



Republic of  
**Tatarstan**

**INVEST ► TATARSTAN**

**Banchmarking: Kazan against  
Moscow and Saint Petersburg**

# Why Tatarstan? Tatarstan in different...

**Good governance**

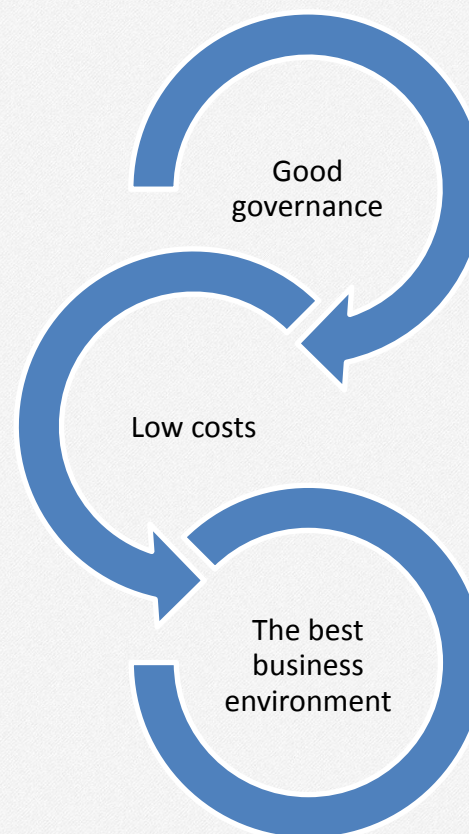
**Low corruption and red tape**

**Skilled and affordable labour**

**Low costs**

**Exceptional living conditions**

**The best business environment**



# Doing Business in Russia 2012

Benchmarks 30 Russian cities.

## 4 areas of regulation

- Starting a business
- Dealing with construction permits
- Getting electricity
- Registering property

These indicators were selected because they cover areas of local jurisdiction or practise.

Measures the impact of the indicators from the perspective of domestic small and medium-size enterprises.

Source: Doing Business in Russia 2012,  
<http://www.doingbusiness.org/reports/subnational-reports/russia>

## Top 10

Ulyanovsk

Saransk

Vladikavkaz

Rostov-on-Don

**Kazan**

Kaluga

Stavropol

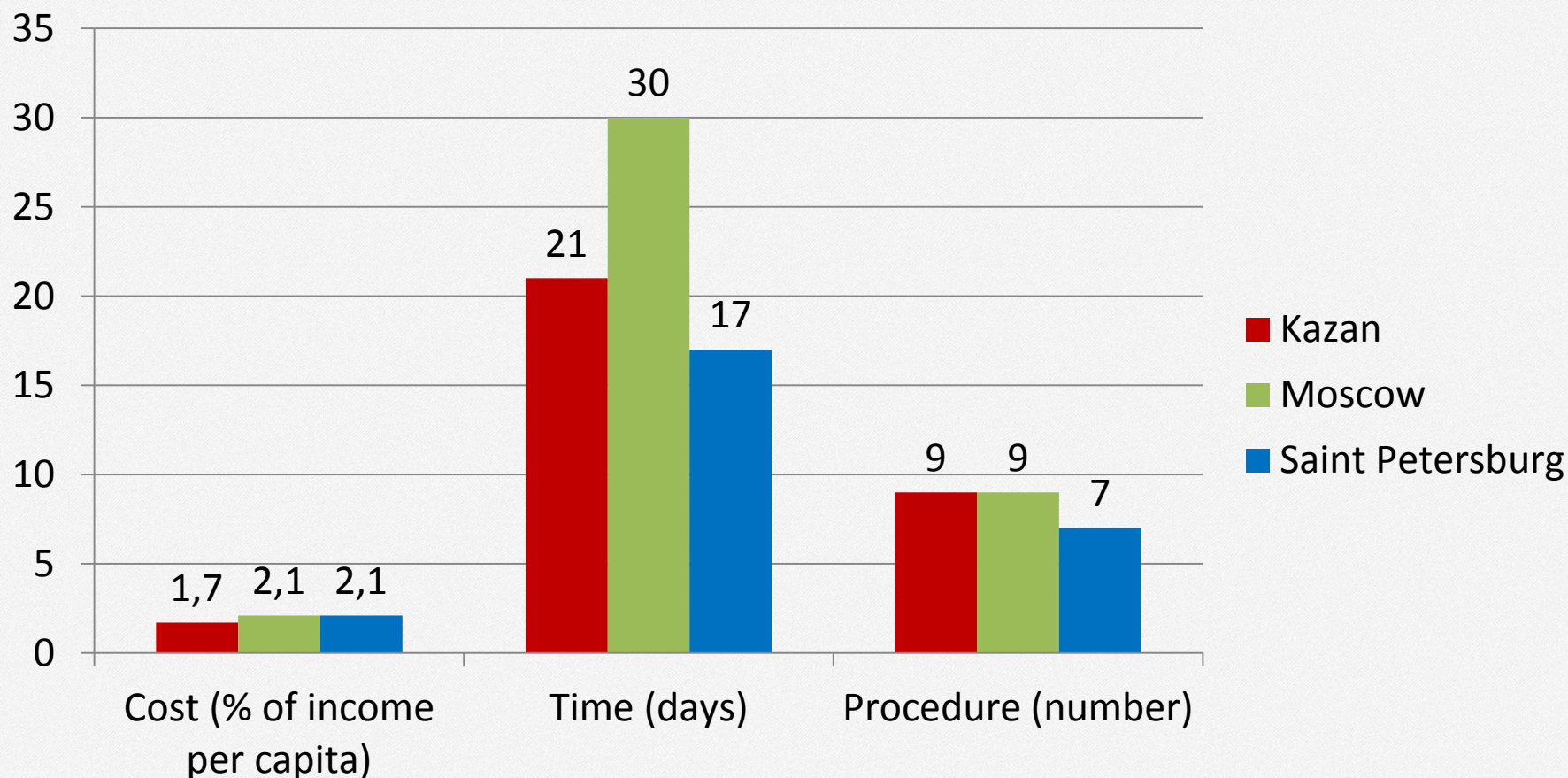
Yaroslav

Surgut

Irkutsk

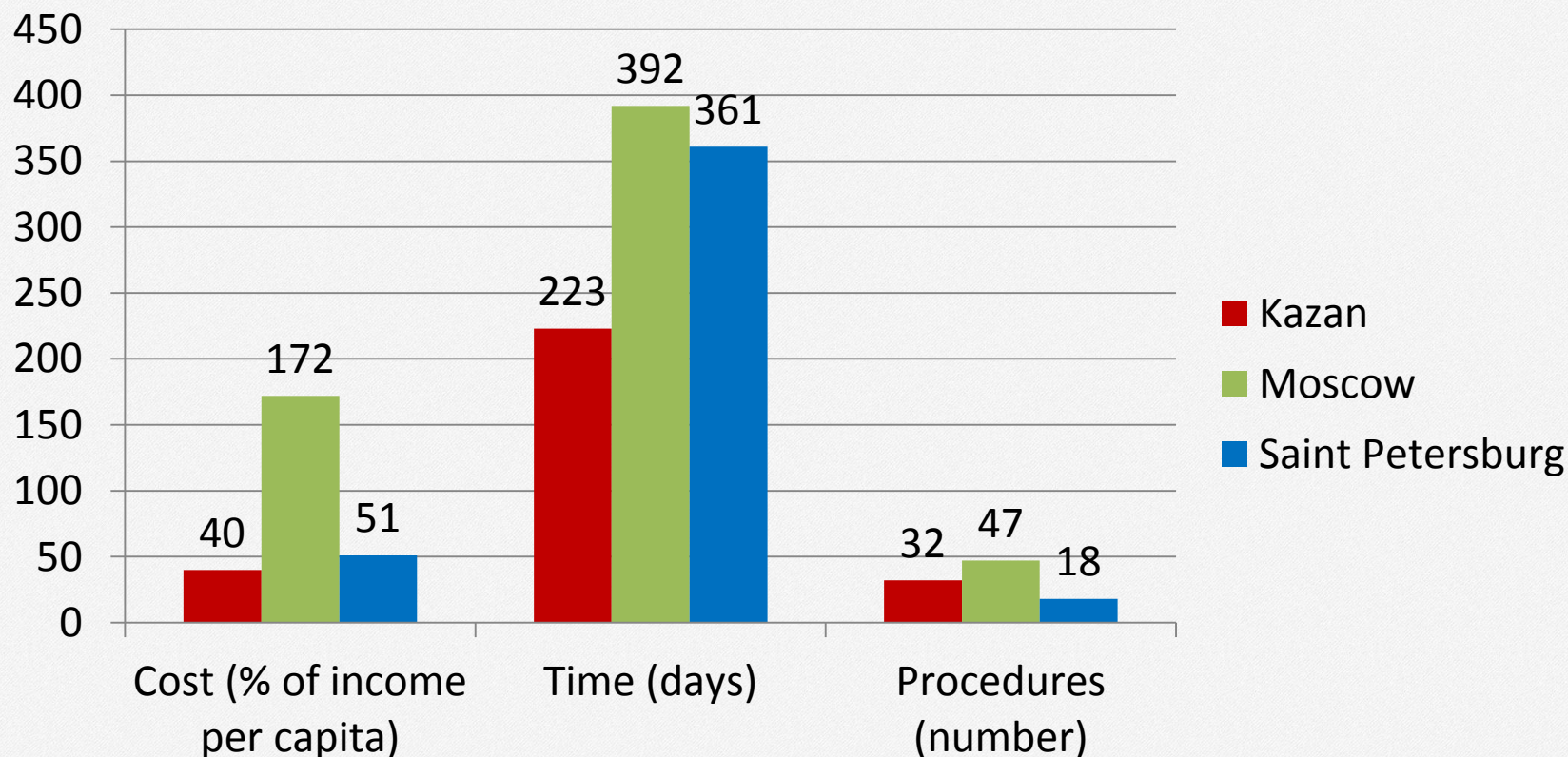


# Ease of starting a business



Source: Doing Business in Russia 2012, <http://www.doingbusiness.org/reports/subnational-reports/russia>

