



# **Development of industrial infrastructure in Russia**

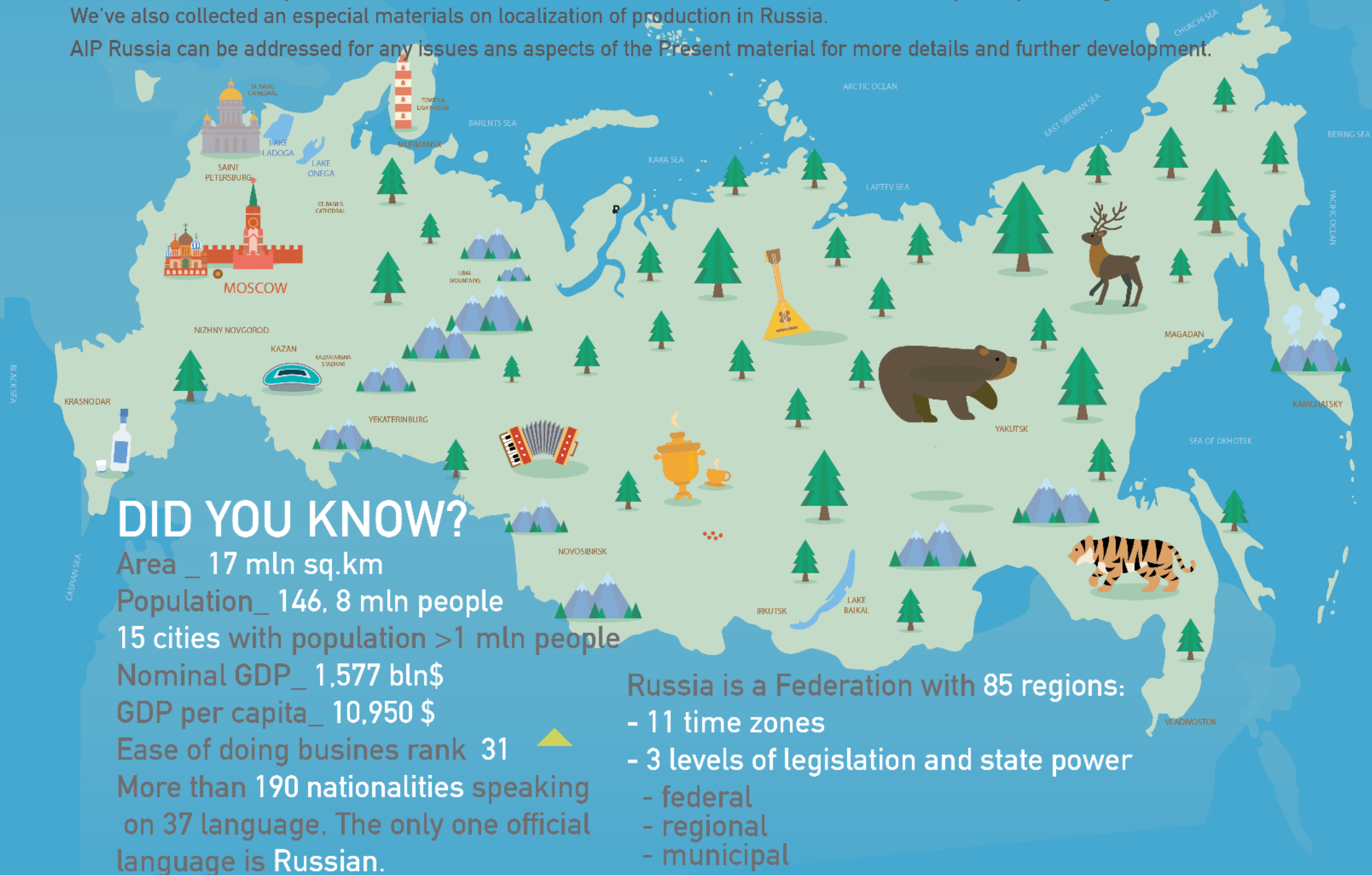
## **AIP services for international companies**



Denis ZHURAVSKIY  
CEO AIP Russia

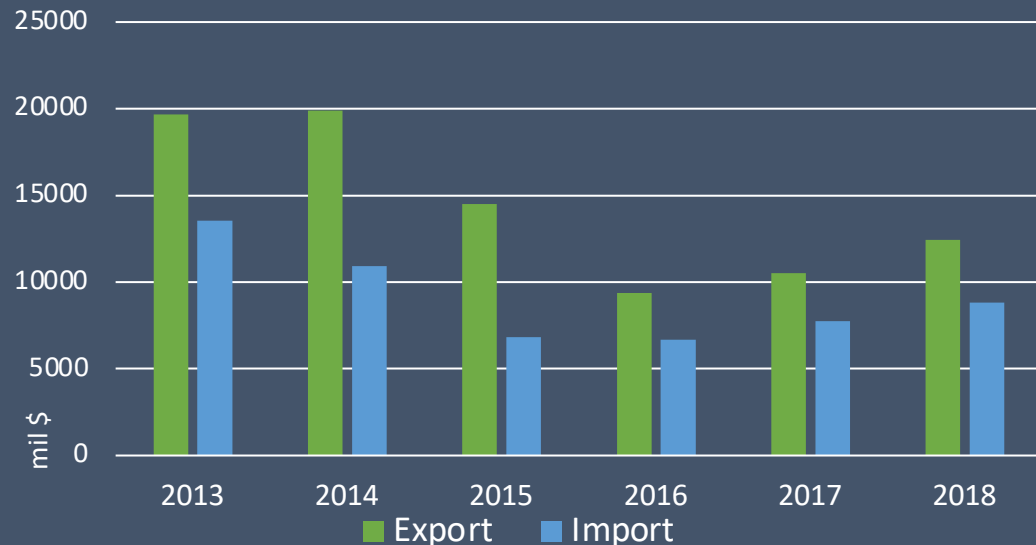
In this Business Guide you will find an actual brief information about a state of Russian economy, tax system, legal and business environment. We've also collected an especial materials on localization of production in Russia.

