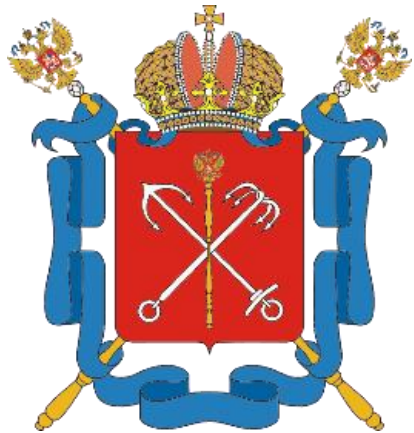


# Saint Petersburg and the Leningrad region - slide package for a foreign investor

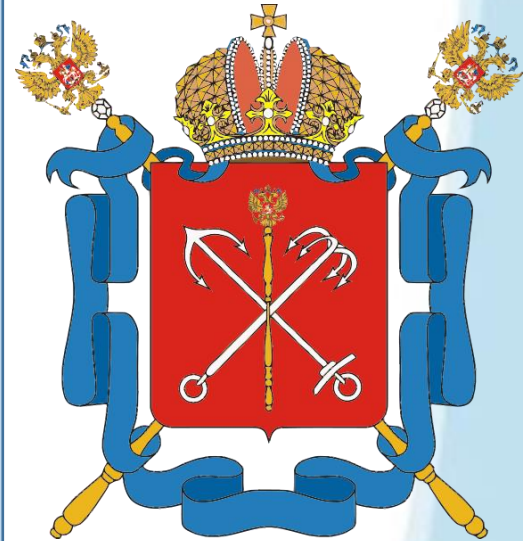


Mikhail Belokon  
January 2014

# This slide package is dedicated to the 60th anniversary of the partnership between Saint Petersburg and Turku



- Turku was the first foreign twin city of Saint Petersburg
- Numerous common projects have been realized during these 60 years (1953–2013): academic exchange, investments and environmental projects
- Saint Petersburg has celebrated “The Day of Turku” every two years since 1965, as well as Turku celebrates “The Day of Saint Petersburg”
- In 2013, President Vladimir Putin and President Sauli Niinistö met in Turku, where they discussed the cooperation between Russia and Finland, as well as the collaboration between Saint Petersburg and Turku
- As one of the results, the governments of the cities signed a long term program of cooperation



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The information in this document is compiled from a variety of sources.

The Pan-European Institute assumes no responsibility for the completeness or accuracy of the information.



# 1. General information

## a) Geographical location



Distances from Saint Petersburg to some European capitals:

|              |         |
|--------------|---------|
| 🇫🇮 Helsinki  | 300 km  |
| 🇪🇪 Tallinn   | 320 km  |
| 🇱🇻 Riga      | 490 km  |
| 🇷🇺 Moscow    | 630 km  |
| 🇱🇹 Vilnius   | 660 km  |
| 🇧🇪 Minsk     | 690 km  |
| 🇸🇪 Stockholm | 690 km  |
| 🇵🇱 Warsaw    | 1030 km |
| 🇳🇴 Oslo      | 1090 km |
| 🇩🇪 Berlin    | 1320 km |
| 🇬🇧 London    | 2100 km |
| 🇫🇷 Paris     | 2170 km |

# 1. General information

## b) Basic facts

|                                            | <b>Saint Petersburg</b>                                                                                                      | <b>Leningrad region</b>                                                                                                         |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Area</b><br>(% of Russia's total)       | 1 439 km <sup>2</sup><br>(0,008 %)                                                                                           | 84 500 km <sup>2</sup><br>(0,5 %)                                                                                               |
| <b>Population</b><br>(% of Russia's total) | 5 028 000<br>(3,5 %)                                                                                                         | 1 751 135<br>(1,2%)                                                                                                             |
| <b>Main cities</b><br>(thousand people)    | -                                                                                                                            | Gatchina (95,1), Vyborg (80,9), Sosnovy Bor (67,0)                                                                              |
| <b>Borders with</b>                        | Leningrad region                                                                                                             | Finland, Estonia, St. Petersburg<br>the Novgorod, Pskov, Vologda regions, Republic of Karelia                                   |
| <b>Main industries</b>                     | Machine building, metallurgy, metal-processing, energy,<br>food, chemical and petrochemical, light industry,<br>construction | Engineering, chemicals, forestry, agriculture, wood<br>working, pulp and paper, food, fuel,<br>non-ferrous metallurgy and power |
| <b>Natural resources</b>                   | Sand and gravel deposits, peat, clay, pebble, sandstones,<br>loam                                                            | Forest, bauxite, slate, limestone, phosphorite, clay, granite,<br>gravel                                                        |



# 1. General information

## c) Population and labour force

|                                                                         | 2008  |        | 2009  |        | 2010  |        | 2011  |        | 2012  |        |
|-------------------------------------------------------------------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
|                                                                         | City  | Region | City  | Region | City  | Region | City  | Region | City  | Region |
| Population (thousand)                                                   | 4 799 | 1 699  | 4 833 | 1 705  | 4 899 | 1 719  | 4 953 | 1 734  | 5 028 | 1 751  |
| Population change from previous year (%)                                | 0,7   | 0,4    | 0,7   | 0,4    | 1,4   | 0,8    | 1,1   | 0,9    | 1,5   | 1,0    |
| Unemployment (thousand)                                                 | 55,2  | 55,4   | 111,1 | 65,7   | 70,0  | 47,7   | 51,2  | 40,4   | 33,0  | 30,0   |
| Level of unemployment (ILO definition, %)                               | 2,0   | 6,0    | 4,1   | 7,2    | 2,6   | 5,2    | 1,9   | 4,4    | 1,1   | 3,1    |
| Development of labour force – economically active population (thousand) | 2 704 | 918    | 2 718 | 912    | 2 661 | 915    | 2 677 | 921    | 2 896 | 977    |
| Number of pensioners (thousand)                                         | 1 277 | 445    | 1 289 | 448    | 1 330 | 454    | 1 343 | 460    | 1 358 | 466    |

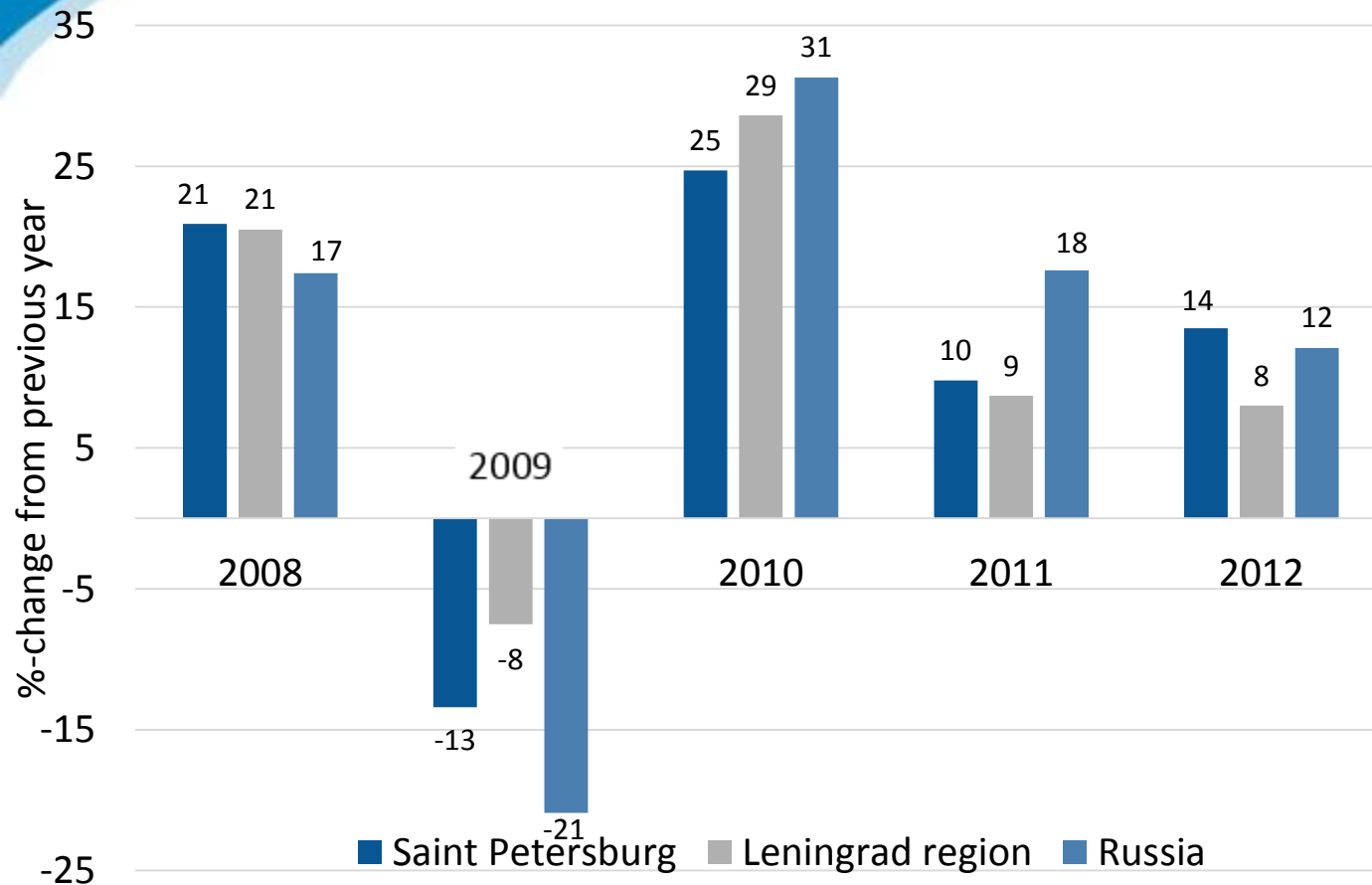
# 2. Regional economy

## a) Saint Petersburg and Leningrad region in the economy of Russia

|                                           | 2012             |                         |                  |                         |
|-------------------------------------------|------------------|-------------------------|------------------|-------------------------|
|                                           | Saint Petersburg |                         | Leningrad region |                         |
|                                           | Performance      | Share in Russia's total | Performance      | Share in Russia's total |
| GDP (bn €)                                | 52,1             | 3,4 %                   | 14,8             | 1,0 %                   |
| Economically active population (thousand) | 2 895,9          | 3,8 %                   | 977,3            | 1,3 %                   |
| Retail trade (bn €)                       | 19,3             | 3,9 %                   | 5,2              | 1,0 %                   |
| Investment in fixed capital (bn €)        | 8,8              | 2,8 %                   | 8,3              | 2,6 %                   |
| FDI (mn €)                                | 693,0            | 4,8 %                   | 836,0            | 5,8 %                   |
| Exports (bn \$)                           | 20,6             | 3,9 %                   | 16,0             | 3,0 %                   |
| Imports (bn \$)                           | 35,9             | 11,5 %                  | 5,1              | 1,6 %                   |
| Enterprises (thousand)                    | 348,4            | 7,6 %                   | 38,9             | 0,8 %                   |