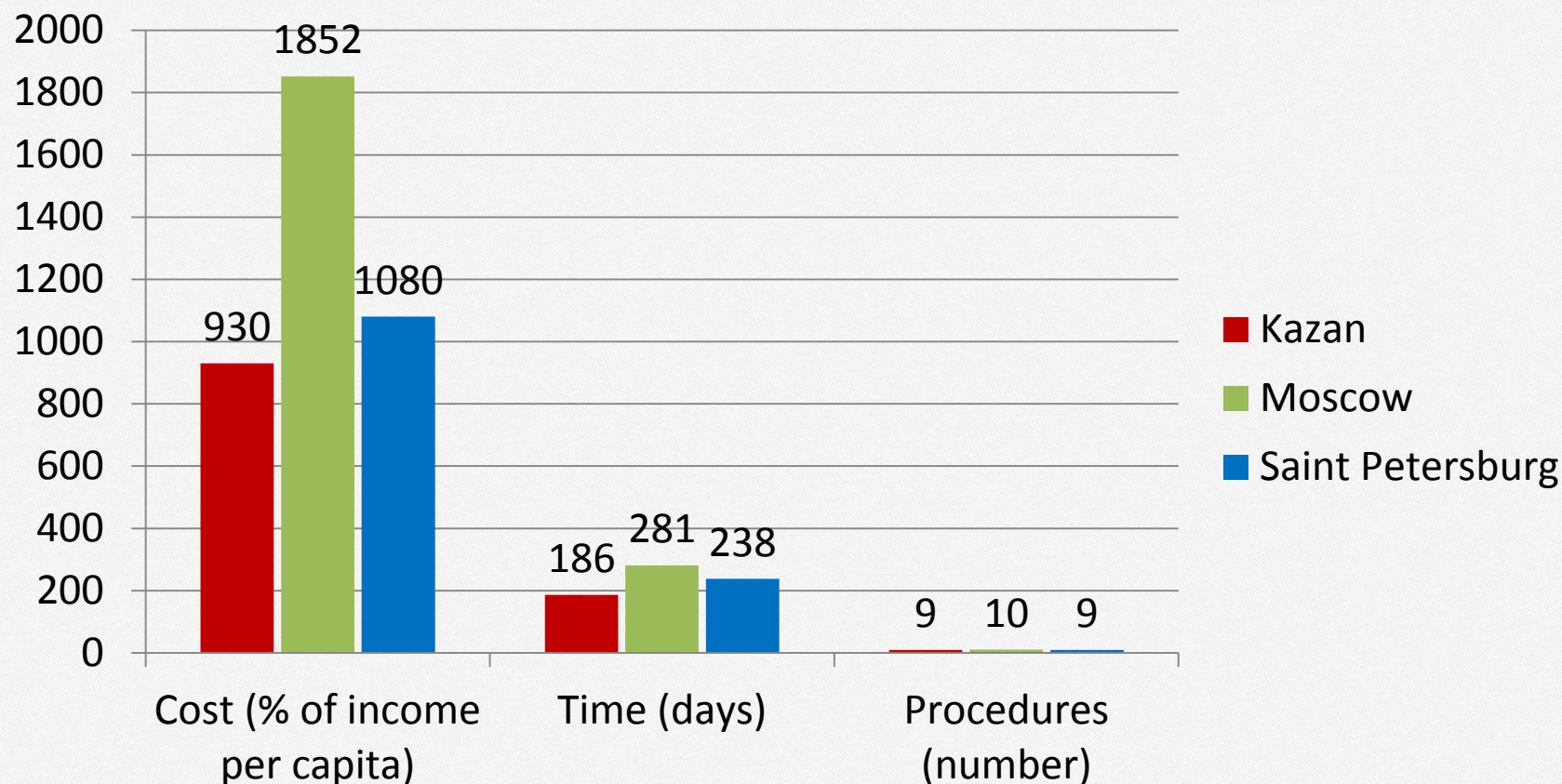
# Ease of dealing with construction permits



Source: Doing Business in Russia 2012, <http://www.doingbusiness.org/reports/subnational-reports/russia>

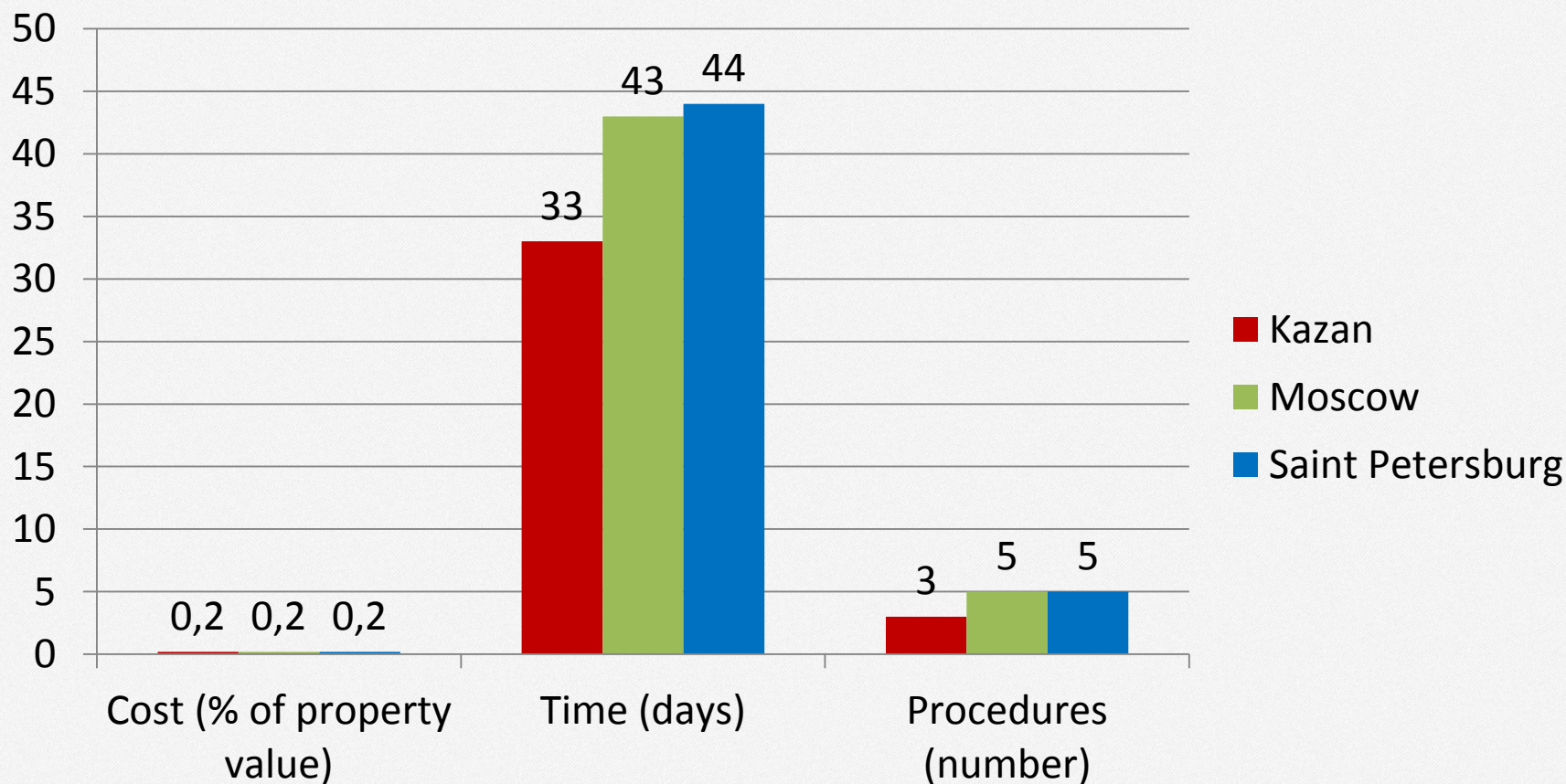


# Ease of getting electricity



Source: Doing Business in Russia 2012, <http://www.doingbusiness.org/reports/subnational-reports/russia>

# Ease of registering property



Source: Doing Business in Russia 2012, <http://www.doingbusiness.org/reports/subnational-reports/russia>



# Ranking (out of 30 Russian cities)

|                                  | Kazan    | Moscow    | Saint Petersburg |
|----------------------------------|----------|-----------|------------------|
| <b>Agregate rank</b>             | <b>5</b> | <b>30</b> | <b>22</b>        |
| Starting a business              | 4        | 25        | 1                |
| Dealing with construction permit | 14       | 30        | 9                |
| Getting electricity              | 17       | 30        | 24               |
| Registering property             | 4        | 26        | 27               |

Source: Doing Business in Russia 2012, <http://www.doingbusiness.org/reports/subnational-reports/russia>



# Business Environment Benchmarking: Tatarstan versus Moscow and Saint Petersburg

## Methodology

- Ernst & Young survey comparing 10 Russian regions based on World Bank methodology
- Businessmen assessed to what extent the given criteria pose an obstacle to doing business
- Used scale is from **0 to 4** where 0 means no obstacle and 4 stands for very serious, harmful obstacle

