



Investment
Development Corporation
of the Smolensk Region



CORPORATION FOR INVESTMENT DEVELOPMENT OF THE SMOLENSK REGION

● INSTITUTION FOR BUSINESS DEVELOPMENT IN THE SMOLENSK REGION

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<https://corp.smolinvest.ru/>





CORPORATION FOR INVESTMENT DEVELOPMENT OF THE SMOLENSK OBLAST

institution for business development aimed at bringing investments to the regional economy

The basic function of the Corporation is to minimize time periods and implementation costs of investors during implementation of projects:

- *To provide “one window” mode to the investors when they are dealing with state authorities, municipal authorities as well as different organizations and companies*
- *Creation of investment sites including selection of land plots with available infrastructure*
- *Assistance in communication with funds, specialized financial institutions, Russian and foreign development institutions in order to use their potential and possible support for investments on the territory of the region*
- *Organization of project teams for support and implementation of “turn-key” investment projects*
- *Creation and development of infrastructure on preferential sites (industrial parks)*
- *Management of state industrial parks “Phoenix” and “Safonovo”*

Availability of tools of the Regional Competence Center in connection with labor productivity (RCC)

CORPORATION OFFERS:



Cadastral works



Legal support



Financial planning



Accounting support



Development and registration of documents needed for obtaining permits, licenses, admissions, certificates

RCC OFFERS:

- Ways of increase of labor productivity
- Optimization of production process
- Implementation of the lean manufacturing concept
- Practical training of staff



SMOLENSK REGION

Key data of the region

BRIEF INFORMATION ON THE SMOLENSK REGION:

- Total area: 50 000 km²
- Population: 870 000 people
- GRP: 421,7 billion RUR
- Investments into main capital: 70,6 billion RUR
- Number of people involved in the economy: 502 000 people
- Amount of small and medium-sized businesses : 40 000

COMPETITIVE ADVANTAGES:

- Benefits for the investors
- Beneficial location next to the border
- Important transport and logistical hub
- Big volumes of energy availability
- Customs infrastructure
- Availability of highly qualified staff



TRANSPORT CORRIDORS OF THE SMOLENSK REGION:

East-West



A/d E30 (M-1)
"Belarus"



A/d A130
(Moscow – border
with the Republic
Belarus)



railway main line
Berlin-Moscow



Yamal-Europe
main gas pipeline

North-South



A/d P120
Orel - Rudnya -
Vitebsk (RB)



BTS-II - Baltic
Pipeline
System



railway
St. Petersburg
Novorossiysk



INVESTMENTS INTO MAIN CAPITAL

Of the Smolensk Region

National rating
of investment climate status

8th place in RF

Regional
Investment standard

- All elements of the standard have been introduced
- Has got attested by the Ministry of economic development of RF

