

“OUR TASK IS TO PROVIDE ADEQUATE ASSISTANCE TO BUSINESS”

THIS SUMMER THE SAMARA REGION BECAME ONE OF THE THREE LEADING REGIONS IN TERMS OF INVESTMENT ATTRACTIVENESS GROWTH. THE CORRESPONDING NATIONAL RATING OF THE INVESTMENT CLIMATE IN THE RF CONSTITUENT ENTITIES WAS COMPILED BY THE AGENCY FOR STRATEGIC INITIATIVES. HOW DID THE REGION MANAGE TO IMPROVE PERFORMANCE, WHY TERRITORIES OF ADVANCING DEVELOPMENT (TAD) AND SPECIAL ECONOMIC ZONES (SEZ) ARE IMPORTANT FOR BUSINESS, AND WHAT THE AUTHORITIES DO TO ATTRACT INVESTORS? MINISTER OF ECONOMIC DEVELOPMENT AND INVESTMENTS OF THE SAMARA REGION DMITRY BOGDANOV ANSWERED THESE QUESTIONS.

DMITRY BOGDANOV: Over the past few years we have seen a drop in indicators of economy and industry. But now the economy of the country and of the Samara region in particular is undergoing renovation. New industries, related to import substitution, export, and sale are developing in these areas. The complex of measures associated with this is fully envisaged by the national projects “International cooperation and export” and “Small and medium-sized enterprises and support of individual entrepreneurship initiatives”. Implementation of these projects is actively carried out in the Samara Region. Over the past two years we have achieved good results in a number of areas. The index of industrial production in the region began to grow. If last year its increase amounted to 2.7%, then over seven months of this year it grew by another 2.6%. Over the past few years we have seen successes in certain areas of production. For example, automotive industry demonstrates good dynamics: an increase in product shipment this year amounted to about 3%.

The production of building materials is also growing. This indicator shows an increase in the pace of construction of real estate, and in future we forecast stable positive dynamics.

This year a whole series of significant international events took place: the annual investment forum in St. Petersburg, the Russian investment forum in Sochi, the international aviation and space salon (IASS) and the eastern economic forum (EEF). At the site of each of them there were stands with information about the enterprises operating in our region and their products. At these events we conducted sessions and organized meetings with both new and already operating enterprises from the Samara region, and promoted our products. Governor Dmitry Azarov personally talked about the opportunities and achievements of enterprises.

Undoubtedly, high indicators are the result of diligent work of the Samara region government in the field of regulation, creation of infrastructure conditions, support and promotion of projects. Close interaction of different departments creates conditions for formation of new industries, for development of innovations, formation of new approaches, increasing the efficiency of existing industries and comfortable development of investors at new sites and territories with special conditions.

G: What investment projects do you consider the most successful for the region?

D. B.: Each project is very important for us. I would single out several projects that we have been actively working on in the past and continue to work this year. For example, the project for construction of a plant for production of building materials in Togliatti SEZ. Currently negotiations have been held with the investor, the object is being designed. We expect the construction of the plant to start early next year. Now we are negotiating the construction of a railway in SEZ in connection with implementation of this project and the project of a logistics center for rolled metal products for Magnitogorsk metallurgical plant. Currently a proposal for concluding concession agreements for this project is available on the public procurement website. In a few days the call for applications will be completed, and we will determine the investor. According to the terms of the contract, the investor will invest his money, build a railway, and then during the payback period he will be able to return the invested money in parts. As a result, the Togliatti special economic zone will receive a railway line at no cost for the budget of the Samara Region.



The project of a plant for production of building materials in the Togliatti SEZ has a great future. Thanks to it in future the company will receive high-quality materials at an affordable price, with a good prospect of sales. Perhaps lately these products will be exported to at least neighboring regions. The project of a logistics center for metal rolling for the Magnitogorsk metallurgical plant is no less interesting. There is no secret that metal plays a huge role in all sectors of the economy: engineering, construction, business, and production of general-purpose goods of the widest range. Such an object, assuming a wide range of products, the possibility of quick procurement and organization of standard deliveries, is important for AvtoVAZ and suppliers of automotive components, and for the region economy as a whole. We hope that this project will become a catalyst for attracting a large number of companies to the Samara region.

G: What are the prospects for a renewable energy development project in the Samara region?

D. B.: The trend of developing renewable energy in the Samara region gets special attention. You know that in May of this year the launch of an industrial solar power plant in Novokuybyshevsk took place. Its capacity is 75 MW. The solar power station in Novokuybyshevsk is one of the largest in Russia.