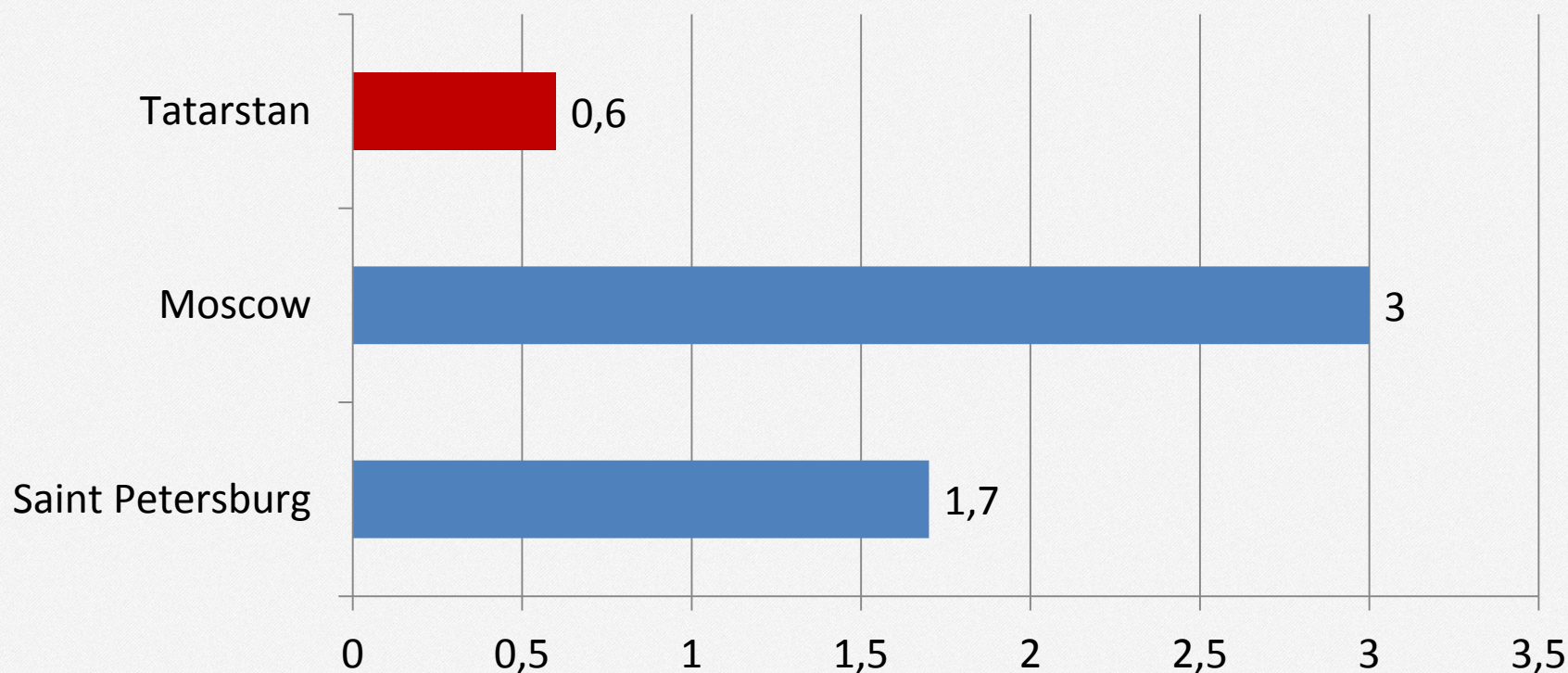
Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.

## Indicators

- Infrastructure – Electric Power Supply
- Custom Rules and Regulation of Import and Export
- Dealing with Authorities: State Inspections
- Dealing with Authorities: Obtaining of Official Certificates
- Tax Rates
- Corruption
- Security Situation
- Shadow Economy
- Judicial System
- Access to Financing
- Labor Law
- Insufficient Qualification of Workforce
- Transport

# Infrastructure – Electric Power Supply

Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle

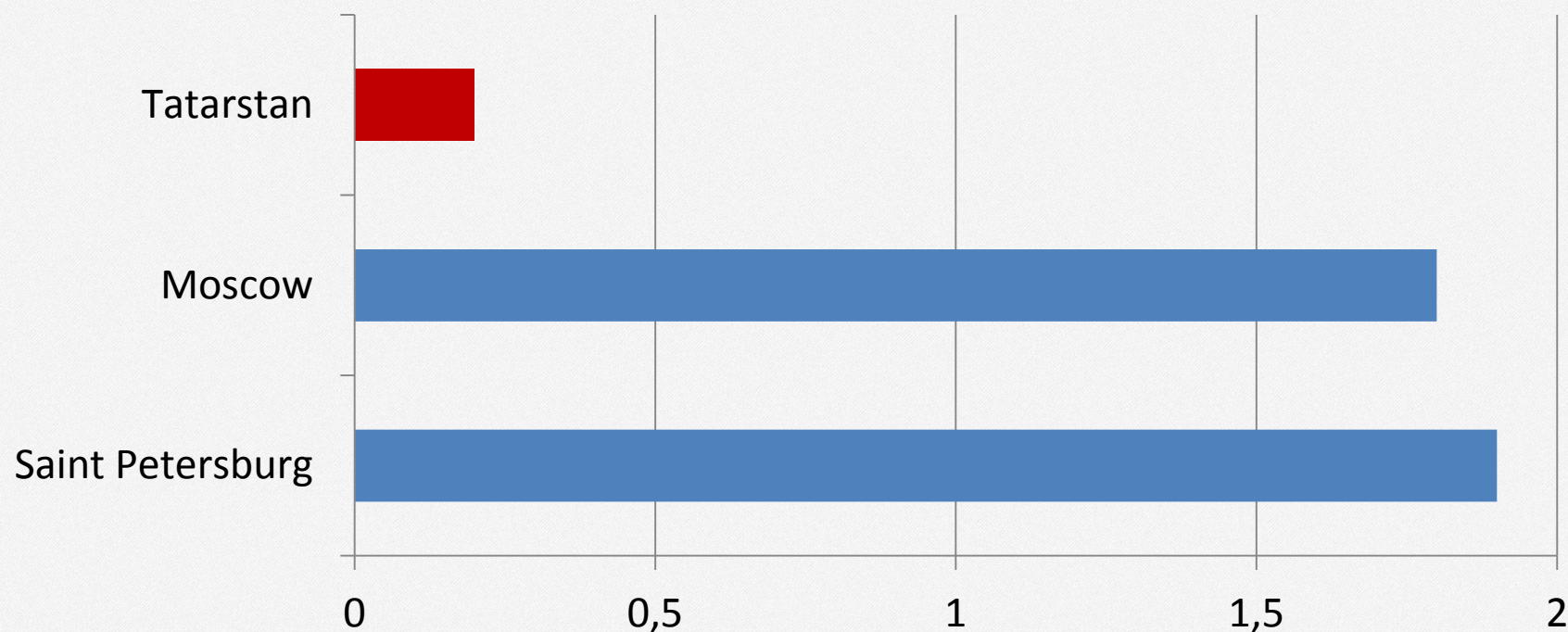


Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.



# Custom Rules and Regulation of Import and Export

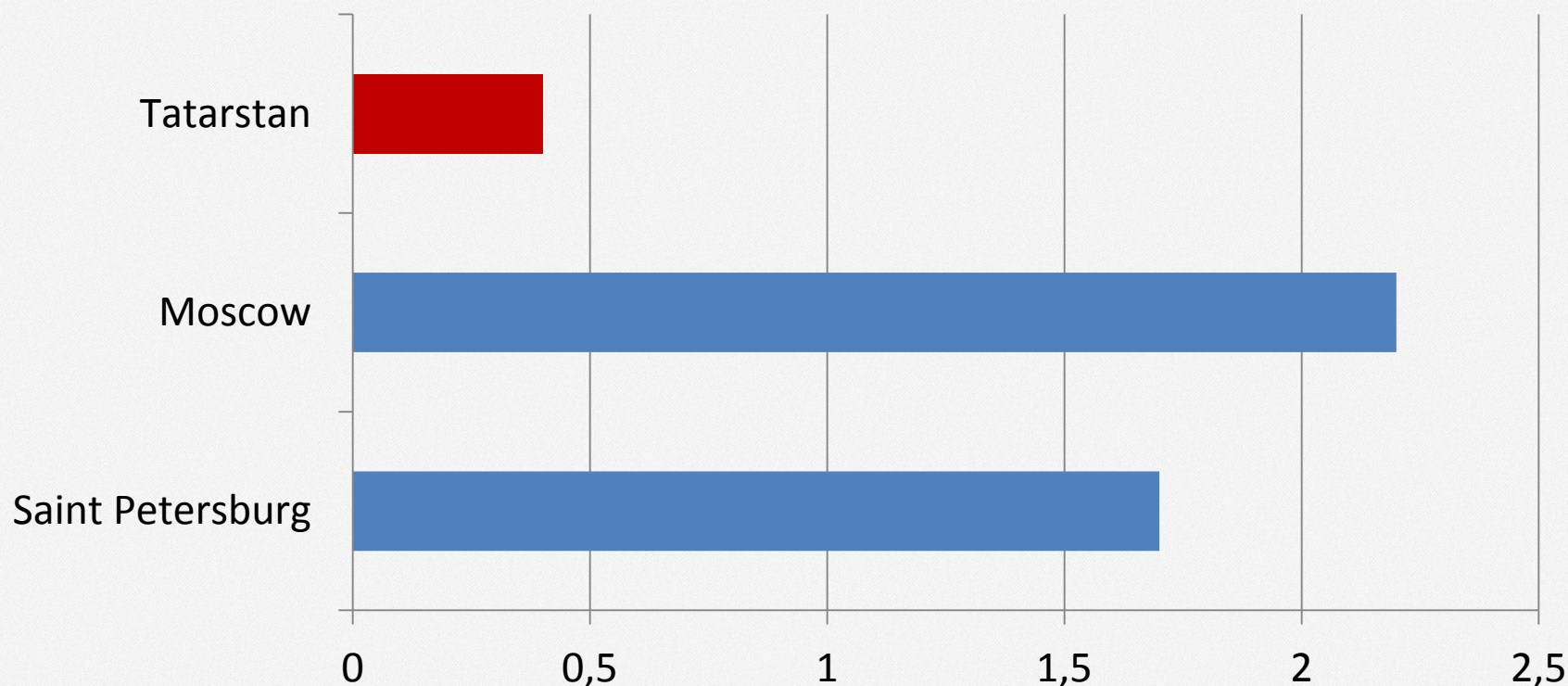
Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle



Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.