# 2. Regional economy

## b) GDP of Saint Petersburg and Leningrad region



GDP of Saint Petersburg, Leningrad region and Russia, bn €

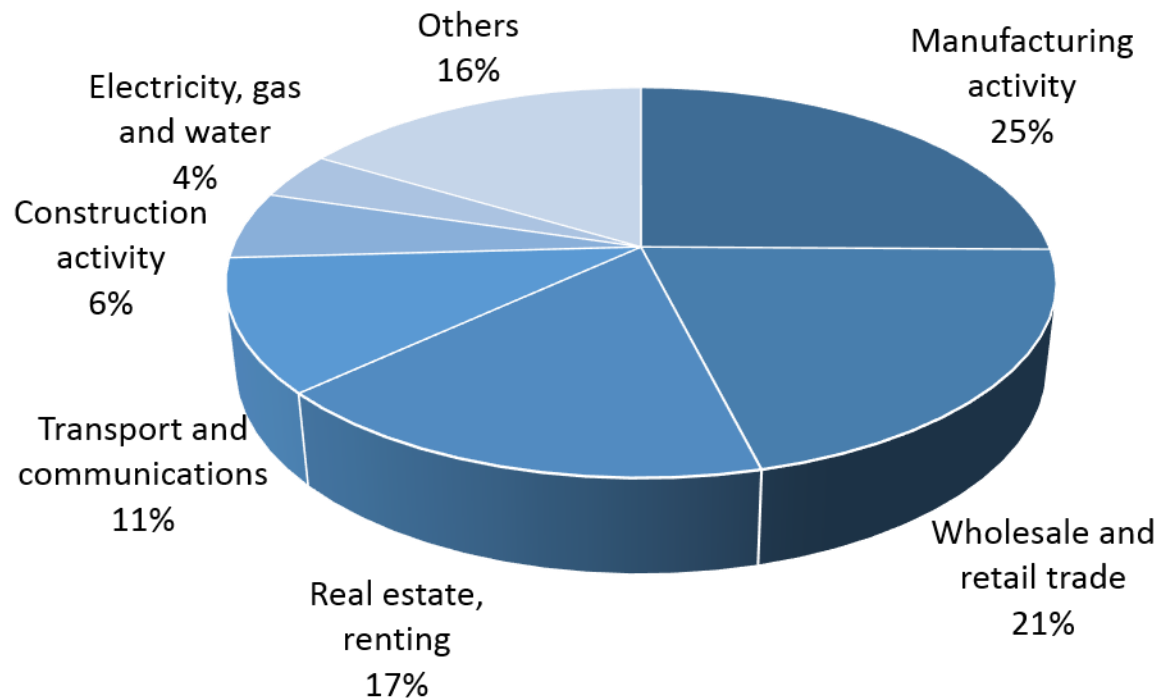
| Year | Saint Petersburg | Leningrad region | Russia  |
|------|------------------|------------------|---------|
| 2007 | 32,0             | 8,8              | 949,9   |
| 2008 | 38,7             | 10,6             | 1 115,6 |
| 2009 | 33,5             | 9,8              | 881,9   |
| 2010 | 41,8             | 12,6             | 1 157,7 |
| 2011 | 45,9             | 13,7             | 1 361,0 |
| 2012 | 52,1             | 14,8             | 1 526,8 |



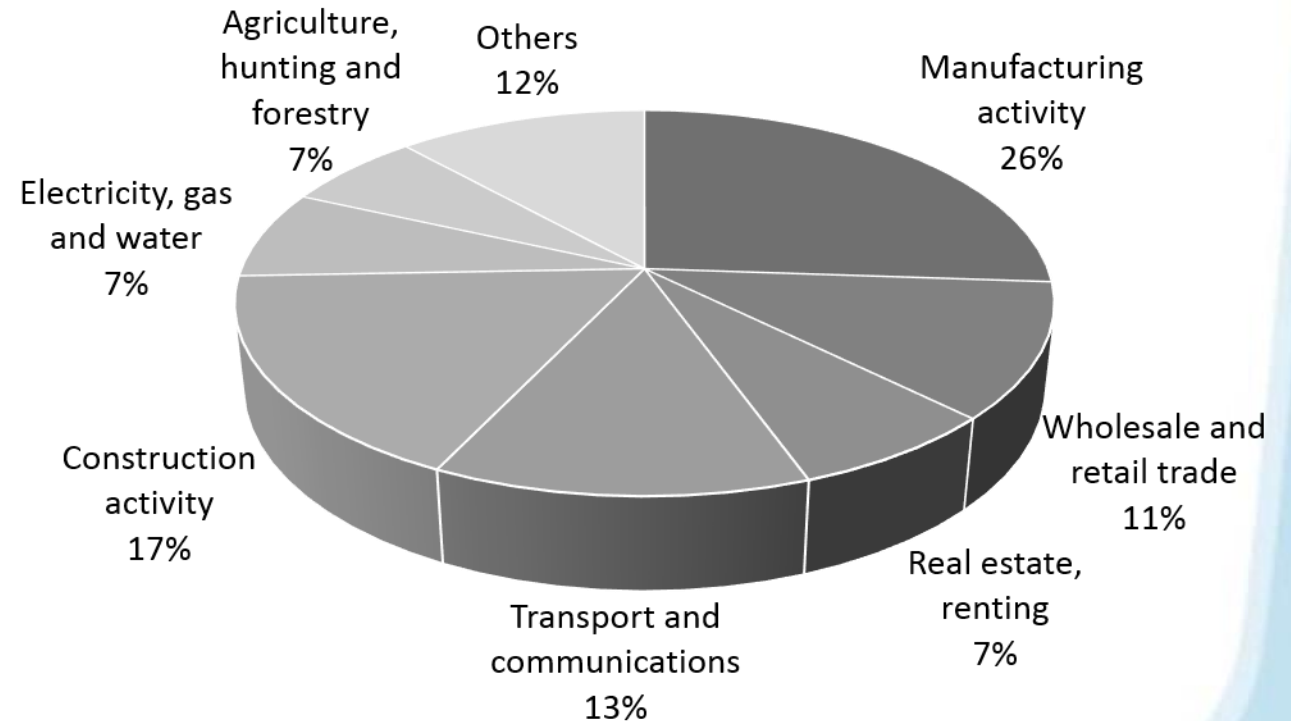
# 2. Regional economy

## c) Structure of GDP in 2011

Saint Petersburg



Leningrad region



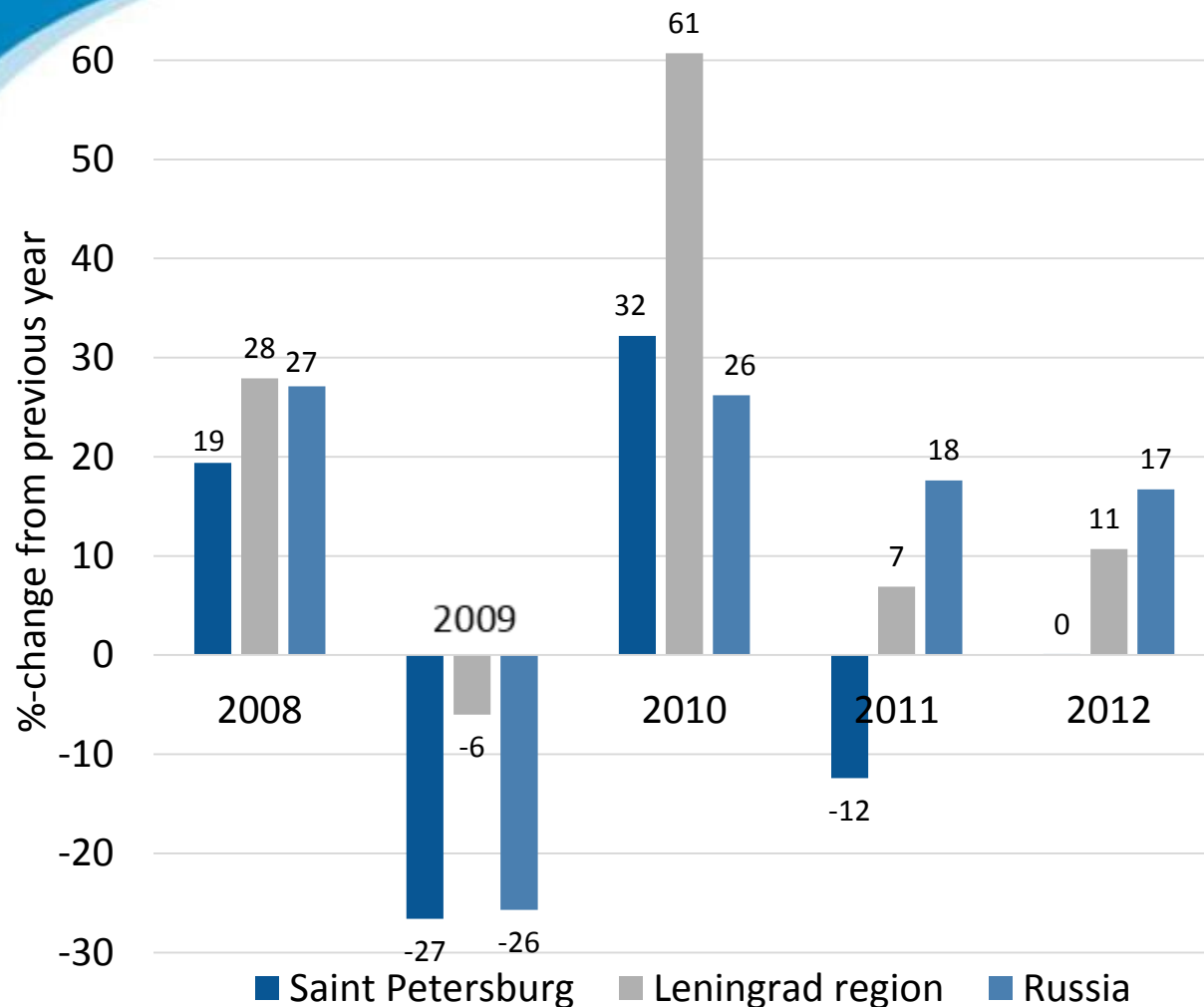
## 2. Regional economy

d) Investment potential ranking (out of 83 Russian regions)

|                                        | 2011     |           | 2012     |           |
|----------------------------------------|----------|-----------|----------|-----------|
|                                        | SPb      | LR        | SPb      | LR        |
| <b>Ranking of investment potential</b> | <b>3</b> | <b>26</b> | <b>3</b> | <b>27</b> |
| Labour potential                       | 3        | 26        | 3        | 28        |
| Consumption potential                  | 3        | 29        | 3        | 28        |
| Production potential                   | 3        | 23        | 3        | 23        |
| Financial potential                    | 3        | 26        | 3        | 29        |
| Institutional potential                | 2        | 25        | 2        | 30        |
| Innovation potential                   | 3        | 30        | 3        | 29        |
| Infrastructure potential               | 2        | 7         | 2        | 7         |
| Natural resource potential             | 83       | 46        | 83       | 46        |
| Tourism potential                      | 4        | 21        | 4        | 19        |
| <b>Ranking of investment risk</b>      | <b>5</b> | <b>7</b>  | <b>4</b> | <b>8</b>  |