Areas
with preferential treatment

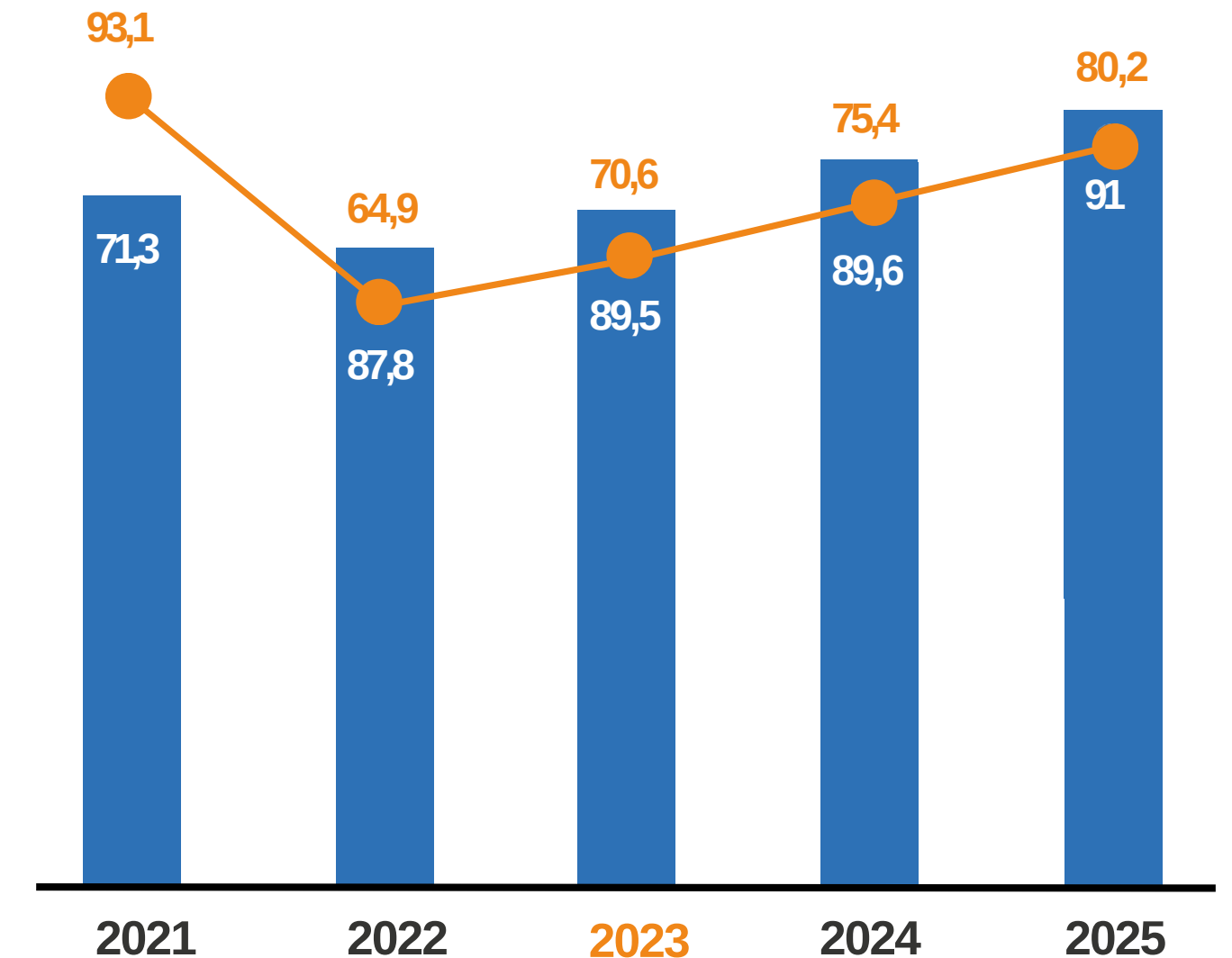
- State industrial parks «Phoenix» and «Safonovo»
- Territory of advanced development «Dorogobuzh»
- Special economic zone «Stabna»

Ways of
state support

- Tax benefits, subsidies, non-financial support
- 600 investment sites

Regional fund of
industry development

- Capitalization - 223 mln.RUR.
- Number of provided loans - 20
- Investments of companies - 460 mln. RUR.