# Dealing with Authorities: State Inspections

Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle

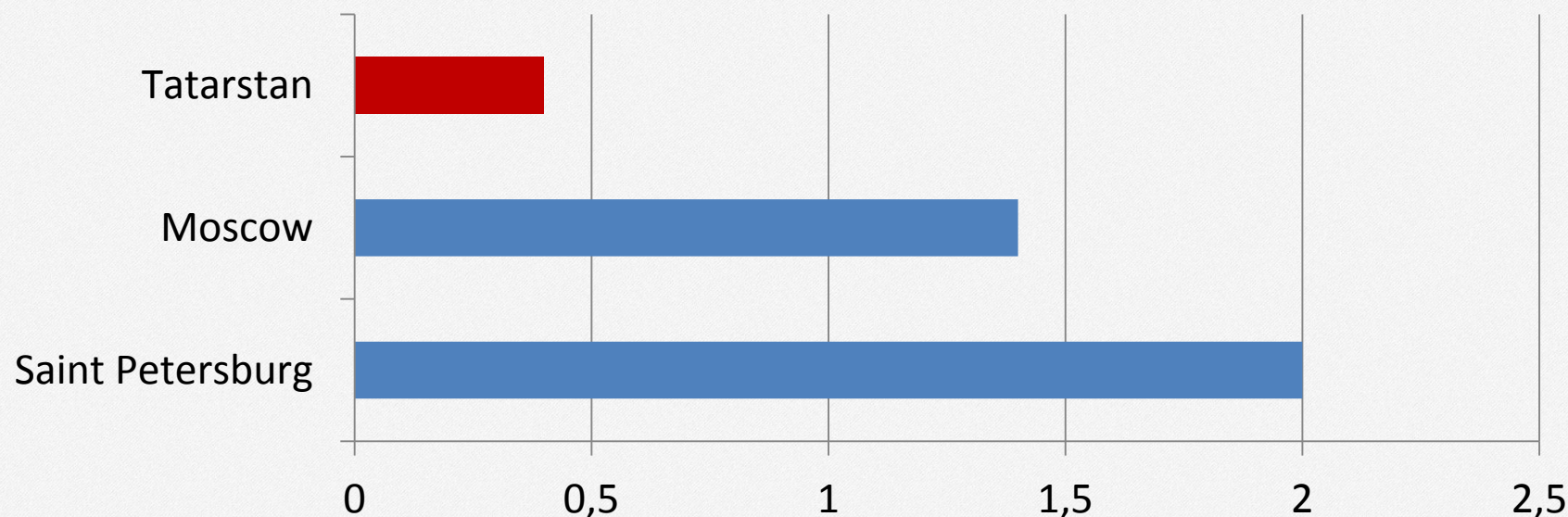


Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.



# Dealing with Authorities: Obtaining of Official Certificates

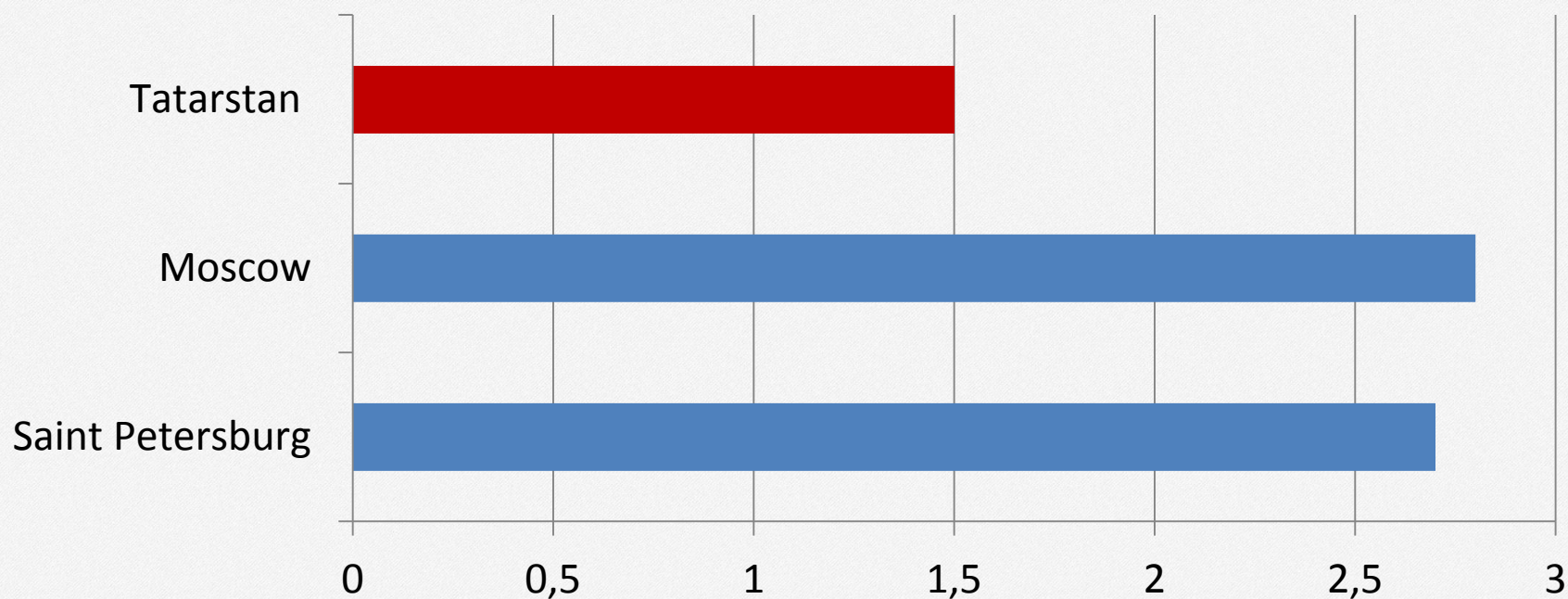
Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle



Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.

# Tax Rates

Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle

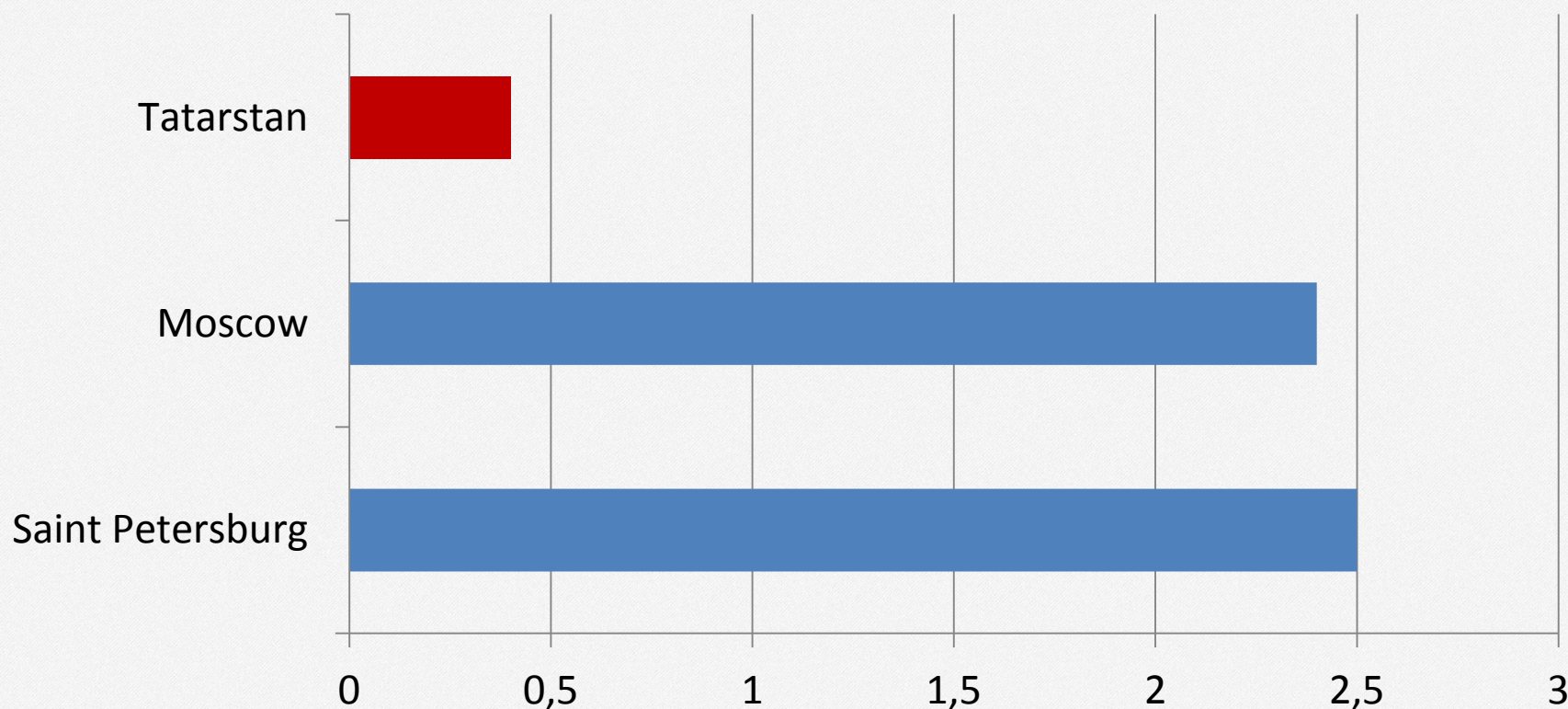


Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.



