



Investment potential of the Pskov Region

Pskov region – Western gateway to Russia

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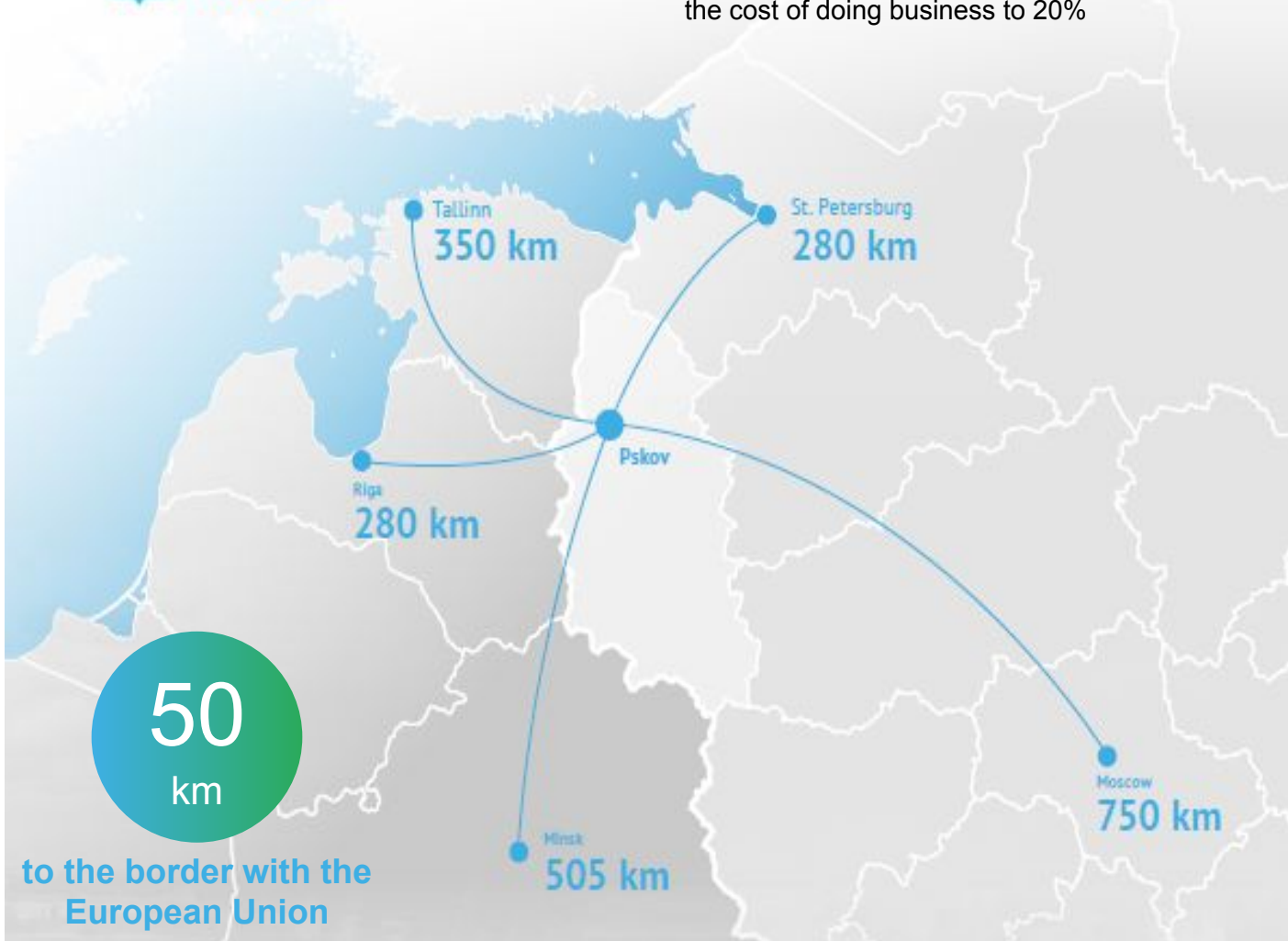


Pskov Region
Investment Development
Agency



Western gates to Russia

The effective ratio of the comfortable transport accessibility, availability of infrastructure and low-cost resources will allow investors to reduce the cost of doing business to 20%



