



May 29, 2008



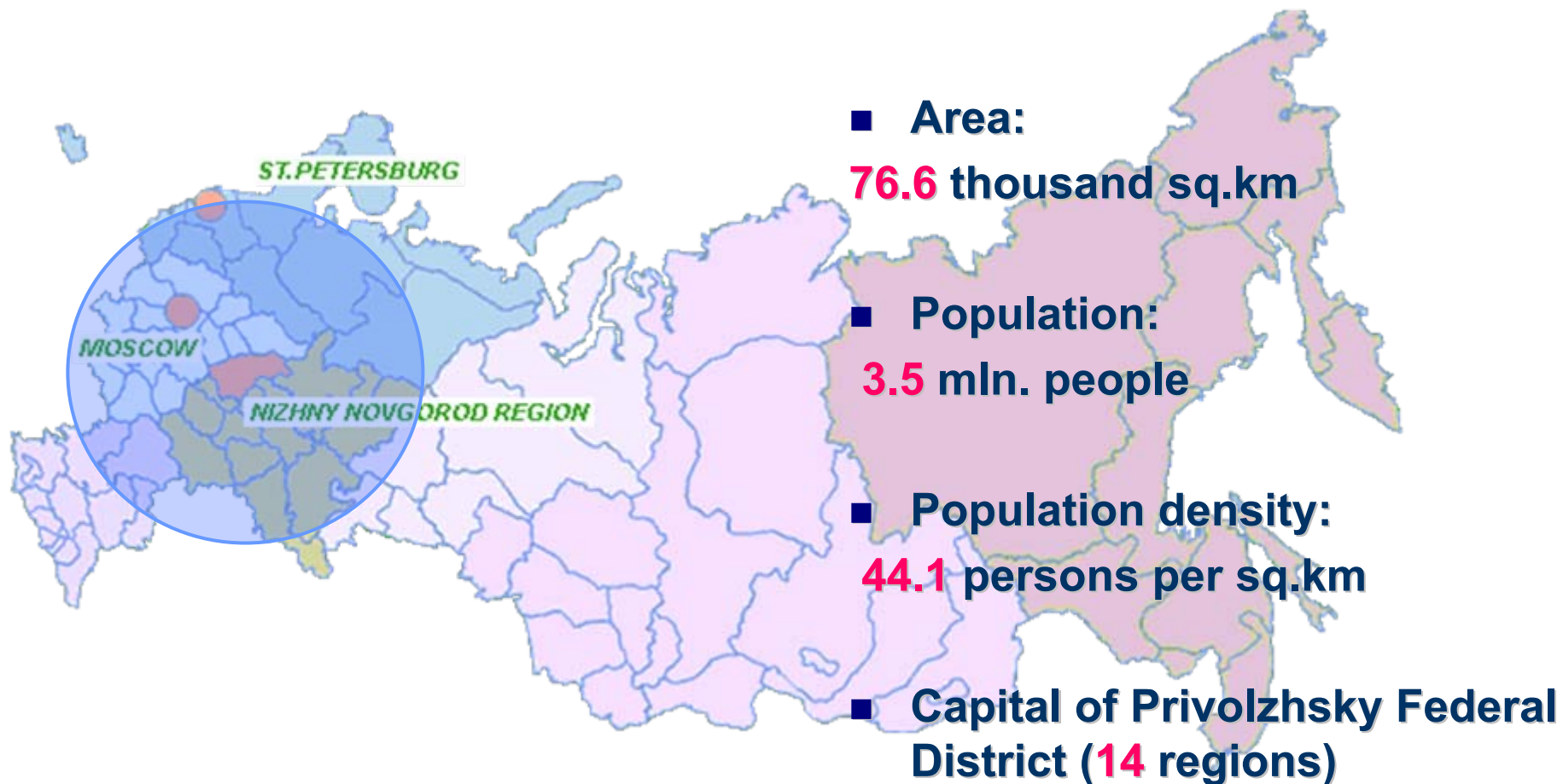
NIZHNY NOVGOROD REGION 2008

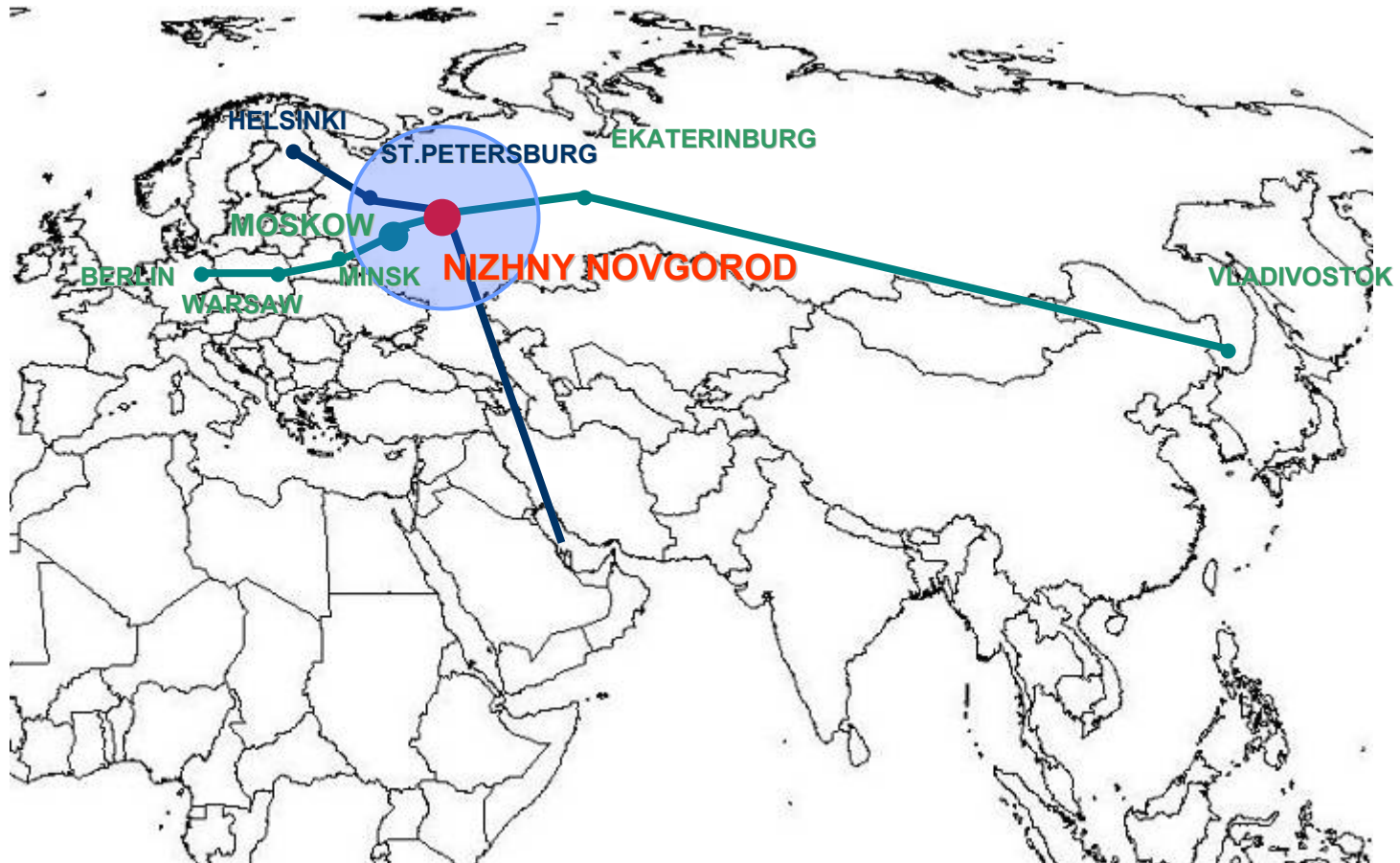
Valery SHANTSEV,
Governor, Chairman of the Government