# Corruption

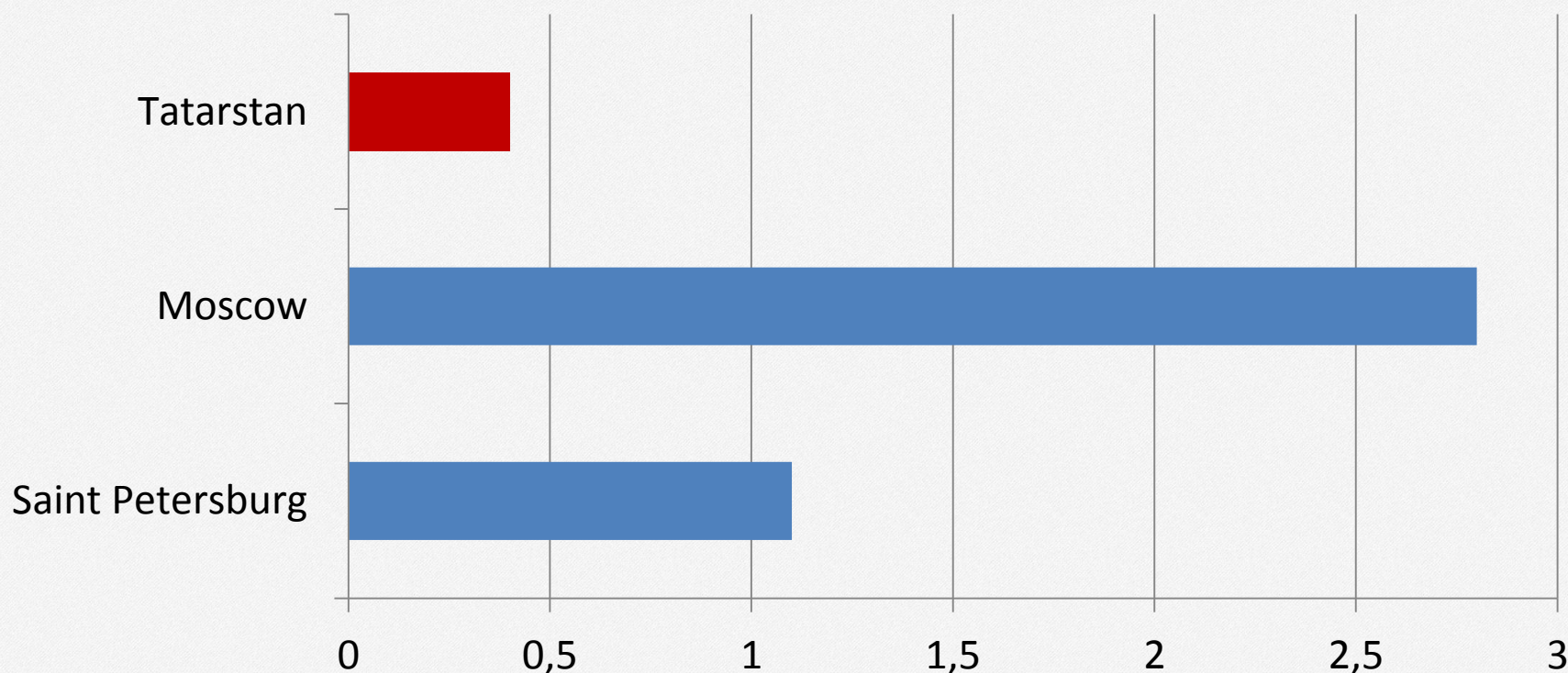
Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle



Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.

# Security Situation

Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle

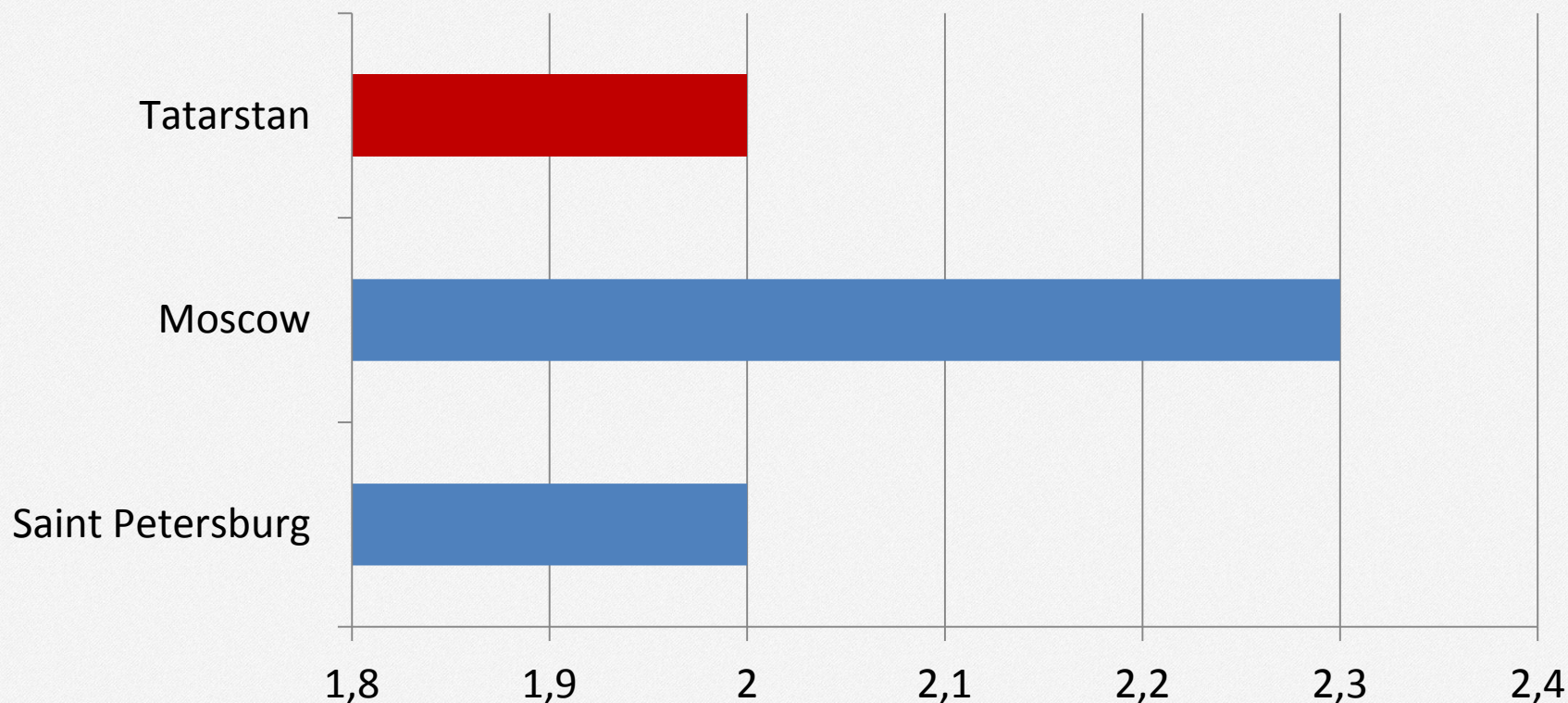


Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.



# Shadow Economy

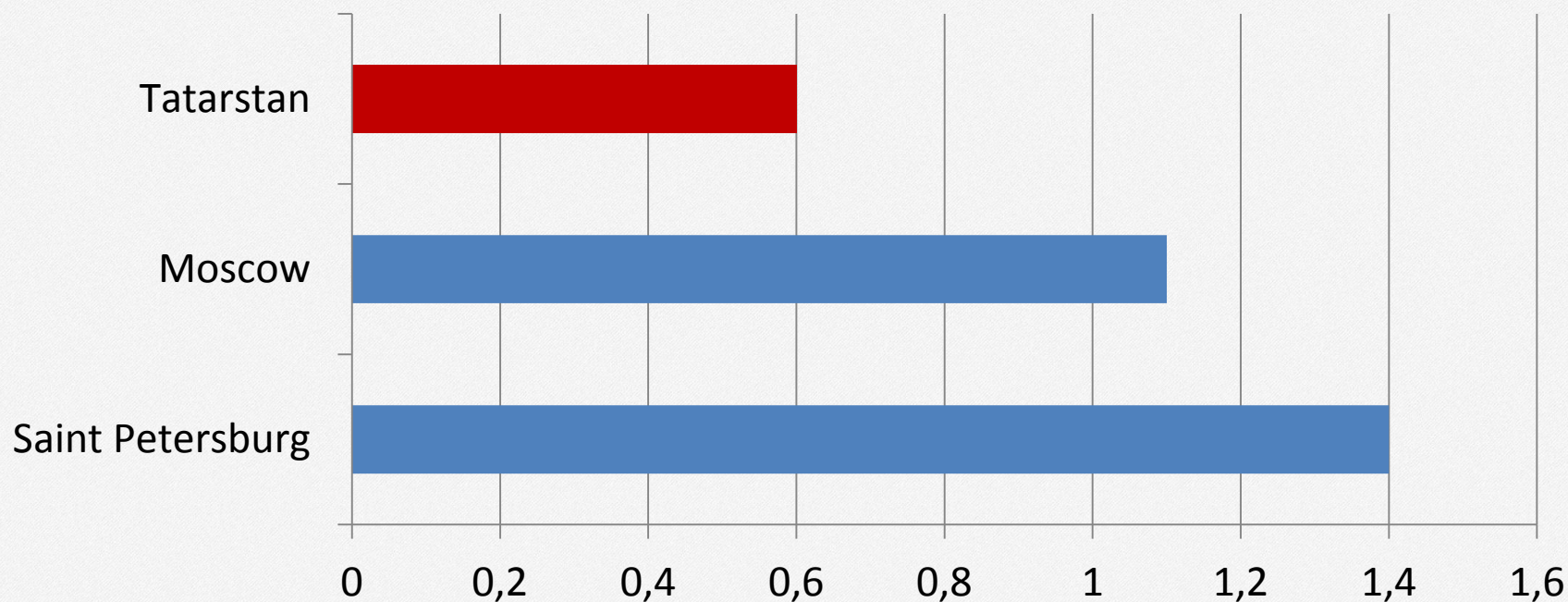
Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle



Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.

