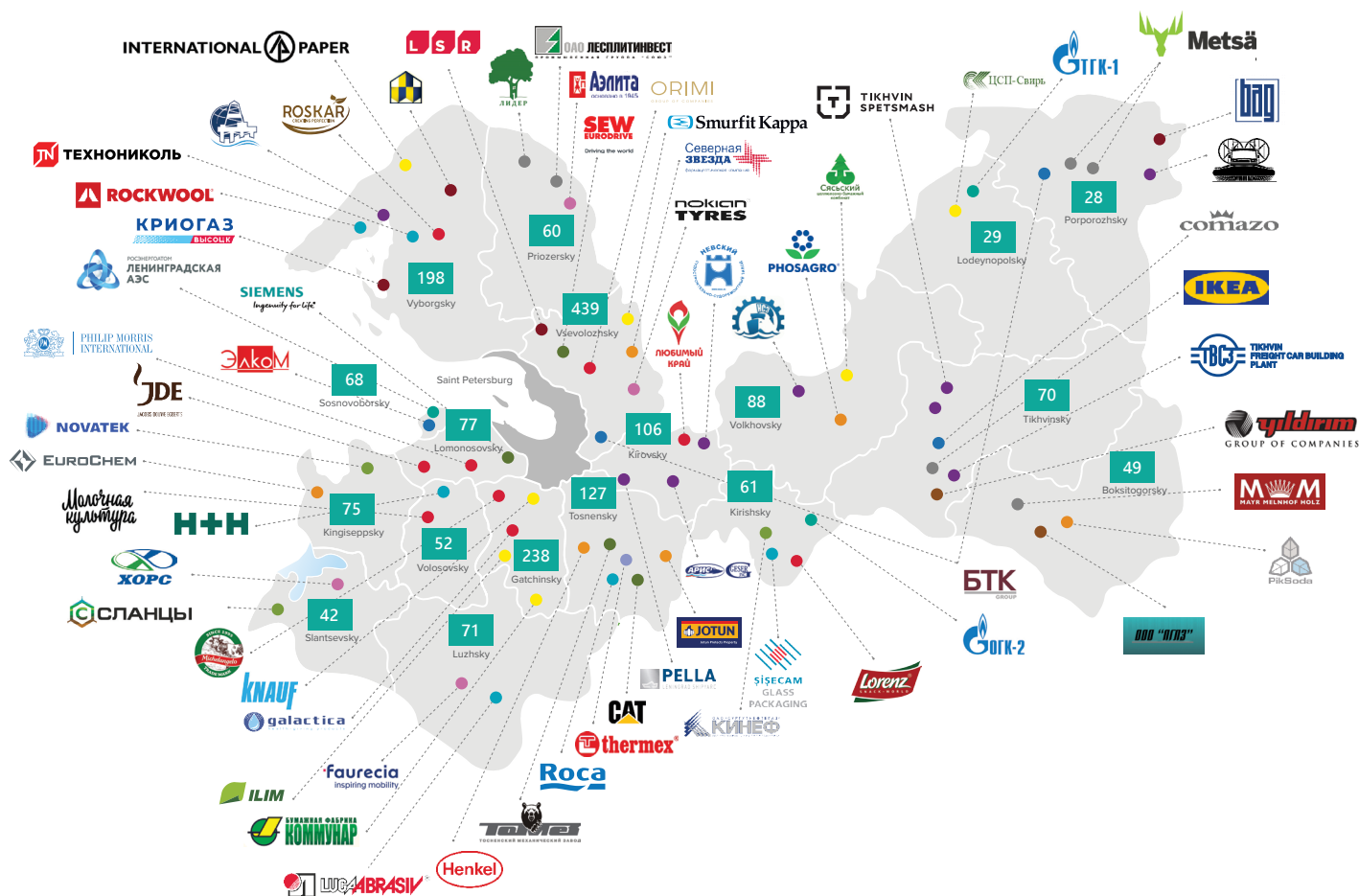


Metallurgical industry

## Manufacturing structure



# INDUSTRY MAP



50 Population (thousand people)

● Manufacture of food products, including beverages and tobacco

● Textile and clothing manufacturing

● Timber processing and manufacturing of wooden goods

● Mining

● Pulp and paper production

● Production of coke and oil products

● Chemicals industry

● Production of rubber and plastic goods

● Production and distribution of electricity

● Metalworking production

● Production of other non-metallic mineral commodities

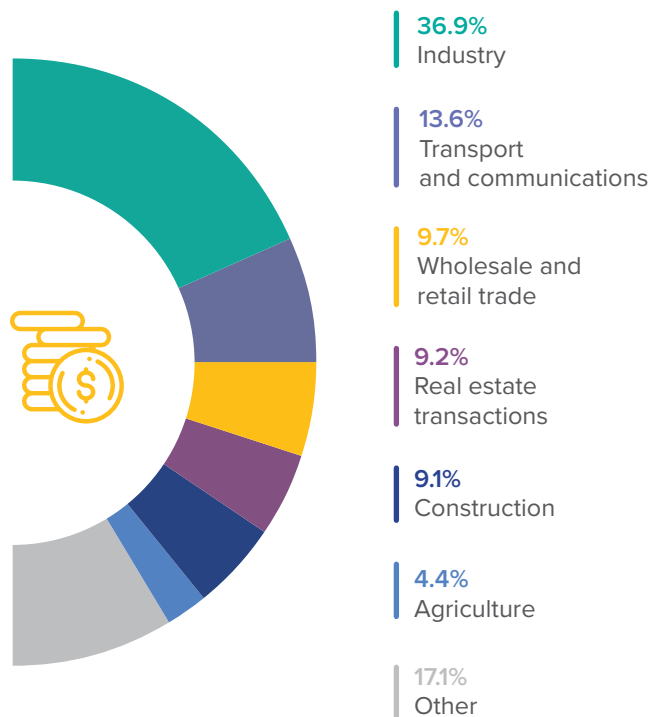
● Production of machines and equipment

● Production of vehicles and equipment

● Production of electric, electronic and optical equipment

# ECONOMY AND RATINGS

## Structure of gross regional product in 2019



## Ratings of 2020



**10 place** in the National Regional Investment Climate Ranking



**5 place** among the Russian regions with the best conditions for investments according to the members of the German-Russian Chamber of Commerce



