Investment potential of the Pskov region

Pskov region - the western gateway to Russia

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About the region
Beneficial geographical location

An efficient combination of the logistics position, availability of infrastructure and low cost of resources allows investors to reduce their operating expenses by 20%.
Key advantages of the Pskov region

50 km to the border on the European Union

- Proximity to the Baltic Sea ports
- Developed infrastructure and logistics
- Availability of human resources
- High potential for business development
- Accessibility to the largest markets of Russia and the European Union
- Moglino SEZ federal project
Dynamics of gross regional product, billion rubles

- 2012: 107.5
- 2013: 114.6
- 2014: 123.8
- 2015: 135.2
- 2016: 144.4
The Pskov region is one of the leading regions for participating in cross-border cooperation programs with the countries of the European Union.

Foreign investments structure:

- Trade: 30.7%
- Industry: 24.9%
- Transport and telecom: 23.7%
- Agriculture: 20.3%
- Other: 0.7%

Foreign economic activity:

- 25 projects
- 140 enterprises with foreign capital
- 98 countries trading partners
- 14 mln euros amount of investments
Successful examples of foreign investment projects

- **Nor-Maali Oy**
  Manufacture of paintwork materials, Finland

- **YURA Corporation**
  Automotive components production, South Korea

- **Elementum group**
  Production of heat exchange and refrigeration equipment, Russia

- **Trigon Agri**
  Cattle Farm Dobruchi-2, Denmark

- **Dula-Werke Dustmann & Co. GmbH**
  Manufacture of furniture and trade equipment, Germany

- **Trierenberg Holding AG**
  Paper production, Austria

- **B. Braun**
  Medical services, Germany

- **SAERIMNER**
  Pig breeding complexes, Denmark
Availability of labor resources and infrastructure

**Available infrastructure**
Availability of electricity, gas and water for business needs at affordable rates

**Human resources**
Average salary, monthly:
- Technical engineer - 400 euros
- Production worker - 320 euros

**Availability of vacant sites**
Sites: from 3,000 to 33,000 sq.m.
For production, warehouses, workshops, offices
Rental price per month: 2-4 euro / sq.m.
Customs and logistics infrastructure

- **9** checkpoints on the border on Estonia, Latvia, Belarus
- **24 hours** customs clearance
- **10** transport and logistics terminals
- **13** temporary storage warehouses
- **4** international airport class

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Transport and logistics complex
Railway transport

112 railway stations
4 multiple junctions
3 border stations
Transport and logistics complex
Autotransport

over 80 carriers
over 1000 units truck fleet

Federal highways

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Investor support

- Tailored investor support
- Special measures of support (tax incentives)
- Fast search for land sites
- Consultation and assistance in land issues
- Consultation and assistance in utility connection issues
- Interaction with executive authorities and infrastructure organizations

77 investment projects under support
1.6 billion euros total amount of investments in projects
Ivestor prepares information about the investment project

Step 1

Consideration of the provided information and the analysis of the project

Step 2

Decision to include the project in the list of strategic projects and investor support

Step 3
Key instruments to support investors

- Federal measures of support
- Regional measures of support
- Moglino SEZ
- Opportunities for business cooperation

Tax preferences:
- Preferential profit tax: 13.5% (Usual tax rate 20%)
- Preferential property tax: 0.01% (Usual tax rate 2.2%)

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Business development opportunities

Agriculture

Production of agricultural machinery and equipment

Industrial production

Food industry and animal feed production
Potential for business development

01. Access to major consumption centers in Europe and Russia - an emerging market

02. Import substitution

03. Opportunities for cooperation and localization

04. Availability of raw materials for production
Sales market

Proximity to the key centers of industrial production and consumption in Russia and the European Union

Population ~ 1,200 km

- over 175 mln.

- over 4 200 industrial enterprises in the NWFD
- over 600 food processing enterprises
- over 700 agricultural enterprises and farms in the NWFD
Directions for business

- **Industrial production**
  - Mechanical engineering, automotive industry, automotive components production
  - Utilities equipment production
  - Construction materials production

- **Agriculture**
  - Construction of farms
  - Construction of greenhouses
  - Construction of commercial fish farms

- **Food industry and animal feed production**
  - Meat and dairy products manufacturing
  - Bread and bakery products
  - Animal feeds

- **Production of agricultural machinery and equipment**
  - Planting machinery and crop tending machinery
  - Forage equipment and machinery for animal care
  - Harvesting machinery
Tourism potential
Pskov – the oldest city in Russia, has a rich and interesting history and unique historical and cultural heritage

1. **4 key tourist destinations:** Pskov, Izborsk, Pechory, Pushkinskiye Gory

2. Pskov region is one of the most ecologically clean regions in the NWFD, actively developing rural tourism and ecotourism

3. Close location to tourist sites of St. Petersburg and the Baltic countries (Estonia, Latvia, Lithuania)

- **4300** cultural and historical sights
- **over 350** leisure and entertainment facilities
- **over 300** tourists a year
- **60%** cultural tourism
Directions for business

- Restaurant business
- Rural tourism
- Hotel Business
- Creation of campsites
Tourist and recreational cluster "Pskovsky"

16 projects have been implemented

10 investment projects are under implementation

64,5 mln. euros attracted by private investment
Thank you for your attention!

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