

# ASTRAKHAN REGION



# Special Economic Zone «LOTUS»





The Government of Russian Federation took the decision to create a Special Economic Zone of industrial-production type in the Astrakhan region

SEZ total area: **9.8 sq. km.**  
Including free area of **8.3 sq.km.**

**Special Economic Zone**  
**«LOTUS»**



## THE GOVERNMENT OF THE RUSSIAN FEDERATION

GOVERNMENT DECISION

18 November, 2014 № 1214

Moscow

**On setting up special economic zone  
of industrial type in the territory  
of the municipality «Narimanovskiy district»  
of Astrakhan region**

According to the Federal Law «On Special Economic Zones in the Russian Federation» the Government of the Russian Federation **d e c r e e s**:

1. To set up a special economic zone of industrial type (hereinafter - special economic zone) in the territory of the municipality «Narimanovskiy district» of Astrakhan region on a land plot as defined in the agreement on setting up the special economic zone.
2. To take note of the Astrakhan Region Government's proposal on the construction of innovation, engineering, transport, social and other infrastructure of special economic zone at the expense of the Astrakhan region budget of at least 2455.2 million rubles.
3. The Ministry of Economic Development of the Russian Federation on behalf of the Government of the Russian Federation to conclude the agreement with the Astrakhan Region Government and administration of the municipality "Narimanovskiy district" on setting up special economic zone.

Prime minister  
Of the Russian Federation

D. Medvedev

Investments in the construction of infrastructure facilities reaches more than **419 million USD**



## 7 reasons to invest into SEZ "LOTUS"

Situated in one of the most dynamically developing regions of Russia

Provides unique opportunities to participate in Caspian offshore projects

World class infrastructure

Low cost of land plots

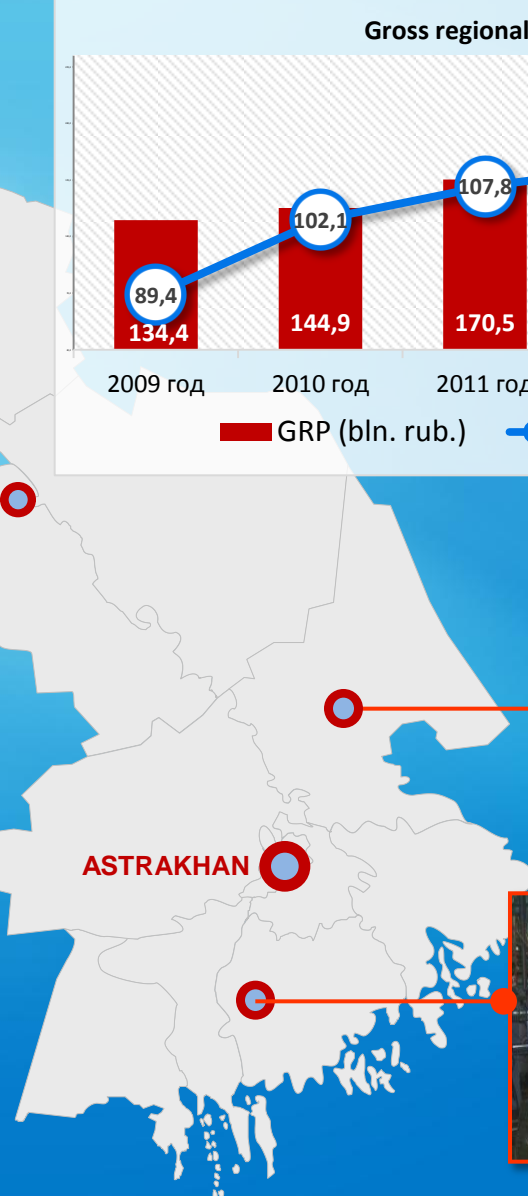
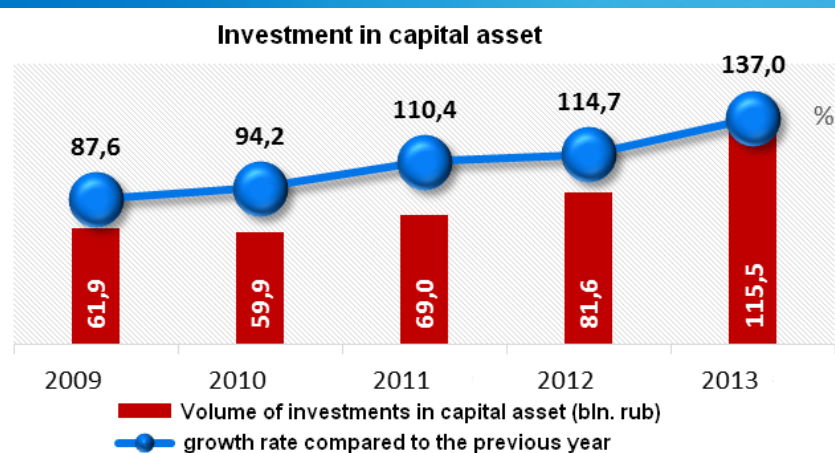
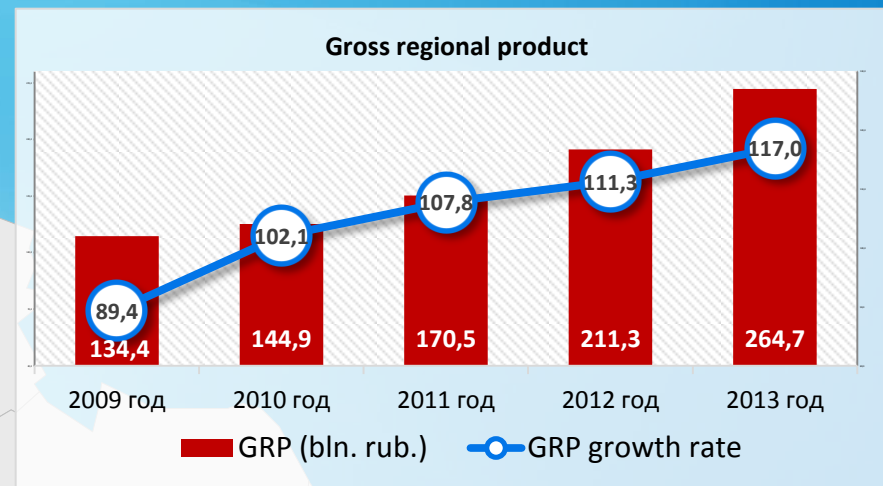
Tax and customs concessions

