



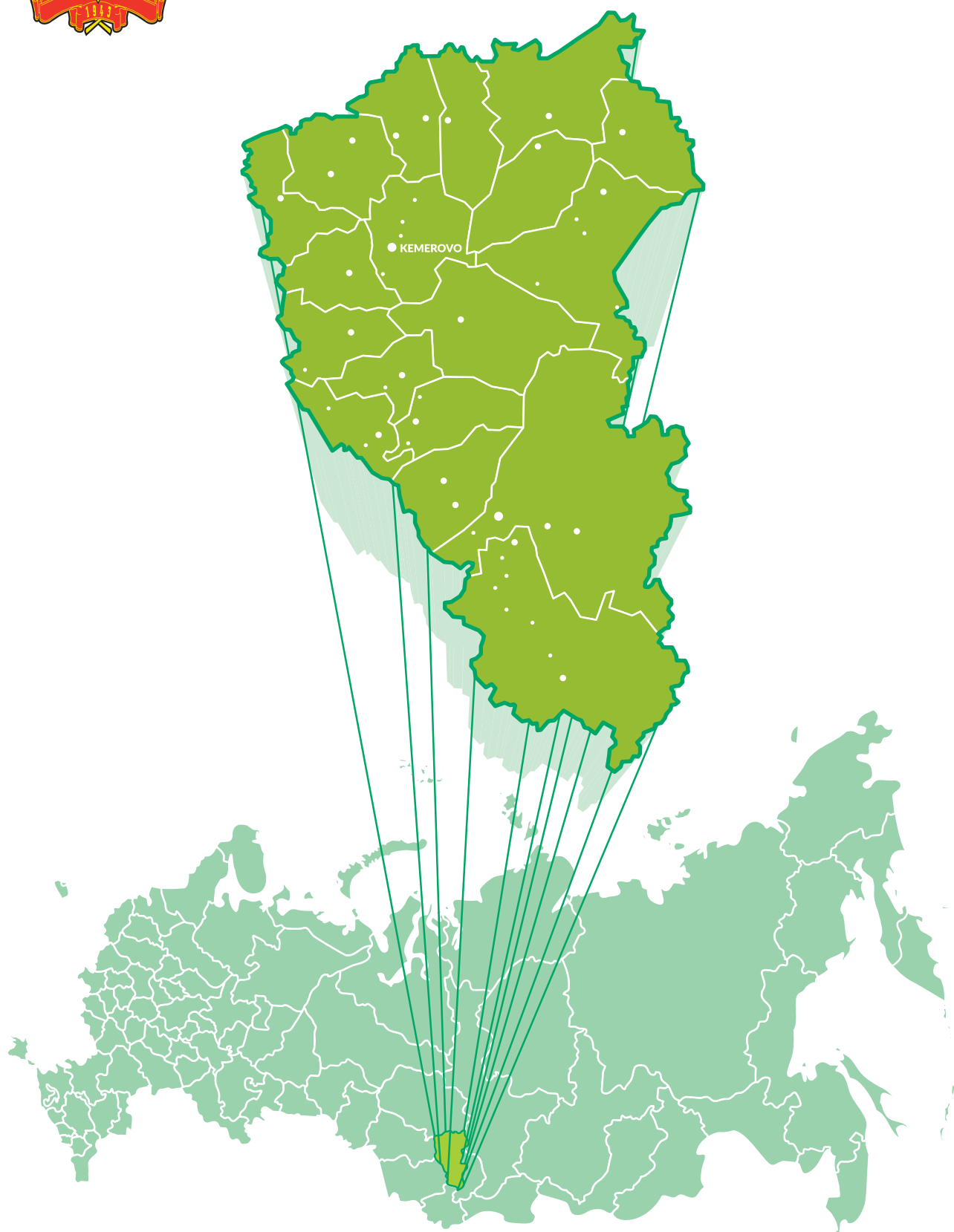
Kemerovo Region's State
public institutions
"Agency for Investments
Promotion and Protection"



Kemerovo region's investment passport



KEMEROVO REGION



RUSSIAN FEDERATION



Dear investors!

Welcome to our hospitable region!

Kuzbass is known as the largest coal-metallurgical region of Russia and one of the country's supporting industrial centers. However, we do a lot in order Kuzbass region to become not only large-coal and large-metal region but also the region of developed agriculture, an exciting year-round tourism, science and culture.

Our region has a great potential and whole complex of competitive advantages for economic activity conduction. Within the boundaries of the Kuzbass' single-industry towns (Anzhero-Sudzhensk and Yurga) there were established and began to operate the territory with advancing socio-economic development (TASED). Government decision on the TASED establishment in the Yurga town was signed in July 2016; the second TASED was established in September 2016 in Anzhero-Sudzhensk. TASED residents get federal, state and local tax benefits. Also in the region there are two zones with economically preferable terms (ZEPT). First one is industrial type "Kuznetsk Sloboda" and the second one is tourist-recreational type "Mountain Shoria"; their residents have regional tax benefits. Coal-chemical, biomedical, agriculture and tourism and recreation clusters are actively developing.

Regional "Agency for Investments Promotion and Protection" was created to help investors. Agency's

mission is to promote the Kuzbass potential at interregional and international levels, to attract investment and support investment projects on the principle of "one window". It is important that the agency provides its services free of charge. With the assistance of the agency there was created a Kuzbass Investors Club which is a platform for exchange of information between entrepreneurs, investors and government.

Providing a favorable investment climate and projects' support - ongoing priorities of our investment policy. This is reflected in the attracting investments strategy in Kemerovo Region up to 2030.

Kemerovo region is always happy to investors and business partners and will continue to create all necessary conditions for investment projects' successful implementation.

Dear investors! I invite you to visit our Kuzbass and get acquainted with its rich potential.

I wish us all a mutually beneficial and fruitful cooperation, success and prosperity!

Yours faithfully,
Governor of Kemerovo Region
Aman Tuleyev

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Section 1

Kemerovo region's resource potential

1.1. General information about Kemerovo Region

1.1.1. Geographical characteristics

Lying in the southeast of Western Siberia, Kemerovo Region is almost equidistant from the western and eastern borders of the Russian Federation. The region is located at a latitude between 52°08' and 56°54' North and a longitude between 84°33' and 89°28' East, in the fifth time zone. It is 3,482 km away from and 4 hours ahead of, Moscow.

Occupying an area of 95,700 sq. km, which accounts for 4% of Western Siberia and 0.56 % of the Russian Federation, Kemerovo Region is the 10th largest territory in the Siberian Federal Okrug (SFO). It borders Republic of Altai in the south, Altai Krai in the southwest, Novosibirsk Region in the west, Tomsk Region in the north, Krasnoyarsk Krai in the northeast and the Republic of Khakassia in the east. Kuzbass stretches for almost 500 km from north to south and 300 km from west to east.

Kemerovo Region is located mainly in the Kuznetsk Depression between the Salair Ridge (567 m) and the Kuznetsk Alatau (2178 m). The main river is the Tom. Climate is continental with average temperatures between -10 and -13°C in January and between 18 and 20°C in July. Annual precipitation amounts to 300-500 mm. Soils are podzolic. Kuzbass has the largest deposits of coal in Russia accounting for a quarter of all energy resources of the country. The south of the region is famous for its unique tourist and recreational resort, Gornaya (Mountainous) Shoria.

1.1.2. Administrative-territorial structure and territorial zoning

In 1943 the Presidium of the Supreme Soviet of the USSR by its Edict No. 5 of 26.01.43 separated Kuzbass from Novosibirsk Region and established Kemerovo Region there.

On 01.01.2016, the region had a population of 2,717,176 people, accounting for 14.06% of the Siberian Federal District (SFD) (the 3rd place in the SFD) and 1.85% of the Russian Federation (the 16th place in the RF). Kuzbass has the highest population density of 28.6 people per 1 sq. km in the Siberian Federal District and the east of the Urals. 85.6% of the population is concentrated in urban areas. As population density Kuzbass takes the 1st place in the Siberian Federal District.

Administratively, Kemerovo Region is divided into 220 municipalities, including 16 urban districts and 18 municipal districts (raions). Kemerovo with a population of 553,076 people is its administrative centre.

In addition, there are 5 more urban districts with population of over 100 thousand inhabitants, besides regional center. They are: Novokuznetsk, Prokopyevsk, Mezhdurechensk, Belovo and Leninsk-Kuznetsk.

By urbanisation level Kuzbass takes the 1st place in the Siberian Federal District.

Kemerovo Region's location and natural resources offer a number of economic advantages, namely:

- the federal railway and motor roads running across the north and a dense transport network covering the developed parts of the region;



The Kuznetsk Coal Basin (Kuzbass) is the major coal producing region in terms of its reserves and coal quality.

- proximity to regions with highly developed industrial sector (Krasnoyarsk Krai), agriculture (Altai Krai) and a significant scientific potential (Tomsk, Novosibirsk);
- opportunities for developing a diversified economy thanks to abundant natural resources and favourable climatic conditions;
- a well-developed territorial-industrial complex with strong horizontal links between enterprises in key sectors; economic specialisation ensures strong positions in interregional and international division of labour.

1.2. Natural resources

Mineral resources

The Kuznetsk Coal Basin (Kuzbass) is the major coal producing region in terms of its reserves and coal quality. It is the biggest of all exploiting coal basins in the world. There is no other place in the world where a small area

of 26,700 square kilometres could be so rich in coal deposits with a wide range of coal grades suitable for coking, producing liquid fuels, being used as raw materials for chemical industry and other purposes. Kuznetsk coals are valued for their quality, including low ash content of 4.8-13% and high heat value of 6426 kcal/kg (up to 8650 kcal/kg from the best grades).

Another important feature of Kuzbass coals is their horizontal bedding with almost 80% of flat and inclined seams. The total geological coal reserves of the Kuznetsk Basin down to a 1800-meter depth are estimated at 733,400 million tons; 724,300 million tons of which meet requirements for mineable deposits, namely for seam thickness and ash content of coal. Most of the coal deposits in Kuzbass are multiple seam coal beds with an average seam thickness of 4 meters. A great advantage of Kuznetsk coals is a variety of their grades, with coking coal – the main fuel for iron melting – being the most valuable of them. Kuzbass accounts for 77 % of such coal reserves in Russia. The western part of the Kansk-Achinsk lignite deposit is located in the northeast of the

region. The main lignite reserves of the Kuznetsk Basin are estimated at 64.2 billion tons.

The main areas of iron ore deposits are in the Mountain Shoria (2.169 billion tons, balance reserves of which are equal to 1,013,100,000 tons) and the Kuznetsk Alatau (balance reserves - 370.1 million tons). In Kemerovo region's vicinity (in Khakassia and the south of Krasnoyarsk region) there are also large deposits of raw materials.

Kemerovo region has 10 ore and 141 placer gold deposits. Gold placer deposits' balance reserves are 35 tons, and ore - 29 tons. In addition, the region's territory (primarily in the areas of the Mountain Shoria and the Kuznetsky Alatau) has more than 90 fields and 20 ore occurrences of various metals: gold, silver, iron, manganese, zinc, lead, copper, titanium, chromium, tungsten, molybdenum, mercury, antimony, uranium and thorium.

Raw material base of the main non-metallic minerals for Kuzbass steel industry consists of 5 fluxing limestone's deposits (Tyazhinsky, Guryevsky, Tisulsky, Belovo and Novokuznetsk areas), 3 quartzite deposits (the Mountain Shoria and Yaysky District), 2 dolomite deposits (the Mountain Shoria), 8 refractory clays' fields (Kemerovo, Novokuznetsk and Guryevsky areas) and 6 molding sands' deposits (Chebulinsky, Izhmorsky Districts). Thus, Kemerovo region's metallurgical complex has a high potential for the raw material development. There is also a large supply of non-metallic minerals that are used in other areas of activity: about 150 deposits of various kinds e.g. building materials (operated approximately 40 percent), mineral waters and peat (230 fields with total reserves and resources equal to 199.9 million tonnes, including 34 large fields with reserves of more than 1 million tons), significant reserves of rock phosphate and talc.

The region is home to around 2/3 of all manganese ores' explored reserves in Russia (Usinsk field near Mezhdurechensk, Durnovskoe in Leninsk-Kuznetsk area). Manganese ore deposits' balance reserves of the Usinsk - 106.4 million tons; It accounts 67 percent of total Russian's reserves. In the south-western part of the Mountain Shoria there is highlighted a manganese ore district - about 200 occurrences. It was made on basis of materials from the field's geological prospecting and filming. Forecast reserves are estimated at 120 million tons of oxidized manganese ores. There are reserves of aluminum ore: 7 nepheline deposits, bauxite - 17. At the moment one of them are currently operated. It is Chia-Shaltyskoe urtite mine in the north of the Kuznetsky Alatau.

Land resources

Total land - 9.6 million hectares, including:
forests and scrubs - 65,1 %;
agricultural land - 27,8 %;
other land - 7,1 %.

Forest resources

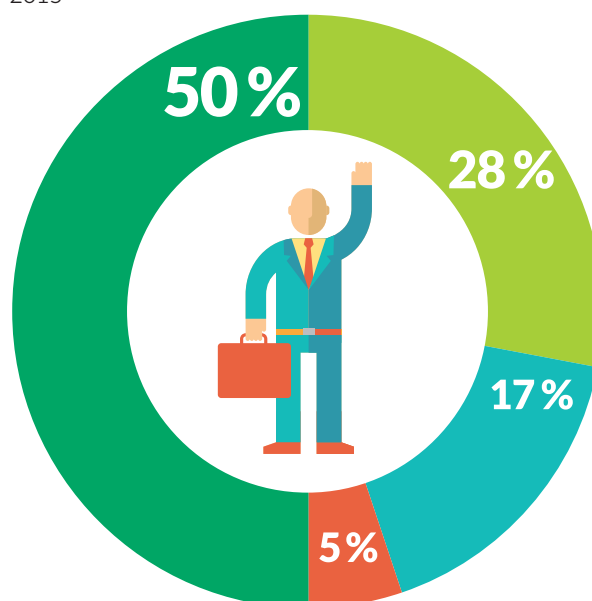
Total forest area in Kemerovo region - 5.4 million hectares; total stock of main kinds of timber - 668.8 million cubic meters, including coniferous wood - 309.5 million cubic meters. 43.7% of the forest are occupied by coniferous plantations, 56.1% - deciduous plantings, 0.2% - shrubs.