**8 place** in the ESG rating of the Russian regions: crisis preparedness



**2 place** among the Russian regions in terms of financial risk

## Ratings of 2019



**1 place** among the Russian regions in the nomination "Financial stability"



**5 place** among the Russian regions in the nomination "Minimal risk"

## GRP dynamics, billion rubles



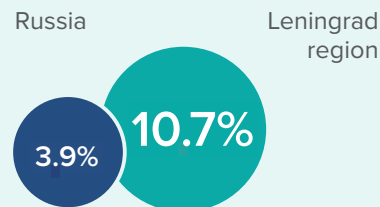
## GRP growth in 2016–2020

**10.7%**

GRP growth in 2016–2020

**657.7 thousand rubles**  
GRP per capita in 2019

\*forecast

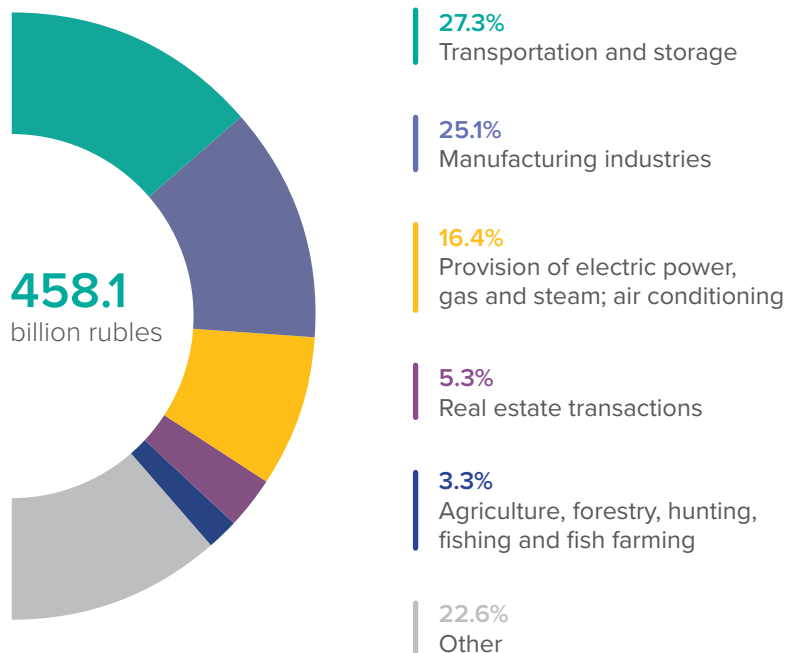




# INVESTMENT CLIMATE

## Structure of investments in fixed assets according to the types of economic activity in 2020

**36.3%** share of investments in GRP of the region



**9** place

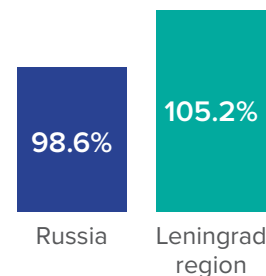
among all Russian regions in terms of the amount of attracted foreign direct investment



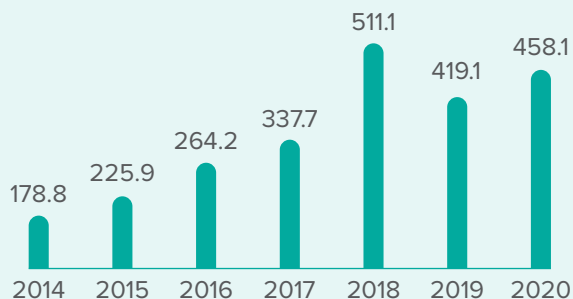
**9** place

among all Russian regions in terms of the amount of investments in fixed assets

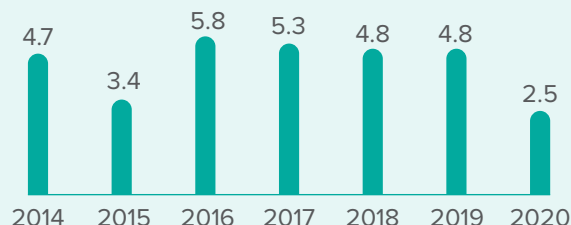
## Investments in fixed assets in 2020 (% in comparison with 2019)



## Investments, billion rubles

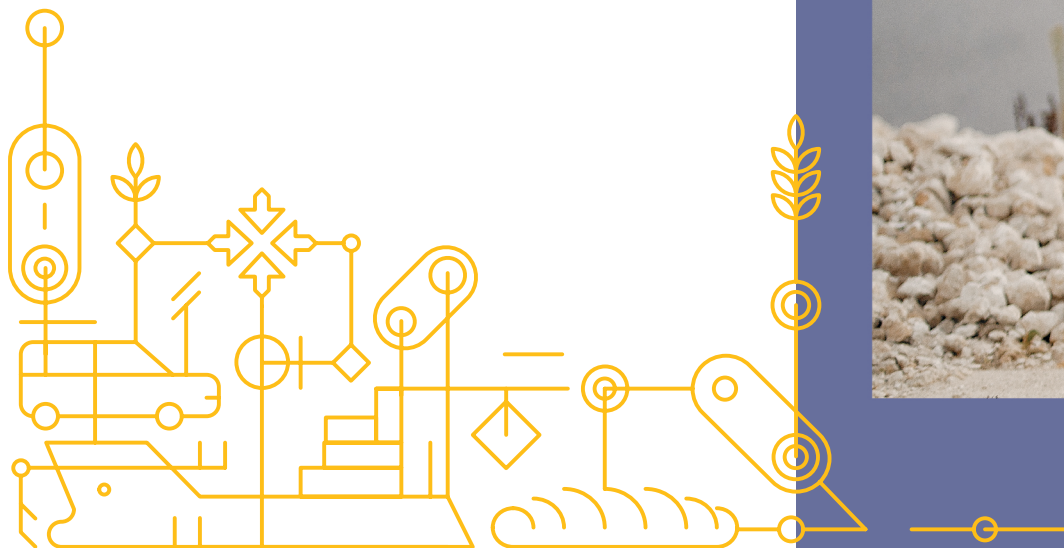


## Foreign direct investment, billion USD



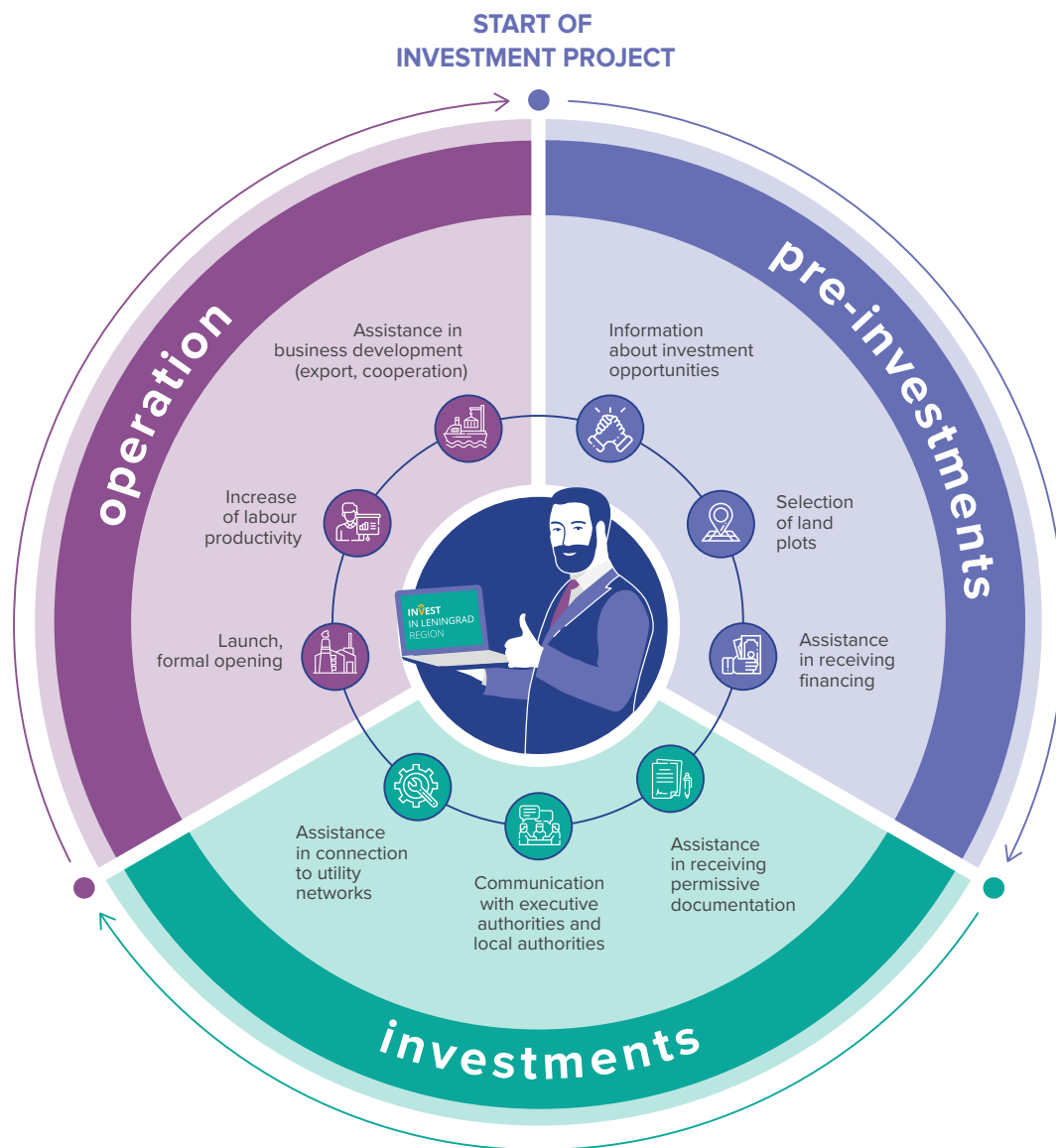
# HOW TO IMPLEMENT A PROJECT

- Business support system “360°”
- Investment project implementation
- Business support infrastructure
- Investment portal
- Map of investment sites