CENTRE OF THE EUROPEAN PART OF RUSSIA

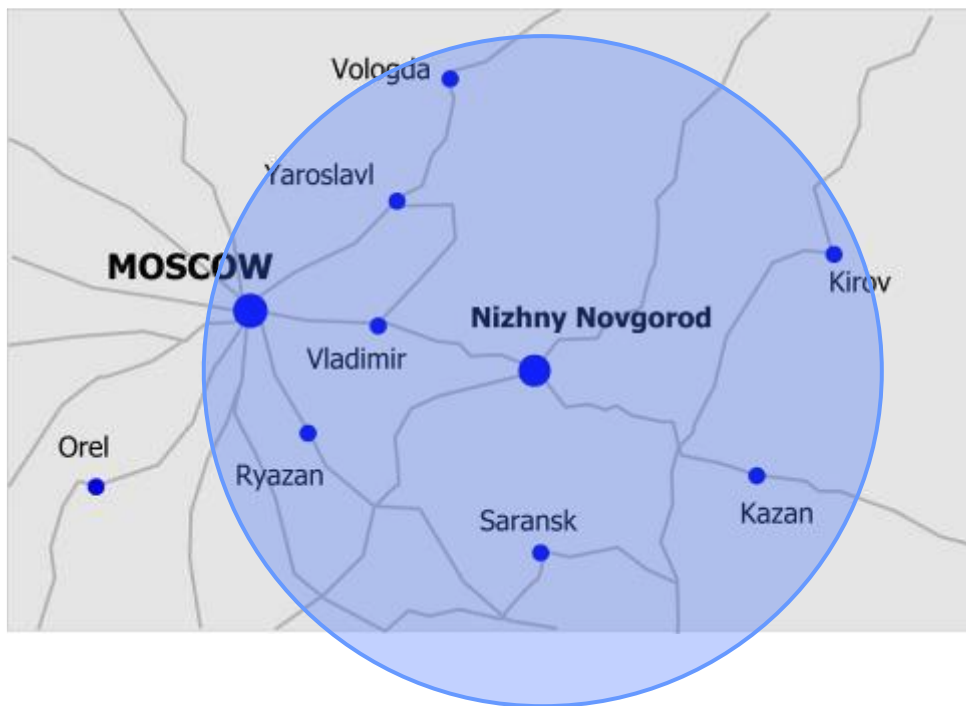




**CROSSROAD OF INTERNATIONAL TRANSPORTATION CORRIDORS
EU TEN №2 & “NORTH - SOUTH”**



LARGEST CONSUMER MARKET

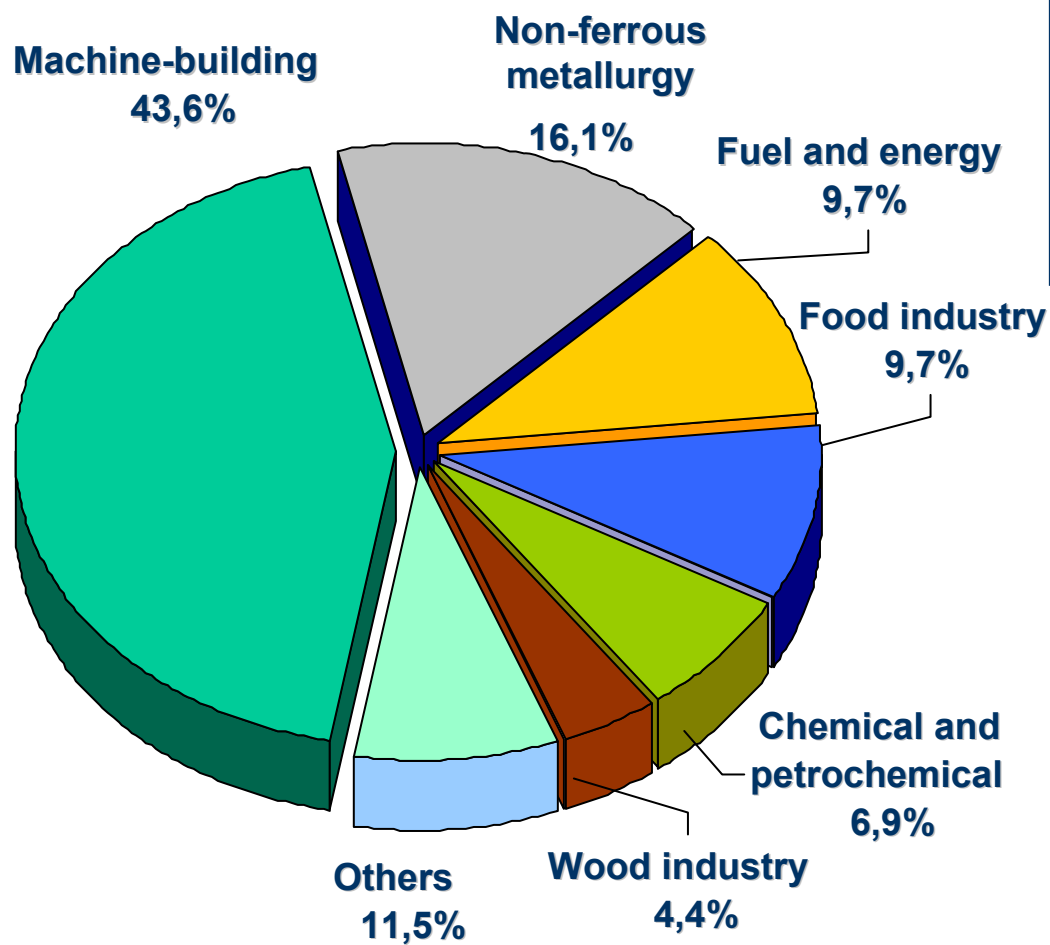


Number of inhabitants, mln.