1.3. Human resources

According to Russian statistic organization's data, on 01.01.2016, the population of Kemerovo Region was 2,724,990 people.

The number of labour force fell by 12% to 1,606,400 people on 2015, despite active rise (in 1,5 times) in the number of foreign migrant workers (up to 15,200 people) and a 1,2 times increase in the number of employed teenagers and people over retirement age (up to 102,400). 1,230,200 people worked for the benefit of Kuzbass in 2015. Over these years the number of specialists with higher professional education raised significantly (from 22.5 to 28%). The average age of a Kuzbass resident employed in the region's economy increased by 1 year and became 40.2 years.

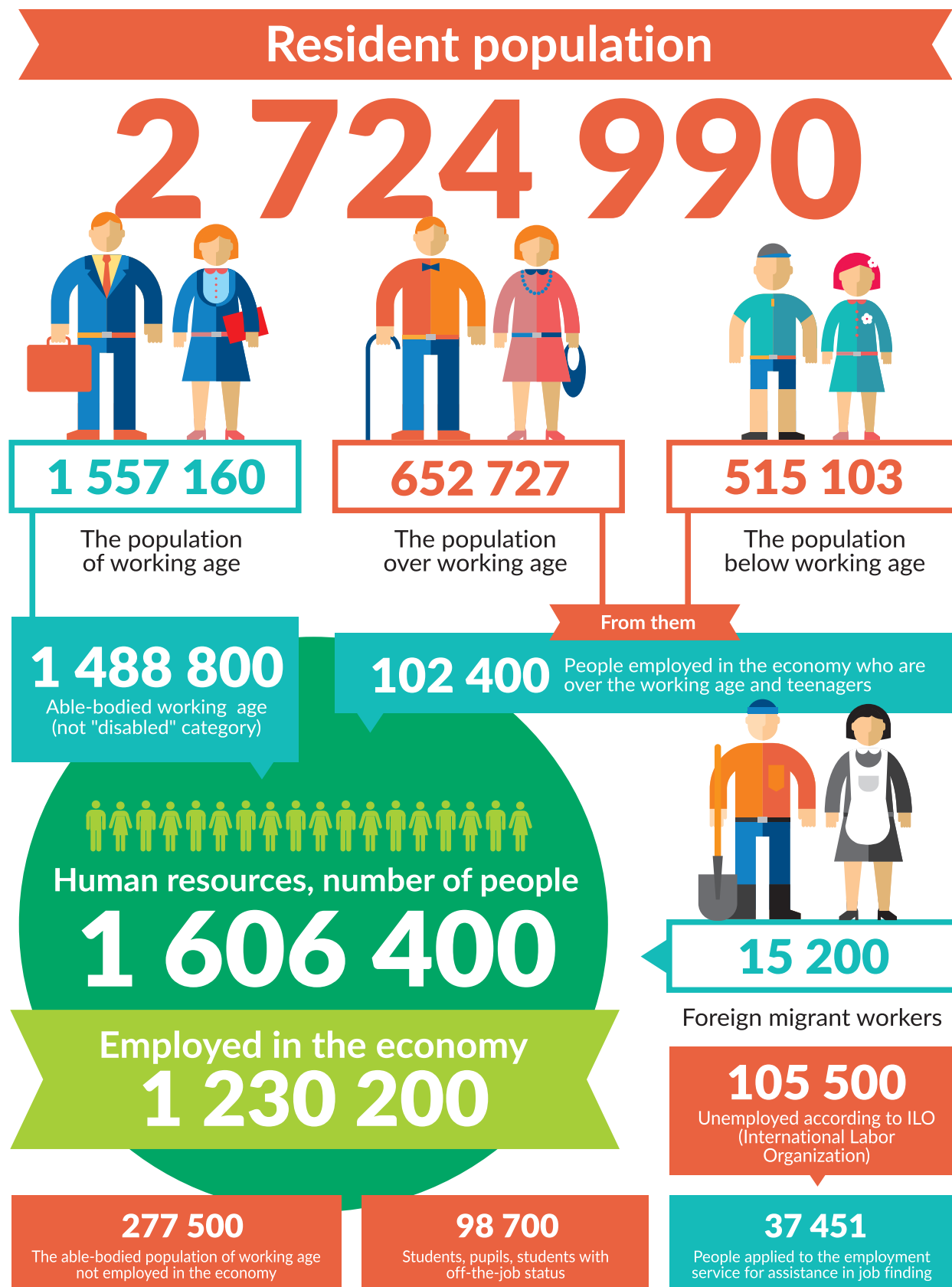
Distribution of employment in the economy by education level, 2015



- Higher professional education 28%
- Secondary vocational education 50%
- General secondary education 17%
- Basic general education 5%

Formation sources and a structure of the labor force

(In average in 2015, number of people, Russian statistic organization's data *)



277,500 people were not working in Kemerovo region economy in 2015.

People who hadn't got gainful employment, actively looked for work and were ready to start it were classified as unemployed (according to the International Labor Organization methodology) and their number was 105,500. These figures have decreased as compared with 2006 by 1,700 people, or 1.6%, and the average age was older by only 0.4 years and was equal to 35.7 years. Share of unemployed with higher education has increased - from 11.4% to 19.4%.

On July 1, 2016 40,100 Kuzbass job seekers were registered in the employment service. For comparison, the maximum number of them was in August crisis of 2009 – 79,400 people, and the minimum in October 2013 – 25,400 people.

On the whole, the share of economically active population aged 15 to 72 has risen from 61.8% 10 years ago to 67%; which means that despite a high level of demographic aging the population of Kuzbass remains willing to stay in employment.

1.4. Transport infrastructure

Kuzbass transport network consists of railway, motor and municipal electric transport, aircraft, pipeline and river transport, ensuring stable internal and external communications in the region. Having the most developed network east of the Urals, Kemerovo Region is crossed by the Trans-Siberian Railway and the Trans-Siberian Highway, which are the basis of the Russian transport network and a natural extension of the Pan-European Transport Corridor No. 2, recognised by UNESCAP as a priority route between Europe and Asia.

1.4.1. Railway transport

Today, Kuzbass branch of the West Siberian Railway is a powerful transport system that is second to none in Russia unparalleled in terms of freight transportation. About 17% of total freight carried by Russian railways comes from Kuzbass. The region's public service railways are 1,685 km long including more than 1,500 km of electrified railways. Kuzbass is crossed by several stretches of two major railways of international importance, namely the Trans-Siberian and the South Siberian Railways.

A distinctive feature of the Kuzbass branch is that its main railway lines serve the needs of the region's major industries such as coal and power sectors, ferrous and

non-ferrous metallurgy, engineering and chemical sectors. Coal transportation by rail, accounting for 83.4% of all coal shipments, is vital to Kuzbass which supplies coal not only to various regions of Russia, but also to 51 countries worldwide.

In 2016 OJSC "Russian Railways" allocated 1.2 billion rubles of investment funds to develop railway infrastructure. These funds will help Kuzbass West Siberian Railway to conduct following the largest actions on railways modernization and development:

- continuation of railway tunnel construction at the site Artyshta-Tomusinskaya;
- construction of contact points road network (CPRN) Anzherskaya;
- reconstruction of the railway station at Belovo.

1.4.2. Motor roads

The Kuzbass network of motor roads has some stretches of the federal road M-53 "Baikal" (from 01.01.2018 - R-255 "Siberia" because new account numbers of roads and their names come into effect), as well as territorial, municipal and departmental roads which link all parts of the region together.

The total length of the region's entire road network is 21,605 km, 465 km of which are federal highways, 5,496 kilometers are roads of regional significance, 9771 kilometers - local roads, 5873 km - urban roads.

On the whole, the Kuzbass roads provide a fairly good level of service, although their technical parameters and engineering facilities vary markedly throughout the region.

There is an intensive road building construction in the region. 6404 kilometers of roads were built or repaired for the last 18 years.

One of the most important sites for Kuzbass - highway Kemerovo - Leninsk-Kuznetsky which is a part of the road connecting the two largest cities in the region: Kemerovo and Novokuznetsk. More than 80 percent of the region's population live and work in the area of this route; its basic industrial potential is right here.

The route Kemerovo - Leninsk-Kuznetsky - Novokuznetsk connects the north and the south of Kuzbass. In addition, it provides the shortest route from the southern Kuzbass areas to the cities of Western Siberia and Russia as a whole because it goes out on the federal highway M-53 "Novosibirsk – Irkutsk". And from the north part of the region using this site of the road people can access Altai Territory, Altai Republic, Kazakhstan, Central Asia and Mongolia.

Construction of a new road Kemerovo - Leninsk-Kuznetsky, along with an increase in traffic capacity, also



During a period from 2001 to the present time, there were built and commissioned 323 km of roads, 37 bridges and overpasses.

solves a problem of people security and ecology preservation - the old road passed through six villages, while modern highway bypasses settlements.

The total length of the road is 67 kilometers. Its construction is carried out in 3 stages: the first section was put into operation in September 2011, the second - in August of 2013. In general, today the traffic is opened on 49.4 kilometers of the road.

Now this is the first high-speed highway in Siberia. Permitted speed on it - 130 kilometers per hour. There are only eight such highways in Russia, and the other seven are located in the European part of the country. With the launch of the road's second section travel time from Kemerovo to Leninsk-Kuznetsky will reduce by half. An intelligent traffic control system is installed at this highway, which includes a weather station, electronic displays, wireless video cameras, etc. Online system helps professionals to monitor road condition and gives recommen-

dations about optimal mode of movement to drivers, depending on weather conditions.

Road builders have begun to construct the last stretch of 17.6 kilometers of motorway in 2016. Completion of this section is planned in 2019. When the site will be commissioned the travel time from Kemerovo to Novokuznetsk will be reduced by 40 minutes. This will ultimately lead to a reduction of the transport component in the products' prices by 12-16 percent.

Another important road for the Kuzbass development which was commissioned in 2011, is directly connecting village Chugunash and sports - tourist complex "Sheregesh". In September 2016 it was completed and put into operation a site of Kuzedeevo - Mundybash - Tashtagol road bypassing village Kaz. With its commissioning the road capacity and traffic safety will increase, environment - improve, accessibility to sports - tourist complex "Sheregesh" - significantly rise.

1.4.3. Air transport

Air transport is of great importance for regional development to ensure regular passenger and cargo traffic both within and outside the country. There are three airports in Kuzbass.

Kemerovo International Airport named after A.A. Leonov is a Class III airport having a Class B paved runway and a round-the-clock operating permit. In 1998 it was certified to operate with international flights. The airport has border control, customs, quarantine and immigration control services. Airport is used for joint deployment of aviation of: the Ministry of Transport, Ministry of Defense and Ministry of Internal Affairs of Russia. Aviation detachment of special purpose (ADSP) of Kemerovo region's Police, operating helicopters "Mi-8AMT" ("Mi-171") is also based on the airfield. The airport operates scheduled flights to Moscow.

The Kemerovo International Airport is certified to serve the following models of aircraft: DC-10, A310, A319, A320, A321, B737, B747 (including B747-8), B757, B767, Il-96, Il-86, Il-76, Il-62M, Il-18, Tu-214, Tu-204, Tu-154, Tu-134, An-148, An-124, An-74, An-30, An-26, An-24, An-12, Yak-42, Yak-40, ATR-42, BAe125 (Hawker125), BAe146 (Avro146, RJ70, RJ85, RJ100, RJ115), CL-600 («Bombardier» or CRJ-100/200), Cessna 208, Pilatus PC-12 and other modifications of BC type, as well as other BC class III and IV aircraft and helicopters of all types (including a light helicopter MD 900 «Explorer» and helicopters R-44 «Robinson» on skid (ski) chassis).

The runway is capable of serving aircrafts with a maximum take-off weight of 210 tonnes. The airport can handle 38 departing flights and over 118,000 passengers per week. There is a great potential for increasing air traffic as the airport has two operational terminals, for domestic and international flights, capable of handling 500 passengers and 200 passengers per hour respectively. The airport has great potential for increasing air traffic.

In 2016 the new owner of the Kemerovo international airport named after A.A. Leonov became the holding company "Novaport" (Moscow). Economic management and operational management of the airport were transferred to the administration of the Limited Liability Company "International Airport Kemerovo named after Aleksey Leonov". By 2021 it is planned to hold an international airport a complete renovation with tourist flow increase not less than 2 times.

Spichenkovo (LLC Aerokuzbass) is an international Class II airport with a Class B airfield in Novokuznetsk. Operating round the clock, the airport is capable of serving such aircrafts as Il-76T (TD), Tu-204, Tu-214, Tu-154, Tu-134, Yak-40, Yak -42, Il-114, Il-18, An-24, An-26, BAE-125-700, ATR-42 and its modifications,

Boeing -737-300/400/500/600/700/800, Boeing-757-200, Airbus-319, Airbus-320, Airbus-321, CRJ-200, Cessna208BGrandCaravan, L-410, as well as other BC class III and IV aircraft and all types of helicopters.