AIP Russia can be addressed for any issues and aspects of the Present material for more details and further development.



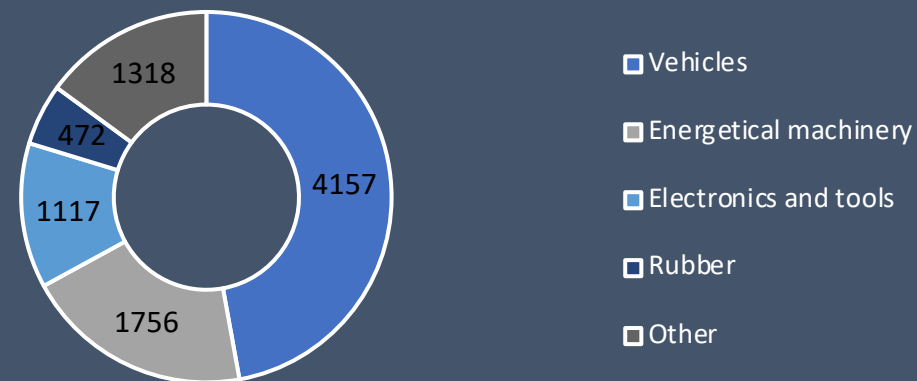
# RUSSIA & JAPANESE EXTERNAL TRADE

Japan is the third main trade partner of Russia in Asia (3.1% of external trade)

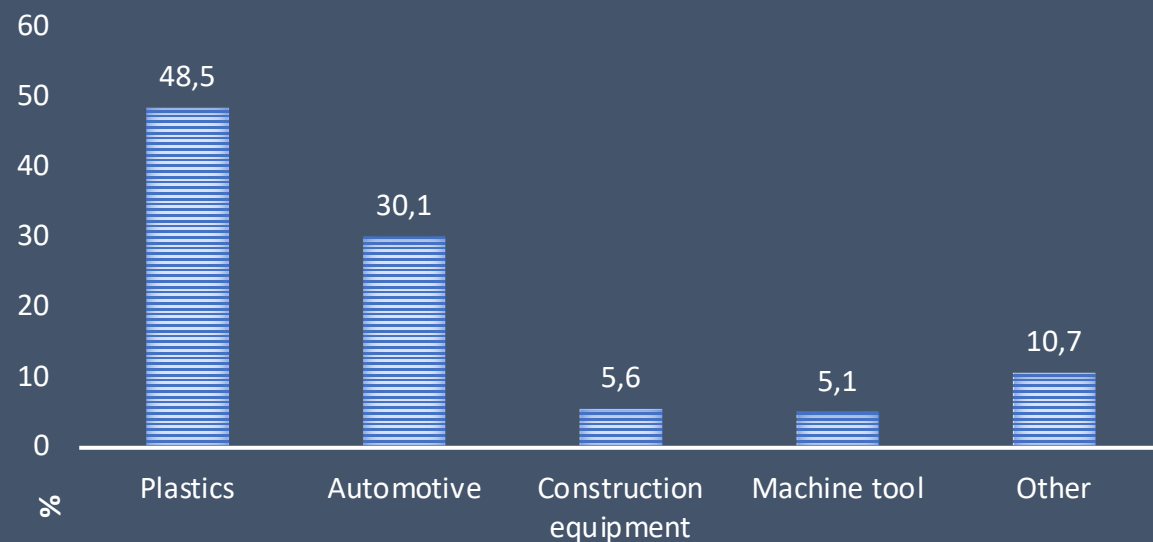


## MAIN GROWING IMPORTS FROM JAPAN IN 2018

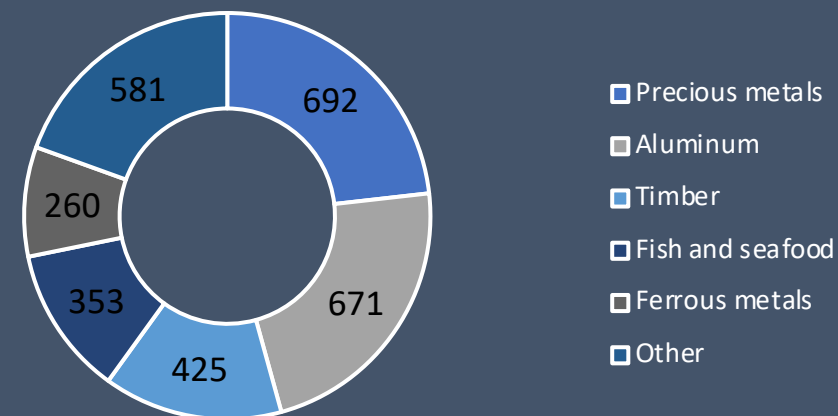
- Vehicles **+448 mln \$**
- Energetical machinery **+189 mil \$**
- Electronics and tools **+127 mil \$**