Distance	Nizhny Novgorod	Moscow	Saint – Petersburg
Within 500 km zone	43	41	24
Within 1000 km zone	84,3	81	50



INDUSTRY STRUCTURE





REGION SHARE IN COUNTRY OUTPUT

**Autobuses –
63,7 %**



**Commercial Vehicles –
57,3%**



**Steel Tubes–
20,7%**



**Tempered glass–
98%**



**Newsprint paper –
14,3%**



**Passenger cars –
3,1%**





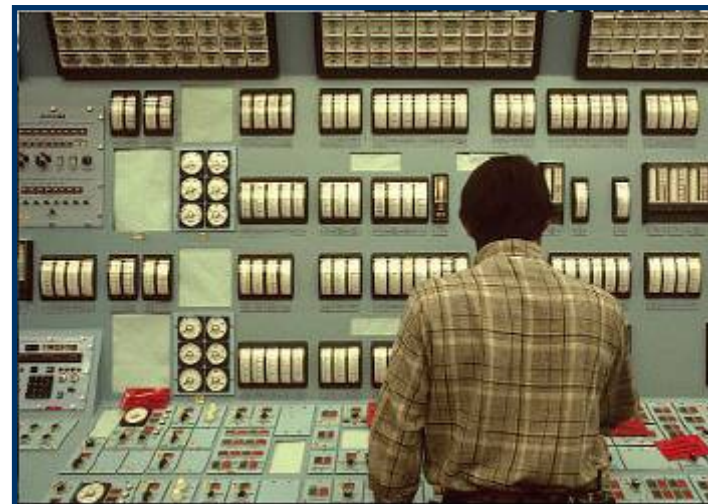
SCIENTIFIC AND EDUCATIONAL CENTER

**100 Scientific, educational,
R&D institutions**



**Centre
of innovation
development**

**№3 Russia on personnel
engaged in R&D**



№4 software exporting region in Russia



- **17** state high schools and universities
- **20** private high schools and universities
- **18** branches of high schools and universities
- **186** thousand of students in 2007/2008