Business-friendly administration

Comfortable business environment



## MACROECONOMIC SUMMARY





## EXPERIENCE OF THE REGION IN IMPLEMENTATION OF LARGE INVESTMENT PROJECTS ON CONSTRUCTION OF THE CASPIAN SHELF EXPLORATION FACILITIES AND MECHANISMS

Self-elevating platform  
"Kaspiyskiy Buriyshchik"  
Customer – "Yantai Raffles"  
company



Ice-resistant fixed platform No1 (LSP-1)  
for Filanovsky field  
Customer – OJCS "LUKOIL"



Dry-cargo vessel of RSD-49 project  
Customer – "Ankor" LLC





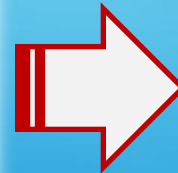


## PROSPECTS IN IMPLEMENTATION OF LARGE INVESTMENT PROJECTS ON CONSTRUCTION OF THE CASPIAN SHELF EXPLORATION FACILITIES

**At present Astrakhan ship-building enterprises are engaged in constructing activities of oil fields facilities**



In Russian offshore sector of the Caspian region



In offshore sectors of Turkmenistan and Kazakhstan



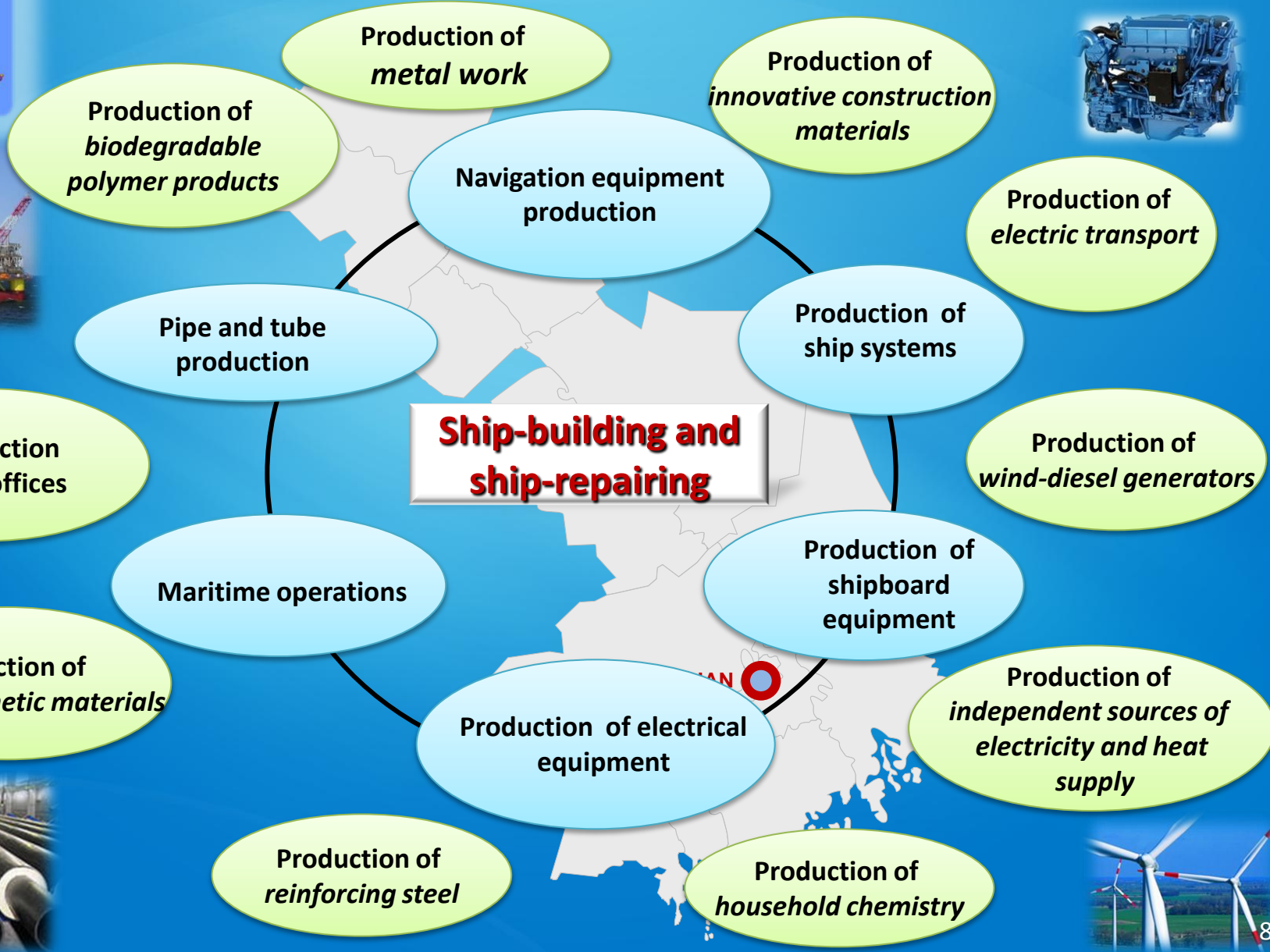
# QUALITY OF ASTRAKHAN SHIP-BUILDING INDUSTRY



- It is acknowledged by Russian and international classification societies and regulatory authorities:
  - Russian Maritime Register of Shipping
  - Russian River Register
  - American Bureau of Shipping
  - Norwegian Classification Society
  - Bureau Veritas
  - Lloyd's (Britain and Germany)
  - Rostechnadzor



SEZ AREAS OF ACTIVITY





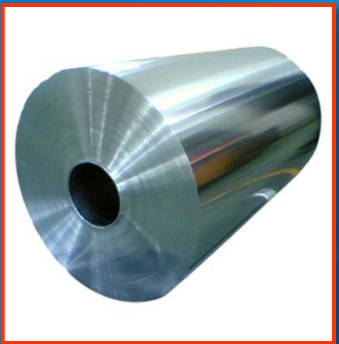