## 2. Regional economy

### e) Development of investment in fixed capital



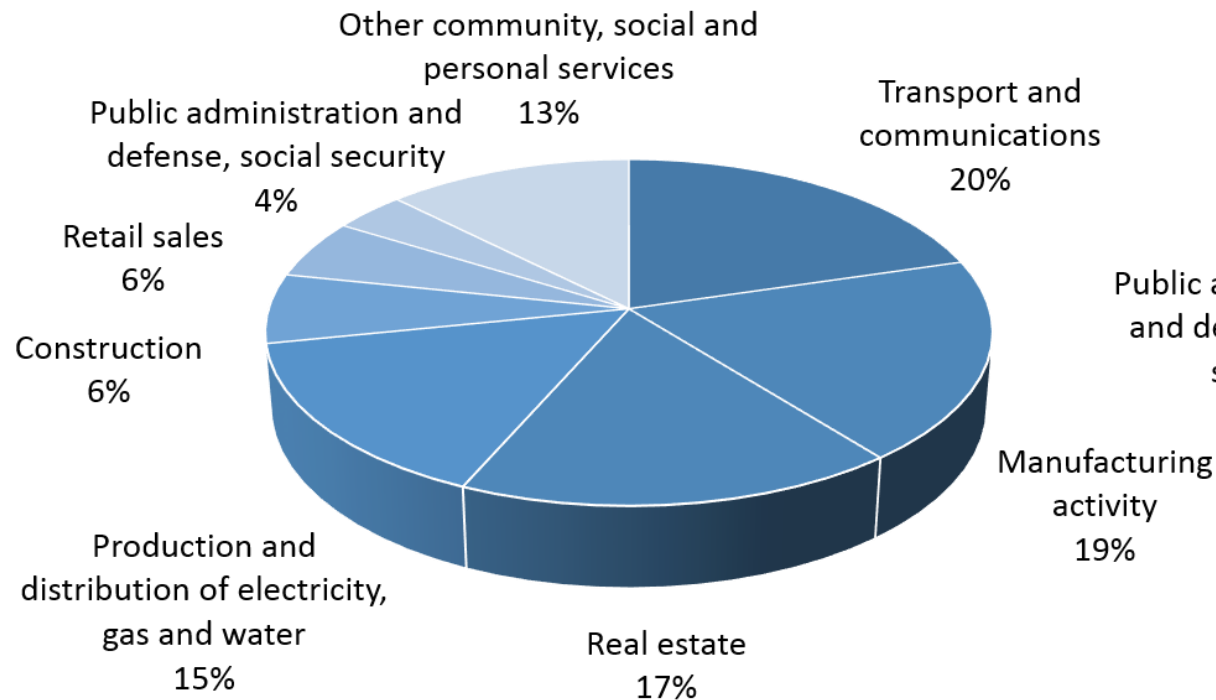
Investment in fixed capital of Saint Petersburg, Leningrad region and Russia, bn €

| Year | Saint Petersburg | Leningrad region | Russia |
|------|------------------|------------------|--------|
| 2007 | 8,7              | 3,6              | 191,9  |
| 2008 | 10,4             | 4,6              | 243,9  |
| 2009 | 7,6              | 4,3              | 181,3  |
| 2010 | 10,0             | 7,0              | 228,8  |
| 2011 | 8,8              | 7,5              | 269,2  |
| 2012 | 8,8              | 8,3              | 314,2  |

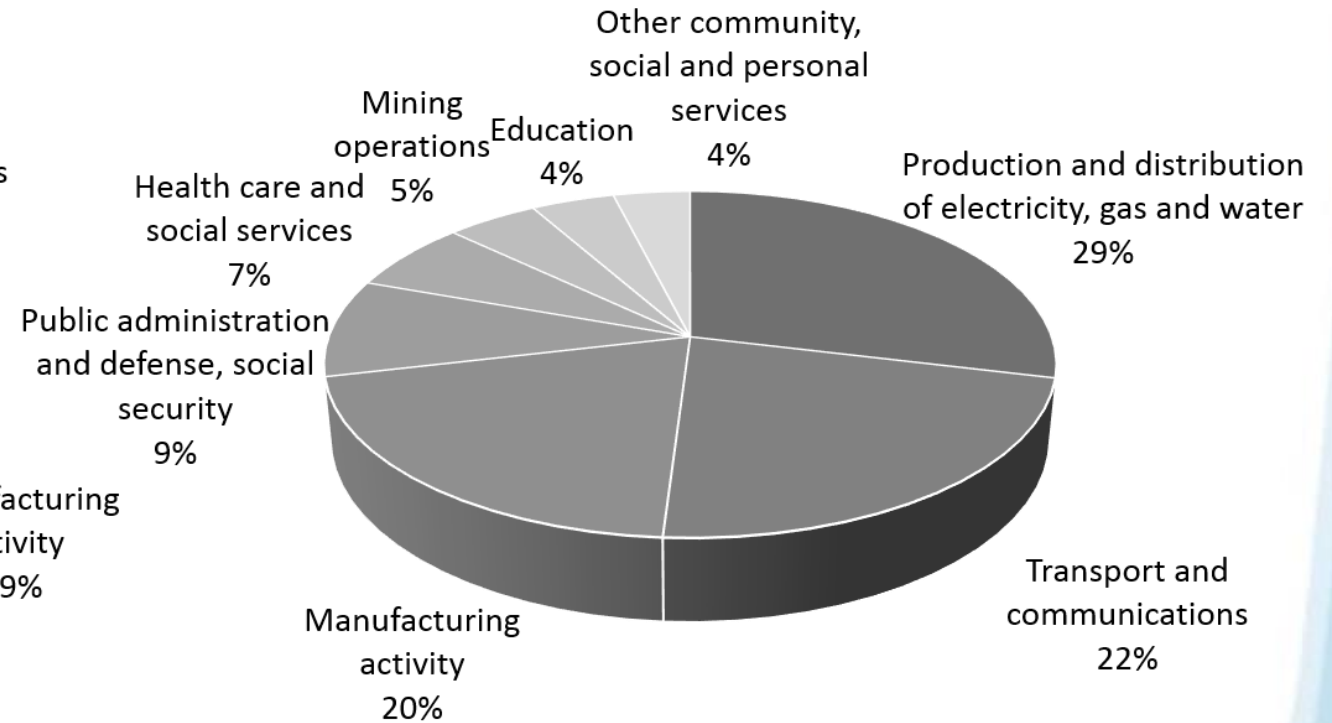
## 2. Regional economy

### f) Investments into fixed capital by sectors in 2012

Saint Petersburg



Leningrad region



# 2. Regional economy

## g) Transport infrastructure (1)

|                         | Saint Petersburg                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Leningrad region                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | The territory of St. Petersburg and Leningrad region is the European gateway of Russia and a major destination and transportation hub for all the transportation modes                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Sea and river transport | <ul style="list-style-type: none"> <li>St. Petersburg is Russia's largest sea port in the Baltic Sea and the largest river port</li> <li>The port complex includes:<br/>The Grand Seaport of St. Petersburg (freight turnover amounted 57,8 mn tonnes in 2012), The Lumber port, river ports on Vasilievsky Island and in the Nevsky Freight District, port facilities in Lomonosov and Kronshtadt</li> <li>Passenger terminal on Vasilievsky Island (regular voyages to Estonia, Finland, Latvia, and Sweden)</li> <li>The Baltic Sea is connected with the Black Sea through canals</li> </ul> | <ul style="list-style-type: none"> <li>River ports: Leningradsky, Podporozhsky and Sviritsky</li> <li>The length of navigable waterways over 2000 km</li> <li>The total length of all rivers 50 000 km</li> <li>Main rivers: Neva, Svir, Volkhov and Vuoksa</li> <li>Sea ports: Ust-Luga (47 mn tonnes in 2012), Primorsk (75 mn tonnes of oil and oil products in 2012), Vyborg (1,5 mn tonnes), Vysotsk (14 mn tonnes)</li> </ul> |
| Airports                | <ul style="list-style-type: none"> <li>Airport complex Pulkovo located 16 km south of Saint Petersburg and consists of 3 buildings, the newest one was built in 2013</li> <li>Direct air links with most major countries and airlines</li> <li>Over 11 mn passengers in 2012, the Pulkovo Aiport is the 36<sup>th</sup> busiest airport in Europe</li> </ul>                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                     |

# 2. Regional economy

## g) Transport infrastructure (2)

|                  | Saint Petersburg                                                                                                                                                                                                                                                                                                                                         | Leningrad region                                                                                                                                                                                                                                            |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Railways         | <ul style="list-style-type: none"> <li>5 railway stations: Baltiyskiy, Finlandskiy, Ladozhskiy, Moskovskiy, Vitebskiy</li> <li>Length of roads – 423 km, freight turnover – 110 mn tonnes</li> <li>Trains to the Czech Republic, Estonia, Finland, Latvia, Lithuania,</li> <li>High-speed trains to Moscow (4 hours) and Helsinki (3,5 hours)</li> </ul> | <ul style="list-style-type: none"> <li>Main railway stations: Gatchina, Mga, Volkhovstroy, Vyborg</li> <li>Length of roads – more than 3 000 km, freight turnover – more than 100 mn tonnes</li> <li>Railway density 33 km / 1000 km<sup>2</sup></li> </ul> |
| Highways         | <ul style="list-style-type: none"> <li>Length of roads – more than 3 000 km</li> <li>Connected to Estonia, Finland, Moscow, Murmansk and Pskov</li> <li>St. Petersburg Ring Road was opened in 2011, length – 142 km</li> <li>Ongoing construction of Western Rapid Diameter, a toll road</li> </ul>                                                     | <ul style="list-style-type: none"> <li>Length of roads – over 22 000km</li> <li>15 federal routes, 5 of which are in the International E-road network</li> <li>Ongoing construction of the Moscow–Saint Petersburg motorway, length 684 km</li> </ul>       |
| Public transport | <ul style="list-style-type: none"> <li>Metro: 67 stations (126 planned), passengers in 2012 – 784 mn</li> <li>Tramway system: length – 228 km, passengers in 2012 – 426 mn</li> <li>Trolleybus system: passengers in 2012 – 312 mn</li> <li>Bus system: passengers in 2012 – 472 mn</li> <li>Aquabus: passengers in 2012 – 0,1 mn</li> </ul>             | <ul style="list-style-type: none"> <li>Suburban electric trains and buses to Saint Petersburg and within the Leningrad region</li> <li>A subway station located on the territory of Leningrad region, building one more station is in process</li> </ul>    |



