

# TERRITORIES FOR BUSINESS

THE TERRITORY OF ADVANCING SOCIAL AND ECONOMIC DEVELOPMENT (TASED) AND SPECIAL ECONOMIC ZONE (SEZ) CREATED IN TOGLIATTI ARE AMONG THE MOST POPULAR PLATFORMS FOR INVESTORS TODAY. EXPERTS AND THE REGION'S AUTHORITIES EXPLAIN THE SUCCESS OF BOTH SITES BY THE PRESENCE OF COMFORTABLE CONDITIONS FOR BUSINESS HERE, AMONG OTHER THINGS.

MARINA SERGEYEVA, GEORGY PORTNOV

**SPECIAL ZONE** According to the results of 2018, Togliatti, the second largest city in the Samara region, experienced an increase of industrial production by 7.1%, of investments — by 13.5%. Such indicators were achieved, among other things, due to active development of TASED and SEZ in the city. According to federal authorities, Togliatti SEZ is one of the three most efficient in Russia, and Togliatti TASED is confidently holding the lead by the number of residents.

The first production in Togliatti SEZ was launched in 2014, now 22 companies are residents of the site, and the volume of announced investments exceeds 23 billion rubles. To date, ten plants are already manufacturing products in the SEZ territory, other projects are underway.

For residents of Togliatti SEZ there are significant benefits. In particular, investors are exempted from transport tax and property tax for 10 years and from land tax for 5 years. For SEZ residents the size of income tax to the federal budget is set at 2%, it is not paid to the regional budget for the first five years, and after that it is from 5 to 13.5%.

"All the necessary infrastructure has been created here: preferential connection to utilities, maintenance of the territory, which is carried out by the management company, here is the most friendly attitude towards investors in terms of solving any current problems. And, finally, a free customs zone, that is, the ability to transport components and equipment from abroad, to send their products outside the Customs Union without paying customs duties", that is how the first vice governor, chairman of the Samara region government Victor Kudryashov, explains the advantages of Togliatti special economic zone.

In addition, according to regional authorities, in the coming years the development of Togliatti SEZ will be connected with improvement of transport and logistics infrastructure. So, next year creation of a customs infrastructure at an area of 10 hectares will be completed, and construction of a railway line will begin. Also, according to the regional government, in the immediate vicinity of SEZ there will be a new emerging traffic flow from Europe to Western China, which will include a bridge across Volga near the village of Klimovka. Among other things, on the site of Tolyatti SEZ it is planned to create ready-made sites for equipment location and realization of projects for those investors who are not ready to build housing on their own.

The conditions created in Tolyatti SEZ help to constantly attract new large investors to the Samara region. So, in June, at St. Petersburg international economic forum, the region's authorities and the Magnitogorsk metallurgical plant (MMP) agreed on construction of a production and logistics center on the SEZ territory. It is planned to start construction at the end of this year and to complete it in the first quarter of 2021. MMP's investment in the project, according to company estimates, will amount to about 1.2 billion rubles. The center will be able to accommodate up to 150 thousand tons of metal prod-

ucts simultaneously. Its opening, according to MMP, will fully satisfy the automotive industry needs in supply of high-quality rolled steel products.

**FOREIGN INTEREST** In September, 2016 Togliatti got the status of a territory of advancing social and economic development (TASED). According to the forecasts of regional authorities, the total number of new jobs in Togliatti due to TASED work will exceed 44 thousand by 2025, and the volume of total investment in creation of new industries can reach 151.5 billion rubles. To date, the number of Togliatti TASED residents exceeds 60, the total amount of declared investments is almost 41 billion rubles, and there are more than 8.5 thousand new jobs. Today, according to the regional government, all TASED residents are in the active phase of work, some companies are preparing to launch production, others are already operating.

Along with the number of TASED residents, interest to Togliatti from companies with foreign capital is growing. Funds of organizations with participation of German, French, and Italian businesses have already been invested in the city and region economy. For example, this summer VolgaFert company (a joint venture of KuybyshevAzot and Italian company Maire Tecnimont) received the status of a Togliatti resident. The organization proposed to produce 1.5 thousand tons of granulated carbamide daily on the site of TASED. The company plans to invest 19.5 billion rubles in the project; it is planned to create about 60 new high-tech jobs.

**COMFORTABLE CONDITIONS** The region authorities explain the interest of investors for the Samara region and Togliatti in particular by availability of comfortable conditions for business. The work of city and regional authorities with potential residents is carried out in a "single window" mode: a personal manager is provided for each investment project. "Today we feel free to say that the Togliatti territory of advancing social and economic development is comfortable for investors. The region and the city of Togliatti create some of the best conditions for doing business in the country, and investors are responding to this and are becoming bolder in coming to us to obtain this status", said Dmitry Bogdanov, Minister of economic development and investment of the Samara Region.

