

**DEVELOPMENT  
AGENCY**

Novgorod  
Region

# INVESTMENTS THAT WORK SINCE THE 9<sup>th</sup> CENTURY



Government  
of Novgorod Region

/ 2019



# UNIQUE HISTORICAL BACKGROUND

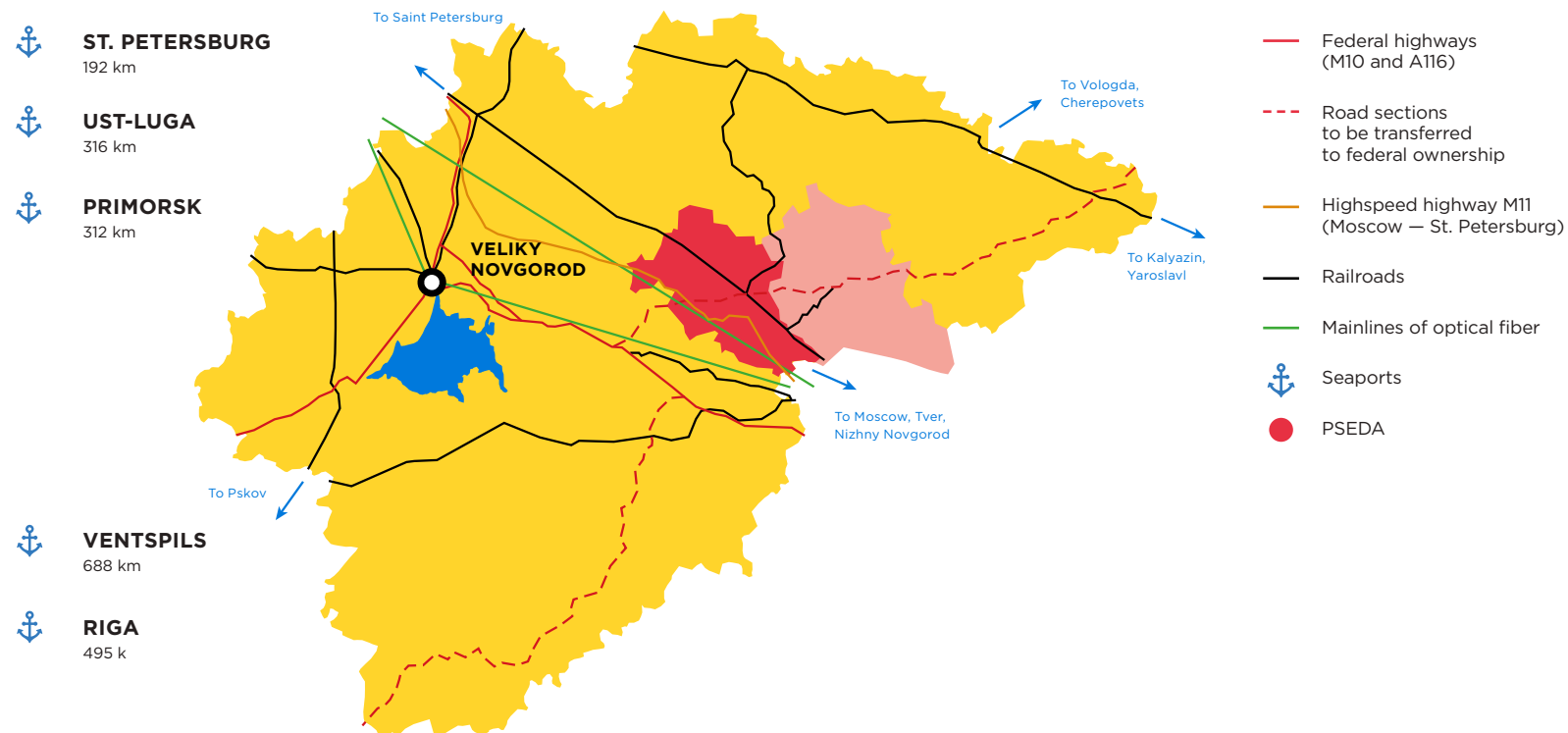
Historically, Veliky Novgorod and Novgorod Region are closely linked to Europe and Asia with commercial and cultural relations