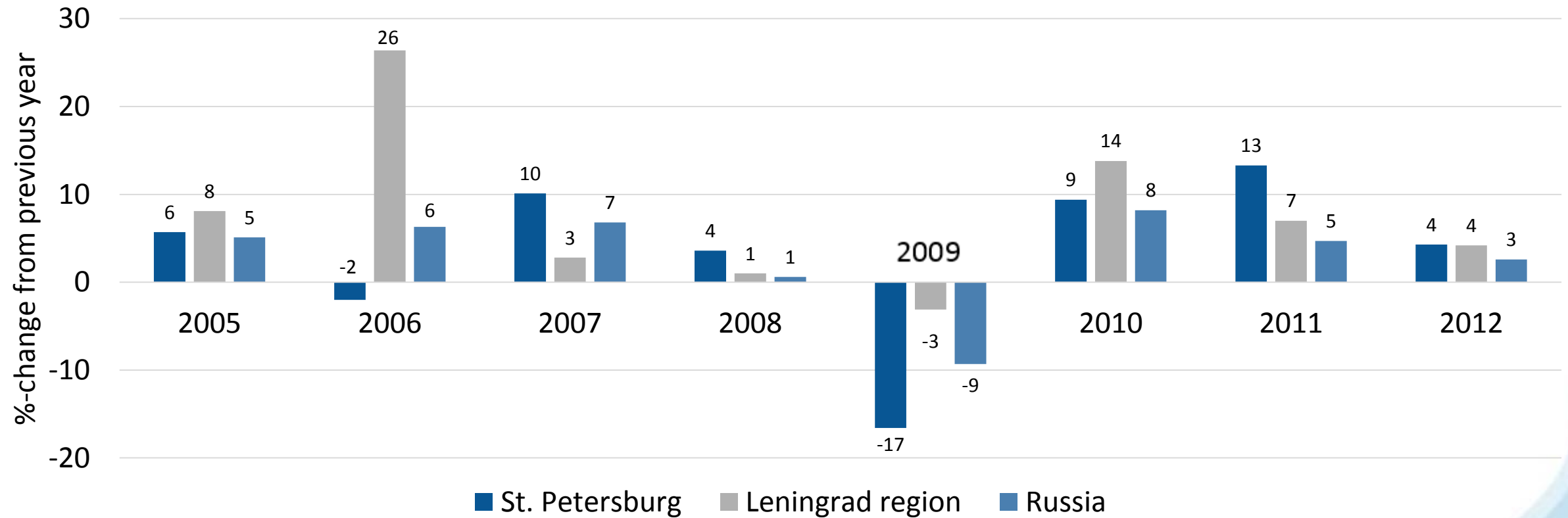
## 2. Regional economy

### h) Development of transport volumes

|                                           | 2008          |              | 2009          |              | 2010          |              | 2011          |              | 2012          |              |
|-------------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
|                                           | City          | Region       | City          | Region       | City          | Region       | City          | Region       | City          | Region       |
| <b>Cargo traffic (million tonnes)</b>     | <b>120,3</b>  | <b>170,3</b> | <b>101,9</b>  | <b>162,4</b> | <b>109,0</b>  | <b>161,1</b> | <b>110,4</b>  | <b>166,2</b> | <b>125,1</b>  | <b>174,6</b> |
| • by railways                             | 7,6           | 39,7         | 5,2           | 32,0         | 6,3           | 35,9         | 7,5           | 36,9         | 7,6           | 37,6         |
| • by roads                                | 11,0          | 3,7          | 7,0           | 3,6          | 7,6           | 3,9          | 10,6          | 5,2          | 18,8          | 5,6          |
| • by inland waterway                      | 2,5           | 10,6         | 1,3           | 6,6          | 1,2           | 2,1          | 0,7           | 6,0          | 7,4           | 7,4          |
| • by pipelines                            | 89,5          | 116,3        | 79,3          | 120,2        | 84,9          | 119,2        | 84,7          | 118,1        | 90,9          | 124,0        |
| • by seaways                              | 9,7           | -            | 9,1           | -            | 9,0           | -            | 6,9           | -            | 0,4           | -            |
| • by airways (thousand tonnes)            | 10,1          | -            | 8,8           | -            | 9,0           | -            | 8,8           | -            | 10,0          | -            |
| <b>Passanger traffic (million people)</b> | <b>2207,0</b> | <b>132,2</b> | <b>2092,0</b> | <b>121,2</b> | <b>2072,0</b> | <b>109,2</b> | <b>2143,0</b> | <b>101,9</b> | <b>2060,0</b> | <b>104,5</b> |

## 2. Regional economy

### i) Development of industrial production



## 2. Regional economy

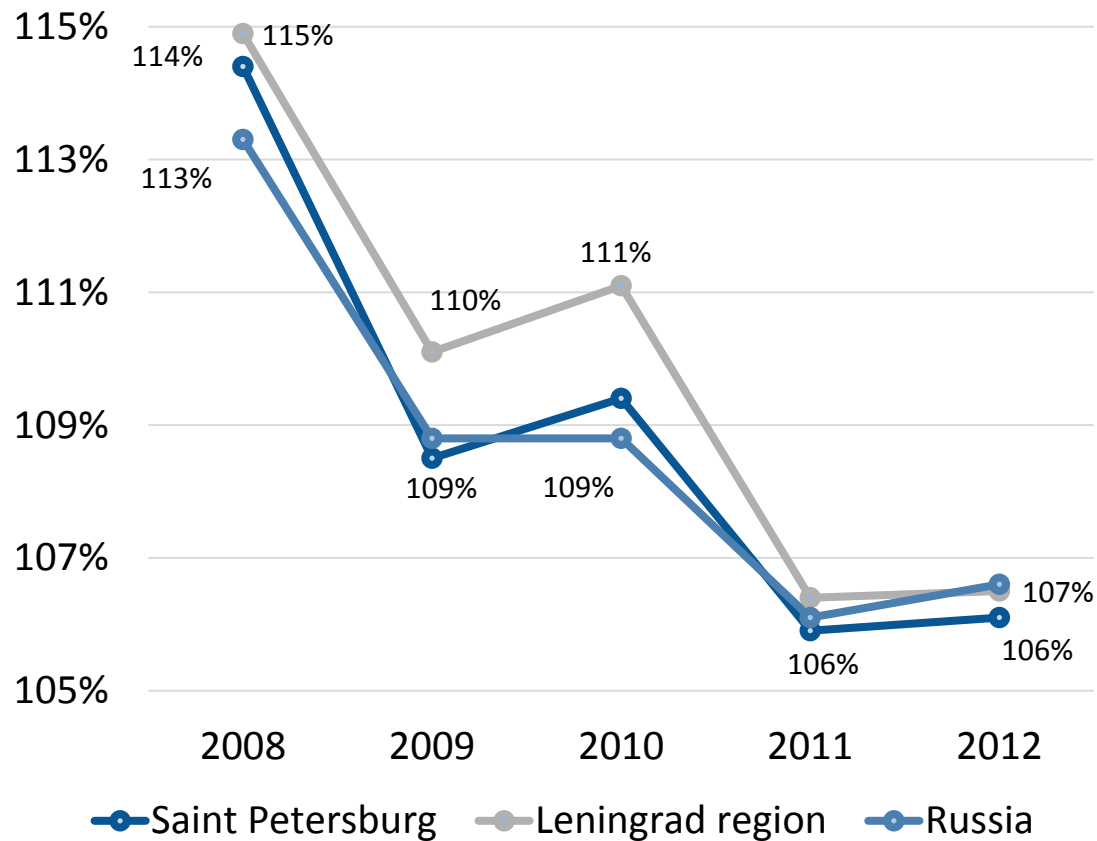
### j) Development of industrial production 2008-2012

|                                    | 2008         |              | 2009        |             | 2010         |              | 2011         |              | 2012         |              |
|------------------------------------|--------------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | City         | Region       | City        | Region      | City         | Region       | City         | Region       | City         | Region       |
| <b>Industrial production index</b> | <b>103,6</b> | <b>101,0</b> | <b>83,4</b> | <b>96,9</b> | <b>109,4</b> | <b>113,8</b> | <b>113,3</b> | <b>107,0</b> | <b>104,3</b> | <b>104,2</b> |
| • mining operations                | 84,2         | 104,2        | 35,9        | 63,8        | 143,3        | 112,7        | 116,3        | 108,7        | 107,3        | 109,5        |
| • manufacturing activity           | 103,2        | 100,1        | 78,9        | 98,9        | 110,5        | 115,4        | 113,3        | 108,6        | 104,7        | 105,7        |
| • electricity, gas and water       | 105,8        | 103,4        | 106,5       | 94,6        | 100,5        | 107,1        | 113,2        | 97,9         | 100,5        | 93,2         |

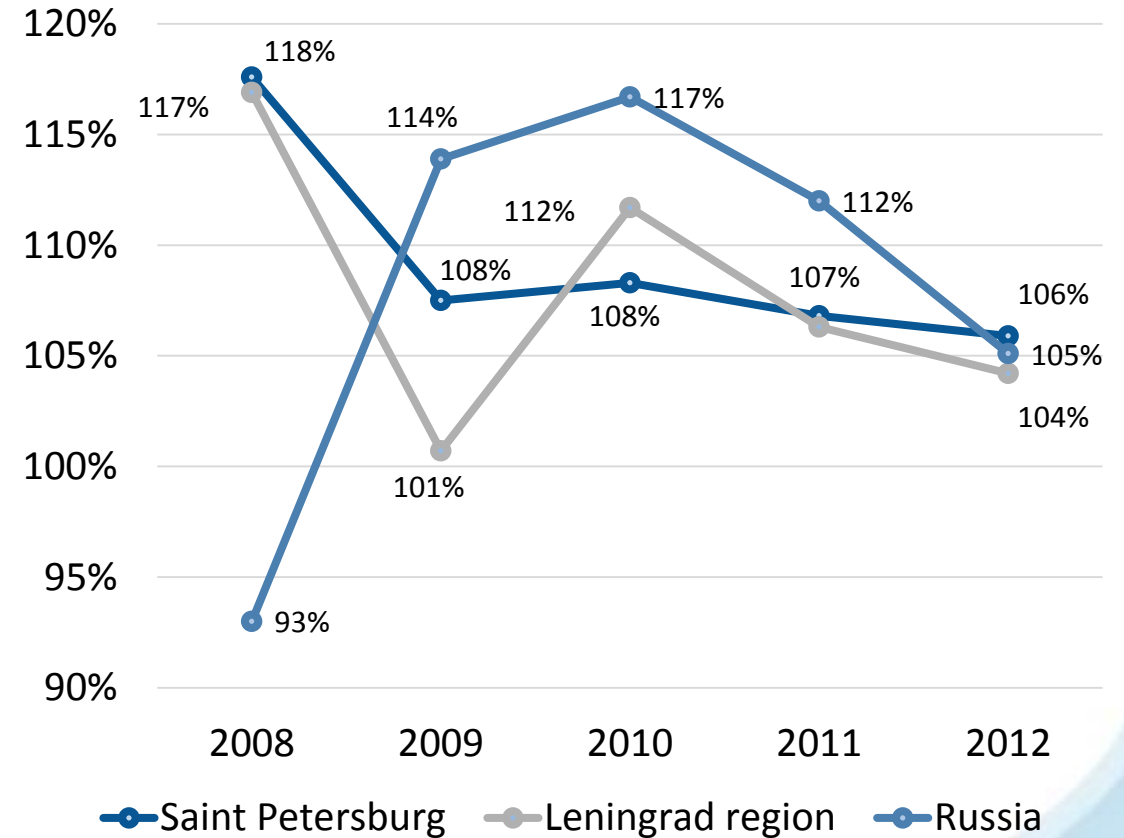
## 2. Regional economy

k) Development of prices (% end of the year)

