

INVESTOR GUIDE

SPBINVESTMENT.RU



DEAR COLLEAGUES!

Saint Petersburg is a modern, dynamic, and fast-growing metropolis with the necessary infrastructure for business and investment.

The city is one of the five leading regions in Russia, which generate a third of all investments, including both Russian and foreign investment. In the first half of 2017, the city's economy received USD 3.3 billion of direct foreign investment, which is 9% higher than the previous year. World-class companies successfully operate on the banks of the Neva River, many of which highly value the advantages and opportunities available to them in terms of doing business here. As a result, they are constantly expanding and increasing their production.

The Northern capital of Russia has always attracted investors thanks to its convenient geographical location, highly developed transport and logistics infrastructure, large consumer market, skilled personnel and advanced research facilities.

The city's administrative procedures, developed legislation and transparent investment policy simplify the process of doing business. Projects in priority sectors of the economy benefit from a whole range of property and tax preferences, as well as comprehensive support from the city government.

**SAINT PETERSBURG IS OPEN TO NEW IDEAS
AND INITIATIVES THAT AIM TO STRENGTHEN
INDUSTRIAL AND INNOVATION POTENTIAL,
DEVELOP CREATIVE INDUSTRIES AND
INCREASE QUALITY OF LIFE**

We are always happy to welcome new companies and their endeavours. I wish all investors the best of success in business! Welcome to the Northern capital of Russia — a city of great opportunities!

Governor of Saint Petersburg
Georgy Poltavchenko

A handwritten signature in black ink, which appears to read 'Poltavchenko', written in a cursive style.

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12 REASONS FOR INVESTING IN SAINT PETERSBURG

METROPOLITAN



**FIRST PLACE IN
NORTHERN EUROPE IN
TERMS OF POPULATION**



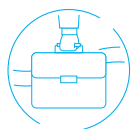
**AVERAGE ANNUAL
GROWTH RATE OF GRP
OVER PAST 5 YEARS**

5.3

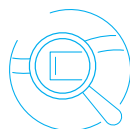
MLN PEOPLE
population according
to Petrostat

9.5%

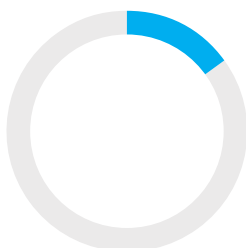
exceeds Russia's
overall growth rate
of 6.5%



**ECONOMICALLY ACTIVE
POPULATION**



**ACTIVE
APPLICANTS**



15%

of the population works and
studies in the field of vocational
training *

> 470,000 PEOPLE

8.3

CVs
per vacancy in December 2017
according to HeadHunter

FAVOURABLE BUSINESS ENVIRONMENT



**A WIDE RANGE
OF MEASURES
OF STATE SUPPORT**



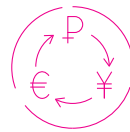
**INTERNATIONAL
BUSINESS ACTIVITIES**

Saint Petersburg beat Moscow in terms of the number of international business events held in 2016, according to the ICCA rankings

ACTIVE EXTERNAL RELATIONS



CLOSE BORDERS WITH THE EUROPEAN UNION



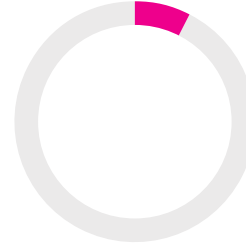
FOREIGN TRADE TURNOVER



200 km

distance from Saint Petersburg
to Europe

the city is at the intersection
of international transport
corridors



7.6%

of Russia's foreign trade
turnover in 2017
according to Rosstat
and Petrostat



INTERNATIONAL TOURIST CENTRE



TRANSPORTATION DIVERSITY

7.5

MLN TOURISTS

influx of tourists in 2017
exceeding the population
of Saint Petersburg **



1 place in terms of cargo
turnover for maritime
transport

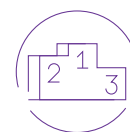


10 place in terms of
container transport
volume

among indicators for
ports in Northern
Europe



POSITIVE DYNAMICS IN WORLD RANKINGS



RANKED IN TOP 3 LARGEST RUSSIAN INNOVATIVE CENTRES

Saint Petersburg is often high up on rankings such
as Doing Business ***, Moody's Investors Service Limited,
Fitch Ratings, etc.

** According to the Committee for Tourism Development of Saint Petersburg.

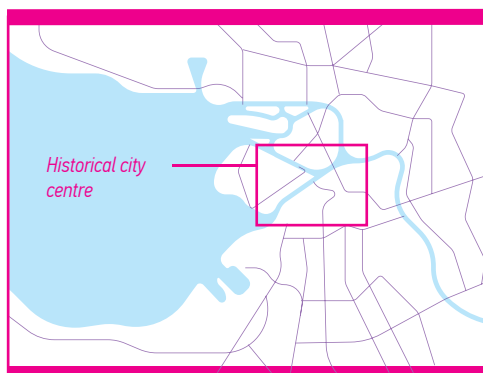
*** Doing Business — a ranking for Saint Petersburg and Moscow together, indicators are summed up.

COMPETITIVE ADVANTAGES OF SAINT PETERSBURG



LARGE ADMINISTRATIVE CENTRE	08
CONVENIENT TRANSPORT AND LOGISTICS HUB	10
LEADING TOURIST CENTRE	12
PROMISING HUMAN CAPACITY	14
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LARGE ADMINISTRATIVE CENTRE

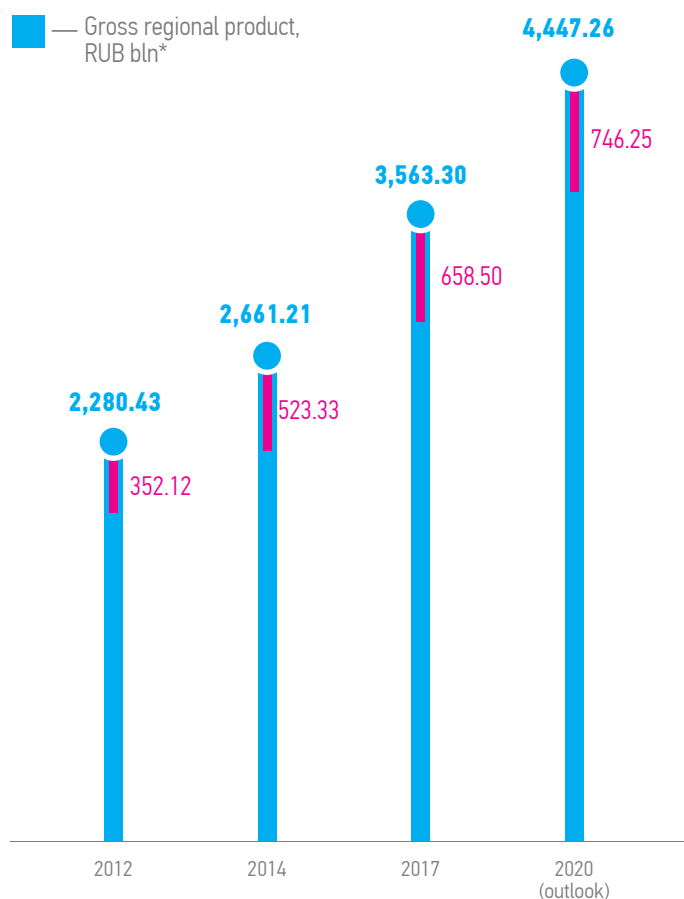


SAINT PETERSBURG IS THE NORTHERNMOST OF THE MAJOR EUROPEAN CITIES. THE METROPOLITAN AREA OF SAINT PETERSBURG COVERS 11,600 KM² AND INCLUDES 35 URBAN SETTLEMENTS

GROSS REGIONAL PRODUCT AT BASIC PRICES

— Share of investment
in fixed capital, RUB bln

— Gross regional product,
RUB bln*



Wholesale
and retail trade



Real estate, rent,
and services operations



Manufacturing



Transport
and communications



Construction



Other activities

* According to Petrostat (Regional Body of Federal State Statistics Service in St. Petersburg and Leningrad Oblast).



5,344.9k PEOPLE
population as of
1 December 2017



1,439 KM²
total
territory

GRP STRUCTURE



INVESTMENT DISTRIBUTION



POSITIVE DYNAMICS OF ECONOMIC GROWTH

Diversified
economy structure

A wide range of measures
to support investors

[Read more on pages 36-51](#)

Timely response to changing
market conditions

92.8%

of funds within the targeted investment
programme goes to developing transport,
engineering and social infrastructure and
cultural and sports facilities

CONVENIENT TRANSPORT AND LOGISTICS HUB

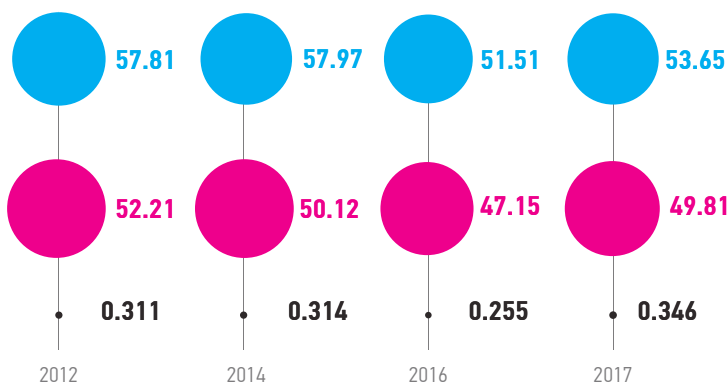
INCLUDES ALL TYPES OF TRANSPORTATION AND SERVES AS A SORTING CENTRE FOR FOREIGN CARGO FLOWS AND COMPANIES FROM OTHER REGIONS DIRECTED TOWARDS FINLAND, THE BALTIC STATES AND BALTIC SEAPORTS

VOLUME OF CARGO TRANSPORTATION *

mln tonnes

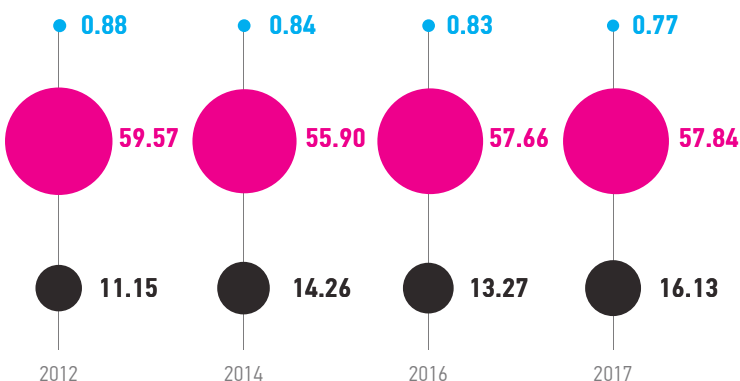
- Water transport
- Railway transport
- Air transport

By means
of transport



PASSENGER TRAFFIC

mln people



* According to the Saint Petersburg Committee on Transport.

WATER CONNECTION

Access to the Baltic Sea

One of the largest transport hubs in the North-West Federal District

6.7%

Big Port Saint Petersburg constituted 6.7% of Russia's overall cargo turnover at seaports in 2016

5,041.9
THOUSAND
TONNES

cargo turnover in 2017 ***

+8% to 2016 **

** According to the Association of Commercial Seaports.

*** Federal State Budgetary Institution Administration of the Baltic Seaports.

ROAD NETWORK

3.6 THOUSAND KM
total length

2 international transport corridors
North-South and Trans-Siberian

Pan-European Corridor IX

The European route E18 connecting Scandinavia
with Central Russia

WHSD (Western High-Speed Diameter)

Big Port
Saint Petersburg

City
centre

Finlyandsky
railway station

Ladozhsky
railway station

Moskovsky
railway station

Vitebsky
railway station

Baltiysky
railway station

Saint Petersburg Ring Road

RAILWAY HUB

5 RAILWAY STATIONS
10 DIRECTIONS

AIR TRANSPORT

4th in terms of number of airport
passengers in Russia
16.1 MLN PEOPLE
passenger traffic for 2017 ****

+21.6% to 2016

Pulkovo
Airport

**** According to data from Northern Capital Gateway LLC.

SAINT PETERSBURG IS THE LEADING TOURIST CENTRE

Saint Petersburg is a global cultural centre and one of the largest tourist destinations in Europe.

