

Khabarovsk Kray

# TERRITORY OF SUCCESS INVESTOR GUIDE



## $\checkmark$ KHABAROVSK KRAY INVESTMENT AND DEVELOPMENT AGENCY

### AIR DISTANCE AND FLIGHT TRAVEL TIME

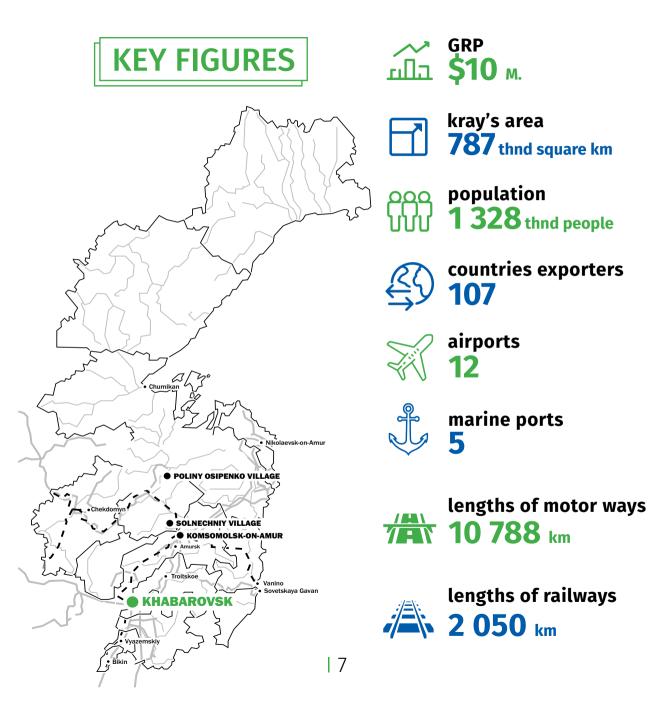


habarovsk is the capital of Khabarovsk Kray and the Far Eastern Federal District. It is a key logistics and infrastructure hub for the exchange of goods between Russia and Asia-Pacific countries. It lies on the right bank of the Amur River 20 km away from the Chinese border.

Khabarovsk Kray is located in the center of the Russian Far East. It borders on the People's Republic of China in the Southwest, Primorsky Kray in the South, Jewish Autonomous and Amurskaya Oblast in the West, the Republic of Sakha (Yakutia) in the Northwest and North, and Magadan Oblast in the North.

Khabarovsk Kray is one of the largest and most distinct entities of the Russian Federation. Kray's area is the fourth largest in Russia. Onefifth of Russia's forests grow in the territory of Khabarovsk Kray.

Anchorage



## REASONS TO INVEST IN KHABAROVSK KRAY

- It is the industrial, engineering and logistics center of the Far Eastern Federal District
- It is rich in natural resources
- It provides tax and other preferences
- It is located in close proximity to the countries of the Asia-Pacific Region
- There are three territories of PSEDA and territory with the regime of Free Port



## NATIONAL INVESTMENT RATING NATIONAL RANKING OF INVESTMENT CLIMATE

18 th OF 85 ENTITIES OF RUSSIAN FEDERATION

### **1**st IN RUSSIAN FAR EAST

# RANKINGS

### **DOING BUSINESS**

Russia improved its rating by 85 positions and now ranks 35th in the Doing business-2017 ranking compared to 2011.







## 

## NATURAL RESOURCES RESERVES

### LAND:

**79** million hectares total Kray's land area

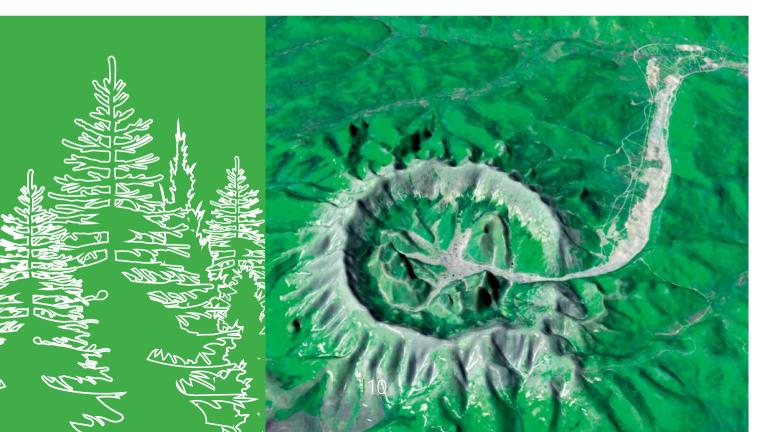
res **665** thousand hectares of agricultural land

