



SMOLENSK  
REGION

1

WE OFFER GREAT  
OPPORTUNITIES  
TO OUR PARTNERS!





# SMOLENSK REGION

# GEOGRAPHICAL LOCATION

The Smolensk Region is an important transportation and communication hub

68 million people are currently living within a 500-km radius from Smolensk

## Two transport corridors

East-West



E-30 (M-1)  
«Belarus»



A-101 «Moscow-Bobruisk»



major railways



The Yamal-Europe gas pipeline

North-South



A-141 «Oryol-Rudnya»



BPS – II – Baltic Pipeline System



major railways



a new highway "Shanghai-Hamburg" will run through the territory of the Smolensk Region in 2019



Investment development of the Smolensk region

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# SMOLENSK REGION

# COMPETITIVE ADVANTAGES





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# INVESTMENT POLICY



## **We are glad to see large and small investors**

We find an individual approach without reference to the size of the business of the potential investor



## **Administration helps investors**

Administration provides assistance in any situation



## **Single Window Support**

Administration helps to solve all investor's questions



## **We find a common language with foreign investors**

450 organizations with foreign capital conducts their business in the territory of the region

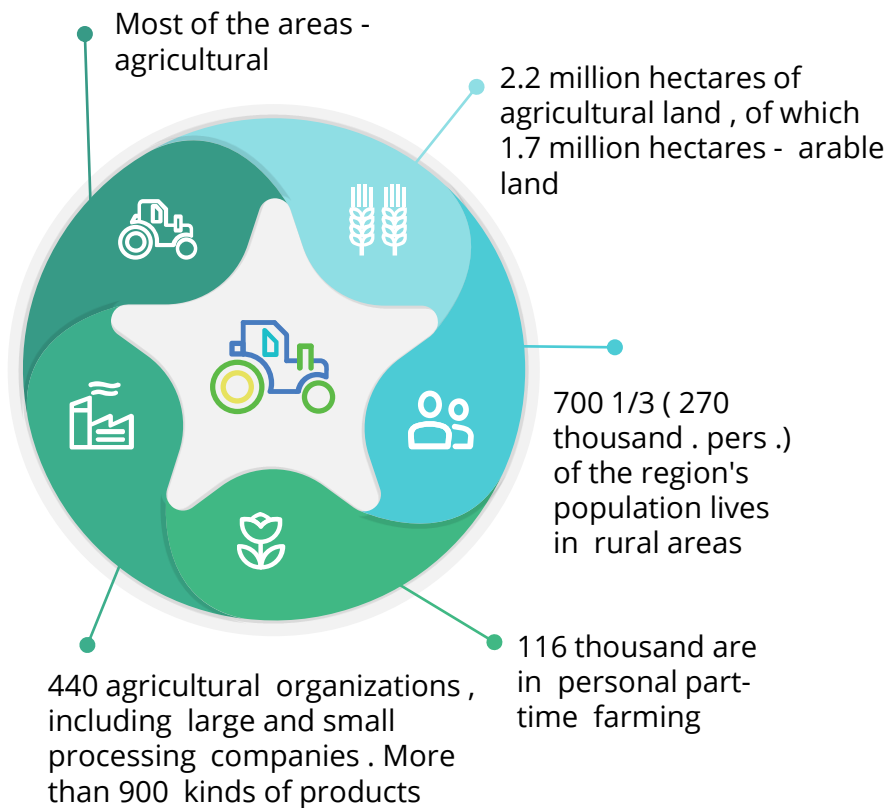


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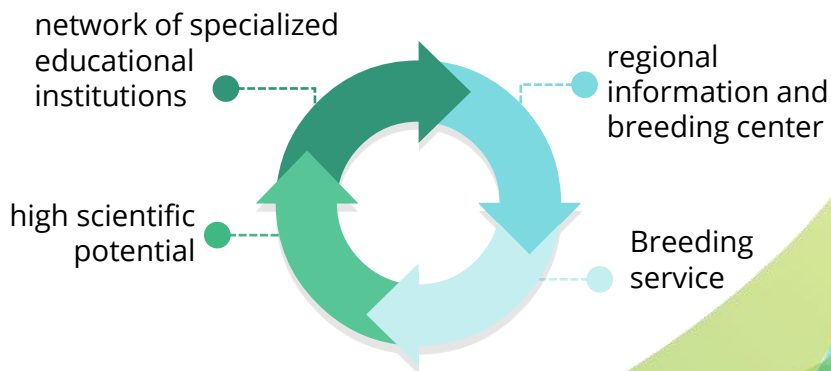
the scope of the system of the region's economy  
7% AIC share in the gross regional product.

