INVESTMENT PRESENTATION

LENINGRAD REGION
Population – 1.9 million people

Area of the region – 83.9 thousand km²

Border with the European Union (Finland and Estonia)

Close proximity to Saint Petersburg

Access to the Baltic Sea

4 seaports

Pulkovo International Airport in Saint Petersburg

Geography and transport infrastructure
### Port infrastructure

**Viborg**
- 1.2 million tonnes cargo turnover (2019)

**Primorsk**
- Project on construction of a multipurpose reloading complex
- 70 million tonnes planned cargo turnover

**Vysotsk**
- 19.4 million tonnes cargo turnover (2019)
- 3 already operating terminals + 2 terminals under construction

**Ust-Luga**
- 103.8 million tonnes cargo turnover (2019) > 20 cargo categories
- 12 already operating terminals + 7 terminals under construction
Economy

**GRP structure**

- **38.1%** Industry
- **13.2%** Transport and communications
- **11.0%** Wholesale and retail trade
- **10.5%** Construction
- **6.7%** Real estate transactions
- **4.9%** Agriculture
- **15.6%** Other

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**GRP, billion USD**

- **17.8 billion USD** GRP in 2019 (according to estimates)
- **46.4* GRP in 2035 (according to estimates)**

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*According to estimates*
Investment climate

Volume of investments in fixed assets, billion USD

- 36% share of investments in the GRP of the region
- 17.5% share of investments in GDP of Russia

- 2013: 3.9 billion USD
- 2014: 2.8 billion USD
- 2015: 3.5 billion USD
- 2016: 4.1 billion USD
- 2017: 5.2 billion USD
- 2018: 8.1 billion USD
- 2019: 6.5 billion USD

- 4.8 billion USD: volume of foreign direct investment
- 6 place: among all Russian regions in terms of the volume of attracted foreign direct investment
- 8 place: among all Russian regions in terms of the volume of investments per capita

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Ratings

Aim:
to stay in TOP 10 and enter TOP 5

1 place
Ranking of the Russian regions in the nomination “financial stability”

5 place
Ranking of the Russian regions in the nomination “minimum risk”

5 place
Ranking of the Russian regions in terms of achievement of high rates of increasing economic (tax) potential of a territory

BB+, forecast “Stable”
Long-term credit rating

10 place
Ranking of socio-economic situation in the Russian regions
Priority development areas of Leningrad region

- Processing of raw materials near the ports
- Wood processing industry
- Automotive industry
- Production of construction materials
- Food industry
- Shipbuilding

Industry of Russia and Leningrad region, % in comparison with 2018

- Russia: 2.4%
- Leningrad region: 4.6%
Support for investors

ECONOMIC DEVELOPMENT AGENCY of Leningrad Region

“One-stop-shop” for investment projects support

- Informational support
- Administrative support
- Infrastructural support
- Tax benefits and subsidies

318 projects
receive support

46 projects
with foreign capital

> 25 billion USD
total volume of investments according to the projects

Investors

Agency

“One-stop-shop” for investment projects support

Federal executive authorities
Regional executive authorities
Local authorities
Associations, chambers of commerce and industry, trade representative offices

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Important investment projects

- **RUSCHEMALLIANCE**
  - Complex for processing ethane-containing gas
    - 11.5 billion USD

- **HOLDING COMPANY NOVOTRANS**
  - Complex for transshipment of grain and food cargo
    - 719.1 million USD
  - Dry cargo transshipment complex
    - Port of Vysotsk
    - 371.2 million USD
  - Expansion of mineral fertilizers production
    - 364.9 million USD

- **PHOSAGRO**
  - Creation of Vysotsky Grain Terminal
    - 108.3 million USD

- **NOVOTRANS**
  - Construction of a carriage-repair plant
    - 23.2 million USD
  - Terminal for transshipment of mineral fertilizers
    - 92.8 million USD
  - Production and warehouse transshipment complex
    - 154.7 million USD
  - Development of shipbuilding complex
    - 100.5 million USD
  - Construction of a carriage-repair plant
    - 100.5 million USD

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Financial measures of support

### Soft loans
- **ENTREPRENEURS SUPPORT FUND**
- **Leningrad Region**
- **Мой бизнес**
- **0.5 – 1000** loan, million RUB
- **1% – 8.5%** interest rate

### Tax benefits
- **Reduction of tax**
  - Up to **13.5%** corporate income tax (regional part)
  - Up to **0%** corporate property tax
- **Duration**
  - From **3 to 6 years**
  - Valid up to 01.01.2023
  - Up to 8 years for automotive manufacturers
- **Minimum volume of investments**
  - **300 million RUB**
  - for several districts – from 50 million RUB

### Regional investment projects
- **Reduction of tax**
  - Up to **10%** corporate income tax (regional part)
  - 0% corporate property tax
- **Conditions and duration**
  - **50 – 500 million RUB**
    - Until 1 January 2027
  - **over 500 million RUB**
    - Until 1 January 2029
  - revenues from the sale of goods
    - Not less than 90%
  - Type of economic activity
    - manufacturing industry

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Territory of advanced social and economic development Pikalevo

Territory of advanced development Pikalevo was established on 16 March 2018 for 10 years