### Development of consumer prices

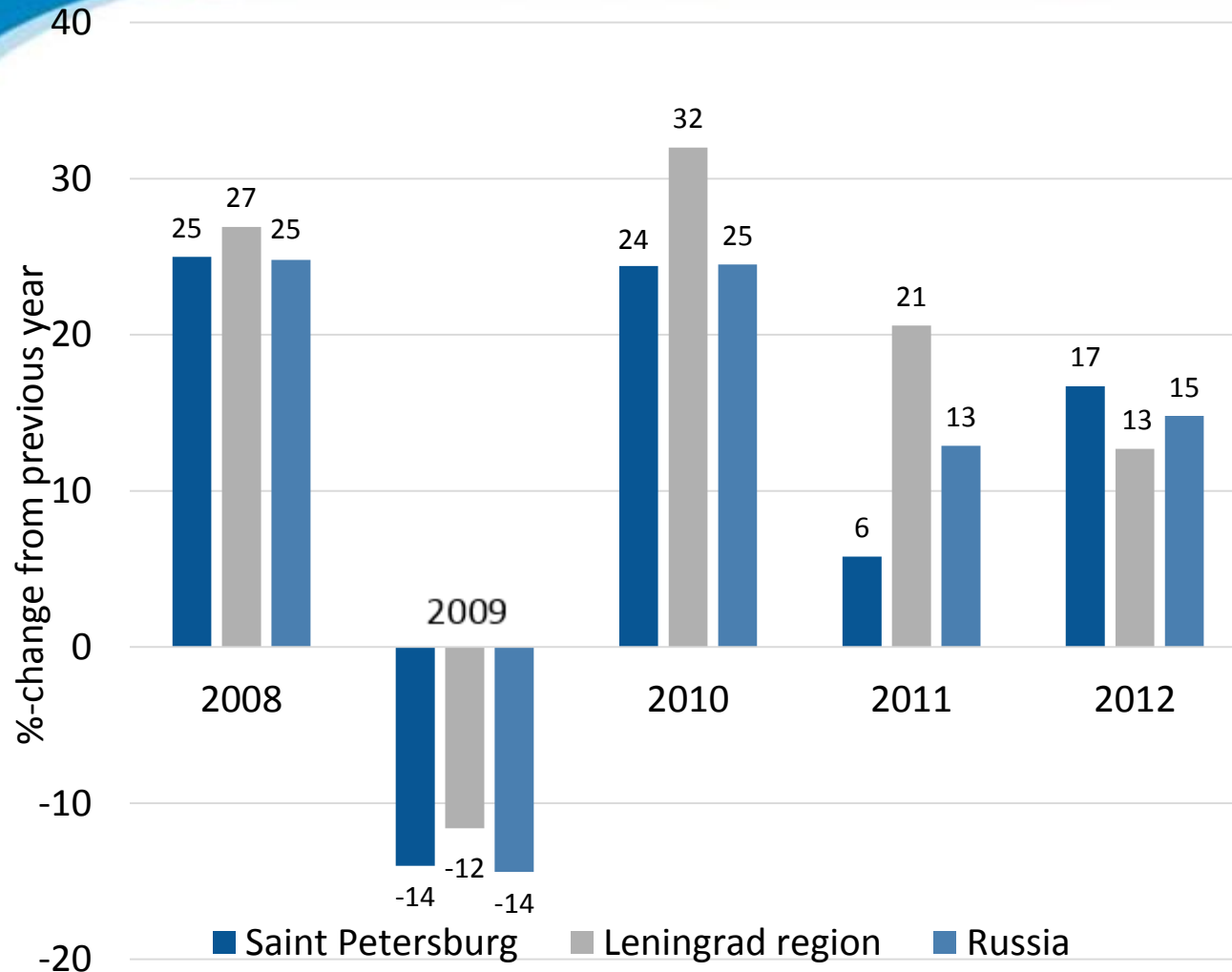


### Development of industrial prices



# 2. Regional economy

## I) Development of retail trade



Retail sales of Saint Petersburg,  
Leningrad region and Russia, bn €

| Year | Saint Petersburg | Leningrad region | Russia |
|------|------------------|------------------|--------|
| 2007 | 12,8             | 2,9              | 309,5  |
| 2008 | 16,0             | 3,6              | 386,3  |
| 2009 | 13,8             | 3,2              | 330,8  |
| 2010 | 17,1             | 4,2              | 411,8  |
| 2011 | 18,1             | 5,1              | 465,0  |
| 2012 | 21,1             | 5,8              | 533,9  |

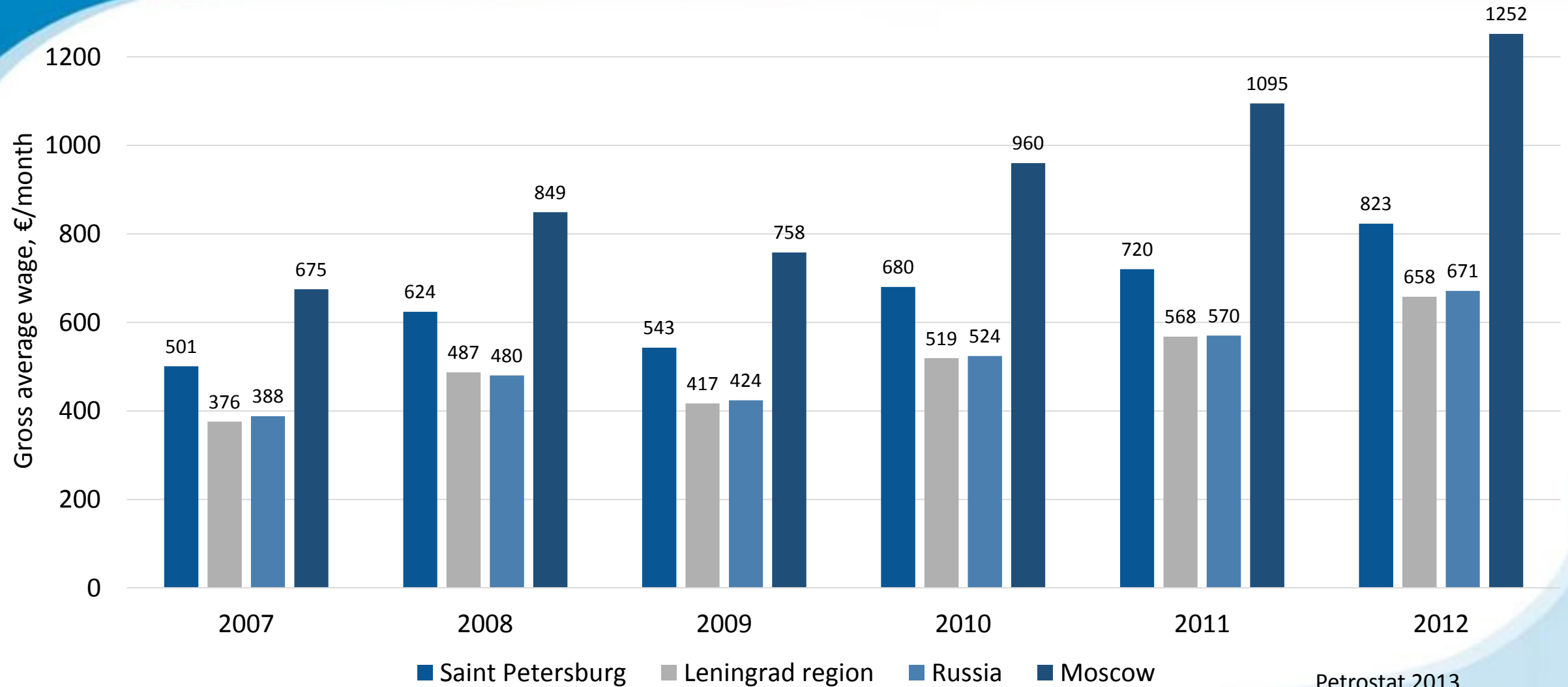
## 2. Regional economy

m) Distribution of enterprises and organisations by ownership (number)

|                                    | 2008           |               | 2009           |               | 2010           |               | 2011           |               | 2012           |               |
|------------------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                                    | City           | Region        | City           | Region        | City           | Region        | City           | Region        | City           | Region        |
| State- and municipal-owned         | 6 872          | 3 814         | 6 762          | 3 807         | 6 365          | 3 502         | 5 879          | 3 378         | 5 575          | 3 307         |
| Religious and public organisations | 9 878          | 2 252         | 9 917          | 2 182         | 6 739          | 1 607         | 6 246          | 1 590         | 5 924          | 1 556         |
| Private                            | 389 958        | 37 818        | 411 570        | 38 350        | 344 829        | 34 484        | 339 131        | 33 221        | 321 618        | 32 527        |
| Public–private                     | 4 295          | 781           | 4 057          | 743           | 1 872          | 494           | 1 470          | 437           | 1 394          | 428           |
| Foreign                            | 9 448          | 597           | 9 467          | 650           | 8 611          | 577           | 8 818          | 596           | 8 363          | 584           |
| Joint Russian and foreign          | 9 019          | 689           | 9 016          | 696           | 5 991          | 536           | 5 879          | 517           | 5 575          | 506           |
| <b>Total</b>                       | <b>429 469</b> | <b>45 951</b> | <b>450 789</b> | <b>46 428</b> | <b>374 407</b> | <b>41 200</b> | <b>367 423</b> | <b>39 738</b> | <b>348 449</b> | <b>38 908</b> |

# 3. Prosperity and consumption

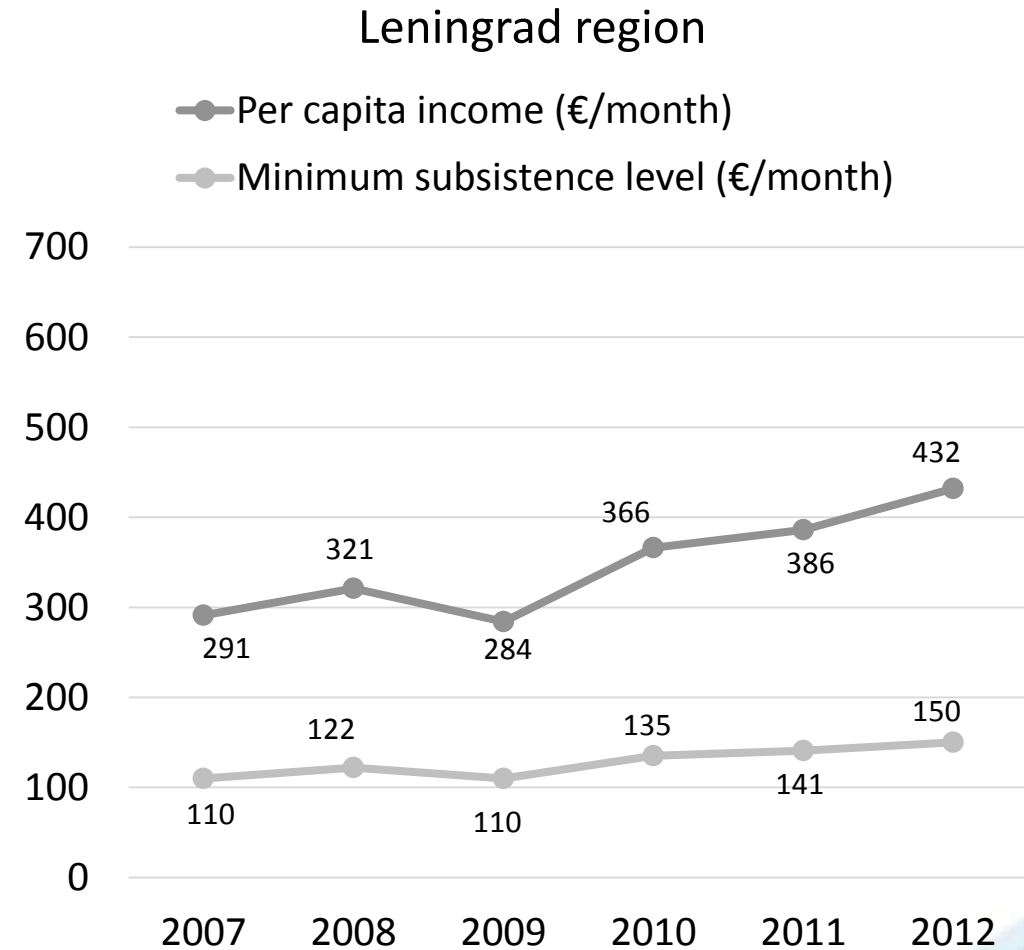
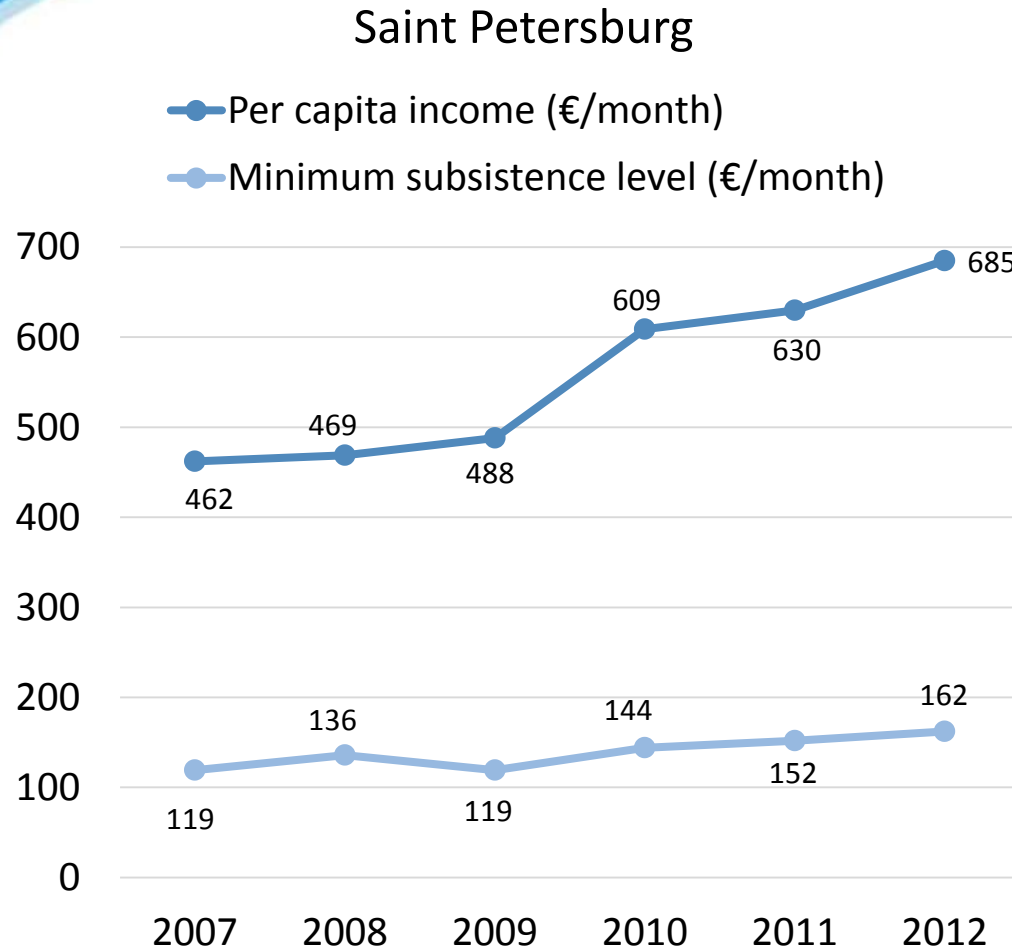
## a) Development of gross average wages, €/month





