



Severstal



Investment potential of Cherepovets

2017



CHEREPOVETS IS A PRIORITY SOCIAL AND ECONOMIC DEVELOPMENT AREA

Ministry of Economic Development of the Russian Federation provides the status of a Priority social and economic development area for single-industry towns. It involves the establishment of a special tax regime for businesses for 10 years.

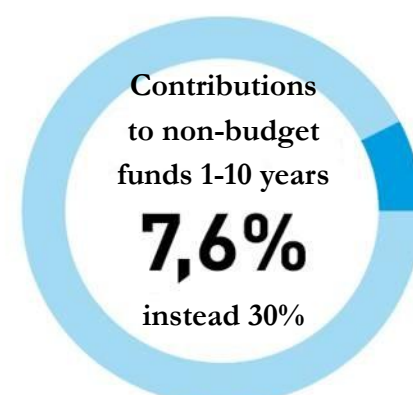
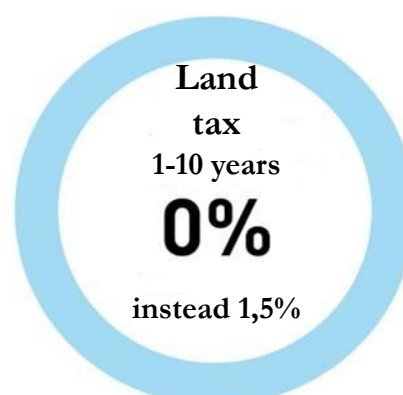
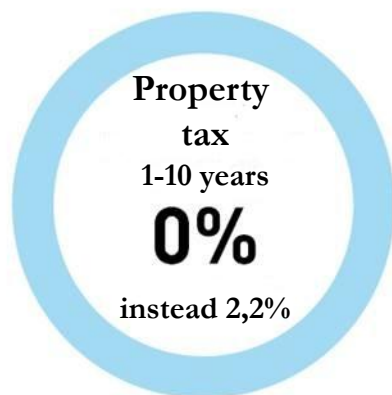
GOALS :

Formation of an enabling environment to attract investment, to ensure the accelerated development of the economy and creation of favorable conditions for the population.

WHO CAN BECOME A RESIDENT?

A resident of a Priority social and economic development area can become any enterprise developing its business in Cherepovets with an investment of no less than 20 million rouble within 10 years and creation of minimum 20 jobs within 1st year.

TAX RELIEFS:





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Cherepovets
Investment
agency



АГЕНТСТВО ГОРОДСКОГО
РАЗВИТИЯ

Investment potential of Cherepovets:
On municipal entity

CHEREPOVETS IS THE LARGEST INDUSTRIAL CENTER OF THE NORTH-WEST OF RUSSIA



ADVANTAGES OF THE CITY:



FAVOURABLE
LOGISTICS



PREFERENCES
FOR INVESTORS



SKILLED
PERSONNEL



TRADITIONS
OF AN INDUSTRIAL
CITY



ONGOING
PRODUCTIONS



ECONOMIC
DEVELOPMENT

CHEREPOVETS RANKING:

 **РБК** : 12 place

«The fastest growing cities ranking», 2015

Forbes : 13 place

«30 best cities for business in Russia», 2013





MAIN ECONOMIC, SOCIAL AND GEOGRAPHIC FACTORS

122 km

CITY AREA

319
thousand

POPULATION

130 billion

CAPITAL INVESTMENT IN
THE LAST 5 YEARS, ROUBLE

600 km

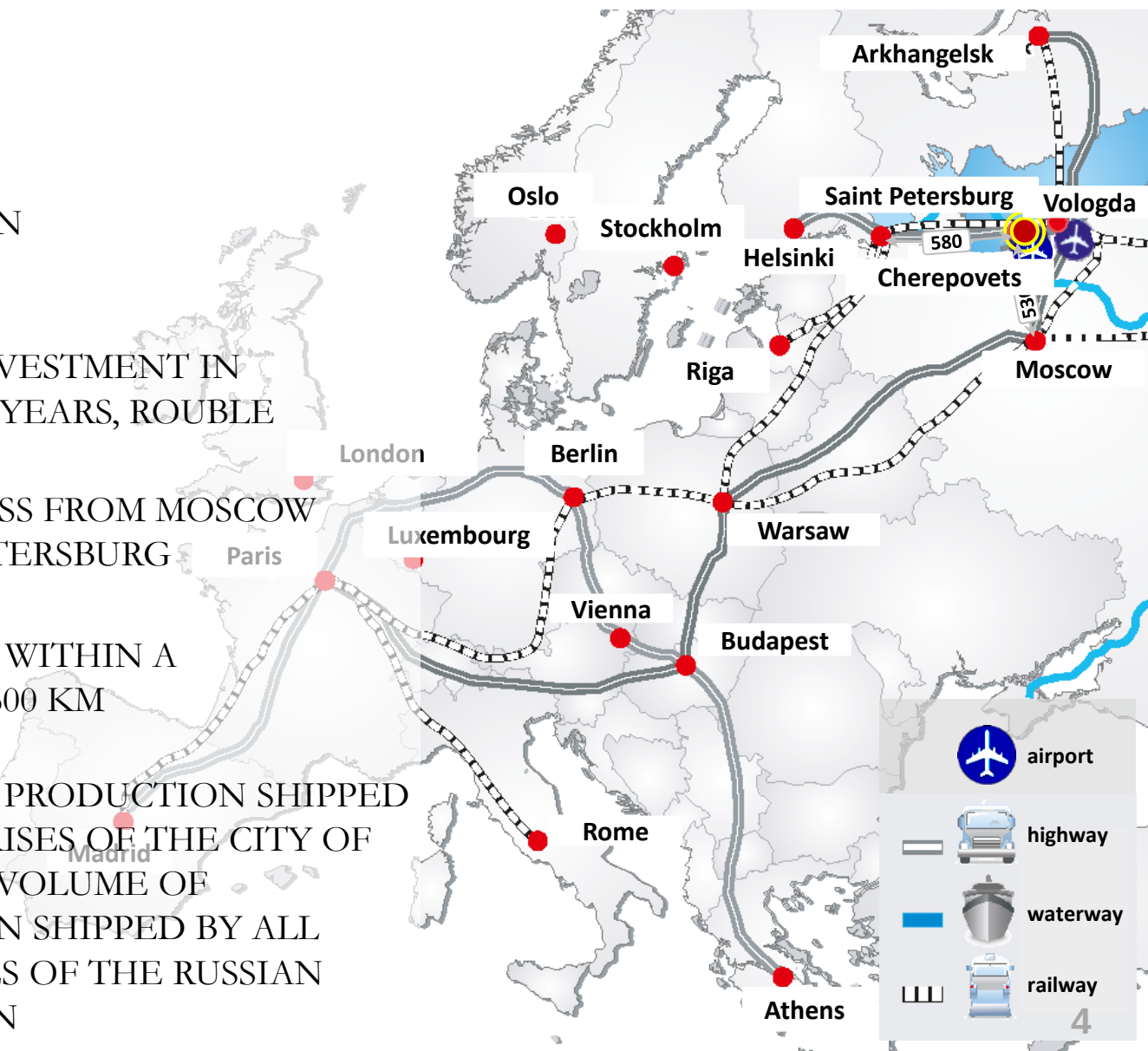
REMOTENESS FROM MOSCOW
AND ST.-PETERSBURG