Proximity to the Baltic Sea ports

Proximity to major markets of European Union and Russia

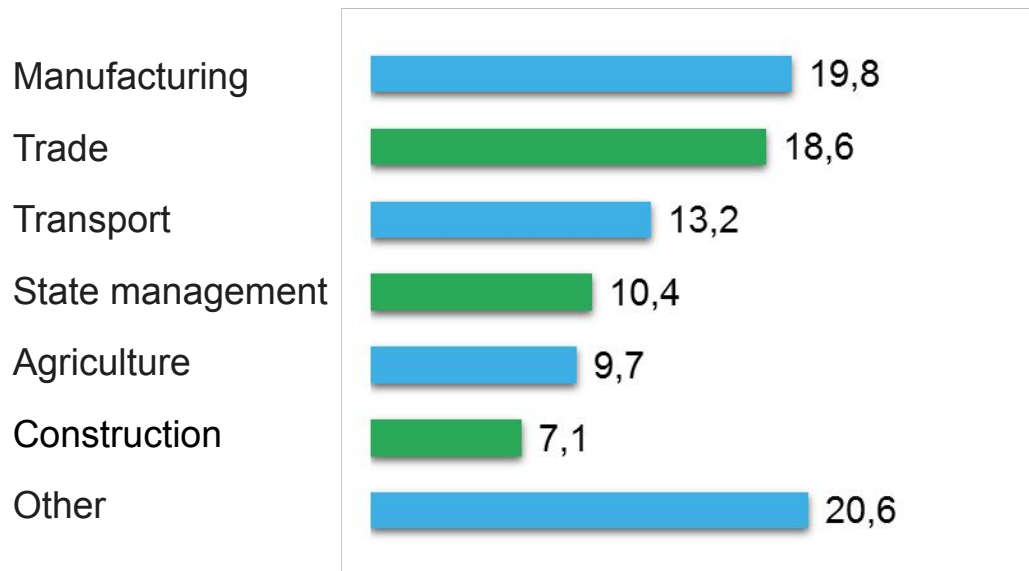
High potential for business development

Developed infrastructure and logistics

Availability of human resources

Federal project of SEZ “Mogilino”

Structure of gross regional product



68

investment projects on
support

900
mln.
euro

total investment of the
projects

One stop shop service

- 1 Individual support of an investor at all stages of project implementation
- 2 Special support measures in strategic sectors (tax privileges, subsidies)
- 3 Quick search of land
- 4 Consultation and assistance in resolving issues of land registration
- 5 Consultation and assistance in resolving issues related to connection to the engineering infrastructure
- 6 Interaction with executive authorities, infrastructure organizations

Tax benefits

13,5

%
Preferential
income tax

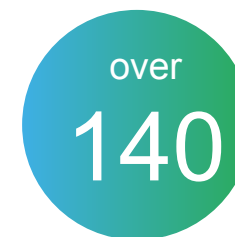
0,01

%
Preferential
property tax

The structure of foreign investments by economic activity



countries
trading-partner



foreign
enterprises

«YURA Corporation»

Production of
automotive components



«Dula-Werke Dustmann & Co. GmbH»

Production of furniture and
commercial equipment



«Trierenberg Holding AG»

Paper production



«Storch-Ciret Holding GmbH»

Manufacture of
painting tools



«Nor-Maali Oy »

Manufacture of paints
and varnishes



«B. Braun»

Medical services



25

projects

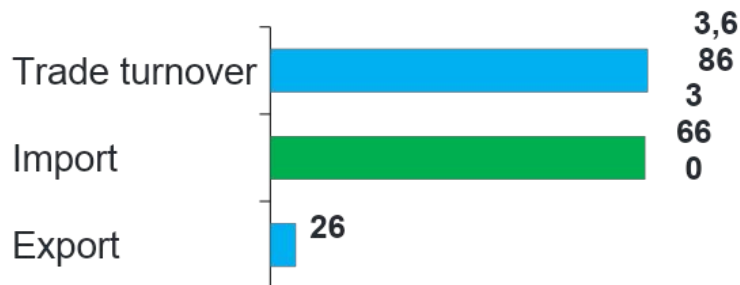
14

mln.euro

total
investment

Pskov region is one of the leaders in the programs of cross-border cooperation with EU countries

Foreign trade turnover of the Pskov region with the Kingdom of Denmark (2016), thousand dollars

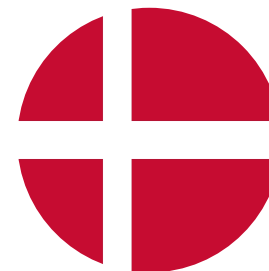


Import

1. Оборудование и механические устройства
2. Пищевые продукты
3. Электрические машины и оборудование
4. Древесина и изделия из нее
5. Изделия из камня
6. Изделия из черных металлов