Runway has size 2679x45m and classification number of cover equal to PCN 38 / R / A / W / T. Covered with steel fibre reinforced concrete, the airport's runway is capable to serve aircrafts with a maximum take-off weight of 185 tonnes. The Novokuznetsk airport has a capacity of handling 70 departing flights and 7,000 passengers per week. Having great potential for increasing air traffic, the airport's terminal can currently service 200 passengers per hour. There are 9 asphalt helicopter landing pads at the airport. The size of each is 18x26m.

The local airport in Tashtagol (LLC Aerokuzbass) is an unclassified airport with a Class E airfield. It is certified to serve Mi-8 helicopters and its modifications as well as aircraft An-2, M101T, Yak-52, Yak-55 and other class IV and lower class aircrafts in winter and summer seasons during daytime.

Following activities are included in the Federal target program "Development of Russian transport system for 2010-2020" in the sub-program "Civil aviation":

- reconstruction of the airport complex "Spichenkovo" (Novokuznetsk, Kemerovo region);
- reconstruction of the airport complex in Kemerovo;
- reconstruction of the airport complex engineering structures in Tashtagol, Kemerovo region.

In accordance to the Federal Law of 12.01.2014 № 384-FZ "On the Federal Budget for 2015 and for the planning period of 2016 and 2017" for implementation of these actions 9.1 million rubles will be allocated from the federal budget in 2016.

1.5. Power supply infrastructure

Over 2011-2014 the Kemerovo Region has seen a significant increase in capacity of power grid, which improved reliability of power supply to existing consumers and provided a possibility of servicing new industrial enterprises.

In 2013 following major components of the power supply network were commissioned in the region:

- a 45 km power line of Kuzbass-West-Siberian, the final link in the power grid in the south of the Kemerovo Region which greatly improved the reliability of electricity supply to large metallurgical and coal enterprises in Novokuznetsk;
- upgraded substations of Sosnovskaya, Kolmogorovskaya and Ossinovskaya, providing a reserve capacity for connecting new consumers in the region;



On the whole, upgrading the Kuzbass power supply system in 2014 has been the most ambitious project in the last 25 years. Just over the year nearly 1000 MW of generating capacity has been reconstructed and put in exploitation.

- completely upgraded substation of Anzherskaya, ensuring stable power supply to Anzhero-Sudzhensk, its industrial enterprises and electric traction of the West Siberian Railway stretching in the area;

- the third transformer of 40 MW as part of upgrading the Rudnichnaya substation to provide reliable and uninterrupted power supply to new residential estates in the Rudnichniy district of Kemerovo.

- a new V.I. Lapin substation of 110 kV in Kemerovo built to provide power supply to the new housing estates with a total area of 570,000 sq. meters as well as ensure backup power supply for the whole city. This substation is the first entity in the history of Kuzbass energy named in honor of the famous energy worker.

Two units at the Tom-Usinskaya State District Power Plant -SDPP (Myski) and two power units at the Belovskaya SDPP (Belovo) were commissioned in 2014. Due

to reconstruction new turbines, generators and electric equipment were installed and hydro-technical structures were upgraded; blocks reconstruction allowed not only upgrading obsolete station equipment but also gave more than 110 MW of new capacity.

The Novokuznetskaya gas-turbine power station of 298 MW was commissioned; this station became the 12th Kuzbass' station and the first power plant of Kuzbass built from the ground up in this area over the last fifty years; a new power station aimed to ensure the generation of additional power for a single national network in case of power shortages in the south of the Kemerovo Region.

Reconstruction of Tom-Usinskaya SDPP, Belovskaya SDPP and construction of Novokuznetskaya gas-turbine power station will provide additional power generation in the amount of 6 billion kW / h.

Section 2

Structural features of Kuzbass economy. Avoiding mono-dependence

2.1. Development Programs for single-industry towns

In Kemerovo region there are 24 single-industry towns or mono-towns. Their economy depends mostly on the effective operation of coal and steel industries. More than two thirds of Kuzbass population live in these towns.

At the initiative of Aman Tuleyev mono-towns of Kemerovo region get assistance to avoid mono-dependence from 2009. During the years 2009-2015 a huge work was carried out - plans were developed for Kuzbass mono-towns modernization, complex investment plans for modernization of 17 Kuzbass single-industry towns were presented to the governmental commission.

2010 three Kuzbass mono-towns - Leninsk-Kuznetsky, Prokopyevsk and Tashtagol had received state support in the amount of 3.2 billion rubles for creation of infrastructure necessary for implementation of pilot investment projects, small business development, reduction of tension in the labor market, resettlement of dilapidated housing and the overhaul of the housing stock.

Prior to October 2014 monocities' state support schemes and forms were determined only by the Foundation of single-industry towns. At present, the scheme of state support for single-industry towns are regulated also by the legislative acts adopted in the field of development of territories with advancing socio-economic development (TASED).

The main beneficiaries of the Development Fund for single-industry towns now became I-category's towns - with the most complex socio-economic status (Decree of the Russian Federation Government from 07.29.2014 number 1398-r in reduction from 16.04.2015).

Nine Kemerovo region's mono-towns are included in this category: Anzhero-Sudzhensk, Guryevsk, Prokopyevsk, Kaltan, Kiselevsk, Yurga, Salair, Tashtagol and Mundybash.

In 2015-2016 a general cooperation agreement "for the development of single-industry cities Anzhero-Sudzhensk, Yurga, Tashtagol, Mundybash, Kiselevsk and Kaltan" was signed between the Kemerovo region Administration and the non-commercial organization "Fund for mono-towns development".

Also, there were signed agreements on co-financing costs of Kemerovo region in order to implement measures for construction (reconstruction) of infrastructure required for the implementation of new investment projects in these cities between the "Fund for mono-towns development" and Administrations of single-industry cities Anzhero-Sudzhensk and Yurga. According to these agreements the Fund directs federal resources of state support (subsidies) in the amount of 1.1 billion rubles for construction of networks and objects of resource provision for investment sites.

Under the agreement in 2016 a collecting pipe of total value of 136.5 million rubles was put into operation in mono-town Yurga. This will attract more than

677 million rubles of investments for new investment projects implementation and create about 302 new work places.

Water pipeline of 500 mm diameter, water main with a diameter of 400 mm, substation of 110/6 kV and overhead power line of 110 kV line will be built in Anzhero-Sudzhensk by the end of 2016. The total cost of these infrastructure objects is 1 billion 30 million rubles. This will attract more than 6.8 billion rubles of investments for new investment projects implementation and create more than 2.3 thousand new work places.

In general, thanks to government support in 2010 in such mono-towns as Prokopevsk, Leninsk-Kuznetsky, Tashtagol, Anzhero-Sudzhensk and Jurga more than 50 billion rubles of private investment were attracted and 21,000 new jobs were created.

At present, it is formed a package of applications in the "Fund for mono-towns development" to obtain state support for following single-industry towns: Kaltan, Tashtagol, Novokuznetsk.

2.2. Territories with advancing socio-economic development (TASED)

TASED - is part of Russian Federation territory including closed administrative-territorial entity. In accordance with the decision of the Russian Government TASED territory has a special legal regime of business and other activities

established in order to create favorable conditions to attract investments, ensure rapid socio-economic development and comfortable conditions for population life.

Creating TASED on territory of single-industry cities opens up great opportunities for implementation of state support measures for investors who plan to carry out new investment projects.

Also, the state support of business entities is provided for by the Russian Federation Federal Law from 29.12.2014 number 473-FZ "About territories with advancing socio-economic development in the Russian Federation" and the Decree of the RF Government of 22.06.2015 number 614 "About creation peculiarities of territories with advancing socio-economic development on the territories of single-industry municipal formations of the Russian Federation (mono-cities)".

08.03.2016 Kemerovo region's College of Administration adopted a decree № 312 "On approval of a Procedure for conclusion of agreements on activity implementation on the territories with advancing socio-economic development, established on the territories of Kemerovo region's single-industry municipalities (mono-cities)".

TASED status is given for ten years and can be extended for another five years by the government decision. The resident is fully released from taxes on land and companies' property. Overall, the tax burden on business will reduce two or three times.

Benefits provided TASED residents

For 10 years from the 1st day of the month following the month in which it was obtained TASED residential status the tariffs for insurance payments are in the total amount of 7.6% (Department of the Russian Federation state pension - 6%, Social Insurance Fund - 1.5%, Federal Compulsory Medical Insurance Fund - 0.1%) instead of 30%.

Rate of corporate income tax does not exceed 5% for 5 tax periods starting from the first profit from operations and 10% for next 5 tax periods instead of 18%.

Rate of corporate income tax payable to the federal budget is set at 0% instead of 2%.

Full release from taxes on property and land taxes for TASED members.



2.2.1. TASED "Yurga"

TASED status was assigned to Yurga by the Russian Federation Government Decree from 07.07.2016 № 641 "About creation of the territory with advancing socio-economic development in Yurga". TASED area is installed within the boundaries of Yurga city district. The list of economic activities which allowed as investment projects implementation in TASED "Yurga" includes 27 products.

The resulting status will allow the city to get away from mono-dependence (economic dependence on the city-forming enterprises "Yurginskiy MashZavod"), to attract investment, start new businesses and create in Yurga not less than 2 thousand workplaces.

It is planned that by 2025 the amount of investments in Yurga's development will amount about 10 billion rubles. Due to this, the city will increase the number of people employed in the industry. It will be promoted as the opening of new and modernization of existing enterprises. So, for the next five years it is planned to launch the production of rainbow trout growing, increasing the output of medical devices equipment, reconstruction and modernization of mineral and drinking water production, packaging containers` production and other.

2.2.2. TASED "Anzhero-Sudzhensk"

The territory with advancing socio-economic development (TASED) "Anzhero-Sudzhensk" has formed by the Russian Government Decree dated 19 September 2016, № 941 within the boundaries of the municipality "Anzhero-Sudzhensk city district".

There is a list of economic activities that allows implementing investment projects in TASED area "Anzhero-Sudzhensk". This list includes 21 lines. Total investment's volume aimed at Anzhero-Sudzhensk development till 2025 is not less than 10 billion rubles. Also, it is planned to create 2.5 thousands new work places.

2.3. Zones with economically preferable terms (ZEPT)

One of the mechanisms of state support for investment, innovation and industrial activity in the region (including industrial, agro-industrial and high-tech manufacturing and tourism services provision) is creation of zones with economically preferable terms (ZEPT).

On July 8, 2010, the Law of the Kemerovo region № 87-OZ "On zones with economically preferable terms" and on 19 October 2010 - The Decree № 451 "On

Kemerovo region's measures for implementation preferable terms" were adopted. According to the law, on the territory of Kemerovo region there can be created following types of ZEPT: industrial, agro-industrial, technology development, tourism and recreation.

To date, three regional economic zones are established in Kuzbass; two of them - industrial type - Leninsk-Kuznetsky ("Northern Industrial Area") and Novokuznetsk ("Kuznetskaya Sloboda"); one - for tourism and recreation - in Tashtagol area ("Gornaya Shoria").

They are all separate territorial parts in which there are special conditions for economic activity conduction. They include simplifying administrative procedures, reducing infrastructure costs, tax breaks, subsidies and other forms of state support.

Both legal entities and individual entrepreneurs can take advantage of this support. To do this, they must be registered in the municipality on which territory ZEPT is located. Legal entities and individual entrepreneurs conclude a quadripartite agreement with the Kemerovo region College of Administration, municipality administration and ZEPT management company on conducting economic activity in the ZEPT. Preferences and privileges are applicable to activities which correspond to the specialization area. The participants take certain commitments for implementation of investment (innovation) project - implementation of capital investment and job creation, operation activity that correspond to ZEPT type.

2.3.1. Zones with economically preferable terms of industrial-production type "Kuznetskaya Sloboda", Novokuznetsk (ZEPT "Kuznetskaya Sloboda")

It was established by the order of the Kemerovo region Board of Administration on December 25, 2014 N-853-r on the territory of the Novokuznetsk city district.

The total area of ZEPT - 948 hectares.

The total area of vacant land - 85 hectares.

Participants of ZEPT "Kuznetskaya Sloboda" may conduct businesses related to manufacturing (codes from 10 to 33 in All-Russian Classification of Economic Activities (OC 029-2014).

Novokuznetsk is the core of industrial agglomeration in the south of Kemerovo region. Distance to the "Spichenkovo" airport which has international status is 29.8 km. Well-developed regional roads network with access to the federal highway provides a stable connection with the Altai Territory, Republic of Altai and Kazakhstan.



Over the past 18 years it has managed to attract more than 13 billion rubles of private investment. Thanks to these resources 203 objects of tourist infrastructure were built.



On May 14, 2015 Investment Council under the Kemerovo region Governor decided to include in the ZEPT register the first resident (participant) - ZEPT "Kuznetskaya Sloboda" with the project of building a high-tech "Siberian hot-dip galvanizing plant" (SHDGP).

"SHDGP" LLC - one of the most modern plants in the Siberian Federal District, part of the general contractor construction company LLC "United Company" Sibshahtostroy". Production capacity is 21 000 tons of galvanized steel per year. "SHDGP" LLC has the most modern and technologically advanced hot dip galvanizing line in Siberia.

2.3.2. Zone with economically preferable terms of tourist-recreational type "Gornaya Shoria" Tashtagol District (ZEPT "Gornaya Shoria")

It was established according to decision of the Kemerovo region Administration Board from 02.12.2010 № 1028-r.

The total area of ZEPT - 4500 hectares.