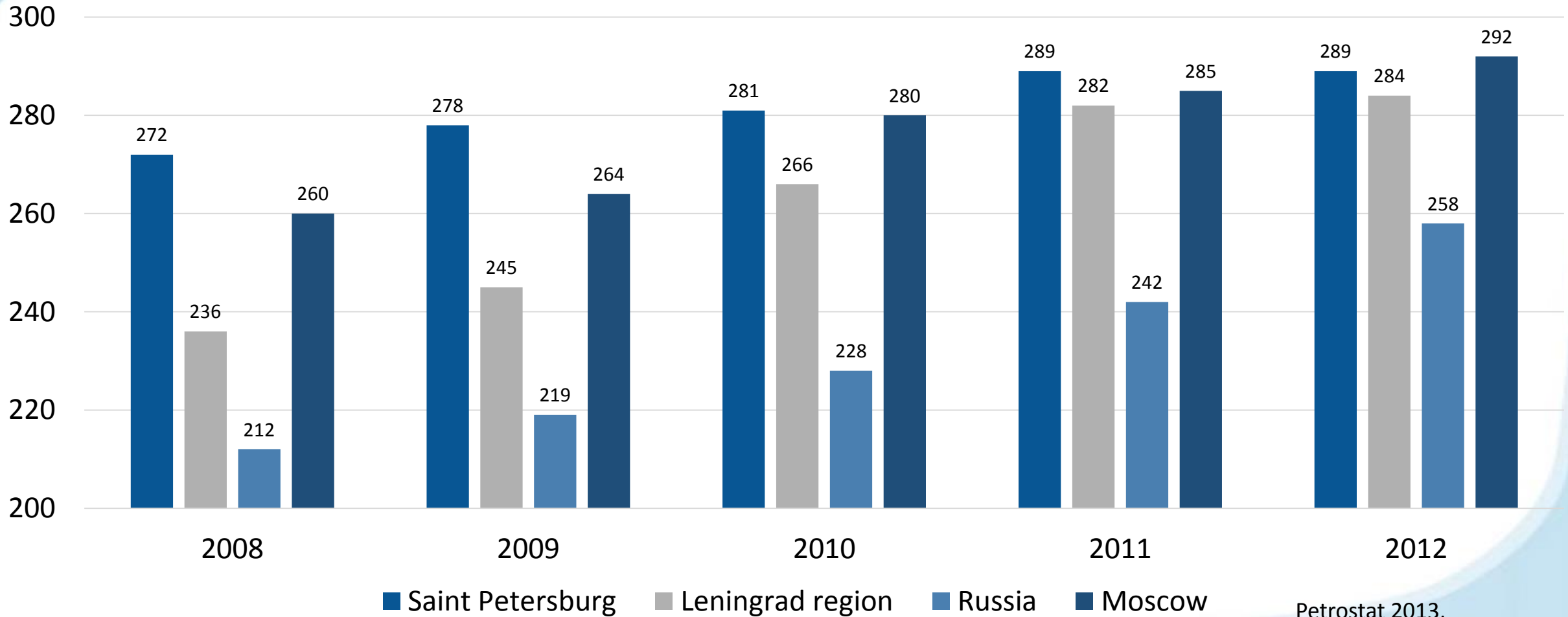
# 3. Prosperity and consumption

b) Main socio-economic indicators of living standards, €/month



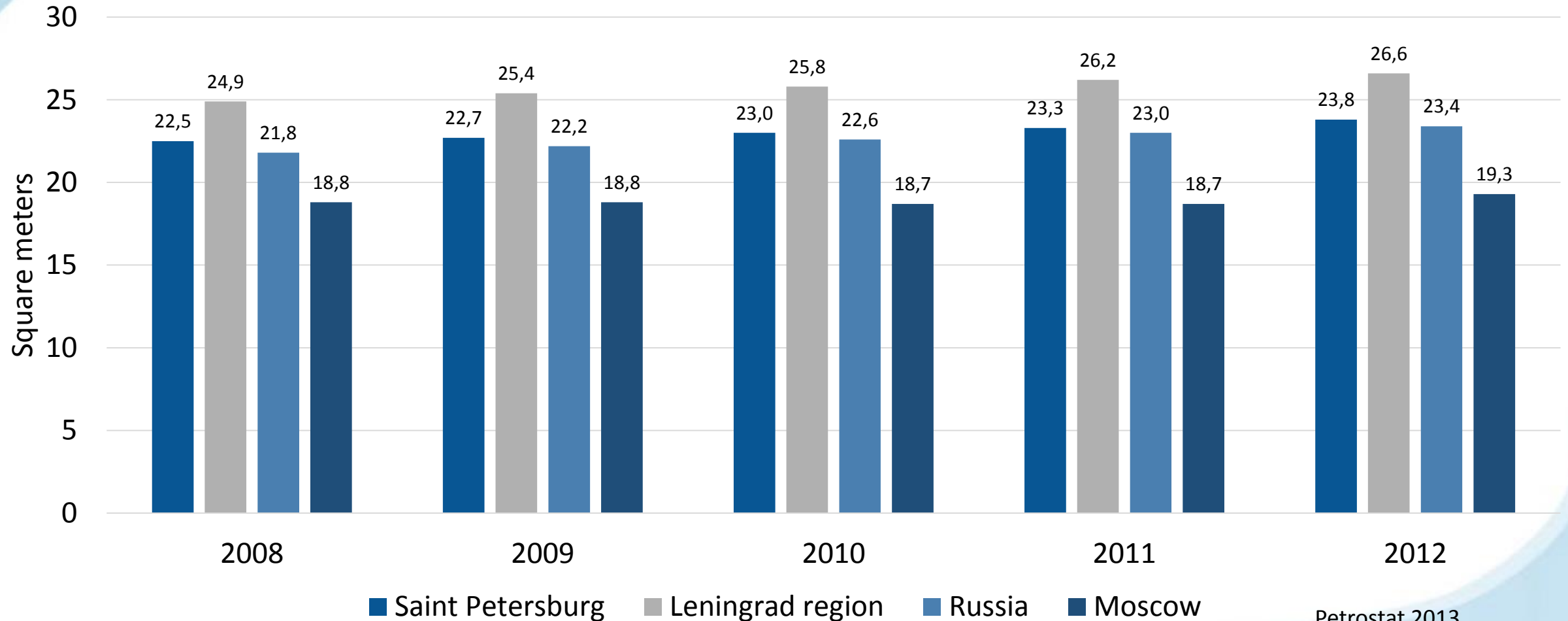
# 3. Prosperity and consumption

c) Number of passenger cars per 1000 persons



# 3. Prosperity and consumption

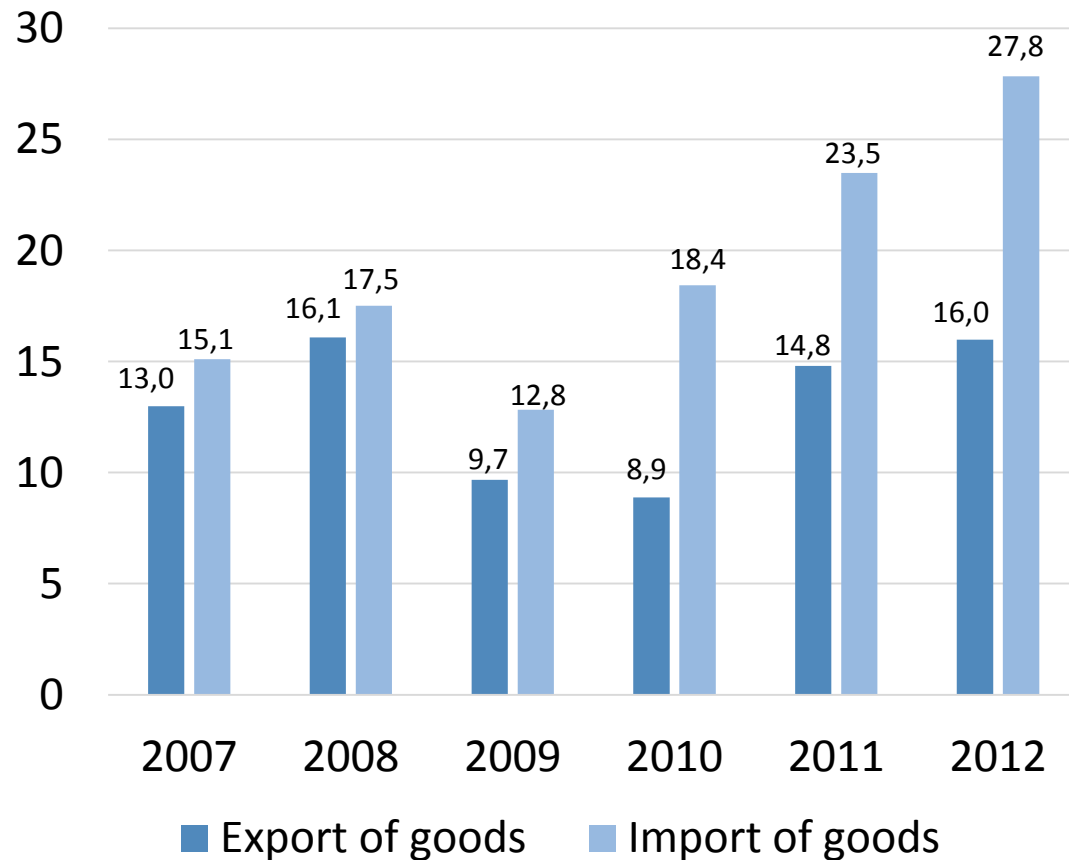
d) Living area (square meters per person)