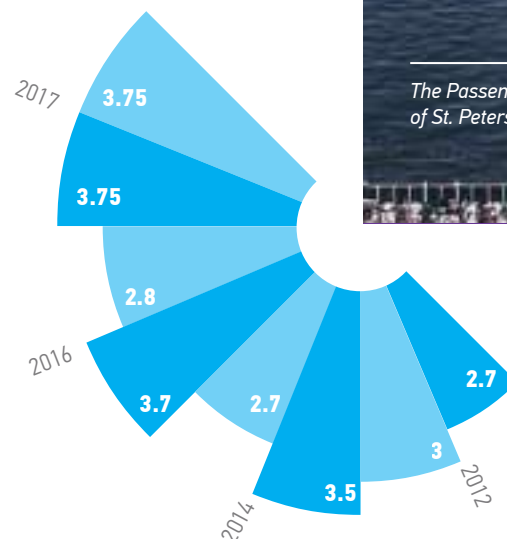
The city's historical monuments exemplify Saint Petersburg's cultural image and are recognised as UNESCO World Heritage Sites.

Alongside the traditional cultural and educational attractions, other sectors within the city's tourism industry are rapidly developing, such as business, conventions, and cruise ship tourism.

TOTAL ANNUAL INFLUX OF TOURISTS *

mln people

■ — foreign
■ — Russian



THE CITY HAS:



48 THEATRES, INCLUDING:

- Mariinsky Theatre
- Mikhailovsky Theatre and others



83 MUSEUMS, INCLUDING:

- The State Hermitage Museum
- The State Russian Museum
- Peterhof State Museum Reserve, the Tsarskoe Selo State Museum and others



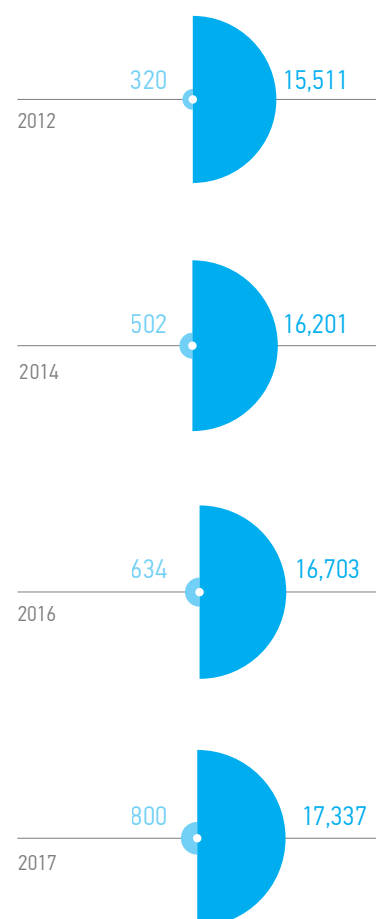
* According to Gortys Info and Delovoy Peterburg newspaper.



HOTEL ROOMS AVAILABILITY **

number of rooms

■ — at the start of the year
■ — new construction



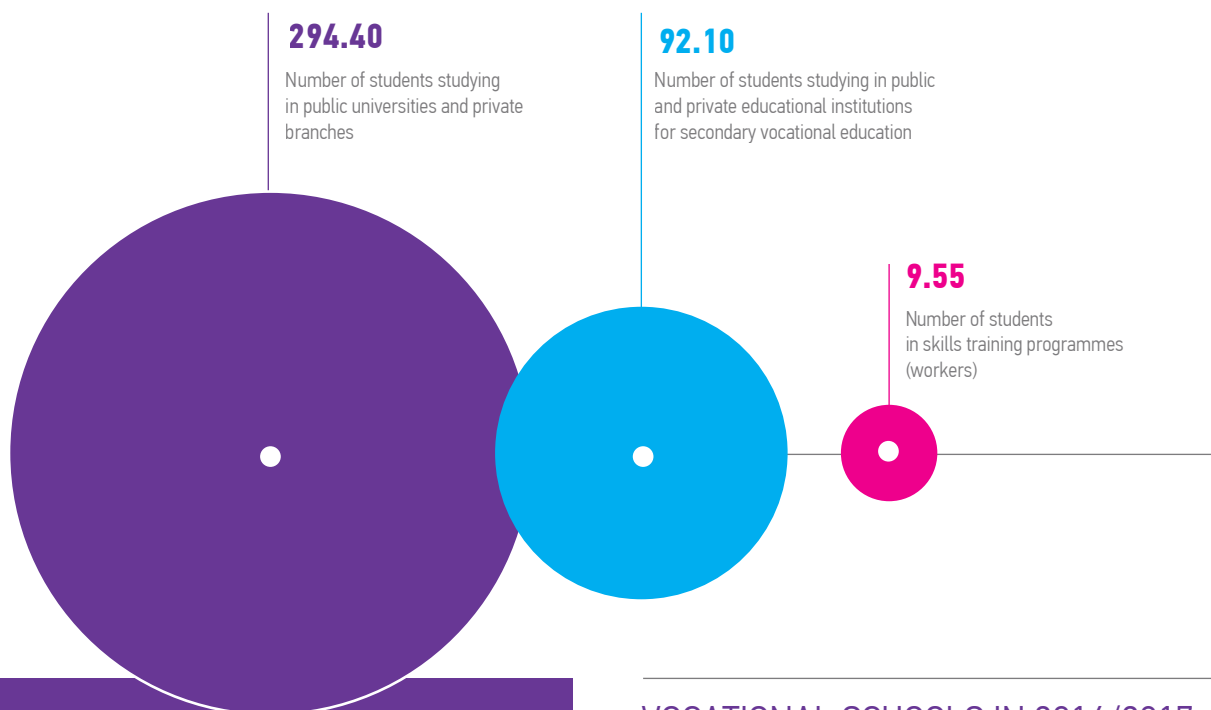
THE ANNUAL NUMBER OF TOURISTS
IN SAINT PETERSBURG EXCEEDS
THE NUMBER OF INHABITANTS

** according to GVA Sawyer

HUMAN CAPACITY

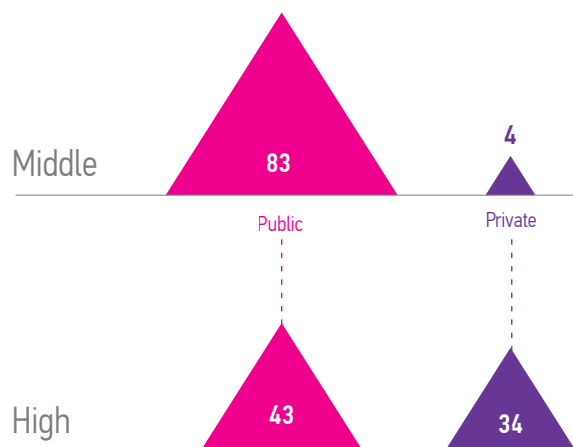
STRUCTURE OF STUDENTS BY LEVEL OF EDUCATIONAL PROGRAMMES *

thousand people in 2017



THE CITY IS AMONG THE
THREE LARGEST SCIENTIFIC,
RESEARCH AND EDUCATIONAL
CENTRES IN RUSSIA

VOCATIONAL SCHOOLS IN 2016/2017



* According to the Ministry of Education and Science of the Russian Federation.