# BUSINESS SUPPORT SYSTEM “360°”



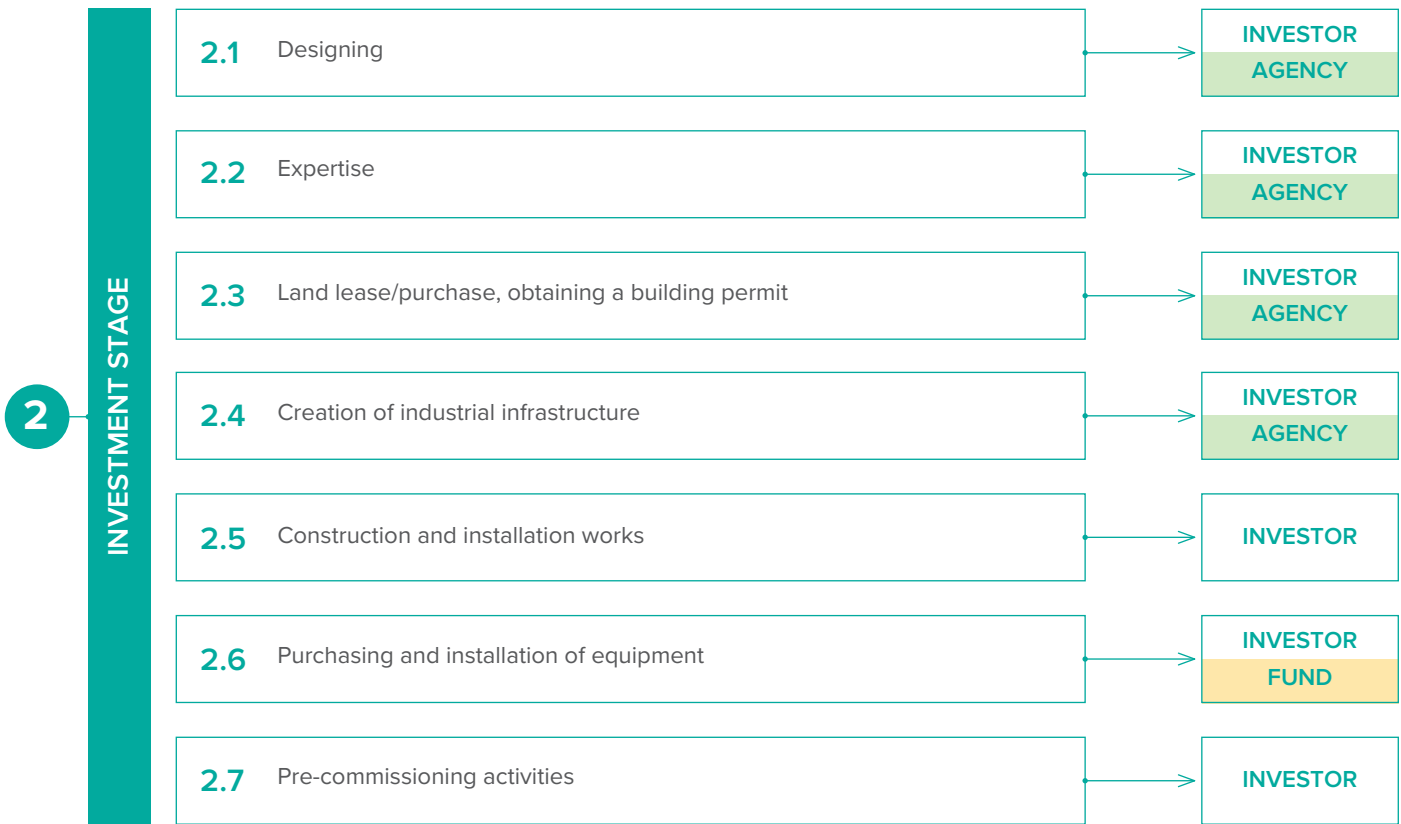


# PROJECT IMPLEMENTATION WITH ASSISTANCE OF DEVELOPMENT INSTITUTIONS

AGENCY	Economic Development Agency of Leningrad Region	CENTRE	Industry Development Centre of Leningrad Region
FUND	Fund for Support of Entrepreneurship and Industry of Leningrad Region	INVESTOR	Investor, planning to implement a project



# PROJECT IMPLEMENTATION WITH ASSISTANCE OF DEVELOPMENT INSTITUTIONS



AGENCY	Economic Development Agency of Leningrad Region
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# ECONOMIC DEVELOPMENT AGENCY OF LENINGRAD REGION

Over the last 7 years of working as a “one-stop-shop” for investment projects support, the Agency has gained positive experience in addressing a wide range of issues. The employees of the Agency provide support for the implementation of each project becoming reliable partners for investors. To receive comprehensive assistance investors and the Agency should conclude an agreement on investment project support.



*We are developing. Currently, we are reviewing and expanding the Agency's role in order to be able to help companies as much as possible. For example, there is a business in the region with strong potential and initiatives, but with a lack of serious resources. The implementation of their plans depends on targeted support: assistance with site selection, explanation of support measures, assistance in preparation of applications for extra financing.*

*We already have very successful cases where an enterprise receives comprehensive support, and due to such a synergistic effect implements the project in record time. Thus, the turnkey investment project in Leningrad region is implemented in a year. This is a significant achievement we can be proud of.*

**Anastasia Mikhvalchenko, Director of Economic Development Agency of Leningrad Region**

## Agency's services (provided free of charge):

- consultations about measures of support
- selection of investment sites
- participation in infrastructure development
- information about potential local partners

## Conditions for provision of services:

- economic activity according to the regional law of 29.12.2012 No. 113-oz
- volume of investments: from 300 million rubles (from 50 million rubles – for remote districts)



**97 projects**  
at the active stage of support



**18 projects**  
with foreign capital



**>2.8 trillion rubles**  
total volume of investments



# BALTIC REGION INVESTMENT FORUM BRIEF

Economic Development Agency, together with the business of Leningrad region, annually organizes the Baltic Region Investment Forum **BRIEF**, one of the key international economic events of the region.

The main topics of the forum in 2020 were restructuring global and creating regional value chains, trends in regionalization of the international economy, search for investment and export niches for enterprises of Leningrad region in the new economic realities.

The program of **BRIEF'20** included a plenary public talk with the participation of the Governor of Leningrad Region Alexander Drozdenko, practical sessions on export and localization, signing of investment agreements with the Government of Leningrad Region, the declared investment volume – more than 10 billion rubles.



*The Baltic Region Investment Forum has become a platform for finding new niches, forming cooperation within the region, and discussing up-to-date support measures.*

*According to the Russian and international business community, Leningrad region is one of the regions with the best conditions for investments. We are open to dialogue with new investors and existing enterprises in any, even the most complicated, situations.*

*Alexander Drozdenko, Governor of Leningrad Region*



**>700**  
participants



**30**  
speakers



**10**  
countries



**Business con-  
tacts exchange**



**Online broadcasting  
(RU, DE, EN)**



**Mobile app**

The forum is co-organized by the Russian-German Chamber of Commerce. Philip Morris Izhora and the Leningrad regional branch of Business Russia became **BRIEF'20** partners.



**BRIEF'21**  
Baltic Region Investment Forum

**BRIEF & TO THE POINT**

The next forum **BRIEF'21** is planned to be organized as a part of the 16th International Maritime Exhibition and Conference for Commercial Shipping, Shipbuilding, Offshore Energy, Ports, Inland Waterways and Oceanography NEVA 2021, which will be held on 21–24 September 2021 in Saint Petersburg.

## COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE GOVERNOR

Investment issues are resolved at the Council on Improvement of Investment Climate of Leningrad Region headed by the Governor.



During the Investment Council meetings, the implementation of investment projects is considered using examples of specific cases of investors. Investors have the opportunity to openly discuss with the Governor, representatives of executive authorities and municipalities not only their achievements, but also issues that hinder future investment decisions.

On the basis of the submitted projects, it is possible to discuss the difficulties that exist in Leningrad region in order to outline ways to solve them systematically.

Investment Council meetings are as open and public as possible – live broadcasts are organized in social networks with the possibility to ask questions online, so that everyone has the opportunity to join in. At the same time, questions are not ignored – if the Governor does not have time to answer them during the event, written answers are given later.

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## INVESTMENT TEAM OF THE GOVERNMENT OF LENINGRAD REGION

The Investment Team, which includes representatives of executive authorities, urban planning and resource supply organizations, regularly answers business questions in Leningrad region. Meetings with entrepreneurs are held on the territories of various municipal districts.

During the meetings business representatives have the opportunity to discuss topics of interest in all areas of activity directly by attending just one event within walking distance. More generally, high-quality interaction between the government and business contributes to further improvement of the investment climate in the region.

Alongside live communication, there are online broadcasts in social networks, and it is also possible to ask questions on special platforms if personal presence is not possible.



# FUND FOR SUPPORT OF ENTREPRENEURSHIP AND INDUSTRY OF LENINGRAD REGION

Fund for Support of Entrepreneurship and Industry of Leningrad Region, Microloan Company was established in 2018 with the aim to create favourable conditions for the development of small and medium-sized business and provide government support to new and current entrepreneurs, as well as to self-employed people and individuals who plan to set up a business. The Fund is a single management body for all organizations of support infrastructure in Leningrad region at the regional and municipal levels.

## Fund's services:

- microloans at promotional rates and guarantees (surety bonds) on loans
- consultations regarding setting up, running a business, and receiving government support
- training programmes for entrepreneurs, self-employed people and those who plan to set up a business
- assistance in the promotion of goods and services of small and medium-sized businesses
- organization and holding of communication events
- consultations of Regional Engineering Centre



*Our goal is to ensure that as many representatives of small and medium-sized business in our region benefit from the government support – services of the Fund and My Business Centre of Leningrad region.*

*For each target audience, the Fund can offer a “set” of support measures and provide services as a single set. We note that more and more business representatives who have applied for one service come to us again. An example is an individual entrepreneur who received consulting assistance from the Fund during the pandemic, then received microloans, and managed to develop new business directions.*

*The Fund is permanently striving to expand support measures and simplify the process of their obtaining.*

**Valery Beresnev, Director of Fund for Support of Entrepreneurship and Industry of Leningrad Region, Microloan Company**

## Successful cases:

### Mufty NSK

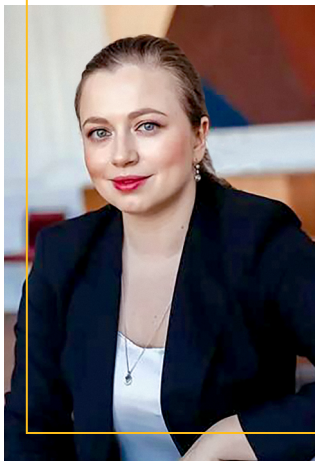
Specializes in production of NSK couplings. In 2020 the company addressed the Fund concerning the possibility of equipment leasing on preferential terms. The Fund helped the enterprise to acquire a program controlled screw-cutting lathe. Leasing interest rate amounted to 6% per annum, because the equipment was made in Russia.

### Akvatok

Produces energy-efficient high-tech products for the hydropower industries. Designs, manufactures and implements industrial pumps in the chemical and oil refining industries, as well as pumps for thermal power stations. The company received guarantee support from the Fund – a surety bond to replenish working capital in the amount of 24 mln rubles.

## INDUSTRY DEVELOPMENT CENTRE OF LENINGRAD REGION

Industry Development Centre of Leningrad Region is a regional support institution established to promote the competitiveness of industrial enterprises in the region. The Centre includes three subdivisions: Cluster Development Centre, Export Support Centre, and Regional Competence Centre.



*Industry Development Centre provides services to industrial enterprises of the region, as well as small and medium-sized business. More specifically, the Centre provides assistance to the enterprises willing to improve their competitiveness, increase production volume, reduce costs, find new partners, expand sales at both domestic and foreign markets, introduce the principles of lean production, reduce government support at the regional and federal levels.*

*Our experts provide assistance to the enterprises in elimination of inefficiency in business processes, train employees to improve labour productivity using lean production tools.*

**Vera Shtokaylo,**  
**Director of Industry Development Centre of Leningrad Region**

### Successful cases:

#### **Tosnensky Mixed Feed Factory**

The Export Support Centre assisted the enterprise in obtaining a GMP+ certificate. This certification system allows guaranteeing the safety of the entire production chain and export products to European countries.

Now the factory in Tosno is the only one in Leningrad region that has certified a feed materials production line and has already signed export contracts with contractors for whom the obtaining of this certificate was a key issue.

Today, no more than 830 mixed feed factories in the world have GMP+ certificates. In addition, the Centre helped the enterprise to obtain a Halal certificate for further work on the markets of the Middle East. A request for the horse feed supply to the United Arab Emirates is currently being processed.

#### **Koporsky Ivan-Tea**

The company became one of the first five regional enterprises that the Export Support Centre took on comprehensive support for entering foreign markets. Before that, all the company's products were presented only on the Russian market. Initially, the enterprise chose China as the priority market. In June 2019, thanks to cooperation with the Export Support Centre, the company's products were presented at the international exhibition CISMEF in Guangzhou, where two major Chinese tea producers and a large trading company became interested in the products of the regional enterprise.

At the end of 2019, the Centre held consultations with the involvement of third-party experts, as well as provided services for finding partners in Germany, preparing and reviewing the contract. The result of the work was the conclusion of a contract for a total amount of 30 million rubles.

## Cluster Development Centre

Creation of conditions for effective interaction between participating enterprises for the interests of developing territorial clusters and implementing joint cluster projects:

- comprehensive support for cluster participants
- promotion of cooperative opportunities of the regional enterprises
- search for new business partners, suppliers of raw materials and necessary equipment
- placing information about enterprises on the industrial cooperation portal [locoop.crplo.ru](http://locoop.crplo.ru)
- carrying out market researches
- placement on specialized e-trading platforms
- conducting procurement sessions on requests from major manufacturers and investors
- participation in sectoral exhibitions and communication events for cooperation development
- consulting assistance in obtaining government support

All services are provided to industrial enterprises of Leningrad region free of charge.

## Regional Competence Centre

Targeted support concerning assistance in improvement of labour productivity at medium and large enterprises of basic non-resource industries of Leningrad region, implementation of the national project Labour Productivity and Employment Support.

- consultations of leading Russian experts in the field of lean production
- participation in educational and training programs

Enterprises operating in manufacturing, agriculture, transport, trade, construction can participate in the national project Labour Productivity. The annual revenue should amount from 400 million rubles to 30 billion rubles per year, and the share of foreign tax residents in the share capital of a legal entity should not exceed 50%. To participate in the national project, register on the website: [производительность.рф](http://производительность.рф).