# Judicial System

**Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle**

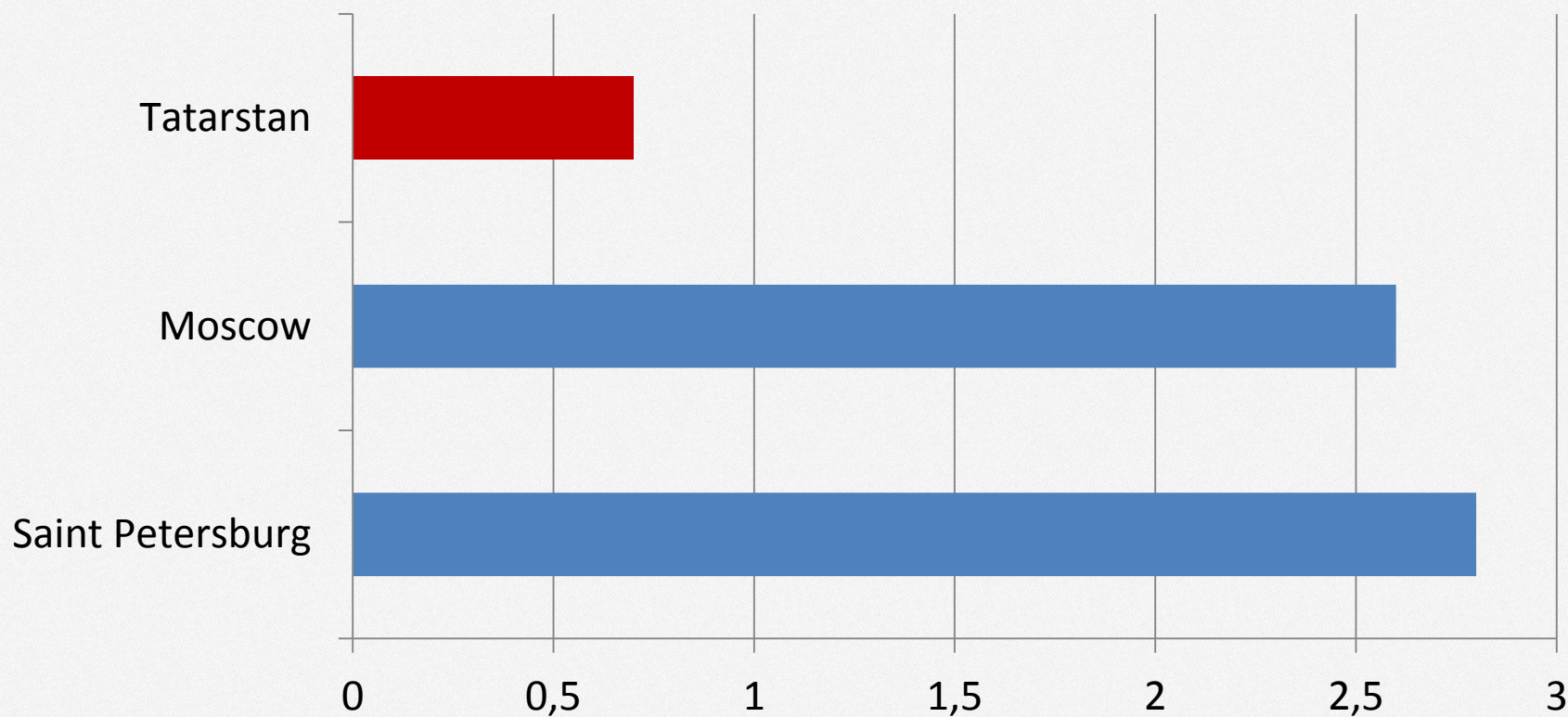


Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.



# Access to Financing

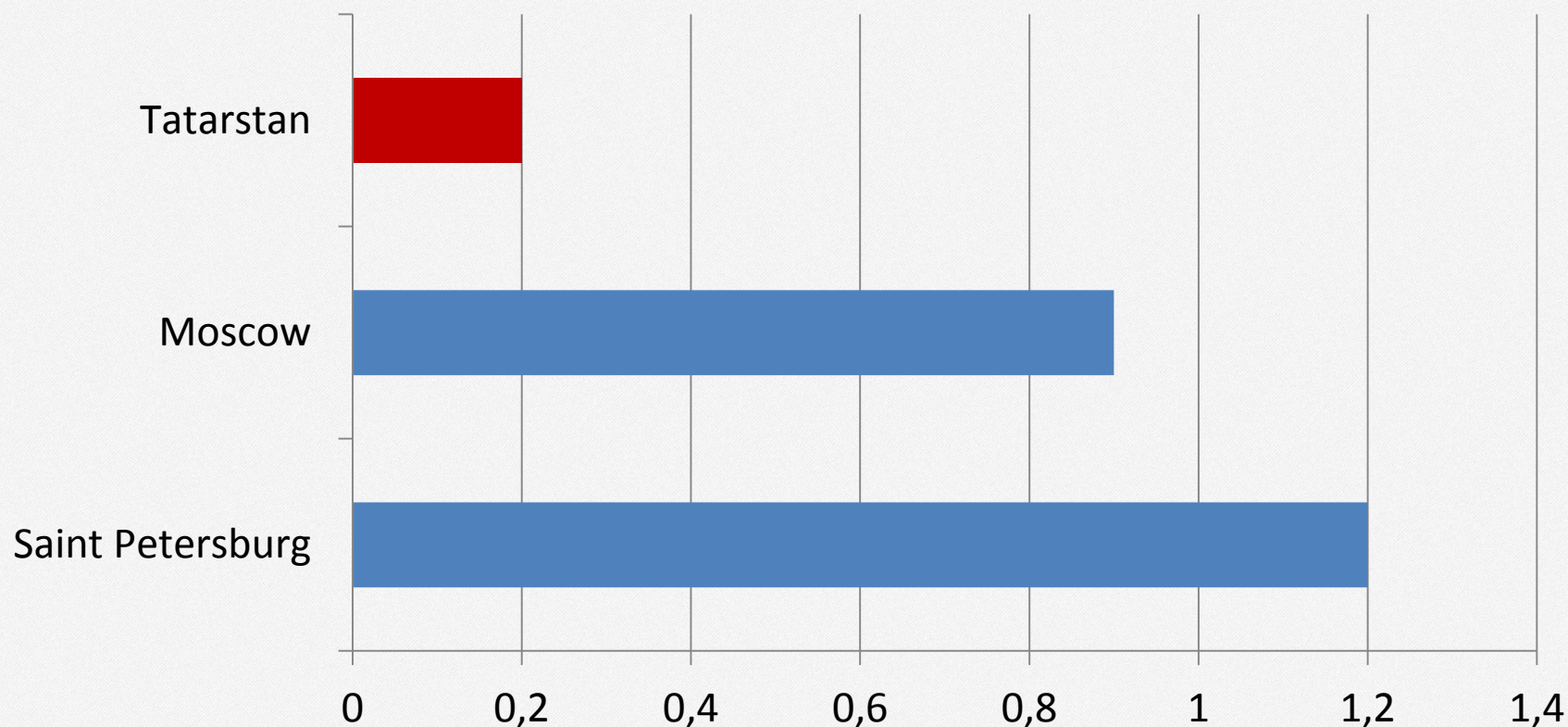
Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle



Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.

# Labor Law

Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle

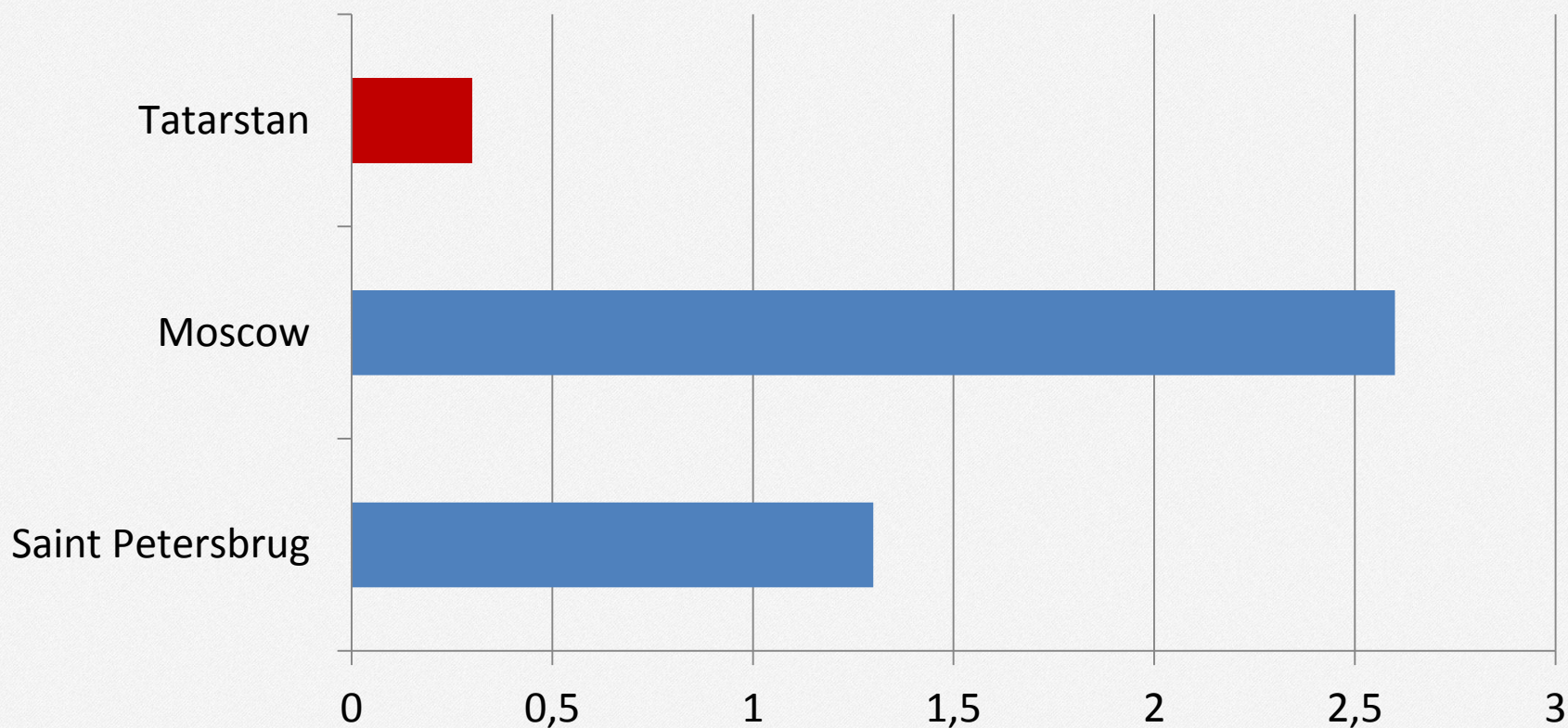


Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.