Export

1. Оборудование и механические устройства
2. Электрические машины и оборудование
3. Древесина и изделия из нее



The traditional priority area of cooperation - agriculture

«SAERIMNER»

Pig-breeding complexes



«Trigon Agri»

Ферма КРС «Добручи-2»



Affordable infrastructure



Availability of electricity, gas, water and land lots for the needs of the business at affordable rates

Human resources



Average monthly salary, euro:
Industrial engineer – 400 euro
Industrial worker – 320 euro

Availability of vacant areas



Sites: from 3 000 to 33 000 m²
For the production, warehouses,
workshops, offices
Cost of rent per month:
2 - 4 euro/m²

Customs infrastructure

1. 9 checkpoints on the border with Estonia, Latvia, Belarus
2. Customs clearance – 24 hours

Logistics terminals and warehouses

1. 10 transport and logistics terminals
2. 13 warehouses for temporary storage
3. Bandwidth TLT: more than 2,200 transport units/day
4. The possibility of increasing the load TLT: 80%

Automobile transport

1. More than 80 trucking companies
2. Truck fleet of over 1000 units

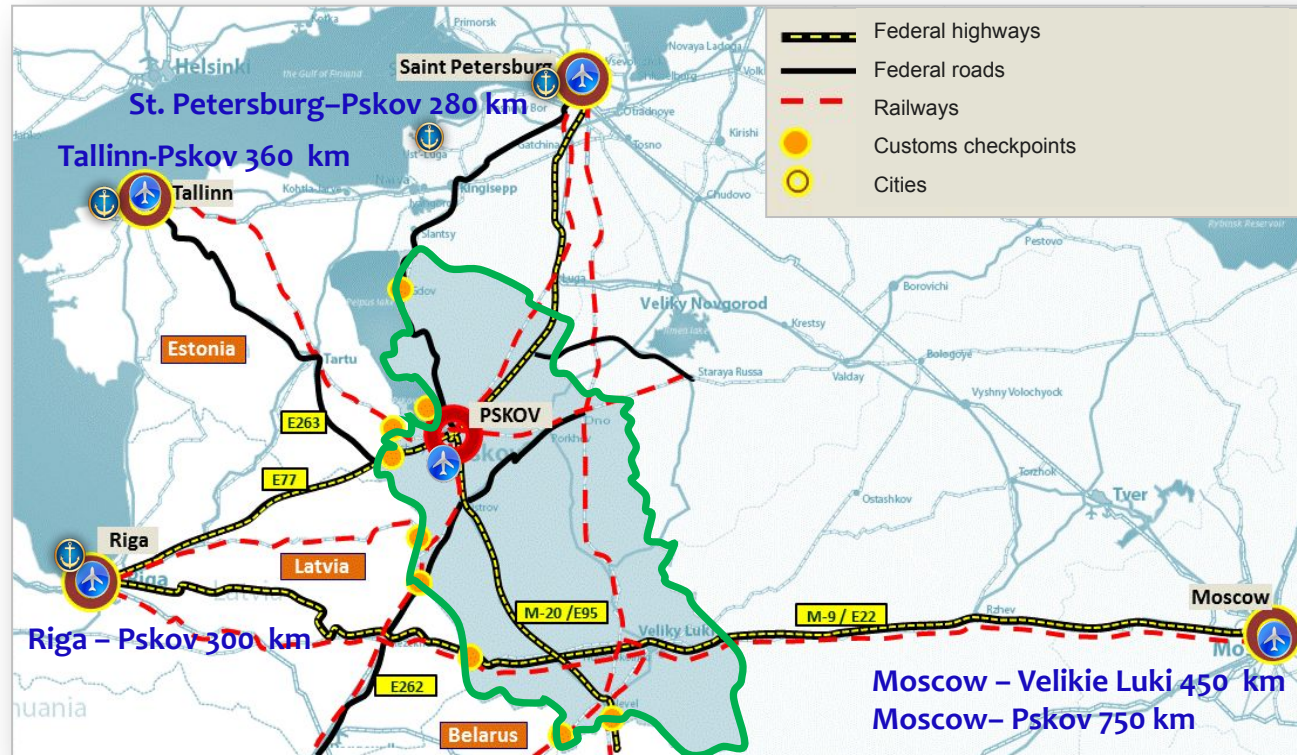
Railway transport

1. 112 train stations
2. 4 junction stations
3. 3 border station
4. Bandwidth of the railway checkpoint: over 55 railway trains/day
5. The possibility of increasing the load of the railway checkpoint: 80%