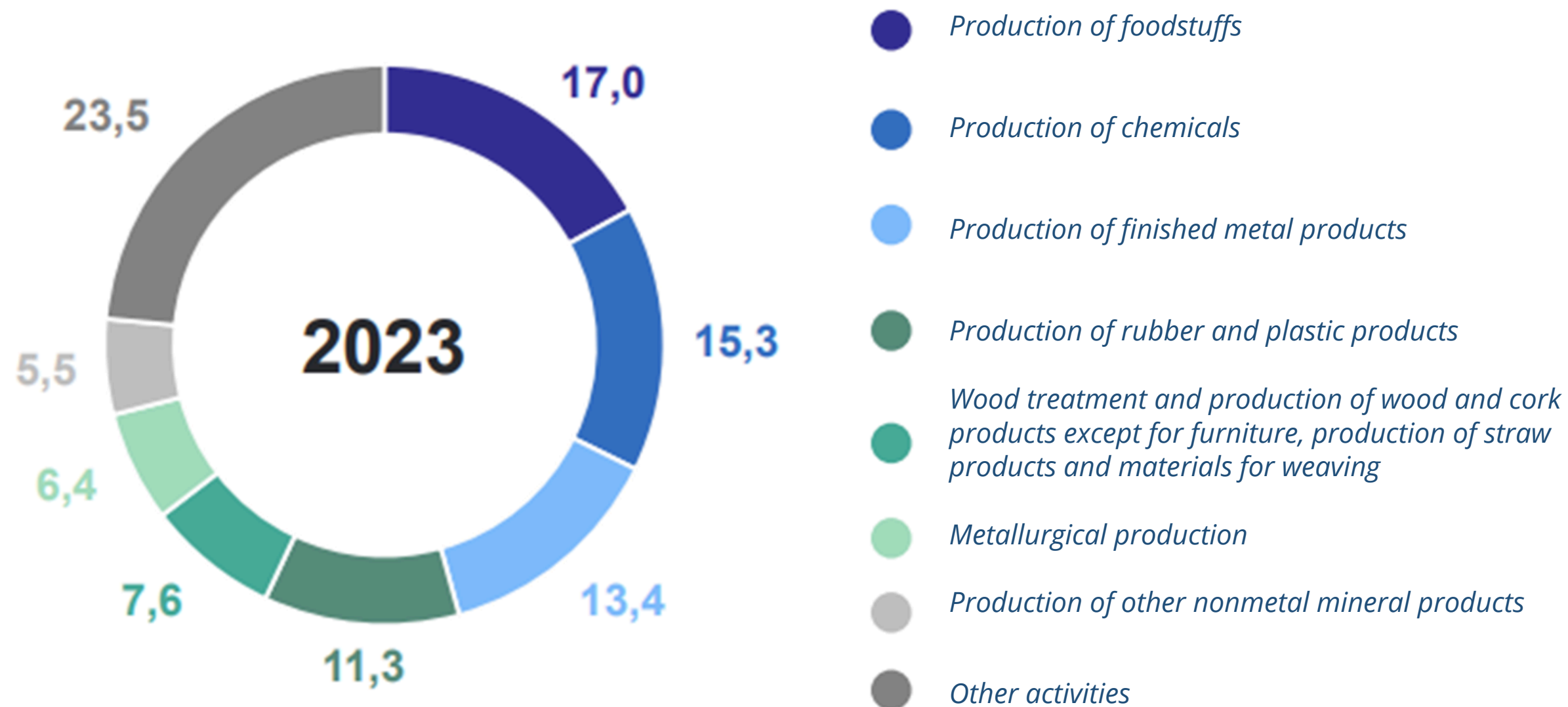
■ Volume of investments, billion RUR

● Share of private investments, %



INDUSTRIAL PRODUCTION

Year 2023 in comparison to year 2022



Volume of shipped goods, manufactured locally as well as work and services provided by processing industries
in % to the total