Experts note the high efficiency of both SEZ and TASED. "For the SEZ with its 22 residents, this is an equitable record. Recall that the regional budget receives from this site up to 1.3 billion rubles in taxes. Tolyatti TASED also has ascending indicators, investments will give even greater revenues to the budget, and with proper work to attract investors these figures will only increase in the future", said Anna Shlapakova, director of the evaluation department of Euroexpert.

## "THE REGION MUST BECOME ONE OF THE LEADERS"

Sergey Nikitin, executive director of the Investment promotion agency of the Samara region, talks about the advantages for business in the region, the work with investors and the projects of international companies that have already been successfully implemented in the region.



— In the Samara region everything is done so that investors could have the opportunity to build their business quickly, comfortably, and successfully. Togliatti territory of advancing social and economic development (TASED), Chapaevsk TASED and Togliatti special economic zone (SEZ), Zhigulevskaya Dolina high-tech industrial park, state and private industrial parks, such as Preobrazhenka, Chapaevsk, Togliattisintez, AvtoVAZ, Stavropolsky, Novosmeykino actively develop, complement each other, and provide investors with all the necessary line of support, preferences and benefits, and the necessary infrastructure.

We have great hopes for development of Chapayevsk TASED. The corresponding status was assigned to the city in 2019. An investor who comes here to work will receive a number of advantages, including privileged regime and the ability to quickly launch a low-cost project. Companies that would like to develop on this site will have a chance to attract preferential financing from the Monoton development fund at a rate of 0%. Resident companies will also be provided with ready-made engineering and transport infrastructure of the state industrial park adjacent to Chapayevsk. We are sure that Chapayevsk TASED has great potential.

I note that according to the results of the National investment climate rating of 2019 the Samara Region rose by 24 positions and entered the group of regions with the best dynamics. In addition, this year the region took one of the leading positions in Moody's credit rating, conceding only to Moscow, St. Petersburg, the Moscow Region, the Khanty-Mansi Autonomous Okrug and the republics of Tatarstan and Bashkortostan. The forecast for the Samara region was also improved from "stable" to "positive". The region also rose to a higher position according to one of the leading international rating agencies Standard & Poor's Global Ratings. In its creditability rating the Samara region stepped from BB to BB + level and received a "stable" forecast.

For many business representatives, especially for foreign companies, these data are an indicator of the investment attractiveness of the region. An advantage for investors is the special territorial location of the Samara region. The federal highway M-5 «Ural» passes through the region, as well as the direct Samara-Kazakhstan highway. Kurumoch international airport, located in the Samara region, is in the TOP-12 of the largest airports in Russia, and Samara railway station is one of the largest in Europe. The region also has three river ports with access to five seas: the Caspian, Baltic, White, Black, and Azov. As a result, the Samara region is of interest to investors in terms of locating logistics and distribution centers here. For example, with the support of the Investment promotion agency, Mail of Russia plans to build a logistics center on the territory of Preobrazhenka industrial park.

It is planned that investment in this project will exceed 1.3 billion rubles, and more than 1 thousand jobs will be created. Also, a number of negotiations are underway with large international and Russian companies on construction of logistics and distribution centers in the Samara region.

The region should become one of the leaders in the field of investment attractiveness: such a goal is set by the governor Dmitry Azarov. According to the decree of the government of the Samara region, the Investment promotion agency is assigned the status of a specialized organization for working with investors in the "single window" mode. Now we, together with ministries, development institutions, investment sites, as well as investors, identify factors that prevent the increase in investment activity, and take measures to eliminate them. We also research investment niches in the region, look for opportunities to integrate into cooperation chains of enterprises, study the resources of the local sales market and on this basis form proposals for investors.

In addition, we find specialized investors, select partners and sites for them to be located in the region, select a set of preferences and tax benefits for them to work successfully and safely in the region. If our proposal is of interest for an investor, we are engaged in supporting his project at all stages, starting from structuring and ending with launching the plant. When an investor needs to expand production or find a supplier in the region, our cooperation with him continues also after implementation of the main project.

Taking into account, among other things, the intensive promotion of our region at investment forums and other specialized sites, we are doing everything possible to make as many people as possible be aware of the Samara Region.

Business development in the region, in turn, contributes to implementation of national projects "Small and medium-sized enterprises and support for entrepreneurial initiatives" and "International cooperation and export" in our territory.

Currently the Investment promotion agency of the Samara region is assisting in implementation of 41 projects in the amount of about 171 billion rubles. Companies that already operate in the Samara region, such as Renault-Nissan-Mitsubishi, BOSCH, DANONE, Shneider Electric, Knauf, LINDE GROUP, Valeo alliance, are confirmation of successful business in the Samara region for new investors.

22 COMPANIES ARE TOGLIATTI SEZ RESIDENTS, AND THE VOLUME OF DECLARED INVESTMENT EXCEEDS 23 BLN RUBLES

