



Alabuga

SPECIAL ECONOMIC ZONE

2017

THE REPUBLIC OF TATARSTAN IS ONE OF THE MOST ECONOMICALLY DEVELOPED REGIONS

IN THE RUSSIAN FEDERATION

The Special economic industrial zone
“Alabuga” was created on December
21 st, 2005 in the Republic of Tatarstan

The center of the largest
industrial region 800 km
east of Moscow



Territory	67 800 KM ²
Population	3.8 MLN
GRP	21.76 BLN USD
Industrial output	20.21 BLN USD



ASI | AGENCY
FOR STRATEGIC
INITIATIVES



1 PLACE

Republic of Tatarstan - in Russian Federation
investment climate national ranking

Agency for strategic Initiatives,
2015, 2016

SEZ "ALABUGA"

provides an excellent set of conditions for investors who intend to establish new production in Russia



Located in one of the biggest industrial center of Russia



Strong governmental support



Low cost land plots



Decreased bureaucracy



Attractive tax and customs preferences



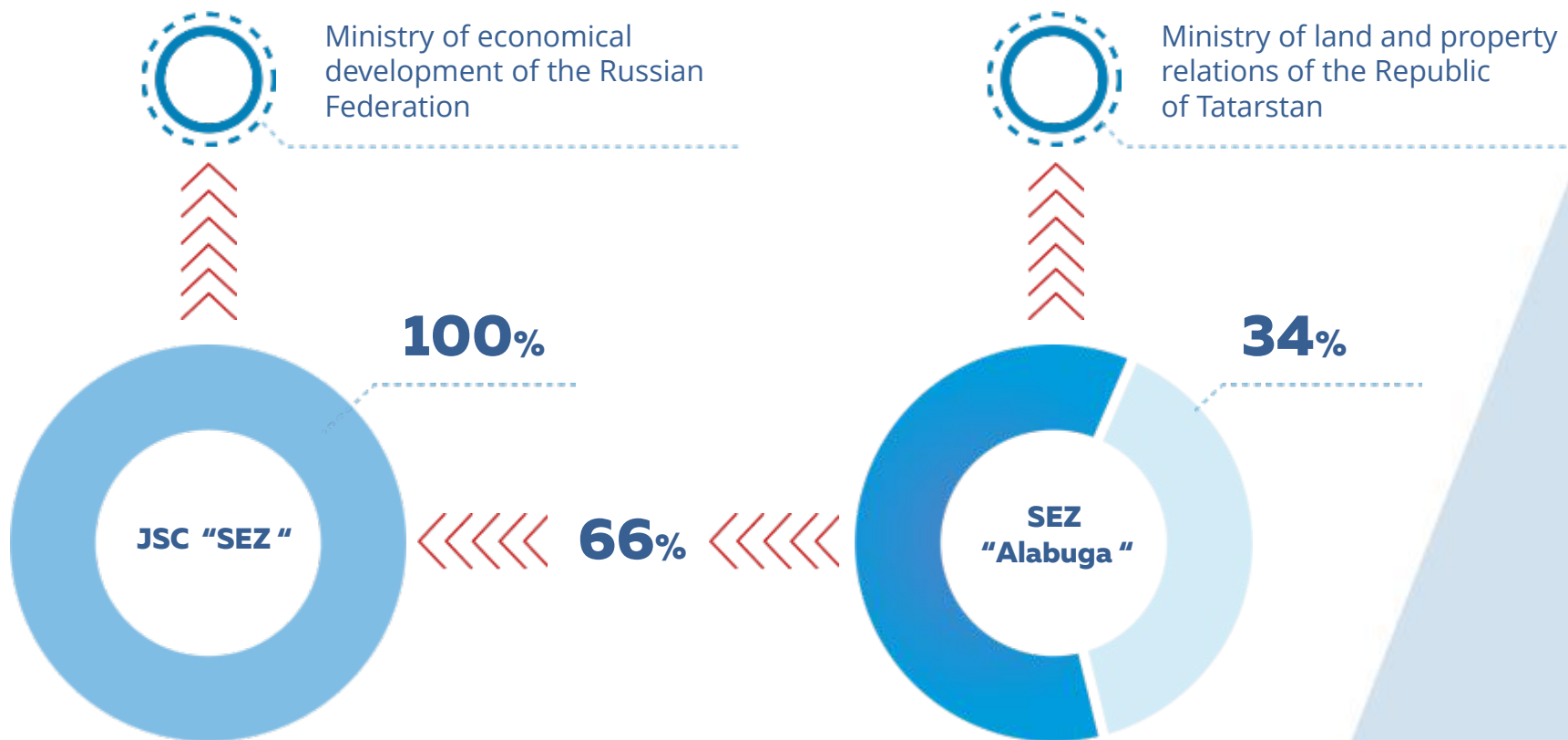
Proven track record – many global companies have already established production in the SEZ



