

TIME TO INVEST IN MOSCOW!

investmoscow.info
MOSCOW INVESTMENT PORTAL



MOSCOW CITY
INVESTMENT AGENCY



June 2017

Moscow is one of the largest agglomerations in the world

Population

Greater Moscow



20 mln

- 14% of the population of Russia

Investments

In fixed capital in 2016



1.7 trn RUB

- 70% - private investments
- 12% - Moscow share in all-Russia investments

Consumer expenditures

Greater Moscow



10.1 trn RUB
in 2016

Dynamics of investments

In fixed capital, 2011–2016., % of 2010



+55.8%

In comparable prices in roubles

- 50% Moscow share in direct foreign investments in Russia

Sufficient reserves for development



Capacity reserve of heat supply systems

47.4% or **28.6** thous. Gcal/hr



Capacity reserve of water supply systems

54%



Capacity reserve of electricity supply systems

54% or **6713** MVA



Share of vacant office space
(Q1 2017)

20.2% Class A

14.0% Class B



Share of vacant retail space
(end of 2016)

12.9%



Share of vacant warehouse space
(Q1 2017)

12.0%

Convenient metropolis for doing business



124
place

2010

40
place

2016

20
place

2018



TOP-12

European City of the Future
2016/17



TOP-3

14
place

2015

10
place

2016

3
place

2017



1st place

«PPP development in Russia» rating

Real sector* is a significant part of Moscow economy

1.3 mln people

employed in the real sector
(17% of the workforce, Pension Fund data for 2015)
Inc. **590 thous.** in manufacturing industry

58.6 thous. RUB

salaries in real sector enterprises
(Pension Fund data for 2015)
Inc. **47.5 thous. RUB** – manufacturing industry

+39.4%

growth of exports of Moscow real sector enterprises in 2016 (VAT returns)
Inc. **+45.2%** – manufacturing industry

~1300

large and medium enterprises of real sector **operating in Moscow**
inc. **~ 700** – manufacturing units
45% export enterprises

*Real sector:



Manufacturing



IT



Telecommunications



R&D

New model of industry support

Supporting mechanism – status allocation:



Requirements:

- Actively investing enterprises
- High-density production
- Production with highly-paid jobs
- Production with high added value by area

Reduced economic requirements for **socially significant enterprises**

Main status allocation criteria

The criteria are set to encourage efficiently operating organisations to create highly-paid jobs and occupy less space.

	 For industrial complexes	 For technoparks	 For industrial parks	Significance coefficient
Payroll fund per hectare per year	106.9 mln RUB	213.8 mln RUB	106.9 mln RUB	0.4
Investment per hectare per 5 years	102.3 mln RUB	51.2 mln RUB	153.5 mln RUB	0.2
Revenues per hectare per year	320.7 mln RUB	641.4 mln RUB	481 mln RUB	0.2
Average salary	Moscow monthly average income over the last year (57,971 RUB in 2015 prices)	Moscow monthly average income +20% over the last year (69,565 RUB in 2015 prices)	Moscow monthly average income+10% over the last year (63,768 RUB in 2015 prices)	0.2

- The economic requirement values were set for 2017 and are subject to annual indexation
- Organisations need to comply with the Payroll fund per hectare per year and at least two out of the other three indicators.
- For socially significant sectors (food, textiles, production of building materials), reduction coefficients are envisaged for the given criteria.

At least **80%** of the real property area should be used for core activities.

Support for efficient existing enterprises



Reduced tax burden
including:



by **17%**
For Industrial complexes:



by **25%**
**For Technoparks /
Industrial parks:**

Land rent

by **↓80%**
(0.3% of cadastral value instead of 1.5%)

by **↓99,3%**
(0.01% of cadastral value instead of 1.5%)

Land tax

by **↓80%**
(current rate 1.5% of cadastral value)

by **↓99,3%**
(current rate 1,5% of cadastral value)

Property tax

by **↓50%**
(current rate 2.2% of balance sheet value or 1.4%
of cadastral value)

by **↓100%**
(current rate 2.2% of balance sheet value or 1.4%
of cadastral value)