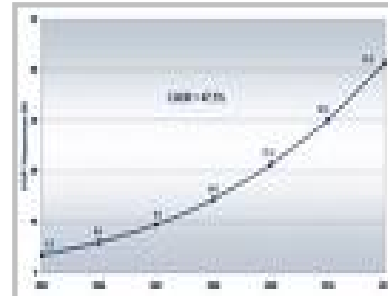
2008 vs. 2007

Investment growth: **134 %**

GRP growth: **122 %**

Foreign trade turnover growth: **120 %**

Construction growth: **3,2 times**



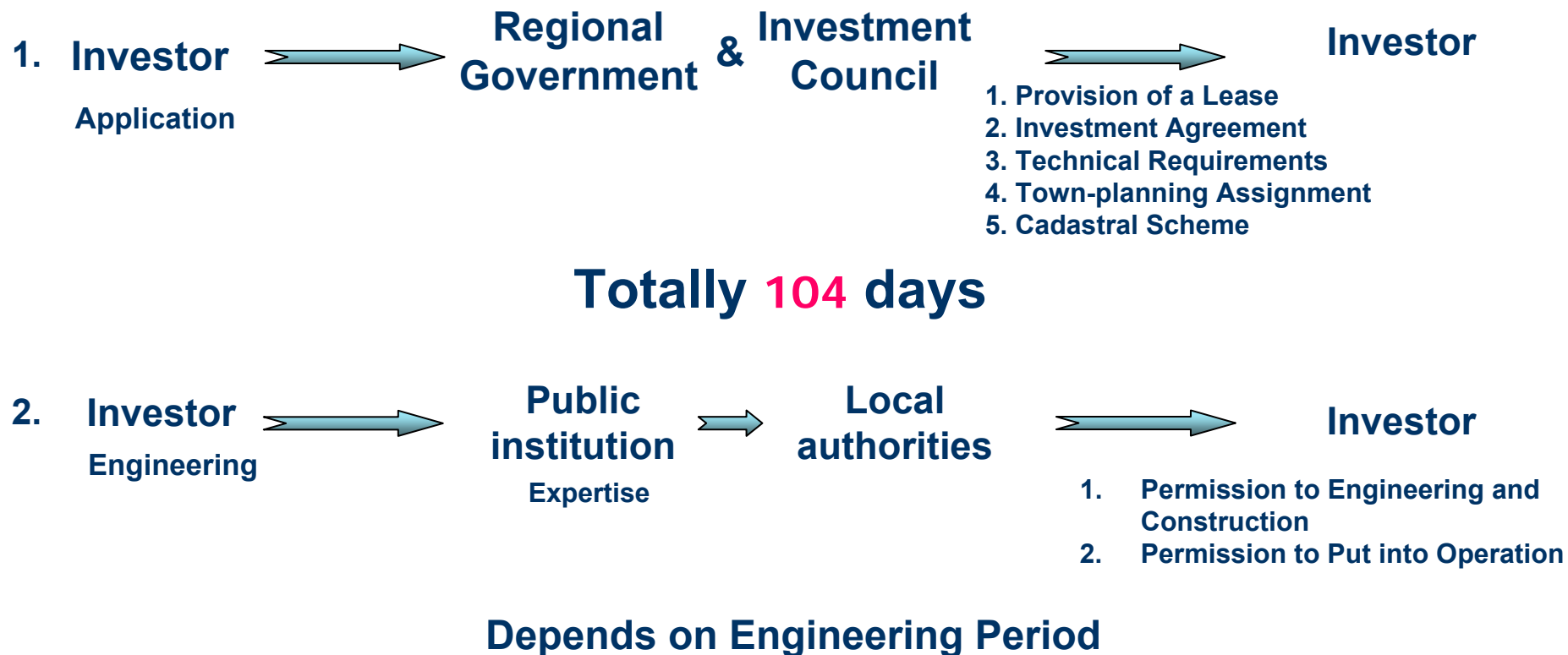


Investment Council

- includes representatives of controlling, supervising and regulating authorities
- determines measures of state support – **priority status**
- solves problems related to a project implementation