Developed industrial infrastructure




SEZ "ALABUGA"

(according to the Agreement issued on January, 18th of 2006 between the Ministry of economic development of Russia, Tatarstan Republic Government and Yelabuga municipal district)



INVESTMENT INCENTIVES AND PREFERENCES

(for 10 years since tax base introduction)

		TAX RATE FOR NON-RESIDENTS	TAX RATE FOR SEZ RESIDENTS
	Property tax	2.2%	0%
	Land tax	1.5%	0%
	Transport tax*	0.1-4\$	0\$

*tax rate per 1 hp

CORPORATE INCOME TAX

(paid since the first profit)

PERIOD

TAX RATE FOR
NON-RESIDENTS

TAX RATE FOR
SEZ RESIDENTS

First 5 years

20%

2%

Second 5 years

20%

7%

Till 2055

20%

15.5%

INSURANCE CONTRIBUTIONS

For residents, carrying out innovation activities

YEAR	TAX RATE FOR NON-RESIDENTS	TAX RATE FOR SEZ RESIDENTS
2011-2017	30%	14%
2018	34%	21%
2019	34%	28%

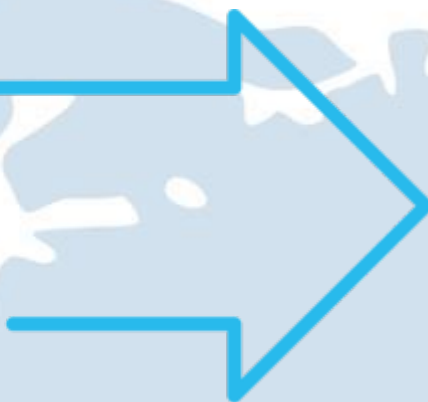
FREE CUSTOMS ZONE

Foreign countries

Russian Federation



Import equipment



SEZ "Alabuga"

0%

**VAT
IMPORT DUTY**

INFRASTRUCTURE

SEZ "ALABUGA"



INDUSTRIAL
INFRASTRUCTURE



CUSTOMS
INFRASTRUCTURE



BUSINESS
INFRASTRUCTURE



SOCIAL
INFRASTRUCTURE



Governmental investments until **2023** will rise up to **\$2.67 bln USD** more than **\$846.4 mln USD** has already been invested

\$846.4
mln USD

2016

\$2.67
bln USD

2023

INDUSTRIAL INFRASTRUCTURE

Land plots with an access to:



Inner-site roads



Inner-site roads



Gas



Electricity



Heating



Water



Sewerage



Storm sewage



Drainage



IP Phone



High-speed Internet

FREE CONNECTION TO UTILITY LINES

connection cost to electricity lines:

MOSCOW - \$ 500 000 USD PER 1 MW

TATARSTAN - \$ 100 000 USD per 1 MW

SEZ "ALABUGA" - \$0 USD per 1 MW



Cost of connection per 1MW

RENT AND PURCHASE

LAND PLOT

land plot rent at average: \$ 0.05 USD per 1 m² /year

10_{ha} | **\$ 5 000** USD per year

land plot purchase at average: \$ 0.15 USD per 1 m²

10_{ha} | **\$ 15 000** USD



**READY INDUSTRIAL
PREMISES ON
THE TERRITORY
OF THE**

SEZ

“ALABUGA”