50 million

HABITANCY WITHIN A
RADIUS OF 600 KM

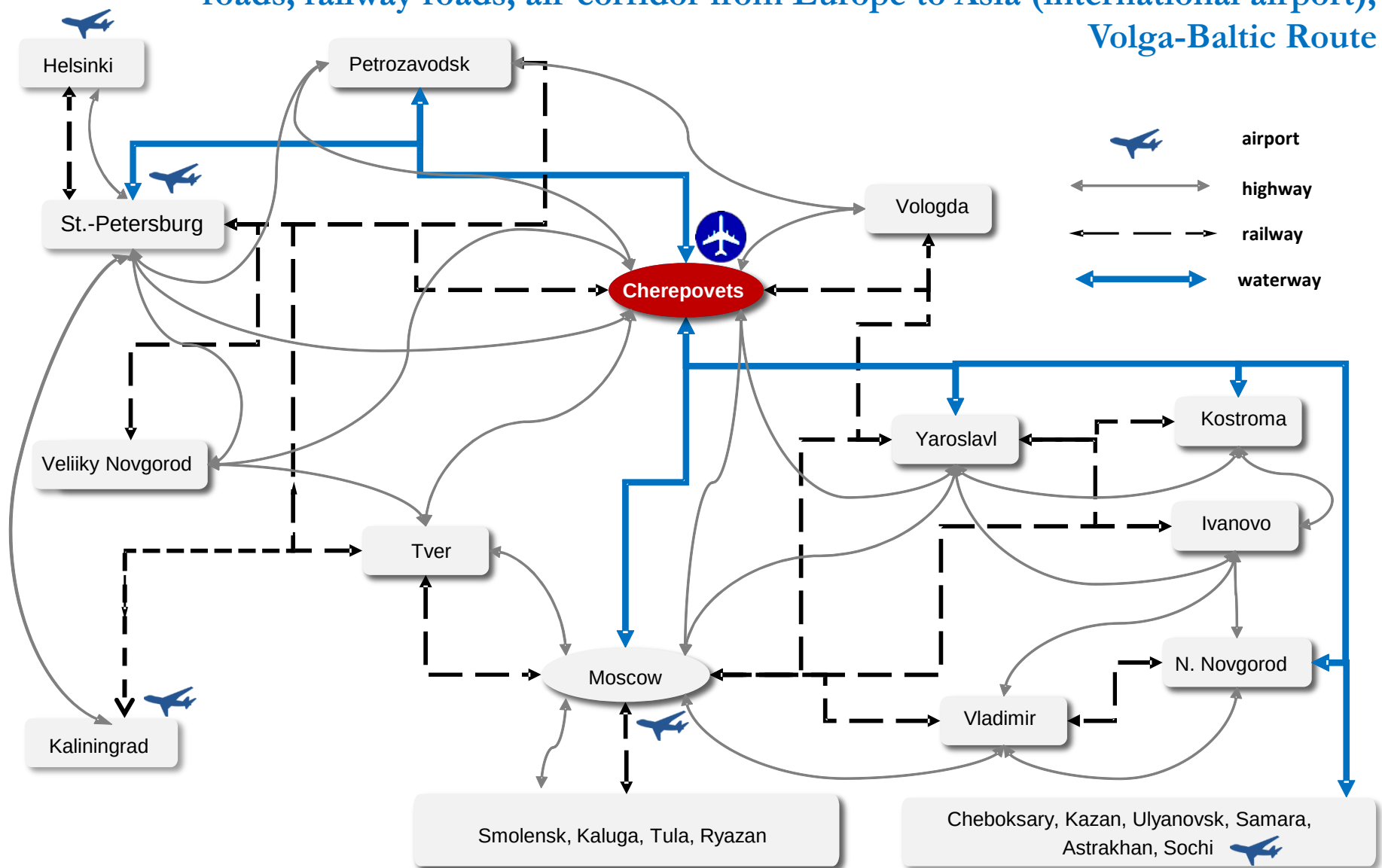
1,2%

VOLUME OF PRODUCTION SHIPPED
BY ENTERPRISES OF THE CITY OF
THE TOTAL VOLUME OF
PRODUCTION SHIPPED BY ALL
ENTERPRISES OF THE RUSSIAN
FEDERATION





The city is located at the junction of all types of transportation lines: federal roads, railway roads, air-corridor from Europe to Asia (international airport),
Volga-Baltic Route





A defining role in the city's economy play metallurgical and chemical industries,
i.e. 87,8% of the overall production volume

cast steel, rolled steel products, steel
structures and construction materials

PAO «Severstal» (JSC
«Cherepovets Steel Mill», JSC
«Severstal-metiz» and other
companies of «Severstal Russian
Steel» division)

66
%

METALLURGICAL PRODUCTION

CHEMICAL PRODUCTION

21,8
%

phosphate raw
material and
phosphoric
fertilizers

JSC «PhosAgro-
Cherepovets»

equipment, automotive
engineering

OJSC «Cherepovets
casting and mechanical
plant», «SSM-Tyazhmash»
LLC, Chelyabinsk Steel
Structure Plant, JSC