**Profit tax to the Moscow
Treasury**

by **↓26%**
(12.5% instead of 17%)

by **↓26%**
(12.5% instead of 17%)

Benefits granted for: up to 10 years

Already receive support

	TOTAL	Received support in 2016-2017			Received support in 2016	
		INDUSTRIAL COMPLEXES	TECHNOPARKS	TECHNOPARK ANCHOR TENANT	TECHNOPARKS	MOTOR INDUSTRY
Companies	64	30	10	3	20	1
Investments*	77.9 bln RUB	20,9 bln RUB	9.2 bln RUB	0.155 bln RUB	37 bln RUB	10.6 bln RUB
Revenues**	324.9 bln RUB	183,6 bln RUB	46.8 bln	2.1 bln RUB	7.4 bln RUB	85 bln RUB
Number of jobs**	83.2 thous.	37.6 thous.	16.6 thous.	0.605 thous.	24 thous.	4.4 thous.
Land plot area	801.7 ha	161.75 ha	104.99 ha	-	480 ha	55 ha
Capital structure area	3.71 mln m2	1.45 mln m2	0.35 mln m2	-	1.6 mln m2	0.31 mln m2

* for 2010-2015

** according to 2014 and 2015 data

Companies that received Industrial complex status operate in the food, pharmaceutical, instrument-engineering and other sectors.



27 status applications
are being processed

Support for new investment projects

New Projects	On conditions of investment:	On attainment of economic indicators*:	Mechanism
Projects for setting up industrial and innovation production, science, IT, communications	At least 1 bln RUB	<ul style="list-style-type: none">Revenues per ha.Payroll per ha.salary corresponding to the indicators of existing enterprises	Special Investment Contract/Agreement

* Achievement of economic indicators within **7 years of status allocation**.



Reduced regional tax burden by 25%

- Land rent
- Land tax

by ↓99,3%
by ↓99,3%

- Property tax
- Profit tax

by ↓100%
by ↓26%

Areas for innovative production units and projects

30 innovative infrastructure facilities

(inc. 5 state-owned)



28

technoparks

585 ha

> 1 400

residents

> 40 thous.

jobs



2

technopolises

Beneficial lease terms (with VAT):

11

thous. RUB / m² / yr

Office premises

6.5

thous. RUB / m² / yr

Production premises

Extensive specialisation:

- IT, R&D
- Biomedicine, pharmaceuticals
- New materials
- Microelectronics
- Instrument-engineering, etc.

The latest proposals on www.investmoscow.info

- vacant locations
- infrastructure
- equipment
- benefits
- residents
- contacts

Long-term state-guaranteed orders in exchange for investments (offset contracts)

Advantages for the investor:

▪ High demand for products	Volume of Moscow public procurements – 550 bln RUB a year
▪ Long-term guarantee of demand from the Moscow City Government	Contract term up to 10 years
▪ Prompt resolution of land issues	Provision of a land plot without a tender

Conditions for the investor:

▪ Investments in production	> 1 bln RUB
▪ Produced and supplied goods	Goods of Russian origin

Priority areas for offset contracts:



**State-guaranteed
orders 67 bln RUB**
medicines and
medical devices



**State-guaranteed
orders 3.8 bln RUB**
transport



**State-guaranteed
orders 2.8 bln RUB**
equipment for utilities

Subsidies for industry and SMEs

Reimbursed costs	Subsidies
Subsidies for Moscow industrial enterprises:	
▪ for interest on loans for acquiring certain types of equipment	up to 200 mln RUB/year
▪ for interest under financial rent agreements (leasing)	up to 100 mln RUB/year
▪ for organisation or expansion of production based on R&D activities	up to 20 mln RUB
Subsidies for small and medium enterprises: (inc. residents of technoparks and industrial parks)	
▪ for interest on loans for supporting and developing business	up to 5 mln RUB
▪ for equipping and operating of centres for youth innovative art, design, prototyping and production	up to 7 mln RUB

