INVESTMENTS AND BUSINESS
IN THE KALININGRAD REGION
NEW OPPORTUNITIES
GENERAL INFORMATION

ADMINISTRATIVE CENTRE
KALININGRAD

15,1 K
KM²
REGION TERRITORY

SOVETSK
40 K PEOPLE

CHERNYAKHOVSK
37 K PEOPLE

SVETLOGORSK
22 K PEOPLE

BALTIYSK
33 K PEOPLE

GUSEV
28 K PEOPLE

22 CITIES

BORDER TERRITORIES
BALTIC SEA

MAXIMUM LENGTH
OF THE TERRITORY

108 KM

350 KM

205 KM
POPULATION

1 MLN PEOPLE

9,900 PEOPLE PER YEAR

MIGRATION GROWTH

66 PEOPLE/KM²

POPULATION DENSITY

12 PLACE IN RUSSIAN FEDERATION

7,600 GRADUATES ANNUALLY

60% WORKING-AGE POPULATION

5,2% UNEMPLOYMENT RATE

16 HIGHER EDUCATION INSTITUTIONS

Representative office of the Kaliningrad region government
**ECONOMIC PERFORMANCE**

- **GROSS REGIONAL PRODUCT**
  - 8.5 BLN $
  - 494 BLN ₽
  - **AS FOR 2017**

- **FOREIGN TRADE TURNOVER**
  - 7 BLN $
  - 410.7 BLN ₽
  - **AS FOR 2017**

- **INVESTMENTS IN THE FIXED CAPITAL OF ORGANIZATIONS**
  - 2.0 BLN $
  - 118.9 BLN ₽
  - **AS FOR 2017**

- **FOREIGN TRADE**
  - TURNOVER
  - 8.5 BLN $
  - 494 BLN ₽
  - **AS FOR 2017**

- **RENTAL COST FOR COMMERCIAL AND OFFICE PROPERTIES**
  - 100 $ 6 500 ₽
  - **SQ M PER YEAR**

- **AVERAGE SALARY**
  - 524 $ 30 576 ₽
  - **PER MONTH**

- **INTERNET**
  - 400 $ 26 000 ₽
  - **PER YEAR**

- **ELECTRICITY PRICE**
  - 0.04 $ 3 ₽
  - **Kw/H**

- **PETROL PRICES**
  - 0.7 $ 45.4 ₽
  - **PER L**

- **INTERNET**
  - 0.02 $ 1.17 ₽
  - **PER MINUTE OUTGOING CALLS**

- **PER MONTH**
The National Rating of the investment climate assesses the efforts of the regional authorities about creating favorable conditions for doing business, identifies best practices. It’s results stimulate competition in the struggle for investment at the regional level.

Position of the Kaliningrad Region in the Rating of ASI

<table>
<thead>
<tr>
<th>Year</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>71</td>
</tr>
<tr>
<td>2017</td>
<td>39</td>
</tr>
<tr>
<td>2018</td>
<td>15</td>
</tr>
</tbody>
</table>
THE SEZ REGIME COVERS THE WHOLE REGION

