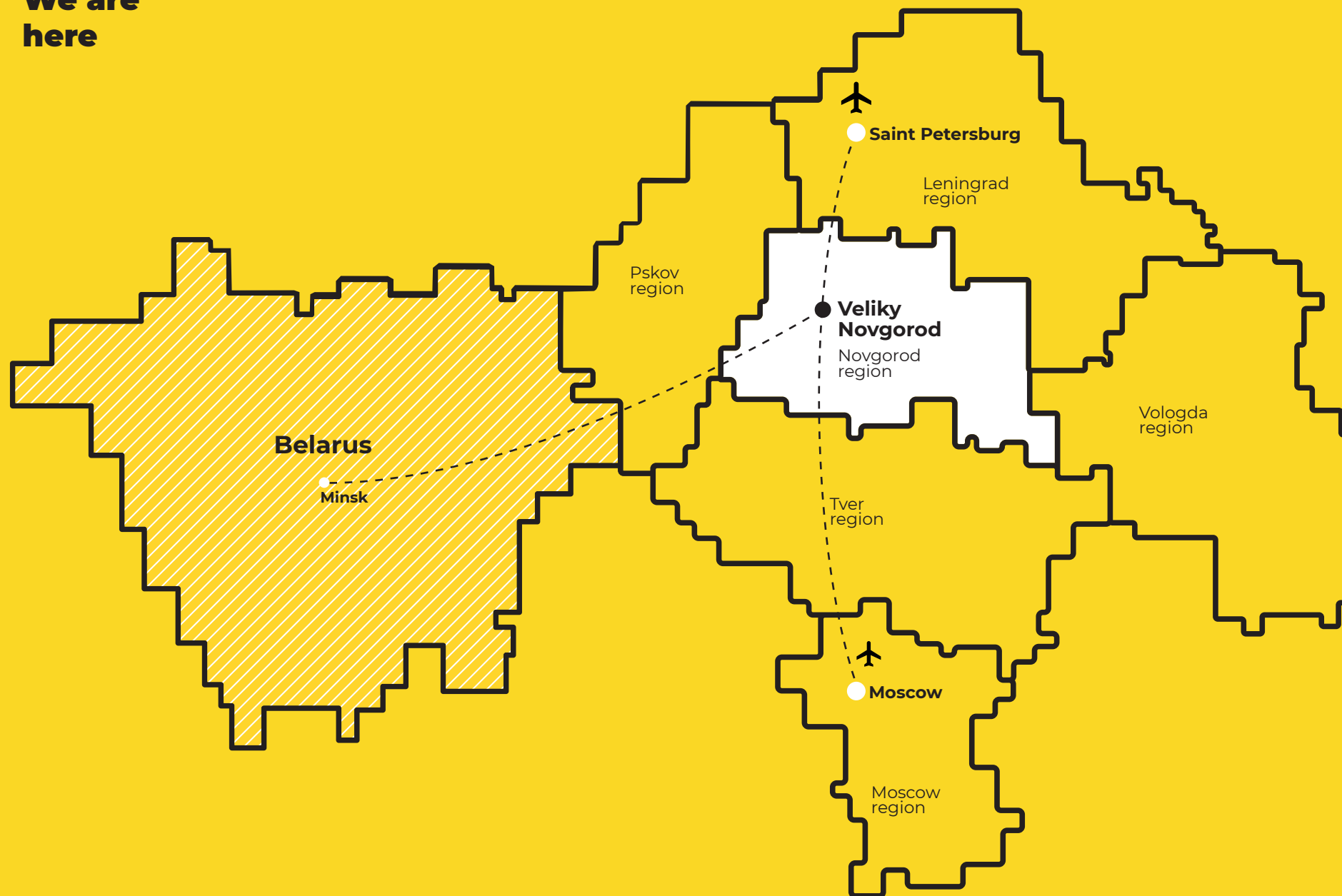


**There is a place  
to invest**

**Novgorod region**

[novgorodinvest.ru](http://novgorodinvest.ru)