Low-interest loans



MOSCOW FUND
for Support for Industry
and Enterprise

Total volume of the Fund:
885 mln RUB

Programme launched:
Q2 2017

Loan amount	Period	Rate	Security
From 10 to 50 mln RUB	Up to 5 years	5% per a year	Pledge of property, guarantees, suretyship

The Fund's share in project finance : **max. 70%**

Key borrowers:

- Residents of technoparks / industrial parks / SEZ / cluster participants
- Industrial complexes
- Technopark / Industrial park MC

Planned support measures for industrial investment projects

Formulated by Moscow Mayor Sergei Sobyenin at the Business Spring 2017 forum (26 May 2017).
To be introduced in 2017.



Subsidising **50%** of utility connection costs



Subsidising **upward of 15%** of expenditures on equipment for hi-tech companies and technoparks



Reducing the profit tax rate payable into the Moscow treasury by **up to 10%** (base rate 17%) for new investment projects

Special Economic Zone in Moscow



In September 2016, the SEZ was handed over for direct administration by the Moscow City Government.

MC – Zelenograd Special Economic Zone

Both technical innovation and industrial production are possible in the SEZ:

- microelectronics, electronic instruments and tools;
- information and communications technology;
- energy-saving technology;
- pharmaceuticals and production and medical equipment;
- laser and plasma technology;
- other types of high-tech scientific production business.



Profit tax – 12,5% (instead of 20%)



Property tax – 0%



Transport tax – 0%



Land tax – 0%



Extra-budgetary fund contributions – 14% (instead of 30%)

Free customs zone:



VAT and duties on imported foreign goods and equipment – **0%**



Preferential land plot purchase
Preferential land plot lease



Free connection to utilities

Special Economic Zone in Moscow

Investment areas



174ha

Total area



24

vacant land plots

from **0.35** to **8.91** ha

Accessible utilities

Electricity supply, MVT	Water supply, m3/day	Water disposal, m3/day	Heat supply, Gcal/hr
31.85	1550	1211	154.5



38

Residents

3.2 thous. Jobs

11.2 bln RUB in investment

SITRONICS

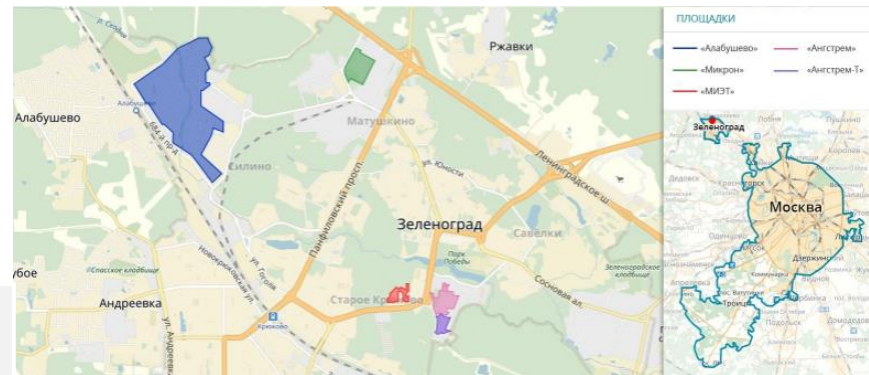


CLOUD•DC



Special Economic Zone sites

SEZ Zelenograd (5 sites)



Technopolis Moskva (from 12.05.2017)



Institutions for collaboration with investors

- **Support** for projects
- **Advisory** and information **support**
- **Raising** investment
- **Promotion** of investment opportunities



STATE BUDGETARY
ORGANISATION
"SMALL BUSINESS
OF MOSCOW"



**Business
Protection
Headquarters**



The Moscow City
Innovations
Agency

Information resources:

investmoscow.info
MOSCOW INVESTMENT PORTAL

iMoscow
Innovative capital navigator



Thank you for your attention!

Leonid Kostroma

Director

Moscow City Investment Agency

Moscow City Government

KostromaLV@mos.ru

investmoscow.ru

ИНВЕСТИЦИОННЫЙ ПОРТАЛ ГОРОДА МОСКВЫ