ADMINISTRATION OF THE SEZ IS IMPLEMENTED BY THE REGION

**SPECIAL ECONOMIC ZONE**

**>117**

**1 MLN ₷**

**1,9 BLN $**

**0,02 MLN $**

**TOTAL AMOUNT OF DECLARED INVESTMENTS**

**MINIMUM INVESTMENT AMOUNT**

**FEDERAL LAW №16-FL OF 10.01.2006**

**FEDERAL LAW №13-FL OF 22.01.1996**

**SEZ «YANTAR»**

RESOLUTION OF COUNCIL OF MINISTERS OF RSFSR OF SEPTEMBER 25, 1991 № 497
SEZ RESIDENT
THRESHOLD FOR ENTRY

IT
WEB-MEDIA
R&D

1
MLN ₽

CLASS OF OKVED
62/63/72
DEVELOPMENT OF SOFTWARE

INFORMATION TECHNOLOGY
RESEARCH AND DEVELOPMENT

HEALTH CARE

10
MLN ₽

CLASS OF OKVED
86
HEALTH ACTIVITIES

MANUFACTURING
AGRICULTURE
TOURISM

50
MLN ₽

MANUFACTURING
FISHERY
FISH FARMING
AGRICULTURE
RECREATIONAL ACTIVITIES
TOURISM

150
MLN ₽

OTHER INDUSTRIES

TOTAL AMOUNT OF DECLARED INVESTMENTS IN 3 YEARS

Representative office of the Kaliningrad region government
SEZ RESIDENT

STATE REGISTRATION SHOULD BE IMPLEMENTED IN THE KALININGRAD REGION

GOODS ARE PRODUCED IN THE KALININGRAD REGION

INVESTMENTS ARE MADE IN THE KALININGRAD REGION

GENERAL SYSTEM OF TAXATION IS USED

3 STEPS TO GET RESIDENTIAL STATUS OF SEZ

1. DOCUMENTS SUBMISSION TO UNIFIED REGISTER OF SEZ RESIDENTS

2. DOCUMENTS OVERVIEW

3. TIME-LIMIT FOR ACQUIRING RESIDENTIAL STATUS IS 30 DAYS

REQUIREMENTS FOR LEGAL ENTITIES

FEDERAL REGISTRATION OF THE LEGAL ENTITY IS PROCESSED IN THE TERRITORY OF THE KALININGRAD REGION
CUSTOMS FREE ZONE

IMPORT ALL GOODS, COMPONENTS, RAW MATERIALS FROM ALL OVER THE WORLD

CONSUMPTION

0% DUTY

0% IMPORT VAT

STORAGE, SORTING

0% VAT

DEEP RECYCLING

CONCLUSION OF AN AGREEMENT WITH THE MINISTRY OF ECONOMIC DEVELOPMENT OF THE KALININGRAD REGION

APPLICATION-ALLOWED TIMES

180 DAYS IMPORT DEFERMENT

PAYMENT OF DUTIES

50 BLN P IN 2017

THE EAEU MARKET
RESIDENTS OF KALININGRAD REGION
SAR
SPECIAL ADMINISTRATIVE REGION
WITH FLEXIBLE REGIME
OF TAX AND CURRENCY
REGULATIONS FOR
INTERNATIONAL COMPANIES

ON AUGUST 3, 2018, THE PRESIDENT OF THE RUSSIAN FEDERATION VLADIMIR PUTIN SIGNED A PACKAGE OF LAWS PROVIDING FOR THE CREATION OF SPECIAL ADMINISTRATIVE REGIONS (SAR) WITH SPECIAL CONDITIONS FOR CONDUCTING ECONOMIC ACTIVITIES FOR FOREIGN COMPANIES.

CURRENCY REGULATION

TRANSFERS WITHOUT RESTRICTIONS OF FOREIGN CURRENCY AND CURRENCY OF THE RUSSIAN FEDERATION ON THE TERRITORY OF THE RUSSIAN FEDERATION WITHOUT OPENING ACCOUNTS

TRANSFERS WITHOUT RESTRICTIONS OF FOREIGN CURRENCY AND CURRENCY OF THE RUSSIAN FEDERATION FROM AND TO THE TERRITORY OF THE RUSSIAN FEDERATION WITHOUT OPENING ACCOUNTS

FOREIGN CURRENCY SETTLEMENTS AND CURRENCY OF THE RUSSIAN FEDERATION

TAX PREFERENCES

IC
INTERNATIONAL COMPANY
0%

INCOME TAX ON INCOME IN THE FORM OF DIVIDENDS

IHC
INTERNATIONAL HOLDING COMPANY
5%

INCOME TAX ON INCOME RECEIVED BY FOREIGNERS IN THE FORM OF DIVIDENDS ON SHARES OF IHC

PIHC
PUBLIC INTERNATIONAL HOLDING COMPANY
0%

INCOME TAX ON INCOME FROM THE SALE OF SHARES OF FOREIGN COMPANIES
WHY KALININGRAD REGION?