**We are  
here**



## Logistics and key indices



Saint Petersburg  
**1 hour (highspeed train)**

Moscow  
**3 hours (highspeed train)**

Nizhny Novgorod  
**13 hours**

Minsk  
**15 hours**

Kaliningrad  
**24 hours**



Saint Petersburg  
**192 km** 2 hr 10 minutes

Primorsk  
**312 km** 3 hr 55 minutes

Ust-Luga  
**316 km** 4 hr



Saint Petersburg  
**190 km (M11)** 2 hr

Moscow  
**575 km (M11)** 5 hr

Minsk  
**711 km** 9 hr



Pulkovo (LED)  
**185 km** 1 hr 55 minutes

Sheremetyevo (SVO)  
**550 km** 4 hr 50 minutes

Minsk (MSQ)  
**760 km** 9 hr

### 5<sup>th</sup> place

In National investment  
climate condition ranking

### 170%

the increase of tourist flow in 2021  
compared to 2019

### 103,6%

Industrial processing index  
in 2021

### 163,2%

foreign trade turnover in 2021  
compared to 2020

### 200%

product export in 2021 compared  
to 2020

### 100%

import of products in 2021  
compared 2020

### 102.9%

average per capita monetary  
income of the population  
(Russia – 99.3%)

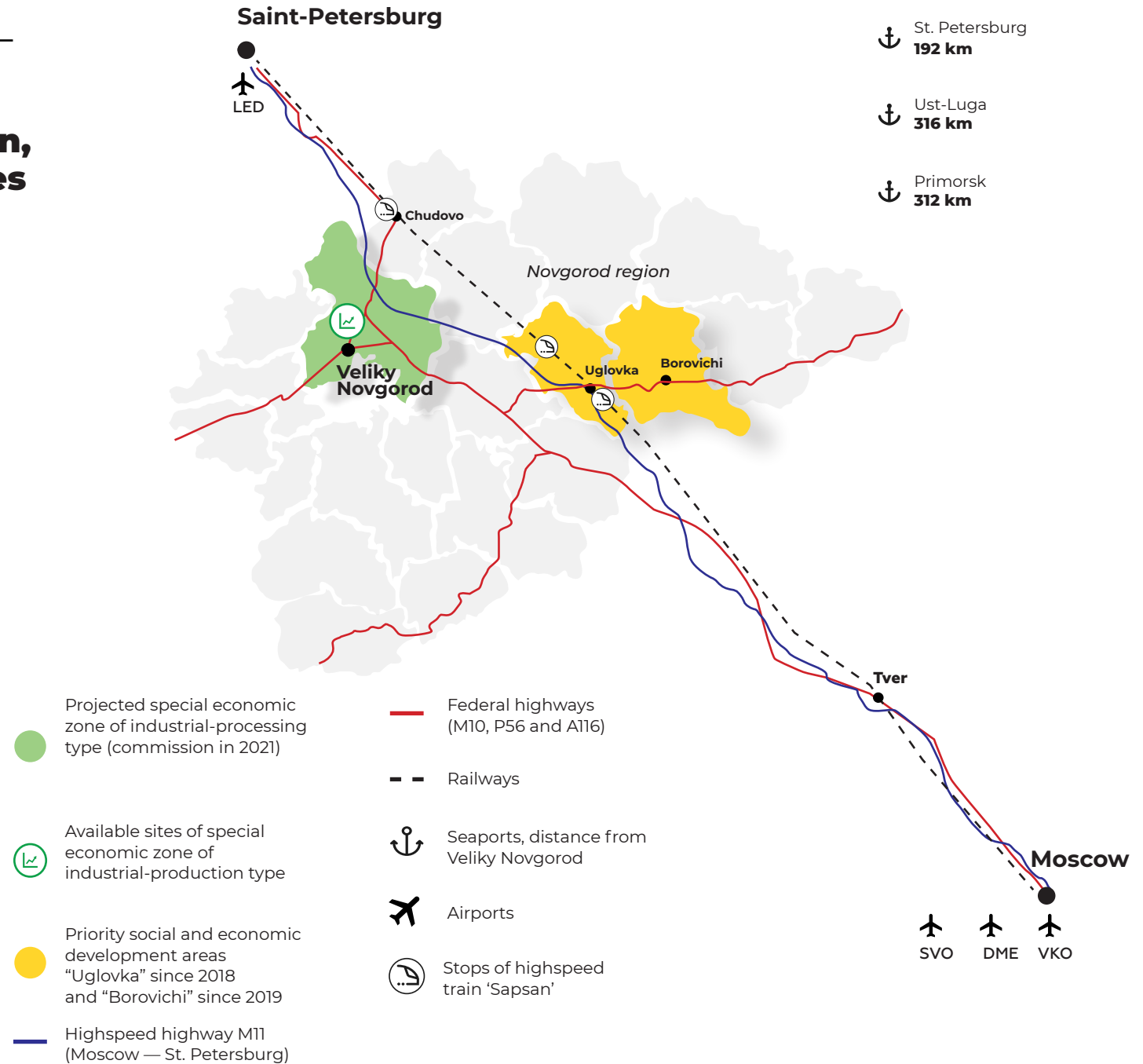
### 109.6%

volume of shipped goods,  
works, services (Russia – 91%)