## Export Support Centre

Assistance in increasing the volume of export of non-resource products of small and medium-sized business in Leningrad region:

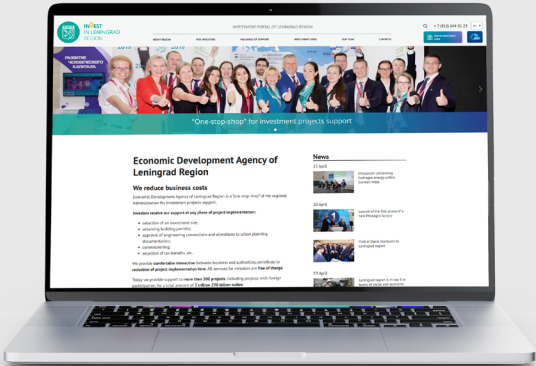
- export contract support
- search for a foreign buyer
- provision of access by small and medium-sized enterprises to the requests of foreign buyers
- placement on e-trading platforms
- participation in international exhibitions and business missions
- participation in reverse and interregional business missions
- acceleration programs
- international certification

Services are provided to small and medium-sized business of Leningrad region free of charge or on favorable co-financing terms.

# INVESTMENT PORTAL OF LENINGRAD REGION

## WWW.LENOBLINVEST.RU


Unified information and analytical center of business support in Leningrad region




### Main functions of the investment portal

- Submission of an application for project support
- Selection of a site for localization of production
- Information about measures of support


### Available in 4 languages




Russian



English



Chinese



German

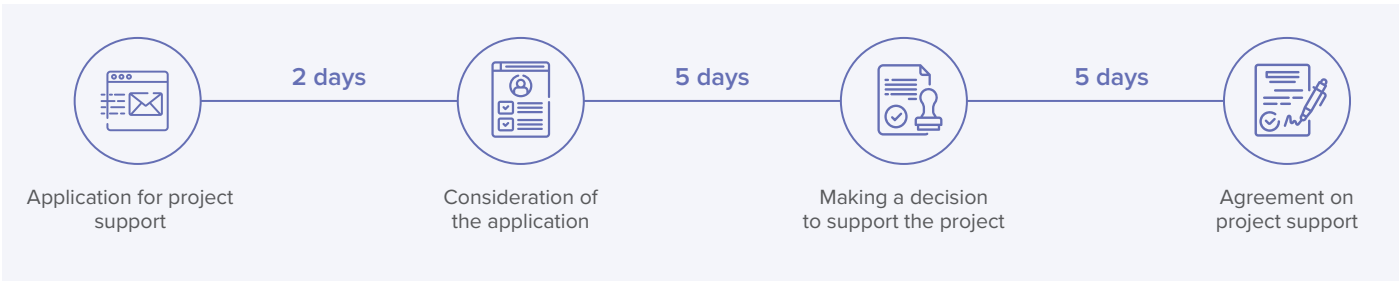
### Current information about the region

The investment portal is a source of information about economic development and investment climate of Leningrad region, presented in a clear form of infographics. The portal also includes presentation materials available for downloading.



### Investor relations pattern

To apply for investment project support please fill in the form on the website (link by QR code), and the specialists of Economic Development Agency of Leningrad Region will contact you for further details.

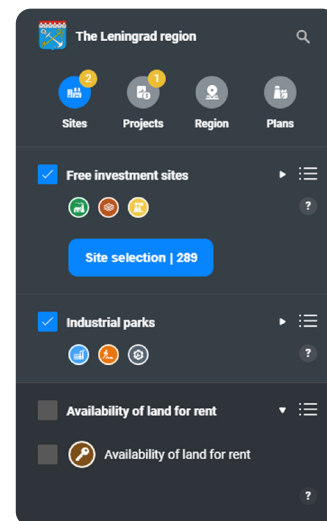




# MAP OF AVAILABLE SITES

## WWW.MAP.LENOBLINVEST.RU

Integrated Regional Information System (IRIS) “Investment Development of Leningrad Region” is an interactive map which demonstrates investment advantages and opportunities of Leningrad region. The project was created to increase investment attractiveness of Leningrad region and provide access for investors, public authorities, organizations to complete and current information about comprehensive development of Leningrad region.

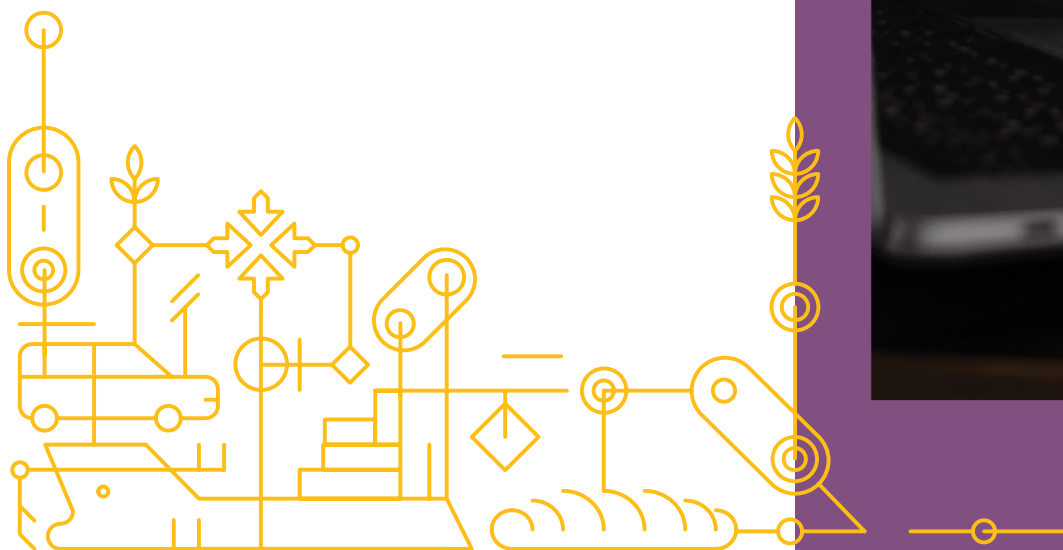


### Main functions and content of the system

- Available investment sites
- Industrial parks
- Land plots for rent
- Graphic display of investment facilities
- Cartographic layers with the borders of the sites, industrial parks, areas and infrastructure
- Interactive filter for selection of sites
- Lists of facilities with filters and export to Excel
- Information windows with content, export to PDF and media data
- Connection to power supply facilities
- Comparison of characteristics of the sites
- Adding favorites
- Application form for placement of production

# SUPPORT FOR INVESTORS

- Tax benefits
  - Provision of land plots without bidding procedures
  - Financial measures of support
  - Territory of advanced development
- Pikalevo
- Investment sites







# Investment activity support

Law of Leningrad region No. 113-oz of December 29, 2012\*

Reduction of			
Income tax (regional part) <i>Up to 01.01.2023</i>	up to <b>13.5%</b>	Property tax <i>For the duration of the contract</i>	<b>0%</b>

Minimum amount of investment**		Conditions	
For remote districts <i>Boksitogorsky, Lodeynopolsky, Podporozhsky</i>	from <b>50 mln RUB</b>	Period of use <i>Up to 8 years for automobile manufacturers</i>	<b>3–6 years</b>
		Enterprises according to OKVED code enlisted in the law No. 113-oz***	<b>≥70%</b>
For 3 years in a row	from <b>300 mln RUB</b>		

\*Conclusion of a contract with the Committee for Economic Development and Investment Activity of Leningrad Region – up to 31.12.2022

\*\* OKVED 10 (All-Russian Classifier of Economic Activities) – from 200 million RUB, OKVED 46.71, 47.3 – from 1 billion RUB

\*\*\*≥70% of income – from the activities according to these codes



## Regional investment project

Law of Leningrad region No. 89-oz of November 25, 2019

Key parameters			
Corporate income tax	10%	Corporate property tax	0%

Period of tax benefits provision			Conditions for receiving
amount of capital investments over a period of time	period of investments	period of use	
from 50 to 500 million RUB	within 3 years	not more than 4 years	1. Section C OKVED 10–33, project on manufacture of new products/significant increase of existing production, regardless of the industry 2. The share of income from implementation of a regional investment project – not less than 90% (or separate record-keeping) 3. Inclusion in the list of the regional investment projects before making investments
over 500 million RUB	within 5 years	not more than 6 years	

Validity period of income tax benefits: investments up to 50–500 million RUB – **not later than 01.01.2027**, over 500 million RUB – **not later than 01.01.2029**