usand hectares **98** thousand hectares tural land of arable land

**525** thousand hectares

of hayfields and pastures for livestock

ares 584 thousand km total length of rivers



### **MINERAL RESOURCES:**

### GENERAL DEVELOPED RESERVES

Platinum	23 tons
Gold	677 tons
Silver	2 195 tons
Copper	5 million tons
Tin	354 thousand tons
Raw materials for cement manufacturing	993 million tons
Tungsten trioxide	27 thousand tons
Coal	2.3 bln tons

### **FORESTS:**

# **52** million hectares forested area

**28** million cubic meters per year allowable cut

# **5** billion cubic meters per year total timber reserves







**LABOR FORCE:** 

**736** thousand people 2nd ranking in Far Eastern Federal District

**34%** with higher education

**SUKHOI** 

# **INDUSTRIAL POTENTIAL**

basis for rapid industrial development of the region was established in Khabarovsk Kray. High-tech manufacturing is seen as the main development trend.

### Branch of PJSC "Sukhoi" "Gagarin Komsomolsk-on-Amur Aircraft Production Association (KoAAPA)"

Komsomolsk-on-Amur Aircraft Plant is the leading production site of the United Aircraft Corporation advanced combat and civil aircrafts: Su35, Su57 and Sukhoi Superjet 100. The plant also produces combat aircraft Su27SM and Su30. Production of Su35, Su27SM and Su30 is carried out under contracts with the Ministry of Defense of the Russian Federation.

### Amur Shipyard (AS)



Is the largest shipbuilding enterprise in the Russian Far East.

AS has all the effective capacity and technologies to manufacture civil and combat ships and vessels, including nuclear submarines with water displacement up to 25,000 tons.

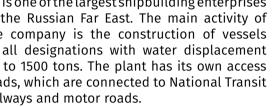




### Khabarovsk Shipyard (KS)

Is one of the largest shipbuilding enterprises in the Russian Far East. The main activity of the company is the construction of vessels of all designations with water displacement up to 1500 tons. The plant has its own access roads, which are connected to National Transit railways and motor roads.







#### Khabarovsk & Komsomolsk-on-**Amur Oil Refinery**



Major enterprises of the domestic production in the Russian Far East, with processing capacities of 13 million tons of oil per year. Companies supply oil products to consumers in Russian Far East and export to Asia-Pacific region.



### **Company group TOREX** (Amurstal Factory)

Is the only metallurgical plant in the Far East that has been using electric steelmaking technology since 1935 with further re-division into long products and sheet metal. The company produces steel for the reinforcement of reinforced concrete structures, rolled angular, round, wire rod, wire, and billets.



# **INDUSTRIES TO INVEST**

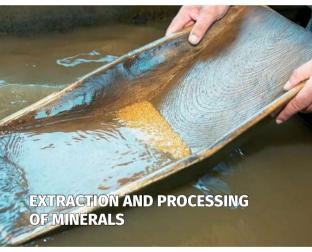






AGRICULTURAL PRODUCTION









TOURISM AND RESORTS



WOOD PROCESSING



**CREATION OF HIGH-TECH AND INNOVATIONS** 



PHARMACEUTICALS





## **PRIORITY SOCIAL AND ECONOMIC DEVELOPMENT AREA**



riority Social and Economic Development Area (PSEDA) is a territory with a special legal status for doing business, offering a number of tax incentives and administrative preferences for investors.

he Free Port is a territory covering some constituent entities of the Russian Federation in the Far Eastern Federal District where to a mechanism of state support to businesses, including tax incentives, administrative preferences and special visa regime, is applied.

The regime of Free Port was extended to the Khabarovsk Kray, covering the territories of Vanino and Sovetskaya Gavan Municipal Districts.