814.42
THOUSAND PEOPLE
number of high performance jobs

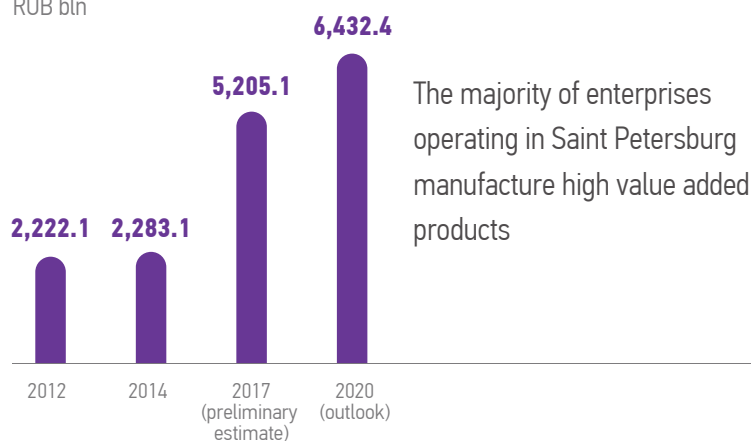


SAINT PETERSBURG HAS A STABLE ECONOMY AND AN ATTRACTIVE MARKET

INDUSTRIAL PRODUCTION

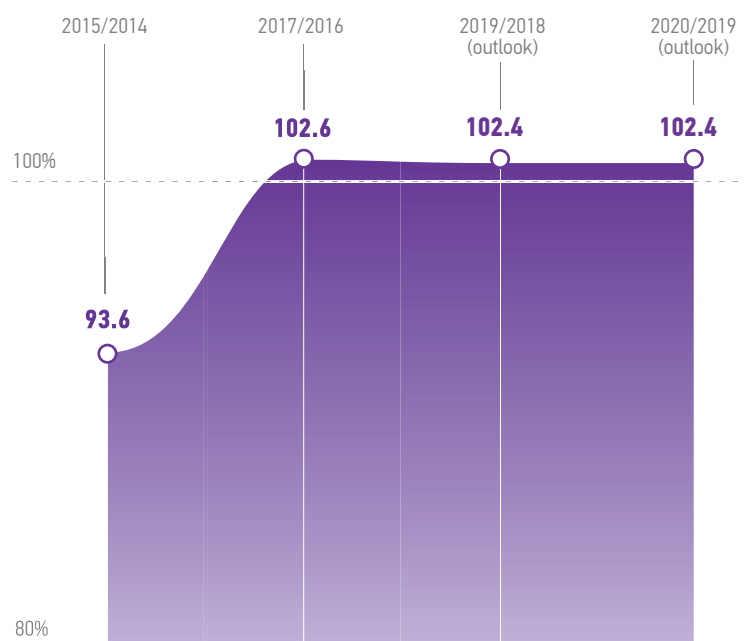
VOLUME OF SHIPPED GOODS OF DOMESTIC PRODUCTION AND WORKS/SERVICES PERFORMED

RUB bln



INDUSTRIAL PRODUCTION INDEX

in % to the previous year



> 30,000

INDUSTRIAL
ENTERPRISES

operating in Saint Petersburg

Business centre
Neva town hall

COMMERCIAL PROPERTY MARKET IN 2017 *

8.68 MLN M² + 4% TO 2016

total area
of commercial property



Shopping
malls
35%

Warehouse
property
32%

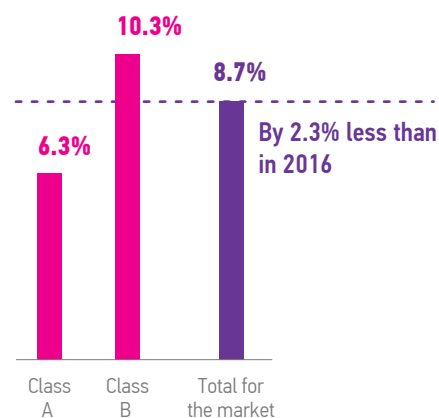
Offices
33%

**Class
A**

**Class
B**

PERCENTAGE OF VACANT OFFICE SPACE

■ — The percentage
of vacant office space



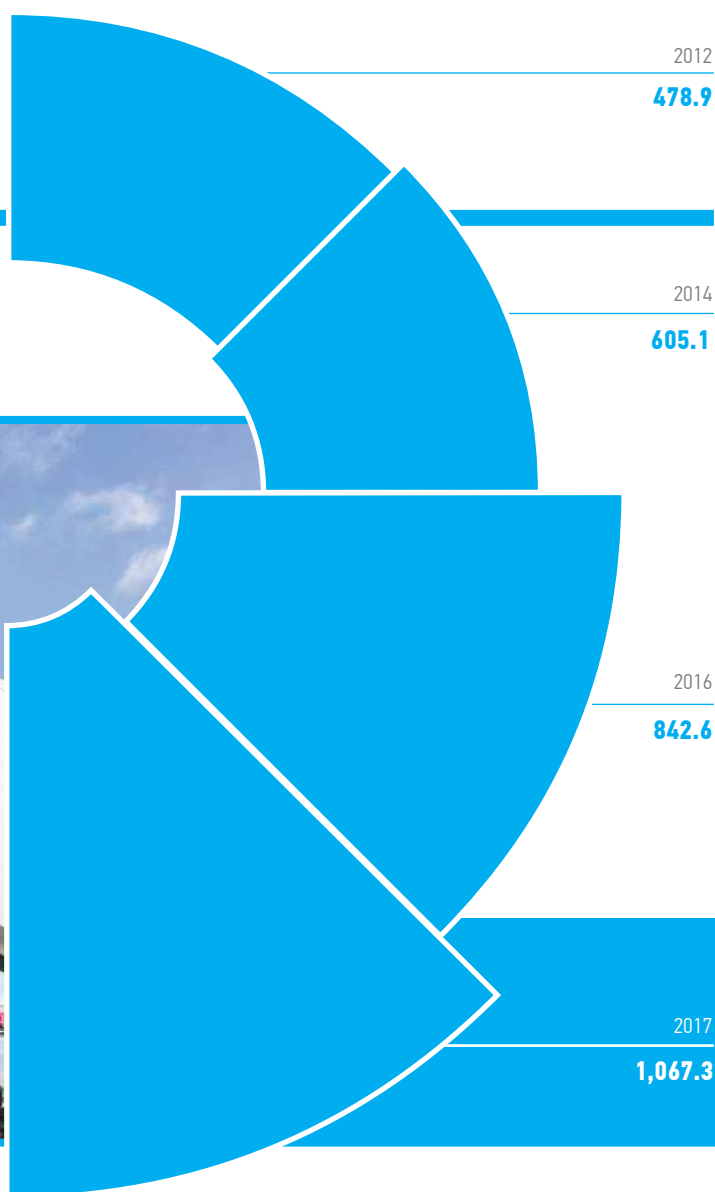
* According to Colliers International.

TURNOVER OF RETAIL TRADE ENTERPRISES

RUB bln

17.38%

average annual growth rate
(2012-2017)



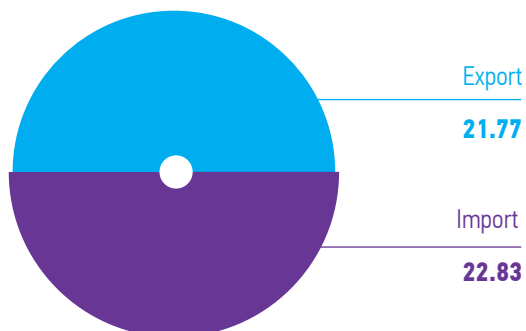
IMPORT-EXPORT

EXPORTS AND IMPORTS

USD bln

44.59

foreign trade
turnover

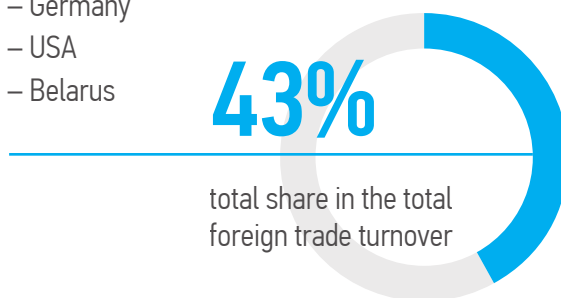


ACTIVE PARTICIPANTS IN FOREIGN TRADE TURNOVER WITH SAINT PETERSBURG

- China
- Netherlands
- Germany
- USA
- Belarus

43%

total share in the total
foreign trade turnover



POPULATION INCOME

74.6% Employment rate
in 2017 *

1.8% Unemployment rate
in 2017 *

AVERAGE NOMINAL
MONTHLY WAGES

per employee, RUB

Saint Petersburg

53,610

+10.24
average annual growth rate

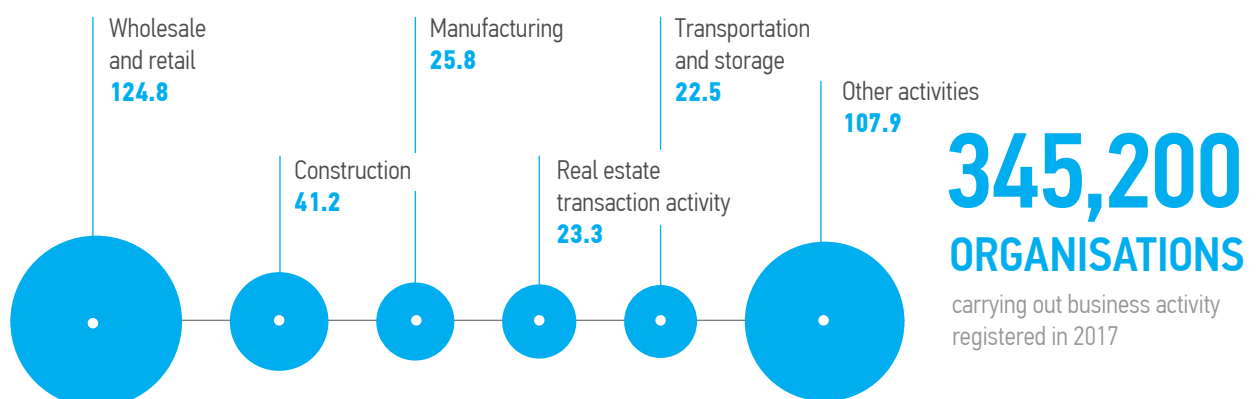
Russian Federation

38,848

+7.85
average annual growth rate

ENTREPRENEURIAL ACTIVITY

thousands of organisations



* According to Rosstat (Federal State Statistics Service), Petrostat, Committee for Economic Policy and Strategic Planning of St. Petersburg.



INVESTMENT CLIMATE

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Western High-Speed Diameter



INVESTMENT STRATEGY OF SAINT PETERSBURG

GOALS
FOR 2030

PRIORITY AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT



Ensuring high levels of
people's well-being



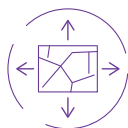
Law and legal
institutions



Safety and security of
government, citizens
and society



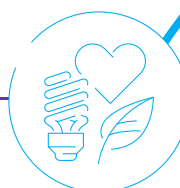
Creating an effective
economy based
on experience



Spatial
development



Increasing Russia's
competitiveness
in global markets



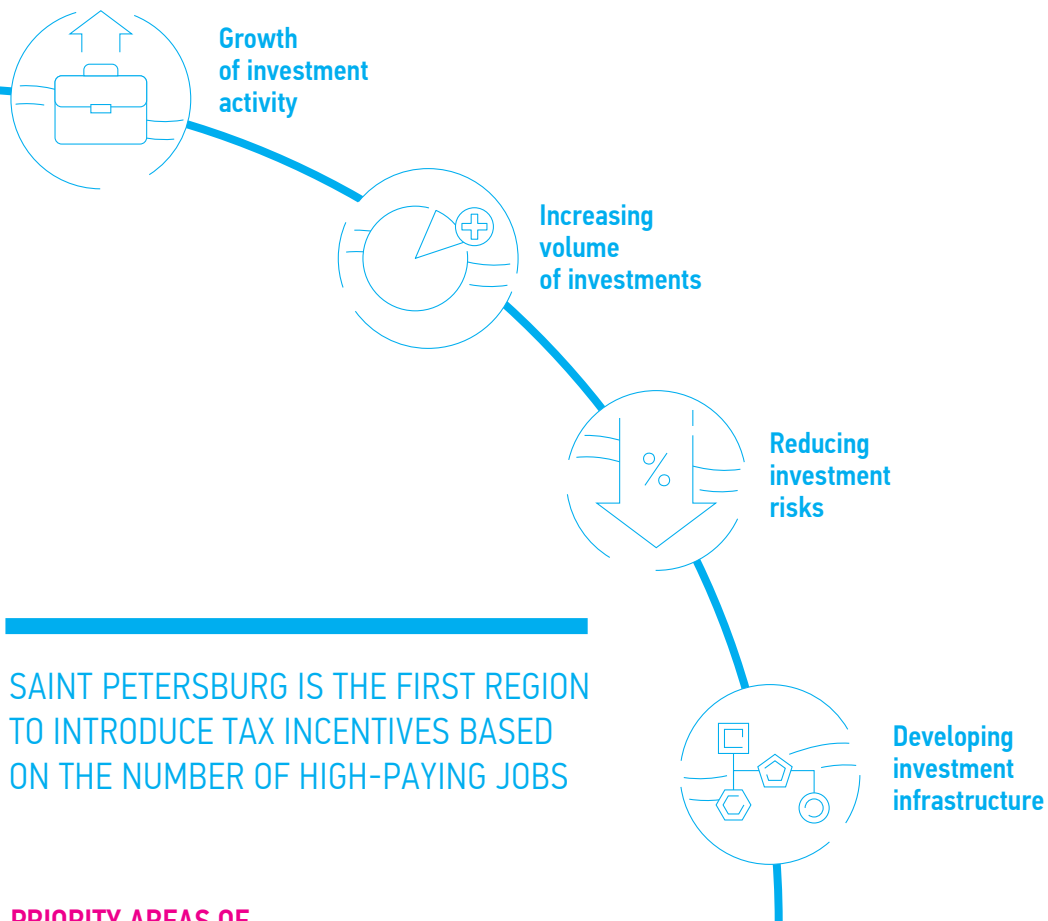
Sustainable social
and economic
development

Increasing quality
and accessibility of engineering
and transport infrastructure



Preparing territories
for investment projects

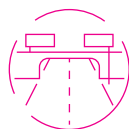




PRIORITY AREAS OF ECONOMIC ACTIVITY IN SAINT PETERSBURG



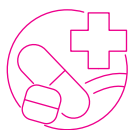
Research and development



Development of transport infrastructure



Tourism and hotel infrastructure



Production of medicines, pharmaceuticals and materials used for medical purposes in medical instruments and equipment for machines and electronic products



Information technology



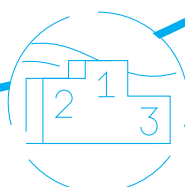
Education



Transportation and storage



Medical services



Increasing the competitiveness of economic sectors

SAINT PETERSBURG IN RATINGS

LONG-TERM CREDIT RATING ACCORDING TO INTERNATIONAL SCALE

As of 1 April 2018

ACCORDING TO MOODY'S
INVESTORS SERVICE LIMITED

BA1
POSITIVE

Speculative grade rating

ACCORDING TO FITCH RATINGS

BBB-
POSITIVE

Investment grade rating

THE FAVOURABLE INVESTMENT
CLIMATE IS SHOWN BY
INTERNATIONAL RANKINGS

Overall
position
in the ranking

190

DOING BUSINESS RANKING
(MOSCOW AND SAINT PETERSBURG
ARE RANKED TOGETHER)

NATIONAL RANKING OF INVESTMENT
CLIMATES IN THE CONSTITUENT ENTITIES
OF THE RUSSIAN FEDERATION ACCORDING
TO THE AGENCY OF STRATEGIC INITIATIVES