# Insufficient Qualification of Workforce

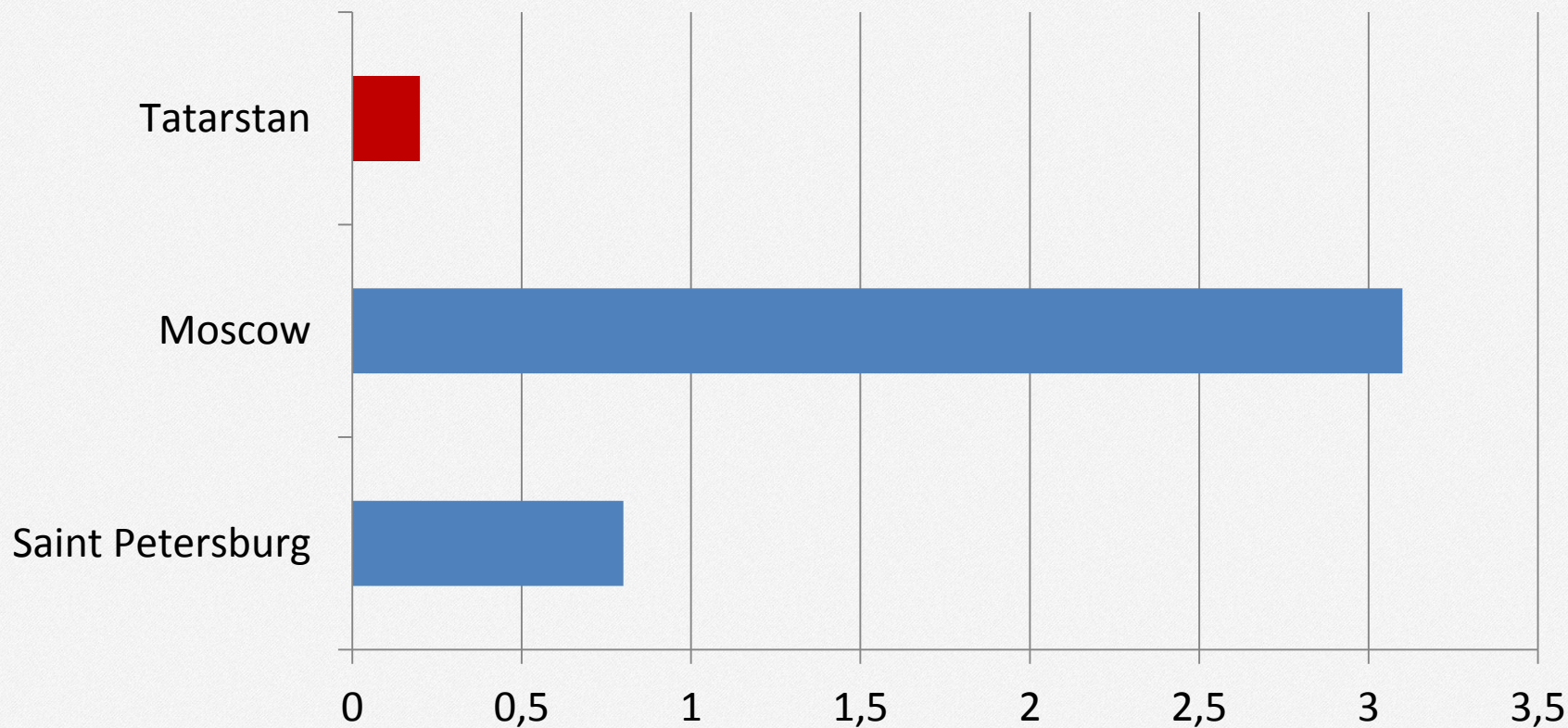
Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle



Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.

# Transport

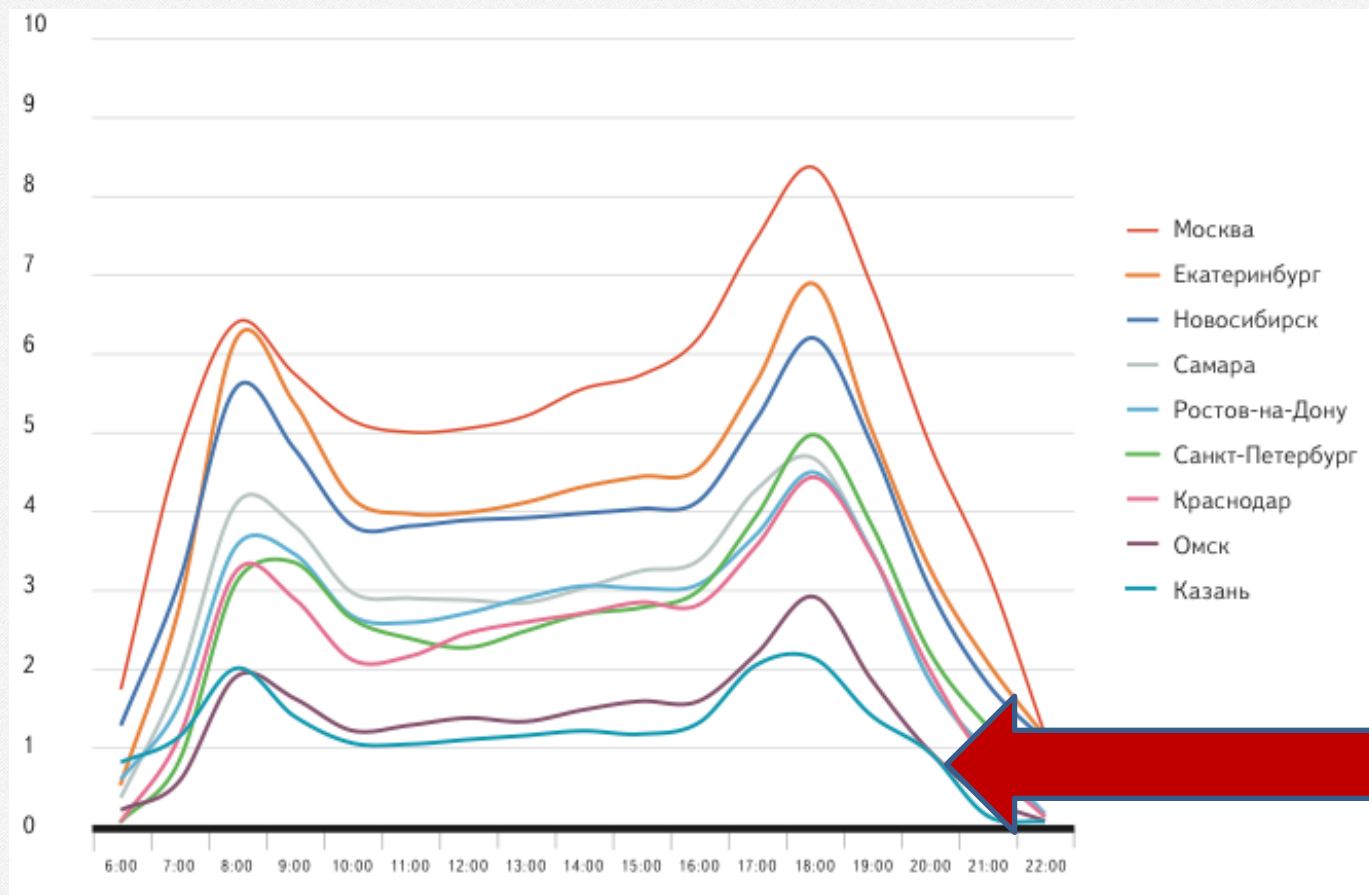
Scale 0 - 4 where 0 = no obstacle at all, 4 = serious obstacle



Source: Ernst & Young. Измерение условий ведения бизнеса в российских регионах, 2011 February.



