



# INVESTMENT POTENTIAL OF LENINGRAD REGION

September 20, 2016

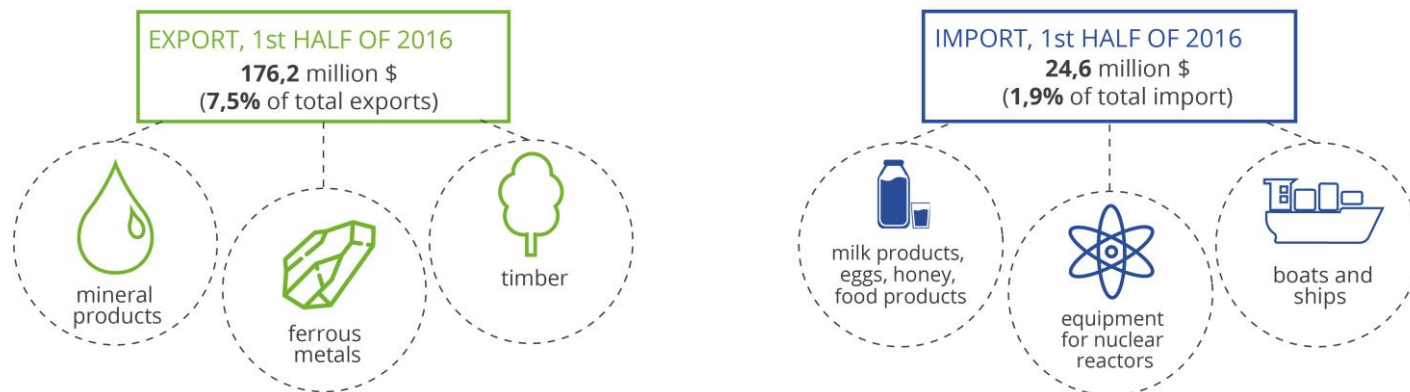


# GEOGRAPHY AND TRANSPORT INFRASTRUCTURE



# TRADE AND ECONOMIC COOPERATION BETWEEN LENINGRAD REGION AND THE NETHERLANDS

IN **1ST HALF OF 2016** FOREIGN TRADE TURNOVER BETWEEN LENINGRAD REGION AND THE NETHERLANDS WAS **\$200,8** MILLION  
(**5,6%** OF FOREIGN TRADE TURNOVER OF LENINGRAD REGION)



IN **1ST HALF OF 2016**  
**THE NETHERLANDS** OCCUPIED  
THE **7rd** PLACE IN TERMS  
OF TRADE TURNOVER  
WITH **LENINGRAD REGION**

