



Investment potential of the Pskov Region

Pskov region – Western gateway to Russia

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Pskov Region
Investment Development
Agency



**Western gates
to Russia**

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



**Proximity
to the Baltic Sea
ports**

**Proximity to major
markets of European
Union and Russia**

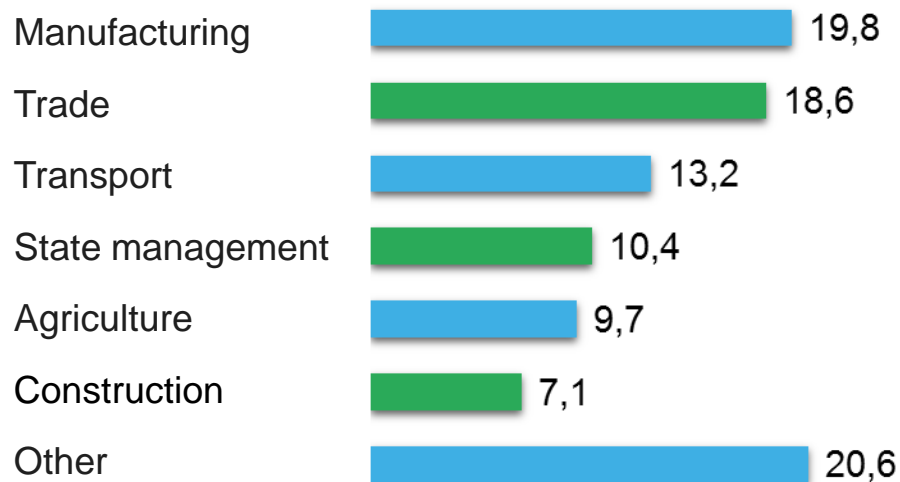
**High potential for
business
development**

**Developed
infrastructure and
logistics**

**Availability of
human
resources**

**Federal
project of
SEZ "Moglino"**

Structure of gross regional product



68

investment projects on
support

900
mln.
euro

total investment of the
projects

One stop shop service

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

Tax benefits

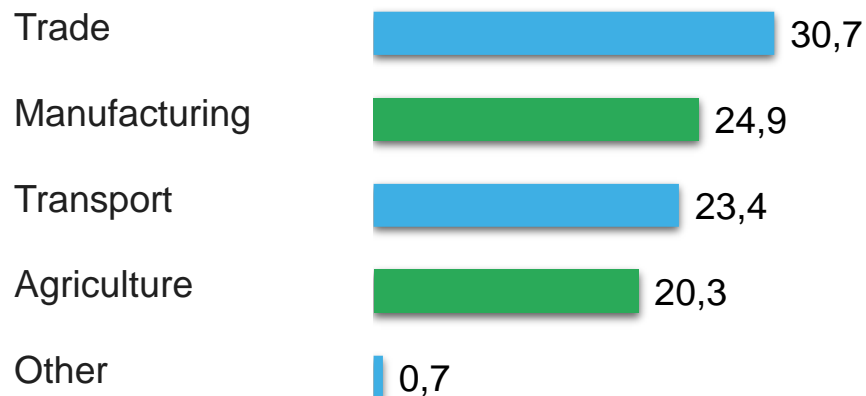
13,5%

Preferential
income tax

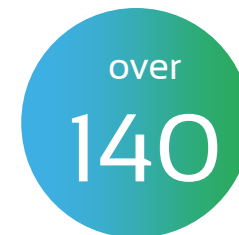
0,01%

Preferential
property tax

The structure of foreign investments by economic activity



countries
trading-partner



foreign
enterprises

«YURA Corporation»

Production of
automotive components



«Dula-Werke Dustmann & Co. GmbH»

Production of furniture and
commercial equipment



«SAERIMNER»

Pig-breeding
complexes



«Storch-Ciret Holding GmbH»

Manufacture of
painting tools



«Nor-Maali Oy»

Manufacture of paints
and varnishes



«Trierenberg Holding AG»