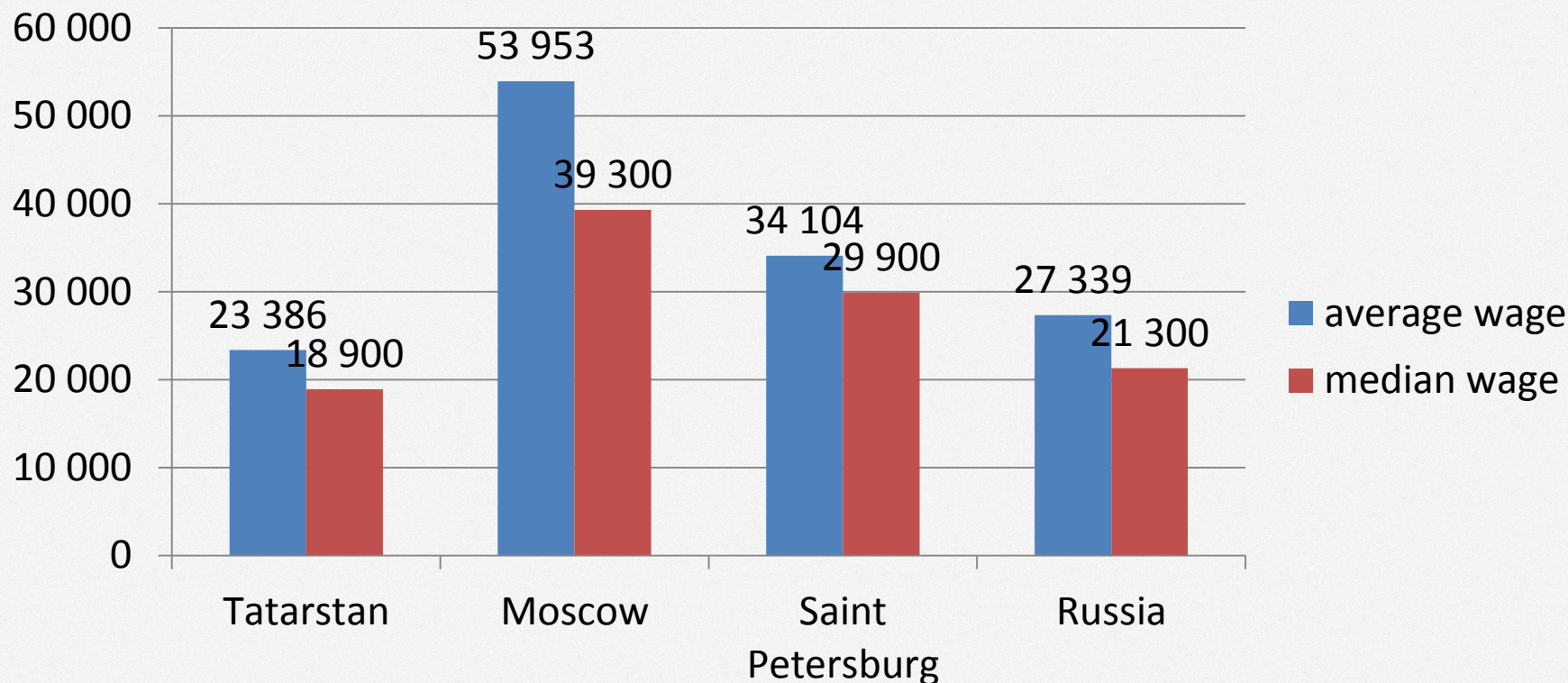
# Traffic Congestion



Source: Yandex.ru, [http://company.yandex.ru/researches/reports/2013/city\\_jams/city\\_jams\\_2013.xml](http://company.yandex.ru/researches/reports/2013/city_jams/city_jams_2013.xml)

# Average Wages

(2013, in rubles)



Source: РИА Рейтинг, [http://riarating.ru/regions\\_study/20131029/610592758.html](http://riarating.ru/regions_study/20131029/610592758.html) and Ministry of the Economic Development of the Russian Federation.



# Tatarstan Is Different – Safe Location Where Innovation Thrives

- One of the most prosperous and innovative regions in Russia.
- Tatarstan has effectively coped with the crisis given to its sound and sustainable business environment.
- Safe and laid-back environment provides exceptional conditions for living and working.
- Short distances and absence of traffic congestions facilitate regional transport.

## Murders or Attempted Murders (2011)

| Region           | Number |
|------------------|--------|
| Tatarstan        | 280    |
| Moscow           | 491    |
| Saint Petersburg | 312    |

Source: Federal State Statistics Service.

# Innovative Economy

(2011)

|   | Kazan   | Moscow  | Saint Petersburg |
|---|---------|---------|------------------|
| Output of innovative goods, services and operations (millions rubles) | 195,968 | 158,892 | 131,899          |
| Share of innovative output in economic turnover                       | 15%     | 4%      | 9%               |
| Expenditures on technological innovations (millions rubles)           | 44,166  | 171,476 | 38,290           |
| Share of organization engaged in innovations                          | 18.1%   | 18.6%   | 18.9%            |

Source: Federal State Statistics Service.



# Rental Rates

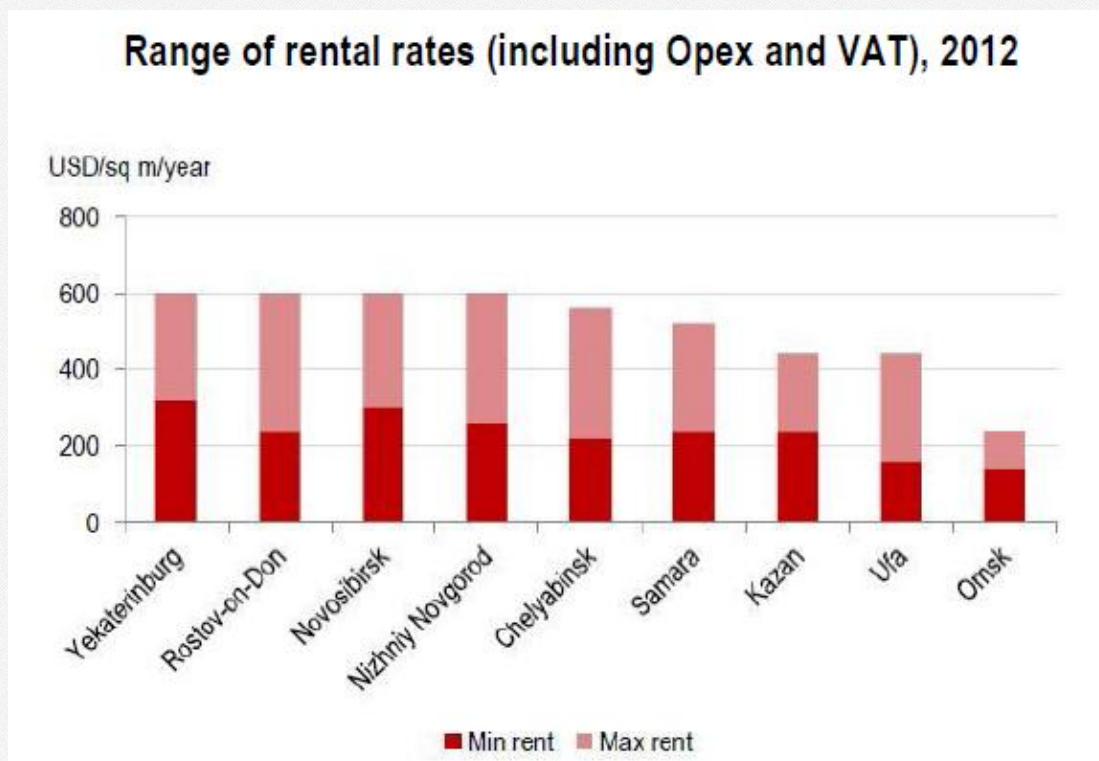
Based on Cushman & Wakefield data

A comparison of rental rates of office building in Kazan and Moscow by office class in 2013.

| Kazan |                                    |     |         | Moscow  |
|-------|------------------------------------|-----|---------|---------|
| Class | Rent rates (net), USD/sq.m. a year |     |         |         |
|       | MIN                                | MAX | AVERAGE | AVERAGE |
| A     | 327                                | 413 | 378     | 870     |
| B+    | 285                                | 343 | 320     | 500     |
| B-    | 114                                | 285 | 260     | 500     |

# Benchmarking of Kazan Against Millionniki Cities

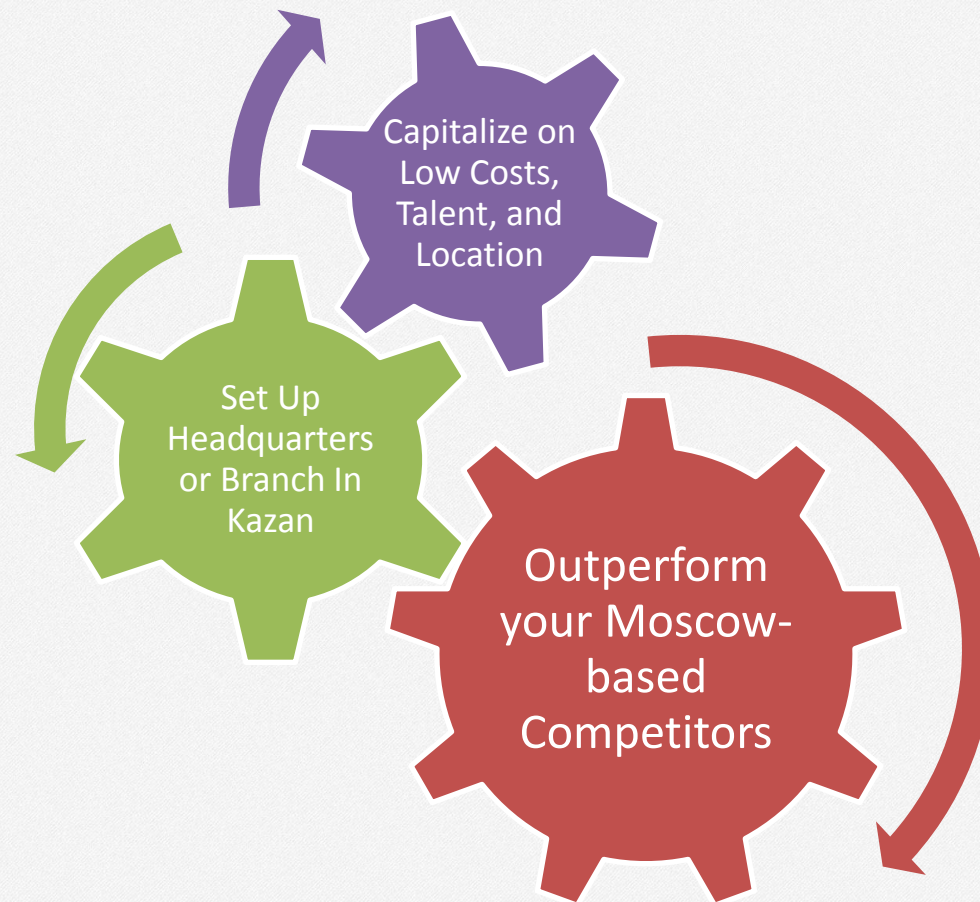
**Kazan – one of the lowest office rent prices among the millionniki cities.**



Source: Jones Lang LaSalle. Feasibility Study.



# Golden Opportunity



# Why aren't you investing in the Republic of Tatarstan?

## Contact us

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