1<sup>st</sup>

- ▶ SCHOOL IN RUSSIA
- ▶ LAW-LETTER
- ▶ DEMOCRATIC FORM OF GOVERNMENT IN RUSSIA — VECHE
- ▶ RUSSIAN TOWN IN HANSEATIC LEAGUE
- ▶ TRADING ROUTES 'FROM THE VANGIANS TO THE GREEKS', ETC.



# UNIQUE LOGISTICS



▶ **M10 and M11**  
FEDERAL HIGHWAYS

▶ **1 HR to SPB**  
BY HIGHSPEED RAILROAD

▶ **606 000**  
POPULATION

▶ **GRP x3**  
GRP GROWTH IS 3 TIMES HIGHER THAN  
IN THE RUSSIAN FEDERATION

▶ **4 HR to MSK**  
BY HIGHSPEED RAILROAD

▶ **54 500 km<sup>2</sup>**  
TERRITORY





# MANUFACTURING

2<sup>nd</sup>

**PLACE**

in processing industry  
efficiency rating among  
territorial entities of the  
Russian Federation in 2017

3,27

**BILLION USD**

volume of shipped goods  
produced in Novgorod  
Region

104,5

**PERCENT**

index of industrial  
production,  
31 place in Russia

## INDUSTRIAL CLUSTERS



**MEDICAL  
AND REHABILITATION**



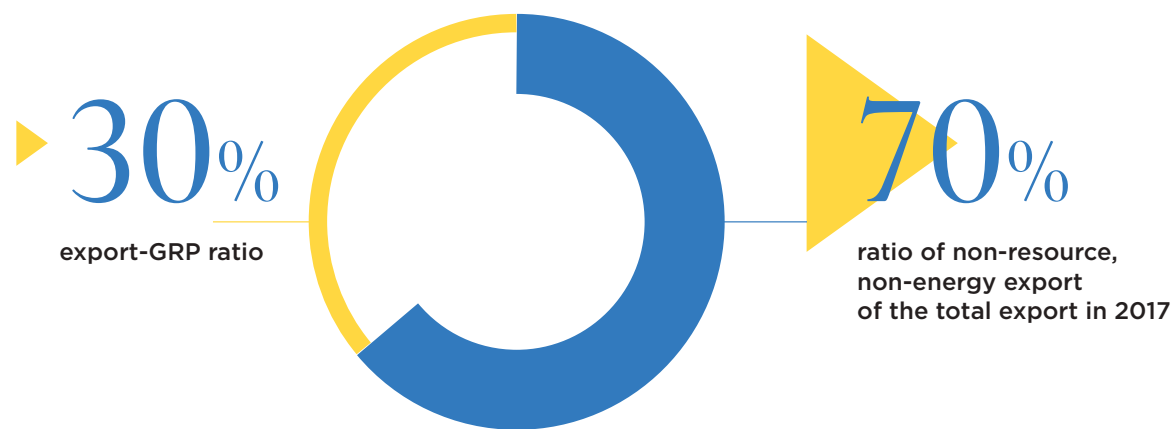
**CLUSTER  
OF MEASURING  
INSTRUMENTS**



**CLUSTER OF RARE  
EARTH MATERIALS**



# EXPORT FOCUS OF INDUSTRY



## VALUE OF EXTERNAL TRADE IN 2017

is **1443.8 million USD**,  
of which **1054.7 million  
USD** are accounted  
for by export