## ORGANIZATION OF CONSTRUCTION MATERIALS MANUFACTURING



Materials for shipbuilding:

- Rolled metal products of shipbuilding steel
- Aluminium alloys
- Plastic materials
- Fiberglass



## ORGANISATION OF MANUFACTURING OF SHIPBUILDING EQUIPMENTS, ELECTRICAL EQUIPMENTS, MARINE SYSTEMS AND RADIO NAVIGATION AIDS



Shipbuilding enterprises of the region require:

- Propulsion units
- Deck cranes
- Diesel engines, refrigerator vessels
- Bow thrusters
- Winches
- Electric fans
- Pumping equipments
- Cargo-handling equipments

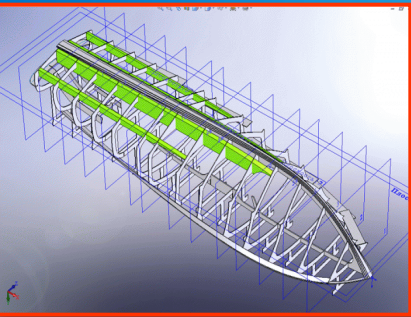




## SHIP DESIGN (DESIGN OFFICES)



10 large shipbuilding enterprises operate in the region. Companies of central and western parts of Russia are engaged in ship design. Construction design offices in the region provide improving of clustering processes of shipbuilding.



## NAVAL OPERATIONS (ORGANIZATION OF LOGISTICS CENTER)



Shipbuilding requires following logistics services:

- Delivery of materials and raw products.
- Transporting of finished objects.
- Selection of best routes for transporting of completed ships

## PROJECT MANAGEMENT



Implementation of shipbuilding projects requires following:

- feasibility study of projects;
- investment design;
- organizational and technical scheduling of shipbuilding;
- scheduling, resource planning and management of shipbuilding projects;
- production assets management;
- logistics.