# Investment tax deduction (ITD)

Law of Leningrad region No. 36-oz of April 06, 2020

## Key parameters

Reduction of corporate income tax concerning expenses on acquisition, production, modernization and reconstruction of the fixed assets of the subsection “Machines and equipment” of 3–10 amortization groups

100%

## Action plan

- 1 Solidify the decision to exercise the right to use ITD in the accounting policy of an organization and inform the Federal Taxation Service about these changes
- 2 Submit tax statement with ITD

## ITD receivers

### 1 OKVED Section C – “Processing industries”:

- Participants of the regional project “Targeted support of work productivity improvement at the enterprises” (annual revenue – from 400 million RUB)
- Participants of an industrial cluster
- Organizations only in Boksitogorsky, Lodeynopolsky, Podporozhsky municipal districts or in a single-industry municipality of Leningrad region

### 2 Enterprises according to the list of OKVED in the law No. 36-oz (≥70% – from the activity according to such codes)



Production of machinery and equipment, not included in other groups



IT activities



Production of motor vehicles



Production of textiles



Production of food products, soft drinks, mineral water and other types of bottled drinking water



Production of electrical equipment



Waste collection, processing and recycling (except for OKVED codes 38.1, 38.11, 38.12)



Production of plastic goods.  
Production of other finished goods



Production of clothing



Production of leather and leather goods

# Special investment contract (SPIC 2.0)

Law of Leningrad region No. 44-oz of April 12, 2020

Support in implementation of industrial projects in Leningrad region which include introduction of modern technologies allowing manufacturing products competitive at the international level.

## Reduction of

Corporate income tax	up to 5%	Corporate property tax	up to 0%
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## Conditions for receiving

*Inclusion in the list of technologies supported by the Ministry of Industry and Trade of Russia*

Investments ≤50 billion RUB <i>No minimum volume</i>	up to 15 years	Investments >50 billion RUB	up to 20 years
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# Provision of land plots without bidding procedures

Law of Leningrad region No. 1-oz of January 27, 2016

Only for the land plots owned by municipalities or the region


## Potential applicants for support

Organizations planning to implement a large-scale investment project which should meet one of the requirements:


- Implementation of a large-scale project on creation and development of an industrial park
- Implementation of a large-scale project by resident organizations of the territory of advanced social and economic development




### General criteria



OKVED according to the law No. 1-oz



from 200 mln RUB volume of investments



creation of not less than 30 jobs

### Criteria for Lodeynopolsky, Podporozhsky and Boksitogorsky districts



from 30 mln RUB volume of investments



creation of not less than 10 jobs

# Agreement on Protection and Promotion of Investments (APPI)

Federal law No. 69-fz of April 1, 2020

An investor and the government conclude an agreement on conditions for the implementation of an investment project: investors undertake to invest in the project, and the region guarantees stabilization of tax and other regulatory conditions to investors.

## Preferences for investors

### 1. Mechanism of compensation of the incurred costs from the paid taxes

Types of infrastructure	No contract with SME	Contract with SME	Volume of compensation*
supporting	5 years	6 years	50%
related	10 years	11 years	100%

\*Cannot exceed the sum of tax revenues from the project over its implementation period

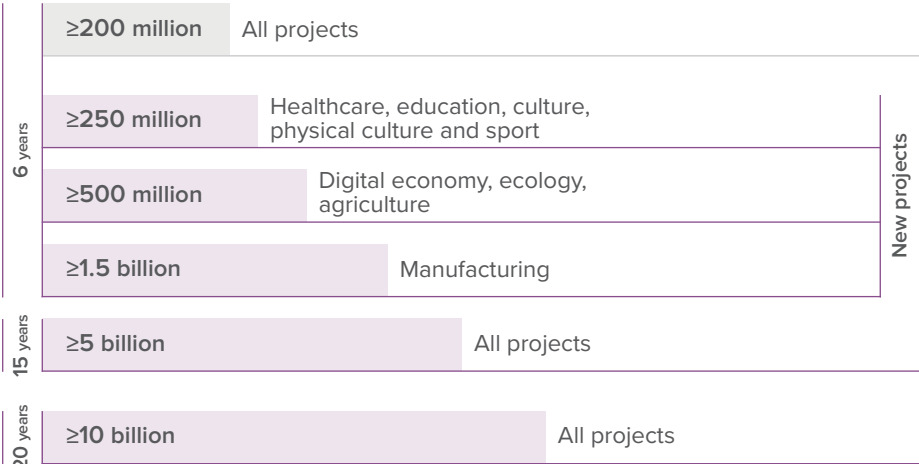
### 2. Provision of stable conditions for the period of contract validity

- stabilization of legislation on taxes and fees for the period of 20 years
- non-application of legislative alterations, worsening conditions of project implementation

### Guarantee for the entire period of APPI:

- do not increase the rates of import customs duties
- do not change terms and/or volume of provided support

## APPI validity period



### Within 3 years:

- do not cancel grounds for creation or provision of rights for land plots
- do not change the process of price determination for sale/rent of a land plot
- do not establish additional requirements to land use and development of the territory
- do not change the procedure of preparing land-use planning documents
- do not increase the rate of the fee (charge) for negative impact on the environment
- do not increase the rate of the fee (charge) for lease of forest land

Subject of the Russian Federation

Joint participation of the Russian Federation and a subject

## New investment project

New investment project\* is a set of actions limited in time and resources, aimed at creation and subsequent operation of new items of fixed assets or reconstruction of already existing items which are being commissioned after 1 January 2021.

### Subsidy to legal entities implementing new investment project in the form of partial reimbursement of expenses on:



Construction/reconstruction of transport, engineering, energy and communal infrastructure facilities



Technological connection to engineering networks



Payment for design and survey works



Payment for development of design and estimate documentation

### Procedure of obtaining subsidies



### Requirements to investment projects

- New investment project
- Investments – over 250 million rubles
- OKVED of the project: agriculture, processing, tourism, transport and logistics, extraction of minerals
- Commissioning of infrastructure not earlier than 1 January 2021
- Initiator – a separate legal entity established for these purposes

### Requirements to legal entities







- Specially established organization
- No unpaid taxes, fees, insurance fees, penalties, fines, interest
- No arrears to the budget
- Not in the process of reorganization, liquidation, bankruptcy, activities are not suspended

\*Part 8, article 16 of the Federal law No. 380-fz of December 2, 2019 “On federal budget for 2020 and planned period of 2021 and 2022”. Decrees of the Government of the Russian Federation No. 1704 and 1705 of October 19, 2020.









\*\*Committee for Economic Development and Investment Activity of Leningrad Region.

## Concession loans

Fund for Support of Entrepreneurship of Leningrad Region offers preferential terms for financing of projects aimed at development of new hi-tech products, import substitution, leasing of production equipment, production of components.

Improvement of labour productivity		Timber industry projects	
 Rate	1%	 Rate*	from 1%
 Total project budget	from 25 mln RUB	 Total project budget	from 25 mln RUB
 Loan amount (mln RUB) <i>For up to 5 years</i>	20–100	 Loan amount (mln RUB) <i>For up to 3 years</i>	20–100


\*With a bank guarantee or a guarantee of SME Corporation, 3% with other types of assurance. Rates can be reduced when purchasing domestic equipment.