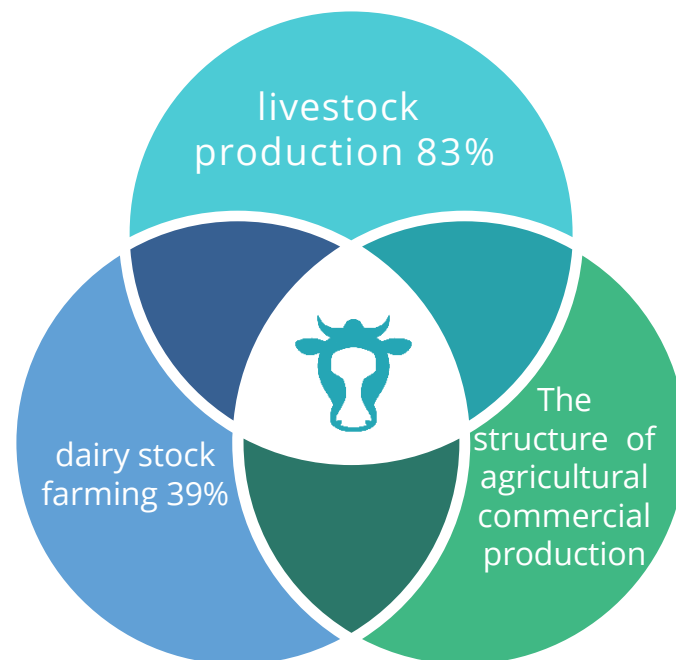


## Main industries

**Crop farming**  
(cultivation of grains, leguminous and fodder crops)

**Livestock**  
(meat and dairy stock farming)





## TO INVEST IN

construction and modernization of livestock farms.  
construction of rabbit farms, poultry and farms for breeding turkeys





## SMOLENSK REGION

# CROP FARMING

Crop farming specializes in the production of grains, leguminous and fodder crops

The region is attractive for the production of flax, canola, potatoes and vegetables

Great development prospects of horticulture cultivation of garden and berry crops

The state testing variety ground for fruit and berry crops

Modern plant for cleaning and preparation of the seeds of perennial grasses , with annual capacity of 2 thousand tons

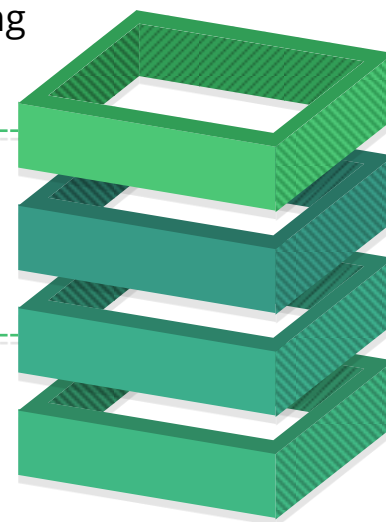
Annually about 100 varieties of national plant breeding experiments are tested

Non-profit partnership to promote the development of flax growing in the Smolensk region «Smolensk linen cluster»

## TO INVEST IN:

Vegetable growing in open grounds and closed grounds

Horticulture and production of medicinal plants



Joint ventures with foreign investors

Flax growing



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**Invest in production of cheese meat,  
fat and canned-vegetable production,  
production of dairy products**

## Companies producing all basic foodstuffs:

- production of cheese.
- manufacturers of flour , meat , fat and canned- vegetable production.
- production of dairy products.
- production of bakery and confectionery products , alcoholic and non-alcoholic beverages and others.



# 1 PLACE

## Dairy industry is a market leader

The region ranks first in the Central  
Region for the production of  
canned and milk powder







## SMOLENSK REGION

# POTENTIAL FOR INTERACTION IN FOOD INDUSTRY

The enterprise has been bought by investors for the organization of production on milk processing from the corporation DANONE



The project of the first stage of production on modernization of production base of the enterprise for processing of 30 tons of milk a day



Search of the strategic investor with rich and successful experience in the branch of FOOD INDUSTRY



## ADVANTAGES OF THE PROJECT



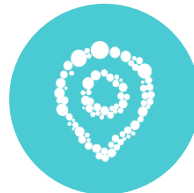
The ready industrial site for food production and supply of raw milk



Full support of the regional authorities at implementation of the project



Presence of skilled staff in the territory of Smolensk



Comfortable geographical location



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# The Group of companies "Khozain"

**ХОЗЯИН®** The Group of companies «Khozain» - one of the lead manufacturers of agricultural machinery in Russia – is seeking for a partner to build a new manufacturing plant to produce a new types of machinery.

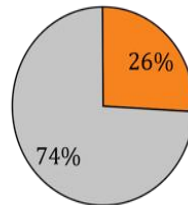
## General information about «Khozain»

- » **Year of foundation:** 2000
- » **Specialization:** cattle machinery
- » **Ownership structure:** 100% private (family company)
- » **Amount of employees:** 186
- » **Annual turnover:** ~13 mln EUR (as of 2016)
- » **Manufacturing area:** 14 ths. sq.m
- » **Dealership:** 74 companies (Russia - 62, Belarus - 1, Kazakhstan, - 4, Ukraine - 3, Moldova - 2, Kyrgyzstan and Uzbekistan -1)

### Current product range



### Company's share at the Russian market, %



- Group of Companies «Khozain»
- other companies

## Project of a new manufacturing plant construction

### Economical and political drivers

- » devaluation of the RUR and reduction of purchasing power regarding foreign machinery as a result;
- » increase of thresholds indicators of national food security planned by the Ministry of Agriculture of Russia for 7-10 years;
- » policy of import substitution stated in 2014 in «Russian national security strategy till 2020»