110,6 %

Index of industrial production

103,5 %

Production, transmission and distribution of electric power

115,3 %

Processing productions

102,8 %

Availability of electric power, gas, steam; air conditioning

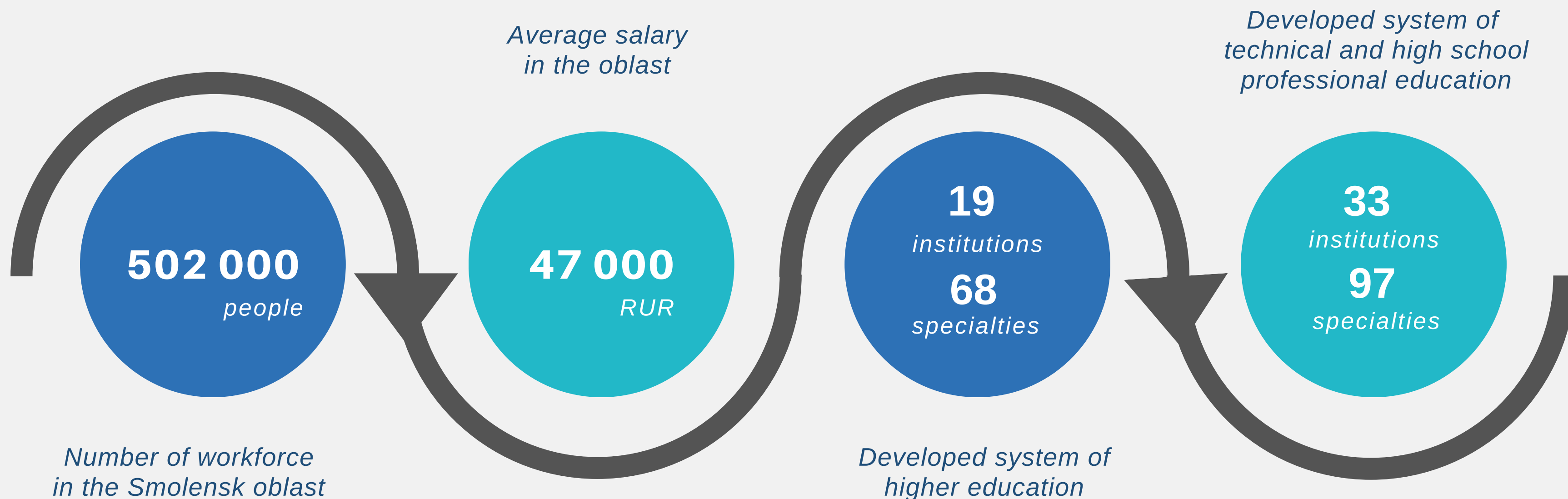
104,1 %

Intake, treatment and distribution of water



STAFF POTENCIAL

in the Smolensk oblast



**60 MLN. PEOPLE IN
THE RADIUS OF 500 KM**



TARGETED MARKETS

- *possibility to sell the manufactured products in Moscow*
- *possibility to get a land plot at the border with the Moscow oblast*

POTENTIAL CONSUMERS

- *big numbers of consumers with high income*

AREAS IN THE SMOLENSK OBLAST

with preferential conditions for business

STATE INDUSTRIAL PARK «SAFONOVO»



*2 residents
2,2 bln. RUR - investments
270 new jobs*

STATE INDUSTRIAL PARK «PHOENIX»



*12 residents
1,37 bln. RUR - investments
820 new jobs*

SPECIAL ECONOMIC ZONE «STABNA»



*3 residents
Put into operation in 2023*

TERRITORY OF ADVANCED SOCIAL-ECONOMIC DEVELOPMENT «DOROGOBUZH»



*5 residents
3,6 bln. RUR - investments
284 new jobs*

CORPORATION FOR INVESTMENT DEVELOPMENT OF THE SMOLENSK OBLAST IS A MANAGING COMPANY OF STATE INDUSTRIAL PARKS "SAFONOVO" AND "PHOENIX"