## INVESTMENT PROJECTS WITH DUTCH CAPITAL:



Smurfit Kappa

**Smurfit Kappa SPb (Smurfit Kappa Group)**  
Production of packaging  
Volume of investment - **\$58 million**



**Jacobs Rus (JACOBS DOUWE EGBERTS (JDE))**  
Production of coffee  
Volume of investment - **\$100 million**

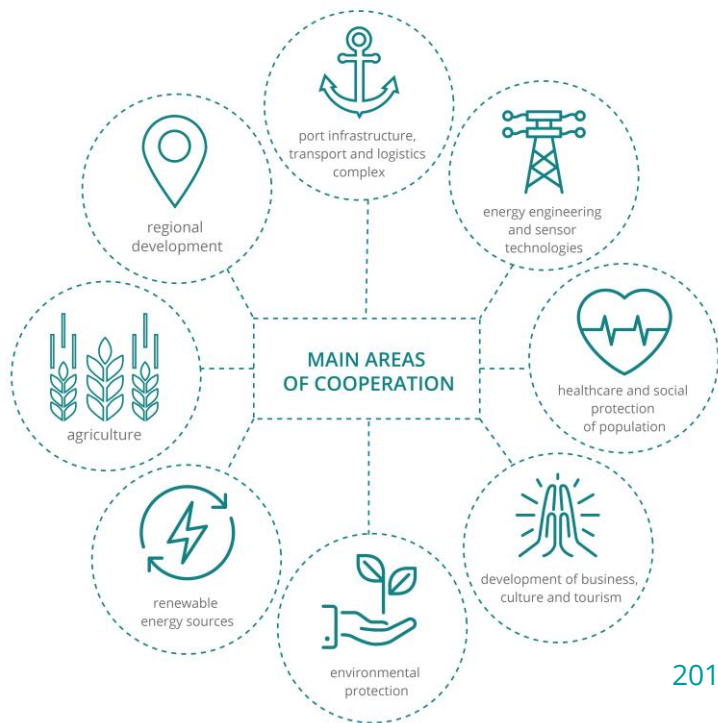


**Severnaya poultry farm (Agro-Invest Brinky)**  
Production of broiler chickens, eggs  
Volume of investment - **\$217 million**

# COOPERATION AGREEMENT BETWEEN THE GOVERNMENT OF LENINGRAD REGION AND PARTNERSHIP UNION NORTHERN NETHERLANDS OF THE KINGDOM OF THE NETHERLAND

DATE OF SIGNING : 19 NOVEMBER 2009

PROLONGATION : SINCE 2013 UNTIL THE END OF 2016



PARTNERSHIP UNION NORTHERN NETHERLANDS :



GRONINGEN



FRIESLAND



DRENTHE

2013 – cross year of the Netherlands in Russia and year of Russia in the Netherlands

# VISIT OF THE DELEGATION OF LENINGRAD REGION TO THE NETHERLANDS

**MARCH 2016** THE DELEGATION OF LENINGRAD REGION HEADED BY THE GOVERNOR ALEXANDER DROZDENKO PAID A WORKING VISIT TO THE KINGDOM OF THE NETHERLANDS

THE VISIT WAS ORGANIZED TOGETHER WITH THE TRADE REPRESENTATION OF THE RUSSIAN FEDERATION IN THE KINGDOM OF THE NETHERLANDS

**PURPOSE OF THE VISIT** – PRESENTATION OF LENINGRAD REGION AS AN ATTRACTIVE REGION FOR INVESTMENTS , STUDY OF EXPERIENCE OF THE LARGEST PORT COMPLEXES IN EUROPE , MEETINGS WITH DUTCH BUSINESS

## **DURING THE VISIT**

- INVESTMENT POTENTIAL OF LENINGRAD REGION WAS PRESENTED
- SEVERAL MEETINGS WITH REPRESENTATIVES OF BUSINESS COMMUNITY OF THE NETHERLANDS WERE ORGANIZED
- A MEETING WITH THE LEADERS OF **THE PORT OF ROTTERDAM** WAS DEDICATED TO MUNICIPAL MANAGEMENT OF PORT INFRASTRUCTURE
- A MEETING WITH THE LEADERS OF THE PORT OF AMSTERDAM – 4TH PORT IN EUROPE IN TERMS OF CONTAINER HANDLING AND 2ND PORT COMPLEX IN TERMS OF CARGO TURNOVER IN THE NETHERLANDS



## **COOPERATION PROPOSALS:**



ESTABLISHMENT OF A SELECTION AND GENETICS CENTRE FOR POTATO FARMING AND A SELECTION AND GENETICS CENTRE FOR ANIMAL HUSBANDRY WHERE FARMERS AND STUDENTS CAN RECEIVE TRAINING



ESTABLISHMENT OF A PORT LINE "UST -LUGA – AMSTERDAM " FOR TRANSPORTATION OF BULK CARGO (GRAIN )



