

Special economic zones in the Russian Federation



Ministry for economic development
of the Russian Federation

Prepared by: Investors relations and international cooperation section
Department for special economic zones and project financing

MACROECONOMIC

GDP

GDP – January-
august 2010 – 3,7%
growth

INVESTMENTS

More than \$262
bln.
(8% growth in
2010)

Industrial production

January-august
2010 – 9,2%
growth

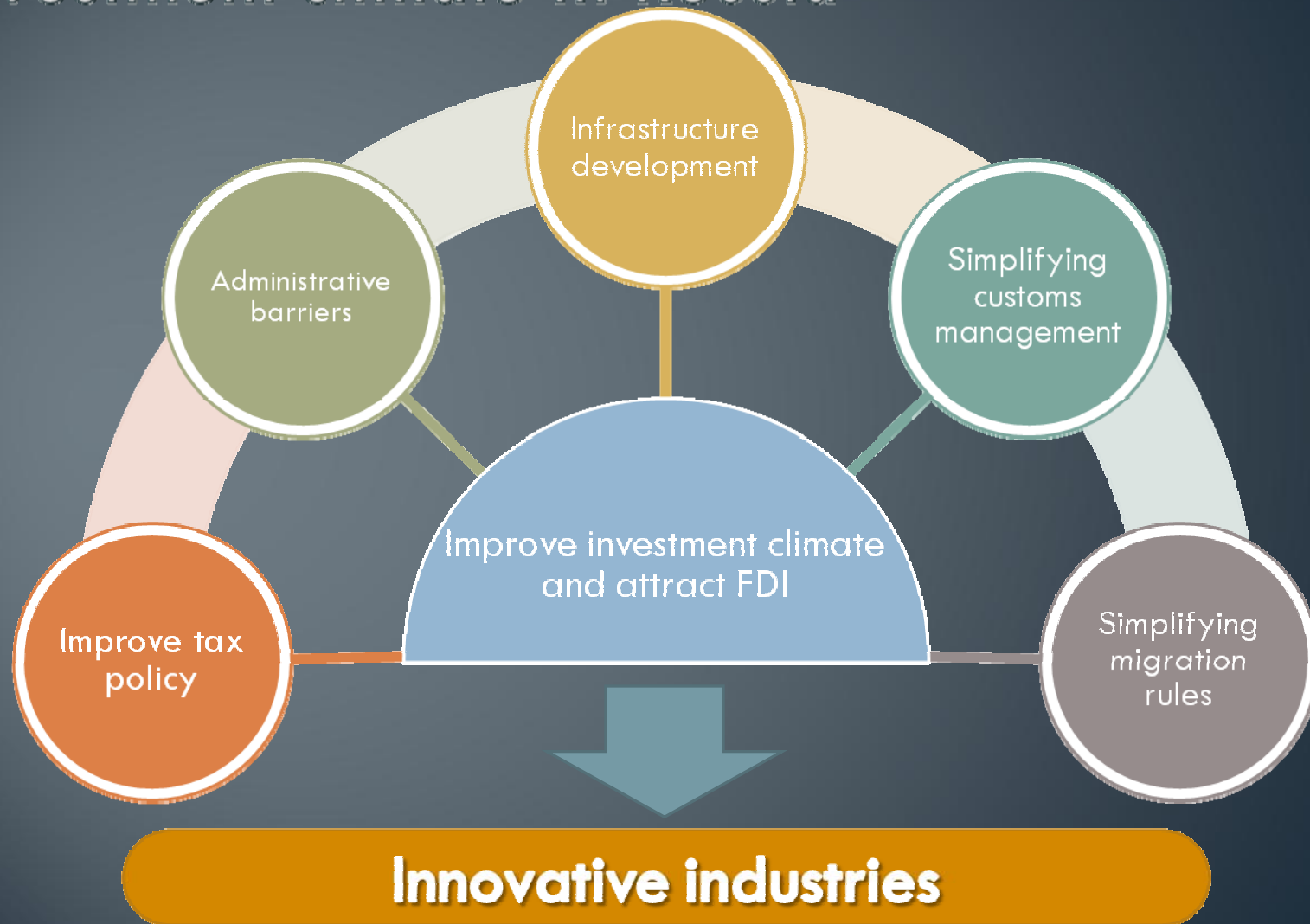
| | Jan-Aug 2009 to Jan-Aug 2008, % | Jan-Aug 2010 to Jan-Aug 2009, % | |
|---|------------------------------------|------------------------------------|---|
| Industrial production index | - 13,5 | 9,2 | ↑ |
| Retail trade turnover | - 4,1 | 4,3 | ↑ |
| Investments into fixed capital | - 20,1 | 2,8 | ↑ |
| Price index of manufacturers of the industrial goods (inflation) | 13,5 | 9,6 | ↓ |
| Consumer price index (inflation) | 8,1 | 5,4 | ↓ |
| Monthly average salary | - 3,3 | 5,1 | ↑ |