TRANSPARENT “BUSINESS-TO-AUTHORITIES” INTERACTION SYSTEM





FINANCIAL SUPPORT

	Property tax	Land tax	Profit tax
Valid tax rates (%)	2,2%	0,3% - 0,5%	24% to budgets of all levels, i.e. federal, regional (17.5%) and municipal
Reduced tax rates (%)	0%	0%	Maximum reduction of taxes paid to regional budget – from 17.5% to 13.5%

ADMINISTRATIVE SUPPORT



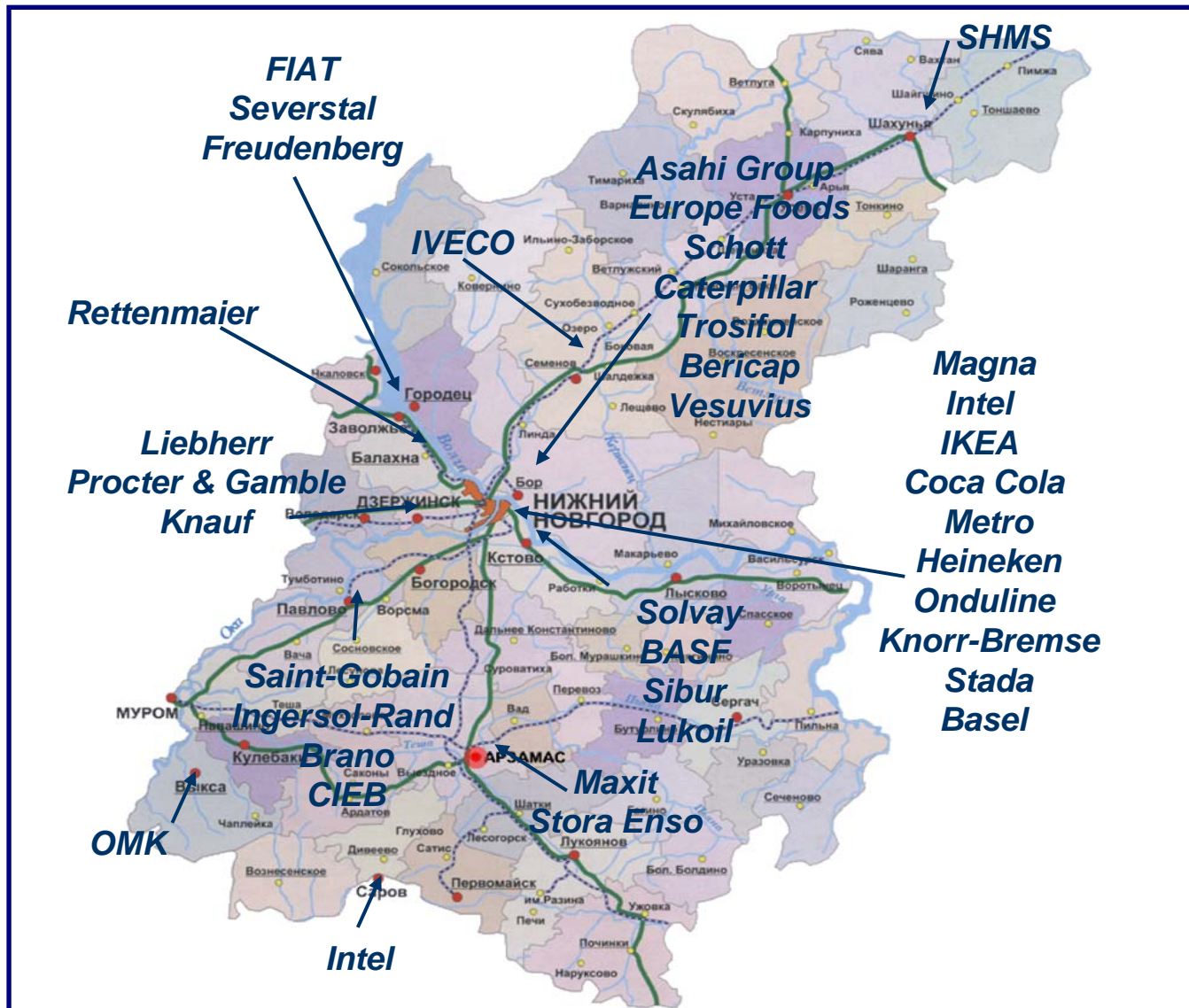
The “Volga” Brewery Modernization Project