## RATINGS IN 2017

NATIONAL RATING  
OF INVESTMENT CLIMATE

**53** PLACE → **29** PLACE

RATING OF INNOVATIVE  
REGIONS OF RUSSIA

**40** PLACE → **23** PLACE



# STRUCTURE OF PROCESSING INDUSTRY







# AGRICULTURE



1<sup>st</sup>

PLACE

IN GROSS COLLECTION  
OF POTATOES  
IN THE NORTHWESTERN  
FEDERAL DISTRICT

**214,9** thousand tons

production of potatoes in 2017



2<sup>nd</sup>

PLACE

IN GROSS COLLECTION  
OF VEGETABLES  
IN THE NORTHWESTERN  
FEDERAL DISTRICT

**25,1** thousand tons

production of greenhouse vegetables  
in 2017



3<sup>rd</sup>

PLACE

IN PRODUCTION  
OF CATTLE AND POULTRY  
IN THE NORTHWESTERN  
FEDERAL DISTRICT

**160,9** thousand tons

production of cattle and poultry  
in 2017



# UNIQUE EXPERTISE

## UNIVERSITY NTI

— NovSU (Novgorod State University) unique educational programme, 100 participants in 2017

## NOVSU ENGINEERING CENTRE OF RADIOELECTRONICS PROTOTYPING

— a tool for development of Novgorod Region's industrial potential

## NOVSU AND ITMO SPECIAL EDUCATIONAL PROJECT TO TRAIN IT SPECIALISTS







# NOVGOROD REGION IS THE CHOICE OF FOREIGN INVESTORS

Novgorod Region was the first to enter the market of foreign investments.  
Since 1996, more than **12 billion USD** of foreign investments have been directed  
to the region's economy.