### COMPARISON TABLE OF TAX RATES FOR RESIDENTS OF PSEDA AND FREE PORT

Тах	General tax rate	Pseda	Free port
Profit tax	20%	<b>0%</b> for 5 years <b>13%</b> next 5 years	<b>0%</b> for 5 years <b>13%</b> next 5 years
Property tax	2,2%	<b>0%</b> for 5 years <b>1,1%</b> next 5 years	<b>0%</b> for 5 years <b>0,5%</b> for 5 years
Land tax	Up to <b>1,5%</b>	<b>0%</b> for 3 years	<b>0%</b> for 5 years
Social security payments	30%	<b>7,6%</b> for 10 years	<b>7,6%</b> for 10 years

#### **PREFERENCES FOR RESIDENTS** PSFDA **FREE PORT** One-stop-shop approach to assist investors $\overline{}$ $\overline{}$ No-bid land lease $\checkmark$ Off-quota foreign worker employment $\checkmark$ **Regime of Free Customs Zone** Accelerated VAT refund procedure (10 days) $\overline{}$ $\overline{}$ Management company's right to plead residents' cases before court $\checkmark$ Preferable rates for the lease of land plots Construction of infrastructure facilities is financed by the budget funds **Relaxed Visa requirements for foreigners**

 $\square$ 

 $\checkmark$ 

#### REGIONAL SUPPORT **SYSTEM** FOR INVESTMENT PROIECTS **Regional Investment** Priority Investment Special Investment **Grand-Scale** Support Project Project **Investment Project** Contract Tax rates **15,5%** for 5 years **0%** for 10 years **0%** for 5-10 years profit tax **1,1%** for 5 years **1.1%** for 5 years property tax • Tax on the Reduced tax extraction of natural recourses **Regional financial** $\checkmark$ $\checkmark$ support\* No-bid land lease $\overline{}$

\*Financial support through specialized industry funds

(Visa-free entry to Russia for 8 days)

## **PSEDA KHABAROVSK**

### RAKITNOE

The site is offered to establish manufacturing capacities in metallurgy, machine manufacturing, production of construction materials, agricultural production, logistics and other types of activity.

#### **Territory:**

**13 000 hectares** area of land plots within cadastral blocks

545 hectares industrial site area

**110 hectares** vacant land plots

#### "Greenfield"

type 2,5% discount of cadastral price for land purchase

#### Infrastructure:

### **52 MW**

power supply 10 162 m<sup>3</sup>/hour

gas supply

15 km motor roads **5 000 m³/day** wastewater disposal

5 000 m<sup>3</sup>/dav

water supply

Available rail and vehicle access

Lease price of land plots for PSEDA residents 2.4 US cents/m<sup>2</sup> per year 13 725 hectares total area





The site is offered to establish manufacturing capacities in machine manufacturing, production of construction materials, agricultural production, logistics and other types of activity.

#### **Territory:**

**95 hectares** area of land plots within cadastral blocks

**52 hectares** hectares industrial site area

**15 hectares** hectares vacant land plots

#### "Brownfield"

11.5 MW

gas supply

power supply

**30** Gcal/hour

heat supply

9 300 m<sup>3</sup>/hour

type 2,5% discount of cadastral price for land purchase

#### Infrastructure:

1 200 m<sup>3</sup>/day water supply 1 200 m<sup>3</sup>/day wastewater disposal

> Available rail and vehicle access



### AIRPORT

Construction of modern passenger terminal with extensive and commercial infrustructure.

### **Territory**:

**510 hectares** area of land plots within cadastral blocks

**15,5 hectares** hectares airport terminal area

"Brownfield" type

**2,5% discount of cadastral price** for land purchase

### Infrastructure:

**5,7 MW** power supply

7,94 Gcal/hour heat supply 245 m<sup>3</sup>/day water supply

**245 m³/day** wastewater disposal



The site is offered to establish an agricultural production and other types of activity.

### **Territory:**

**119 hectares** area of land plots within cadastral blocks

**2,5% discount of cadastral price** for land purchase



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# PSEDA KOMSOMOLSK

8 250 hectares total area



The site is intended for establishment of hightech enterprises and facilities for parts machining, manufacturing of cutting tools and composite materials, and other manufacturing facilities.