## THE SEZ TERRITORY ZONING



Residential area for 50000 people  
Total floor-space is 1000000 sq.m.  
6 kindergartens  
3 schools  
1 hospital  
1 shopping mall with a cinema  
1 sport and recreation center

### Administrative and business zone

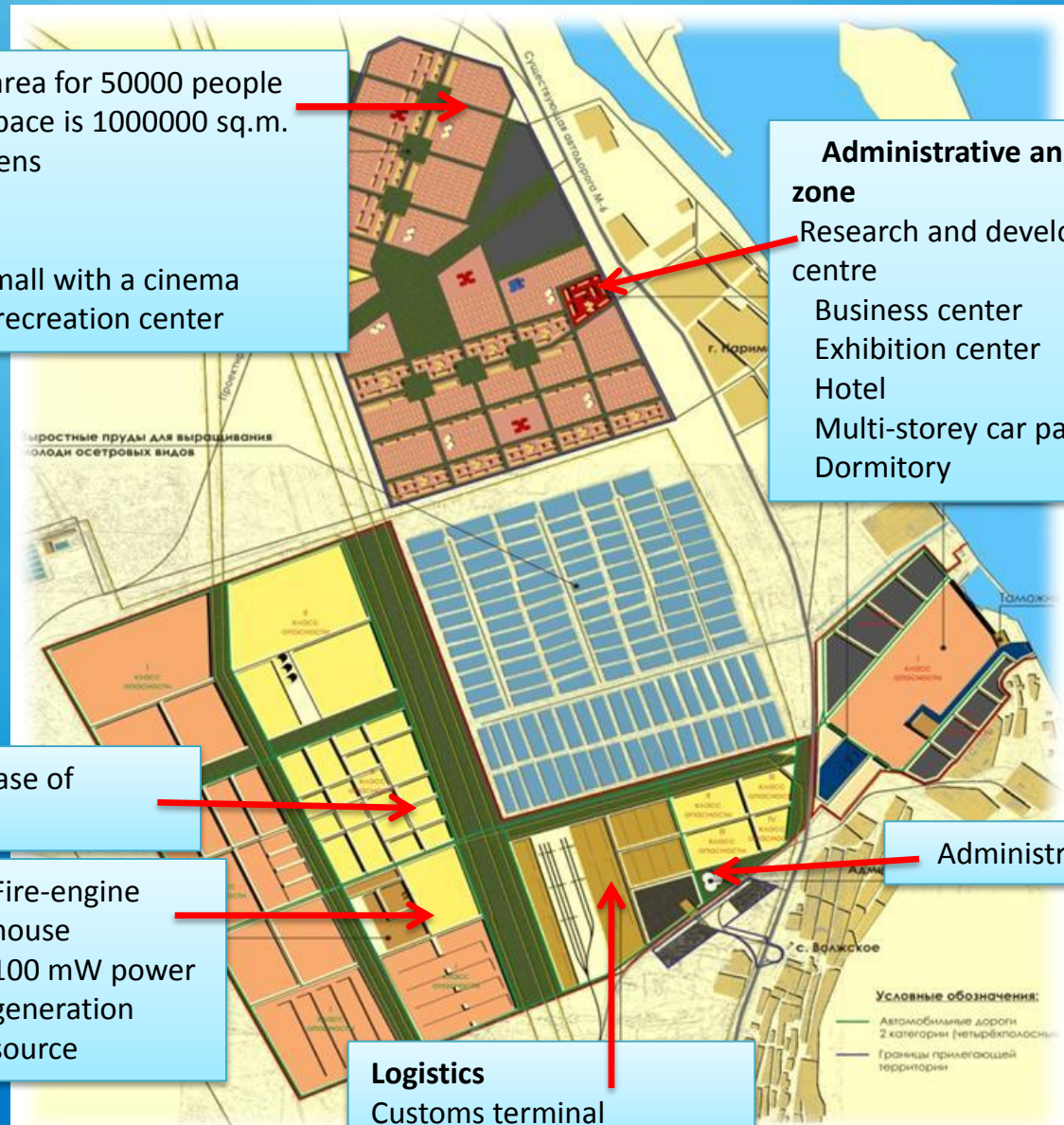
Research and development centre  
Business center  
Exhibition center  
Hotel  
Multi-storey car parking  
Dormitory

Production and operation base of engineering systems

Fire-engine house  
100 mW power generation source

Logistics  
Customs terminal

Administrative center







## Land plots have access to:

Rail roads

Mooring berth

Motor roads

Gas supply system

Electricity

Heating

Water supply

Sewage

IP telephony

High-speed Internet



***Up 90% saving for investors (no need to invest in creating infrastructure)***



# LOGISTIC CAPABILITIES OF SEZ



RAIL LINE



HIGHWAY SERVICE



Marine AND RIVER PORTS

SEZ

ASTRAKHAN

Air service





## FLIGHT CONNECTION

**5 daily Astrakhan-Moscow-Astrakhan flights**

**Flight duration - 2 hours 10 minutes**

**40 minutes of drive from the airport**

**Direct flights are organized to Saint Petersburg, Nizhny Novgorod, Sochi, Mineralnye Vody, Krasnodar, Kazan, Aktau, Istanbul, Barcelona, Saloniki, Bangkok**