### 109.4%

average salary in 2021 compared  
to 2020

## SEZ IPT and PSEDA in Novgorod region, prospective sites





## Operating foreign enterprises



Manufacturing  
of particle board  
and cabinet furniture



Manufacturing  
of chewing gum  
and candies



Production  
of planed materials



Trucks  
production



Pipeline  
accessories



Flexible  
packaging



Household  
chemicals



Car covers





## Export orientation and major exporters



Mineral  
fertilizers



Power  
equipment



Doors and  
interior solutions



Organic  
extracts



Refractory  
materials



Oral care  
cosmetics



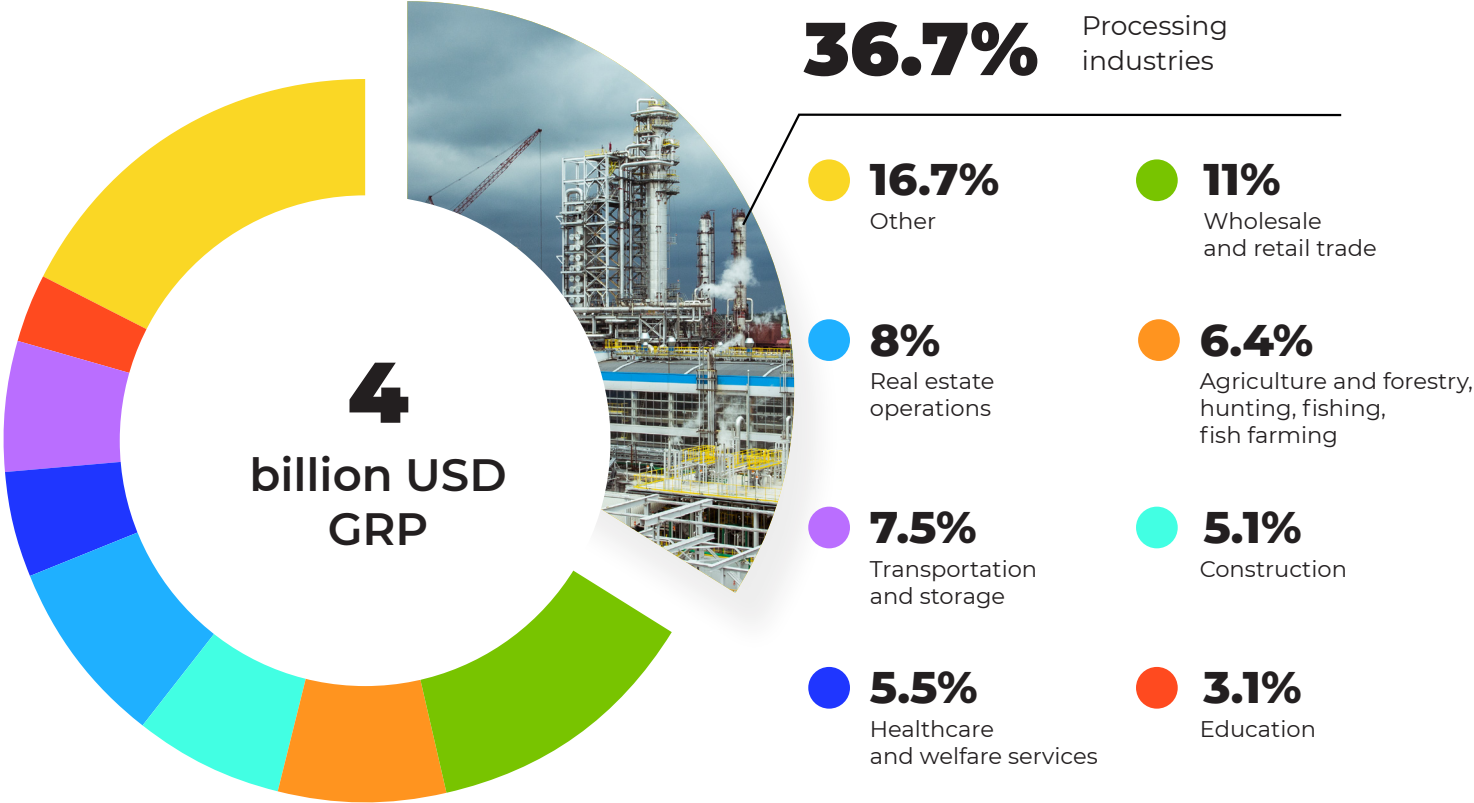
Power transformers  
and luminaries



Packaged  
honey



**Regional GRP  
structure  
and fixed  
investments  
volume  
in 2020**




**618.6 million USD**  
Volume of fixed capital investments

 **191.1 million USD**  
processing industries

**528.6 million USD**  
Private fixed capital investments

 **69.4 million USD**  
Transportation and storage

 **25.8 million USD**  
agriculture and forestry, hunting, fishing, fish farming

## Investors' opinions



« Location of Okulovsky district in the Novgorod Region between Moscow and St. Petersburg is strategically winning. Transport communication provides optimal logistic expenses. This allows to establish fair and reasonable prices for the goods. »

**Evgeny Dyomin**  
CEO, SPLAT