Type:
Greenfield

Put into operation:
Year 2021

Ownership type:
state

Available infrastructure:
Gas, electricity, water supply



PHOENIX

State industrial park

83,2
HA

Address:
*Smolensk oblast,
city of Smolensk
Northern area*

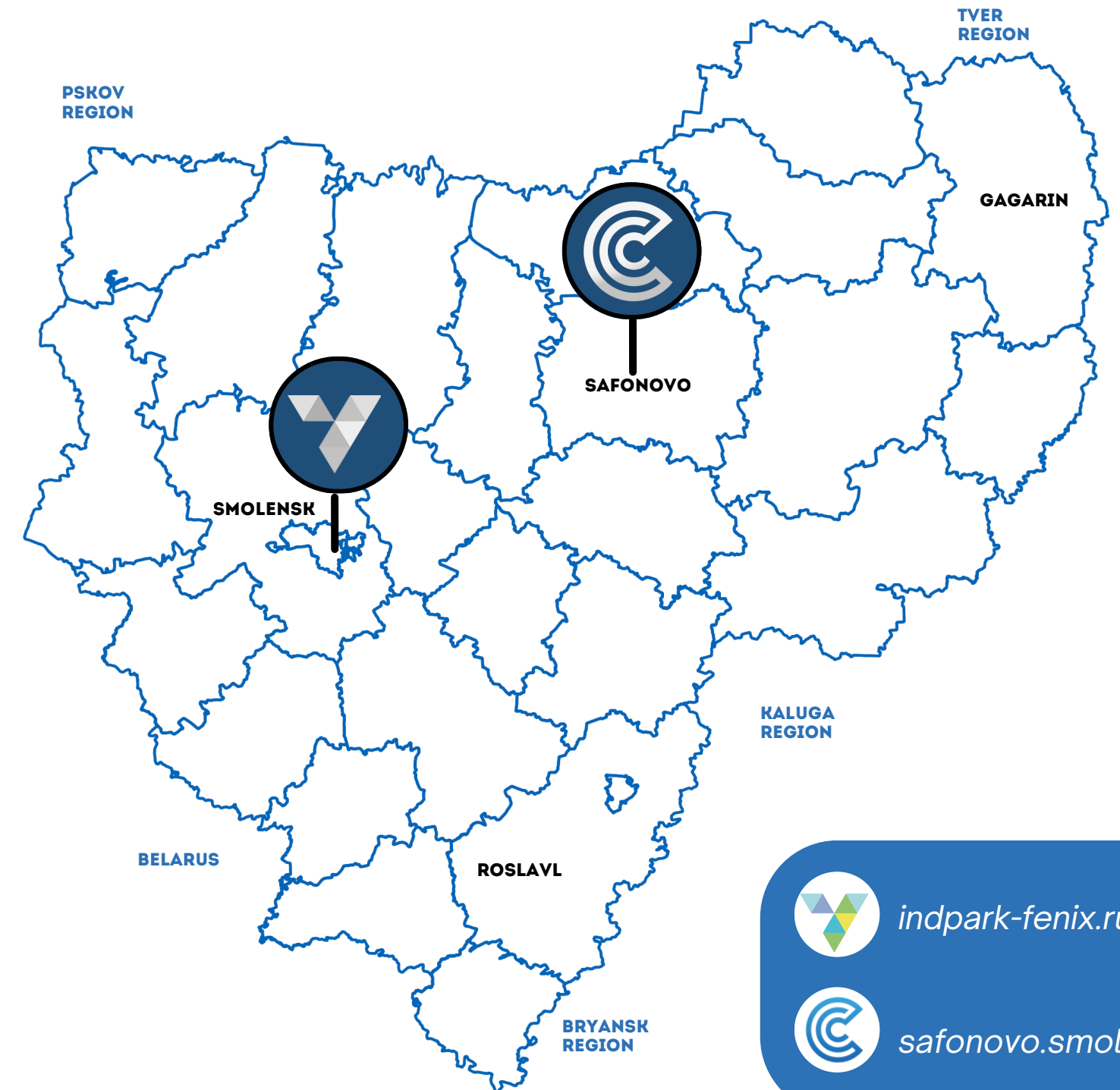


SAFONOVO

State Industrial park

130
HA

Address:
*Smolensk oblast,
city of Safonovo,
South area*



indpark-fenix.ru/



safonovo.smolinvest.ru/



PHOENIX

Description of state industrial park



83,2 ha
Total area

45,7 ha
Area for locating residents

22,25 MW
Electricity supply

1 280 m³/h
Gas supply

1 500 m³/d
Water supply

1 500 m³/d
Water removal

Type:
Greenfield

Put into operation:
Year 2021

Ownership type:
State

Hazard class:
IV – V class

Available infrastructure:
Gas, electricity, water supply

**QR-code
for video**





SAFONOVO

Description of state industrial park



130 ha
Total area

100 ha
Area for locating residents

26 MW
Electricity supply

495 m³/h
Gas supply

685 m³/d
Water supply

685 m³/d
Water removal

Type:
Greenfield

Put into operation:
Year 2021

Ownership type:
State

Hazard class:
II –V class

Available infrastructure:
Gas, electricity, water supply

**QR-code
for video**



REQUIREMENTS

To a possible resident of the industrial park "Phoenix: or "Safonovo"

01

Activities and jobs

Production which will create not less than 20 vacations per 1 ha

02

Volume of investments

Not less than 30 mln.RUR per 1 ha of area

03

Deadlines for the project

- Payback period - not longer than 7 years
- Implementation - not less than 10 years

04

Tax income

Not less than 3 mln. RUR per year per 1 ha (after reaching designed capacity)

IMPLEMENTATION PROCEDURE

How to become a resident of the industrial park "Phoenix" or "Safonovo"

Addressing the Corporation for investment development of the Smolensk oblast

Development of documents package, presentation of the project

Selection and registration of a land plot

Implementation of the project in the industrial park

BENEFITS GRANTED

Preferences for residents of the state industrial parks “Phoenix” and “Safonovo”

0 %
Transport tax
Land tax
Property tax

16,5 %
Profit tax

10 years
(validity period)

0 RUR
Land plot lease

25 %
Price of the land plot for purchasing
(of cadaster price)

- **No bidding**
- **Beneficial technological connection to the engineering network**

REGIONAL LAWS

- **dd. October 25, 2017 № 118-3** «On industrial parks on the territory of the Smolensk oblast»
- **dd. November 15, 2017 N 136-3** «On tax benefits granted to managing companies of the industrial parks as well as to the residents of the industrial parks on the territory of the Smolensk oblast»