85

RANKING OF INNOVATIVE REGIONS IN
RUSSIA ACCORDING TO THE ASSOCIATION
OF INNOVATIVE REGIONS OF RUSSIA

85

RANKING OF INVESTMENT APPEAL
OF RUSSIAN REGIONS ACCORDING
TO EXPERT RA RATING AGENCY

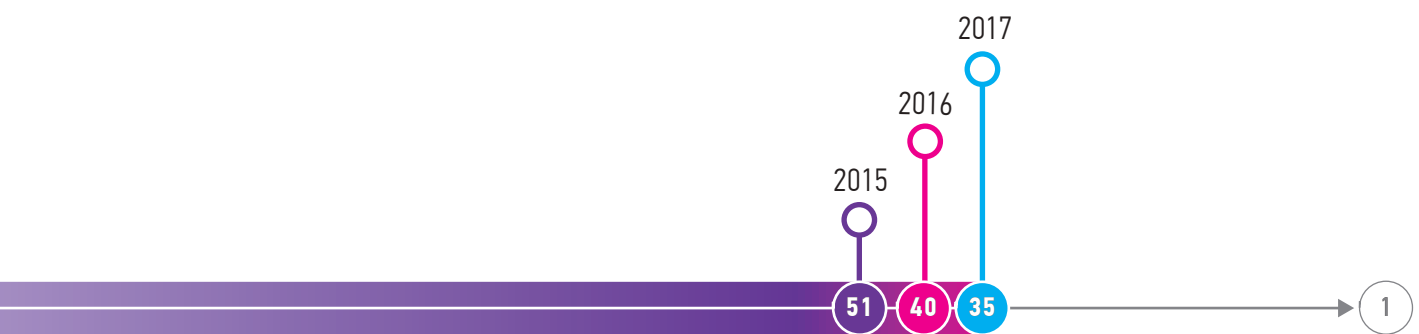
85

BEST TOURIST DESTINATION BY
WORLD TRAVEL AWARDS EUROPE

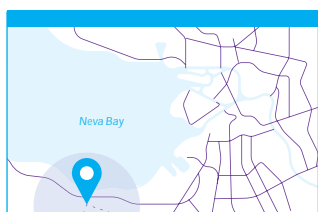
Out of
11 nominees

FDI'S EUROPEAN CITIES
AND REGIONS OF THE FUTURE
RANKING

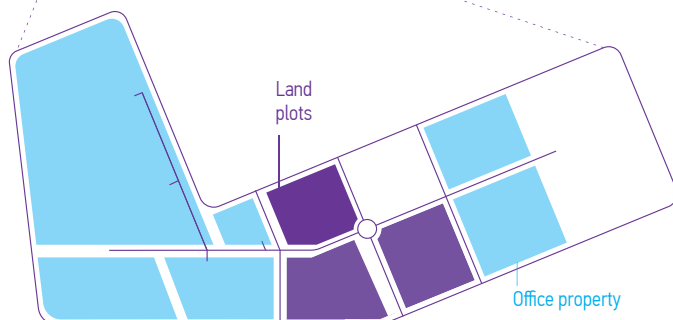
27



SAINT PETERSBURG SPECIAL ECONOMIC ZONE



NEUDORF



Total area — **18.99 ha/15,000 m²**



Average cost of rent

From RUB 133 thousand per 1 ha per year

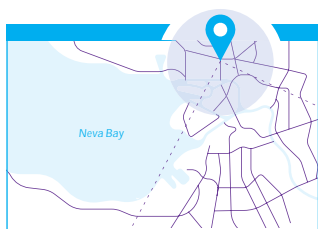
Offices

RUB 760–855 per 1 m² per month

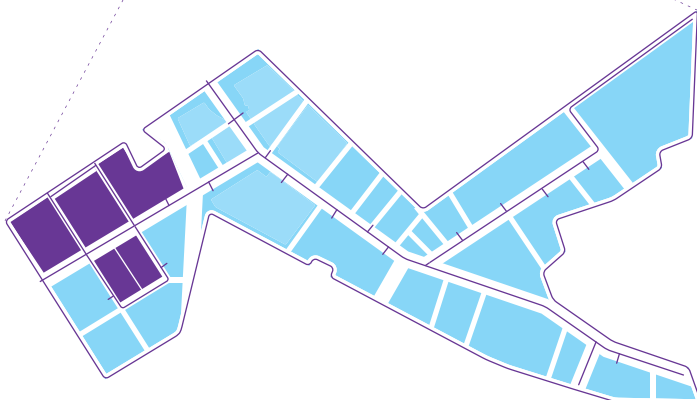
Production premises

Average purchase price

RUB 4 mln per 1 ha



NOVOORLOVSKAYA



Total area — **163.33 ha/15,600 m²**



Average cost of rent

From RUB 239 thousand per 1 ha per year

Offices

RUB 840–1,000 per 1 m² per month

Production premises

RUB 600 per 1 m² per month

Average purchase price

RUB 7.5 mln per 1 ha

SEZ IS LOCATED ON
TWO SITES — NEUDORF AND
NOVOORLOVSKAYA

A. INVESTORS RECEIVE



Infrastructure created for business development using state budget funds



Tax incentives



Customs privileges

B. PRIORITY AREAS



Information technology and telecommunications



Medical technology and pharmaceuticals



Energy efficiency



Precision engineering

C. BENEFITS

1 Property tax *

0% — 2.2% standard rate

Preferential rate

2 Land tax

0% — 0.3%/1.5%

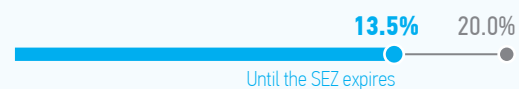
Period — 5 years

3 Transport tax

0% — 10-500 RUB/horsepower

Period — 5 years

4 Income tax



5 Contributions to social insurance funds



6 Preferential price for purchasing land within SEZ

* Created or acquired for the purpose of carrying out activities within the SEZ.

INDUSTRIAL ZONES AND INDUSTRIAL PARKS

INDUSTRIAL ZONES

Purpose: To accommodate industrial facilities of different hazard classes

The city implements preparatory works for urban planning and engineering of production space

13.5%

of total area of Saint Petersburg is comprised of industrial lands (according to the Committee for Industrial Policy and Innovation)

INDUSTRIAL PARKS

The Industrial Park is managed by a specialised management company for real estate, consisting of a land plot (plots) with production, administrative, warehouse and other premises and facilities, as well as energy sources, engineering and transport infrastructure, and administrative/legal conditions for allocation of production.

Composition:

a land plot (plots) with production, administrative, warehouse and other premises/facilities

Management:

managing company

Provision of:

- energy
- engineering and transport infrastructure
- administrative and legal conditions for production

Total area
130 ha

42 ha Free

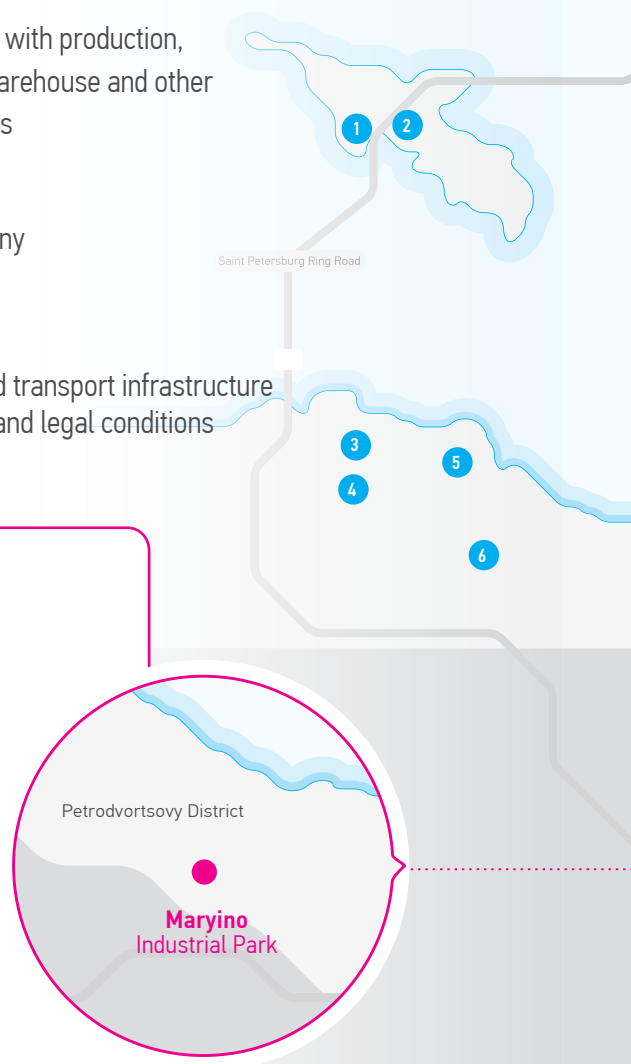
88 ha Occupied

Land plots for industrial purpose, fully equipped with engineering and road transport infrastructure; designed for construction of industrial enterprises and warehouse complexes.