## JAPANESE INVESTMENTS IN RUSSIA BY INDUSTRIAL SECTORS



Main Russian imports from Japan in 2018, mil \$



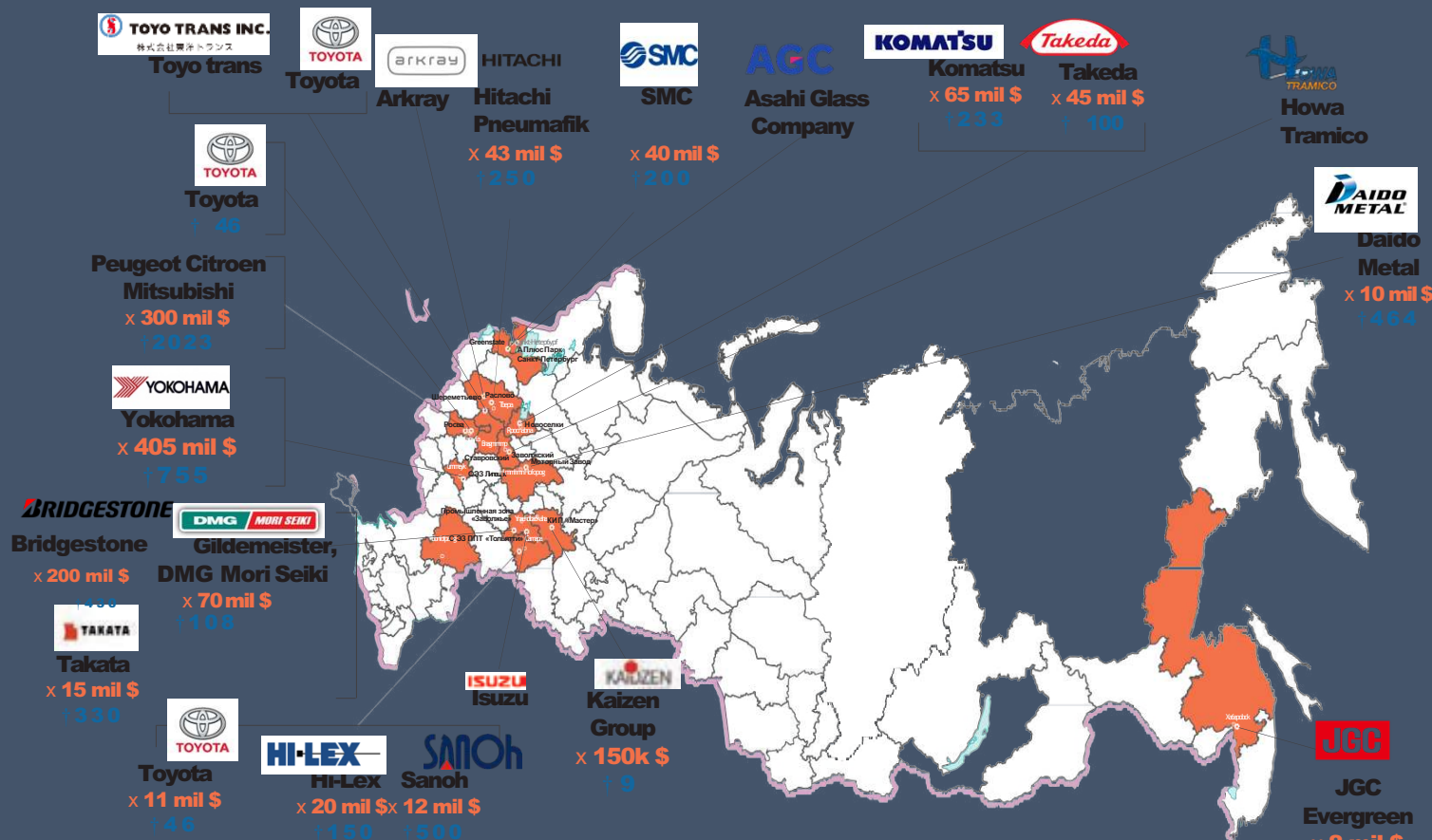
Non-hydrocarbon Russian exports to Japan in 2018, mil \$

# JAPANESE INVESTMENTS IN RUSSIAN INDUSTRIAL PARKS

840 mil \$  
3 523 jobs  
20 enterprises  
15 industrial parks and SEZ  
13 regions

In total for the last 20 years in Russia there were established  
**69 manufacturing enterprises** with full or partial Japanese participation

**20 Japanese enterprises** localized their production in industrial parks



COMPANY NAME	PRODUCT PROFILE	LOCALIZATION (INDUSTRIAL PARK)
OFS Rus VOKK	Fiber optic cable production	IP Maslovskiy, Voronezh region
PSMA Peugeot Citroen Mitsubishi	Automobile manufacturing	IP Raslovo, Kaluga region
SMC Pneumatic	Manufacturing-logistic center for vacuum equipment	IP Greenstate, Leningrad region
Yokohama	Automobile tyres	SEZ Lipetsk
YKK	Zipper production	IP Dega Noginsk, Moscow region
Arkray	Glucometers and test strips	SEZ Dubna, Moscow region
Daido MetalRus	Mechanical engineering (sliding bearings)	IP ZMZ - Zavolzhiyskiy, Nizhny Novgorod region
MAZDA Sollers manufacturing Rus	Automobiles and automotive engines	TAD (Territory of advanced development) Nadezhdinskaya
FUSO Trucks Rus	Manufacture of lorries	Kama industrial park "Master", Republic of Tatarstan
SANO Volga	Automotive components for fuel and brake systems	SEZ Togliatti, Samara region
ATSUMITEC Toyota Tsushi Rus	Gear selection mechanisms for manual transmission and automatic transmission for the automotive industry	SEZ Togliatti, Samara region
HI-LEX RUS	Cables for control system and power window cables	SEZ Togliatti, Samara region
HITACHI Construction Machinery	Industrial equipment	IP Raslovo, Kaluga region
SOLLERS ISUZU	Automotive production - Isuzu	IP UAZ, Ulyanovsk region
Takata-Petri	Automotive Safety Systems	IP Zavolzhie, Ulyanovsk region
Bridgestone	Automotive tyres	IP Zavolzhie, Ulyanovsk region
DMG MORI	Machine tool equipment	IP Zavolzhie, Ulyanovsk region
JGC Evergreen	Construction of hydroponic greenhouses with a total area of 10 hectares (1st stage - 2.5 hectares)	IP Avangard, TAD Khabarovsk
KOMATSU MANUFACTURING Rus	excavators and forklifts	IP Novosyolki, Yaroslavl region
TAKEDA FARMACEUTICALS	Pharmaceuticals	IP Novosyolki, Yaroslavl region

