

MOSCOW
REGION
DEVELOPMENT
CORPORATION

ESIPOVO INDUSTRIAL PARK

WHAT IS INVESTOR JOURNEY



1

INVESTOR



2

MRDC

The “single window”
for investors
striving to achieve
their investment
objectives

Project approval
by the Ministry of investments,
industry and science

Land plot selection

Advise on suitable government
support measures



3

CONTRACT



4

CONSTRUCTION

ESIPOVO INDUSTRIAL PARK

An industrial park with developed infrastructure and unique transport accessibility to implement the most ambitious projects

ENGINEERING INFRASTRUCTURE

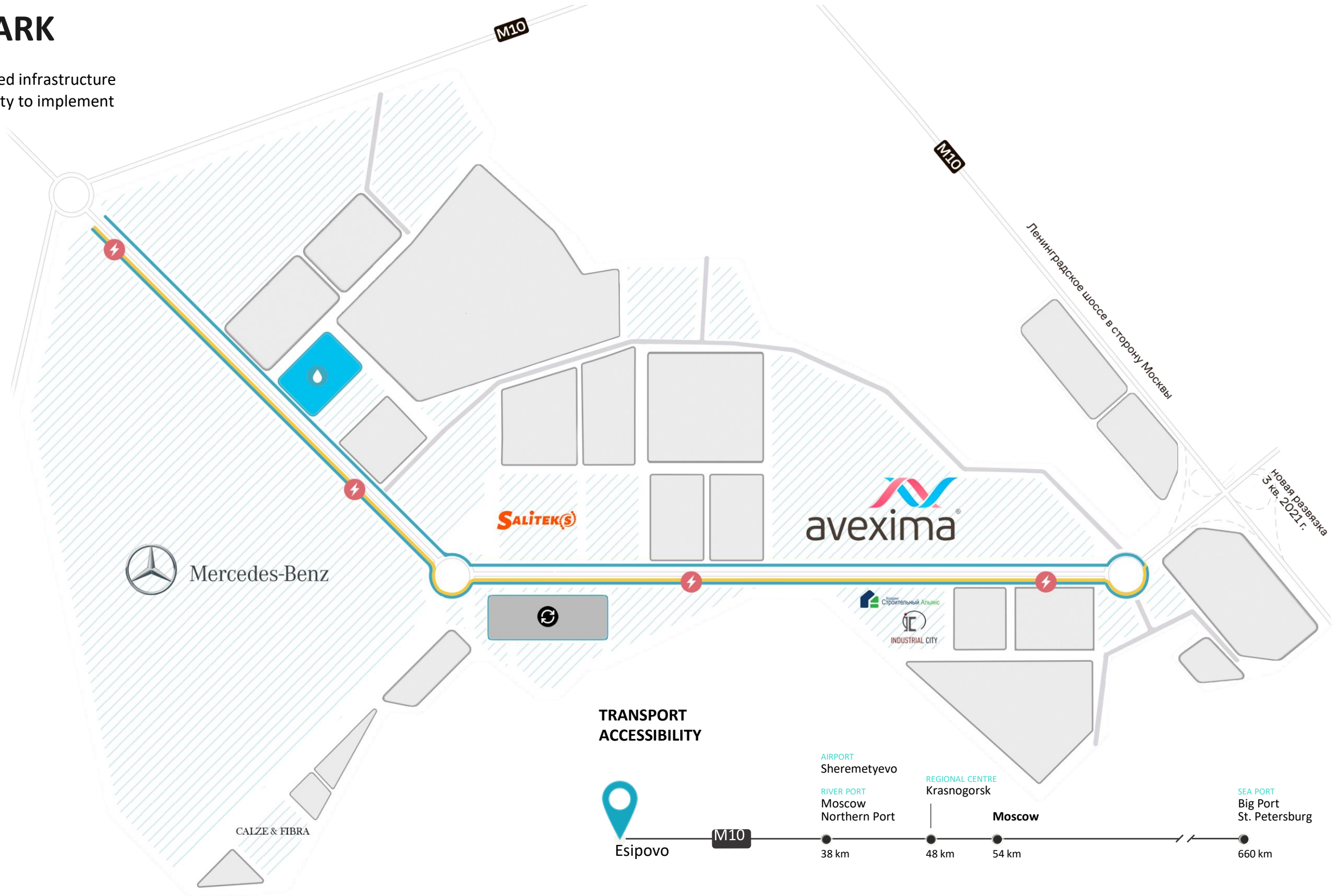
287.8 ha
total area

55 MW
electricity supply

9,000 m³/h
gas supply

4,000 m³/day
water supply

- Vacant land
- Occupied by residents
- Water intake facility
- Distribution substation
- Waste treatment facilities
- Water pipeline
- Gas pipeline