1. THE ENTRY POINT TO THE EAEU AND THE EU MARKETS
2. GROWING POPULATION
3. MINIMAL FISCAL BURDEN
4. INTEGRATION INTO THE EU TRANSPORT INFRASTRUCTURE
5. PROACTIVE INVESTMENT POLICY OF THE AUTHORITIES
6. PREFERENTIAL TERMS FOR CONNECTION TO FACILITIES
7. STRONG POTENTIAL OF TOURISM AND ENTERTAINMENT INDUSTRIES
8. LEGISLATIVE GUARANTEES OF IMmutABILITY OF THE CONDITIONS
TOURISM INDUSTRY

TOURISM AND RECREATION CLUSTERS OF THE KALININGRAD REGION

- «Raushen» in Svetlogorsk district;
- «Krantz» in Zelenogradsk district;
- «Neukuhren» in Pionersky district;
- «Palminken» in Yantarny city district;
- «Pillau» in Baltiysky district;
- «European Baikal» in Nesterovsky district;
- «Königsberg» in Kaliningrad city

BEACHES OF THE CURONIAN SPIT

- 10
- BEST IN RUSSIA

TOURISTIC CAPACITY OF THE REGION

<table>
<thead>
<tr>
<th>Year</th>
<th>1,5 MLN</th>
<th>2,0 MLN</th>
<th>2,7 MLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Top-5

MOST POPULAR CITIES FOR SUMMER WEEKEND TRIPS

1st PLACE IN RUSSIA

VALUE FOR MONEY

1st IN RUSSIA

TO RECEIVE REWARD «THE BLUE FLAG»

Top-10

MOST POPULAR TOURIST DESTINATIONS BY FOREIGN TOURISTS

ACCORDING TO POPULAR HOTEL BOOKING SITES

ACCORDING TO TRIVAGO.RU
TERRITORIAL LOCATION

KALININGRAD REGION IS A MODERN LOGISTICS CENTER

YOU CAN REACH OR DELIVER YOUR CARGO TO MOST EUROPEAN COUNTRIES

MOSCOW

1,5 HOUR
15 HOUR
22 HOUR

JUST A FEW HOURS ANY KIND OF TRANSPORT

RUSSIA

BERLIN

OSLO

COPENHAGEN

STOCKHOLM

PSKOV

RIGA

VILNIUS

WARSAW

1,5 HOUR
15 HOUR
22 HOUR

16
**TERRITORIAL LOCATION**

**ROAD DENSITY**

- **519 km/thousand km²**
  - This significantly exceeds the average Russian level (61 km/thousand km²)

**EUROPEAN TRANSPORT CORRIDORS**

- **Pass Through the Region**
  - Riga – Kaliningrad – Gdansk
  - Kaliningrad – Vilnius – Minsk

**TRANS-EUROPEAN TRANSPORT CORRIDORS**

- **1А**
  - Riga – Kaliningrad – Gdansk
- **9Д**
  - Kiev – Minsk – Vilnius – Kaliningrad

**INTERNATIONAL WATERWAYS**

**Maritime Transport**

- The only non-freezing port on the Baltic

- Cargo and passenger ships docs, railway ferries docs
- Cargo and container warehouses
- Equipment for customs, border and other related procedures

**Railway Connection**

- Kaliningrad region has both:
  - Narrow-gauge railway (European)
  - Wide-gauge railway (former USSR countries)

**Airports**

- 5th freedom of the air

**Representative office of the Kaliningrad region government**
RAILWAY CONNECTION

PASSENGER TRANSPORTATION

- Russia: MOSCOW, SAINT-PETERSBURG, ADLER, CHELYABINSK, GOMEL

CARGO TRANSPORTATION

- whole Russia
- China-Europe-China

RAILWAY HUBS:

- Kaliningrad: 7 ROADS
- Chernyakhovsk: 4 ROADS

- gauge width 1520mm (Russian gauge)
- gauge width 1435mm (West European track)

Representative office of the Kaliningrad region government
WITH POLAND:
- Bagrationovsk - Bezledy
- Mamonovo - Gronovo
- Mamonovo 2 - Grzhechotki
- Gusev - Goldap

WITH LITHUANIA:
- Sovetsk - Panemune (via Queen Louise bridge through the Neman)
- Chernyshevskoe - Kybartai
- Morskoe - Nida
- Frontier - Ramoniskiai
- Dubki