# LOCALIZATION OF MANUFACTURING IN RUSSIA

## Joint Venture

Creation of a co-venture involving Russian and foreign companies and further organization of production within SPV

**269**

INDUSTRIAL  
PARKS

## Contract manufacturing

Output of customized products using capacity of an independent manufacturer, who ensure full compliance with technological cycle and quality control of ready products in accordance with the customer requirements

**18**

INDUSTRIAL SPECIAL  
ECONOMICAL ZONES

## Own Plant Construction

Creation of own productive capacities, operated by a subsidiary of an international company

**63**

REGIONS  
OF RUSSIA

# INVESTORS's ROUTE

## SCHEDULE REDUCTION

### INDEPENDENTLY

### IN INDUSTRIAL PARK/SEZ

1 ~ 2 years	CHOOSING THE RIGHT LOCATION	3 months
3 months	CONDUCTING RESEARCH	0
1 ~ 3 years	LAND MANAGEMENT	0
6 months	EXTERNAL NETWORK DESIGN	0
up to 1 year	CONSTRUCTION OF EXTERNAL NETWORKS	0
1 year	DESIGN OF PRODUCTION FACILITIES	6 months
from 10 months	CONSTRUCTION OF PRODUCTION FACILITIES	from 6 months

# SPECIAL INVESTMENT CONTRACT

**3 out of 34 SPICs in Russia were signed with Japanese companies**  
**1 company is expected to sign the SPIC soon**



Primorsky region /  
Car factory

**DMG MORI**

Ulyanovsk region /  
Machine tool manufacturing

**30 mil \$**

**63 mil \$**



**ISUZU**

Ulyanovsk region /  
Truck equipment factory



**TOYOTA**

In March 2019 Toyota submitted an application to fulfill a modernization of its car factory in St Petersburg. **300 mil \$** is assumed to be invested.



**90 mil \$**

## ADVANTAGES OF "MADE IN RUSSIA" STATUS

- ✓ An opportunity to enter the government procurements market (~500 bln €)
- ✓ Tax and administrative preferences for investors