For two consecutive seasons (2014/2015 and 2015/2016) the tourists flow to a ski resort "Sheregesh" was more than 1 million people. The corresponding demand implies a quality services provision which should meet international standards by competitive prices. And it's not just training of existing staff but also innovations introduction in the hotel industry services, the use of energy-saving and environmentally friendly technologies and last but not the least - creation of the resort's year-round

operation relating to the 4th group (conducting international competitions, services for foreign tourists, providing both individual and group tours with provision of spa services). For successful summer tourism development on Mount Zelyonaya (mount Green) ZEPT participants plan to build a water park, to carry out beaches improvement, development of sanatorium treatment, medical center and rehabilitation in hotels.

The entire necessary external infrastructure is brought to ZEPT "Gornaya Shoria": electricity, roads and water supply. As a part of the modernization program for single-industry towns in Tashtagol area it was built a power line of 110 kV Temir-Tau – Kondoma, thereby removing infrastructural limitations for ZEPT. There was built a highway Chugunash – Sheregesh which significantly reduces the travel time to the ZEPT "Gornaya Shoria".

The implementation of the investment project "Tourism and recreation cluster "Sheregesh" which won in the competition for funding among 40 Russian regions projects in the framework of the federal target program "Development of domestic tourism in the Russian Federation on 2015-2018 years», allows significantly increasing the accessibility to Sports and Tourist Complex "Sheregesh" (STC "Sheregesh"). The total resources amount involved for project from the federal and regional budgets for construction of the highway Kuzedeevo - Mundybash - Tashtagol is equal to 2,047,477 thousand rubles.

In September 2016 the last section of road Kuzedeevo - Mundybash - Tashtagol towards STC "Sheregesh" was commissioned to bypass town Kaz. The commissioning of this site will increase not only the capacity of the road and traffic safety, but also reduce the level of transport impact on the village territory.

Section 3

Infrastructure for investors' attracting and supporting

3.1. Agency for Investments Promotion and Protection

In April 2014 Kemerovo region state organization "Agency for Investments Promotion and Protection" started to work in Kuzbass.

The main objectives of the Agency's activity - a comprehensive assistance in:

1. establishment and development of a favorable investment climate in Kemerovo region;
2. elimination of barriers to development of investment and business activity;
3. investment risks reduction.

In order to achieve objectives the Agency performs following activities:

- Events organization and performance of necessary work to attract investment into the Kemerovo Region economy;
- supporting investment projects implementation from the date of the intent declaration submission to the entrance into operation;
- Representational functions, including representation on behalf of the Kemerovo region's investment projects on interregional and international levels.

Since March 2016 Agency has opened a branch in Sheregesh city, the main task of which is to ensure the attractiveness and competitiveness of STC "Sheregesh" on a global level.

The Agency carries out the work on investor relations in the mode of "one window". Agency provides all services free of charge.

40

investment projects are accompanied by the Agency

50

billion rubles - the total investment of these projects

4.5

billion rubles - an amount of investment involved due to agency's work

250

the number of subjects who applied for agency's services from 2014 to 2016

Contacts:

**Kemerovo Region State public institutions
"Agency for Investments Promotion and Protection"**

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www.facebook.com/ГКУ-Кемеровской-области-Агентство-по-привлечению-и-защите-инвестиций-1044053202319073

3.2. Department of Kemerovo Region investments and strategic development

Department of Kemerovo Region investments and strategic development (hereinafter - the Department) is the executive body of Kemerovo area government with special competence which implements state policy in sphere of favorable conditions creation for development of investment and innovation activities and strategic planning in Kemerovo region.

The Department carries out its activities in cooperation with federal authorities, territorial bodies of federal executive bodies, Office of the Plenipotentiary Representative of the Russian Federation President in the Siberian Federal District, Interregional Association "Siberian Agreement", the Council of People's Deputies of Kemerovo region, executive authorities of Kemerovo region, local authorities, business entities, regardless of their organizational-legal form and form of ownership, public associations and organizations on matters of their competence.

Contacts:

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3.3. Kuzbass Technopark

According to the Russian Federation Government Decree №904 from 20.12.2007 and №1912-r dated 25.12.2007 Kemerovo region was included in the federal program for technology parks creation in the sphere of high technologies; funding for innovative infrastructure creation was started.

Technopark's goals are:

- provision of specialized industries companies transition to a new technology level;
- increase natural resources efficiency in the region;
- minimization of anthropogenic impact on the environment and human health;
- formation of regional economy's competitive advantages through production of high technology products and services through the introduction of modern forms in management and human resources development.

The Kuzbass Technopark's major areas of activity

- production, delivery and processing of coal, ore and non-metallic minerals;
- medicine, education, environmental management and life safety;
- information technologies;
- education.

Infrastructure's current state

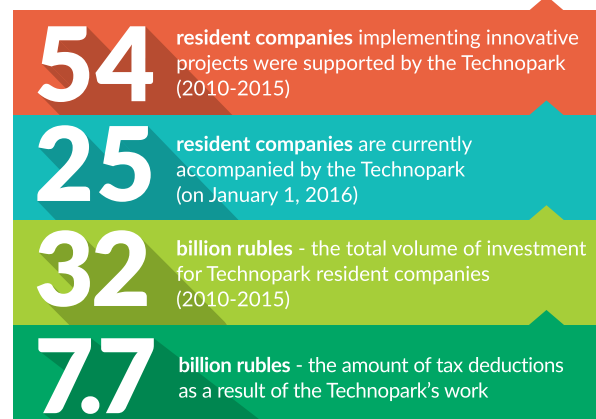
At the site of Technopark there are built following subjects: a business incubator (11 thousand square meters), production and laboratory building "Ecology and Nature" (4 thousand square meters.).

There are some subject under construction yet: building "Medicine and Biotechnology" (4 thousand square meters.), "Industrial safety (3 thousand square meters.). Plans for Technopark's site development up to 2017-2018 years include: technology transfer center, a hotel and a wellness center, a development and a production center, production and laboratory complex "Information Technology". All current and new projects are being implemented with involvement of private investors, funds, including residents of the Technopark. Land for development is available.

"Cluster Development Center", "Integrated Regional Centre" are organized as parts of JSC "Kuzbass technopark" departments.

In 2016 "Service support projects", "Center for Educational Technologies" were launched, "Center for Collective Use" (Certification of composition of oils, air, water) is planned to be launch.

During the period of 2010-2015 more than 600 events have been conducted on grounds of the Kuzbass Technopark; the number of participants exceeded 20 thousand people.



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3.4. Regional Engineering Center

In 2014 a new element of Kemerovo region's infrastructure for small and medium enterprises support became a Regional Engineering Center (REC). The operator of this Russian Ministry's of Economic Development program in Kemerovo region is "Innotech" LLC.

The purpose of REC - improving the competitiveness of small and medium-sized enterprises (SMEs) through development of technological and technical processes, software design solutions, engineering, technological, organizational and promotional tasks, raising funds for modernization projects' and new technologies' implementation.

REC Services:

1. conducting a rapid assessment of the technological readiness index. Express audit to assess the enterprise's potential;
2. carrying out technical audits (process / energy / environmental / other types of production audits) on SMEs;
3. Designing investment projects for SMEs development (modernization programs / technical modernization / renovation of production);
4. drawing up business plans / feasibility study / investment memorandums for SMEs' investment projects;
5. provision of marketing services for branding, positioning and promotion of SMEs' new products (services);
6. services for development of manufacturing processes, production technology and product quality in the basic directions of REC-activity;
7. services for technical and technological documentation's development (technical specifications, Technical Instructions, regulations, etc.);
8. educational activities for SMEs;
9. other engineering services.

200

small and medium-sized enterprises have received in 2015

250

services from the Regional Engineering Center (REC)

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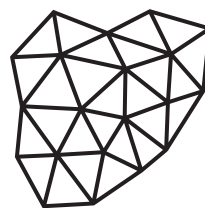
3.5. Cluster Development Center

Cluster Development Center (CDC) was created in July 2014. The main goal is to create conditions for effective interaction of cluster's participants, educational and science organizations, non-commercial and public organizations, state bodies, municipal bodies and investors in order to develop territorial clusters and implement joint cluster projects.

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Four clusters successfully operate in Kemerovo region by January 1, 2016.



**УГЛЕХИМИЧЕСКИЙ
КЛАСТЕР**

Кемеровской области

3.5.1. Innovative regional cluster "Coal and industrial waste complex processing"

The purpose of cluster creation and development is to strengthen competitiveness of the regional economy through introduction of R&D deliverables, innovations and international experience involvement in the field of complex processing of coal and waste produced at its mining, beneficiation and combustion.

Cluster "Coal and industrial waste complex processing" (coal chemical industrial cluster) is an innovative territorial cluster. In Russia it is currently approved and developed 25 innovative regional clusters who have significant (compared to industry and country parameters) share of cluster innovative products as well as formed innovative infrastructure.

A cluster is a structural part of Russia's largest territorial-production complex in the coal industry. It brings together key enterprises on principle of the unity of main raw materials sources. These key enterprises are companies for coal mining and coal beneficiation and com-

panies which are using coal as the main source of energy and heat (energy, metallurgy, housing).

The cluster is deeply integrated into regional industry. The cluster's technological platform are those interacting industries as:

- extraction and beneficiation of coal and lignite;
- coal generation (thermal power generation based on coal combustion);
- ferrous and nonferrous metallurgy;
- large-chemical production.

On the moment of July 1, 2016 coal chemical industrial cluster of Kemerovo region includes:



Prospective cluster projects:

- production of carbon adsorbents for gas separation, air purification and methane storage (LLC «Sorbents Kuzbass», LLC "Ekonovohim", Institute of Coal Chemistry and Chemical Materials of Russian Sciences Academy (Siberian Branch));
- organization of adsorptive materials manufacture for natural gas purification and storage (PC "Vtorpolimer");
- production of humic acids and derivatives from illiquid lignite (LLC "Ekonovohim", Institute of Coal Chemistry and Chemical Materials of Russian Sciences Academy (Siberian Branch));
- creation of a pilot equipment of modular type energy complex intend to adjust technologies. These technologies are needed for first stage of waste processing. The waste that was produced on mining-concentrating and smelting industries (JSC "Kuzbass Technopark", JSC "Energy Holding", LLC "NIC" systems technology integrator ");
- creation of integrated manufacture for industrial processing of waste from coal coking on basis of technological waste landfill of JSC "EVRAZ OZSMK" (JSC "Kuzbass Technopark", LLC "HimKreking");
- disposal of stale waste obtained by magnetic combustion of ores on concentrating-sinter plant (LLC "Ekomash").



БИОМЕДИЦИНСКИЙ КЛАСТЕР КЕМЕРОВСКОЙ ОБЛАСТИ

3.5.2. Biomedical cluster

The cluster's purpose is to increase competitiveness and quality of care due to the intensification of scientific development, due to stimulation the formation of small innovative enterprises and large-scale introduction of commercial products in the field of biotechnology.

The cluster is integrated in the Russian Federation health system as a provider of professional competences in the field of medical assistance, applied research in the field of cardiology in general and cardiovascular surgery in particular, pharmaceutical and galeno-pharmaceuticals and medicinal products for target groups' treatment. Cluster is also the largest manufacturer of biomedical products for cardiovascular surgery.

One of the cluster's anchor residents is the Kemerovo Cardiology Center - a group of research and health care organizations united around issues to improve the quality and efficiency of high-tech medical services in the field of cardiovascular surgery:

- State Organization "Scientific Research Institute of Cardiovascular Surgery Complex Problems" of Russian Sciences Academy (Siberian Branch);
- Federal State Budgetary Institution "Kemerovo Cardiology Clinic";
- Department of Cardiology and Cardiovascular Surgery (of Federal State Budgetary Educational Institution of Higher Professional Education "Kemerovo Medical Academy");
- CJSC "NeoKor" (a leading Russian manufacturer of biological prosthetic heart valves);
- number of small innovative enterprises.

On July 1, 2016 Kemerovo regional Biomedical Cluster includes:



Scope of cluster's main functions:

- Fundamental and applied research in the direction "Pathogenetic substantiation of new biocompatible materials development based on nanotechnology and tissue engineering for Cardiovascular Surgery";
- Medical devices production for prosthetics in cardiovascular surgery.

The cluster's participants own 23 existing patent used in the manufacture in the Orthotic field. Cluster's participating companies produce about 70% of all Russian heart valve bioprosthesis and provide 20% of these products consumption in domestic Cardiovascular Surgery.

Federal State Budgetary Institution "Research institute for Complex Problems of Cardiovascular Surgery" of Russian Academy of Medical Sciences (Siberian Branch) and other enterprises participating in cluster (CJSC "NeoKor", OJSC "Organica") are active participants of tetra-complex projects for full-cycle technological platform "Medicine of the Future."



АГРОПРОМЫШЛЕННЫЙ КЛАСТЕР

КЕМЕРОВСКОЙ ОБЛАСТИ

3.5.3. Agriculture cluster

The strategic goal of agro-industrial cluster development is to increase agricultural and food producers' competitiveness in Kuzbass to ensure food security, develop small and medium-sized agri-business, raise rural population's living standards.

On July 1, 2016 Kemerovo regional agro-industrial cluster includes:



The challenge for the future – realization of joint procurement projects for production means supply, as well as projects for products distribution, animal waste recycling, fodder conservation, regional brands development and staff's advanced training.

In March 2015 it was signed a multilateral agreement on agro-industrial cluster formation. Goals for the near future were also developed, such as: formation of working groups to promote cluster initiatives and to design cluster development strategy. Agro-industrial cluster's Council was selected. It includes 14 members, Chairman and cluster's Board Executive Secretary.

Main projects that have already implemented by cluster participants:

1. Chicken eggs of functional use (enriched in trace elements of selenium and iodine) - a joint cluster project of a peasant farm enterprise "Babichev V. P." and Federal State Budgetary Educational Institution (FBEI) of Higher Education "Kemerovo Government Agricultural Institute".