BORDER CROSSING
WITHOUT DELAY
MARITIME TRANSPORT

LOGISTICS

TRAIN-FERRY TRANSPORT

PORT OF BALTIYSK - PORT OF UST-LUGA

1,5 MLN TONS
18 498 WAG/YEAR
521 MILES
36 HOURS

NON-FREEZING SEA PORTS

KALININGRAD
BALTIYSK
PIONERSK

well-developed logistics of cargo sea terminals

SAINT-PETERSBURG FERRY BALTIYSK TRAIN GDANSK

Representative office of the Kaliningrad region government
KHABROVO AIRPORT

EXPANSION OF GEOGRAPHY OF FLIGHTS

YEAR-ROUND
- Moscow
- St. Petersburg
- Minsk
- Cherepovets
- Tashkent
- Kazan
- Ufa
- New Urengoy
- Prague
- Berlin
- Ekaterinburg
- Warsaw

SUMMER TERM
- Krasnodar
- Grodno / Brest
- Gomel
- Barcelona
- Anapa
- Antalya
- Arkhangelsk
- Murmansk
- Vitebsk

AIRPORT CONGESTION

LOGISTICS AIR TRANSPORT

KHABROVO AIRPORT

5TH FREEDOM OF THE AIR RECONSTRUCTION IS COMPLETE

50 TONS OF CARGO/ DAILY CAPACITY
20 TONS OF CARGO/ DAILY AT THE MOMENT

TONS OF CARGO/ DAILY
### Infrastructure Projects

#### Khrabrovo Airport
- Airstrip elongation
- New terminal
- 5th freedom of the air

- **Scheduled:**
  - 2018: 4 BLN ₽
  - 2019: 10,3 BLN ₽
  - 2020: 29,2 BLN ₽

- **2019:** 8,8 BLN ₽

#### Northern Bypass
- (1 and 2 sub-steps of 1 stage)
- **2018:** 4 BLN ₽
- **2019:** 550 BLN ₽

#### Eastern Overpass
- (2 step of 2 stage)
- **2018:** 4 BLN ₽

#### Primorsky Ring
- (3 and 4 sub-steps of 1 stage)
- **2018:** 4 BLN ₽

#### Marine Terminal in Pionersky
- Cruise liners
- Ro-Ro cargo terminal
- **In process:**
  - 8,2 BLN ₽

#### 1 Train-Ferries
- Baltiysk - Ust-Luga
- **2020:** 14 BLN ₽

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**Representative office of the Kaliningrad region government**
The Kaliningrad CHPP-2 with a capacity of 900 MW is one of the most modern and environmentally friendly power plants in Russia. Commissioning of the second block of CHPP-2 ensured the needs of the region in electricity and created energy surplus.

In 2018, three gas-turbine power plants will be commissioned with a total capacity of 602 MW.

Plans are in 2018 underway to:

1. Construction of a liquefied natural gas terminal
2. Volume increase of the Kaliningrad underground gas storage
3. CHPP-2 (2 blocks, 900 MW)
INDUSTRIAL PARKS

CHERNYAKHOVSK

1146 HA

SPECIALIZATION:
Transport and logistics
Production of building materials
Glass industry
Electrotechnical industry

ECOBALTIC

43,1 HA

SPECIALIZATION:
Manufacture of pharmaceutical products
Cultivation of agricultural crops
Confectionery production
Warehousing services and customs clearance

TECHNOPOLIS GS

230 HA

SPECIALIZATION:
h-tech products
Production of satellite dishes
Manufacturing of cardboard corrugated packaging
Housebuilding
IT

KHRABROVO

271,6 HA
3 km from the airport/
17 km from Kaliningrad

Small and medium engineering
(including the production of components in the automotive and shipbuilding clusters)

Manufacture of jewelery and other products of amber

Biopharmaceuticals and production of pharmaceuticals

CONDITIONS:
189K ₽ PER YEAR FOR 1 HA
2,9 MLN ₽ FOR 1 HA
PRICE OF THE LAND

Representative office of the Kaliningrad region government
KALININGRAD STATE TECHNICAL UNIVERSITY