« IKEA Industry Novgorod' furniture plant is IKEA's greatest enterprise greenfield construction investment in Russia. The plant is a part of 'IKEA Industry' manufacturing group supply chain. »

**Vadim Bezborodov**  
CEO, IKEA Industry Veliky Novgorod



« The decision to choose Novgorod region for the project was determined by a few important factors. The Governor of Belgorod region initiated the expansion of agricultural business outside of his area while the administration of Novgorod region was looking for an opportunity to welcome outside agricultural investors. »

**Alexander Orlov**  
chairman of the board of directors of BEZRK - Belgrankorm

## SEZ benefits

Tax Type	Tax Rate After Benefits	Duration of the Benefit	Normal tax regime
Profit tax paid to the Federal budget	<b>2%</b>	For the period of SEZ residence validity	<b>3%</b>
Profit tax paid to the Regional budget	<b>0%</b>	<b>First 7 years</b>	<b>17%</b>
	<b>3%</b>	<b>8<sup>th</sup> – 9<sup>th</sup> year</b>	
	<b>10%</b>	<b>10<sup>th</sup> – 11<sup>th</sup> year</b>	
	<b>13.5%</b>	<b>From the 12<sup>th</sup> year</b>	
Property tax	<b>0%</b>	10 years from the date of property registration	<b>2.2%</b>
Transport tax		10 years from the date of vehicle registration	relies on the project
Land tax		5 years from the date of acquisition of the land right	<b>1.5%</b>
Customs duty on goods imported into SEZ		For the period of SEZ existence	relies on the project