DEVELOPMENT OF WAREHOUSES AND ORGANIZATION OF LOGISTICS SERVICES NEAR UST-LUGA

# UST-LUGA PORT AND INDUSTRIAL ZONE



## 12 TRANSSHIPMENT COMPLEXES, INCLUDING:

- LPG TRANSSHIPMENT
- BULK CARGO
- UNIVERSAL TRANSSHIPMENT
- COAL TRANSSHIPMENT
- CONTAINER TERMINAL
- ROAD -RAIL FERRY



## INDUSTRIAL ZONE UST-LUGA

THE LARGEST PROJECT FOR DEVELOPMENT OF OIL, GAS AND CHEMICAL CLUSTER  
 PLANNED GAS SUPPLY CAPACITY :  
**5.7 BILLION M<sup>3</sup> PER YEAR**  
 NORD STREAM (2ND PHASE )  
 DIRECT FERRY LINE WITH ZASSNITZ

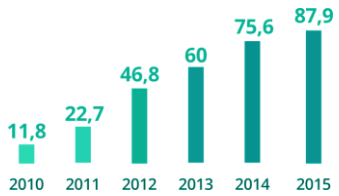


## POTENTIAL RESIDENT

- BALTIC UREA PLANT – PRODUCTION GRANULAR UREA AND LIQUID AMMONIA FROM NATURAL GAS
- BALTIC METHANOL PLANT – PRODUCTION OF METHANOL



## CARGO TURNOVER OF THE PORT, MILLION TONNES



THE ONLY PORT OF THE BALTIC SEA FOR VESSELS WITH **160 THOUSAND TONNES** DEADWEIGHT

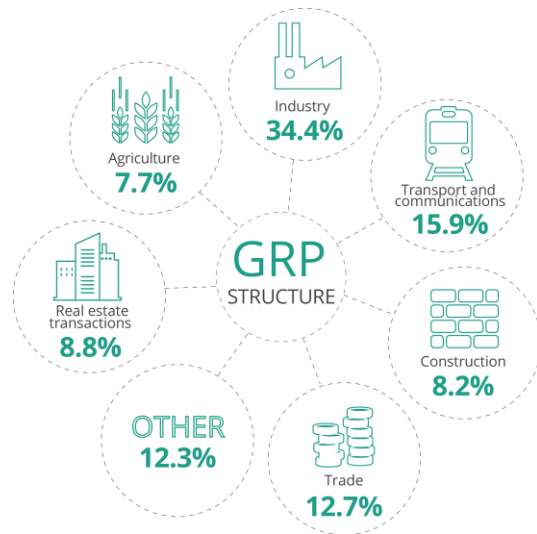


THE PORT WORKS **ALL YEAR ROUND**



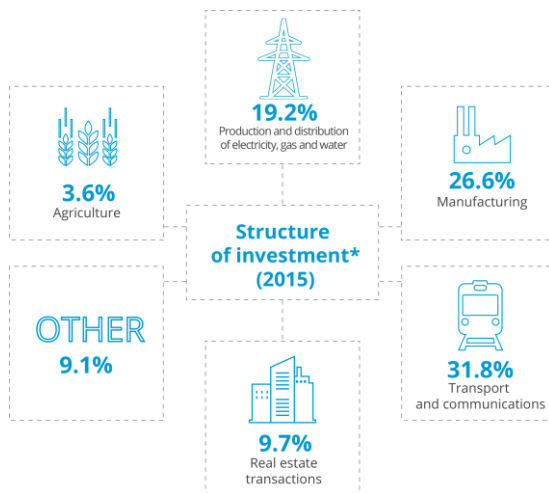
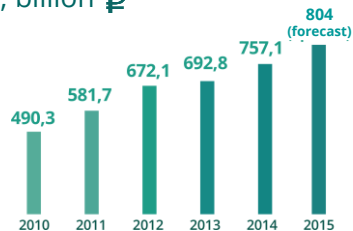
WATER DEPTH – **16 M**

# ECONOMY AND INVESTMENT CLIMATE



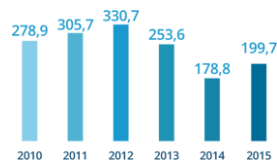
Dynamics of GRP, billion ₺

**GRP growth over 5 years by 67%**

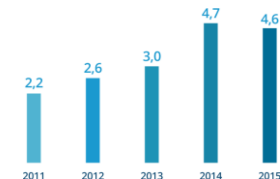


\*except subjects of small business

Investments, billion ₺



Foreign direct investments, billion \$



**ЭКСПЕРТ РА**  
РЕЙТИНГОВОЕ АГЕНТСТВО

## EXPERT RA ratings

Investment rating of the region – **3A1**

Rating of investment risk of Russian regions – **4<sup>th</sup>** place (2015)



## Russian regional investment climate index

Leningrad region – **II** group.  
Regions with comfortable conditions for business.