# 4. External economic relations

## a) Exports & imports, bn €

Saint Petersburg



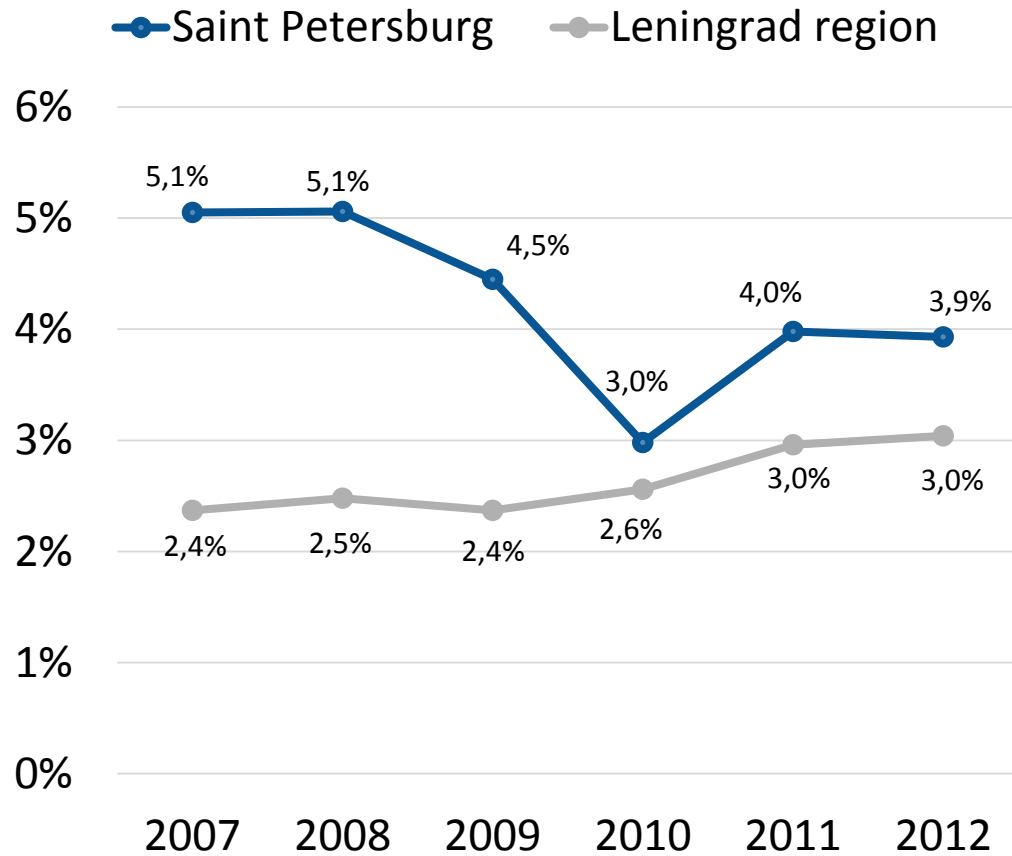
Leningrad region



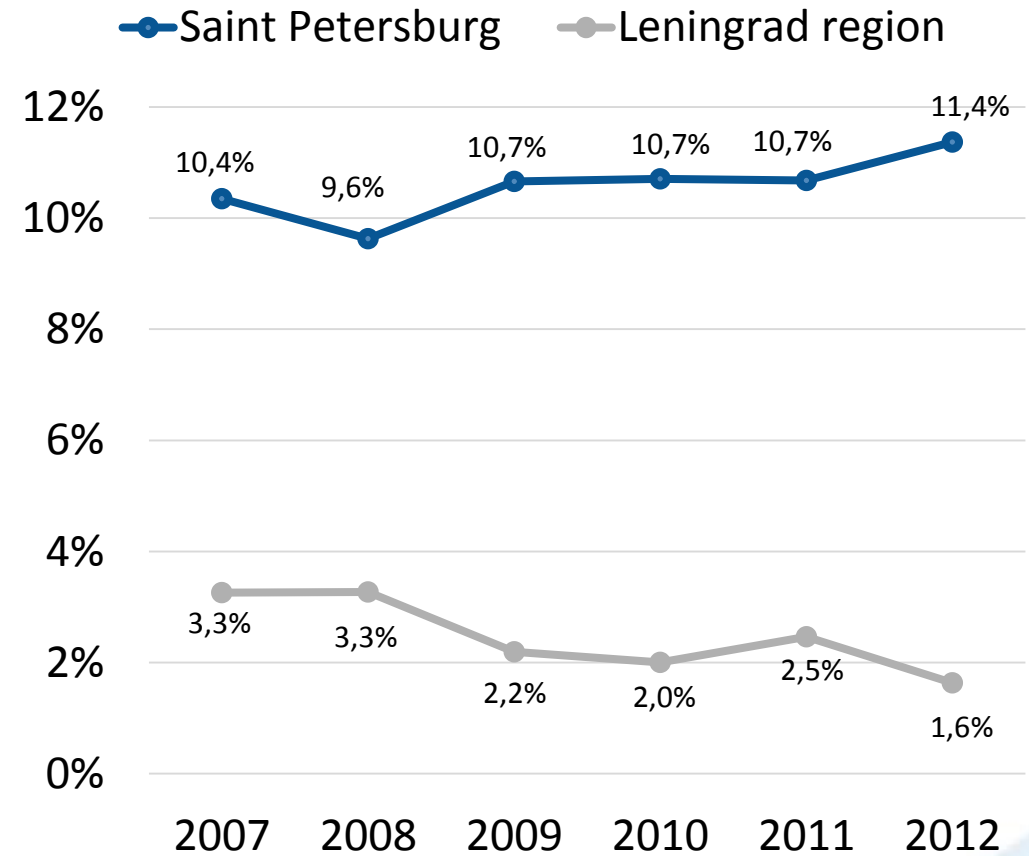
# 4. External economic relations

## b) Share in Russia's exports and imports

### Share in Russia's exports



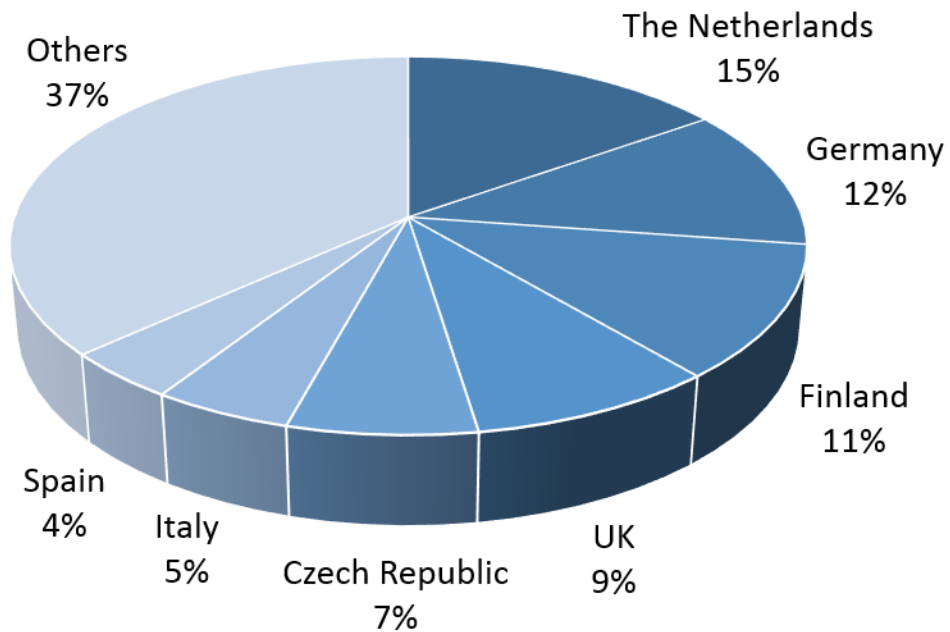
### Share in Russia's imports



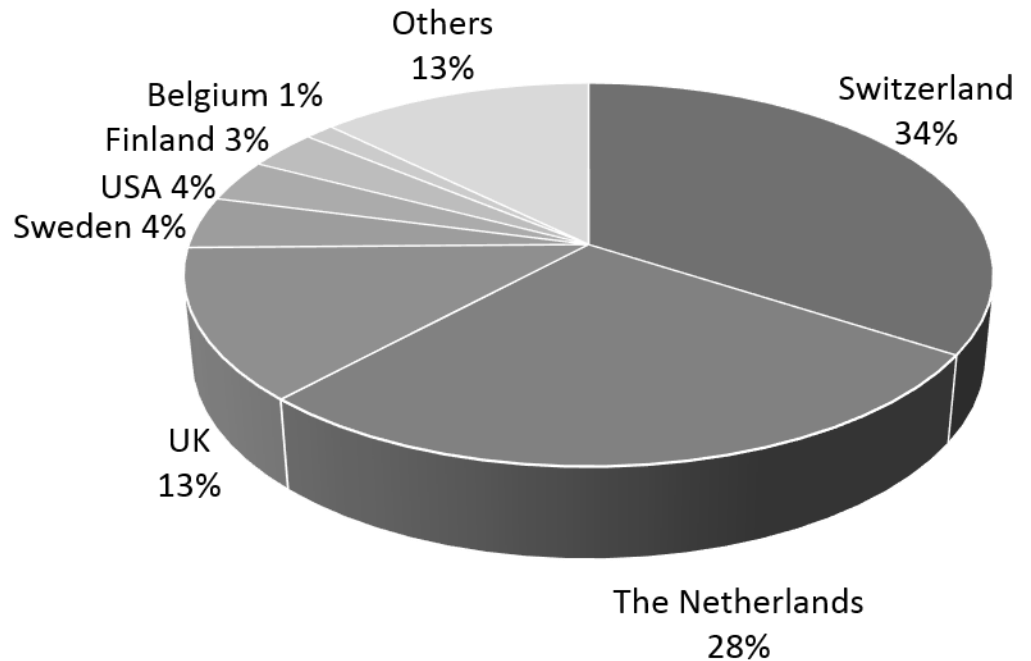
# 4. External economic relations

## c) Exports by country in 2012

Saint Petersburg



