UNIQUE HISTORICAL BACKGROUND

Historically, Veliky Novgorod and Novgorod region are closely linked to Europe and Asia with commercial and cultural relations.

1st

School in Russia

Law-letter

Democratic form of government in Russia — Veche

Russian town in Hanseatic League

Trading routes ‘From the Varangians to the Greeks’, etc.
Unique Logistics

**M10 и M11**
FEDERAL HIGHWAYS

**GRP x3**
GRP GROWTH IS 3 TIMES HIGHER THAN IN THE RUSSIAN FEDERATION

**1 hr to SPB**
BY HIGHSPEED RAILROAD

**4 hr to MSK**
BY HIGHSPEED RAILROAD

**606 000**
POPULATION

**54 500 km²**
TERRITORY
GRP Structure

+2.6% average annual GRP growth rate of Novgorod Region in the past 4 years

Structure of processing industry

Chemical Industry is the most important in processing industry

- 36.5%
- 10.8%
- 9.6%
- 8.9%
- 8.0%
- 26.2%
- Other
Manufacturing Industry

2nd place in processing industry efficiency rating among territorial entities of the Russian Federation in 2017

3.27 billion USD volume of shipped goods produced in Novgorod region

100.3% index of industrial production, 31 place in Russia

Export focus of industry

30% export-GRP ratio
70% ratio of non-resource, non-energy export of the total export in 2017

Value of external trade in 2017 is 1443.8 million dollars, of which 1054.7 million dollars are accounted for by export

Regions’ ratings

53 place → 29 place
National rating of investment climate

40 place → 23 place
Rating of innovative regions of Russia

Industrial clusters

Medical and rehabilitation
Cluster of measuring instruments
Cluster of rare earth materials
Structure of Processing Industry

- Chemical industry: 32%
- Food industry: 17%
- Iron and steel industry: 10%
- Woodworking industry: 9%
- Pulp and paper industry: 6%
- Production of electrical equipment: 4%
Unique Expertise

University NTI
NovSU (Novgorod State University) unique educational programme, 100 participants in 2017

NovSU engineering center of radioelectronics prototyping
a tool for development of Novgorod region’s industry potential

NovSU and ITMO special educational project to train IT specialists

Human capital for Region’s industries

[Image of building]

Logos of OKE-PLANETA, SPLAV, and another company
Agriculture

1 place in gross collection of potatoes in the Northwest Federal District
25.1 thousand tons production of greenhouse vegetables in 2017

2 place in gross collection of vegetables in the Northwest Federal District
160.9 thousand tons production of cattle and poultry in 2017

3 place in production of cattle and poultry in the Northwest Federal District

214.9 thousand tons production of potatoes in 2017
Special Conditions for Investment Projects

Monetary methods of stimulation
Status of priority or strategic project depends on the volume of capital investments

13,5 % profit tax
Strategic projects 1.2 - 23 million USD

50 % allowance for transport tax
Priority projects 0.8 - 7.6 million USD

0 % property tax
Strategic projects in agriculture 0.8 - 3.8 million USD

Strategic projects in dairy and meat production 0.5 - 2.3 million USD

Depending on the population of the municipal area
Novgorod Region is the Choice of Foreign Investors

Novgorod region was the first to enter the market of foreign investments.

Since 1996, more than 12 billion USD of foreign investments have been directed to the region’s economy.

- Manufacturing of particleboard and cabinet furniture
- Manufacturing of chewing gum and candies
- Production of planed materials
- Manufacturing of trailers for trucks
- Plywood
- Flexible packaging
- Household chemicals
Priority Lines and Areas for Investment

TOURISM
LOGISTICS CENTERS
AGRICULTURE
PROCESSING INDUSTRY

SCIENCE-DRIVEN PRODUCTION
PEAT EXTRACTION AND PROCESSING
FOOD PROCESSING
CHEMICAL INDUSTRY
Creation of PSEDA

Notation Keys:
- A positive decision to create PSEDA
- Administrative center of a single-industry city

<table>
<thead>
<tr>
<th>Taxes and Fees</th>
<th>First 5 years</th>
<th>Next 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit tax paid into the Federal budget</td>
<td>0 % (Instead of 3 %)</td>
<td>3 % (Вместо 3 %)</td>
</tr>
<tr>
<td>Profit tax paid into the Regional budget</td>
<td>5 % (Instead of 17 %)</td>
<td>10 % (Вместо 17 %)</td>
</tr>
<tr>
<td>Property tax paid into the Regional budget</td>
<td>0 % (Instead of 2.2 %)</td>
<td>1.1 % (Вместо 2.2 %)</td>
</tr>
<tr>
<td>Land tax</td>
<td>Exemption from tax is possible</td>
<td></td>
</tr>
<tr>
<td>Social contributions</td>
<td>7.6 % (instead of 30 %) during next 10 years</td>
<td></td>
</tr>
</tbody>
</table>
Creation of Investment Infrastructure
# Taxes for Residents of Industrial Parks and Business Incubators

<table>
<thead>
<tr>
<th>Tax for</th>
<th>Corporate Property Tax</th>
<th>Corporate Profit Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Companies and Residents of Industrial Parks</td>
<td>0% for 10 years starting from the date of the status designation (agreement execution)</td>
<td>13.5% for 10 years starting with the tax period during which the profit was received</td>
</tr>
<tr>
<td>Managing Companies and Residents of Regional Industrial Locations</td>
<td>0% for 5 years starting from the date of the status designation (agreement execution)</td>
<td>13.5% for 5 years starting with the tax period during which the profit was received</td>
</tr>
<tr>
<td>Managing Organizations and Residents of Technological Parks</td>
<td>0% for the period of holding the resident status starting from the agreement execution date</td>
<td>13.5% for the period of holding the resident status</td>
</tr>
<tr>
<td>Residents of Business Incubators</td>
<td>0% for the period of holding the resident status starting from the agreement execution date</td>
<td>13.5% for the period of holding the resident status</td>
</tr>
</tbody>
</table>
Science-driven Industries for Partnership

Radioelectronics

Production of Medical Rehabilitation Equipment

Energy Usage Control
Tourism Potential

406 thousand tourists per year

37 UNESCO monuments

1 million + visitors per year

NOVGOROD KREMLIN ‘DETINETS’

STARAYA RUSSA RESORT MUD THERAPY

HOTEL ‘PARK INN VELIKY NOVGOROD BY RADISSON’
Companies with Austrian Capital

5 companies with Austrian capital registered in Novgorod region.

Among them:

- **Allianz**: Insurance activity
- **Quehenberger**: Wholesales of materials and goods for building
- **Hasslacher Norica Timber**: Production of planed materials
- **APV**: Public opinion investigation
Partnership in Medical Education

Novgorod State University (NovSU) is a partner of Austrian medical schools

WIENER SCHULE FÜR OSTEOPATHIE

INTERNATIONALE AKADEMIE FÜR PHYSIOENERGETIK
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