**INVESTMENTS  
SINCE 9<sup>th</sup>  
CENTURY!**



**IKEA Industry  
Novgorod**

Manufacturing of particleboard  
and cabinet furniture



Manufacturing  
of chewing gum and candies



Manufacturing  
of planed materials



Manufacturing  
of trailers for trucks



Manufacturing  
of plywood



Flexible  
packaging



Household  
chemicals



Paper, packaging  
and wood goods



# SPECIAL CONDITIONS FOR INVESTMENT PROJECTS

## 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

▶ 1.2-23 million USD

Strategic projects

▶ 0.8-7.6 million USD

Priority projects

▶ 0.8-3.8 million USD

Strategic projects in agriculture

▶ 0.5-2.3 million USD

Strategic projects in dairy and meat production

Depending on the population  
of the municipal area



# TAXES FOR RESIDENTS OF INDUSTRIAL PARKS AND BUSINESS INCUBATORS

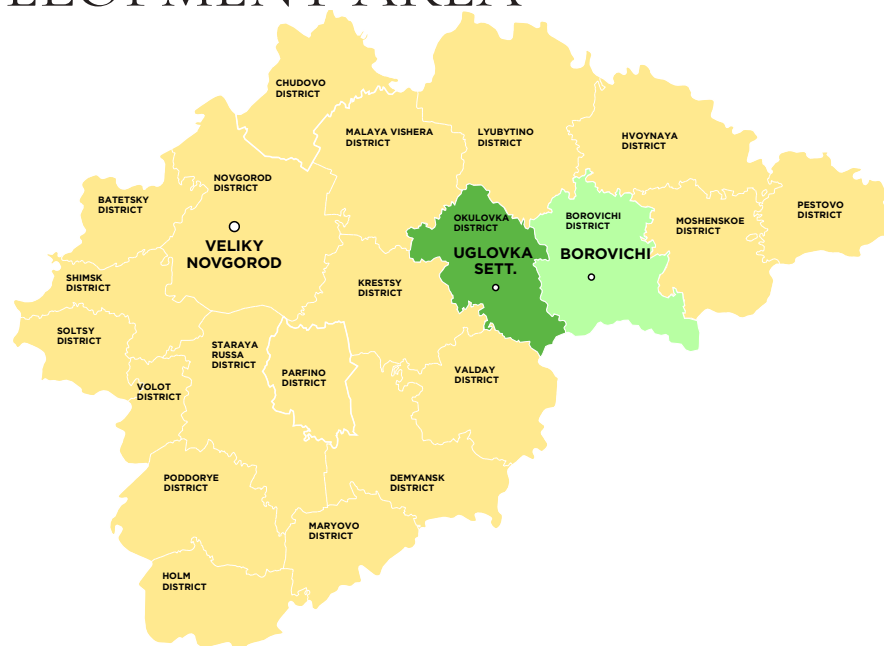
| TAX FOR  | CORPORATE<br>PROPERTY TAX  | CORPORATE<br>PROFIT TAX  |
|--|--|--|
| <b>MANAGING COMPANIES</b><br><br><b>RESIDENTS OF INDUSTRIAL PARKS</b>  | <b>0%</b><br><br><b>FOR 10 YEARS</b><br><br>starting from the date<br>of the status designation<br>(agreement execution)           | <b>13,5%</b><br><br><b>FOR 10 YEARS</b><br><br>starting with the tax period<br>during which the profit<br>was received |
| <b>MANAGING COMPANIES AND RESIDENTS<br/>OF REGIONAL INDUSTRIAL LOCATIONS</b><br><br><b>MANAGING COMPANIES</b><br><br><b>BACK-UP ORGANIZATIONS<br/>AND RESIDENTS OF TECHNOLOGICAL PARKS</b><br><br><b>MANAGING ORGANIZATIONS<br/>OF BUSINESS INCUBATORS</b> | <b>0%</b><br><br><b>FOR 5 YEARS</b><br><br>starting from the date<br>of the status designation<br>(agreement execution)            | <b>13,5%</b><br><br><b>FOR 5 YEARS</b><br><br>starting with the tax period<br>during which the profit<br>was received  |
| <b>RESIDENTS OF BUSINESS INCUBATORS</b>  | <b>0%</b><br><br><b>FOR THE PERIOD<br/>OF HOLDING<br/>THE RESIDENT STATUS</b><br><br>starting from the agreement<br>execution date | <b>13,5%</b><br><br><b>FOR THE PERIOD<br/>OF HOLDING<br/>THE RESIDENT STATUS</b>                                       |