As you know, another global trend today is wind power, which implies generation of electricity with minimal impact on the environment. Therefore, we are currently actively working on preparation of sites for wind farms in the Samara region. Together with investor partners we produce wind surveys and invite all interested investors to participate in the project. Earlier the government team of the Samara region worked at the Eastern economic forum and met with a number of Japanese companies that have experience in building wind farms.

G: In recent years Togliatti territory of advancing social and economic development (TASED) and Togliatti special economic zone (SEZ) have become points of economic development

of the Samara region. This year the Chapaevsk TASED was created. What are the forecasts for the development prospects of these sites?

D.B.: Togliatti TASED and Togliatti SEZ show the best results in the country in attracting investors. Agreements for implementation of activities within the framework of Togliatti TASED were signed with 76 companies, with investments totaling almost 41 billion rubles and the declared volume of 8.5 thousand jobs. In September the commission on consideration of applications approved 13 companies at a time, agreements were signed with most of them. About ten more projects are currently in operation.

Togliatti SEZ is also in great demand among investors. This is not surprising for a city with a population of 700 thousand people and long-standing engineering and industrial traditions, with a good road network and a decent educational base. Now we are working to include the special economic zone in the borders of Tolyatti and to take advantage of unique support tools of Monotown development fund. For instance, investors can benefit from unique conditions, can borrow funds in the amount of up to 250 mln rubles for up to 15 years at the cost of 0%. In addition, they have the opportunity to develop engineering infrastructure and subsidize it for new projects. This will be a serious reserve for further development of the economy.

As for Chapaevsk, this year we received the status of a territory of advancing development (TAD) for it. For ten years investors will be provided with unique tax conditions for development on its site. An industrial park has already been built and commissioned in its area. On the territory of the Chapaevsk TAD the German company Knauf has already launched its production. The projects of Smarts company and the logistics center for electrical products for ATM company are being implemented, this is the largest facility that will operate for several regions. The volume of investments in it is more than 1.5 billion rubles.

Among other things, the object of special attention, including from the federal center, is the project for construction of a bridge in the area of Klimovka village with a bypass road around Togliatti. The road will pass in the immediate vicinity of SEZ and will provide a unique logistics opportunity to quickly deliver goods to the east and west of the country. The implementation of this large-scale project will begin this year already.

G: In August the Samara Region signed a cooperation agreement with the EkoNiva - APK Holding general director Stefan Duerr. The company will invest about 12 billion rubles in construction of livestock farms in the Samara region. How interesting is the agricultural sector for investors today? What work is being done in this direction?

D.B.: We are negotiating with a number of investors in the field of livestock, including dairy farming. This year, after negotiations with Stefan Duerr, we selected sites for three dairy farms and signed an agreement to begin work in this direction.

I also remind you that Danone company is implementing a project to reorganize production of dairy products in the Samara Region, as a result of which the volume of milk purchases at the enterprise will increase from 200 to 400 tons per day. And one of the residents of the Togliatti TAD, the Karat company, is building a deep processing milk plant.

At the same time we are also interested in the development of poultry farming. It so happened historically that the region has insufficient volumes of its own poultry production. In this regard we are negotiating with a number of investors to create appropriate capacities in the region. We have agreements on implementation of the project of the Sergievskaya poultry factory, achieved with participation of the Samara region development corporation. We discuss a project of seed production development using new cultivation techniques with one of the investors from our region.

G: This summer the Samara region has risen in the ranking of investment attractiveness of the regions. How was it possible to achieve such indicators?

D.B.: Improving the investment attractiveness of the region is a priority for us. In the annual ranking of the Agency for strategic initiatives we rose to 24th position this year, and for the first time entered the top 30 leading regions in terms of investment attractiveness. In the ranking of innovative regions we are also in the top ten. In the ranking of public-private partnerships we are among the top six leading regions for the development of PPPs.

For several years in a row we have been rising in the ratings of SNP, Moody's and ACRA for the regional credit stability. This suggests that in the Samara region over the past two years serious work has been done in economy and industry.

Summing up, I'll say that the whole set of measures undertaken by the government of the Samara Region not only allowed to stop the negative trends in the region's economy of the past few years, but also reached a new level. Investors are positive towards the Samara region. Of course, certain difficulties and unresolved issues remain. We have no illusions that everything that is needed has already been done. There is a lot of work ahead of us. We will continue to work with investors and entrepreneurs in order to identify difficult moments and to help colleagues to realize their ambitions and plans in the region. Our task is to help competently, but also not to interfere with business.

The interview was taken by **GEORGY PORTNOV**