Defense sector

Health care

Education

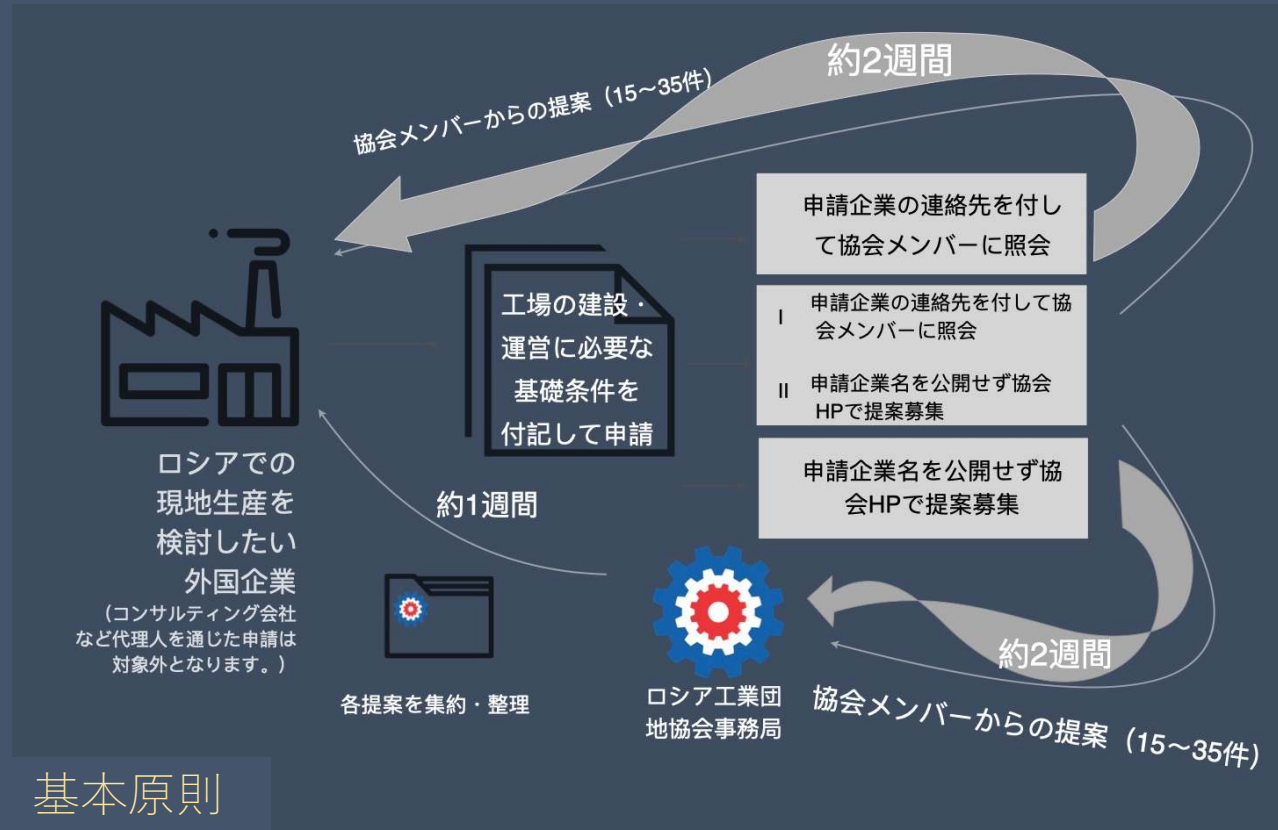
Governance



ロシア工業団地協会は、ロシアでの現地生産を検討される日本企業のため、各社の条件にできるだけ合致した適正な立地先を選別するためのご支援をいたします。



**AIP** ASSOCIATION  
OF INDUSTRIAL  
PARKS OF RUSSIA



## 基本原則

### 透明なプロセス

### 公平性・客観性の保証

一地方に偏らずロシア全土を網羅

■ ロシア工業団地協会による本支援サービスは、特定の地方や企業の商業的利益を代表するものではなく、公益社団法人として公平・中立な立場で行うものであり、手数料もいたしません。

## ご支援の手順

1. 将来の現地生産化に必要な用地・立地条件につきできるだけ具体的にご要望をお寄せ下さい。貴社の現地生産事業に必要な用地・立地条件がご不明な場合、申請書の記入方法等についてご相談に応じます。
2. 申請書による照会事項を工業団地協会メンバーである工業団地管理会社に送付します。また、貴社名を公表せず当協会サイトに照会事項に適した工業団地・工業用地の提案を広く募集することも可能です。一部の地方限定など、貴社のご関心に応じた提案収集も可能です。
3. 各工業団地からの提案は貴社に直接返信されるか、貴社名非公開の場合には協会事務局にて集約・整理のうえ貴社に提出いたします。

### お申し込み先：

gr@indparks.ru (英語・露語)  
ohashi@indparks.ru (日本語)



# HOW TO BUILD A PLANT IN RUSSIA?

Qualified service for support and structuring of investment projects in Russia

## Market Study

## Business-plan

## Project

## Suppliers

## Industrial cooperation

### IDEA to build a plant

### Choosing the region

### Building process

### Operation

### Sales

#### AIP methodological support at the project structuring stage

- ▶ Assessment of capital costs
- ▶ Project feasibility
- ▶ Technical recommendations
- ▶ State support
- ▶ Selection of region / site
- ▶ Dates of construction
- ▶ Status of land and premises
- ▶ Typical investor errors and others

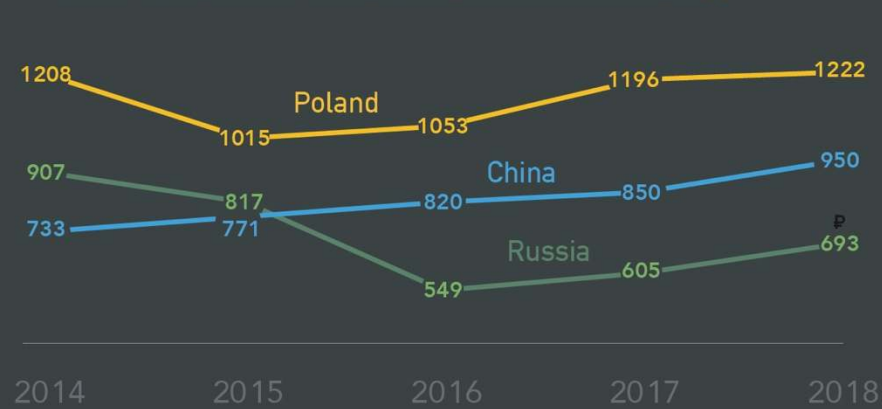
Professional services  
(turnkey contracting, technical supervision / contract)

#### AIP Russia members

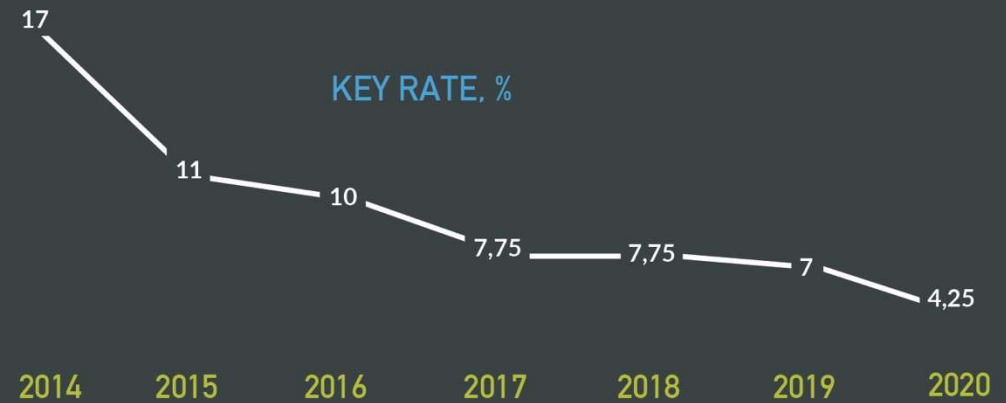
- Industrial parks and SEZ
- Design
- Construction
- Asset management