DOROGOBUZH

Territory of advanced social-economic development

1 834 ha
Total area

328,7 ha
Area for locating residents

Type:
Greenfield

Ownership type:
State-owned

Hazard class:
I–V class

ELECTRICITY SUPPLY

- Substation Dorogobuzh 1 110/35/10, reserve 1,4 MW
- Substation Dorogobuzh 2 35/10, reserve 2,3 MW
- Design of substation ПС 110/10 size 25 MW

GAS SUPPLY

- Running and designed gas pipelines
- Available capacity within the frames of issued technical specifications $TU \sim 4,9$ thousand m^3 per hour, can be increased against request

WATER SUPPLY

Construction of own wells is required

WATER REMOVAL

Construction of own sewage treatment plants is required



QR-code to get more detailed information on the project



REQUIREMENTS

To a possible resident of the territory of advanced social-economic development “Dorogobuzh” (TAD “Dorogobuzh”)

01

Activities and jobs

Industrial production and service sector

During the first year of implementation of the investment project not less than 10 vacancies should be created

02

Volume of investments

Minimal volume of capital investments within the first year – not less than 2,5 mln. RUR

IMPLEMENTATION PROCEDURE

How to become a resident of territory of the advanced social-economic development “Dorogobuzh” (TAD “Dorogobuzh”)

To submit application and package of documents to the Ministry of Industry and Trade of the Smolensk oblast (MIT)

ПThe project committee takes decision under subject “Monotowns” on acceptance or rejection of the application

Signing Agreement on activities on the territory of TAD “Dorogobuzh”

Legal entity who has signed the Agreement is included in the Register of TAD residents established on the territories of monotowns

BENEFITS GRANTED

Preferences for residents of the territory of the advanced social-economic development “Dorogobuzh”
(TAD “Dorogobuzh”)

0 %

- Property tax
- Land tax

- No bidding on land plots for implementation of investment projects
- The rental rate for the land plot amounts to 0,01% of its cadaster price

- Beneficial taxation lasts as long as TAD status till March 2029

(The period can be extended for 5 years after decision of the Government of RF)

Profit tax

(paid to the federal budget)

0 %

1-5 years

(paid to the oblast budget)

0 %

1-5 years

10 %

6-10 years





STABNA

Special economic zone, industrial-production type



348 ha
Total area

40 MW
Electricity supply

144 Thousand m³/hour
Gas supply

NOT LIMITED
Water supply

Type:
Greenfield

Put into operation:
Year 2023

Ownership type:
private

Hazard class:
I-V class

Available infrastructure:
Gas, electricity, water

QR-code to get more detailed information on the project



REQUIREMENTS

To a possible resident of special economic zone, industrial-production type "Stabna"

01

Activities and jobs

Industrial-production activities
and (or) logistics activities

02

Volume of investments

Volume of investments is not less than 120 mln.RUR.,
out of it not less than 40 mln.RUR shall be invested into the project
within the first 3 years from the date of signing the Agreement

IMPLEMENTATION PROCEDURE

How to become a resident of the special economic zone, industrial-production type "Stabna"

Selection
of a land
plot

Development
of a business
plan

Registration
of a legal
entity

Submission of
the documents
package

Consideration
of the project

Signing of the
Agreement

BENEFITS GRANTED

Preferences for residents of the special economic zone, industrial-production type “Stabna”

0 %

Property tax

(10 years from the month which follows the month in which the property has been registered)

Transport tax

(10 years from the date when the vehicle has been registered)

Land tax

(5 years from the month when the ownership title on the land plot has been registered)

Profit tax

(taking into consideration the federal tax, is valid from the moment when the first profit has been received)

2 % *The first 7 years*

7 % *next 3 years*

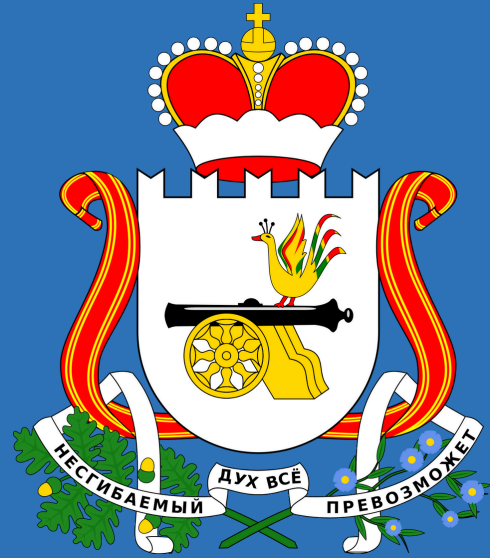
15,5 % *Up to year 2070*

0 % **VAT**
and import duty

**FREE CUSTOMS
ZONE MODE**

- Accelerated wear and tear, coefficient 2 is applied
- Accelerated procedure of costs acknowledgement on Research and Development (R&D)

- Federal tax benefits
- Regional and federal support including support of export activities



SUPPORT

from the Government
of the Smolensk oblast



Offer for rent of a federal or a municipal land plot with no bidding procedure for the purpose of implementation of a large-scale investment project.