## PSEDA benefits

## Regional benefits

### PSEDA benefits

Taxes and Fees	Taxes in PSEDA		Normal tax regime
Property tax paid into the Regional budget	<b>0%</b> First 5 years	<b>1.1%</b> Next 5 years	2,2%
Profit tax paid into the Federal budget	<b>0%</b> First 5 years		3%
Profit tax paid into the Regional budget	<b>5%</b> First 5 years	<b>10%</b> Next 5 years	17%
Social contributions	<b>7.6%</b> First 10 years		30% *

\* PSEDA residents are eligible to apply

### Example of using PSEDA benefits during 10 years of a company's activity

**2.095 mio USD**

Project cost including VAT

**6.642 mio USD**

Amount of tax payments and insurance contributions without tax benefits

**4.758 mio USD**

Amount of tax payments and insurance contributions including benefits for companies-residents of PSEDA

**1.894 mio USD**

Positive effect in the forms of tax benefits and insurance contributions benefits

### Regional benefits

Monetary methods of stimulation	13.5% profit tax	50% allowance for transport tax	0% property tax	
Status of priority or strategic project depends on the volume of capital investments	1-20 mio USD STRATEGIC PROJECTS	0.6-6.7 mio USD PRIORITY PROJECTS	0.6-3.3 mio USD STRATEGIC PROJECTS IN AGRICULTURE	0.4-2 mio USD STRATEGIC PROJECTS IN DAIRY AND MEAT PRODUCTION



## **Industrial parks, technoparks, business incubators**

**Industrial Park**



**3 technoparks**



**2 business incubators**



## Benefits for investment infrastructure

### Taxes for residents of industrial parks, technoparks, business incubators and managing companies

Tax for	Corporate property tax	Corporate profit tax
Managing companies Residents of industrial parks	<b>0%</b> for 10 years starting from the date of the status designation (agreement execution)	<b>13.5%</b> for 10 years starting with the tax period during which the profit was received
Managing companies and residents of regional industrial locations Back-up organizations and residents of technological parks Managing organizations of business incubators	<b>0%</b> for 5 years starting from the date of the status designation (agreement execution)	<b>13.5%</b> for 5 years starting with the tax period during which the profit was received
Residents of business incubators	<b>0%</b> for the period of holding the resident status starting from the agreement execution date	<b>13.5%</b> for holding resident status

### Vacant spaces in technoparks

Technopark 'Garo'	Technopark 'Transvit'
<b>1000 m<sup>2</sup></b>	<b>14 800 m<sup>2</sup></b> <b>+1,5 hectares</b> for development



## Advantages

### Electricity rates

Novgorod region	Moscow region	Leningrad region	Kaluga region	Saint Petersburg	Tver region
<b>0.083</b> USD/kW*h	<b>0.072</b> USD/kW*h	<b>0.092</b> USD/kW*h	<b>0.086</b> USD/kW*h	<b>0.092</b> USD/kW*h	<b>0.089</b> USD/kW*h

### Gas rates

Novgorod region	Moscow region	Leningrad region	Kaluga region	Saint Petersburg	Tver region
<b>0.092</b> USD/m3	<b>0.088</b> USD/m3	<b>0.097</b> USD/m3	<b>0.092</b> USD/m3	<b>0.096</b> USD/m3	<b>0.12</b> USD/m3

### Average salary

Novgorod region	Moscow region	Leningrad region	Kaluga region	Saint Petersburg	Tver region
<b>567.9</b> USD per month	<b>905.85</b> USD per month	<b>750.41</b> USD per month	<b>684.57</b> USD per month	<b>1 085.11</b> USD per month	<b>569,8</b> USD per month

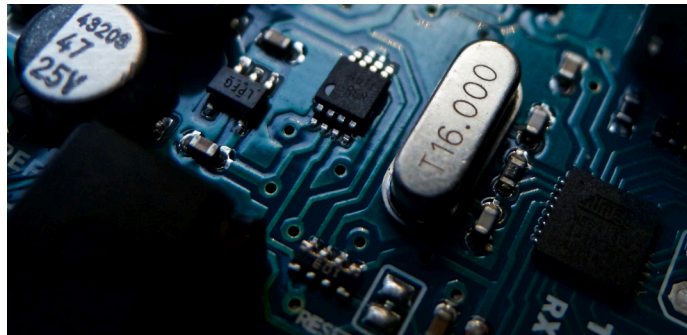
Quick transfer  
of the land plot category