### Increase in products output, units



### Bringing new products to perspective Russian markets



**Agriculture**



**Municipal and construction machinery**



**Forestry machinery**





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# POTENTIAL FOR INTERACTION IN MECHANICAL ENGINEERING



Electricity



Gas



Water



**POLIMIX** a successor of ZIL`s group of companies

**Potential Partners for  
Bavarian companies  
in Smolensk Region**

Specializes in large output of car and tractor transmission assemblies:

- gearboxes
- wheel planetary reduction gear
- power takeoff

Premises total area - 20,9 ha

Area of all buildings and constructions - 101108 m2



**JSC «Roslavlskiy Avtoagregatnyi Zavod AMO ZIL»**

Plant Products:

- Fasteners
- Brake systems

Premises total area – 40,5 ha

Area of all buildings and constructions - 220000 m2



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# INDUSTRIAL PARKS OF SMOLENSK REGION

## Support measures for residents of the industrial parks :





- Land rent for the construction period – **free**
- Rate for utility connection – **free**



**FENIX**  
Industrial  
park



**SAFONOVO**  
Industrial park

TAX CONDITIONS:	
 PROFITS TAX	<b>3,5%</b>
 LAND TAX	<b>0%</b>
 PROPERTY TAX	<b>0%</b>
 TRANSPORT TAX	<b>0 ₺</b>



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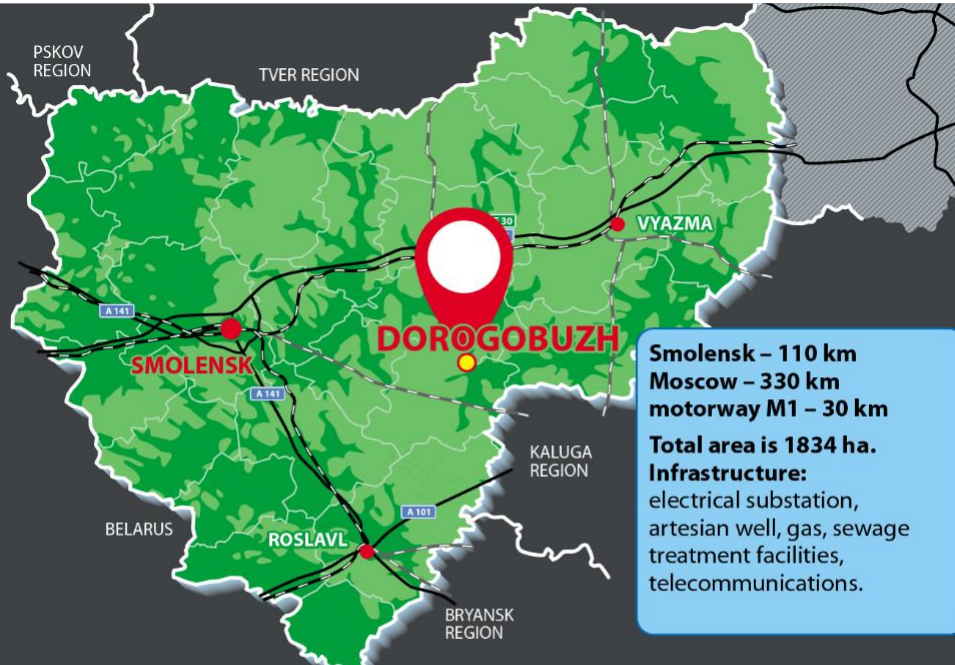
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# Priority social and economic development Area "Dorogobuzh" (PSEDA)

**Priority Social and Economic Development Area** creates comfort conditions for business development and for population.



Smolensk – 110 km  
Moscow – 330 km  
motorway M1 – 30 km

**Total area is 1834 ha.**  
**Infrastructure:**  
electrical substation,  
artesian well, gas, sewage  
treatment facilities,  
telecommunications.



## TAX BENEFITS FOR THE PSEDA RESIDENTS:



INSURANCE PREMIUM

7,6%



CORPORATE INCOME TAX

0%



CORPORATE PROPERTY TAX



LAND TAX

### PSEDA advantages:

- The first PSEDA in the Central Federal District
- Non-profit organization "Fund for Mono-Towns Development" finances:
  - PSEDA residents at annual interest rate of 5% in the amount ranging from 100 mln to 1 bln roubles
  - creating infrastructure of the mono-town
- the best possible benefits and incentives for PSEDA residents
- developed infrastructure



≥ 20  
workers

new  
workplaces



10 years

submission  
period



≥ 20  
mln roubles

investment



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# CONTACTS

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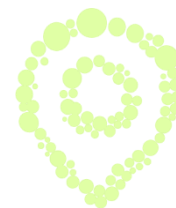
## LLC Corporation of Investment Development of Smolensk region

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THANK YOU FOR YOUR ATTENTION!



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