ASTRAKHAN 





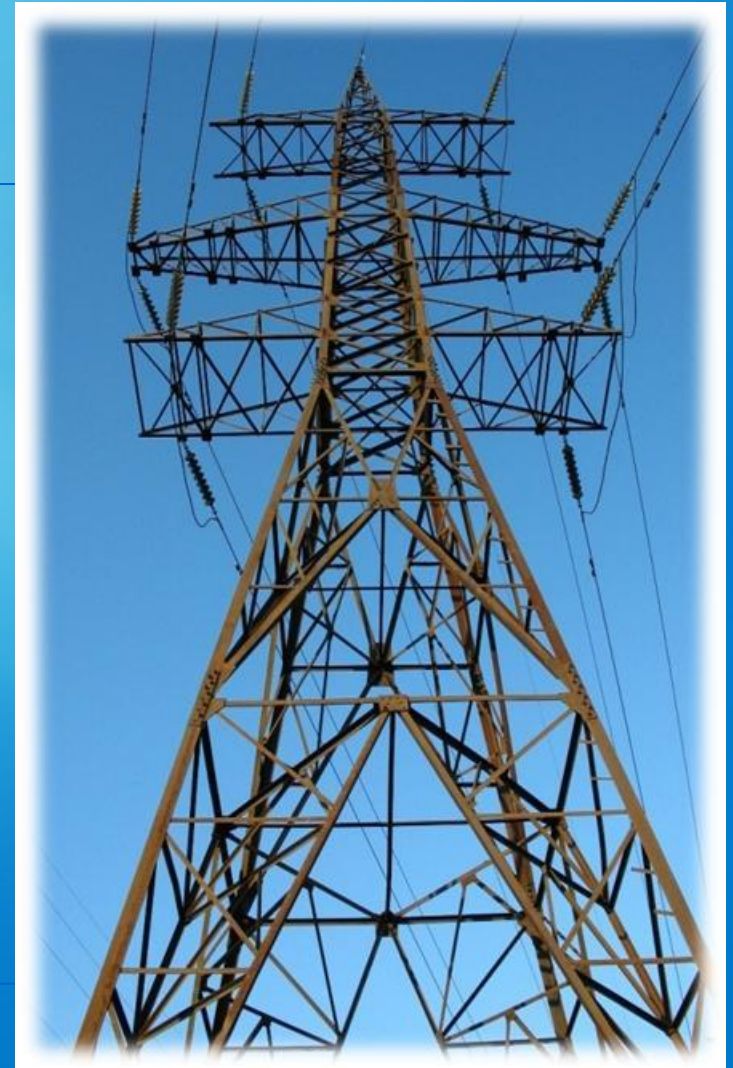
## FREE CONNECTION TO ELECTRIC POWER SUPPLY SYSTEM

Cost of connection to electric power supply system:

Moscow – 0,7 mln. USD/1 megawatt

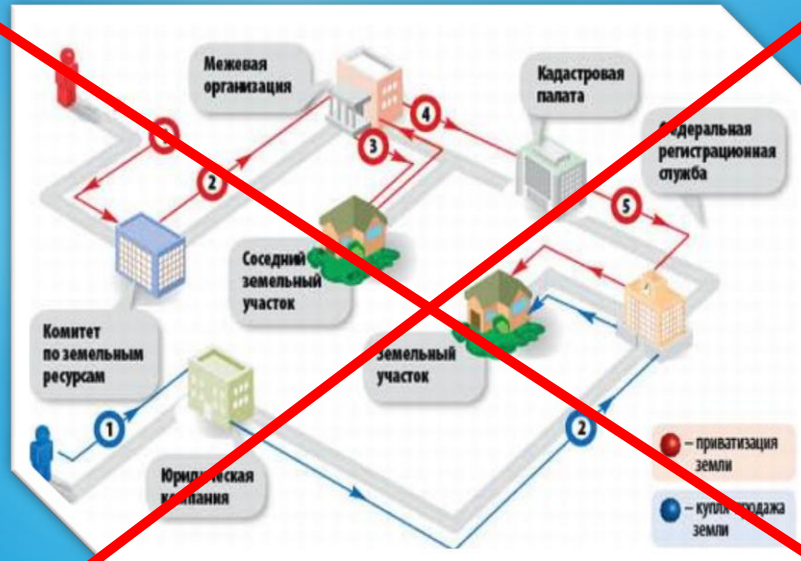
Astrakhan Region – 0,2 mln. USD/  
1 megawatt

**SEZ “LOTUS” - free of charge.**

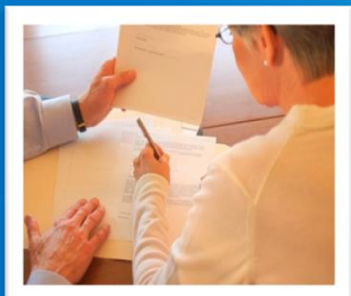




All land plots are duly registered in strict correspondence with the Russian legislation for allocation of Industrial Objects and are ready for lease or sale



Works on vertical planning will be carried out. All the land plots will be prepared for allocation of industrial objects .