2. Honey milk - a joint cluster project of an agricultural production cooperative (APC) "Soglasie", LLC "Pchyolka" and FBEI of Higher Education "Kemerovo Government Agricultural Institute".

3. Fresh and pickled cheese of multifunctional orientation - a joint cluster project of a peasant farm enterprise "Baranov A.Y." and FBEI of Higher Education "Kemerovo Government Agricultural Institute".

4. Granular mixed fodders for dogs – LLC "Grand" project.

5. Fresh and soft smoked cheese made from cow's and goat's milk - APC "Soglasie" project.

Kuzbass farmers are involved in international, national and regional trade fairs under agro-industrial cluster's single brand. By the aid of cooperation cluster members are able to find more favorable raw material suppliers, regular buyers of products; also they enter into a mutually beneficial cooperation agreement.



3.5.4. Tourism and recreation cluster

The strategic goal of the Kuzbass tourism and recreation cluster development in the long term is to increase tourism and recreation complex's competitiveness, to promote domestic tourism products as well as expand tourism services range in the region.

Kemerovo regional cluster for tourism and recreation was created in 2015 as part of the cluster development strategy for the period until 2025 approved by the order of the Kemerovo region Board of Administration on June 3, 2015 № 301-r.

The regional tourism cluster contributes to the efficient use of natural, cultural and historical, technological, research and educational potential of Kemerovo region. In addition, favorable economic and geographical position and significant industrial potential presented by the giants of coal, metallurgical, chemical, machine-building industries and a number of other companies - are the key factors attracting business and convention travelers to the region.

On January 1, 2016 Kuzbass tourism and recreation cluster includes:



Prospective cluster projects:

1. hotel offer near the ski resort area in the Sheregesh village (Kemerovo Region);
2. creating 3D map of sports and tourism complex Sheregesh, including topography, vegetation, ski slopes, buildings and structures;
3. marketing research of tourist resources in Kuzbass;
4. marketing research of tourist resources in Mezhdurechensk and Guryevsk district (Kemerovo Region);
5. establishing an information base of tourist resources "Goraya Shoria" (Tashtagol district);
6. information project about Kuzbass in the form of cycle TV – program on the regional and federal levels;
7. project of draft river tourist route "Kamenniy epos Pritomiya" ("Stone epic of Pritomiye");
8. creation of tourist infrastructure "Gavrilovskiye pesheri" ("Gavrilovskiye caves");
9. additional vocational training projects with the use of distance learning;
10. information project for creation an Internet portal visit-kuzbass.ru.

3.6. Microfinance institution "State Fund for Entrepreneurship Support"

The main purpose of the Kemerovo region a "State Fund for Entrepreneurship Support" (hereinafter - the Fund) is to participate in development and implementation of projects and activities aimed to support and develop small and medium enterprises in Kemerovo region.

Kemerovo region Administration is Fund's founder.

Types of financial support provided by the Fund:

- micro-credit in the amount of up to 3 000 000 rubles under 10% per annum for up to 36 months - for entrepreneurs wishing to top up their basic and working capital;
- guarantees provision - for entrepreneurs in order to get loans in commercial banks;
- guarantee to leasing companies - for equipment purchase through leasing companies;
- guarantee to banks for bank guarantees.

Fund is a dynamic, constantly evolving structure. One of the Fund's objectives is to create an organic working system able to identify and comprehensively address issues of business development, consolidation of all possibilities to support and develop small and medium business on the Kuzbass territory.

According to the concept a "Business Support Center" was created on a regional level on basis of the State Fund for Kemerovo regional Entrepreneurship Support (Order of the Kemerovo region Board of Administration from 28.07.2009 № 722-r). This Center is one of the system's elements for SMEs sustainable development.

Kemerovo Region Business Support Centre (hereinafter - Centre) coordinates the municipal centers' work, carries out methodical and consulting support of their activities and also provides information exchange.

Agreements on Center's cooperation with all of structures belonging to the business support system are currently signed. There is a videoconferencing connection which allows conducting operational meetings and task groups meetings online.

The center facilitates the SMEs interaction with business support organizations, identifies and helps to solve SME's problems at the regional level.

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Section 4

Support for investment and innovation activity

In order to improve investment climate and to achieve sustainable socio-economic development it was designed a strategy to attract investments in Kemerovo region for the period up to 2030.

To achieve stated by Strategy goal it is necessary to solve a number of problems, the main among which are: administrative barriers elimination, implementation of infrastructure measures and investment activity financial support, providing investing activities by qualified personnel, demand stimulus formation.

Strategy implementation will result an increase in investments volume in Kemerovo region's fixed capital (at constant prices) by 31.3% (compared to the year 2011)

and as consequence consolidated budget's tax and non-tax revenues will increase over the same period in the 1,5 times by 2030.

To strengthen the investments attracting work in Kemerovo region the Governor Tuleyev A.G. introduced the position of an investment authorized agent in the end of 2011. The main objective of the investment authorized agent –assistance to investors in their regional projects, including simplification of administrative procedures for investors' interaction with regional and local authorities and officials.

Since 2012 investment authorized agents have been appointed in every Kuzbass town and district.

According to the National rating for investment climate's state, presented at the St. Petersburg International Economic Forum (June 2016), Kemerovo region remained at the level of regions with comfortable conditions for doing business, taking 27th place among the regions in the Russian Federation.

In addition, the international agency FitchRatings on the date of October 2016 confirmed Kemerovo Region ratings at "BB-" with "Stable" forecast; confirmed the long-term Issuer Default Rating ("IDR") of Kemerovo region in foreign and local currency ratings at "BB-" and short-term IDR at "B" in foreign currency. The agency has also affirmed the National Long-term rating at "A + (rus)", forecast on long-term ratings - "Stable".

Priority investment development's directions - Kemerovo region's economy "growth points"



4.1. State programs in the field of investment, innovation and entrepreneurship support

1. Resolution of the Kemerovo region Board of Administration from September 13, 2013 № 376 "On approval of Kemerovo region state program" uzbass economic development and innovative economy" for 2014 - 2019".

2. Resolution of the Kemerovo region Board of Administration from October 1, 2013 № 413 "On approval of Kemerovo Region state program "Kemerovo region SMEs' development" for 2014 - 2019".

4.2. Basic laws and basic supports (incentives)

In order to improve investment climate and create favorable business environment and to increase region's investment attractiveness following Kemerovo region's laws are adopted:

1. "On state support of investment, innovation and production activities in Kemerovo region" (from 26.11.2008 number 102-OZ);
2. "On zones with economically preferable terms" (from 08.07.2010 number 87-OZ);
3. "On Kemerovo region's Techno-parks" (from 02.07.2008 number 55-OZ);
4. "On tax benefits for investment, innovation and productive organization, managing techno-parks' orga-

nizations, base techno-parks' organizations, techno-parks' residents, ZEPT's management companies and ZEPT participants" (from 26.11.2008 number 101-OZ);

5. "On the tax rates under the simplified taxation system" (from 26.11.2008 number 99-OZ);

6. "On tax benefits to organizations engaged in Kemerovo Region's waste management activities" (from 02.06.2011 number 64-OZ);

7. "On tax benefits to industrial parks' residents and investment activity subjects performing activities in the field of natural gas (methane) extraction from Kemerovo region's coal deposits" (from 28.01.2010 number 5-OZ);

8. "On Kemerovo region's innovation policy" (from 02.07.2008 number 66-OZ);

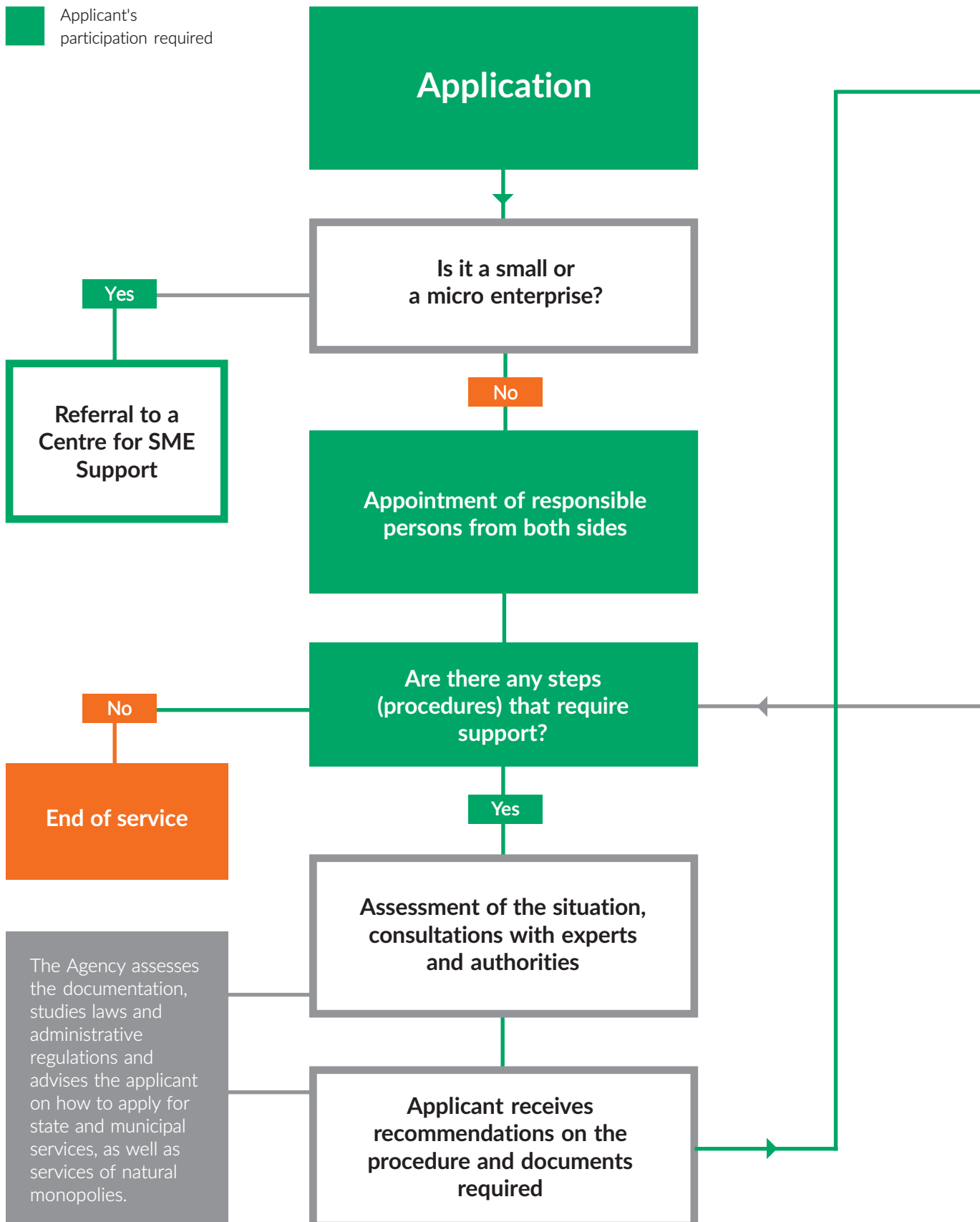
9. "On establishing criteria that must be met by large-scale investment projects that are planning to be placed on the land owned by the state or municipality for rent provision to legal persons without tender" (from 07.08.2016 number 52-OZ).

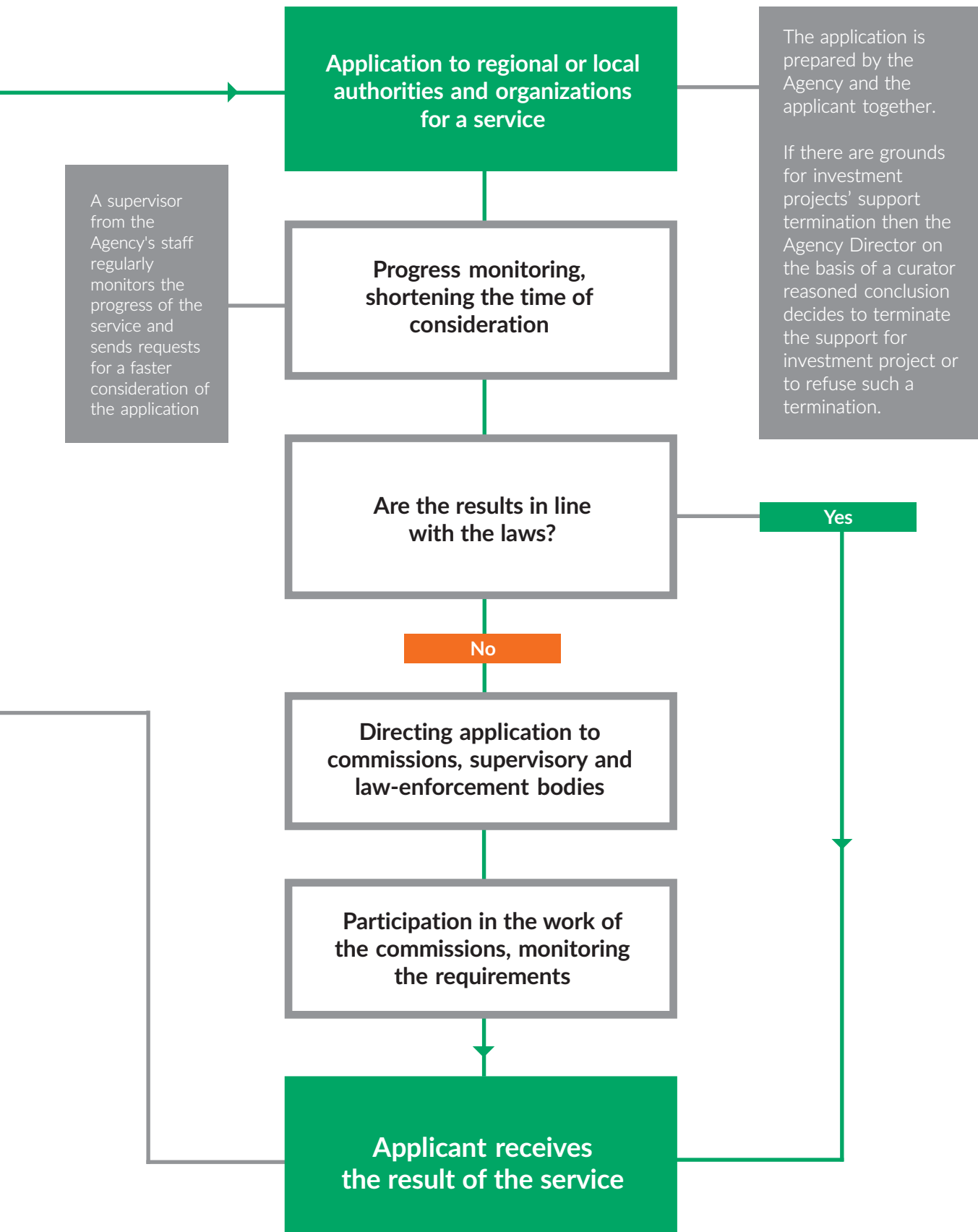
4.3. Subjects eligible for state support

- Residents of zones with economically preferable terms (ZEPT);
- residents of territories with advancing socio-and economic development (TASED);
- residents of Techno-park;
- subjects (of investment, innovation and production activities) projects of which are included in Kemerovo region's investment projects list.