Airport

Air Cargo Transportation:

1. along the Russia
2. from Europe and Africa



50
km

to the border with the
European Union

Federal support measures

The industry development Fund

Regional support measures

Regional program for supporting industry

Regional industry development Fund

Support of small and medium industrial enterprises

Opportunities for business cooperation

SEZ "Moglino"

Taxes

Tax type	Russia/ Pskov region
1. Income tax	Preferential tax - 13,5% to regional budget (ordinary tax 18%) 2% to the Federal budget
2. Property tax	Preferential tax - 0.01 % (ordinary tax - 2.2%)
4. VAT	10%, 18%
5. Personal income tax	13%

The export support center

1. Search partners
2. Training for foreign trade
3. Business advice
4. Organization of business missions for the subjects of small and average business
5. Organization of participation of subjects of small and medium enterprises in exhibitions
6. Market research

Potential

- 1 In the region operate 220 large and medium enterprises
- 2 5% annual growth of industrial production
- 3 20% of volume of investments – industrial production
- 4 Opportunities for cooperation - in Pskov region are producing:
 - electrics;
 - wires and cables;
 - electric welding equipment;
 - Lifting machinery and others.
- 5 The trend towards production localisation
- 6 Import substitution



Directions for business

- 1 Mechanical engineering and automotive industry
- 2 Manufacture of electrical equipment
- 3 Production of auto components
- 4 Manufacture of household appliances and electronics
- 5 Manufacture of agricultural machinery
- 6 Production of communal equipment
- 7 Manufacture of construction materials

Favorable conditions

- Favorable economic-geographical location – large sales market
- Convenient logistics
- Individual support of the investor
- Tax benefits and subsidies
- Fast customs clearance
- Availability of human resources
- Availability of land plots

Large sales market - potential customers

- Close proximity to major industrial production and consumption centers in Russia (Moscow, St. Petersburg), Eastern Europe (Estonia, Latvia) and Belarus
- In the Northwestern Federal District: more than 4 200 industrial enterprises (about 15% of the country's industrial output is produced).
- In the Central Federal District: more than 10,500 industrial enterprises (30% of the country's industrial output)

Potential

- 1 Availability of vacant land plots
- 2 Availability of vacant pastures
- 3 Good soil fertility and yield
- 4 Availability of a rich fodder base for livestock
- 5 High potential for growing fodder crops
- 6 Availability of sites for catching and growing fish



Directions for business

- 1 Construction of cattle farms
- 2 Construction of pig farms
- 3 Construction of rabbit farms
- 4 Construction of sheep farms
- 5 Construction of greenhouses
- 6 Construction of commercial fish farms

Favorable conditions

- Favorable economic-geographical location
– large sales market
- Convenient logistics
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Sales Market - potential customers

Pskov region

- 2 large meat-processing enterprises in the region, one of them is the largest enterprise in the North-West Federal District
- 4 large milk processing plants
- 4 enterprises for processing of grain and vegetables

Neighboring regions, radius €450 km

- More than 300 enterprises for processing meat products
- More than 100 enterprises for processing dairy products
- More than 100 fish processing enterprises
- More than 50 enterprises for processing fruits and vegetables
- More than 50 enterprises for processing grain and cereals
- A well-developed distribution network

Potential and sales market

- 1 Availability of raw materials for production:
 - meat products - 11 farms
 - dairy products - 95 farms
 - products from vegetables and grain-6 farms
 - fish products - 11 farms
- 2 High level of consumption-production of essential goods
- 3 Import substitution
- 4 Access to the main consumption centers in Eastern Europe and Russia is an emerging market, high demand

