INVESTMENTS THAT WORK
SINCE THE 9th CENTURY

Government of Novgorod Region

/ 2019
Historically, Veliky Novgorod and Novgorod Region are closely linked to Europe and Asia with commercial and cultural relations.
UNIQUE LOGISTICS

ST. PETERSBURG
192 km

UST-LUGA
316 km

PRIMORSK
312 km

VENTSPILS
688 km

RIGA
495 k

M10 and M11
FEDERAL HIGHWAYS

1 HR to SPB
BY HIGHSPEED RAILROAD

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

4 HR to MSK
BY HIGHSPEED RAILROAD

606 000
POPULATION

54 500 km²
TERRITORY
MANUFACTURING

2nd 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

30% export-GRP ratio
70% ratio of non-resource, non-energy export of the total export in 2017

RATINGS IN 2017

NATIONAL RATING OF INVESTMENT CLIMATE
53 PLACE ➔ 29 PLACE

RATING OF INNOVATIVE REGIONS OF RUSSIA
40 PLACE ➔ 23 PLACE

VALUE OF EXTERNAL TRADE IN 2017 is 1443.8 million USD, of which 1054.7 million USD are accounted for by export.
STRUCTURE OF PROCESSING INDUSTRY

- Production of electrical equipment: 4%
- Pulp and paper industry: 6%
- Woodworking industry: 9%
- Iron and steel industry: 10%
- Food industry: 17%
- Chemical industry: 32%
AGRICULTURE

1st PLACE
INGROSS COLLECTION OF POTATOES IN THE NORTHWESTERN FEDERAL DISTRICT
214,9 thousand tons
production of potatoes in 2017

2nd PLACE
IN GROSS COLLECTION OF VEGETABLES IN THE NORTHWESTERN FEDERAL DISTRICT
25,1 thousand tons
production of greenhouse vegetables in 2017

3rd 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 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.

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

<table>
<thead>
<tr>
<th>Tax For</th>
<th>Corporate Property Tax</th>
<th>Corporate Profit Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Companies</td>
<td>0%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Residents of Industrial Parks</td>
<td>For 10 years</td>
<td>For 10 years</td>
</tr>
<tr>
<td></td>
<td>starting from the date</td>
<td>starting with the tax</td>
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<tr>
<td></td>
<td>of the status designation</td>
<td>period during which</td>
</tr>
<tr>
<td></td>
<td>(agreement execution)</td>
<td>the profit was</td>
</tr>
<tr>
<td></td>
<td></td>
<td>received</td>
</tr>
<tr>
<td>Managing Companies and Residents of Regional Industrial Locations</td>
<td>0%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Managing Companies</td>
<td>For 5 years</td>
<td>For 5 years</td>
</tr>
<tr>
<td></td>
<td>starting from the date</td>
<td>starting with the tax</td>
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<td>received</td>
</tr>
<tr>
<td>Back-up Organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Residents of Technological Parks</td>
<td></td>
<td></td>
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<tr>
<td>Managing Organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Business Incubators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residents of Business Incubigators</td>
<td>0%</td>
<td>13.5%</td>
</tr>
<tr>
<td></td>
<td>For the period of holding the resident status</td>
<td>For the period of holding the resident status</td>
</tr>
<tr>
<td></td>
<td>starting from the agreement execution date</td>
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</tr>
</tbody>
</table>
**PSEDA**

**PRIORITY SOCIAL AND ECONOMIC DEVELOPMENT AREA**

<table>
<thead>
<tr>
<th>TAXES AND FEES</th>
<th>FIRST 5 YEARS</th>
<th>NEXT 5 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit tax paid into the Federal budget</td>
<td>0% (instead of 3%)</td>
<td>3%</td>
</tr>
<tr>
<td>Profit tax paid into the Regional budget</td>
<td>5% (instead of 17%)</td>
<td>10% (instead of 17%)</td>
</tr>
<tr>
<td>Property tax paid into the Regional budget</td>
<td>0% (instead of 2.2%)</td>
<td>1.1% (instead of 2.2%)</td>
</tr>
<tr>
<td>Land tax</td>
<td></td>
<td>Exemption from tax is possible</td>
</tr>
<tr>
<td>Social contributions</td>
<td></td>
<td>7.6% (instead of 30%) during next 10 years</td>
</tr>
</tbody>
</table>
CREATING INVESTMENT INFRASTRUCTURE
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 ‘DETNETS’

406 thousand tourists per year

STARAYA RUSSA RESORT MUDTHERAPY

37 UNESCO monuments

HOTEL ‘PARK INN VELIKY NOVGOROD BY RADISSON’

1 million + visitors per year
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