May, 2008:

- Investment – **141** € mln
- Measures of state support – **priority** status
- Tax reduction – **5.32** € mln



GEOGRAPHY OF INVESTMENTS





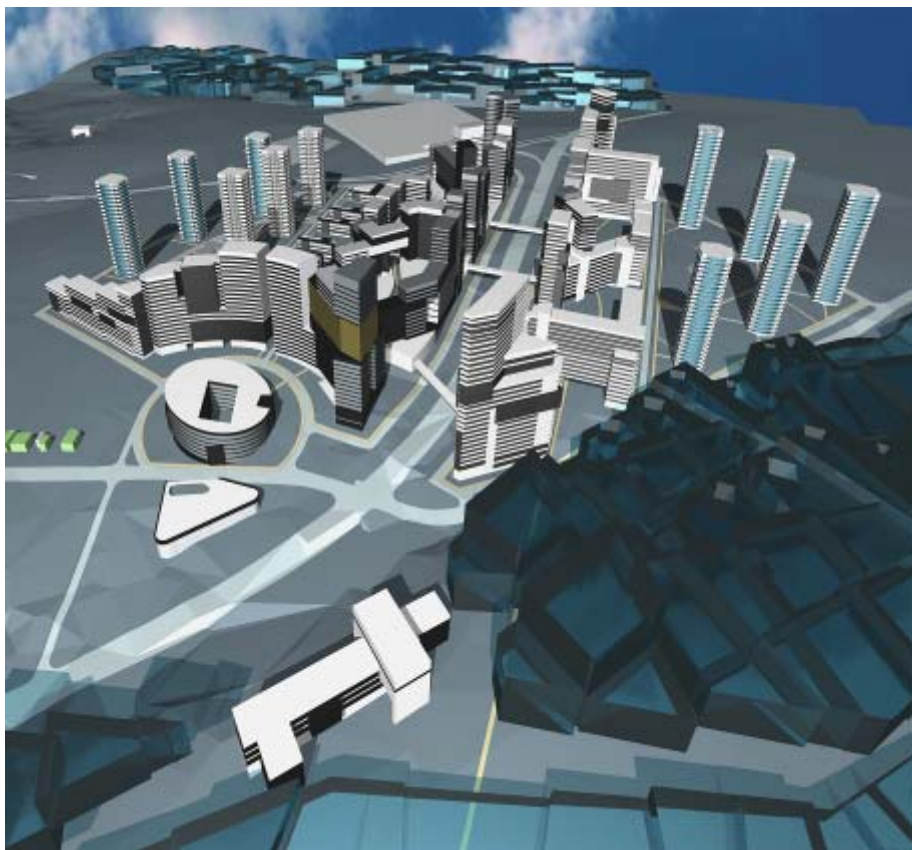
Development strategy
of Nizhny Novgorod region
up to the year 2020