- IT and Situational Centre
- Agriculture and Aquaculture
- Food Biotechnology, high-technology seafood processing
- Energy Security
- Small-tonnage Shipbuilding and Ship Repair
- Marine Convention Training
- The main marine university of Russia
- The main university for the economy of the Kaliningrad region

IMMANUEL KANT BALTIC FEDERAL UNIVERSITY

- Institute of Living Systems
- Engineering and Technology Institute
- Institute of Physical and Mathematical Sciences and Information Technologies
- Medical Institute
- European Business School
- Science and Technology Park and Factory
- Research Institute of Applied Informatics and Mathematical Geophysics
- Center for Medical Biotechnology

10 400 STUDENTS IN HIGHER EDUCATION PROGRAMS

PARTICIPANTS 5-100
MULTIFUNCTIONAL CENTRE FOR BUSINESS

100 SPECIALIZED SERVICES

5 REGIONAL SUPPORT FUNDS IN ONE PLACE
- loans to industrial enterprises
- microloans
- guarantees
- business missions, exhibitions
- consultations, training

60 SEATS
LECTORIUM

60 SEATS
CO-WORKING

25 SEATS
CONFERENCE-HALL

COMFORTABLE WAITING AREA

HIGHLY-QUALIFIED STAFF

WI-FI FREE ZONE

Representative office of the Kaliningrad region government
CONCIERGE-SERVICE
FOR INVESTORS

- DEDICATED ACCOUNT MANAGER
- SELECTION OF OFFICE SPACES AND INDUSTRIAL PREMISES
- ASSISTANCE IN SELECTION OF EMPLOYEES
- ASSISTANCE IN ACCOMMODATION FOR STAFF MEMBER FAMILIES
- PROVISION OF SOCIAL INFRASTRUCTURE FOR MOVING EXPERTS
- ASSISTANCE IN FINDING EMPLOYMENT FOR THE MEMBERS OF MOVING EXPERT FAMILY

Representative office of the Kaliningrad region government
# Business Environment

## Export-Import Goods
- Food and agricultural raw materials
- Products of fuel and energy complex
- Products of the chemical industry, rubber
- Wood and pulp and paper products
- Metals and metals products
- Machinery, equipment and vehicles

## Companies

<table>
<thead>
<tr>
<th>Industry</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>4,851</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1,393</td>
</tr>
<tr>
<td>Mining Operations</td>
<td>127</td>
</tr>
<tr>
<td>Fossil Fuel Extraction</td>
<td>94</td>
</tr>
<tr>
<td>Except Fossil Fuel Extraction</td>
<td>36</td>
</tr>
</tbody>
</table>

| Joint Companies | 1,204 |
| Foreign Companies | 1,702 |
SUPPORT OF THE AUTHORITIES

REPRESENTATIVE OFFICE OF THE KALININGRAD REGION GOVERNMENT UNDER THE GOVERNMENT OF THE RUSSIAN FEDERATION, MOSCOW

SINGLE POINT OF CONTACT TO COMMUNICATE WITH INVESTORS AND ENTERPRISES IN MOSCOW

Address: 123242, Moscow, Krasnaya Presnya street, bldg. 7
tel.: (499) 252-66-00
fax: (499) 252-66-25
e-mail: msk@gov39.ru
www.msk.gov39.ru

JSC « KALININGRAD REGION DEVELOPMENT CORPORATION»

THE SINGLE WINDOW FOR WORKING WITH INVESTORS AND COMPANIES IN KALININGRAD

236023, Kaliningrad, Krasnaya street, bldg 63A
Tel.: +7 (4012) 67-39-39
E-mail: office@kgd-rdc.ru
www.kgd-rdc.ru

MAIN WEBSITES FOR INVESTOR IN KALININGRAD REGION

INVESTINKALININGRAD.RU
MSK.GOV39.RU

- Ministry of industrial policy, entrepreneurship and trade development of kaliningrad region
- Ministry of economy of kaliningrad region
- Baltic business club
- Foreign investors association inkaliningrad region
- Kaliningrad chamber of trade and industry
- Jsc «russian export center» Kaliningrad branch
- Business support center