4.4. Investment projects' supporting procedure on the principle of "one window"

Block scheme "Investment projects Support"





4.5. State support forms (in accordance with Kemerovo region laws)

4.5.1. Tax breaks, %

Tax type	Tariffs	Including for:			For subjects included in KR's priority projects list
		ZEPT residents, %	TASED residents, %	Thechnopark residents, %	
Corporate income tax	20,0	15,5*	5,0**	15,5*	15,5*
Property tax	2,2	0	0***	0	0
Social insurance contributions	30,0	30,0	7,6	30,0	30,0
Land tax	1,5	—	0	—	—

* Validity: from 1 to 5 years. According to simplified tax system with a 15% reduced to 5%.

** The first 5 years, later - 12%.

***Tax rate is determined on the basis of a normative act adopted by municipality and is equal to 0% during first 5 years and 1,1% - later.

4.5.2. Non-tax incentives *

- Subsidies from the regional budget to compensate interest on bank loans obtained for projects implementation.

- Subsidies provision from the regional budget to compensate costs for design documentation development, passing through state investment (innovation) projects examination.

- Providing incentives for property rental which is Kemerovo region's public property and which is necessary for priority investment projects implementation.

- Kemerovo region as a guarantee of obligations of investment and innovative productive entities arising during priority investment projects implementation.

- Kemerovo region's participation in open joint-stock companies' founding members.

- Provision of non-financial measures of state support, including organizational, informational and consulting assistance provision.

* According to the Kemerovo region's Law from 26.11.2008 number 102-OZ "On state support of Kemerovo region's investment, innovation and production activities."

4.6. Necessary procedure to include subjects of investment, innovation, manufacturing activity in Kemerovo region's investment projects list. **

1. Contacting Kemerovo region's department for investments and strategic development.

2. Preparation of needed documents to obtain public support.

The list of documents submitted to the Kemerovo Region's department for investments and strategic development for application consideration:

- an application for investment activity state support, prepared in accordance with the form;

- copies of constituent documents with all subsequent amendments and additions;

- extract from the Unified State Register of Legal Entities received no earlier than ten days prior to the application date;

- a copy of documents confirming powers of the head;

- a business plan on paper and electronic media compiled by form;

- the Kemerovo region Administration structural divisions' statement or statement from other Kemerovo region's executive authorities respect to project's branch (activity) whether to provide state support in terms of project's (activity) significance for industry development and whether it meets criteria for granting state support, including information on previous support provided by the state;

- copies of balance sheets and annexes for the previous year and the previous quarters of this year with a mark of tax inspection;

- a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;

- a certificate of average employees number and average wage for the previous reporting period, certified by activity's subject signature and seal.

3. Conducting peer review of documents by Kemerovo

region's investment policy department for strategic development.

4. Project introduction to investment and innovation Council under Kemerovo Region Governor (hereinafter - the Council).

5. Project consideration by the Kemerovo region's Board of Administration (with a positive decision by the Council) in a period not exceeding 45 calendar days from the date of application and documents receipt.

6. Signing of Agreement on appropriate activity implementation (investment, innovation and industrial) between Kemerovo region and the organization that receives state support (for a positive decision by the Kemerovo region's Board of Administration).

*** According to the Resolution of the Kemerovo region's Board of Administration from 14.10.2009 number 411 "On measures to implement Kemerovo region law from 26.11.2008 number 102-OZ" On state support of investment, innovation and production activities in Kemerovo region".*

4.7. The procedure for granting state support to Technoparks' residents***

1. Appeal to technopark's managing organization.
2. Preparation of needed documents to obtain public support.

The list of documents submitted to the Kemerovo Region's department for investments and strategic development for application consideration:

- application for Technopark's resident status assignment, compiled in the form;
- innovative project that covers appropriate technopark's activity areas compiled in the form;
- innovative project's positive conclusion by Technopark's expert council included in Kemerovo Region's industrial parks' register;
- an agreement between the applicant and the Technopark on innovation project implementation;
- a copy of certificate about registration in tax authority at the entity's activities location;
- copies of constituent documents with all subsequent amendments and additions;
- a tax authorities' certificate on debt absence (presence) on payments to the budgets;
- a certificate of average employees' number and average wage for the previous reporting period.

3. Conducting peer review of documents by Kemerovo region's investment policy department for strategic development.

4. Project introduction to investment and inno-

vation Council under Kemerovo Region Governor (hereinafter - the Council).

5. Project consideration by the Kemerovo region's Board of Administration (with a positive decision by the Council) in a period not exceeding 45 calendar days from the date of application and documents receipt.

6. Signing of Agreement on cooperation for project realization between Kemerovo region, a Technopark and Technopark's resident which receives government support (in case of a positive decision of the Kemerovo region Board of Administration).

****According to the Resolution of the Kemerovo region's Board of Administration from 14.10.2009 number 411 "On measures to implement Kemerovo region law from 26.11.2008 number 102-OZ" "On state support of investment, innovation and production activities in Kemerovo region".*

4.8. Necessary procedure to conclude agreements on activity implementation on territories with advancing socio-economic development (TASED) established in Kemerovo region's mono-core municipalities (mono-cities)****

1. Contacting Kemerovo region's department for investments and strategic development.

2. Preparation of needed documents to obtain public support.

The list of documents submitted to the Kemerovo region's department for investments and strategic development for application consideration:

- an application for agreement signing, prepared in accordance with the form;
- Copies of constituent documents with all subsequent amendments and additions;
- a copy of documents confirming powers of the head;
- Information about the owners (including information on no communication with city-forming company);
- a business plan on paper and electronic media, compiled by form;
- an investment project's passport on paper and electronic media, compiled by form;
- information on planned total capital investment and jobs, including subdivision by every year, in case of investment project's implementation;
- copies of balance sheets and annexes for the year prior to the application year;
- a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;



One of the Kemerovo region's priority projects is oil refinery.

- information about payments status on insurance premiums, penalties and fines issued by the competent authorities no earlier than one month before application submission

- A certificate of average employees' number and average wage for the previous reporting period, certified by activity's subject signature and seal (if any).

3. Conduct peer review of documents by Kemerovo region's investment policy department for strategic development.

4. Project introduction to investment and innovation Council under Kemerovo Region Governor (hereinafter - the Council).

5. Kemerovo region College Administration takes one of the following decisions according to results of investment project's review:

- on agreement conclusion;
- of negative response with indication of reasons.

6. Sending agreement to the Ministry of economic development to include this agreement in the registry.

Terms for submitted documents examination:

- Department of Kemerovo region's investments and strategic development takes 15 to 33 days for a conclusion;

- the conclusion is reviewed by investment and innovation Council under Kemerovo Region Governor in period of 7 to 15 days and Council gives a next conclusion;

- this conclusion is reviewed by Kemerovo region's College of Administration in period of 5 to 15 days;

- the term of agreement signing on the activity's im-

plementation in TASED - within 15 days from the date of a Kemerovo region's Board of Administration order;

- term of a new TASED resident's registration by Ministry of Russia's Economic Development in period of 7 to 15 days.

*****According to the decree of the Kemerovo region's College of Administration adopted № 312 "On approval of a Procedure for conclusion of agreements on activity implementation on the territories of advancing social and economic development, established on the territories of Kemerovo region's single-industry municipalities (mono-cities)".*

4.9 Agreement concluding procedure for economic activity in zones with economically preferable terms (ZEPT) *****

1. To conduct business in ZEPT, subject should be registered on a municipality's territory which has ZEPT on it and have the same type of economic activity that ZEPT does. Company should direct an application for economic activity in ZEPT to the Department of Kemerovo Region investments and strategic development.

2. Also companies need to provide authorities with following documents:

- land parcel documents for the territory on which the organization plans to conduct economic activity corresponding to the ZEPT-type;

- a business plan on paper and electronic media, compiled by form. Business plan should include details about

Map diagram of Kemerovo region's territories with favorable conditions for economic activity conduction

TASED "Yurga"

The territory with advancing socio-economic development "Yurga" was established by the Russian Federation Government Decree from 07.07.2016. TASED "Yurga" area installed within the boundaries of the Yurga city district.

TASED "Anzhero-Sudzhensk"

The territory with advancing socio - economic development "Anzhero-Sudzhensk" was established by the Russian Federation Government Decree from 19.09.2016. TASED "Anzhero-Sudzhensk" area installed within the boundaries of the Anzhero-Sudzhensk city district.



planned investments volume on the ZEPT territory, the number of newly created jobs, goods' production description and volume, sales volume's substantiation;

- copies of balance sheets and annexes for the previous year and the previous quarters of this year with a mark of tax inspection;

- a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;

- a certificate of average employees' number and average wage for the previous reporting period, certified by activity's subject signature and seal.

3. Individual entrepreneurs need to provide authorities with following documents in addition to application:

- land parcel documents for the territory on which the organization plans to conduct economic activity corresponding to the ZEPT-type;

- a copy of Russian Federation citizen's identity document;

- a copy of certificate of "person as an individual entrepreneur" state registration;

- a business plan on paper and electronic media, compiled by form. Business plan should include details about planned investments volume on the ZEPT territory, the number of newly created jobs, goods' production description and volume, sales volume's substantiation;

- copies of balance sheets and annexes for the previous year and the previous quarters of this year with a mark of tax inspection;

- a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;

- a certificate of average employees number and average wage for the previous reporting period, certified by subject's head signature and seal.

4. Documents' copies must be certified by signature and seal of the organization (individual entrepreneur).

There should be one copy for every document and they should be attached to the application.

Management conducts their expert evaluation within thirty calendar days from the documents' receipt date.

According to the expert assessment results the conclusion about agreement's possibility (or impossibility) to be made. In case of positive answer an agreement is concluded within thirty calendar days from the date answer was given.

***** According to the decree of the Kemerovo region's College of Administration № 451 from 19 October 2010 "On Kemerovo region's measures for implementation the Kemerovo region's law № 87-OZ from 08.07.2010 "On zones with economically preferable terms ".

4.10. Investor's activity in case of capital construction

1. The investment site search and identification of the main object's technical and economic parameters.

Investment site search can be carried out from among the sites located in the investment sites Registry on the Investment portal www.keminvest.ru or by using the Kemerovo region www.isogd42.ru geographic information spatial planning system.

Consultations on investment platforms selection are available at Kemerovo Region State public institutions "Agency for Investments Promotion and Protection" (Kemerovo, 1, Sosnoviy Boulevard, office 204, Tel./fax: 8 (384-2) 77-86-00, Monday - Friday 8.30-17.30 break 12.00-13.00).

Planned object's technical and economic parameters are determined by the investor.

2. Registration of land rights.

Local municipalities' authorities provide municipally owned land. Information on the procedure for granting land (administrative regulations) is available on the official sites of local governments. Information on conditions of land use, town planning restrictions and limiting parameters of permitted construction is contained in the planning regulations of territorial zones in Rules of municipalities for land use and development. These Rules are available on the local governments' official sites. For convenience, you can use the regional resource www.guaig42.ru.

Allocation of land plots that are not delimited in Kemerovo city and Kemerovo region is carried out by the Kemerovo region's Committee of State Property Management (www.kugi42.ru). If survey work is necessary the applicant must apply to any cadastral engineer. Information about certified engineers is contained in the cadastral engineers' Register on Russian register site: www.rosreestr.ru.

Making land rights between business entities is conducted in accordance with the Russian Federation Civil Code.

For land rights registration in cases provided by law an applicant must apply to the Russian State Register Office of the Kemerovo Region (www.to42.rosreestr.ru) or its territorial department (list of territorial divisions posted on the website under "Structure": www.to42.rosreestr.ru/) or the nearest multifunctional center providing state and municipal services.

3. Urban plan preparation for land plot.

Urban development plan of the land site is provided by municipality's local government, in which this territo-



ry is found. Information on the procedure of urban development land plans (administrative regulations) is available on local governments' official sites.