4,3
%

ENGINEERING

WOODWORKING

1,3
%

plywood, wood
chipboard

«Cherepovets plywood
and furniture plant» JSC

CJSC «Russian biscuit»,
JSC «Cherepovets meat-
processing plant», JSC
«Cherepovets dairy plant»,
Fat and oil processing
plant

1,3
%

FOOD PRODUCTION

OTHER

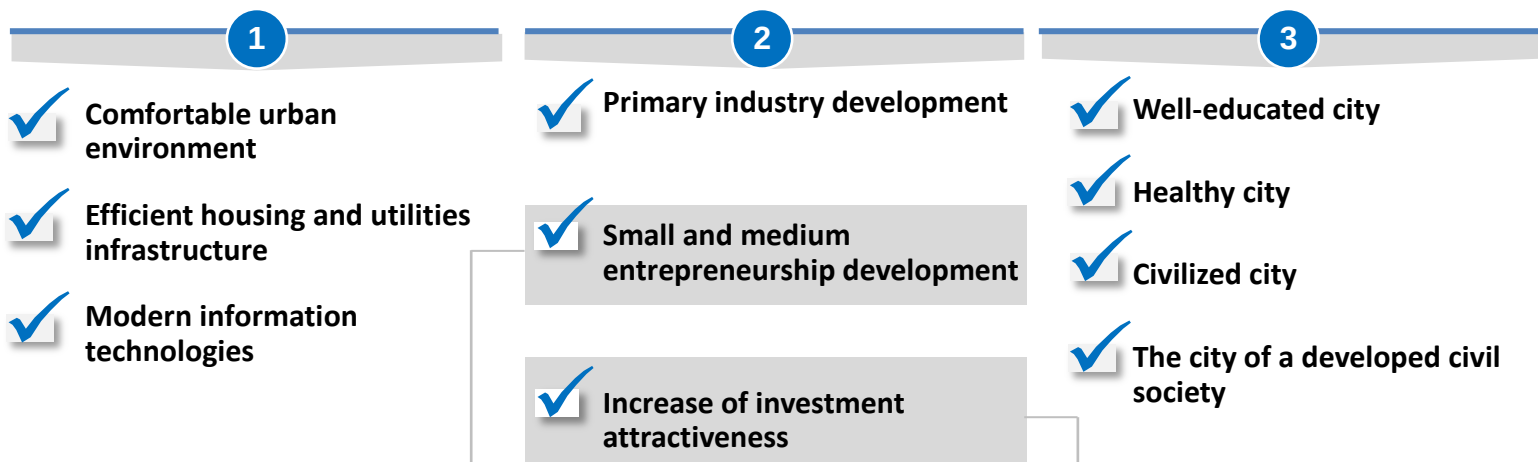
5,3
%

STRATEGIC GOAL UP TO 2022:**CHEREPOVETS IS A SUCCESSFUL AND ECONOMICALLY DEVELOPED CITY**STRATEGIC
DIRECTIONS

TERRITORY DEVELOPMENT

ECONOMIC DEVELOPMENT

HUMAN DEVELOPMENT

IMPLEMENTATION
TOOLS

«Support and development of small and medium entrepreneurship in Cherepovets» for 2013 – 2017

MUNICIPAL PROGRAMS

Examples:



«Increasing investment attractiveness of Cherepovets» for 2014 – 2018



There are two business support institutions in Cherepovets for economic development assistance:



INVESTMENT AGENCY
«CHEREPOVETS»



URBAN
DEVELOPMENT AGENCY



CHEREPOVETS
MAYOR'S OFFICE



FOUNDERS

THE MAIN TASK OF THE AGENCIES IS CREATING CONDITIONS FOR ENTREPRENEURSHIP AND INVESTMENT ACTIVITY DEVELOPMENT



«ONE-STOP
SERVICE» FOR
INVESTORS



PRIORITY PROJECT
PROGRAM



GUARANTEE
AND PLEDGE
FUND



ELECTRONIC
BUSINESS
COOPERATION



COORDINATION
COUNCIL



INVESTMENT
COMMITTEE OF THE
MAYOR'S OFFICE



INVESTMENT
CONSULTING
CENTER



INVESTMENT
COMPASS

INTERNATIONAL COOPERATION CENTER – INTERNATIONAL PRODUCTION COOPERATION



Searching for reliable
partners for
establishing joint
ventures

Localization of manufacturing
in Russia (Cherepovets)
'turn-key production'

Center for International
Certification and
Standardization

School of Export
(training on export for
the beginners)

Organization of international
conferences and forums

Organization
of business missions

The guarantee of communications is the administration of Cherepovets



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Investment sites and projects of Cherepovets





