Tula Region

Population: 1.5 million
Total area: 25,700 km²
Tula: 550,800
Novomoskovsk: 125,200
OVERVIEW OF TULA REGION ECONOMY

GRP (rating 2017)

562 bn rubles
↑ 104,4%

Industrial production growth (2017)

106,2%

Agricultural output production growth (2017)

110,4%

Investment at current prices (2017)

127 bn rubles
↑ 109,4% at comparable prices to 2016

GRP structure

- Manufacturing industries: 40,5%
- Wholesale and retail trade: 12,2%
- Transport and communications: 6,5%
- Real estate transactions: 11,4%
- Agriculture: 7,0%
- Other kinds of economic activities: 22,4%
FOR SUCCESS FORMULA

- Favorable logistics
- Tailor-made approach
- Tax benefits
- Highly qualified workforce
- Good governance
FAVORABLE LOGISTICS

In direct proximity to the largest target market

180 km from Moscow

Major national highways

Nearest airports:

- Domodedovo - 2 hours
- Vnukovo - 2 hours
- Kaluga - 1 hour and 40 minutes

M2 Crimea

M4 Don

Moscow Railway: southern branch of the Paveletsky route
INVESTOR INDIVIDUAL ACCOMPONIMENT

State support at both the federal and regional levels

Support in establishing local production
Location matching
Legal support
Selection of contractors
Regional integrated development projects
Consulting support
Establishment and development of industrial parks
PPP projects

TULA REGION DEVELOPMENT CORPORATION

One-stop shop 24/7
TAX BENEFITS

Projects from 50m rubles
According to Tula region law No. 1390-ATR dated 06.02.2010

Property tax reduction
up to 4 tax periods

Income tax reduction
up to 4 tax periods

0%

15.5%

Investments in construction of infrastructure facilities
According to Government Decrees of the Tula region No. 759 dated 18.12.2013,
No. 354 dated 16.07.2013

Projects under special investment contracts
HIGHLY QUALIFIED WORKFORCE

791,000
labor force

33,528,5 rubles
average monthly salary
(9 months of 2018)

Demand-based education
GOOD GOVERNANCE

Results-oriented

Teamwork with federal authorities and development institutions
Project management
One-stop shop
Roadmaps for facilitation of doing business
INFRASTRUCTURE FOR BUSINESS

- Greenfields: 100
- Brownfields: 30
- Industrial parks: 5
- Priority Development Area (PDA): 1
- Uzlovaya SEZ
UZLOVAYA
SPECIAL ECONOMIC ZONE*

Property tax (10 years)
Transport tax (10 years)
Land tax (5 years)

Duty-free zone regime
(0% VAT and import duty until 2065)

Income tax
2% up to 5 years
7% up to 10 years
15.5% until 2065

Website: uzlovaya.ru
THE RESIDENT OF «UZLOVAYA» IP

GREAT WALL MOTOR

20 May 2014 Tula Region Government and Tula Region Development Corporation concluded the investment agreement concerning construction of the plant on car production in presence of the President of Russian Federation and Chairman of the People’s Republic of China in Shanghai (P.R. China)

The production capacity of the enterprise - 150 thousand cars per year.

The launch of the plant is being planned in 2019.

The project is implemented on the territory of ‘Uzlovaya’ state industrial park.
RESIDENTS OF «UZLOVAYA» SEZ

Engelsspetstrubmash
Construction of a coiled tubing manufacturing plant
Up to 1.6 bn rubles invested
Up to 60 jobs created

AgroGrib
Construction of a greenhouse complex for growing mushrooms
Up to 6.2 bn rubles invested
Up to 900 jobs created

Itekma-Synthesis
Low tonnage chemical production setup of components for high tech composite materials
Up to 0.2 bn rubles invested
Up to 40 jobs created

Tenzograf
Production setup of high temperature composite sealing materials for hermetic sealing of pipes and equipment. Production setup of climate panels
Up to 0.2 bn rubles invested
Up to 70 jobs created

Arnest MetallPack
Construction of tinplate aerosol cans’ manufacturing plant for potential setup of cosmetics and household chemicals’ production
Up to 0.6 bn rubles invested
Up to 130 jobs created

Universal technologies and materials
Production setup of high tech protective coatings
Up to 0.5 bn rubles invested
Up to 180 jobs created

SteelPolymer
Production setup of rolled galvanized steel with polymer coating
Up to 0.5 bn rubles invested
Up to 60 jobs created

Innovative industrial coatings
Construction of industrial complex on manufacturing of polymer and composite materials under the brand AKRUS
Up to 1.6 bn rubles invested
Up to 150 jobs created

Tula aluminium plant
Construction of foundry and press plant for aluminium alloys processing
Up to 2.6 bn rubles invested
Up to 225 jobs created
As part of investment projects implementation, it is possible to co-finance infrastructures construction and modernization using the funds of the Monotowns Development Fund.