Land ownership from 1 ha

TRANSPORT ACCESSIBILITY

Ring road	3 min
Pulkovo Airport and Bronka Seaport	20 min
City centre	40 min

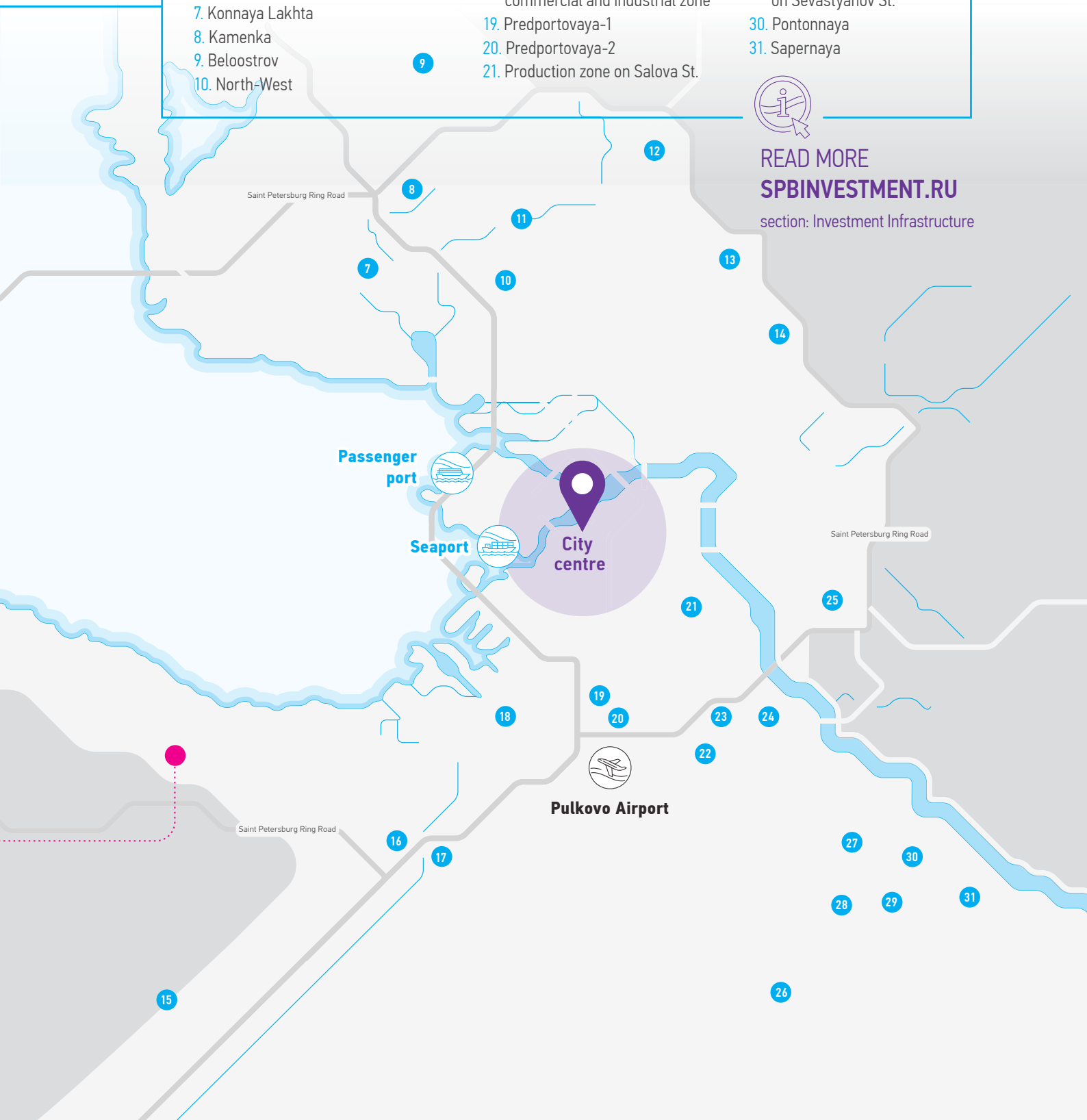


- | | | |
|--|---|--|
| 1. The dam construction production zone | 11. Kolomyagi | 22. Shushary |
| 2. Industrial zone northward of Kronstadt Shosse | 12. Parnas | 23. Obukhovo |
| 3. Bronka | 13. Ruchyi | 24. Rybatskoye |
| 4. Kronshtadskaya Koloniya | 14. Rzhevka | 25. Neva |
| 5. Voyennaya Gavan i Yantar (The Military Harbor and Yantar) | 15. Krasnoselskaya | 26. Pushkinskaya (Vostochnaya) |
| 6. Lomonosovskaya | 16. South-West | 27. Metallostroy |
| 7. Konnaya Lakhta | 17. Predportovaya-3 | 28. Izhora Plants |
| 8. Kamenka | 18. The part of maritime commercial and industrial zone | 29. Production zone on Sevastyanov St. |
| 9. Beloostrov | 19. Predportovaya-1 | 30. Pontonnaya |
| 10. North-West | 20. Predportovaya-2 | 31. Sapernaya |
| | 21. Production zone on Salova St. | |



READ MORE
SPBINVESTMENT.RU

section: Investment Infrastructure



KEY INDUSTRIES

SAINT PETERSBURG HAS DIVERSIFIED ECONOMY REPRESENTED BY DIFFERENT INDUSTRIAL CLUSTERS

LOCALISATION OF LARGE PRODUCTION ENTERPRISES IN THE CITY PROVES THE HIGHEST LEVEL OF TRUST THAT INVESTORS PLACE ON THE INVESTMENT POLICY CONDUCTED BY THE CITY ADMINISTRATION

LEADING INDUSTRIES PRESENTED IN SAINT PETERSBURG

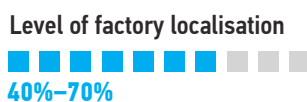


AUTOMOTIVE *

Key indicators



22%–24%
share in Russian production of passenger cars



> 400 THOUSAND
passenger cars **IN ONE YEAR** — the combined capacity of all enterprises

Number of people employed in enterprises, thousand

8

Representative companies

Assembly plants:

- The branch of Toyota Motor LLC
- Hyundai Motor Manufacturing Rus LLC
- Nissan Manufacturing Rus LLC

Automotive component manufacturers:

- Mobis Module CIS LLC
- Metalloproduksia LLC
- CJSC Johnson Controls International

* According to the Committee for Industrial Policy and Innovations of Saint Petersburg, 2017.



INFORMATION TECHNOLOGY



12.2%
accredited in the Ministry of Telecom and Mass Communications*

* according to the Rosstat data for 2017

The city exceeds national levels of development of IT technology by 20% **

** according to RUSSOFT research in 2017



10.6% of open job vacancies in 2017 ***

*** according to the HeadHunter data for 2017

74.3

Saint Petersburg's IT cluster includes more than 70 companies:

- VKontakte
- Ramek-VS
- KORUS Consulting
- Digital Design and others (others)

Education in the IT sector was offered in more than 10 universities/higher educational institutions



SUPPORT FOR SAINT PETERSBURG
CLUSTER PARTICIPANTS PROVIDED
BY THE CENTRE FOR CLUSTER DEVELOPMENT



PHARMACEUTICAL
INDUSTRY *



7%
share in terms
of volume of goods
sold and services
provided in Russia



RUB 29.8 BLN
in goods sold and services
provided

7.2

- CJSC BIOCAD
- JSC Vertex
- STPF POLYSAN LLC
- Gerofarm LLC

* According to the Committee for Industrial Policy and Innovations of Saint Petersburg, 2017.



FOOD
INDUSTRY **



3.8%
share in terms
of food products
sold in Russia

**Increase in volume of food
products produced and shipped ***

+103.5%

** according to Rosstat

28.6

- Fazer LLC
- OJCS Karavai
- Branch Petmol Dairy Plant of JSC Danone Russia
- Piskarevsky Dairy Plant LLC
- Baltika Breweries LLC
- Heineken Brewery LLC

* According to preliminary data of the Committee for Industrial Policy and Innovations of Saint Petersburg, 2017.



HOTEL
INDUSTRY



**+ 5.5% — increase in average
return in 2017 per room
to the 2016 level ***

* according to Colliers International



7.5 MLN PEOPLE
— influx of tourists
in 2017 **

** according to the Committee of Tourism Development of Saint Petersburg



157 HOTELS
were opened in 2017 ***

*** excluding mini hotels, departmental/state hotels, and hostels, according to Petrostat

29.1

Hotel operators:

- Carlson Rezidor Hotel Group
- Lotte Hotels & Resorts
- AZIMUT Hotels
- Marriott International

KEY EVENTS

RUSSIAN INVESTMENT FORUM IN SOCHI



FOCUS AREAS

Presenting investment opportunities
in Russian regions

Establishing business cooperation
between participants of the investment
process

Regional development

Exchanging knowledge and experience

In 2018, the Investment Committee was awarded a Qualified Client national prize in the field of infrastructure development and public-private partnership.

ANNUAL INVESTMENT FORUM IN SAINT PETERSBURG



QUESTIONS FOR DISCUSSION

Investment climate and city policies

Investment activities in Saint Petersburg

Improving the business climate

Launching initiatives to support
investment activities

Attracting investment to the city



In 2017, 14 business sessions were held at the forum
with more than 900 participants from 10 countries.

SAINT PETERSBURG INTERNATIONAL ECONOMIC FORUM



FORUM OBJECTIVES

Collaboration between world politicians and business people

Discussion of key economic issues facing Russia, emerging markets, and the world

Held in Saint Petersburg since 1997.

Total of 33 agreements signed in 2017, a record number amounting to

>240 RUB BLN

INVESTOR OF THE YEAR AWARD



A government prize awarded on a competitive basis to investor companies for significant contribution to the socio-economic development of Saint Petersburg in the previous year



STATE SUPPORT OF INVESTMENT ACTIVITY



*Mariinsky Palace.
The Legislative Assembly
of Saint Petersburg*

INFORMATIONAL AND ORGANISATIONAL SUPPORT

36

Investment Portal
Single Window for Investors
Headquarters for the Improvement of Conditions for Doing Business
in Saint Petersburg
Investment Council under the Governor of Saint Petersburg

MEASURES OF STATE SUPPORT

38

Strategic Investment Project
Targeted Provision of Land Plots
Tax Benefits for Investors
Support for Development of Hotel Infrastructure
SPIC
Loans from the Industry Development Fund

STATE AND PRIVATE PARTNERSHIP

50

INFORMATIONAL AND ORGANISATIONAL SUPPORT

INVESTMENT PORTAL
SPBINVESTMENT.RU

Functions



Informational and methodological support



Support of investment projects



Simplification of interaction between investors and authorities



Online communications between participants of investment process



Coverage of initiatives and measures in the field of investment activity

Opportunities

Subscribe to news with an option to choose topics of interest and how often you receive emails and updates

Browse content on mobile devices

View completed and planned projects, as well as energy facilities and social/other infrastructure on the city's Investment Map

Submit documents:

- application to implement investment project
- documents to receive state support
- direct access via feedback form or online service of the Governor of Saint Petersburg

Calculate tax payments including tax exemptions with the Tax Calculator

Use the **Single Window** function in your personal account

HEADQUARTERS FOR THE IMPROVEMENT OF CONDITIONS FOR DOING BUSINESS IN SAINT PETERSBURG



Reduction of administrative barriers in order to improve the business environment in 4 areas



Reduced time frames:

Building permit obtained in

237 → 90 days

Felling permit issued in

90 → 12 days

1 Improving investment activity

2 Improving the entrepreneurial climate in the construction sector

3 Increasing accessibility of energy infrastructure

4 Developing entrepreneurship, improving customs administration, supporting exports

THE EXECUTIVE DIRECTOR OF DOING BUSINESS AND AGENCY FOR STRATEGIC INITIATIVES NOTED THE QUALITY OF FRONT OFFICE SERVICES RENDERED

FRONT OFFICE SINGLE WINDOW

Functions



Reduction of administrative barriers



Submission and tracking of applications to participate in projects, and additional background information on projects and services



Information and consulting assistance for investors



Organisational assistance for implementing investment projects



Solving issues online

Opportunities

3 windows in multifunctional centre – high speed service

Use of CRM system and project management system to increase quality of projects and project support



OFFICE ADDRESS:
60/129, LITERA A,
MOSKOVSKY PROSPEKT AVE.

+ 7 812 332-22-32

453 ADMINISTRATIVE ACTS
issued

>609 APPLICATIONS
from investors
accepted

+7.8% to 2016

>2,500 CUSTOMERS
used the Front Office services
(physical and legal persons)

+9% to 2016

INVESTMENT COUNCIL UNDER THE GOVERNOR OF SAINT PETERSBURG

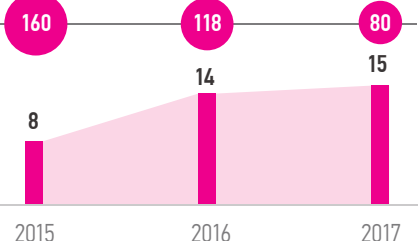


Reviews and makes decisions
on assigning the status
of strategic project

RESULTS

Volume of investments,
RUB bln

Number
of investment
projects reviewed

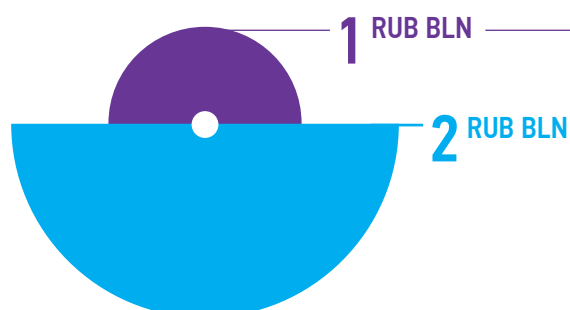
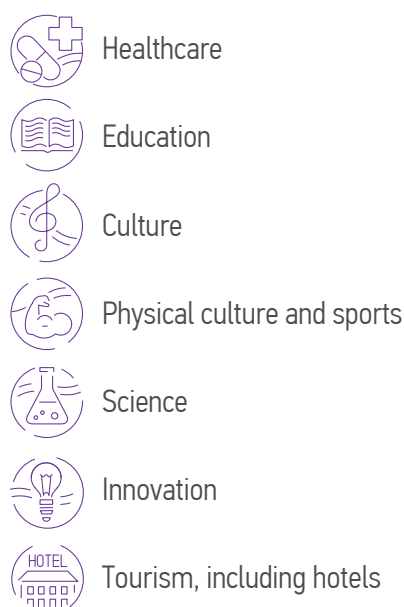


STATUS OF STRATEGIC INVESTMENT PROJECT

CONDITIONS FOR STRATEGIC INVESTMENT PROJECT

A. REQUIREMENTS

- 1 Improvement of socio-economic and/or cultural conditions for Saint Petersburg inhabitants**
- 2 Effective implementation of investment project for investors and for Saint Petersburg** (payback period, profitability, tax revenues)
- 3 Implementation of import substitution measures**
- 4 Experience of carrying out investment projects in a similar industry/sector within a period of no more than 10 years before applying for a status value of no less than the amount specified in item 5**
- 5 Minimum total investment volume** (implementation of investments for a period of no more than 3 years before applying for status):