Industrial park

A PLUS PARK ALABUGA

36 Ha
land plot area

186 000 sq.m
production-warehouse
facilities

200 000 sq.m
total area
of the complex

14 000 sq.m
Administrative
buildings

4
buildings



A PLUS PARK ALABUGA

Development stages



Readiness

16 000 m² — 3rd Q. 2015
38 640 m² — 2nd Q. 2017
38 640 m² — 2nd Q. 2018

Current status

under construction

Readiness

2018



Industrial park
SYNERGY

24 500 sq.m

Rental space



fdi Foreign Direct Investment Magazine
FINANCIAL TIMES
ONES TO WATCH:
INDUSTRIAL PARKS





CUSTOMS INFRASTRUCTURE



Customs post operates only for the SEZ "Alabuga" residents



99% E-declaration



Customs clearance within 3 hours





BUSINESS INFRASTRUCTURE

BUSINESS INFRASTRUCTURE

B+ CLASS OFFICE CENTRE

**WITH ALL THE NECESSARY SERVICES NEEDED
FOR EVERYDAY WORK:**



Office premises



Canteen-restaurant



Conference halls



Insurance companies



Meeting rooms



Customs brokers



Exhibition hall



Gym

6

FLIGHTS

a day to Moscow and back

Flight time



1 h 30 minutes

Drive
from airport



40 minutes



KAMA INDUSTRIAL CENTRE

1 000 000
PEOPLE



THE WORK FORCE

(Naberezhnye Chelny, Nizhnekamsk,
Yelabuga, Mendeleevsk)

**Average monthly wage
(including income tax):**

29 UNIVERSITIES AND INSTITUTES

28 COLLEGES

20 200 NEW SPECIALISTS

**BLUE
COLLARS**

\$ 400 USD

**WHITE
COLLARS**

\$ 600 USD

The level of average wage in Kazan is 45%
to Moscow level (according to PWC research)



**EVERY YEAR WE TRAIN
IN KAMA CLUSTER**

FOR SEZ "ALABUGA"

800

**TECHNICAL
EMPLOYEES**

9 out of **15**

**Russian largest cities
are located within
1000 km area**



SALES MARKET

EU



CARGO TRANSPORTATION SCHEME



Novorossiysk - st. Tikhonovo	1 580 USD
St. Petersburg - Art. Tikhonovo	1 240 USD
Ust-Luga - Art. Tikhonovo	1 330 USD
Vladivostok - Art. Tikhonovo	3 460 USD

Prices include cost platform and container rent

Novorossiysk – Naberezhnye Chelny	2 715 USD
St. Petersburg - Naberezhnye Chelny	2 120 USD
Ust-Luga - Naberezhnye Chelny	2 140 USD

Prices don't include cost of container rent

BLACK SEA

BALTIC SEA

AMUR BAY



FDi Foreign Direct Investment Magazine
FINANCIAL TIMES

WINNER:
EUROPE 2015, 2016

LARGE TENANTS



FDi Foreign Direct Investment Magazine
FINANCIAL TIMES

HIGHLY COMMENDED:
GLOBAL 2016

LARGE TENANTS



Free zones of the year 2016

MAP OF THE SEZ "ALABUGA"

4 000_{HA}



3 3rd stage



2 2nd stage



1 1st stage





RESIDENTS



Go Further



FORD SOLLERS ELABUGA

Production of LCV Ford Transit, SUV Ford Explorer, Ford Kuga, MPV Ford Galaxy and Ford S-Max, gasoline engines

Production capacity



85 000

vehicles per year



185 000

engines per year

Investment volume



753.6

mIn USD



AIR LIQUIDE ALABUGA

Production of technical gases
(oxygen, nitrogen, hydrogen-oxygen
mixture)