4. Engineering surveys.

In order to obtain information on natural conditions, factors of anthropogenic impact on the environment and materials needed for project's documentation development it is needed to perform engineering surveys. Types of engineering survey works, which affect the capital construction's security, must be carried out only by individual entrepreneurs or legal entities who have issued a certificate for this type of work from self-regulatory organization (SRO). Lists of these organizations are available on the official websites of the SRO. SRO Register is posted at Russian technical control site: <http://sro.gosnadzor.ru>.

5. Design documentation development.

Types of works on project's documentation preparation, which affect the security of capital construction must be carried out only by individual entrepreneurs or legal entities who have issued a certificate for this type of work from self-regulatory organization (SRO). Lists of these organizations are available on the official web-

sites of the SRO. SRO Register is posted at Russian technical control site: <http://sro.gosnadzor.ru>.

6. Examination of project documentation and engineering survey results, state ecological expertise.

In cases under Art. 49 of the Russian Federation Town Planning Code, project documentation and engineering survey results are sent to examination. State or non-state examination can be carried out. The examination type depends on object's membership in especially dangerous, technically complex and unique objects, as well as depending on sources of financing. State examination is conducted by Federal Autonomous Institution "Glavgosexpertiza Russia» (www.gge.ru) or State Autonomous Agency "State examination Management» (www.uge42.ru). State expertise may be carried out by specialized organizations accredited for conducting non-state examination. The list of accredited organizations is available on the Federal Accreditation Service website <http://fsa.gov.ru/> in tab "Registers".

In cases under Art. 11, 12 of the Federal Law from 23.11.1995, № 174-FZ "On the environmental-impact assessment" project documentation should be sent to the state environmental expertise in the Kemerovo region Department of Natural Resources and Ecology (www.kuzbasseco.ru).

7. Obtaining a building permit.

Issuance of building permits is carried out by local municipality's authorities that own the territory with the needed land. If an object is located on the territory of two or more Kemerovo region's municipalities, the issuance of a building permit is carried out by the Kemerovo region's Main Department of Architecture and Urban Planning (www.guaig42.ru).

8. Construction implementation.

Types of works on construction, reconstruction, repair of capital construction which affect the security of capital construction must be carried out only by individual entrepreneurs or legal entities who have issued a certificate for this type of work from self-regulatory organization. Lists of these organizations are available on the official websites of the SRO. SRO Register is posted at Russian technical control site <http://sro.gosnadzor.ru>.

In accordance with Art. 53 of the Russian Federation Town Planning Code a building control is carried out during construction process. In case of construction under the construction contract supervision is carried out by the developer or the technical customer. In this case the latter should have the appropriate SRO approval.

In cases under Art. 54 of the Russian Federation Town Planning Code the state building supervision must be carried out during the construction. If a construction type is classified as especially dangerous, technically complex and unique objects or related to the placement and disposal of waste I - V hazard class, then construction supervision is carried out by the Siberian Department of Russian technical control (<http://usib.gosnadzor.ru>) and the Inspectorate of Kemerovo region State construction supervision (www.igsenko.ru).

9. Obtaining commissioning permission.

Issuance of capital construction's commissioning permit is carried out by the authority that issued the building permit.

To obtain state and (or) municipal services provided by the procedures 2, 3, 6, 9, the investor may apply to the multi-service center that works on a principle of "one window" created by local authorities.

If the investor does not have customer in its structure to carry out the procedures associated with the construction of capital construction objects, it is recommended to use services of specialized organizations carrying out technical functions of a customer under the contract.

Construction authorities

The Kemerovo Region Department for Construction

650000, Kemerovo, 60, Sovetsky prospect
+7 (3842) 58-55-45, 58-71-81
<http://dsko.ru>

The Kemerovo Region Committee for State Property Management

650099, Kemerovo, 58, Sovetsky prospect
+7 (3842) 58-15-50
<http://www.kugi42.ru>

The department of the Federal Service for State Registration, Cadastre and Cartography in Kemerovo region

650991, Kemerovo, 3g, Oktyabrsky prospect
+7 (3842) 72-53-59, 35-74-16
<http://www.to42.rosreestr.ru>

The Central Department of Architecture and Urban Planning of the Kemerovo Region

650099, Kemerovo, 60, Sovetsky prospect
+7 (3842) 36-43-17
<http://www.guaig42.ru>

The Kemerovo Region Department for State Expert Review

(The Department for Reviewing Design Documentation and Results of Engineering Surveys)

650023, Kemerovo, 18-2, Tereshkovoy st., (3rd floor)
+7 (3842) 34-66-01,
Fax: +7 (3842) 34-66-01
<http://uge42.ru>

The Kemerovo Region Department of Natural Resources and Ecology

650000, Kemerovo, 63, Sovetsky prospect
+7 (3842) 58-55-56
<http://www.kuzbasseco.ru>

The Kemerovo Region Inspectorate for State Construction Supervision

650064, Kemerovo, 60, Sovetsky prospect
+7 (3842) 58-70-12
<http://www.igsenko.ru>

The Siberian Department of the Federal Service for Ecological, Technological and Nuclear Supervision (Rostekhnadzor)

Kemerovo, 3, Institutskaya st.
+7 (3842) 64-54-20
<http://usib.gosnadzor.ru>

Section 5

International and interregional cooperation

The region's international and interregional cooperation is governed by the Concept for Development of Foreign and Interregional Economic Activities of Kemerovo Region, adopted by the Kemerovo Region Administration Board (No. 1123-p of 10.10.2006). The cooperation between Kemerovo Region and other constituents of Russia and foreign countries is based on the region's competitive advantages including rich natural resources, internal reserves for developing and modernising various regional sectors, well-developed industrial, financial and transport infrastructure and human resources.

5.1. Agency for investments attraction and protection

The main Agency's goal is to perform "one window" function which works as an informational source for foreign investors about the region's investment potential, ongoing projects, new investment opportunities as well as a tool to create favorable conditions for foreign companies' entry to the regional market.

Main Agency's functions at the international level are:

- searching and attracting Russian and foreign investors for investment projects' realization on the region's territory;
- organization of interaction and involvement of Russian and international financial organizations and institutions for investment projects implementation;
- region's presentation on international exhibitions, forums, conferences as well as promotion of investment opportunities and area's business image by building an

efficient system of communication and interaction with international investment community.

Kemerovo region's investment portal www.keminvest.ru is presented on 5 languages.

Contacts:

Kemerovo, 1, Sosnovy boulevard, office204

Tel.: (3842) 77-86-00

<http://keminvest.ru>

e-mail: aapi42@yandex.ru

5.2. The Kuzbass Chamber of Commerce and Industry

The Kuzbass Chamber of Commerce and Industry (KCCI) is a coordinator of activities aimed to establish and strengthen international and interregional relations of the Kemerovo Region under the Agreement between the Kemerovo Region Administration and the KCCI on cooperation in developing foreign economic relations.

The Union "KCCI" efforts to facilitate the development of foreign and interregional economic relations of Kuzbass enterprises and their participation in exhibitions and fairs focusing on two major objectives, namely:

1. Promoting local products and services in other regions of Russia and abroad; and
2. Encouraging investment in Kuzbass.

The Union "Kuzbass Chamber of Commerce and Industry" conducts the portal of Kemerovo region's Foreign Economic Relations www.vedkuzbass.ru. This portal includes date information for foreign economic

activity participants and investors about region's geography of foreign economic connections and export potential, foreign economic activity indicators in area of all Russian customs posts' responsibility as well as regulatory and methodological materials for foreign trade conduction.

Contacts:

650002, Kemerovo, 1, Sosnovy boulevard, office 509

Phone/fax: +7 (3842) 77-88-17, 77-88-22

E-mail: ves@kuztpp.ru

Web-site: <http://www.kuztpp.ru/>

Web-site: www.vedkuzbass.ru

5.3. Customs

Kemerovo Customs has a status of internal customs without access to the borders of Russia. Structurally, Kemerovo Customs consists of 6 customs stations located in the cities of Novokuznetsk, Prokopyevsk, Mezhdurechensk, Leninsk-Kuznetskiy, Belovo and Kemerovo.

Belovo, Leninsk-Kuznetskiy, Mezhdurechensk and Prokopyevsk customs offices are competent only for registration of railway and transport overhead (affixing the stamp of the customs authority). Kuzbass and Novokuznetsk customs offices are competent to declare the entire product line, except meat, alcoholic beverages as well as forests and energy exports.

In 2015 3.8 billion rubles of customs payments were transferred to the state treasury; for the 1st half of 2016 - 2,190 billion rubles.

According to customs statistics, Kemerovo customs foreign trade turnover in 2015 amounted USD 2,129 millions. The main partners of the region are Taiwan, China, Netherlands, Japan and Germany.

The bulk of the commodity structure of exports (81.1%) is metals and metal products and chemical products (16.1%). The volume of machines and equipment makes 64.3% of imports. Basically, it is an equipment for Kuzbass mining and metals companies.

Participants of Kemerovo region foreign economic activity are mainly the large industrial enterprises, some of which operate in a continuous mode. It largely determines the operation of the Kemerovo customs. By way of example, in September 2008 at station "Novokuznetsk-Severnaya" JSC "Evraz ZSMK" has created a customs clearance department number-2 of Novokuznetsk customs post. The uniqueness of this division is that the department enables declaration of goods around the clock, day and night, on weekends and holidays. This is due to a plant's continuous production cycle and the shipment for export respectively.

Kemerovo customs policy is aimed to organize and construct relationship with the business community both of the region and the Siberian Federal District. The purpose of dialogue is creation of favorable conditions for foreign trade development and improving region investment attractiveness. There is a close cooperation with the Kuzbass Chamber of Commerce, the Kuzbass Technopark and a public organization "Support of Russia". Working meetings with foreign trade participants are carried out on ongoing basis. Currently, in cooperation with the Kemerovo Region Administration a work for investment projects studying is organized. These activities help to develop a common strategy and to solve problems occurred during operation.

Kemerovo Customs is actively using modern information technology that reduces time of customs operations and enhances customs control effectiveness. In 2015 Kuzbass and Novokuznetsk customs posts were included in the program for automatic registration and issue of goods declarations, thereby reducing the average time of goods declarations registration from 1 hour to 40 seconds. The work with the participants of foreign economic activity directed to the correct filling of goods declarations is conducted. It allows increasing the number of declarations received automatically and to actively introduce automatic declaration release.

Today, in the area of Kemerovo customs activity there are 9 temporary storage warehouses, 3 customs warehouses, 1 customs authority warehouse, and 2 international air crossing point "Spichenkovo" (Novokuznetsk) and International "Airport in honor of A.A. Leonov" (Kemerovo).

Kemerovo Customs provides free public information service about legal acts in the field of customs and consultancy on customs affairs and other issues within the customs authorities competence. To get such public a subject should sent a written request for consultation to customs authority address.

Persons consulting in public services provision, information on legal acts in the field of customs affairs, counseling on customs affairs and other issues within the customs bodies' competence and authorized officials, is conducting at the address: 650055, Kemerovo, 36, Sarygina st., tel : (3842) 36-14-34, 34-94-68 (Kemerovo customs legal department), e-mail: Svc-kem-odo@stu.customs.ru

Contacts:

650055, Kemerovo, 36, Sarygina st.,

tel. on reception: 8 (3842) 75-25-66

Tel. / Fax: 8 (3842) 36-28-69

tel. of operational duty: 8 (3842) 75-27-43

e-mail: svc-kem-odo@stu.customs.ru

Section 6

Recreation, sports and health tourism and leisure

6.1. Recreational resources

Kemerovo Region on a combination of its natural resources variety and the environment can rightly be attributed to the unique region of the world. Kemerovo Region is located at the junction of the West Siberian Plain and the mountains of Southern Siberia. Much of the area lies in the Kuznetsk Depression separating the Kuznetsk Alatau (up to 2178 m tall), the Salair Ridge and the ridges of Gornaya (Mountain) Shoria in the South. The region's high recreational potential can be attributed to its climatic and orographic conditions, its scenery, culture and history, which make this area favourable for almost any kind of tourism such as hiking, water, business, cultural, historical tourism and others.

The main resort area resources are mineral water deposits that confined to the Kuznetsk artesian basin. Nitrogen complex chemical composition of water with salinity from 2.8 to 11, 2 g/l are common here. There were revealed large deposits of nitrogen-methane hydrocarbon sodium water containing iodine, bromine, hydrogen sulfide with mineralization from 2 to 5 g/l. Chloride-sodium bicarbonate water is widespread. At 75 km from the city of Novokuznetsk it was found carbonic sodium bicarbonate and sodium-calcium carbonated water (Tersinskoe deposit), in Krapivinskoye area -

hydro-chloride sodium water containing 10-20 mg/l of bromine and hydrogen sulfide in excess of 33 mg/l with mineralization up to 2 g/l (Borisovskoye deposit). Spa resorts are created on the basis of these fields.

Kemerovo Region has large reserves of sapropelic therapeutic mud in the freshwater of the lake Bolshoi Berchikul in Tisulskiy District at the junction of the eastern slope of the Kuznetsk Alatau and the Kaychak forest steppe, in the interstream area between the Tom and Yenisei rivers.

A scenic mountain terrain spreads over the South, East and West of the region with its unique natural monuments such as the Spasskiye Dvortsy (Spassky Palaces) cliffs, the Alguiskiye Tremolites, the Pily Taizhesu (the Saws of Taizhesu), the Skalistye Gory (Rocky Mountains) canyon, the Krasniy Kamen (Red Stone), the Gavrilovskiye caves, the Orlinaya Gora (Eagle Mountain), the archaeological complexes of the Ur river, the Kamennye Vorota (Stone Gates), the granite buttes of Mustag bald peak, the Podnebesnye Zubya (Sky-scraping Teeth), cave complexes along the upstream stretch of the Mrassu river and the Usinskiy karst area with the famous Pamyatnaya (Memorial) cave, an underground river, a lake and other sights.