Lease price of land plots for PSEDA residents 5.1 US cents/m<sup>2</sup> per year

### Territory:

**460 hectares** area of land plots within cadastral blocks

**60 hectares** industrial site area

**25 hectares** hectares vacant land plots

"Greenfield" type

**2,5% discount of cadastral price** for land purchase

#### Infrastructure:

6,75 MW power supply

**5 000 m<sup>3</sup>/hour** gas supply

**0,565 km** motor roads

**1800 m<sup>3</sup>/day** water supply

**1 800 m³/day** wastewater disposal

Available rail and vehicle access





### KHOLDOMI

Kholdomi is the modern ski resort, one of the largest and most popular recreation centers of the Russian Far East.





Lease price of land plots for PSEDA residents **1.9** US cents/m<sup>2</sup> per year

### **Territory**:

**1 800 hectares** area of land plots within cadastral blocks

"Greenfield" type

**2,5% discount of cadastral price** for land purchase

#### Infrastructure:

**5,5 MW** power supply

**700 m³/hour** gas supply

Available rail and vehicle access

**5 270 m³/day** water supply

**5 270 m³/day** wastewater disposal



2

### AMURLITMASH

**27:22:0040207** cadastral block

**"Brownfield"** type **65 hectares** area of land plots within cadastral blocks

### Infrastructure:

**2 500 m<sup>3</sup>/hour** gas supply

6,6 MW power supply

**до 300 m<sup>3</sup>/day** water supply

**до 300 m³/day** wastewater disposal

**10 Gcal/hour** heat supply

Available rail and vehicle access



**27:18:000002** cadastral block

"Brownfield" type

**94,1 hectares** area of "RFP Group" investment site

**7 721 hectares** area of land plots within cadastral blocks

#### Infrastructure:

**10 MW** power supply

**до 1 000 m³/day** water supply

**Centralized** wastewater disposal

31 Gcal/hour heat supply

Available rail and vehicle access



### **"PRAVOURMIJSKOE"** SITE

**27:05:000000** cadastral block

"Brownfield" type

288 hectares industrial site area

Located in Verhnebureinskij Municipal District of Khabarovsk Kray on the right bank of Urmi river headwater site description

**117 km away Suluk railway station** distance to key facilities

Construction of 117 km motor road Suluk – Provourmijskoe infrastructure development activities

### Site development stages:

- Transport infrastructure construction: IQ 2018 - IQ 2020;

— Mining and Processing Complex design and engineering surveying: IQ 2018 – IIIQ 2019;

- Mining and Processing Complex construction: IIQ 2019 - IVQ 2021;

Commissioning: IIQ 2022

### "OLOVYANNO-RUDNAYA" SITE

27:14:0010807 cadastral block

"Brownfield" type

2 250 hectares industrial site area

Located in Solnechniy Municipal District of Khabarovsk Kray on the Festivalnoe deposit site description

**16 km away Solnechnoe village** distance to key facilities

Construction of wastewater treatment station and motor road infrastructure development activities

"Tin Ore Company", JSC. Investment project: "Modernization of Solnechnaya Processing Plant", total investments: \$13.5 M, 150 jobs potential resident information

# **PSEDA NIKOLAEVSK**

**25** hectares total area

The site is intended for establishment of fish farming, water transport, machinery and equipment repair and installation.

### **Territory**:

**530 000 hectares** area of land plots within cadastral blocks

**"Brownfield"** type





### Sites:

Longary river Perovskogo Cape Innokentievka Koshka Cape Nikolaevsk Chnyrrakh Oremif









# **BOLSHOY USSURIYSKY ISLAND**

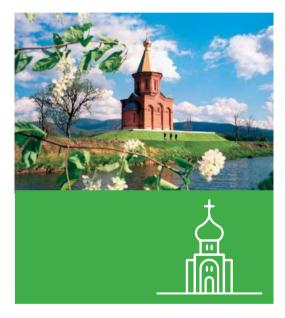
### **"ONE ISLAND TWO COUNTRIES"**

**168 square km (16797 hectares)** Russian part with the adjacent islands

86 square km (8600 hectares) Chinese part

# The territory of the island is intended for the following activities:

- Cultural and religional education
- Nature resorts and recreation
- Scientific research
- Education
- Sports
- International exhibitions and congresses
- Agriculture
- Yacht tourism and cruises