TRANSPORT ACCESSIBILITY



AUTOMOTIVE INDUSTRY IN THE PARK

Automotive industry in Moscow Region

REGION ADVANTAGES

Moscow Region is the largest transport hub and automotive market with favourable development conditions



Consumers



Transport hub

Located at the intersection of key transport routes connecting Asia, Europe and all Russian regions

11

railway lines

11

federal highways

6

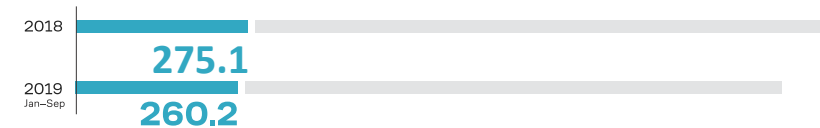
airports



New vehicle sales

thousand vehicles

● Moscow Region ● Russia



23 %

of vehicles sold in Moscow Region of total new vehicle sales in Russia for 9 months of 2019

442 k

pre-owned vehicles: 11.2% of total vehicle sales in Russia

5.4 mln

light vehicles as of 1 January 2019: 14.7% of total automotive park in Russia

11.2 k

car services as of the end of 2018: 14.7% of total spare parts market in Russia

CLUSTER ADVANTAGES

Special federal preferences for cluster participants after signing agreements with the Ministry of Industry and Trade



100% tax refund

up to 1 bln RUB

taxes paid to the federal budget: profit tax, VAT, customs payments and duties.



Expense reimbursement

Available in the following cases:

- purchase of equipment and software;
- production of pilot batches;
- payment of interests on construction loans.

KEY REPRESENTATIVES



Mercedes-Benz

Producer of premium class cars, lorries, buses and other vehicles.



GDM

Producer of cast engine blocks and gearboxes, as well as interior details, seals and brackets.



Michelin Group

Producer of tires for cars, agricultural machinery, motorbikes and aircraft. The company owns 69 plants in 19 countries.



Hino Motors

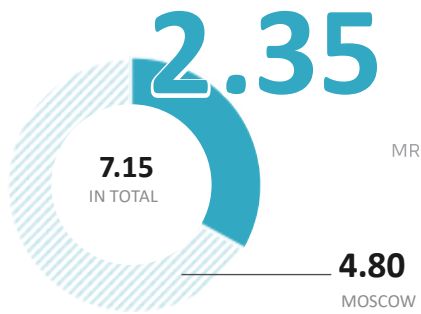
Japanese producer of lorries and buses; a Toyota branch since the 1960s.

INVESTMENT POTENTIAL

DEVELOPED ECONOMY

2nd largest economy among Russian regions. The region's economy grows 2 times faster than the whole Russian economy

Retail turnover
2019, trln RUB

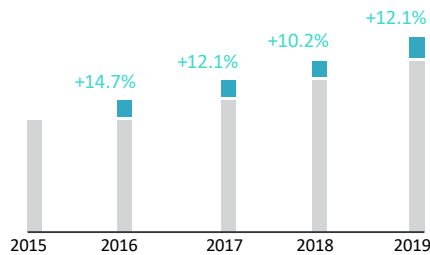


Industry

The main driver of the region's economic development. Industrial production growth rates are significantly higher than the average across Russia