## OPERATIONAL COSTS

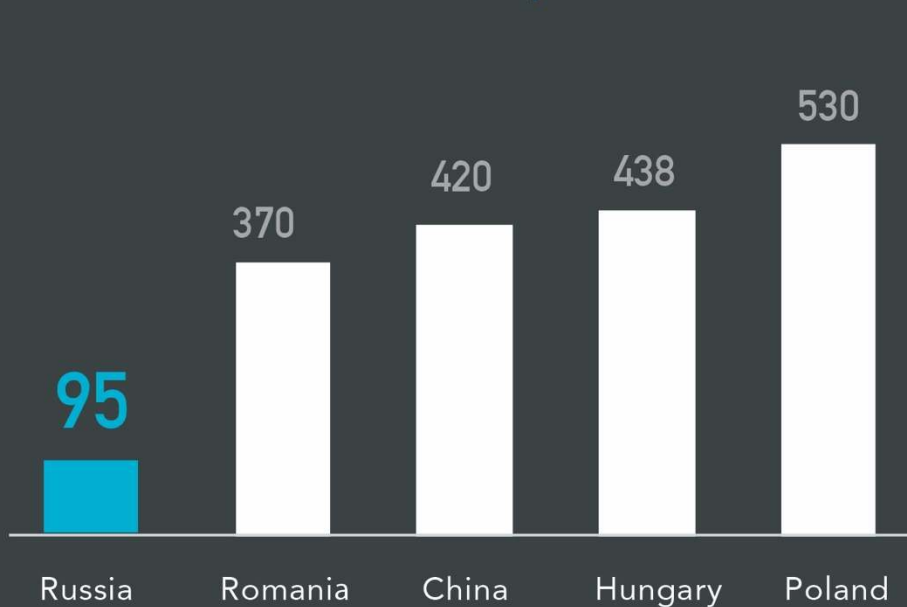
### COMPARISON OF AVERAGE MONTH WAGES, \$



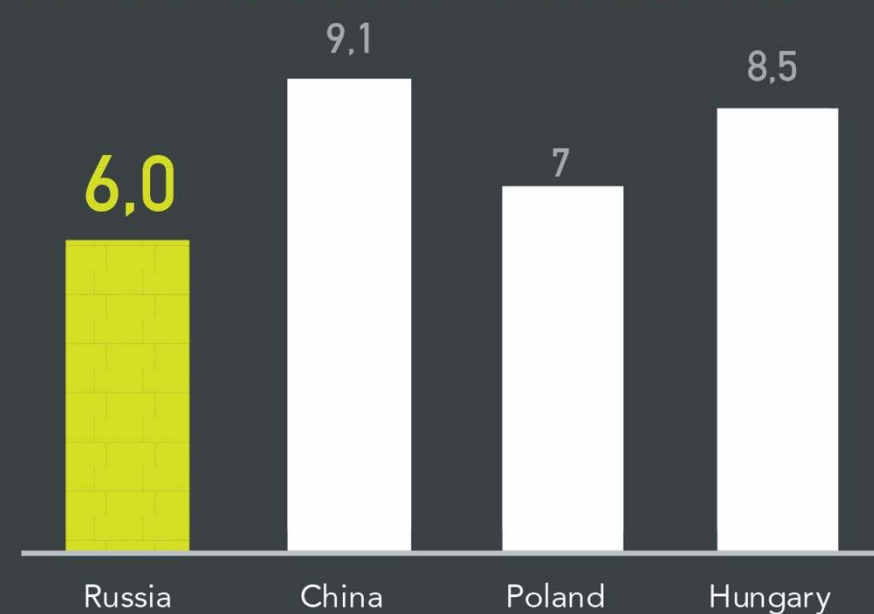
### KEY RATE, %



### GAS COSTS FOR ENTERPRISES, \$ per 1000 m3



### ELECTRICITY COSTS FOR ENTERPRISES, cents per kWh

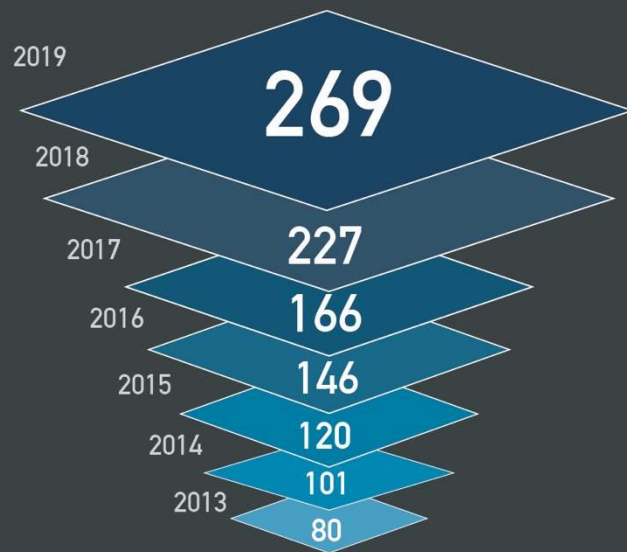


# GOOD NEWS

Industrial parks in Russia are professionally operated facilities with hundreds success stories.