INVESTORS PARTICIPATING IN THE IMPLEMENTATION OF INVESTMENT PROJECTS WILL RECEIVE THE STATUS OF STRATEGIC INVESTOR. AN AGREEMENT IS CONCLUDED BETWEEN THE STRATEGIC INVESTOR AND THE CITY OF SAINT PETERSBURG ON IMPLEMENTATION OF A STRATEGIC INVESTMENT PROJECT

B. MEASURES OF SUPPORT

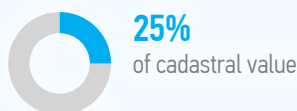
- 1** Reducing costs for investors at the start of the project

by 80%

- 2** Preferential rate for leasing land during the construction period

1.5% of cadastral value

- 3** Preferential purchase of land after construction is completed



- 4** Targeted provision of land for rent without bidding

- 5** Assistance at all stages of investment project implementation

The **validity period for support measures** is the period of project implementation, with maximum validity of 10 years after being assigned status

C. PROCEDURE FOR OBTAINING STATUS AS STRATEGIC INVESTMENT PROJECT

- Submitting and registering appeals to the Investment Committee – **1 working day**
- Reviewing appeals – **5 working days**
- Approval/denial of appeal for review and modification – **2 working days**
- Expertise, review preparation – **under standard conditions: 1 calendar month**
If there are additional requirements: + 1 calendar month
- Notification of conclusion of expert review – **5 working days**
- Development of draft legal framework for strategic investment projects/partners – **7 working days**
- Publication of draft resolution – **individual time frames**



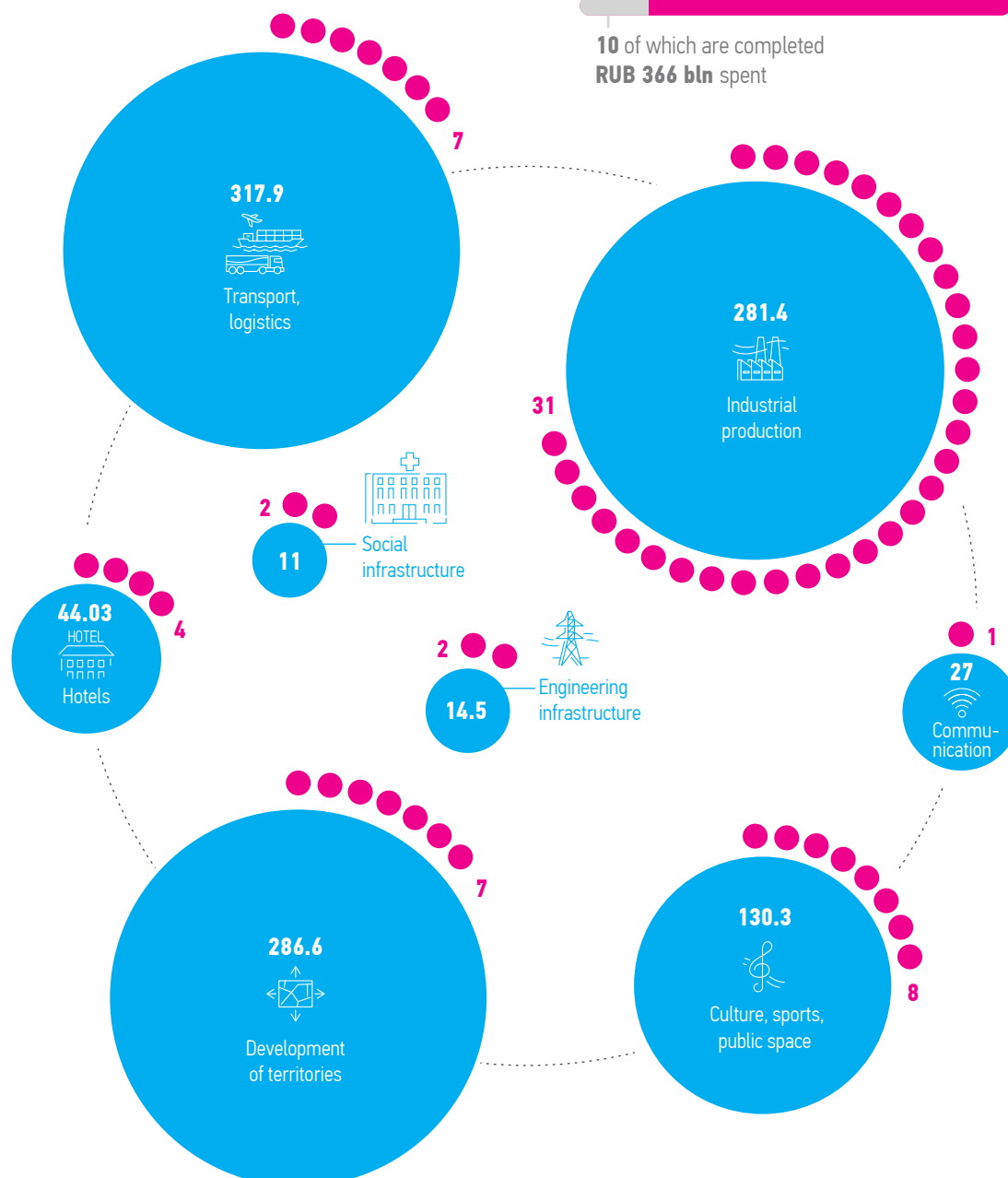
RESULTS 2004–2017

● amount of investment, RUB bln

● number of projects

62 INVESTMENT PROJECTS

10 of which are completed
RUB 366 bln spent





1.1 RUB TRILLION
funds allocated
for investment

476 RUB BILLION
funds actually
invested

STRATEGIC PARTNER STATUS

CONDITIONS FOR RECEIVING STATUS

- Positive results of company activities in Saint Petersburg
- Positive impact on city image
- Significant socio-economic impact

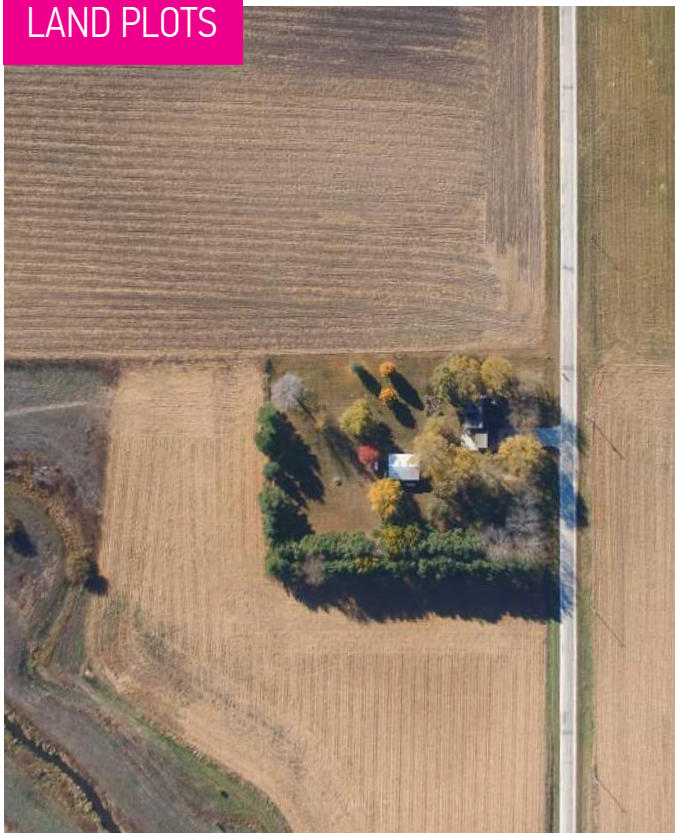
STATUS VALIDITY IS
UNLIMITED

MEASURES OF SUPPORT

- 1** Possibility of providing real estate and other property
- 2** Protection of rights and responsibilities from:
 - Deterioration in economic conditions of the execution of an agreement with the Government of Saint Petersburg
 - Restrictions on rights as a result of changes in legislation

TARGETED PROVISION OF REAL ESTATE

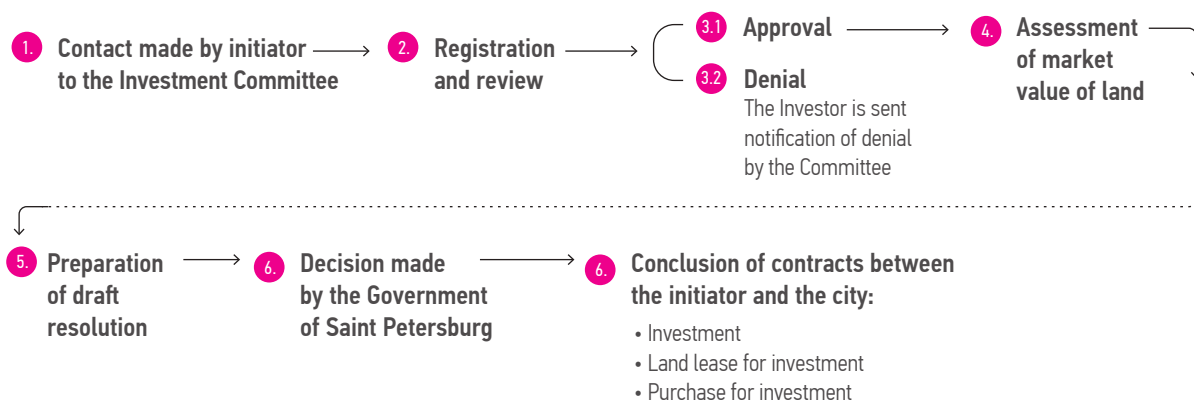
LAND PLOTS



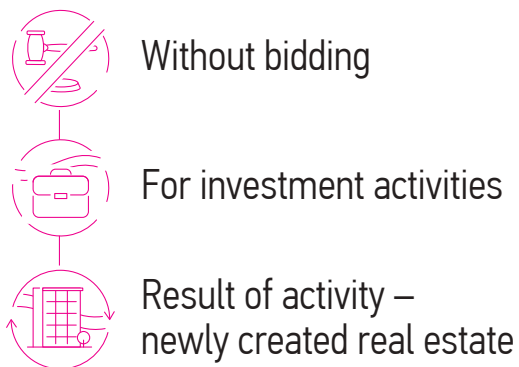
BASIS FOR TARGETED PROVISION

- 1 Implementation of strategic investment project**
- 2 Accommodation of facilities for social/cultural purposes**
 - Social services
 - Healthcare
 - Education
 - Cultural development
 - Support of scientific activities
 - Sports
 - Internal law enforcement
- 3 Accommodation of facilities for public/residential purposes**
 - Utilities
 - Public services
 - Land plots (territories)

PROCEDURE FOR PROVISION PROCESS *



* Before the initiator submits an application, the land plot must be registered in the cadastre. Plot boundaries do not need to be clarified.