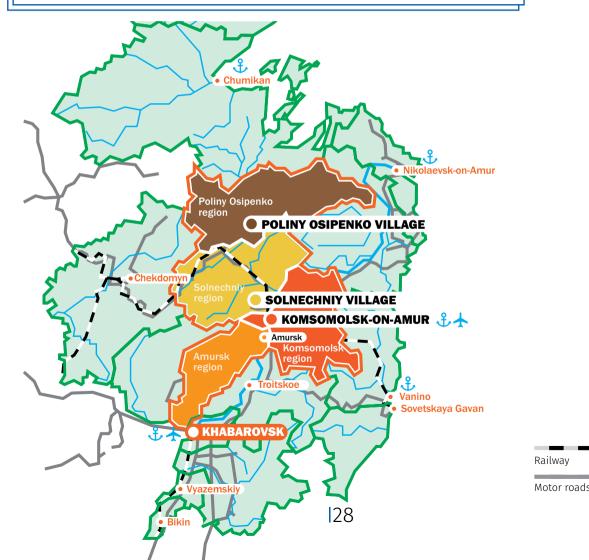




 $\swarrow$  khabarovsk kray investment and development agency



# AGRICULTURAL CLUSTER IN KOMSOMOLSK AGGLOMERATION













Komsomolsk-on-Amur city; Amursk, Komsomolsk, Poliny Osipenko, Solnechniy Municipal Districts of Khabarovsk Kray.

**103,8** thousand hectares of agricultural land

arable land -11,2 thousand hectares deposit lands -3,8 thousand hectares perennial plantations -5,2 thousand hectares hayfields -52,7 thousand hectares pastures -30,9 thousand hectares



**CLIMATE** — monsoon-continental, equated to the regions of the Far North.



**CROPS THAT GROW IN THE AREA ACCORDING TO THE CLIMATE** — early cereals, potatoes, field and greenhouse vegetables, green fodder and silage corn, annual and perennial grasses.



**TYPES OF SOILS** — peat-gley and meadow-gley soils.

# **INVESTMENT AND DEVELOPMENT AGENCY**

- choose an investment site
- provide advice on forms of investor support
- accompany the investment project at all stages of its implementation
- make presentation of your project at congress and exhibition events in Russia and abroad
- find partners and co-investors
- post information about the project on the Investment Portal of Khabarovsk Krai



## **BUSINESS SUPPORT INFRASTRUCTURE IN KHABAROVSK KRAY**



KHABAROVSK KRAY INVESTMENT AND DEVELOPMENT AGENCY, AUTONOMOUS NONPROFIT ORGANIZATION Mobilize investments in Khabarovsk Kray, monitor and provide consultative support to investment projects

www.invest.khv.gov.ru 26a Turgeneva St., Suite 210, Khabarovsk Tel.: 8 (909) 850-80-60 agency@invest-khv.ru



EXPORT SUPPORT AND DEVELOPMENT CENTER OF KHABAROVSK KRAY Making conditions for regional businesses enter foreign markets

www.khabexport.com 51 Zaparina St., Khabarovsk Tel.: +7 (4212) 34-10-44, +7 (4212) 34-06-46 info@khabexport.com



## AHO FAR EASTERN AGENCY FOR ADVANCEMENT OF INNOVATIONS, AUTONOMOUS NONPROFIT ORGANIZATION

Promote innovations, partial recovery of modernization and certification expenses

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KHABAROVSK KRAY INDUSTRY DEVELOPMENT FUND

Providing financial support to the subjects of industrial activity

### www.frp27.ru

57 Lenina St., Suite 807, 810, Khabarovsk Tel.: 8-800-350-48-27, +7 (4212) 358-848; +7 (4212) 358-868. mail@frp27.ru

#### **KHABAROVSK KRAY AGRICULTURAL FUND** КCФ

Support for the comprehensive development of private property, agricultural cooperatives of farmers and businesses in the agricultural sector

www.ksf27.ru 4 Lenina St., Suite 808, Khabarovsk Tel.: +7 (4212) 64-30-10 info@ksf27.ru





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