MR industrial production rate
>10%

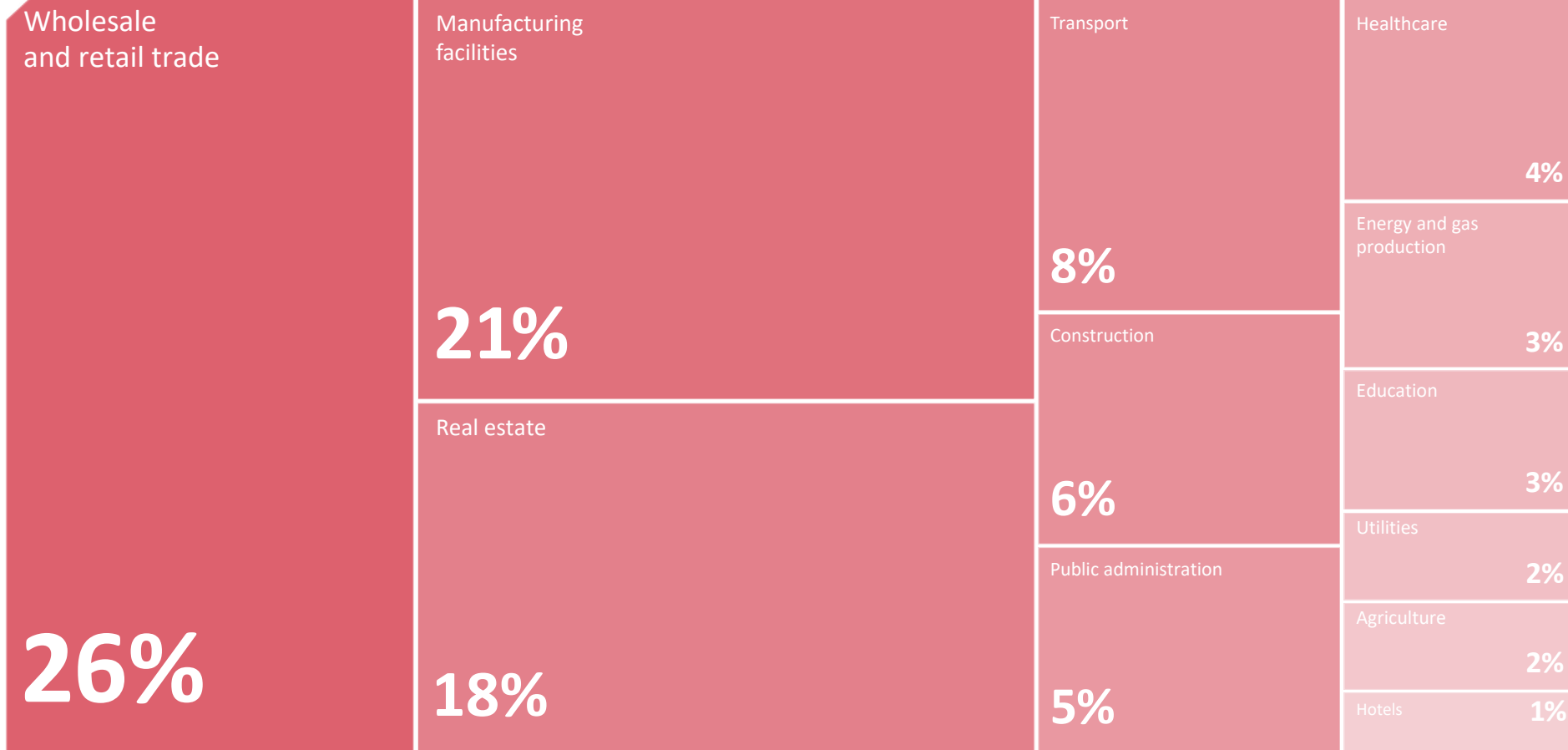
ANNUAL GROWTH



Source: Rosstat

estimates for 2019
Gross regional product in Moscow Region

4.4 TRLN RUB



INVESTMENT ACTIVITIES

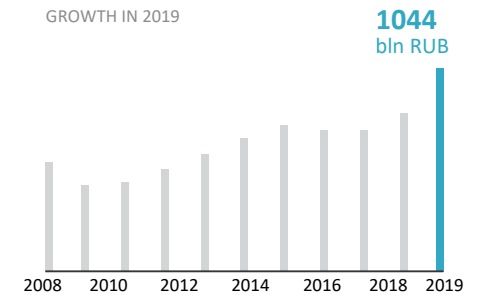
3d by volume of capital investments in the Russian Federation in 2019



Investment dynamics

+28.3%

GROWTH IN 2019



>16 BLN EUR

TOTAL VOLUME OF CROSS-BORDER INVESTMENT

Key investors

- | | |
|-------------|-------------|
| Germany | USA |
| Switzerland | Netherlands |
| France | Sweden |
| Austria | Italy |