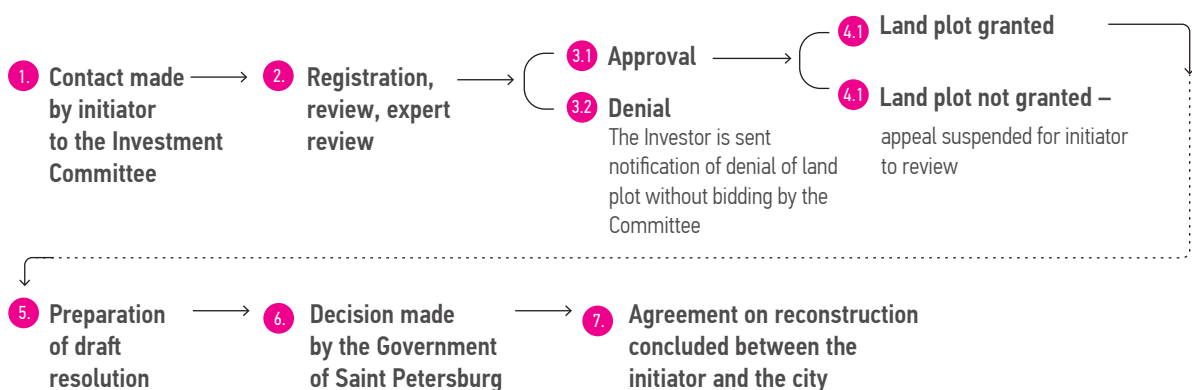
BUILDINGS, CONSTRUCTION, STRUCTURES OF UNFINISHED CONSTRUCTION



BASIS FOR TARGETED PROVISION

- 1 Reconstruction of production facilities, engineering and transport infrastructure
- 2 Single participant of a failed bid
- 3 Other basis as specified in Saint Petersburg Law No. 282-43 dated 17 June 2004

PROCEDURE FOR PROVISION PROCESS



TAX BENEFITS FOR INVESTORS

REDUCED RATES FOR INCOME TAX OF THE ORGANISATION

A. HIGH-PAYING JOBS CREATED

1

Number of employees: **> 400 people**Fixed average salary: **> RUB 81.9 thousand****Preferential rate**

Standard
rate
20.0%

16.5%

Period — 1 year

2

Number of employees: **> 100 people**Fixed average salary: **> RUB 140 thousand****Preferential rate**

16.5%

13.5%

Rate
in 2017

Period — 1 year

SPECIAL CONDITIONS ARE PROVIDED FOR
THE 2018/2020 PERIOD - ADDITIONAL
PREFERENTIAL RATE REDUCTION BY 1% *

B. 80% REVENUE FROM TYPES OF PRODUCTS OF OWN PRODUCTION AS DETERMINED BY LAW

Investment amount **for 3 years** within the period
from 1 January 2010 to 31 December 2016:
≥ RUB 50 mln

Preferential rate

13.5%

Standard
rate
20.0%

12.5%

In the period from 2018 to 2020

Period — 5 years

C. INDUSTRY SECTORS



Manufacturing



Transport and communications

Production and distribution
of electricity, gas and water

Investment amount **for any 3 years** within the
period from 1 January 2010 to 31 December 2016
≥ RUB 800 mln

Preferential rate

13.5%

Standard
rate
20.0%

12.5%

In the period from 2018 to 2020

Period — 5 years

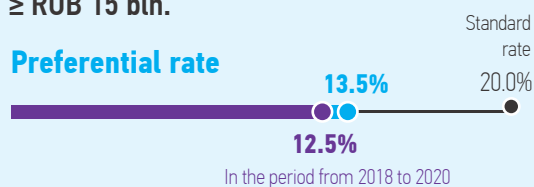
* Excluding rates from block A.

D. ORGANISATION REGISTERED WITH TAX AUTHORITIES IN SAINT PETERSBURG

1

Investment amount **for any 5 consecutive years** starting from 1 January 2010
≥ RUB 15 bln.

Preferential rate

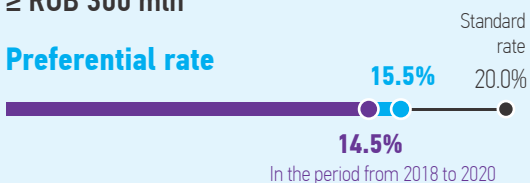


Period — 7 years

2

Investment amount **for any 1 year**, starting from 1 January 2015
≥ RUB 300 mln

Preferential rate



Period — 3 years

PREFERENTIAL RATE FOR REAL ESTATE

A. NEWLY CREATED FACILITIES FOR BUSINESS AND RESIDENTIAL REAL ESTATE

Investment amount for **no more than 3 years** in the period from 1 January 2015
≥ RUB 300 mln

Preferential rate

Of the cadastral value of the property

1.0%	1.0%	1.25%	1.5%	1.75%
2018	2019	2020	2021	2022

EXEMPTION FROM PAYMENT OF LAND TAX

A. ORGANISATION REGISTERED WITH TAX AUTHORITIES IN SAINT PETERSBURG

Investments in **real estate**
 (except land plots)

At least 30% of land plots are occupied by real estate objects, on which investments have been implemented for any 3 years (but no more) starting from 1 January 2015

≥ RUB 100 mln

Period — 2 years

EXEMPTION FROM PROPERTY TAX PAYMENTS

A. ORGANISATION REGISTERED WITH TAX AUTHORITIES IN SAINT PETERSBURG

FIXED ASSETS INCLUDED IN THE CALCULATION OF TOTAL INVESTMENT AMOUNT

1

Investment amount **for any 3 years** within the period from 1 January 2010 to 31 December 2016
≥ RUB 800 mln

Industry sectors:



Manufacturing



Transport and communications



Production and distribution of electricity, gas and water

Period — 5 years

2

Real estate

Investment amount **for any 3 years** starting from 1 January 2015
≥ RUB 300 mln

Period — 2 years

B. INVESTMENT OBJECTS — OBJECTS OF CULTURAL HERITAGE LOCATED IN SAINT PETERSBURG

1

Investment amount **for any 3 years** starting from 1 January 2016

≥ RUB 500 mln

Period — 3 years

2

Investment amount **for any 3 years** starting from 1 January 2016

≥ RUB 1 bln

Period — 5 years

DEVELOPMENT PROGRAMME FOR HOTEL INFRASTRUCTURE 2017–2021

AIM — TO DEVELOP PRIORITY SEGMENTS OF THE HOTEL INDUSTRY

FACILITIES



Three star
hotels



Hostels



Hotels based on
non-self-propelled floating
structures other than vessels

SUPPORT MECHANISMS

Lease of land
plots owned
by Saint
Petersburg

Participation
in implementation
of PPP *

State guarantees on
a competitive basis using
funds from Saint Petersburg
budget

Tax benefits

Projects support

RESULTS OF WORK PROGRAMME IN 2017

9 RUB BLN
ACTUALLY INVESTED

30 PROSPECTIVE FACILITIES
ON PREPARED BASE

EXPECTED RESULTS IN 2021

7 INVESTMENT PROJECTS
TO CREATE HOTELS ON
THE BASIS OF PPPs,

**5 STRATEGIC
INVESTMENT PROJECTS,**

MANDATORY CLASSIFICATION



750 HOTELS



176 3 STAR
HOTELS



124 HOSTELS



5 HOTELS BASED
ON BOATS/WATERCRAFT

* A public-private partnership (PPP, 3P or P3) is a cooperative arrangement between two or more public and private sectors, typically of a long-term nature.

SPECIAL INVESTMENT CONTRACTS (SPIC)

AN AGREEMENT BETWEEN THE INVESTOR AND SAINT PETERSBURG, IN WHICH THE INVESTOR UNDERTAKES TO CREATE/MODERNISE/DEVELOP INDUSTRIAL PRODUCTION IN THE CITY, AND SAINT PETERSBURG UNDERTAKES TO STIMULATE ACTIVITY IN THE INDUSTRIAL AREA FOR THE DURATION OF THE SPIC VALIDITY

SPIC VALIDITY

≤ 10 years



Period of reaching projected
operating profit + 5 years

MINIMUM INVESTMENT VOLUME

750 RUB MLN

PREFERENTIAL CONDITIONS FOR SPIC

A. EXEMPTION FROM THE ORGANISATION'S INCOME TAX

1

Implementation of priority activities in the field of processing industries

Revenues from sales of goods produced as a result of SPIC:
≥ 90% of the organisation's income

2

Validity period —
until the SPIC expires but
no later than 2025

B. REDUCED RATES ON INCOME TAX OF THE ORGANISATION TO 13.5% (TO 12.5% FOR 2018–2020)

1

Revenues from sales of goods produced as a result of SPIC:
≥ 70% of the organisation's income

2

Validity period
is limited with the period when
economy from this benefit is
equal to investment volume,
but not later than the expiration
period of the contract

C. EXEMPTION FROM TAX PAYMENTS ON INVESTMENT PROPERTY

1

Amount of investments:
≥ RUB 300 mln

Revenues from sales of goods produced as a result of SPIC:
≥ 70% of the organisation's income

2

Validity period — 5 years

LOANS FROM THE SAINT PETERSBURG INDUSTRY DEVELOPMENT FUND



Projects aimed at the development of new high-tech products



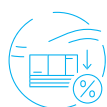
Technical re-equipment



Overcoming dependence of Russian industry on foreign technology



Acquisition of equipment leasing



Payment of first instalment on lease on preferential terms



MORE INFORMATION AT
FRP.SPB.RU

Rate — 5% per annum

Maximum term — 5 years

Loan amount



from
RUB 30

to 50

No more than 50%
of project budget

Fund amount

RUB 1.5 bln

Loan financing is repayable,
may be reused

PUBLIC-PRIVATE PARTNERSHIP (PPP)

LONG-TERM INTERACTION BETWEEN GOVERNMENT AND BUSINESS, WHERE THE COMPANY PARTICIPATES NOT ONLY IN THE DESIGN, FINANCING, CONSTRUCTION OR RECONSTRUCTION OF THE INFRASTRUCTURE FACILITY, BUT ALSO IN THE SUBSEQUENT OPERATION AND/OR MAINTENANCE

TYPES OF AGREEMENTS

	CONCESSION AGREEMENT (CA)	AGREEMENT ON PUBLIC-PRIVATE PARTNERSHIP (PPPA) *	
<div> <div></div> — Investor <div></div> — City </div>			
Creation/ reconstruction of property	✓	✓	
Financing	✓	✓ & ✓	
Operation	✓	✓ & ✓	
Right of ownership	✓	✓ & ✓	
PROJECTS			
	Creation, reconstruction and operation of tramway network in the Krasnogvardeysky District of Saint Petersburg	Western High-Speed Diameter	Development of Pulkovo Airport
Investment volume	RUB 9.3 bln + major grant of RUB 1.3 bln	RUB 212 bln	RUB 50 bln
Implementation period	2016–2046	2004–2016	2010–2040
Investor	Transport Concessionary Company LLC	Budget investments and Northern Capital Highway LLC	Northern Capital Gateway LLC

* Projects based on this mechanism have been implemented in Russia since 2004.