AREAS FOR DEVELOPMENT

«NORTHERN SITE» 200 HA

ФОНД
РАЗВИТИЯ
МОНОГОРДОВ

**INDUSTRIAL PARK
CHERPOVETS
GREENHOUSE COMPLEX
DAIRY CHEESE PLANT
MECHANICAL ENGINEERING**

«EASTERN SITE» 30 HA

**SHIPYARD
SHIP REPAIR**

«SOUTHERN SITE» 300 HA

**HI-TECH PARK
MECHANICAL ENGINEERING
WOODWORKING
BIOTECHNOLOGY
FOOD PROCESSING
INDUSTRY**

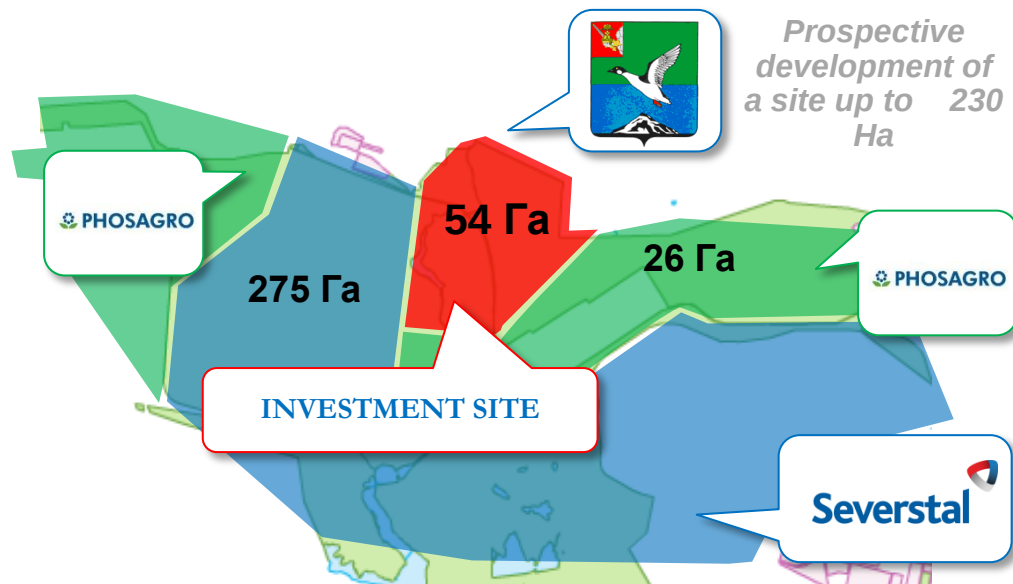
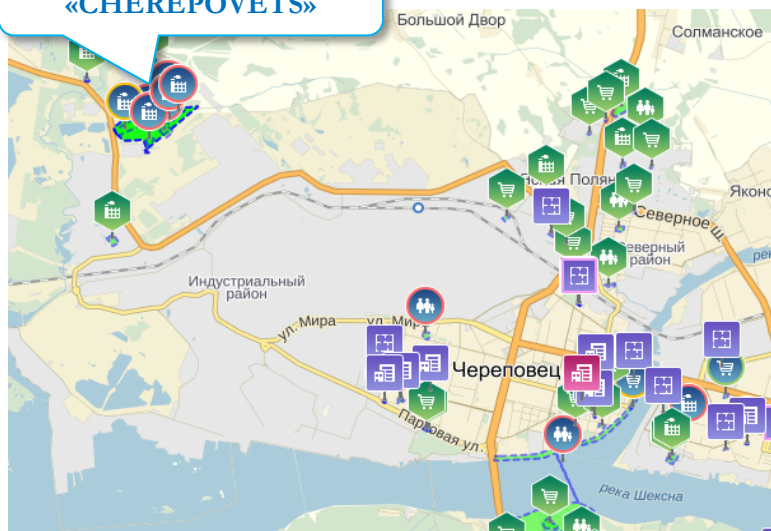
«CENTRAL SITE» 27 HA

**THE CENTRAL QUAY
THE GALSKY MANOR**

NORTHERN INDUSTRIAL SITE. INDUSTRIAL PARK «CHEREPOVETS»

Conception: providing favorable conditions for development of small and medium business entities on the basis of organization of modern productions of traditional specialty and new segments of regional economy in a new industrial cluster

INDUSTRIAL PARK «CHEREPOVETS»



54,74_{HA}

TOTAL AREA OF THE
INDUSTRIAL PARK
«CHEREPOVETS»

230_{HA}

PROSPECTIVE
DEVELOPMENT
OF A SITE

✓ LAND PLOTS
AVAILABLE FOR
RESIDENTS

✓ UTILITIES DROP
POINTS – ON
BOUNDARIES OF
LAND PLOTS



ФОНД
РАЗВИТИЯ
МОНОГОРОДОВ

879,3 million rouble – co-financing the construction of engineering and transport infrastructure (Single-industry city development fund)