The international ratings of Russia

| | 2008 | 2009 | 2010 |
|-----------------|----------------|---------------|----------------|
| Fitch Ratings | BBB+ | BBB (stable) | BBB (positive) |
| Standard Poor's | BBB (negative) | BBB (stable) | BBB (stable) |
| Moody's | Baa2 | Baa1 (stable) | Baa1 (stable) |

08.09.2010 Fitch Ratings has confirmed long-term ratings of the Russian Federation in foreign and national currency at “BBB” level. The forecast on long-term is changed from "Stable" to "Positive“. Agency has also confirmed short-term rating of Russia in foreign currency at level "F3" and max rating of country's ceiling at "BBB +".

General Government policy to improve the investment climate in Russia



Special economic zones in Russia

- 3 Industrial and production zones
- 7 Tourist and recreational zones
- 4 Technology and innovation zones
- 2 Port zones



Perspective zones

① Port zones

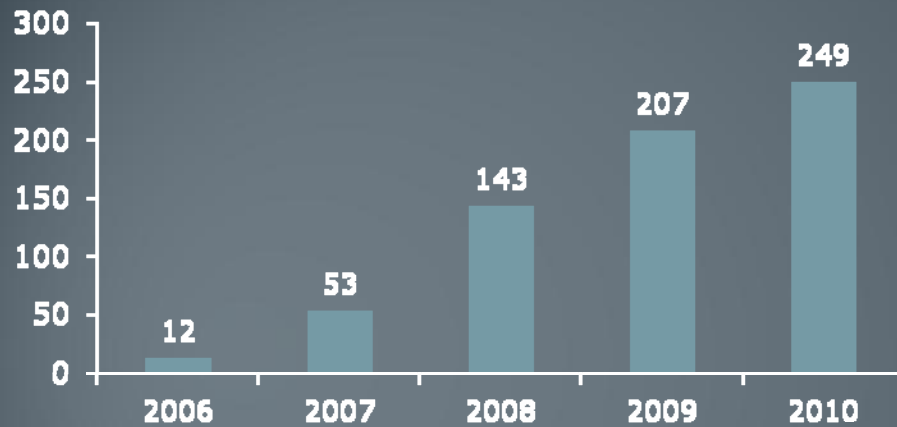
① Tourist and recreational zones



Friday, October 08, 2010

Investors (total investments – \$8,5 billions)

Number of investors in special economic zones



31 investors in production zones



26 companies from 18 countries



Preferences

▶ Special administrative regime

- Decrease in administrative barriers, “single window”

▶ Transparent legislative and management

- Authorities involved: Ministry of economic development, JSC “SEZ”

▶ Access to qualified human resources

- Science and education centers

▶ Free customs mode

- No import duty, refundable VAT

▶ All the necessary infrastructure at lower prices

- Office facilities, gas, water, energy etc.

▶ State guarantees and stability

- Investment agreement with the Government, zones are created for 20 years

▶ Special tax treatment

- Income tax decrease, property, land, transport tax exemption for 5 years

up to
30%
cost reduction for
investors

Obtaining the resident status

- acceptance of the business plan by the bank
- forming request to the Ministry

- expert committee consideration

STEP ONE

STEP TWO

STEP THREE

STEP FOUR

STEP FIVE

- register the company
- forming business plan

- supervisory committee consideration

- agreement with the Government of the Russian Federation

Industrial and production zones

- World industry leader
- Highly competitive production
- Uses domestic raw materials
- Export oriented companies
- Company taking part in production chains inside of SEZ

Technology and innovation zones

- Research divisions of large technological company
- Company which elaborates unique innovative technologies
- High potential of products commercialization
- Company taking part in production chains inside of SEZ

Potential investors in SEZ

Tourist and recreational zones

- International hotels and resorts chains
- Companies offering competitive and high quality tourist services
- Sport and travel companies

Port zones

- International management companies operating one or several ports
- Logistics companies
- Leaders in technical service, ships and crafts maintenance

Contact information



Ministry of economic development of the Russian Federation

Mr. Dmitry Levchenkov
+7 (495) 651-79-00

Director, Department for special economic zones
and project financing

Mr. Yury Trofimov
+7 (495) 765-13-12

Section Head, Investors relations and international
cooperation
trofimov@economy.gov.ru