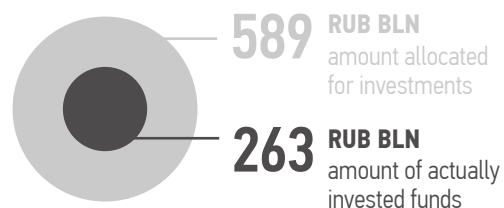
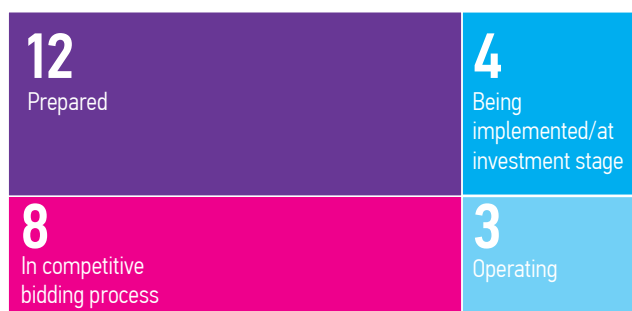
1ST PLACE
IN RUSSIAN RANKINGS
IN TERMS OF PPP DEVELOPMENT **

IN RUSSIAN RANKINGS

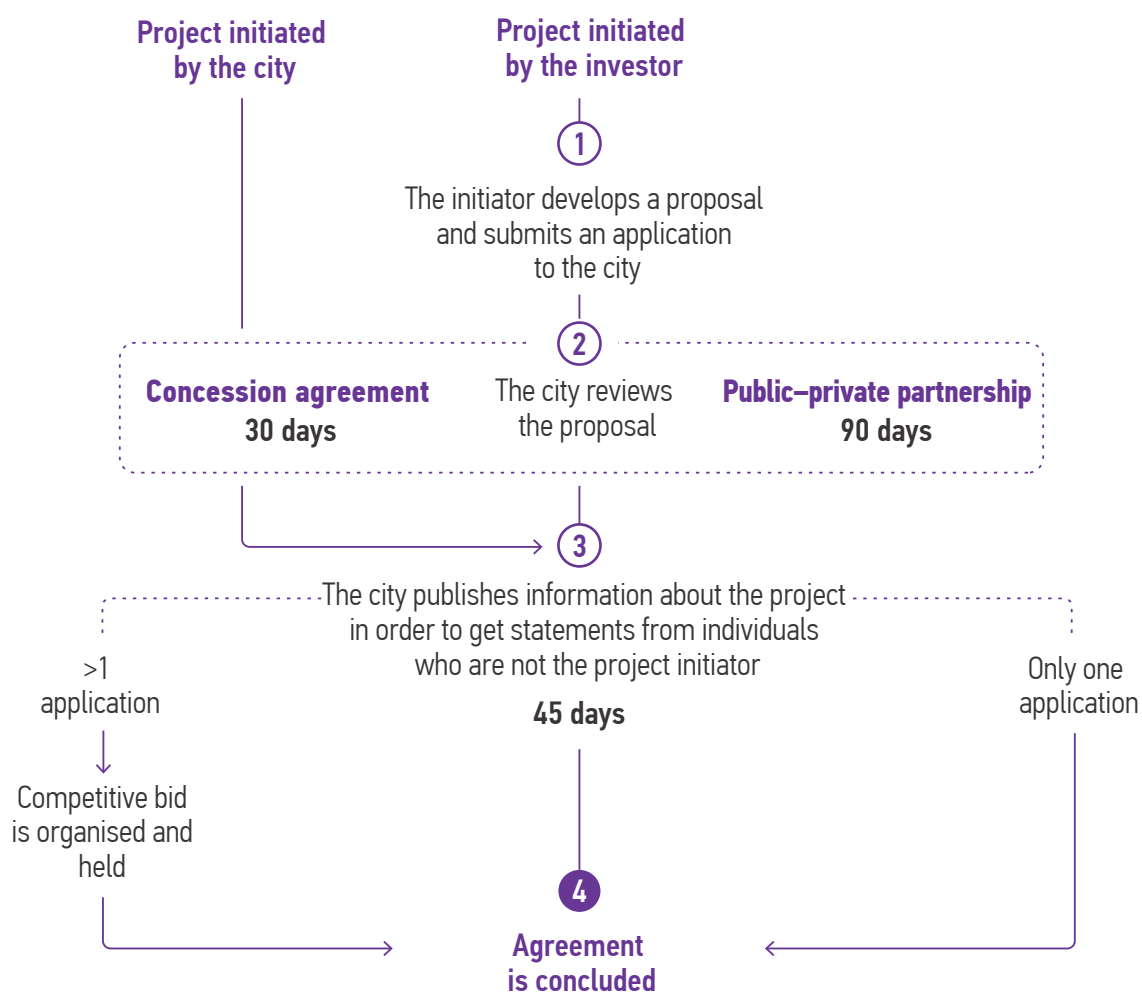
IN TERMS OF PPP DEVELOPMENT **

TOTAL NUMBER OF PROJECTS 27

INVESTMENT



PROCEDURE FOR CONCLUDING AGREEMENTS ON PROJECT IMPLEMENTATION



** According to PPP Development Centre.



PROJECTS FOR CONSTRUCTION OF REAL ESTATE. ROLE OF EXECUTIVE AUTHORITIES

IMPLEMENTATION STAGES OF TYPICAL INVESTMENT PROJECT	54
CONTACTS OF EXECUTIVE AUTHORITIES	56

Kazanskiy Kafedralniy Sobor



IMPLEMENTATION

STAGES OF INVESTMENT PROJECT



REFERENCE

- Location: outside of specially protected natural areas
- Not connected with substances of hazard classes I–V
- Height— up to 50 m
- If roof is non-accessible:
from the fire access route to the windowsill of the last floor
- If roof is accessible:
from the fire access route to the upper line of fencing



SPECIFICS

- Requires approval with respect to architectural aspects and urban planning features
- Is subject to state construction supervision

INTERNAL PROCESSES
OPERATE ALONGSIDE ALL
THE MAIN PROJECT
IMPLEMENTATION STAGES

20 DAYS

This period includes

- **Obtaining urban development plan of land plot**
20 days (Unified Complex Building System of St. Petersburg, Committee on Urban Planning and Architecture of St. Petersburg, Multifunctional Centre)
- **Concluding adhesion contracts, 18 days**
 - To the electric power grid
10 days (Unified Complex Building System of St. Petersburg, United Power Company)
 - To the centralised system of cold water supply
10 days (Unified Complex Building System of St. Petersburg, United Power Company)
 - To the sewerage system
18 days (Unified Complex Building System of St. Petersburg, United Power Company)
 - To the centralised storm water drainage system
18 days (Unified Complex Building System of St. Petersburg, United Power Company)

1

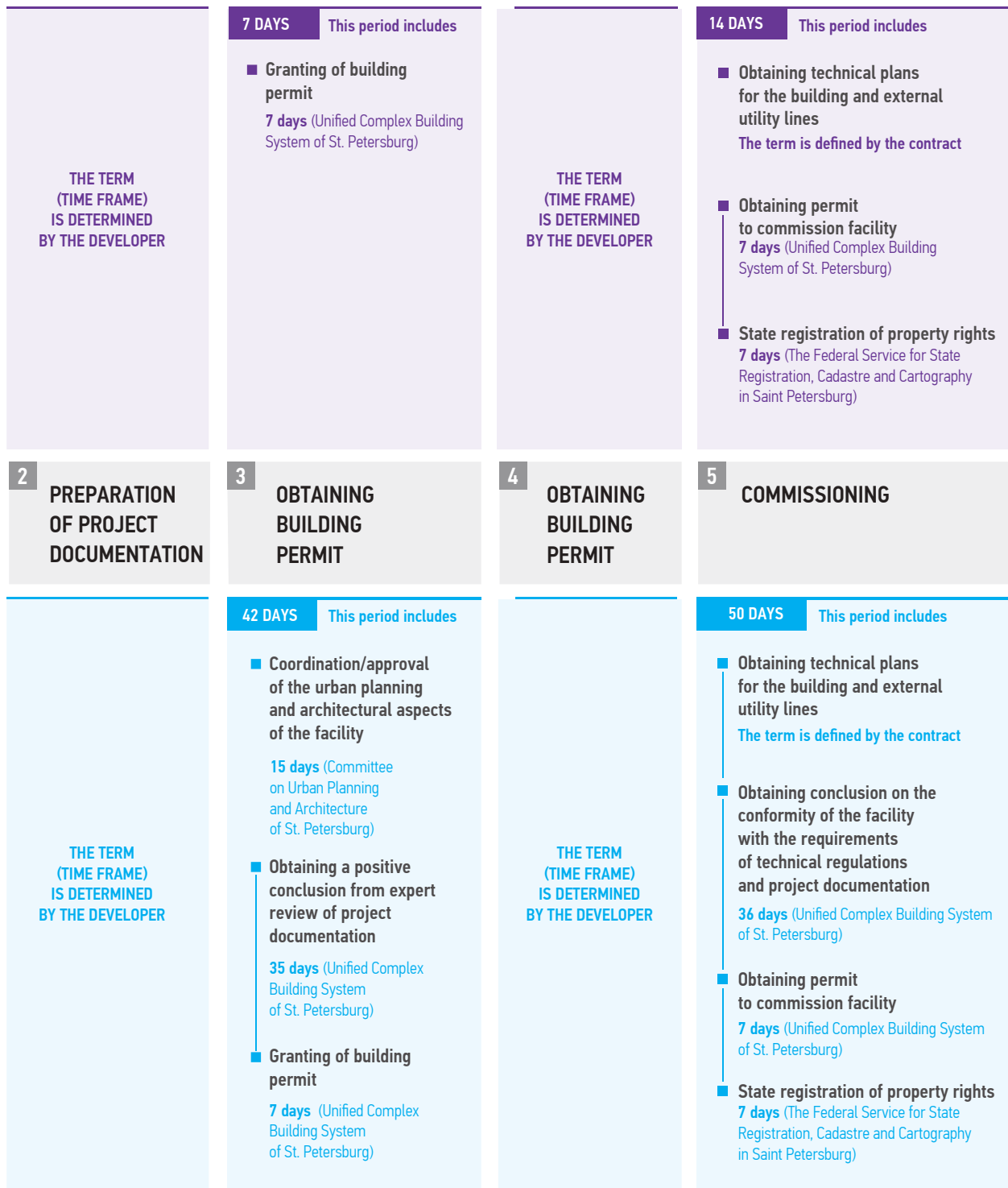
PRE-PROJECT PREPARATION

30 DAYS

This period includes

- **Obtaining urban development plan of land plot**
20 days (Unified Complex Building System of St. Petersburg, Committee on Urban Planning and Architecture of St. Petersburg, Multifunctional Centre)
- **Concluding adhesion contracts, 30 days**
 - To power grids
30 days (United Power Company)
 - To the heat supply system
30 days (United Power Company)
 - To the centralised system of cold water supply,
30 days (Unified Complex Building System of St. Petersburg, United Power Company)
 - To the sewerage system
30 days (Unified Complex Building System of St. Petersburg, United Power Company)
 - To the centralised storm water drainage system
30 days (Unified Complex Building System of St. Petersburg, United Power Company)
 - To the gas distribution network
30 days (United Power Company)

IMPLEMENTING INVESTMENT PROJECTS RELATED TO CONSTRUCTION OF REAL ESTATE REQUIRES VARIOUS STAGES OF COORDINATION WITH CITY ADMINISTRATION



EXECUTIVE AUTHORITIES AND OWNERS OF UTILITY NETWORKS

- Owners of utility networks
- Executive bodies



**State Construction
Supervision and Examination
Service of Saint Petersburg**

1-3 Zodchego Rossi St.,
2nd entrance

+7 (812) 576-15-12

www.expertiza.spb.ru



**Unified Complex Building
System of Saint Petersburg**

www.info.essk.gov.spb.ru



SUE TEC

12, lit. A, M. Morskaya St.

+7 (812) 601-93-93

www.gptek.spb.ru



**FRONT OFFICE
SINGLE WINDOW**

60/129, lit. A,
Moskovsky Av.

+7 (812) 332-22-32



PJSC Lenenergo

1, Konstitutsii Sq.

+7 (812) 595-86-13

www.lenenergo.ru

WHSD (Western High-Speed Diameter)



Committee on Urban Planning and Architecture of Saint Petersburg

2, Lomonosova Sq.

+7 (812) 576-16-00

www.kgainfo.spb.ru



Vodokanal Saint Petersburg, State Unitary Enterprise

42, Kavalergardskaya St.

+7 (812) 305-09-09

www.vodokanal.spb.ru



Investment Committee of Saint Petersburg

62, Suворovski Av.

+7 (812) 576-60-41



Rosreestr Federal Cadastre Chamber, Saint Petersburg branch

62, Suворovski Av.

+7 (800) 100-34-34

www.kadastr.ru



PeterburgGaz LLC

63/2, Gorokhovaya St.

+7 (812) 335-59-44

www.peterburggaz.ru



Committee of Property Relations

11 B, Degtyarny Per.

+7 (812) 576-75 57

www.commim.spb.ru

City centre

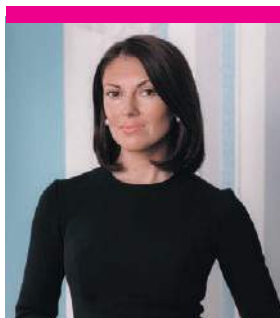
Saint Petersburg Ring Road

WHSD (Western High-Speed Diameter)

Frunzensky District

CONTACT INFORMATION

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