Time saving of project launch is from 3 to 6 months





## Tax benefits

**For SEZ residents:**

**Outside SEZ:**

Tax on profits

**2%**

**20,0%**

Property Tax

**0%**

**2,2%**

**For 10 years  
from the date of property registration**

Land Tax

**0%**

**1,5%**

**For 5 years  
from the date of registering land  
Plot property rights**

Transport Tax

**0%**

**up to 150  
rubles  
per 1 hp**

**For 10 years  
from the date of vehicle registration**





**Acts of the RF legislation on taxes, impairing investors rights are not applicable**

**The SEZ residents can practice mechanism of accelerated depreciation of investment outlay (depreciation factor -2).**

**The average of cost savings for the residents as a result of tax exemption is equal to 15%.**

ASTRAKHAN

A white outline map of the Astrakhan Region is shown against a blue background. A red circle with a white center is placed over the city of Astrakhan, which is labeled in red text below it.



## Free Zone Regime

Foreign goods (equipment, raw materials, components) are allocated and used within SEZ territory

0% customs duties

0% VAT

Export of the goods outside SEZ\*

0% customs duties

0% VAT

Customs Terminal is equipped with high tech equipment, providing for maximum reduction of time for customs clearance procedures:  
**Customs clearance takes 3 hours**

**Complex security system consisting of closed circuit television system, security lighting and security alarm**

**Warehouses and container platforms for open storage**

\* Outside customs union: (Russia, Kazakhstan, Belorussia)

## ESTABLISHMENT OF FAVOURABLE ENVIRONMENT FOR ADMINISTRATION



### Administrative mode and “single window” system

- ❖ Receiving a complex of state services in one place;
- ❖ Opportunity to submission and withdrawal of documents and their approval in electronic form;
- ❖ Investors are provided with continuous access to the information on the processing stage of the submitted documents and the managing decisions made on their basis.

**Term of paperwork  
is reduced  
to 5-30 days.**







## Comparison of traditional investment opportunities and investment opportunities of SEZ «LOTUS»

### Investment

Investment volume

100%



80%



-Lack of investment in infrastructure  
-No customs payments for import of investment objects



outside the SEZ

within the SEZ

### Production

Manufacturing expenses

100%



80%



- Reduced utility tariffs  
- Tax exemption  
- No import customs duties for raw materials, material