Requirements to investment projects:

- From 38.6 thousand USD
- From 10 jobs
- <25% foreign labour force

Benefits for the residents

- Corporate property tax
  - 0% first five years
  - 1.1% next five years

- Payments to extrabudgetary funds
  - Reduction from 30.2% to 7.6%

- Corporate income tax
  - Regional part
    - 5% first five years
    - 10% next five years

  - Federal part
    - 0% first five years

- Land value tax
  - 0% ten years

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Investment portal of Leningrad region (www.lenoblinvest.ru)

Unified information and analytical center of business support in Leningrad region

Available in 4 languages:

- Russian
- Chinese
- English
- German

Investment portal provides access to the integrated regional information system
INVESTMENT DEVELOPMENT OF LENINGRAD REGION

- Available industrial sites
- Engineering and transport infrastructure facilities
Industrial parks

Leningrad region has:

- **27** industrial parks, including:
  - 10 operating
  - 10 under construction
  - 7 planned

**Greenfield sites:**
without buildings and facilities

**Brownfield sites:**
with buildings and facilities

- **Over 200** investment sites which differ in terms of available engineering infrastructure
- **3** state-owned industrial parks
- **25** private industrial parks

Information about industrial parks is included in the integrated regional information system Investment Development of Leningrad Region ([map.lenoblinvest.ru](http://map.lenoblinvest.ru))

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Commercial seaport of Ust-Luga

103.8 million tonnes cargo turnover in 2019

131 km to Saint Petersburg

Territory of prospective development near the seaport of Ust-Luga

4,843 ha available area

Chemical industry

Oil and gas processing

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Industry Development Centre

Development of clusters in Leningrad region

AUTOMOTIVE INDUSTRY CLUSTER

SHIPBUILDING CLUSTER

TIMBER INDUSTRY CLUSTER

FOOD INDUSTRY CLUSTER

Export Support Centre

• Export audit
• Marketing research
• Organization of business missions
• Selection of counterparties
• Organization of seminars, presentation of cases
• Organization of education
• Access to international online trade services

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Investors support

Governor of Leningrad region

Economic team of Leningrad region

Investment team

Investment Council

Economic Development Agency of Leningrad Region

- Promotion of the image of the region
- Investment projects support

Industry Development Centre

- Clusters
- Cooperation
- Export Support Centre

Entrepreneurship Support Fund

- Financial
- Consulting
- Legal support
- Education
Production of mining trucks and excavators (since 2000)

Production of water heating and heating equipment (since 2005)

Production of paints and coatings (since 2011)

Production of snacks (since 2008)

Production of cleaners and detergents, cosmetics and personal hygiene products (since 2002)

Production of car tires (since 2005)

Production of automotive and electrical wiring (since 2010)

Production of tobacco (since 2000)

Production of liquefied petroleum gas (since 2010)

Production of stone wool insulation (since 2006)

Production of coffee and tea (since 2000)

Production and maintenance of gas turbines (since 2015)
### Success stories 2019

<table>
<thead>
<tr>
<th>Company</th>
<th>Production/Industry</th>
<th>Value</th>
<th>Since</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUROCHEM</strong></td>
<td>Production of ammonia</td>
<td>55.8 billion RUB</td>
<td>2019</td>
</tr>
<tr>
<td><strong>Орпий</strong></td>
<td>Production of instant coffee</td>
<td>6.4 billion RUB</td>
<td>2000</td>
</tr>
<tr>
<td><strong>KNAUF PETROBOARD</strong></td>
<td>Manufacturer of box board and linerboard for production of gypsum building boards in Russia</td>
<td>3.5 billion RUB</td>
<td>1982</td>
</tr>
<tr>
<td><strong>HENKEL</strong></td>
<td>Production of dry construction mixes</td>
<td>0.7 billion RUB</td>
<td>2002</td>
</tr>
<tr>
<td><strong>СЕВЕРНАЯ ЗВЕЗДА</strong></td>
<td>Production of solid medicines (pills, capsules)</td>
<td>1 billion RUB</td>
<td>2001</td>
</tr>
<tr>
<td><strong>SEW EURODRIVE</strong></td>
<td>Production of gear units, frequency converters, servomotor, drive systems for decentralized installation, industrial gear units, system solutions for drive units and automation</td>
<td>2.5 billion RUB</td>
<td>1993</td>
</tr>
</tbody>
</table>
Baltic G2B Forum 2020
localization/ foreign economic activity/ business cooperation

17 – 18 September 2020

Business programme
- B2B and G2B meetings
- Plenary session with participation of the Governor of Leningrad region Alexander Drozdenko
- Sessions dedicated to localization, export and business cooperation
- Visits to the leading enterprises of Leningrad region

Opportunities at the venue
- Provision of a workplace
- Placement of Roll-Ups
- Presentation of your products and printed materials

How it was in 2019
>300 participants
3 foreign delegations
70 companies participated in networking

>500 participants
>10 foreign delegations from
  • Germany
  • Norway
  • Sweden
  • Finland
  • USA
  • Japan
  • South Korea
  • China
  • Benelux countries

Organizers:

General Partner:

Partners:

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INVEST IN LENINGRAD REGION

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