Paper production



projects

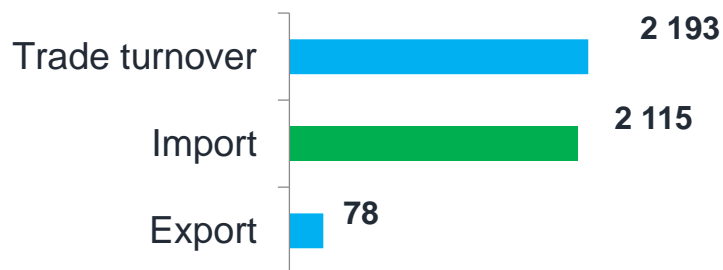


total
investment



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

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



Import

1. Electrical machinery and equipment
2. Ceramic products
3. Food
4. Plastic
5. Furniture
6. Ferrous metals

Export

1. Machinery and mechanical devices
2. Wood and articles of wood
3. Electrical machinery and equipment



Cooperation in the social sphere

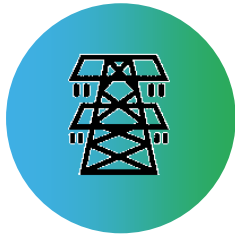
Cooperation in the sphere of culture:

- In 2015, was held the Russian-Swedish project "Swedish spring";
- Organization of cultural events.

Cooperation in the field of education:

- from 2009 to 2014 the project "Eurofaculty-Pskov" was implemented;
- school and student exchanges.

Affordable infrastructure



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

Human resources



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

Availability of vacant areas



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

Customs infrastructure

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

Logistics terminals and warehouses

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

Automobile transport

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

Railway transport

1. 112 train stations
2. 4 junction stations
3. 3 border station
4. Bandwidth of the railway checkpoint: over 55 railway trains/day
5. The possibility of increasing the load of the railway checkpoint: 60%

Airport

Air Cargo Transportation:

1. along the Russia
2. from Europe and Africa



50
km

to the border with the
European Union

Federal support measures

Federal industry development Fund

Regional support measures

Regional program for supporting industry

Regional industry development Fund

Support of small and medium industrial enterprises

Opportunities for business cooperation

SEZ "Moglino"

Taxes

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

The export support center

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

Potential

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



Directions for business

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

Favorable conditions

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

Large sales market - potential customers

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

Potential

- 1 Opportunities for cooperation - in Pskov region are producing:
 - Electrical equipment for vehicles;
 - Wires and cables;
 - Harnesses for «Hyundai» and «Kia»;
 - Mufflers and other.
- 2 The trend towards localisation
- 3 Import substitution



Directions for business development

- 1 Suppliers of the first level - production of ready-made systems and modules for final assembly (engines, gearbox, seats, various systems);
- 2 Suppliers of the second level - supply of components - piston group for the engine, seat frames, etc.;
- 3 Suppliers of the third level - the production of simple parts and blanks (casting, bolts, various materials).

Products of pskov enterprises are supplied to such companies as:



Large sales market - potential customers

- Close proximity to major production and consumption centers:
 St. Petersburg and Moscow: Volkswagen, Toyota, Ford, Hyundai, Renault, Nissan;
 Belarus - MAZ;
 Kaliningrad - Autotor (assembly of cars - KIA, Hyundai, Cadillac, Chevrolet, Opel and BMW);
 Kaluga - Volkswagen, Volvo, Peugeot, Citroen, Mitsubishi.

8

km

from Pskov

45

km

from the border with
the European Union

215

ha

Area of SEZ

49

year

Duration

152

ha

Industrial
development area

16,3

ha

Logistics cluster

**1 Free customs
zone regime**

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

In the SEZ "Mogolino" can be located:

- | | |
|---|--|
| 1 Manufacture of electrical and household equipment | 5 Production of construction materials |
| 2 Production of communal equipment | 6 Production of railway equipment |
| 3 Production of automotive components | 7 Logistics companies |
| 4 Production of agricultural equipment | 8 Pharmaceutical companies |
| | 9 Automotive companies |

Mogolino SEZ tenants



Lease

from 5 euro/ha/year

Purchase

from 108 euro/ha



Corporate profit tax

0% 2013-2019

3% 2020-2021

10% 2022-2023

13,5% 2024 onwards



Land tax

for 5 years from the registration date



Corporate property tax

for 10 years

0%



Vehicle tax

for 10 years from the registration date

Free customs zone regime

0% VAT
0% Export duty

FOREIGN STATES

Mogliano
SEZ

0% Export duty
VAT – refunded by tax
authorities

CUSTOMS UNION

0% VAT
0% Import duty
0% Excise

18% VAT
Import duty following
customs tariffs

Infrastructure

Pre-built industrial units

5 000 m²



4-7
euro/m²/mo

Business center

1 800 m²
to lease



8-9
euro/ m²/mo

Industrial infrastructure



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



Thank you for attention!



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