# CLUSTERS OF LENINGRAD REGION

**AUTOMOTIVE CLUSTER**  
2<sup>nd</sup> largest in Russia in terms  
of car production



**RADIOPHARMACEUTICAL CLUSTER**  
largest innovation cluster of Northwestern  
Federal District



**SHIPBUILDING CLUSTER**  
development of oil and gas shelf  
and the Northeast Passage



CLUSTERS OF  
LENINGRAD  
REGION

**BUILDING MATERIALS CLUSTER**  
2<sup>nd</sup> largest construction market  
in Russia



**TRANSPORT AND LOGISTICS CLUSTER**  
provides over 20% of seaports  
turnover in Russia.  
Direct access to European markets

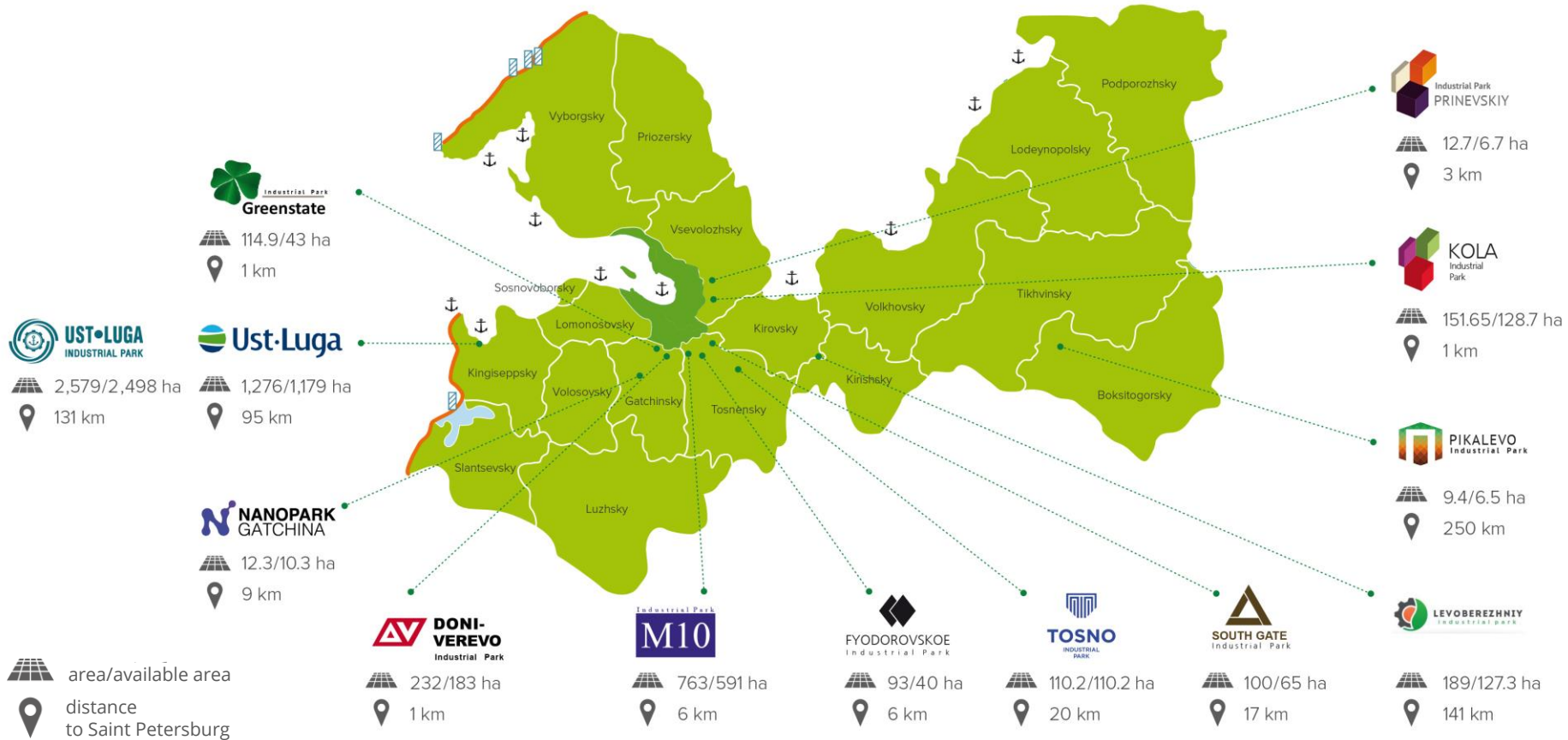


**FOOD INDUSTRY CLUSTER**  
produces over 40% of agricultural  
goods of Northwestern Federal District





# INDUSTRIAL PARKS



# MEASURES OF SUPPORT

## BENEFITS FOR INVESTORS

**REDUCTION OF TAX**

**CORPORATE TAX**  
from 18% to 13.5% (regional part)

**PROPERTY TAX**  
from 2.2% to 0%

**MINIMUM VOLUME OF INVESTMENTS**  
300 million ₺ (FOR SEVERAL DISTRICTS - FROM 50 MILLION ₺)

BENEFITS ARE GRANTED FROM 4 TO 8 YEARS

## BENEFITS FOR TRADING ACTIVITY

**CORPORATE TAX BENEFITS**  
(13,5% instead of 18% included in the budget of Leningrad region)