- **Profit tax**: 0% → 12% for up to 5 years, 1% → 12% for up to 10 years
- **Property tax**: 0% → 1.1% → 1.5% for up to 5 years, 1% → 1.5% → 2% for up to 7 years, 1% → 2% → 3% for up to 10 years
- **Land tax**: 0% (up to 10 years)
- **Tariff rates of insurance premiums**: 7.6% (including 6% - PF of RF, 1.5% - SIF of RF, 0.1% - CHIFF of RF) (up to 10 years)

As part of monotowns development, laws of the Russian Federation provide the creation of the Priority Development Areas.
«Yefremov» PDA
(priority development area)

Corporate income tax
(in accordance with the art. 284 of the Tax Code of Russian Federation and in accordance with the Law of the Tula Region from 18.12.2017 № 103 - LTR «About tax reduction of taxpayers - residents of PDA created in the Tula Region»)

- **0%** → **12%**
  
  (first 5 years, from the moment of the first profit gain)

- **12%** → **15%**
  
  (6 - 10 years)

Corporate real estate tax
(in accordance with the Law of the Tula Region from 18.12.2017 № 103 - LTR «About tax reduction of taxpayers - residents of PDA created in the Tula Region»)

- **0%** → **1,1%** → **1,5%**
  
  (from 1 to 5 years, from the moment of receiving status of PDA resident)

  - **1,1%** → **1,5%**
    
    (6 - 7 years)

  - **1,5%**
    
    (8 - 10 years)

Land tax
(in accordance with Resolution of the Meeting of Deputies of Yefremov Municipal Entity)

- **0%**
  
  (for 10 years)

Tariff rates of insurance premiums
(In accordance with paragraph 1 (12) and art. 427 paragraph 2 (5) of Tax Code of Russian Federation)

- **7,6%**
  
  (including 6% - PF of RF, 1,5% - SIF of RF, 0,1% - CHIFF of RF)

  (up to 10 years)
## BENEFITS

<table>
<thead>
<tr>
<th></th>
<th>«Uzlovaya» SEZ IPT</th>
<th>«Yefremov» PDA</th>
<th>SIC</th>
<th>Other sites</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligible investment amount, rubles</strong></td>
<td>120 mln</td>
<td>5 mln</td>
<td>750 mln</td>
<td>50 mln</td>
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<tr>
<td><strong>Income tax</strong></td>
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<tr>
<td>up to 5 years</td>
<td>2%</td>
<td>0%</td>
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<td>up to 10 years</td>
<td>7%</td>
<td>12%</td>
<td>0%</td>
<td>15,5%</td>
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<tr>
<td>after 10 years</td>
<td>15,5%</td>
<td>up to 5 years</td>
<td>up to 10 years</td>
<td>up to 10 years</td>
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<tr>
<td><strong>Property tax</strong></td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>up to 10 years</td>
<td>1,1%</td>
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<td>1,5%</td>
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<td>up to 7 years</td>
<td>1,5%</td>
<td>up to 10 years</td>
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<tr>
<td><strong>Land tax</strong></td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>up to 5 years</td>
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<td>up to 10 years</td>
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<tr>
<td><strong>Transport tax</strong></td>
<td>0%</td>
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<tr>
<td>up to 10 years</td>
<td></td>
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<tr>
<td><strong>Customs regulations</strong></td>
<td>duty-free</td>
<td>usual</td>
<td>usual</td>
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<td>zone regime</td>
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<tr>
<td><strong>Period of activity</strong></td>
<td>49 years</td>
<td>10 years</td>
<td>10 years</td>
<td>unlimited</td>
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<tr>
<td><strong>Insurance contribution (% of payroll)</strong></td>
<td></td>
<td>7,6%</td>
<td></td>
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<tr>
<td></td>
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<td>up to 10 years</td>
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</table>
SUCCESS STORIES

5 000 manufacturers

200 foreign-funded companies

5th place in the National Rating of Investment Climate in Russian Regions
INVEST-TULA.COM