Production capacity



80

mIn m³ per year

Investment volume



54.3

mIn USD

ROCKWOOL VOLGA

Production of firesafe insulation materials

Production capacity



110 000

tons per year

Investment volume



170.6

mIn USD



P-D TATNEFT- ALABUGA FIBERGLASS

Production of fiberglass and
fiberglass-based goods

Production capacity



24 195

tons per year

Investment volume



158.1

mln USD



NIZHNEKAMSK NEFTEKHIM



POLYMATIZ

Production of nonwoven fabric and other polymer goods

Production capacity



17 000

tons per year

Investment volume



55

mln USD



BELAYA DACHA ALABUGA

Processing of vegetable products

Production capacity



9 600

tons per year

Investment volume



17

mln USD



SARIA[®]

SARIA BIO- INDUSTRIES VOLGA

Production of meat-bone flour
and technical fat

Production capacity



24 500

tons per year

Investment volume



23

mIn USD

KASTAMONU INTEGRATED WOOD INDUSTRY

Production of medium density
fiberboard and MDF – based goods

Production capacity



837 200

m³ per year

Investment volume



447

mln USD



HAYAT KIMYA

Production of household and sanitary paper products

Production capacity



65 000

tons per year

Investment volume



151

mln USD



SISECAM SAINT-GOBAIN

Production of float glass, mirrors
and coated glass

Production capacity



250 000 **4.5**

tons per year
glass

mln m² per year
coated glass

4.5

mln m² per year
mirrors

Investment volume



209.5

mln USD



SISECAM

Production of automotive glass

Production capacity



6.4

mIn sets
per year

Investment volume



111.5

mIn USD



ALABUGA- FIBER

Production of carbon fiber

Production capacity



1 500

tons per year

Investment volume



142.5

mIn USD



INTERSKOL- ALABUGA

Production of electrical tools

Production capacity



1.25

mln units
per year

Investment volume



55

mln USD



RMA RUS

Production of steel ball valves
for oil and gas extraction industry

Production capacity



11 000

units of product
per year

Investment volume



56

mln USD



ARMSTRONG BUILDING PRODUCTS

Production of mineral fiber ceiling

Production capacity



22

mIn m² per year

Investment volume



100.5

mIn USD



COSKUNOZ- ALABUGA

Production of car body parts

Production capacity



6

mIn units
per year

Investment volume



74

mIn USD



3M VOLGA

Production of adhesive tapes, industrial adhesives, abrasive materials, glass microspheres

Production capacity



256

corrosion protection agents
kl per year

Investment volume



62

mIn USD



HAVI LOGISTICS YELABUGA

Storage and processing of processed
foods for McDonald's

Investment volume

\$ **19.3**
mln USD



HUHTAMAKI FOODSERVICE ALABUGA

Production of disposable tableware

Production capacity



641

mIn units
per year

Investment volume



6.2

mIn USD



DIZAYN-RUS

Production of polyethylene and polypropylene plastic pipes

Production capacity



23 300

tons per year

Investment volume



31.3

mIn USD



KORIB

Production of car batteries

Production capacity



1.5

mIn car
batteries

Investment volume



29.5

mIn USD



SHANDONG YUANDA STEEL

Production of cold rolled steel coil,
galvanized steel coil and coated
steel

Production capacity



500 000

tons per year

Investment volume



68

mln USD

A-STAR

Production of wheat based starch

Production capacity



172 000

tons per year

Investment volume



150

mIn USD

175 000

tons per year
the amount of wheat processing



EAST BALT YELABUGA

Production of baked goods

Production capacity



115

mIn pieces
per year

Investment volume



20.8

mIn USD



DRYLOCK TECHNOLOGIES

Production of hygienic products

Production capacity



433

mIn pieces
per year

Investment volume



36.6

mIn USD

SEZ "ALABUGA" MEDIUM-TERM STRATEGY

As of November, **1st, 2016:**

53

Resident-companies

\$ 4,5 BLN USD

Total resident investments

5 605

Jobs

\$ 846,4 MLN USD

of governmental investments

To-be in **2023:**

120

Residents-companies

\$ 12 BLN USD

Investment volume

16 000

Jobs



SOCIAL INFRASTRUCTURE

INTERNATIONAL DIPLOMA

SCHOOL

10 classes for 10 children

BOARDING SCHOOL

20 rooms for 40 children



Alabuga
International
School



Alabuga International School
Tatarstan

Russian Federation

Has earned **CIS Membership** by demonstrating its alignment with the CIS Code of Ethics and Principles, and through its leadership in international education, sharing knowledge, embracing diverse perspectives, and challenging itself to continuously improve.