Individual selection  
of sites for the investor

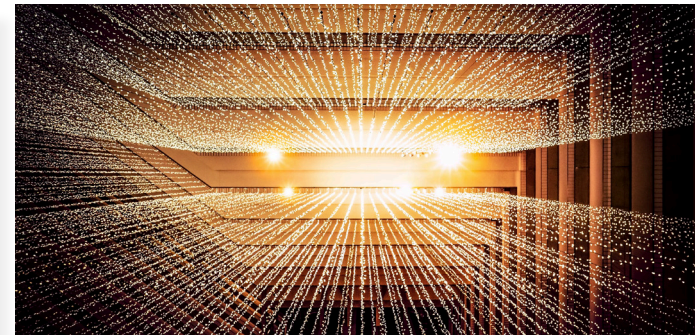
Readiness to provide  
a land plot without bidding

Project support on the  
“one-stop shop” principle

## **Priority areas of development**



**Developing and creating a high-tech electronic component base, professional and consumer electronics**



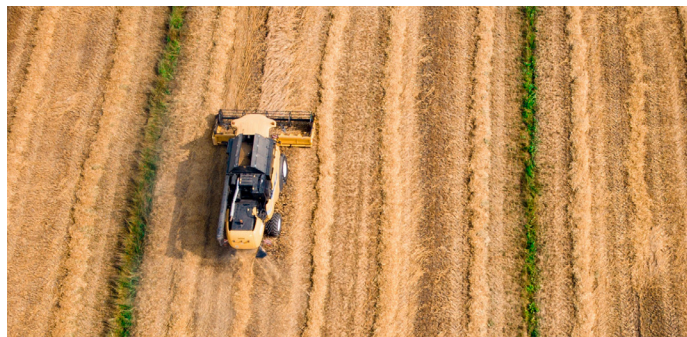
**Digital Economy**



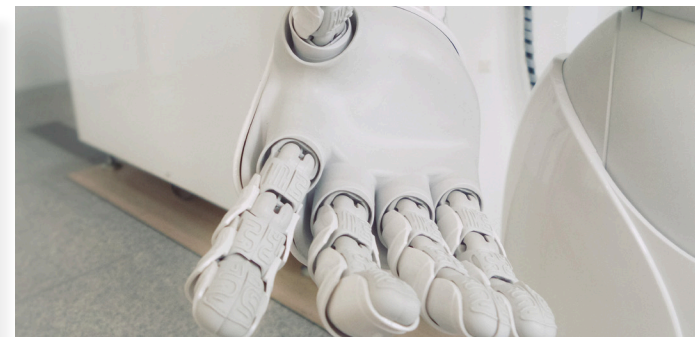
**Tourism**



**Transport and logistics**



**Agriculture**



**Biomedical technologies**



## Higher education

Yaroslav-the-Wise Novgorod State University



**+62%**

increase in number  
of students during 5 years  
**(7 567 → 12 234)**

**+40%**

increase in government  
funded places  
**(1 186 → 1 661)**

**3rd place**

in the ranking of flagship  
institutions of higher  
education of the country

**Winners of the contest  
«Priority 2030»**



## Blue-collar professions, new expertises

**22** colleges and technical schools are working according to Worldskills standards

**2nd place** in the ranking of regions regarding the synchronisation of the employees training system in secondary vocational education in Worldskills Russia

**45** new directions in meeting the labor market demands

**22%** increase in IT programs acceptance

**87** new workshops

Flexible targeted training programs in SPE for the needs of the investor

**6%** of students meet the international standard ( 3% plan)

**73,2%** of 2020 graduates are successfully employed





## Tourism potential

2021	2030
<b>1 700 000</b> tourist flow	<b>5 000 000</b> tourist flow

2021	2030
<b>187</b> collective accommodation facilities	<b>250</b> collective accommodation facilities

**37** UNESCO monuments in Veliky Novgorod and surroundings



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