**SUBSIDY:**

INCOME OF ORGANIZATION	SUBSIDY
up to 10 million ₺	10% of corporate tax
from 10 million ₺ to 60 million ₺	135 thousand ₺ and 20% of corporate tax
from 60 million ₺ to 100 million ₺	1,485 thousand ₺ and 30% of corporate tax
from 100 million ₺	3,105 thousand ₺ and 35% of corporate tax

NO ANALOGUES IN OTHER RUSSIAN REGIONS

## SUPPORT

**INFORMATIONAL AND CONSULTING SUPPORT**

**SELECTION OF AN INVESTMENT SITE ACCORDING TO THE REQUIREMENTS OF INVESTMENT PROJECTS**

**PROVISION OF ENGINEERING AND TRANSPORT SUPPORT**

## BENEFITS FOR INDUSTRIAL PARKS

**REDUCTION OF TAX**

**CORPORATE TAX**  
from 18% to 13,5% (regional part)

**PROPERTY TAX**  
from 2,2% to 0%

**BENEFITS FOR LEASE OF LAND PLOTS**

year	Benefit
1-2	70%
3-4	40%
5-6	10%

BENEFITS ARE GRANTED FROM 1 TO 6 YEARS

# FRONT OFFICE FOR INVESTOR RELATIONS OF ADMINISTRATION OF LENINGRAD REGION



## INFORMATIONAL AND CONSULTING SUPPORT

- information about measures of government support
- information about human resources
- other information required for implementation of investment projects