Partial refund of the costs spent on engineering survey, design engineering, civil works, reconstruction and commissioning of infrastructure facilities as well as on connection (technical connection) to the engineering networks.



Programs of the Smolensk regional Fund for business support help the regional companies to apply for beneficial loans (with interest from 1% to 10%) to develop their businesses. The Fund also issues sureties to small and middle-scale companies for obtaining bank loans.



Lowering the profit tax rate for companies – participants in the regional investment projects, which shall be paid to the regional budget down to 10 %, to the federal budget – down to 0% for the period of 5 years
(for the parks residents this support was introduced from 01.01.2024).



Investment profit tax deduction for companies allows the investor reduce the profit tax for organizations which shall be paid to the budget of the Smolensk oblast for the amount of his capital investment into fixed assets.



Exemption from company property tax for the period up to 10 (ten) subsequent tax periods provided the investment activities take place on the territory of the Smolensk oblast.

PROGRAMS OF PREFERENTIAL LENDING

Federal Fund for industry development

Industrial mortgage

Program for beneficial financing of small and medium-sized businesses (resolution 1764)

Preferential loans for the realization of investment projects in the tourism sector (resolution 141)

Loan size

From 100 mln RUR up to 1000 mln RUR

Up to 500 mln RUR

From 0,5 mln RUR up to 2000 mln RUR

From 100 mln RUR up to 70 billion RUR

Interest rate

3%, 5%

At the key rate of the Central Bank of the Russian Federation (CBRF):

- Up to 10% (inclusive): 5%
- Above 10%: 5% + (CBRF key rate - 10%)

- 15% for small business
- 13,5% for middle scale business

From 3% up to 5%

Loan period

Up to 5 years

Up to 7 years

Up to 10 years

Up to 15 years

Loan objectives

Procurement of equipment

Construction/procurement of production sites

Construction of production sites/ procurement of equipment

Construction/reconstruction of capital construction objects, including cultural heritage objects, to accommodate:

- hotels with the category of 3 stars and above;
- multifunctional complexes

PROMISING DEVELOPMENT INDUSTRIES

*on the territory of the
Smolensk oblast*

Construction materials

Chemical industry

**Instrumentation engineering and
electrical engineering**

Food industry

Crop production
(grain and fodder crops)

Dairy production
with further milk processing

SECTOR

BASIC PREREQUISITES

Construction materials

- In the period up to year 2035 100 mln. m² of real estate is planned to be constructed in Moscow;
- In the period up to year 2035 the following facilities are planned to be built in Moscow: 20 metro stations, 72 km of lines, 125 healthcare facilities, 86 parks, 700 sport facilities, 170 schools, 320 kindergartens.

Chemical industry

- In 2022 growth in the construction segment of lacquers and paints amounted to 15-20%;
- Methane is highly demanded in chemical industry ([Transnational gas pipeline «Yamal - Europe» goes through Smolensk](#)).

Instrumentation engineering and electrical engineering

- Big manufacturers of electro technical equipment have exited from Russia;
- Sustainable growth of the market in terms of both: value and assortment.

Food industry

- Export of milled grain products by 2030 will amount to 350 mln. USD;
- Estimated production of starch of all types will amount to 530 thousand ton by 2030, starch molasses and glucose-fructose syrups - 750 thousand ton.

Crop production (grain and fodder crops)

- Availability of non-used agricultural land (more than 800 thousand ha);
- Extensive development of dairy production demands proper fodder production.

Dairy production with further milk processing

- Shortage of raw milk in the regions of Central Federal District amounts to more than 900 thousand ton per year;
- 54 thousand ton of milk, or more than 50%, is exported from the Smolensk oblast to other oblasts of the CFD.


MANAGING COMPANY OF INDUSTRIAL PARKS

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WELCOME TO THE SMOLENSK REGION!



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