outside the SEZ

within the SEZ

### Result

Profits

-Low rate of income tax  
- Cost savings as a result of accelerated depreciation

80%



100%

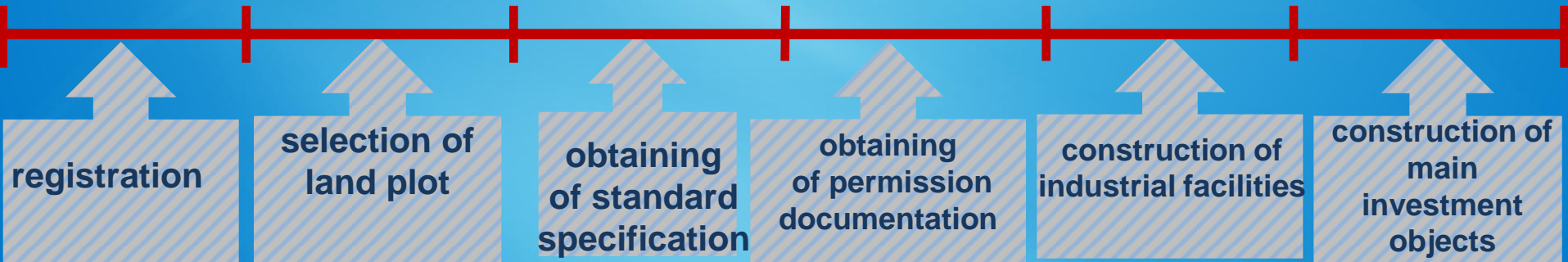


outside the SEZ within the SEZ

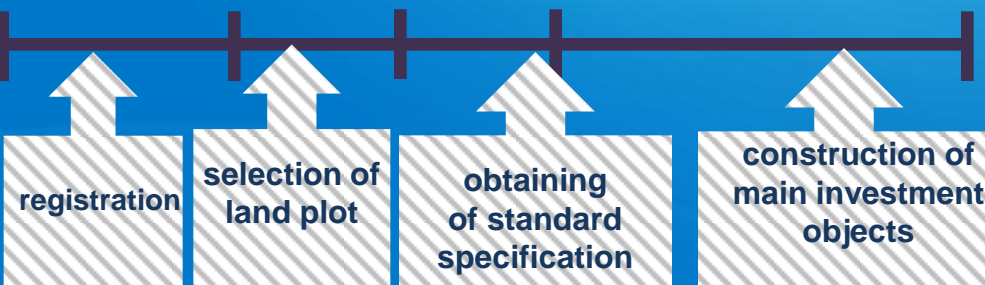


# The duration of investment projects launch

## STANDARD STARTING TIME OF PROJECTS



## Duration of project implementation within the SEZ

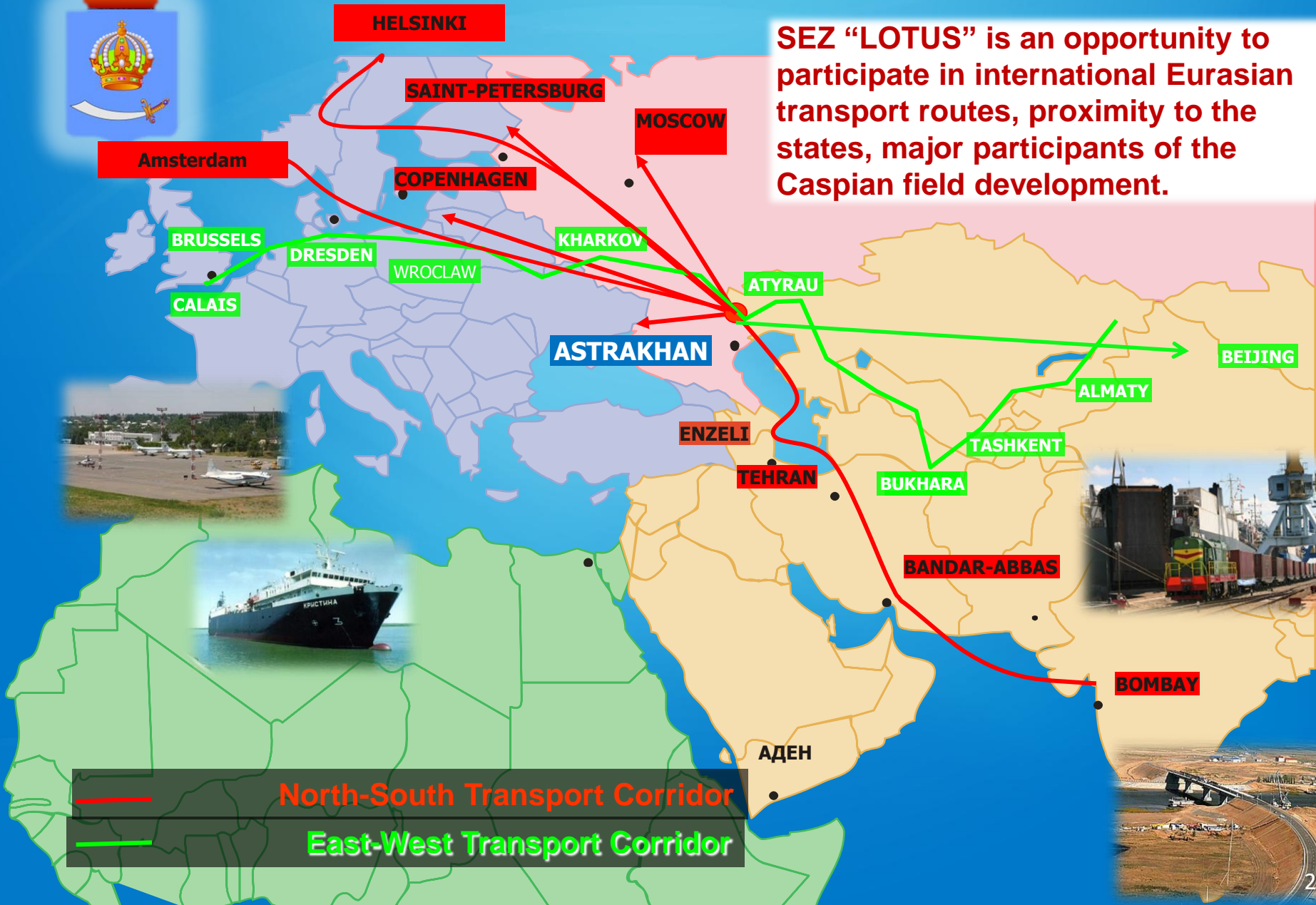


Save up to 50% of the time you start the project

# АСТРАХАНСКАЯ ОБЛАСТЬ



**SEZ "LOTUS" is an opportunity to participate in international Eurasian transport routes, proximity to the states, major participants of the Caspian field development.**





## COMFORTABLE ENVIRONMENT FOR BUSINESS



Culture



Healthcare



Sport





Total volume of investments is **more than 461 million USD.**

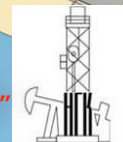
Contracts with **17 large companies**, ready to place their production facilities in SEZ "LOTUS" are already **signed.**