## SELECTION OF AN INVESTMENT SITE ACCORDING TO THE REQUIREMENTS OF INVESTMENT PROJECTS

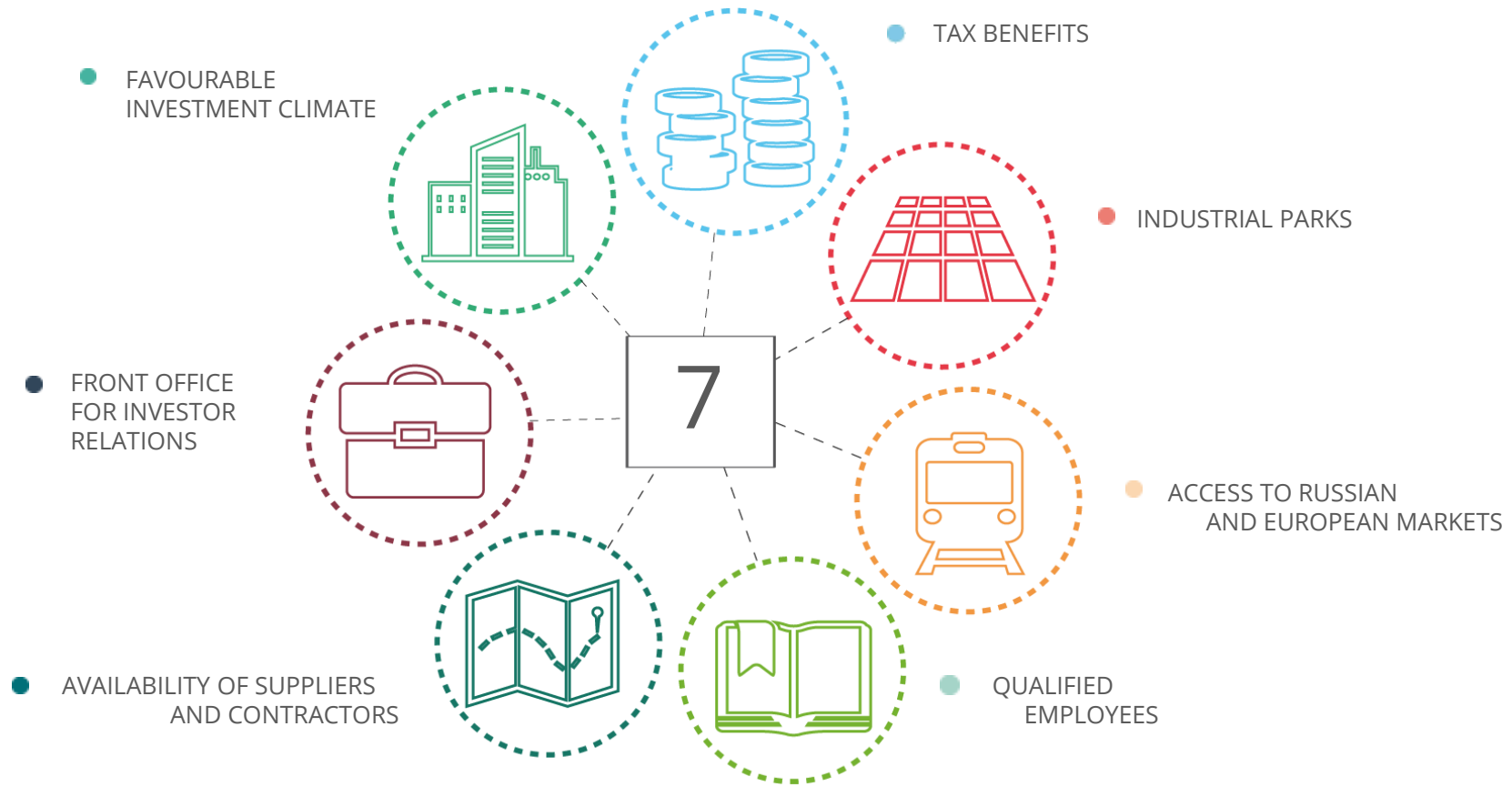
- industrial sites (greenfield/brownfield)
- organization of visits to investment sites



## PROVISION OF ENGINEERING AND TRANSPORT SUPPORT

- analysis of the possibility to provide a land plot with engineering and transport infrastructure
- information about tariffs, etc.

# 7 FACTORS OF SUCCESSFUL INVESTMENT





THANK YOU FOR YOUR ATTENTION!