ANNOUNCED RESIDENTS



Chipboard plate and
building panel plant

234 3 602



Emulsol plant

75 205



Cherepovets logistics
center

38 626



Active mineral
admixture plant

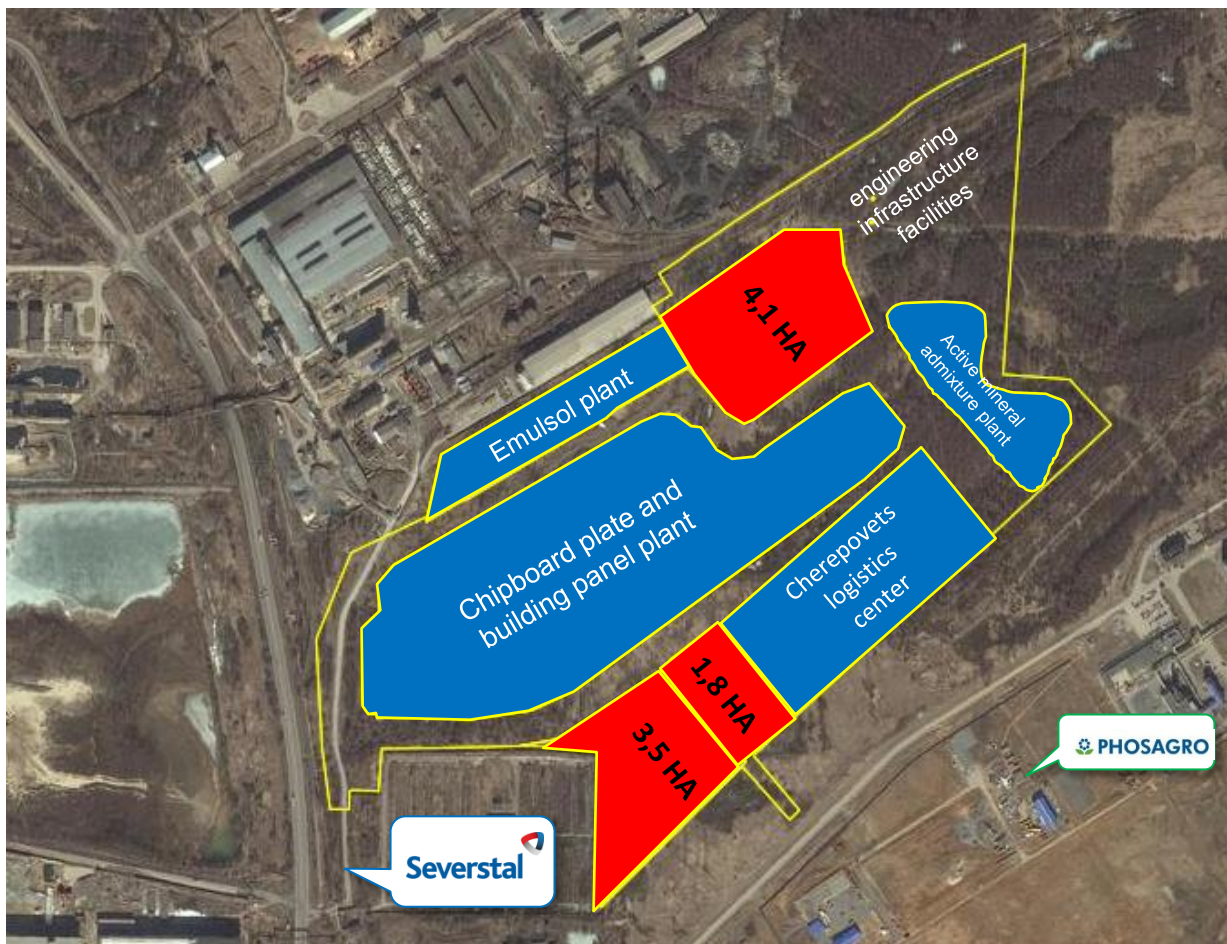
50 250



New jobs



Investments,
million rub



- Land plots occupied by residents

- Vacant land plots



LAND PLOT COST

from **0,26** € /M² LAND PLOT RENT PRICE PER YEAR

Approx **2,6** € /M² LAND PLOT REDEMPTION VALUE

DESIGNED CAPACITY OF A PROJECT

natural gas	7000 m3/h	railway transport	23 rail cars/day
electric supply	26 Megawatt	motor transport	124 cars/day
water supply	72 m3/h	utilities drop points	on boundaries of land plots of residents



NORTHERN INDUSTRIAL SITE. NORTHERN ENTRANCE TO THE CITY

THE «NOVYI»
GREENHOUSE
COMPLEX



94 2300

✓ LAND PLOTS
AVAILABLE FOR
RESIDENTS

DAIRY CHEESE
PLANT



38 341

New jobs

Investments,
million rub 15



Organize your business in the territory of «Severstal-metiz» - an international company which unites metal assets of PAO «Severstal»

100 Ha

TOTAL AREA OF A
PRODUCTION ZONE

>60

SMALL AND MEDIUM
BUSINESS RESIDENTS



DEVELOPED
ENGINEERING AND
TRANSPORT
INFRASTRUCTURE



FAVORABLE
CONDITIONS OF LEASE
AND PURCHASE OF
PRODUCTION AREAS
AND BUILDINGS



SECURED AREA

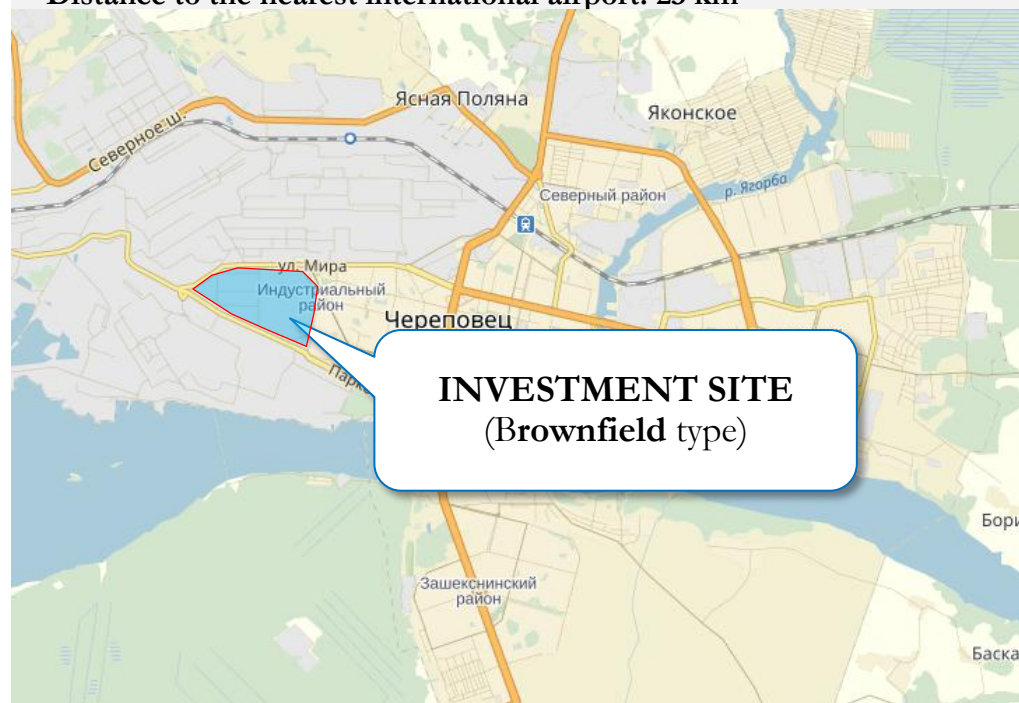
Distance to the city center: 5,9 km.