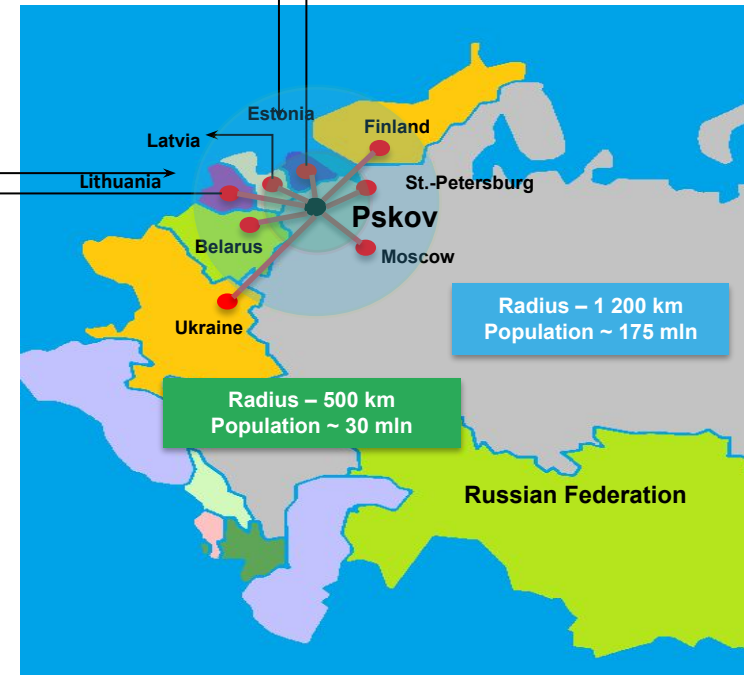


Directions for business

- 1 Production of meat products
- 2 Dairy production
- 3 Processing and conservation of vegetables
- 4 Manufacture of flour and bakery products
- 5 Production of fish products and canned goods
- 6 Manufacture of beverages and brewing industry products
- 7 Manufacture of animal feeds

Favorable conditions

- Favorable economic-geographical location – large sales market
- Convenient logistics
- Individual support of the investor
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- Availability of human resources
- Availability of land plots



Potential

- 1 Availability of demand and requirements for agricultural equipment:
 - there are 186 agricultural enterprises, 244 peasant and more than 80 thousand household plots.
- 2 Opportunities for cooperation-in the region already produced agricultural equipment:
 - powing machinery, plows hinged;
 - trailer trailers and loaders;
 - electrical equipment for agricultural machinery;
 - specialized cargo motor transport.
- 3 The trend towards production localization
- 4 Import substitution



Directions for business

Production:

- 1 sowing and landing machines
- 2 machines for care of crops
- 3 machines for irrigation and irrigation
- 4 cleaning equipment
- 5 forage harrowing machinery
- 6 machinery for animal care
- 7 components and spare parts

Favorable conditions

- Favorable economic-geographical location – large sales market
- Convenient logistics
- Individual support of the investor
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- Availability of human resources
- Availability of land plots

Sales Market - potential customers

- Close location to the main centers of production and consumption of agricultural equipment in Russia (Moscow, St. Petersburg), Eastern Europe (Estonia, Latvia) and Belarus
- In the Northwestern Federal District:
 - more than 700 agricultural enterprises and farms
 - more than 100 enterprises producing agricultural machinery and equipment
 - more than 50 enterprises producing components and spare parts for agricultural machinery

8
km

from Pskov

45
kmfrom the border with
the European Union215
ha

Area of SEZ

49
year

Duration

152
haIndustrial
development area16,
3 ha

Logistics cluster

1 Free customs
zone regime

2 Temporary infrastructure objects are available:
roads and connections to power and water supply (at no charge)

In the SEZ "Mogolino" can be
located:

- 1 Manufacture of electrical and household equipment
- 2 Production of communal equipment
- 3 Production of automotive components
- 4 Production of agricultural equipment

- 5 Production of construction materials
- 6 Production of railway equipment
- 7 Logistics companies
- 8 Pharmaceutical companies
- 9 Automotive companies

Mogolino SEZ



NOR MAALI

Сибирский
гостинец



Lease

from 5 euro/ha/year

Purchase

from 108 euro/ha

Corporate profit

- 0% tax 2013-2019
- 3% 2020-2021
- 10% 2022-2023
- 13,5% 2024 onwards

Land

for 5 years from the registration date

Corporate property

tax for 10 years

0%

Vehicle

tax for 10 years from the registration date

Free customs zone regime

0% VAT
0% Export duty



FOREIGN STATES

Mogliano SEZ

0% Export duty
VAT – refunded by tax authorities



CUSTOMS UNION



0% VAT
0% Import duty
0% Excise



18% VAT
Import duty following customs tariffs

Infrastruktur

Pre-built industrial units

5 000 m²



4-7 euro/m2/mo

Business center

1 800 m²

to lease



8-9 euro/ m2/mo

Industrial infrastructure



Gas supply, power supply, water supply, water removal, roads



Thank you for attention!



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