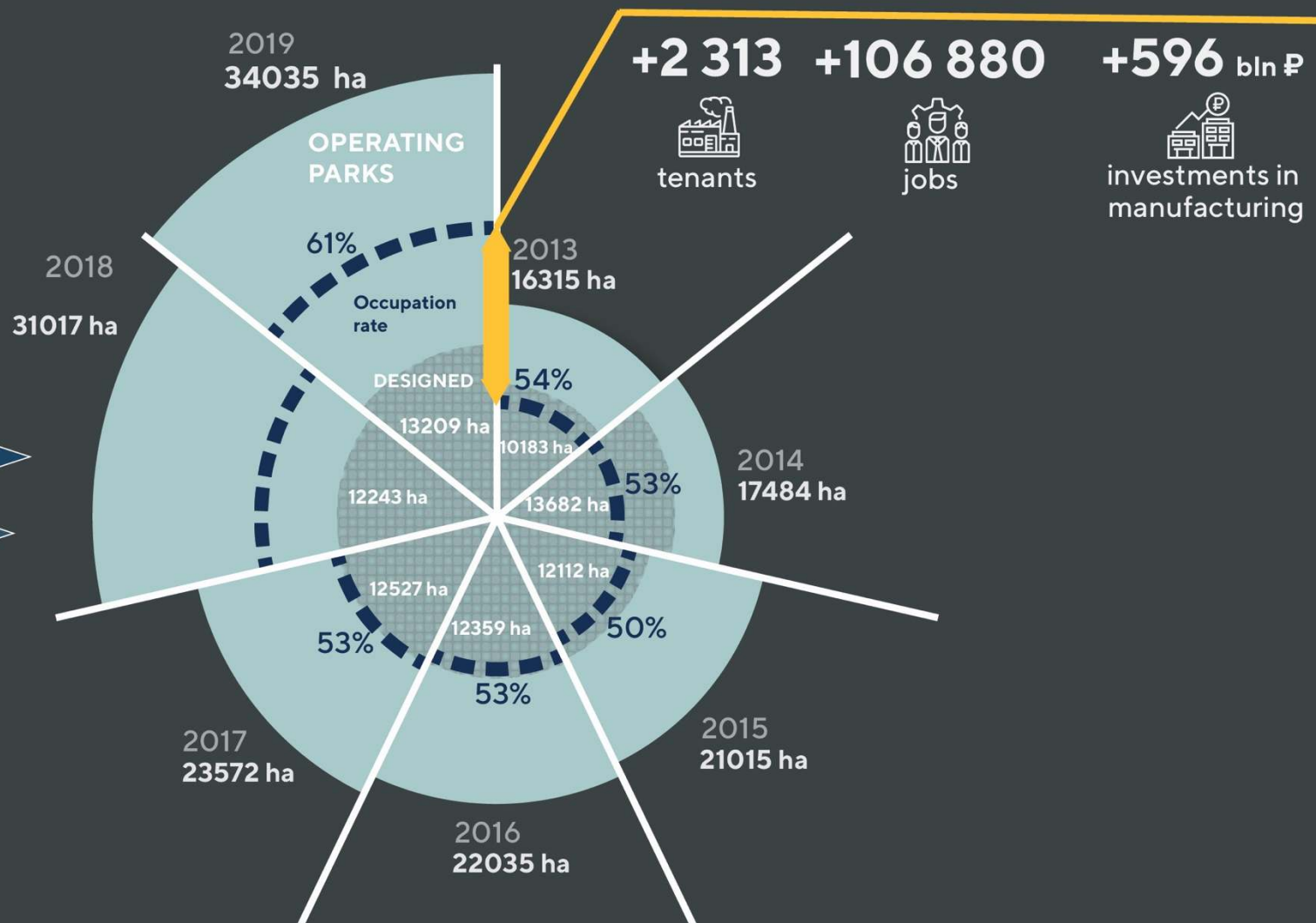
Quality is based on the National Standard, controlled by the Association of Industrial Parks of Russia.

«Open doors to Russian regions» is the key expertise of Industrial parks community.