Transport connection with the city housing development

Distance to the nearest federal highway

(A-114 Vologda — Novaya Ladoga): 13 km, railway lines

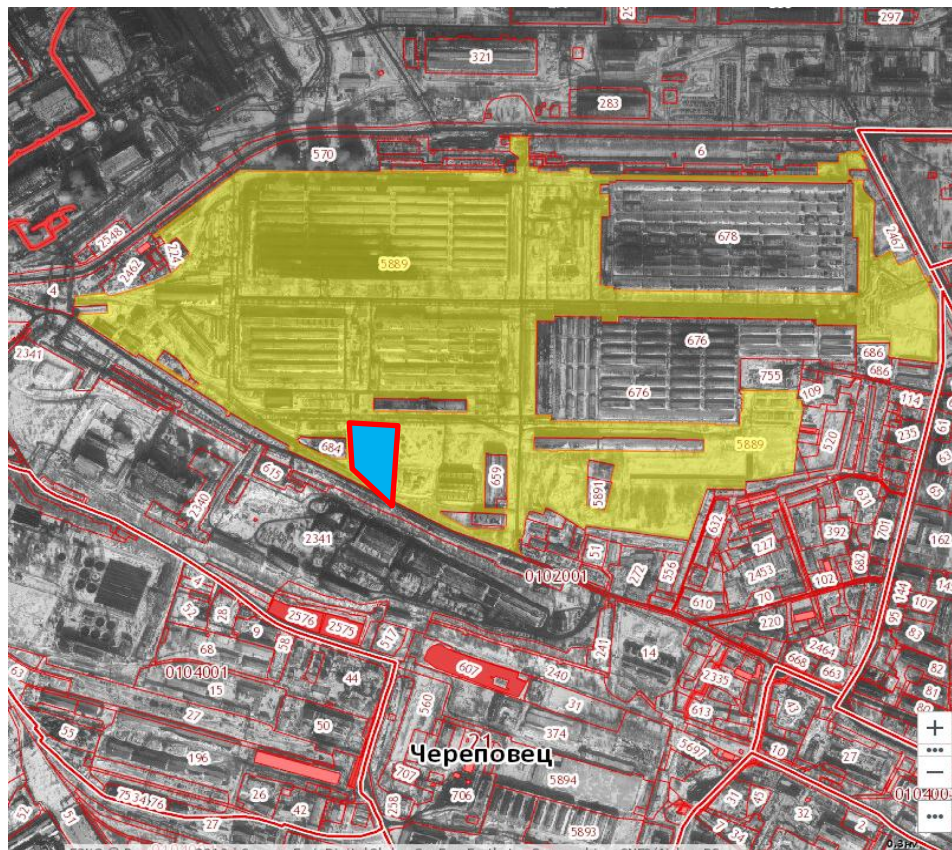
Distance to the nearest international airport: 23 km



INVESTMENT SITE
(Brownfield type)

JSC «Severstal-Metiz» proposes the following freestanding building for lease /sale in the industrial site of Cherepovets

Three-storey building with the total area of 6000 sq. m
Possibility to lease 4 ha premises



INFRASTRUCTURE FACILITY CAPACITY:

NAME OF RESOURCE	UNIT OF MEASURE	PRESENCE/ VALUE OF RESOURCE
Electricity	megawatt	4,8
Gas supply	m3/hr	available
Heating	Gcal	available
Drinking water	m3/hr	available
Sanitary sewer system	m3/hr	available
Railway transport	wagons/week	2-3
Motor transport	cars/day	5-10
Frame crane	tons	5
Frame crane	tons	2
Electric hoist	tons	1
Electric hoist	tons	1

**Ceiling height
from 4,8 m up to 10,8 m**

Photo fixation of buildings and spaces



Former boiler house building
(administration and amenity block)



Shower rooms



Workshop (ceiling height 12 m)



Workshop (ceiling height 4 m)



Workshop (ceiling height 6 m)

**Modern shower rooms,
administration and amenity blocks (rooms), WC facilities**



JSC «Severstal-Metiz» proposes the following freestanding building for lease /sale in the Cherepovets industrial site

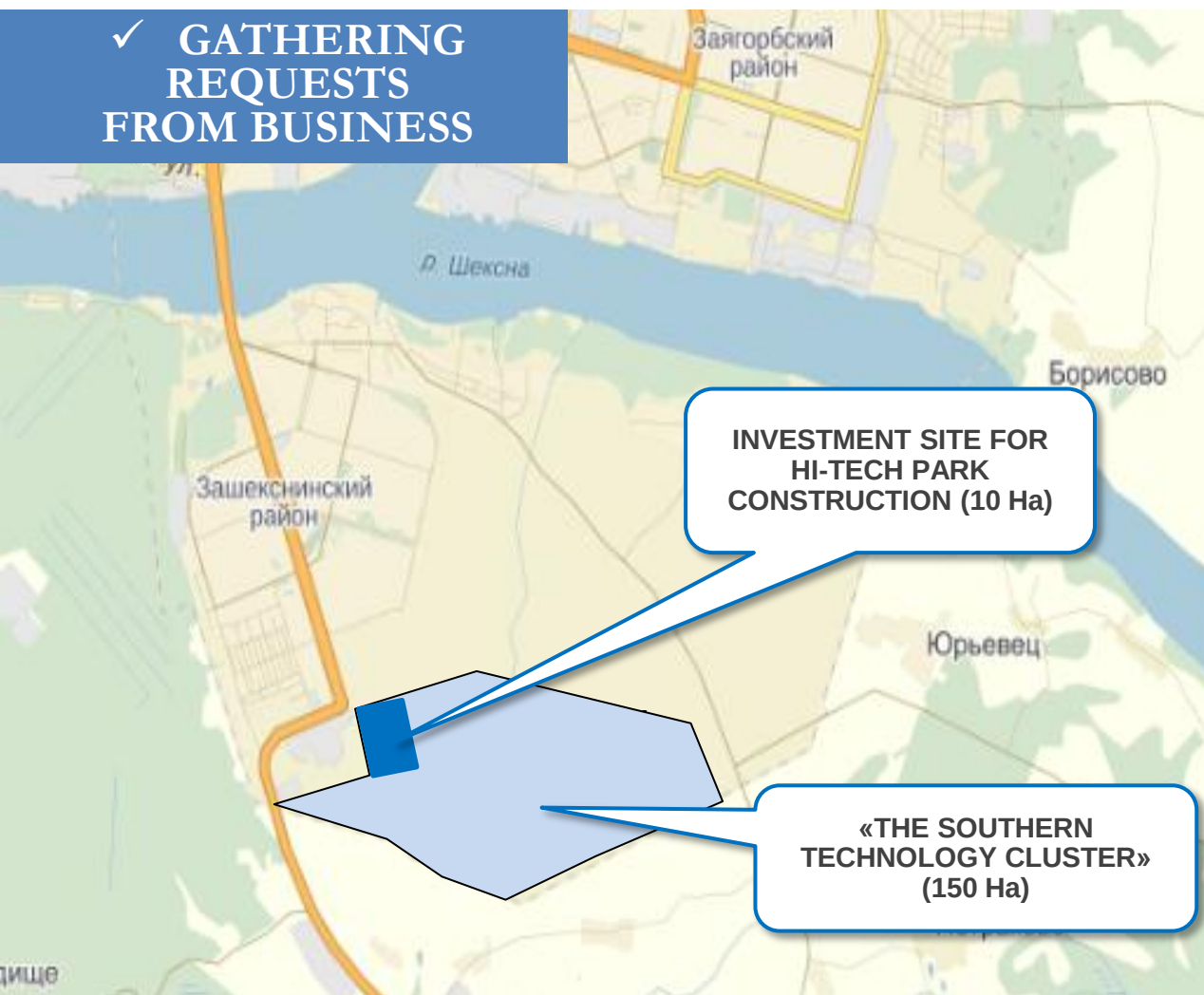
Rent and energy cost for residents*

Services rendered	Unit of measure	Unit price	Tax rate	Cost inc. VAT, rouble
Office rental (without utilities)	sq.m./month	178	18%	210
Production space rental (without utilities)	sq.m./month	72	18%	85
Electric supply	thousand kWh	3 406	18%	4 019,08
Heat supply	Gcal	797	18%	940,46
Drinking water	thousand cubic meters	17 686	18%	20 869,48
Waste water	thousand cubic meters	15 498	18%	18 287,64