- **Automotive industry**
- **IT**
- **Petro-chemical industry**
- **FMCG production and distribution**





FEDERAL IT-PARK IN NIZHNY NOVGOROD



One of the **7** technoparks in Russia is now being formed under the Federal program

- **0,34** bln. euro of investment
- **74,5** He



- GAZ – Magna
- Over **100** manufactures are engaged in autocomponents' manufacturing
- Working efficiency – growth **60%**
- New jobs – **18 thousand**



RusVinyl (Sibur, Solvay + BASF) PVC complex shall be launched in 2010

- Production capacity:
330 thousand tons PVC per year
- The investment budget:
USD **900** million





- One of the largest and ambitious projects in RF
- The project's architects: "Dante O. Benini & Partners" (Top 40)
- Located opposite Kremlin across the Volga river
- Total area: **30** million square meters

20 million square meters construction area:

- Residential premises – 50%
- Business center – 20%
- Trade and entertainment outlets – 15%
- Recreational zone and administrative facilities – 15%

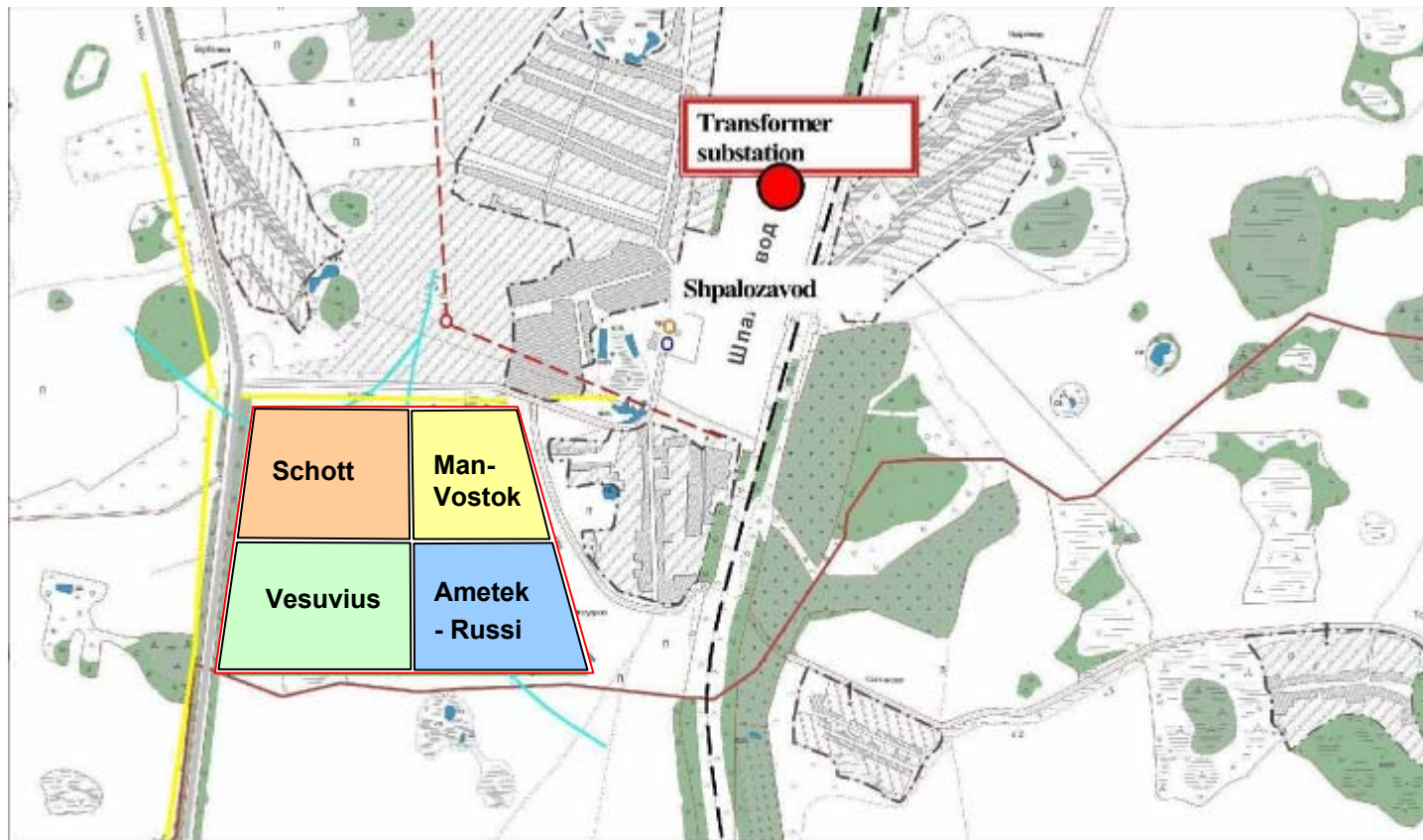









- **Financial and administrative support to be provided for all residents**
- **All costs at minimal level**
- **Sites within the park shall be configured as per residents' requirements**
- **Utilities and communications are provided to the sites' boundaries by the Region***