The Tom is the major river in Kuzbass running through the region for almost 300 km and a favourite route among water tourists especially such of its tributaries as the Belsu, the Mrassu, the Usa, the Kondoma, the Verkhnyaya (Upper) Ters, the Srednyaya (Medium)



For the last 18 years tourism has emerged as an independent branch of the Kemerovo regions' economy. In this period the number of organizations working in tourism business has increased by 11 times.

Ters, the Nizhnyaya (Lower) Ters and the Taydon. However, this river has quite limited transport potential for industrial use. One of the most beautiful rivers in the East of the region is the Kiya which means 'rocky' in Turkic. Rising on the slopes of the Alatau main ridge, it flows through a deep gorge over a stony bed. The Kiya abounds with lurking and dangerous places - rifts, stretches, deep holes such as the cripples Serdity (Angry), Kipuchiy (Seething), Lokhmaty (Shaggy) and Banditskiy (Bandit) and the reaches Barkhatny (Velvet), Mramorny (Marble), Zolotoy (Gold) and Belokamenny (White Stone). Just as attractive and picturesque are its tributaries Mokry (Wet) Berikul, Klyuch Dinamitny (Dynamite Key) and the river Makarak.

The region's climatic conditions are favourable for the development of winter and summer tourism. Summers are warm with long sunny days totalling 2,118 hours per year. Winters are known for generally clear skies and mild frosty weather with a solid and thick snow cover up to 1.5-2 metres in the mountain valleys. Nature itself has created a unique environment for winter sports and tourism development in Kemerovo region.

6.2. Winter sports and tourism development Centers

For the last 18 years tourism has emerged as an independent branch of the Kemerovo regions' economy. At the end of 2015 the number of organizations working in the tourism business, compared with 1997, has increased by 11 times, the number of employees - up to 6 times, the amount of tax revenues - by 3.5 times, and the flow of tourists - 300 times. The annual volume of tourist services in the region is about 3 billion rubles, hotel and sanatorium - 2 billion rubles. Almost 1 billion rubles in taxes came in different budget levels.

Sports and Tourist Complex "Sheregesh"

Sports and Tourist Complex "Sheregesh", located in the Gornaya Shoria (mountain Shoria) (in Tashtagol District), is one of the most popular ski resorts not only in Russia, but even abroad. Within the complex there are 61 hotel which can accommodate up to 3 thousand guests, 18 ski lifts (from the rope to the gondola), 21 ski

slope with a height difference of 120 to 800 meters and 3 snowmobile trails with a total length of over 42 kilometers, 62 cafes and restaurants, three entertainment centers, 13 parking lots, 18-point of equipment rent.

In addition to the skiing facilities at the resort there are actively developing additional services to help diversify the rest such as an indoor ice-skating rink, tennis courts, bowling alley.

The next stage of resort development - Mount Mustagh slopes' exploration. The master plan was prepared together with the Canadian company "Ecosign". In fact it is a construction of the second Sheregesh (Sector "B") in accordance with international standards.

To manage development and construction sector "B" the Kemerovo Region Administration and Federal Center for Project Finance (FCPF) created "Corporation for resort zone Sheregesh development", which will operate on a principle of development company. FCPF as part of ZEPT Group provides financial and expert support to preparation of the new sector development projects which are implemented with non-budgetary investment involvement. This is a completely new approach to the resort "turnkey" development: from project documentation development and infrastructure creation to investment attraction. As a result, for the period up to 2020 it is planned to attract additional private investment equal to 10 billion rubles. It will be a new sector in Sheregesh which will increase tourist flow almost 2 times.

In addition, within sector "A" development framework 17 lifts will be built and upgraded, a single transport logistics hub will be constructed and will include 1.5 thousand parking places, a bus station and hub cable way to the "A" sector.

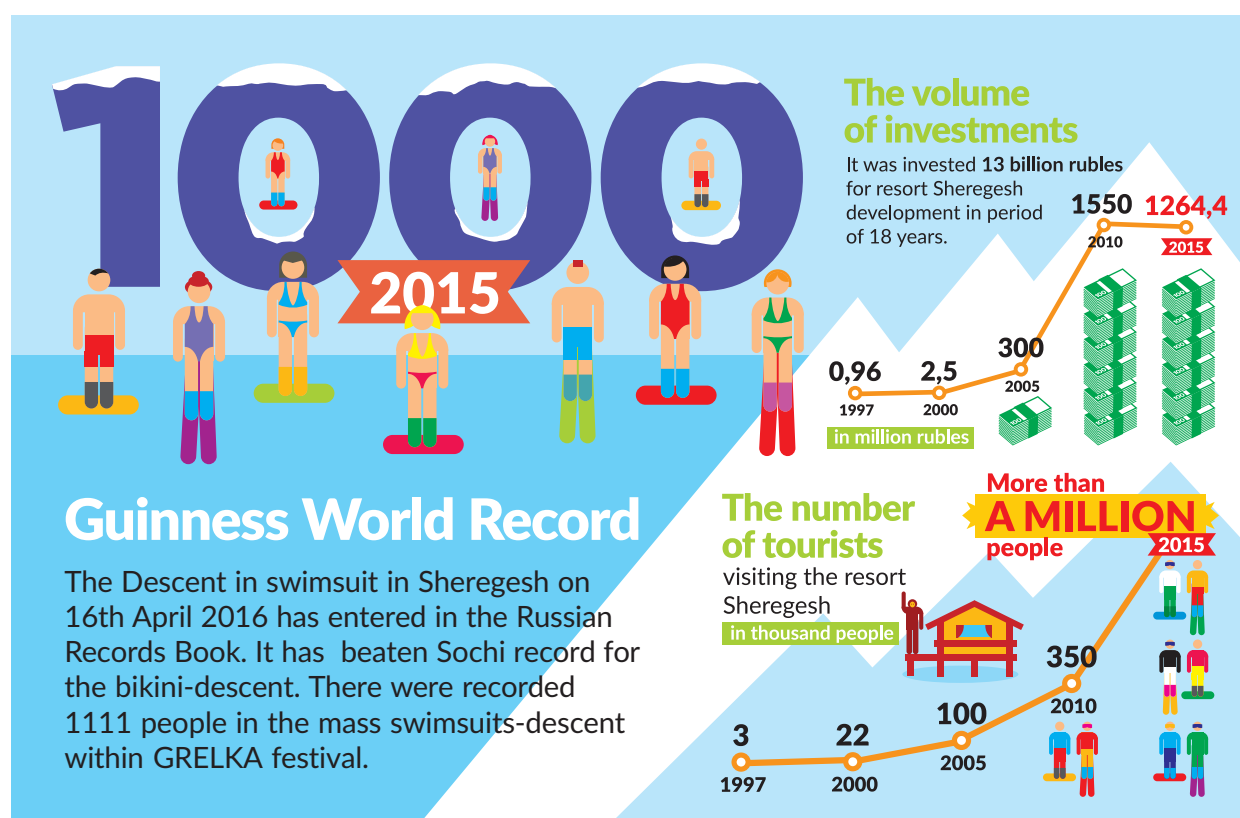
Other Kemerovo Region developing ski centers

A provincial snowboarding and skiing center is opened on the mountain Tumannaya in Tashtagolsky area. It laid more than 5000 meters of the ski slopes with a relief that conforms to international standards. A modern snowboard park is built.

The first phase of the Provincial year-round recreation center and health "Tanay" (Promyshlennovskiy district) was opened in 2007. It is a popular family vacation place as for Kuzbass and neighboring regions' inhabitants. Currently, "Tanai" is not only famous as a ski resort but also as a resort special values of which are mineral water "Tanai" and beautiful nature.

In the North of the region there is a ski resort "Gornaya Salanga" (Tisulsky district). There is full infrastructure for guests: 4 ski slopes, 4 lifts, alpine village of 14 chalets, Sport Village with 3 guest houses, a restaurant, bar and children playground.

In addition, more ski resorts are actively developing on Mount Yugus (Mezhdurechensk) and on Mount Zolotaya (Guryev district).



6.3. The most famous Kemerovo region sightseeing



Monument "Memory of Kuzbass miners" (Kemerovo)

The monument is a symbol of the heroic miners' work and dedicated to the memory of the dead Kuzbass miners. A bronze sculpture by Ernst Neizvestny is installed on the Tom River's right bank in Kemerovo.



Museum-Reserve "Krasnaya gorka" ("Red Hill") (Kemerovo)

It was founded in 1991 on former coal mine's territory. "Krasnaya gorka" area is an open-air museum: here on the Tom's steep bank a unique complex of monuments of mining and historical and cultural heritage is preserved and it's located in its natural landscape environment (<http://www.redhill-kemerovo.ru>).



Ecomuseum-reserve : "Tyulbersky gorodok" ("Tyulbersky town") (Kemerovo region, village Starochervovo)

it was established in 2002. The ecomuseum - reserve's basis is medieval settlement with well-preserved shaft, a moat, and burnt dwellings' remains, metallurgical workshops and cult altar. The reserve has museumified reconstruction of one travel and three angular towers carcass typical Siberian jails and also Cossack sentry hut. This defensive complex of the towers and the picket fence as well as reconstructed modern wooden buildings for residential and farm buildings create a collective image of the Siberian Cossack burg XVII - XVIII centuries, organically fit into the surrounding historic landscape.



"Kuznetskaya krepost" ("Kuznetsk fortress") (Novokuznetsk)

Monument of history, military engineering and architecture with federal significance. The fortress, planted on Mount Voznesenskaya in 1799, is entire Western Siberia's unique architectural monument as it is the only 19th century stone fortification preserved to this day (<http://kuzn-krepost.ru>).



**Kuzedeevskaya lipovaya roshya (linden grove)
(Novokuznetsk region)**

It is located in Novokuznetsk (Kemerovo region) and has relict linden. Federal natural and historical monument "Kuzedeevsky linden Island" reflects the history of Siberian vegetation formation, it is a remnant of heat-loving deciduous forests of the Tertiary period (60 million years ago).



City Mariinsk

The unique open-air museum - county Siberian city's model of late XIX - early XX century. The city has a rich historical and cultural heritage which is based on architectural complex of historical city center. The city has 74 architectural monuments (<http://www.mariinsk-tur.ru>).



**Podnebesniye zubiya ("Celestial Teeth")
(Mezhdurechensk)**

"Podnebesniye zubiya" (Tigger-Tisch) - one of the most beautiful mountain areas in the Kuznetsky Alatau, located 60 km east from Mezhdurechensk city.



Biosphere Reserve "Kuznetsky Alatau"

Specially protected natural site, the area of 413 thousand hectares. The reserve was established in Kemerovo region on December 27, 1989. It is located in the South of the central Siberia on the highest part of the Kuznetsky Alatau's western slope on Tisulsky, Novokuznetsky and Mezhdurechensky territories (Kemerovo region) (<http://www.kuz-alatau.ru>).



Azasskaya Peschera (Cave) (Tashtagol district)

Nature monument is located in the Tashtagol district 18 km from the settlement Ust-Kabyrza at Azas River's rise. The total length of the cave is 7 km. It is considered a Yeti habitat (Bigfoot). In November 2010 a new holiday was established in Kuzbass - the Day of the Yeti. This day is now celebrated each year with the opening of a new winter season and each year attracts thousands of winter recreation fans.



Sculpture "Zolotaya (Golden) Shoriya" (in Tashtagol)

Sculpture Author - Dashi Namdakov. The sculpture is made of blackened bronze and set in the military glory park in Tashtagol city. The sculpture symbolizes the continuity of generations, warm greetings and is a real gem of Tashtagol.



"Spasskiye dvortsy (palaces)" (Tashtagol district)

It is a name of natural rocks located near Spassk village. Size, massiveness and inaccessibility of cliffs composed of granite rocks and surrounded by Taiga really amaze. Spasskiye palaces's peak tends upward while silence and darkness reign in his caves.



Shorskiy National Park (Tashtagol District)

It is Specially protected natural site. According to forest surveying reports the park's area is 413843 hectares. 70,826.4 ha (17.1% of the total area of the park) are a protected zone, 56,221.6 ha (13.6%) are area of limited economic use; 129,256 ha (31.2%) belong to recreational use and 157539 ha (38.1%) belong to economic purpose zone. In accordance with the state cadastral registration national park's total land area is 414306,25 hectares.

Shestakovsky archaeological and paleontological complex (Chebulinsky district)

A small village Shestakovo in Chebulinsky district became known throughout the scientific world in 1953 when in the base of Shestakov ravine on the Kiya river bank a small dinosaur skeleton was discovered, belonging to the genus psittacosaurus. Psittacosaurus lived in the early Cretaceous period 130-100 million years ago. Shestakovo - the only location of Early Cretaceous continental vertebrate on the territory of Russia. This ravine was called "dinosaurs graveyard» (<http://chudo.chebula.ru>). From 2015 a new festival appeared. It is called "Visiting a dinosaur". It is celebrated on the third Saturday of June and held in Shestakovo village Archaeological and paleontological complex. Visitors' number was about 5,000 people in 2016.



Kondoviy buhtay "(Chebulinsky district)

Not far from the Kiya River near Shestakovo village there is dilapidated an ancient volcano "Kondoviy buhtay" which is dated to Devonian period. It participated in the volcanic activity in this region more than 400 million years ago.



Tomskaya Pisanitsa (Yashkinsky district)

On the Tom river's right rocky shore in the boundaries of Yashkinsky district there are ancient people's unique paintings – petroglyphs that constitute a single group of Pritomiye's rock art sites (<http://www.gukmztp.ru>).



Welcome to Kuzbass!

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