# PSEDA

## PRIORITY SOCIAL AND ECONOMIC DEVELOPMENT AREA

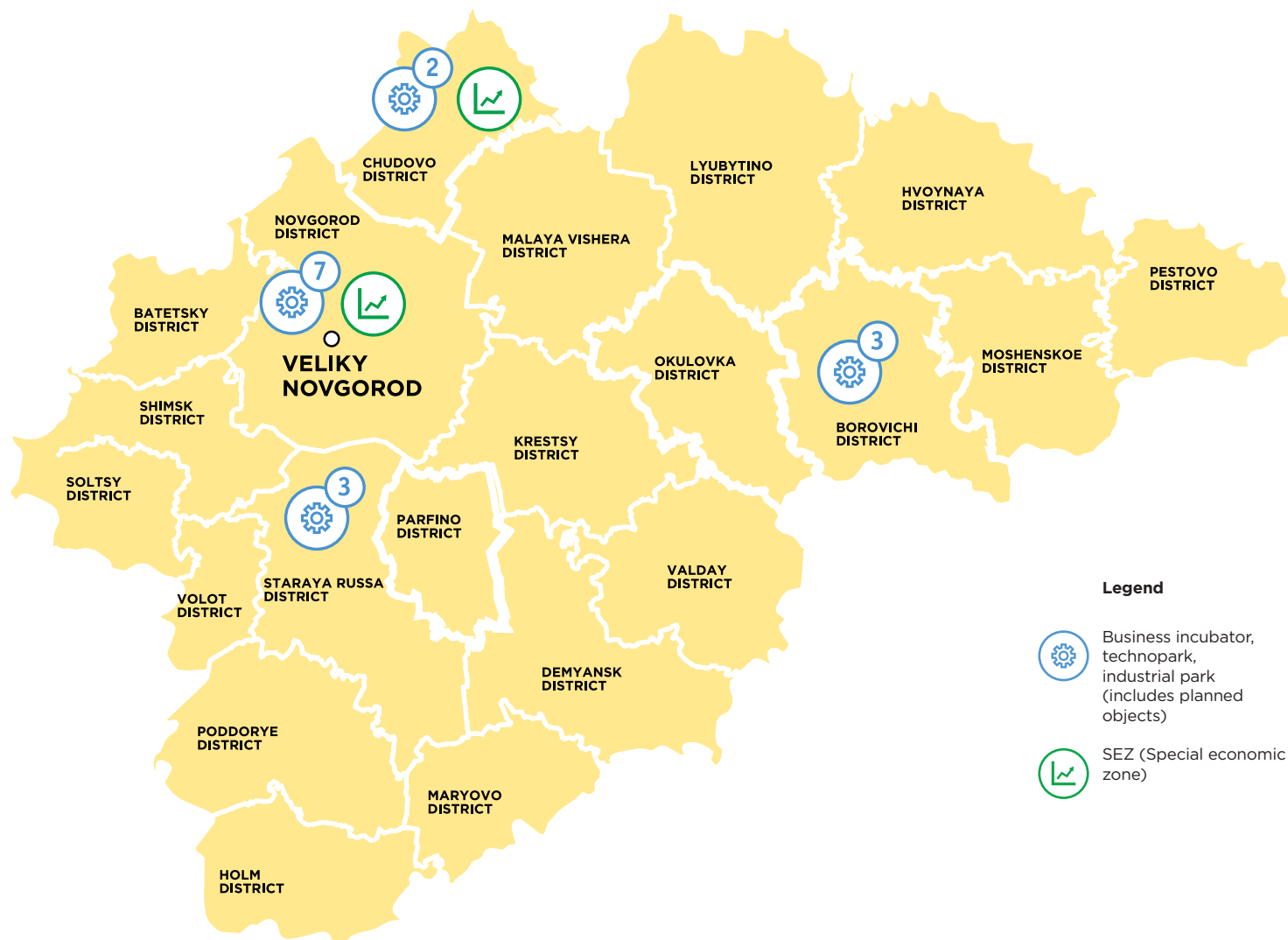


- PSEDA
- A positive decision to create PSEDA

| TAXES AND FEES                             | FIRST 5 YEARS                               | NEXT 5 YEARS           |
|--|---|------------------------|
| Profit tax paid into the Federal budget    | 0% (instead of 3%)                          | 3%                     |
| Profit tax paid into the Regional budget   | 5% (instead of 17%)                         | 10% (instead of 17%)   |
| Property tax paid into the Regional budget | 0% (instead of 2,2%)                        | 1,1% (instead of 2,2%) |
| Land tax                                   | Exemption from tax is possible              |                        |
| Social contributions                       | 7,6% (INSTEAD OF 30 %) DURING NEXT 10 YEARS |                        |



# CREATING INVESTMENT INFRASTRUCTURE



## Legend



Business incubator,  
technopark,  
industrial park  
(includes planned  
objects)



SEZ (Special economic  
zone)



# PRIORITY LINES AND AREAS FOR INVESTMENT



## TOURISM

Hotels, resort and spa  
recreation, theme parks



## LOGISTICS CENTERS

Vegetable storages,  
distribution centers



## AGRICULTURE

Livestock raising,  
industrial harvesting  
and processing of berries



## PROCESSING INDUSTRY



## SCIENCE-DRIVEN PRODUCTION



## PEAT EXTRACTION AND PROCESSING



## FOOD PROCESSING



## CHEMICAL INDUSTRY





# TOURISM POTENTIAL



**NOVGOROD  
KREMLIN  
'DETINETS'**



**STARAYA RUSSA RESORT  
MUDTHERAPY**



**HOTEL 'PARK INN  
VELIKY NOVGOROD BY  
RADISSON'**

**406** thousand  
tourists per year

**37** UNESCO  
monuments

**1 million +**  
visitors per year



# CONTACTS



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