A handwritten signature in black ink, appearing to read 'Janie Larsson'.

Janie Larsson
Executive Director

A handwritten signature in black ink, appearing to read 'Graham George'.

Graham George
Director of School Support & Evaluation



COUNCIL OF
INTERNATIONAL
SCHOOLS

Shaping the future of international education.





NEARBY CITY- NABEREZHNYE CHELNY

20 KM

away from the SEZ "Alabuga", population of

522 000 PEOPLE



NEARBY TOWN – YELABUGA

10 KM

away from the SEZ “Alabuga”, population of

84 000 PEOPLE



THANK YOU FOR YOUR KIND ATTENTION!



+7 (85557) 5-90-30



invest@alabuga.ru



www.alabuga.ru

The Alabuga logo, featuring a stylized blue and white geometric shape resembling a cluster of cubes or a modern architectural element.

alabuga
SPECIAL ECONOMIC ZONE

THE SEZ "ALABUGA"

in the structure of special economic zones (out of 24 zones)*

69%



\$ 4.3 BLN USD
of the revenues

45%



\$ 245.1 MLN USD
of tax payments (without VAT)

56%



\$ 2.8 BLN USD
of residents' investments

RESIDENT TO - BE STEPS

3 MONTHS

1.

**Registration
of a legal entity,
preparation
of a business-plan
and foundation
documents**

2.

**Project
Presentation
for Expert
Council**
(Kazan)

3.

**Project
presentation
for Supervisory
Board of the
SEZ «Alabuga»**
(Kazan)

4.

**Agreement
signing and
getting
the resident
certificate**

SERVICES

Exploitational:

- heat supply
- electricity supply
- water supply
- drainage
- waste management, dumping, payments on environmental impact
- maintenance of fire extinguishing systems and smoke exhaust systems
- maintenance of electrical systems, water supply, heating, sewage
- maintenance of air conditioning and ventilation
- maintenance of elevators
- carrying out maintenance of the building and the managing company territory
- technical supervision
- maintenance of utilities and roads
- machinery services
- passenger transportation
- transport and logistics services
- electrotechnical laboratory

Housekeeping:

- maintenance and cleaning of the rented premises and managing company territory, disinfection
- protection of the building
- office space rent
- snow and ice cleaning and removal
- conducting tenders
- legal services
- outside windows wash
- ensuring the proper state of the external facade of the building

Constructional:

- geodesy services
- technical customer
- construction and commissioning technical supervision

COST

OF ELECTRICITY (HIGH VOLTAGE) FOR SEZ "ALABUGA" RESIDENTS IN 2016

Tariff rates without VAT

No	Power supply reliability category	Measure	In 2016
1	First category power supply reliability	RUB per kWh	3,35
2	Second and Third category power supply reliability	RUB per kWh	3,10

TARIFF RATES

SECOND HALF-YEAR 2016 WITHOUT VAT

Tariff rates without VAT

No	Resource	Measure	First half-year 2017	Second half-year 2017
1	Heating	RUB per Gcal	1635,09	1703,76
2	Water	RUB per m ³	28,30	29,48
3	Sewerage	RUB per m ³	51,29	53,34
4	Storm sewerage	RUB per m ³	27,73	26,16

TARIFF RATES FOR GAS ON 2017

Average tariff rates without VAT

No	Gas consumption	Measure	First half-year 2017
1	More than 500 million m ³ per year	RUB per 1000 m ³	4 510,19
2	From 100 to 500 inclusive	RUB per 1000 m ³	4 627,22
3	From 10 to 100 inclusive	RUB per 1000 m ³	4 895,17
4	From 1 to 10 inclusive	RUB per 1000 m ³	5 083,80
5	From 0.1 to 1 inclusive	RUB per 1000 m ³	5 090,73
6	From 0.01 to 0.1 inclusive	RUB per 1000 m ³	5 372
7	To 0.01 inclusive	RUB per 1000 m ³	5 394,84