## INDUSTRIAL PARKS AND SPECIAL ECONOMIC ZONES IN RUSSIA

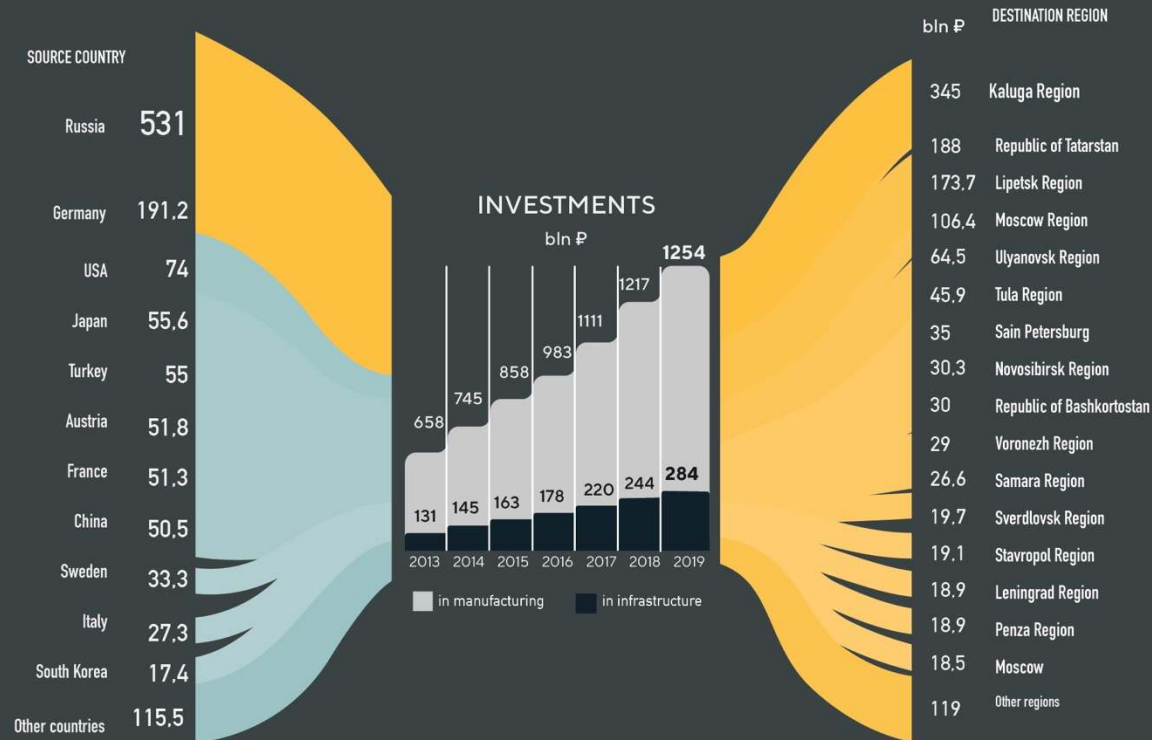
### RESULTS OF THE LAST 7 YEARS DEVELOPMENT



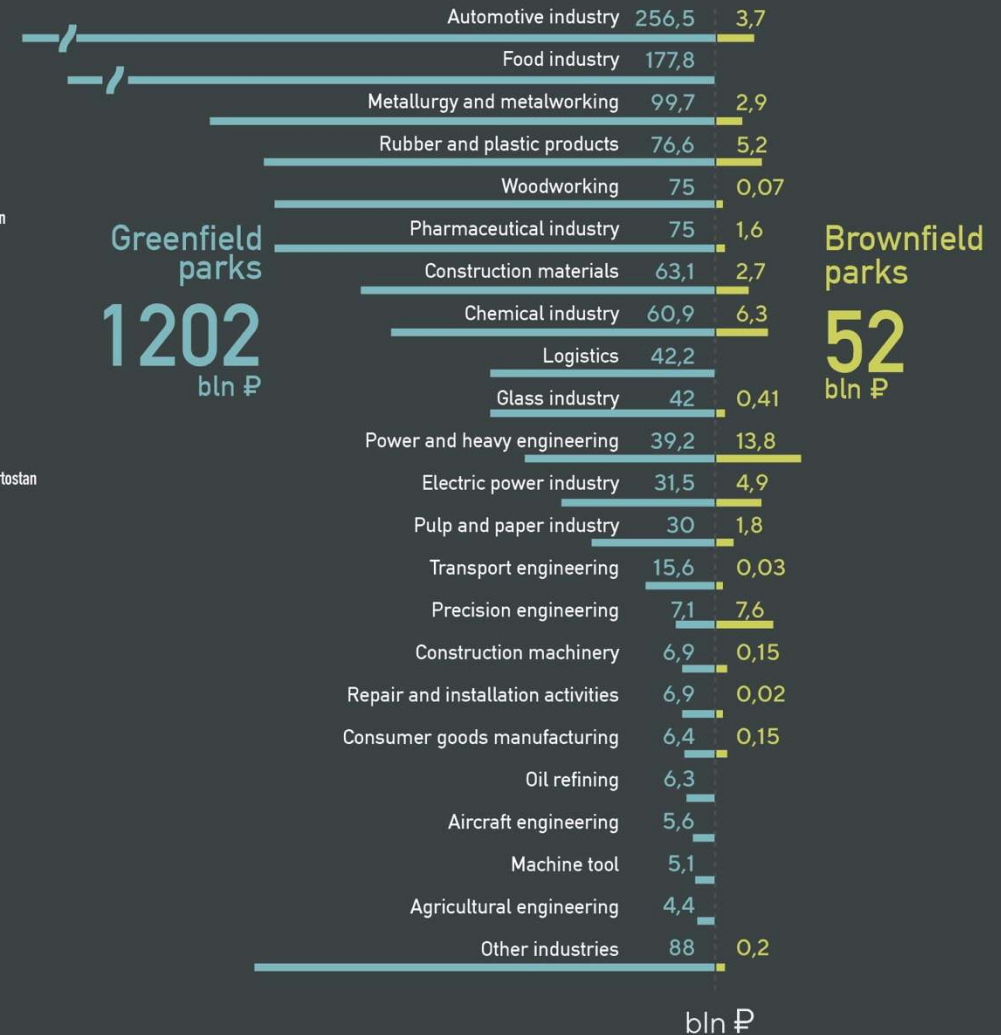
# INDUSTRIAL PARKS AND SEZs IN RUSSIA

Solid growth in Russia's inward FDI

## INVESTMENTS ATTRACTED TO INDUSTRIAL PARKS AND SEZs IN 1998-2019



## SECTOR BREAK-DOWN OF TENANTS IN 1998-2019



# THANK YOU FOR YOUR ATTENTION!



**WWW.INDPARKS.RU**



**Denis ZHURAVSKIY**

CEO

+7 917 594 54 76

gr@indparks.ru



**Iwao OHASHI**

Advisor on Japan and APAC

+7 915 182 33 50a

ohashi@indparks.ru



**Maksim PAZDNIKOV**

Cochairman of the Board

+7 926 101 86 54

pm@indparks.ru



**Yana LELES**

Director of International Affairs

+7 925 083 93 80

ly@indparks.ru



USEFUL MATERIALS IN JAPANESE AND ENGLISH

<https://indparks.ru/materials/edition/japan2020/>



Investor's guide



AIP free service for  
production site /  
suppliers /  
contractors selection



Review of  
industrial parks  
and SEZ in Russia