*resident is a legal entity or a private entrepreneur, a registered taxpayer of Vologda region which leases premises/buildings or owns property in the territory of the Cherepovets industrial site of «Severstal-metiz»

SOUTHERN SITE. THE SOUTHERN TECHNOLOGY CLUSTER

✓ **GATHERING
REQUESTS
FROM BUSINESS**



The cluster conception assumes organization of about 35 enterprises in the sphere of consumer goods, food, engineering and other industries (i.e. productions which do not create environmental pressure).

The cluster area will include a hi-tech park in the sphere of forest industry complex and manufacturing industries which will unite educational, research and development and pilot-scale production sectors.



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Investment potential of Cherepovets:
Southern site

HI-TECH COMPLEX SERVES TO UNITE 4 DIRECTIONS:

PROFESSIONAL TRAINING
OF ENGINEERING AND
TECHNICAL PERSONNEL



RESEARCH AND
DEVELOPMENT



PILOT PRODUCTION



SERVICE



TOTAL AREA OF SPACES: 6 818 SQ. M. (RENTABLE SPACE 5 050 SQ. M.)

- ✓ Professional competence center
 - classrooms
 - meeting rooms
 - administration block spaces
- ✓ Youth innovation creativity center
- ✓ Education and production classrooms and laboratories
- ✓ Forest museum

- Russian engineering timber industry production center
- Center of timber industry production certification, standardization and testing
- Prototyping center and consultant engineering agency on fire protection technologies

- ✓ Spaces for pilot production
- ✓ Education and production classrooms
- ✓ Cherepovets Integrated Engineering Competence Center

- Telecommunication service (Internet, telephone, postal service)
- 370-seat conference hall
- Production equipment repair centers
- Office space complex
- Coworking center
- Instant print center
- Hotel complex
- Cafe



Cherepovets State
University



Non-profit
organization «Wood
housing association»



«KIPMETSERVIS», LLC



Joensuu science
park (Finland)

METLA

Research forest institute of
Finland

Anchor companies of the Cluster:
38 organizations of timber
processing complex including JSC
“Cherepovets plywood and
furniture plant”, OJSC “Sokol
wood-working plant” and others



«Vzlet-Cherepovets», LLC



«GorMash-YuL», LLC



DSR International
Consulting Group



Fund on development
of construction and
housing and communal
services “Finedu
Finland”



Cherepovets Technical
School, Sokol forest
polytechnic school etc



THE FIRST STAGE OF THE HI-TECH PARK WILL INCLUDE 2 FACILITIES:

BUILDING 1:

- ADMINISTRATION AREA;
- BUSINESS HALL
- RESEARCH AND PRACTICE UNIT

BUILDING 2:

- PILOT TESTING CENTER



CENTRAL SITE.

TOURIST AND RECREATION CLUSTER «THE CENTRAL QUAY OF THE CITY»

Conception: integrated development of coastal territories of the city central part, creation of tourist, public and recreation infrastructure facilities

WE KINDLY OFFER BUSINESS TO CONSIDER THE POSSIBILITY OF PROJECT IMPLEMENTATION IN THE SERVICE SECTOR: HOTELS, RESTAURANTS, CAFES AND RECREATION CENTERS



817

Million
rouble

Private
investment

194

Million
rouble

Federal
funds

82

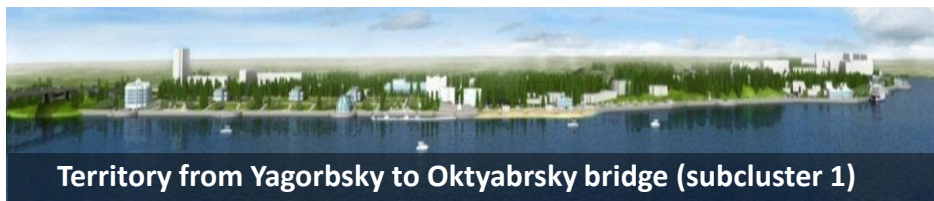
Million
rouble

Funds of
regional and
municipal
budgets

The cluster is included into
The Federal Special Purpose
Program in a part of
engineering and transport
infrastructure construction



AREAS FOR DEVELOPMENT: TOURIST AND RECREATION CLUSTER «THE CENTRAL QUAY OF THE CITY»



1. SOCIO-CULTURAL CENTER



2. MINI-HOTEL



3. TOURIST SERVICE CENTER



4. SPORTS AND RECREATION CENTER



5. MULTI-PURPOSE HOTEL CENTER



6. PASSENGER QUAY BERTH



7. ETHNIC COMPLEX «SOUL OF THE RUSSIAN NORTH»



8. THEME PARK «CRAFTSMAN VILLAGE»





EASTERN SITE. ORGANIZATION OF A SHIPYARD IN THE SHEKSNA WATER AREA

CONTENT:

AIM:

creation of a shipyard
and development
of transregional cooperation
in a new segment of
regional economy