Development projects: cutting-edge technologies, new products, import substitution		Organization of components production	
 Loan amount (mln RUB)	50–500	 Loan amount (mln RUB)	50–500
 Rate**	1% or 3%	 Rate (first 3 years, then 3%)	1%
 Co-financing (applicant, investor, bank)	≥50%	 Co-financing (applicant, investor, bank)	≥20%
 Own funds	≥15%	 Own funds	≥0%

\*\*Rates can be reduced when purchasing domestic equipment and using a bank guarantee or a guarantee of SME Corporation, regional guarantee organizations, VEB.RF and EXIAR

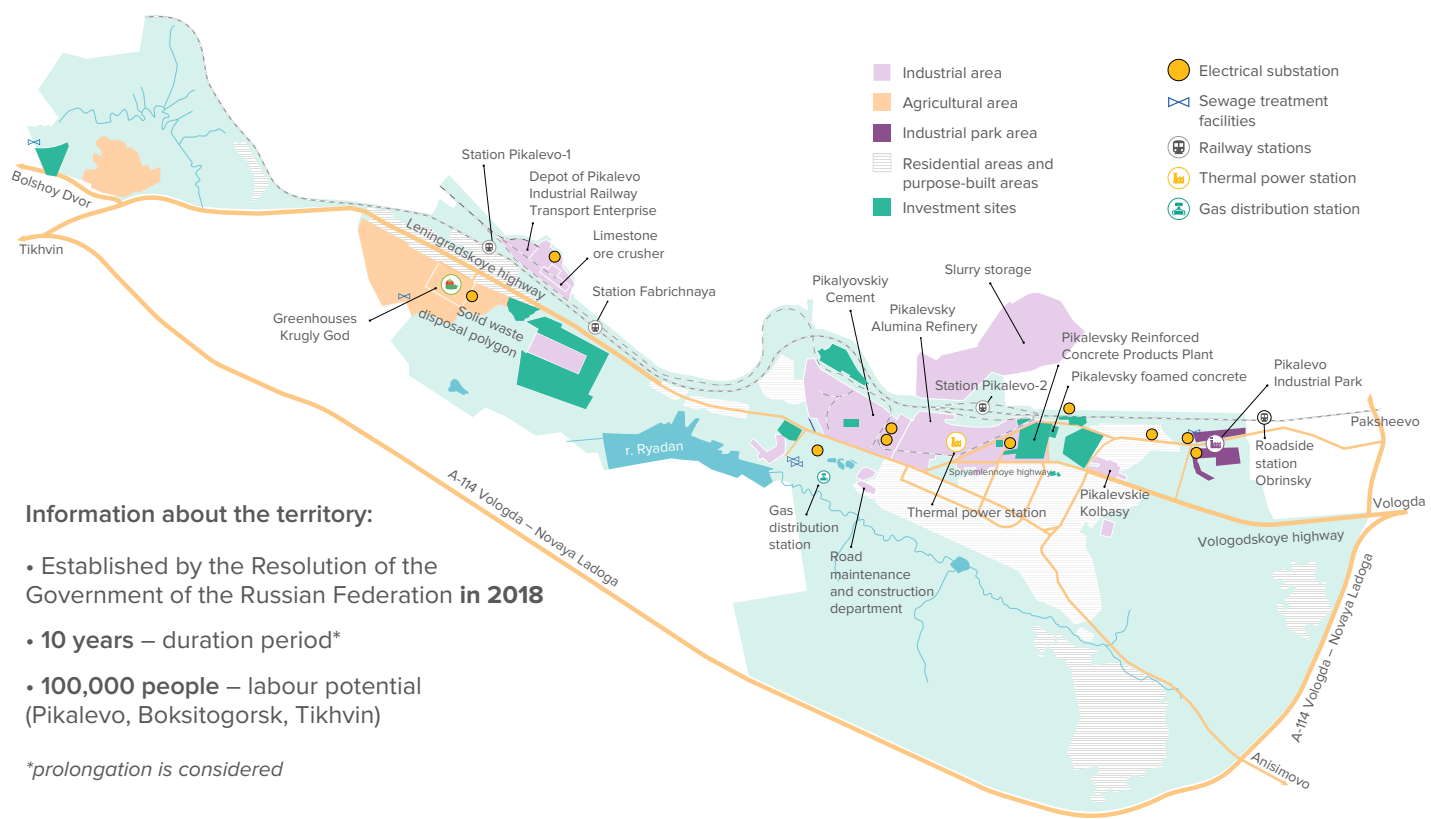
Since 2019 Fund for Support of Entrepreneurship and Industry provides financing for investment projects within the joint programs with Industry Development Fund. The Fund provides loans for the projects in the sphere of import substitution, introduction of cutting-edge technologies and new product development.

### Loan conditions

 Loan amount (mln RUB)	20–100	 Loan term	up to 5 years
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# Territory of advanced social and economic development Pikalevo




## Information about the territory:


- Established by the Resolution of the Government of the Russian Federation in **2018**
- **10 years** – duration period\*
- **100,000 people** – labour potential (Pikalevo, Boksitogorsk, Tikhvin)

*\*prolongation is considered*


## Requirements to an investment project:



**<25%**  
foreign labour force



**from 10**  
jobs



**from 2.5 mln RUB**  
volume of investments

Taxes and payments	First 5 years	Next 5 years
Corporate property tax	0% (instead of 2.2%)	1.1% (instead of 2.2%)
Corporate income tax	5% (instead of 20%)	13% (instead of 20%)
Land value tax	0% (instead of 1.5%)	

## Specialization:

- Production of electrical equipment
- Production of chemical substances and chemical products (except for compressed gas)
- Production of machinery and equipment (not included in other groups)
- Provision of temporary accommodation (except for provision of other temporary accommodation)

More detailed information is available by the link (QR code):





## Investment sites



**1. Greenstate Industrial Park**  
Area: 114.9 ha  
Available: 27.4 ha

**2. Levoberezhny Industrial Park**  
Area: 189 ha  
Available: 117.9 ha

**3. Fedorovskoye Industrial Park**  
Area: 121 ha  
Available: 13.82 ha

**4. Utkina Zavod Development, industrial area**  
Area: 240 ha  
Available: 17.8 ha

**5. M10 Industrial Park**  
Area: 849 ha  
Available: 550 ha

**6. Prinevskiy Industrial Park**  
Area: 12.7 ha  
Available: 4 ha

**7. Nanopark Gatchina**  
Area: 16.9 ha  
Available: 16.9 ha

**8. Kola Industrial Park**  
Area: 138.48 ha  
Available: 128.7 ha

**9. Tosno Industrial Park**  
Area: 110.2 ha  
Available: 100.2 ha

**10. RAUM Bugry Industrial Park**  
Area: 54 ha  
Available: 6 ha

**11. Boksitogorsky Industrial Park**  
Area: 8.2 ha  
Available: 4.65 ha

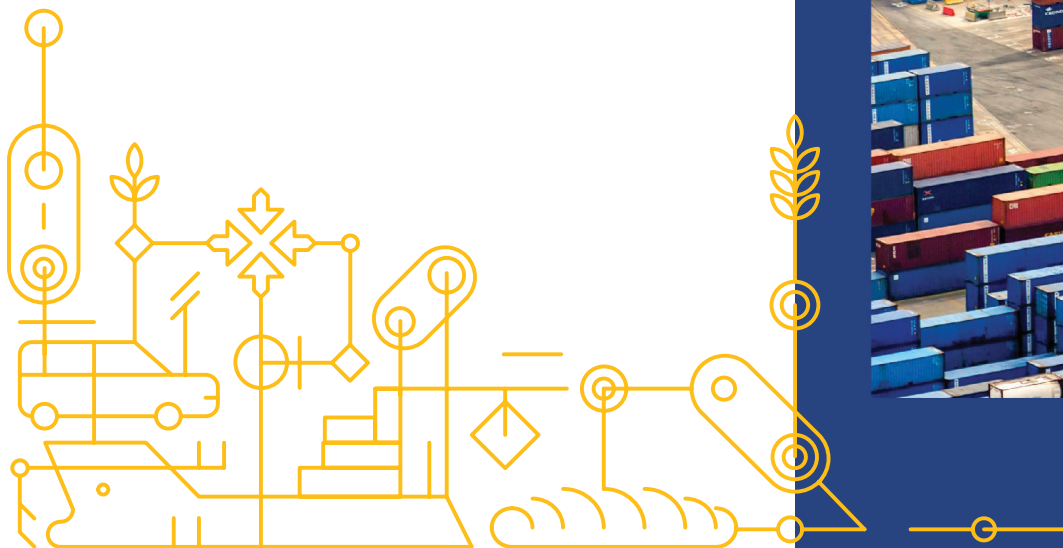
**12. Slantsy Industrial Park**  
Area: 120 ha  
Available: 50 ha

