Pskov region, Russia

industrial production
special economic zone
MOGLINO
Pskov region on the map of Russia

Area: 55,4 thous. km²
Population: 651,1 thous. people
GDP: 114,2 bn RUR

Largest cities:
Pskov
Veliky Luki

Interim Governor:
Mikhail Vedernikov

Key industries:
Electrical machinery, timber, mechanic engineering, agriculture, tourism
Geographical location

Border on three states
Estonia, Latvia and Belarus

9 border crossing points:
5 automobile
3 railway
1 airport

To St Petersburg 300 km
To Moscow 700 km

To St Petersburg 300 km
To Moscow 700 km
Urban integration

New residential area Borisovichi
14 km to Pskov city center

Proximity to railway station and airport

Direct access to the federal highway St Petersburg – Riga

50 km To the border on EU

8 km Moglino SEZ
Moglino SEZ

Area
215 ha

Industrial development area
152 ha

Duration
49 years

Infrastructure
- Gas supply
- Water supply
- Power supply
- Drainage system
- Customs infrastructure
- Business center
- Pre-built industrial units
- Roads

Jurong Consultants prepared Moglino SEZ development plan

A212 Highway
St Petersburg-Riga

Railway

Reserve area

Construction materials

Transport equipment

Logistics

Water intake

Agriculture equipment

Electrical equipment

Automotive equipment

Communal equipment
## Land Lots

### Lease

- **from 313** RUR/ha/year

### Purchase

- **from 6 260** RUR/ha

## Land Lease Rate Based on Investment Value, RUR / ha / year

<table>
<thead>
<tr>
<th>Investment Value</th>
<th>Lease Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; EURO 10 mln</td>
<td>from 626</td>
</tr>
<tr>
<td>&gt; EURO 10 mln</td>
<td>from 563</td>
</tr>
<tr>
<td>&gt; EURO 20 mln</td>
<td>from 438</td>
</tr>
<tr>
<td>&gt; EURO 30 mln</td>
<td>from 313</td>
</tr>
</tbody>
</table>

### Flexible Parcel Plan

- **Amalgamation of smaller lots**
- **Single large lot**
- **Sub-division of a large lot**
- **2 smaller lots**
Tax and customs benefits

Taxation policy

- **Corporate profit tax***
  - 0% 2013-2019
  - 3% 2020-2021
  - 10% 2022-2023
  - 13.5% 2024 onwards

- **Corporate property tax**
  - 0% for 10 years

- **Land tax**
  - 0% for 5 years from the registration date

- **Vehicle tax**
  - 0% for 10 years from the registration date*

- **Insurance payments** (for tenants performing technical innovative activities): in 2018 – 21%, in 2019 – 28%

  SEZ tenants may apply an increased fixed assets depreciation factor, not exceeding 2
  - Corporate profit tax to the federal budget – 2%
  - **Except for passenger cars, air and water vehicles with engine power more than 250 horsepower**

Free customs zone regime

- **FOREIGN STATES**
  - 0% VAT
  - 0% Import duty
  - 0% Excise

- **CUSTOMS UNION**
  - 0% Export duty
  - VAT – refunded by tax authorities

- **FOREIGN STATES**
  - 0% VAT
  - 0% Export duty

- **CUSTOMS UNION**
  - 18% VAT
  - Import duty following customs tariffs***

* Except for water transport vehicle, aircrafts and passenger cars with more than 250 hp capacity

** Customs Union includes RF, Kazakhstan, Belarus, Armenia, Kyrgyzstan

*** Excluding prices for Customs union goods
Infrastructure

**Industrial infrastructure**

<table>
<thead>
<tr>
<th>Service</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas supply</td>
<td>33 480 th nm$^3$/year</td>
</tr>
<tr>
<td>Power supply</td>
<td>120 MVA</td>
</tr>
<tr>
<td>Water supply</td>
<td>4900 m$^3$/day</td>
</tr>
<tr>
<td>Water removal</td>
<td>3500 m$^3$/day</td>
</tr>
<tr>
<td>Roads</td>
<td>7.1 km</td>
</tr>
</tbody>
</table>

**Business infrastructure**

<table>
<thead>
<tr>
<th>Pre-built industrial units</th>
</tr>
</thead>
<tbody>
<tr>
<td>single / multi-tenanted industrial units of various sizes</td>
</tr>
<tr>
<td>5 000 m$^2$</td>
</tr>
</tbody>
</table>

**Business center**

<table>
<thead>
<tr>
<th>Investment grade office space of variable sizes with requisite facilities &amp; amenities</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 800 m$^2$ total area</td>
</tr>
<tr>
<td>1 800 m$^2$ to lease</td>
</tr>
</tbody>
</table>

Infrastructure connection – FREE OF CHARGE

Utility networks are provided to the border of the land lot
Ready infrastructure
Pre-built industrial units

- Total area: 5 000 m²
- Located close to the SEZ main entrance
- IV-V hazard class
- Ceiling height: 9 m
- Min lease area: 450 m²
- Full and partial lease
- Loading on a floor: 5 t/m²
- Lease rate: from 290 RUR/m²/mo
- End of construction: II quarter 2018

Infrastructure connection – FREE OF CHARGE
Moglino SEZ tenants

- FIA Pro Team Pskov, LLC
  Production of painting tools
  Germany

- Strimtex, LLC
  Production of technical textile
  Russia-France

- Bioniq RUS, LLC
  Production of desiccated and sublimated fruits and berries
  Russia

- Felzer, LLC
  Production of cooling and venting equipment
  Russia

- Link, LLC
  Production of heating and cooling equipment
  Russia

- Siberian Gistinec, LLC
  Production of food ingredients with sublimation dehydration method
  Russia

- Nor Maali, LLC
  Production of paints and lacquers
  Finland

- Ecocable, LLC
  Production of cable and semiconductor products
  Russia

Total projects’ investment – 4.4 bn RUR

The total number of jobs provided - 778
Advantages for investors: social infrastructure

Training center

Key services

- Recruitment, training and re-training upon tenant’s request
- SEZ management training
- Experience exchange

Training center concept

- Direct job placement
- Last mile approach
- Industrial workers, mainly
- First choice for tenants

Borisovichi residential estate

SEZ tenants can lease prepared land lots to construct residential buildings

Accommodation construction cost in primary market, RUR/m²

- St Petersburg: 45425
- Tver: 54620
- Novgorod: 46230
- Pskov: 43180
Pskov State University

established in 2010 after unification of Teachers Training and Polytechnic Universities

Training programs:
- Power and electric engineering
- Metallurgy, machine engineering
- Design and construction
- Food and consumer goods technology
- Economics and management
- Biotechnology
- Service and hospitality

13 VET schools to train key competences for industrial production

amount of students

27,126

3,000 graduates annually

30% engineers

30% workers

Average monthly salary, RUR

Industrial engineer

Pskov 25,000
Togliatti 29,000
Tver 27,500
Lipetsk 35,000
St Petersburg 35,000

Industrial worker

Pskov 20,000
Togliatti 34,000
Tver 29,000
Lipetsk 33,750
St Petersburg 28,000
Tenants status acquisition

01. Register the legal body in the Pskov district of the Pskov region

02. Prepare the business plan and required documents

03. Present the investment project to the Supervisory and Expert Board

05. Sign a tripartite agreement with the Pskov region Administration and Moglino SEZ

120 mln RUR
Min capital investments (excluding intangible assets)

40 mln RUR
within the first 3 years after Tripartite Agreement signing
Thank you for your attention!