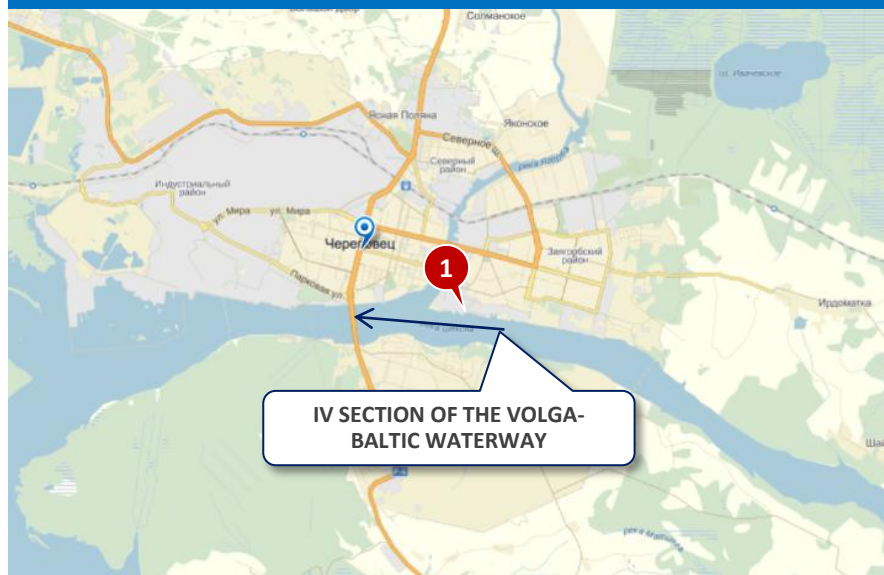
construction
of a repair facility
in Cherepovets for river and
river-sea going vessels
cruising in inland waterways with a
lightship weight of up to 2600 tons,
length of up to 140 m,
width of up to 18 m,
with prospects for further development
of shipbuilding/
construction of base on
production of small
size vessels

RESULT:

all vessel
repair service/
production of
small size vessels

An investment site of 8,9 Ha on Belinskogo street was reserved for project implementation in Cherepovets

INVESTMENT SITE



ADVANTAGES OF THE SITE

Access to the Baltic Sea, the North Sea, the Black Sea, the Azov Sea and the Mediterranean Sea through **the Volga-Baltic waterway** system.

A large industrial port on Rybinsk Reservoir and passenger port on the Sheksna river can provide the shipyard partial load.

Possibility to attract customers of the North-West and the Central part of Russia.

The shipbuilding sector was being historically developed in the city. Since 1947 the Cherepovets Shipyard has been working. Technical capacity of the shipyard allowed to build and repair vessels with a lightship weight of up to 1200 tons.



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Investment project implementation – support measures



THE MAIN STAKEHOLDERS

REGIONAL LEVEL



Vologda Region
Government

FEDERAL LEVEL



Single-industry city development
fund



Agency for Strategic Initiatives

LOCAL LEVEL



CITY
POPULATION



The Ministry
of Economic
Development
of the Russian
Federation



The Ministry
of Industry
and Trade of
the Russian
Federation



The Ministry
of Culture
of the Russian
Federation



The Ministry
of Transport
of the Russian
Federation

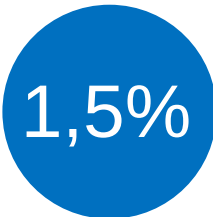


REGIONAL TAX BENEFITS PROVIDED FOR PRIORITY INVESTMENT PROJECTS

	INVESTMENT VOLUME 100 - 500 MILLION ROUBLE	INVESTMENT VOLUME 500 MILLION - 1 BILLION ROUBLE	INVESTMENT VOLUME OVER 1 BILLION ROUBLE
1 Organizations income tax	Lowered to 13,5% for 5 years	Lowered to 13,5% for 4 years	Lowered to 13,5% for 3 years
2 Organizations property tax	100% tax exemption for 3 years, later on – tax rate lowered to 1,1% for 2 years	100% tax exemption for 3 years, later on – tax rate lowered to 1,1% for 1 year	100% tax exemption for 3 years
3 Transportation tax	100% tax exemption for 5 years	100% tax exemption for 4 years	100% tax exemption for 3 years

For residents implementing an investment project at the total cost of over 100 million rouble and which is included into the List of priority investment projects of the region,
Decree of the Government of Vologda region "On procedure for forming the list of priority investment projects" dd. 28.10.2013 N 1114

POSSIBLE PREFERENCES FOR INVESTORS IN CASE OF LAND PLOT ASSIGNMENT



1,5%

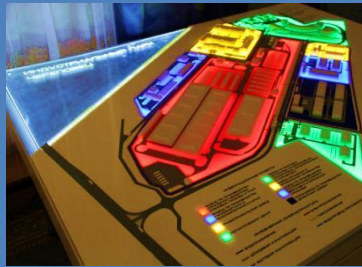
Fixed basic annual rent in auction setting - 1,5% of land plot cadastral values without the procedure of market price evaluation by an independent assessor

Decision is made at the Investment committee of the Cherepovets mayor's office for investment projects being implemented in the strategically important direction for economic development of the city



Obtaining a land plot on lease with no tendering process

Decision is made at the Investment committee of the Governor of Vologda region for large-scale investment projects of the region



THE FIRST INTERNATIONAL INDUSTRIAL FORUM CHEREPOVETS. SEPTEMBER 2017

**PURPOSE: ATTRACTING INVESTORS THROUGH THE PRESENTATION
OF THE INVESTMENT POTENTIAL OF THE CITY**

DIRECTIONS:

Social and Economic Priority
Development Area: factors of
industry development and
benefits for the investor

The international
cooperation in the areas
of woodworking and
mechanical engineering

Business-cooperation

Certification and
standardization

New technologies:
woodworking

Business for export

B2B-negotiations,
business-tour to the enterprises and investment sites,
excursions

250 PARTICIPANTS:

- enterprises and trade associations of the woodworking and engineering branch of Russia;
- trade representations, branch associations and enterprises of Finland, Germany, Poland, England, Netherlands;
- representatives of business and government development institutions



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CONTACTS:

Our team kindly invites You
for cooperation!

Cherepovets is open
for investors!

*For more information
on sites, business
ideas and proposals
please visit our
website*

ia-cher.ru



Mayor of Cherepovets

Kuzin Yuri Aleksandrovich
8 (8202) 50-39-48 (reception)
mayor@cherepovetscity.ru



**Deputy mayor with responsibility for social and
economic development of the city**

Ananin Mikhail Anatolyevich
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priemnaya4@cherepovetscity.ru



**General director of autonomous noncommercial
organization «Investment agency «Cherepovets**

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