**13. Murmanskies Vorota – 1 Industrial Park**  
Area: 17 ha  
Available: 17 ha

**13. Murmanskies Vorota – 2 Industrial Park**  
Area: 13.3 ha  
Available: 13.3 ha

# LARGE-SCALE PROJECTS

- Ongoing projects receiving support of Economic Development Agency of Leningrad Region
- Success stories









### Gas chemical complex, a part of the complex for processing ethane-containing gas



Implementation period: **2018–2025**



Total volume of investments: **955 billion RUB**



Number of jobs: **1,845**



Implementation period: **2018–2025**



Total volume of investments: **931.9 billion RUB**



Number of jobs: **3,000**



EUROCHEM



### Organization of methanol production



Implementation period: **2020–2024**



Total volume of investments: **132 billion RUB**



Number of jobs: **300**



Implementation period: **2016–2024**



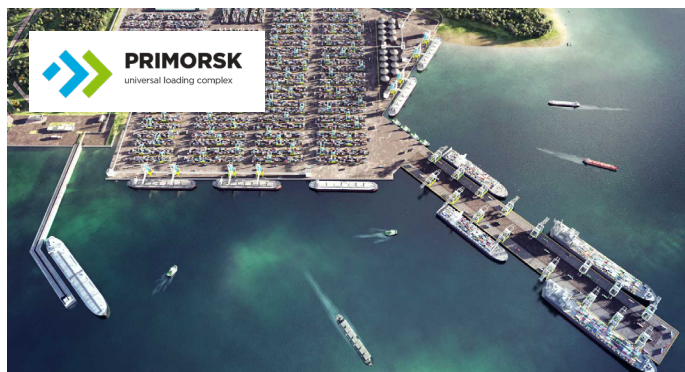
Total volume of investments: **20 billion RUB**



Number of jobs: **200**

### Creation of fertilizers transshipment terminal








**Construction of a universal loading complex  
in the port of Primorsk**

-  Implementation period: **2019–2021**
-  Total volume of investments: **200 billion RUB**
-  Number of jobs: **6,000**






**Complex for methanol  
production**

-  Implementation period: **2017–2030**
-  Total volume of investments: **88 billion RUB**
-  Number of jobs: **580**



**Creation of a universal trade  
terminal Luga port**

-  Implementation period: **2018–2022**
-  Total volume of investments: **65.8 billion RUB**
-  Number of jobs: **700**






**Creation of a production and warehouse  
transshipment complex**

-  Implementation period: **2018–2022**
-  Total volume of investments: **30.9 billion RUB**
-  Number of jobs: **155**





### Expansion of already existing fertilizer production

-  Implementation period: **2017–2023**
-  Total volume of investments: **28 billion RUB**
-  Number of jobs: **200**






### Localization of production of innovative low-risk products

-  Implementation period: **2020–2021**
-  Total volume of investments: **20.5 billion RUB**






### Construction of a port terminal for export of grain cargo with capacity up to 4 million tonnes per year

-  Implementation period: **2019–2022**
-  Total volume of investments: **7 billion RUB**
-  Number of jobs: **426**




### Modernization of coffee production

-  Implementation period: **2018–2023**
-  Total volume of investments: **5 billion RUB**
-  Number of jobs: **72**








Construction of a finished products warehouse  
15d for storage and shipment of car tyres

-  Implementation period: **2016–2024**
-  Total volume of investments: **2.18 billion RUB**
-  Number of jobs: **55**






Construction of the second and third phases  
of a factory for production of sanitary porcelain

-  Implementation period: **2018–2023**
-  Total volume of investments: **2 billion RUB**
-  Number of jobs: **200**






Construction of a factory for production  
of paints and varnishes Pigment

-  Implementation period: **2018–2021**
-  Total volume of investments: **1.7 billion RUB**
-  Number of jobs: **200**



Construction of a factory for production  
of an extended range of snacks

-  Implementation period: **2015–2023**
-  Total volume of investments: **1.7 billion RUB**
-  Number of jobs: **190**

## SUCCESS STORIES



### ARISTON

Production of water heating and heating equipment



### JOTUN PAINTS

Production of paints and coatings



### LORENZ SNACK WORLD

Production of snacks



### HENKEL

Production of cleaners and detergents, cosmetics and personal hygiene products



### NOKIAN TYRES

Production of car tyres



### YURA CORPORATION RUS

Production of automotive and electrical wiring





**PHILIP MORRIS INTERNATIONAL**  
Tobacco production



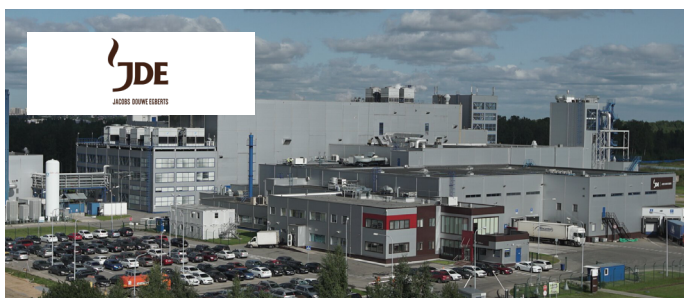
**CATERPILLAR**  
Production of mining trucks and excavators



**SIBUR PORTENERGO**  
Production and export of liquefied petroleum gas



**ROCKWOOL**  
Production of stone wool insulation



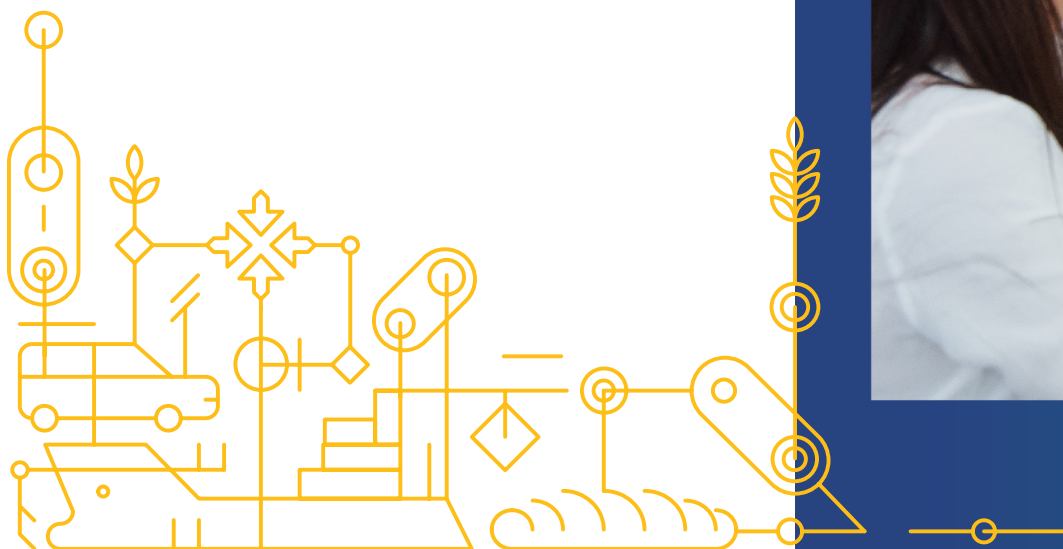
**JACOBS DOUWE EGBERTS RUS**  
Production of coffee and tea



**SIEMENS GAS TURBINE TECHNOLOGIES**  
Production and maintenance of gas turbines

# CONTACTS

- Economic Development Agency  
of Leningrad Region
- Industry Development Centre  
of Leningrad Region
- Fund for Support of Entrepreneurship  
of Leningrad Region









## Baltic Region Investment Forum

# REGION

**Economic Development Agency  
of Leningrad Region**



ECONOMIC  
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