NECESSARY PERMISSIONS FOR BUILDING AND LAUNCHING FACTORY

Type of work	The timeline
Design according to Russian standards	6-9 months
State examination	2-3 months
Construction permit	2 weeks
Building development	1-1.5 years
Installation and commissioning of the equipment	6-9 months (in parallel with construction)
Statement of conformity of design documentation and technical rules	RUB per 1000 m ³
Permission to launch	2 weeks
Total:	2-3 years

SUPPORT PROGRAM

PROJECT FINANCING INVESTMENT



IMPORT SUBSTITUTION



INTEREST RATE
up to 11,2%



INVESTMENT PROJECTS SIZE
1 – 20 bln rub.

Ministry of Economy of the Republic of Tatarstan supports enterprises and organizations while obtaining loan under this program

10 authorized banks are involved in the implementation of the program:

OJSC «Sberbank Russia»

OJSC «ROSSELKHOZBANK»

OJSC «ALFA-BANK»

OJSC BANK VTB

PJSC «Promsvazbank»

OJSC «Gazprombank»

OJSC «The Bank of Moscow»

PJSC «Otkritie» Financial Corporation Bank

International investment bank

Eurasian Development Bank

STATE SUPPORT OF THE IMPORT SUBSTITUTION ENTERPRISES

PERCENT COMPENSATION SCHEME ON CREDITS IN RUBLES

Enterprises:

- Automobile industry
- Civil aircraft industry
- Cable and electrical industry
- Light industry
- Timber industry complex
- Machine-building for food and processing industries
- Oil-and-gas machine industry
- Conventional arms, ammunition, special chemistry
- Radioelectronic industry
- Agricultural machinery industry
- Machine-tool manufacture
- Road-building machinery
- Shipbuilding industry
- Transport machine building
- Heavy engineering industry
- Pharmaceutical and medical industry
- Chemical industry
- Non-ferrous metallurgy
- Ferrous metallurgy
- Power machine building

Ministry of Industry and Trade
of the Russian Federation
compensate for

2/3

of the key rate of the CB of the RF
on credits, obtained in rubles

POLYMERS PRODUCED

WITHIN 400 KM FROM THE SEZ "ALABUGA"



KAZANORGSINTEZ

- LDPE/HDPE 771599 MT Univation Technology
- PC 65000 MT Asahi Kasei Chemicals Technology
- LLDPE 14,4000 MT Imhausen Germany Technology
- EVA 12000 MT



NEFIS COSMETICS

- Oleic acid
- Stearic acid



NEFTEHIMSJEVILEN

- LDPE 14,4000 MT
- EVA 12000 MT
- Imhausen Germany Technology



NIZHNEKAMSKNEFTEKHIM

- PP 200000 MT Spheripol Technology
- GPPS/HIPS 84000 MT Fina
- LLDPE 160000 MT (2010) Sphereline (Basell)
- ABS 104000 MT(2010) Polimery Europa
- EPS 80000 MT LG Technology



AMMONIY

- Nitrogen fertilizers
- Ammonium nitrate
- Ammonia
- Urea
- Methanol
- Technical gases
- Melamine (projected)



NIZHNEKAMSKTECHUGLEROD

- Carbon Black - 85 000 MT
- Yokogawa Technology



ELASTOKAM

- PU systems 20000 MT
- Elastogran Technology



SALAVATNEFTORGSINTEZ

- LDPE 70000 MT Chevron Phillips Technology
- GPPS/HIPS 70000 MT
- EPS 50000 MT



UFAKHIMPROM

- PC - 10 000 MT(from 2008)



KAUSTIK

- PVC - 120 000 MT

MOST MAJOR RUSSIAN CARMAKERS

LOCATED WITHIN 500 KM FROM THE SEZ "ALABUGA"