***subject of investment agreement between resident and the Region Government**



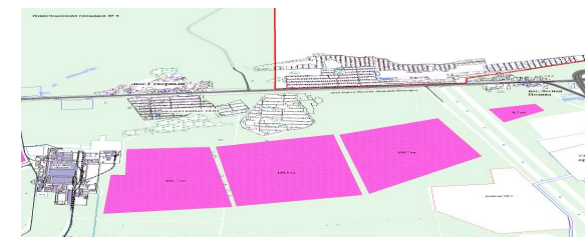
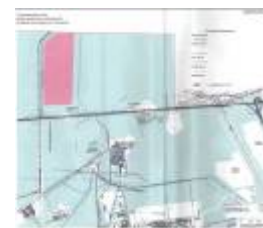
INDUSTRIAL PARK “BOR NORTH”

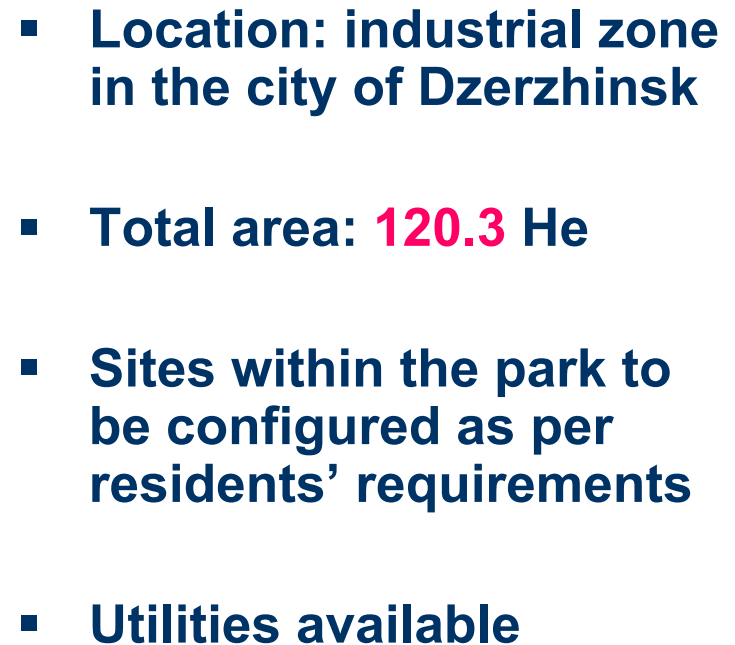


-  - Power Supply
-  - Natural Gas
-  - Water
-  - Sewage, process water wastes
-  - Sanitary Zones
-  - highway N.Novgorod-Kirov
-  - “Gorky Railways”



INDUSTRIAL ZONES IN DZERZHINSK







Implementation stage

#	Project	\$, mln
1.	PVC production «RusVinyl»	840,0
2.	Aviacomponents and building machinery production «Liebherr»	195,8
3.	Glass items «Schott»	94,06
4.	Refractory products for metallurgy «Vesuvius»	31,3
5.	Cellulose additions production «Rettenmaier»	7,6

Decision-making stage

#	Project	\$, mln
1.	Pulp and paper mill «Stora Enso»	2 350.0
2.	Metalworks «Severstal»	636.0
3.	Tires production «Goodyear»	500.0
4.	Laminate production «Unilin Flooring»	315.0
5.	Gypsum boards production «Saint Gobain»	101,7

Totally: 5 071,46



“..is located at the heart of the most industrially developed part of Russia...”

“..highly developed transport system...”

“..exceptionally qualified personnel available...”

“..efficient dialogue of investor and all authorities' units...”

“..I gladly recommend Nizhny Novgorod Region as the place to implement investment projects in various kinds of business.”

***Andrew Deko
CEO***



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