SERENA TECHNOLOGY LIMITED



НПО "ФЕРРИТ"  
Мы создаем будущее



ThyssenKrupp

ТРАНС Ойл  
ТЕРМИНАЛ

LIEBHERR



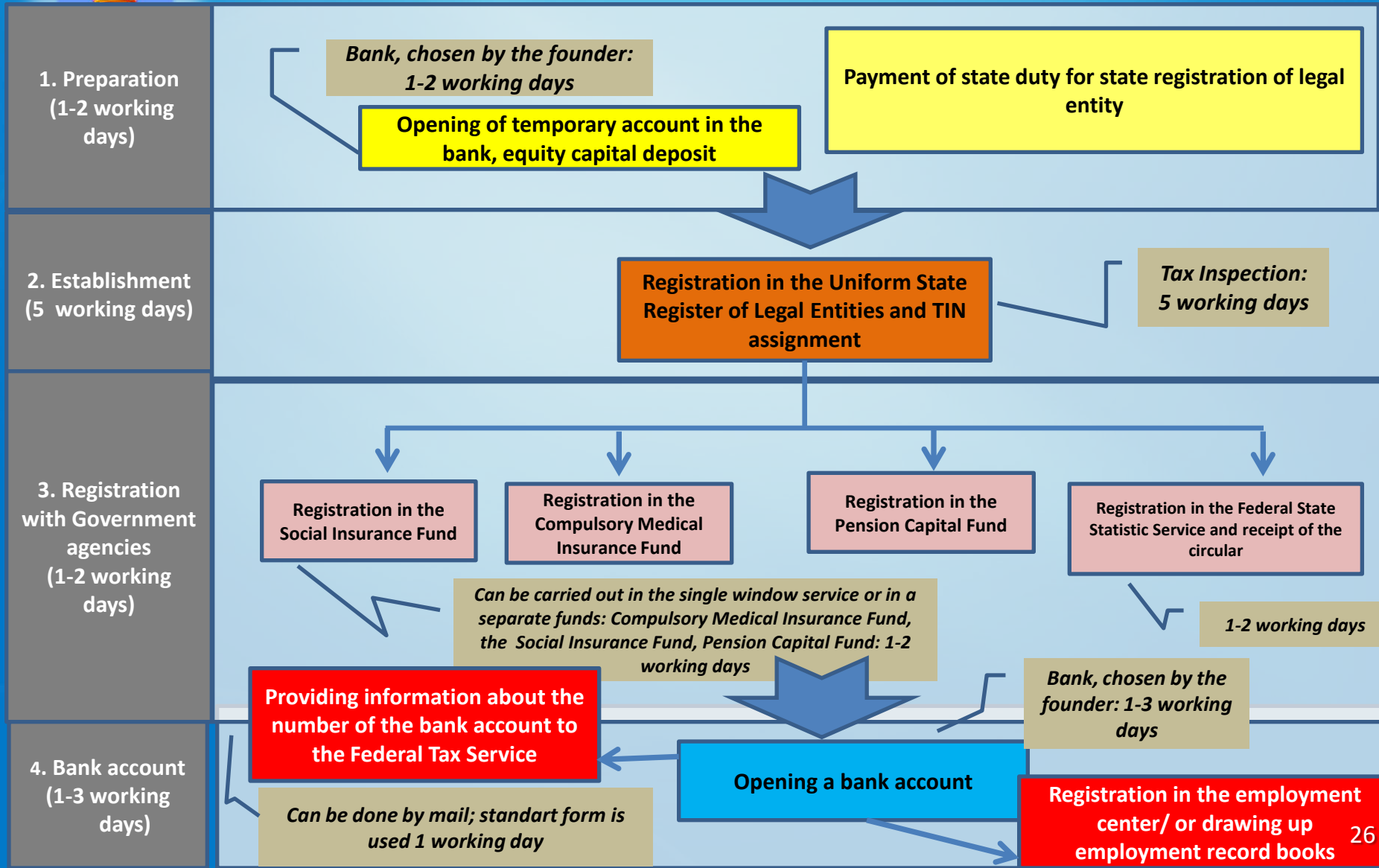
DAMEN

ADOPEN

UMITAS

## Becoming a SEZ resident.

### Step 1 - REGISTRATION OF LEGAL ENTITY





## Step 2 – TO OBTAIN THE SEZ RESIDENT STATUS



A candidate submits application to obtain the status of resident, business-plan and a set of the necessary documents to a branch of OJSC “SEZ”.

3 days



The project is considered by the Board of Supervisors.

3 days



The project is considered by the Ministry of Economic Development of the Russian Federation

3 days



The project is considered by the Expert Council of the Ministry of Economic Development of the Russian Federation

30 days



Ministry of Economic Development of the Russian Federation concludes an agreement on activities in the SEZ with the applicant for residency

3 days



Ministry of Economic Development of the Russian Federation issues a SEZ resident certificate certifying the registration of a person as a resident of SEZ



## ADVANTAGES OF PRODUCTION LOCATION IN THE TERRITORY OF SEZ "LOTUS"



**Comfortable business environment**



**Comfortable transport infrastructure**



**Ready land plots**



**Engineering infrastructure availability**



**Social infrastructure availability**



**Tax benefits and preferences**





# WELCOME TO SEZ “LOTUS”!



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