Source: Investment Web Portal

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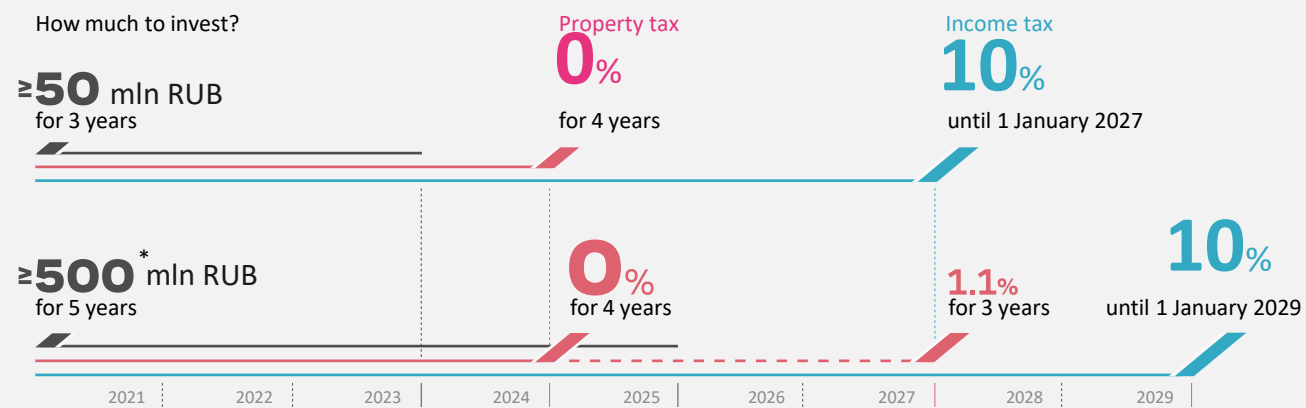
SUPPORT MEASURES FOR INVESTORS

Moscow Region gives its residents the opportunity to reduce project costs and increase its financial return after production launch

TAX BENEFITS

Regional Investment Project

Benefits for producers are granted after inclusion in the register of RIP participants



* The more investment amount, the longer the grace period

Article 26.18

Law of Moscow region №151/2004–03 dated 24.11.2004

How much to invest?

≥50 mln ₪
after the investing in the new building projects

Property tax **0%**
For 4 years

Income tax **15,5%**
For 4 years

*In accordance with Federal law № 302 dated 03.08.2018 income tax benefits expire in 01.01.2023
*The preferential rate for property tax applies to the new buildings/constructions, but not to the whole property of legal entity

Investment tax deductions

Reduced income tax until 1 January 2029 for an amount commensurate with investments*

TAX REDUCTION
≤ 10%

How much to invest?
Unlimited

Types of economic activities

- Railway and freight services, transport
- Software development (IT), data centres
- Railway leasing, transport and equipment

≥25 mln RUB

- Production of medicinal products
- Manufacture of machinery and equipment
- Manufacture of motor and other vehicles
- Provision of temporary accommodation

* Investments in 3–7 depreciation group in the current period

SUBSIDIES

For the creation of engineering infrastructure facilities

The grant is administered by the Minister of investments, industry and science of Moscow Region

GRANT AMOUNT
≤ 200 mln RUB
depends on the total investment volume and the number of jobs created

How much to invest?

≥100 mln RUB

What are the requirements?

- Registration in Moscow Region
- Creation of new high-performance jobs

What does it cover?

- Costs of connecting the land to utilities
- Water, electricity, gas, sewerage, heating
 - Local waste treatment facilities
 - Private roads and railway

! The grant can cover up to 10% of the entire project cost

PREFERENTIAL LOANS

Project financial support

Moscow Region's Industrial Development Fund offers investors preferential terms of project financing

LOAN AMOUNT

20-150 mln RUB

What are the requirements?

What is the interest rate?

EQUIPMENT PURCHASE PROGRAMME

≥30 mln RUB
Total project budget

2 %
if there is a bank guarantee

5 %
for other securities

LEASING PROJECTS PROGRAMME

≥45 mln RUB
Cost of leasing contracts

1 %

! Deadline for application consideration:
20 working days

SPECIAL ATTENTION TO SMALL AND MEDIUM BUSINESS

SMEs are provided with additional equipment grants

PURCHASE

10 mln RUB

but not more than 50%
of actual production costs

LEASING

5 mln RUB

but not more than 70%
of the actual first installment paid