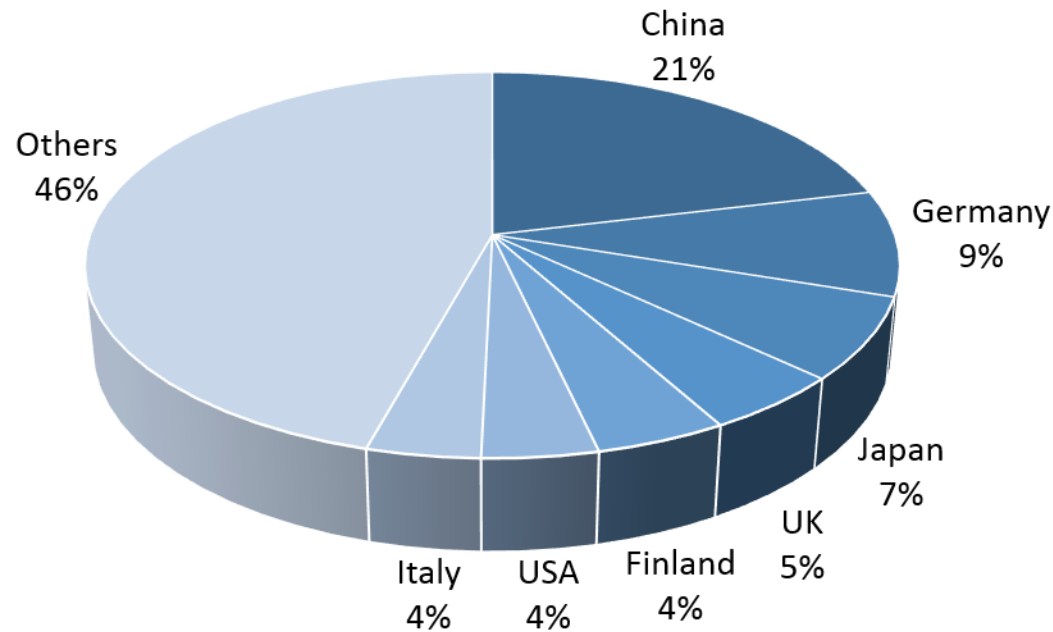
Leningrad region



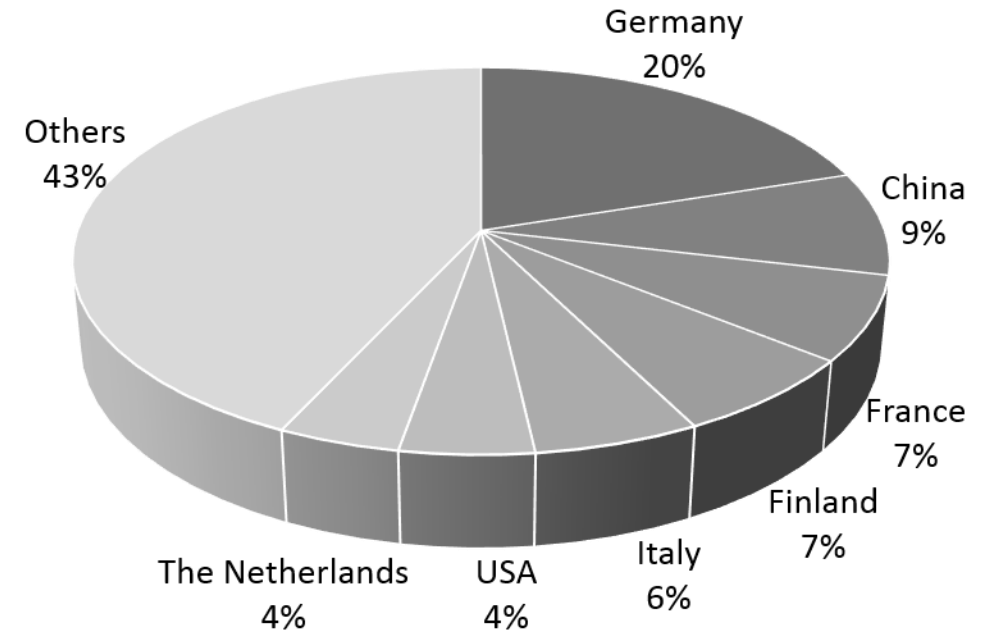
# 4. External economic relations

## d) Imports by country in 2012

Saint Petersburg



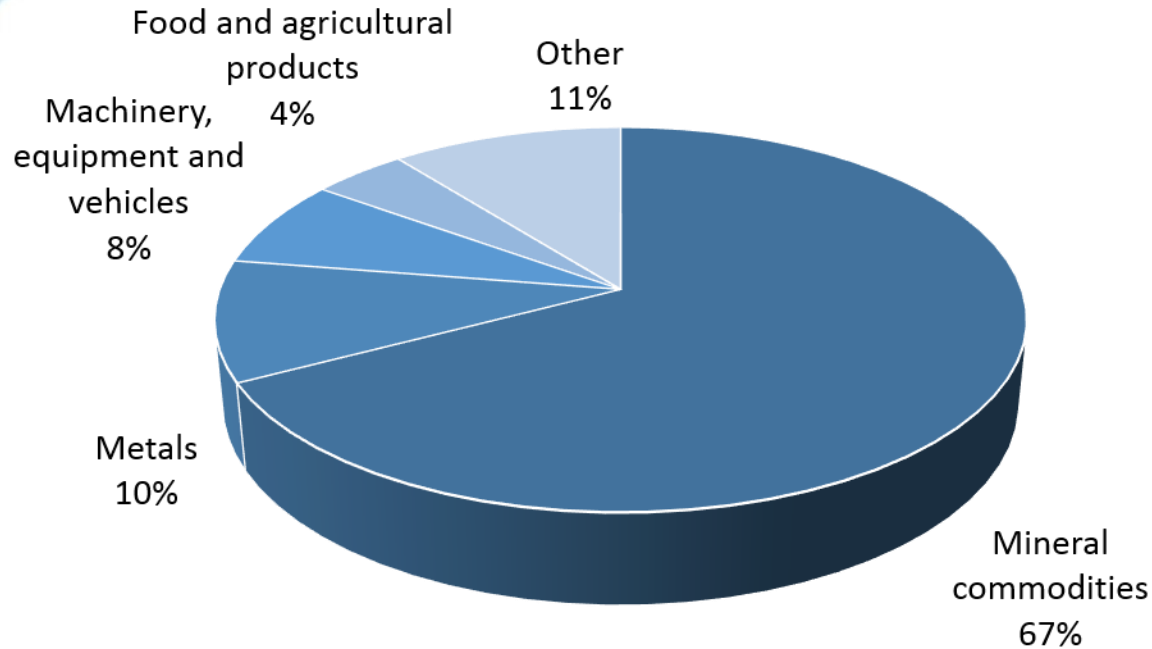
Leningrad region



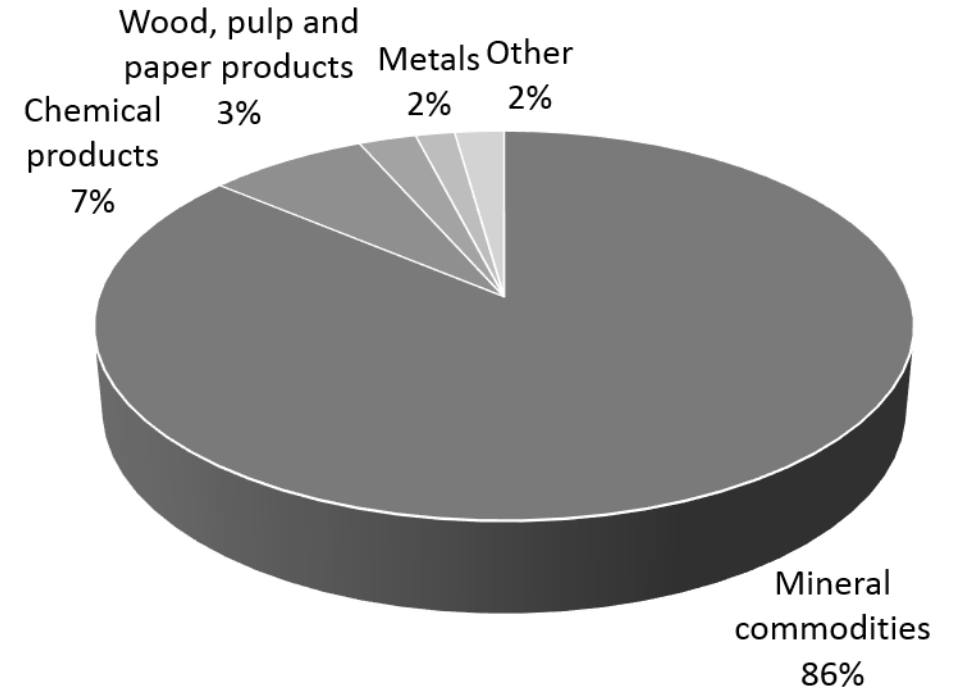
# 4. External economic relations

## e) Export structure in 2012

Saint Petersburg



Leningrad region

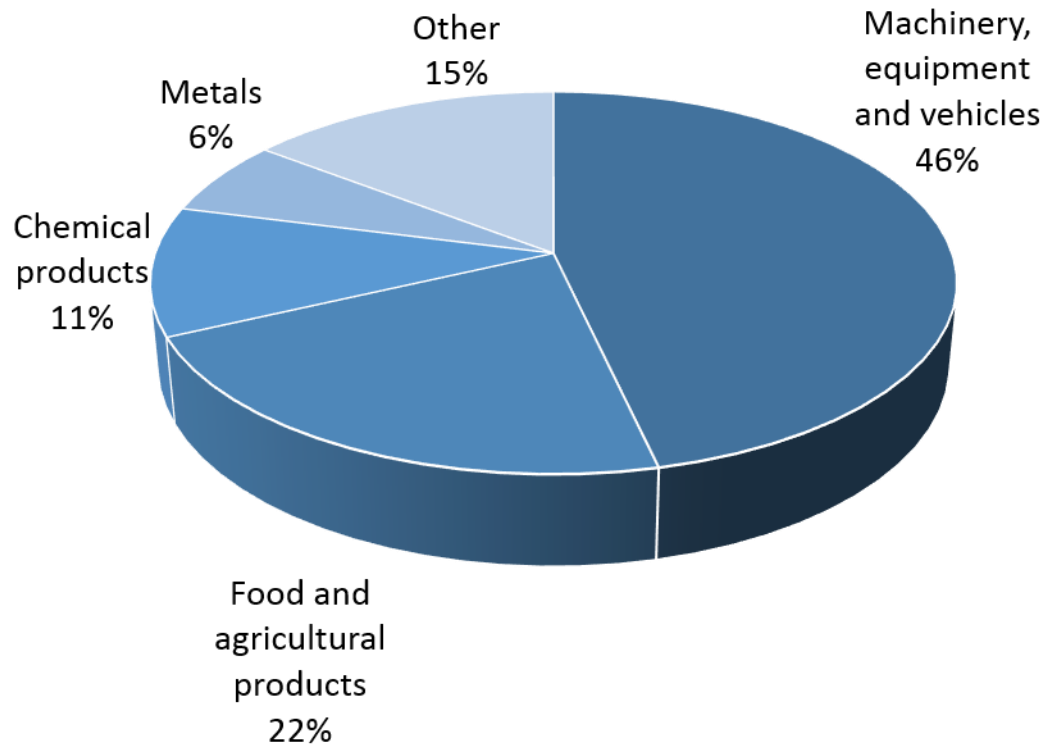




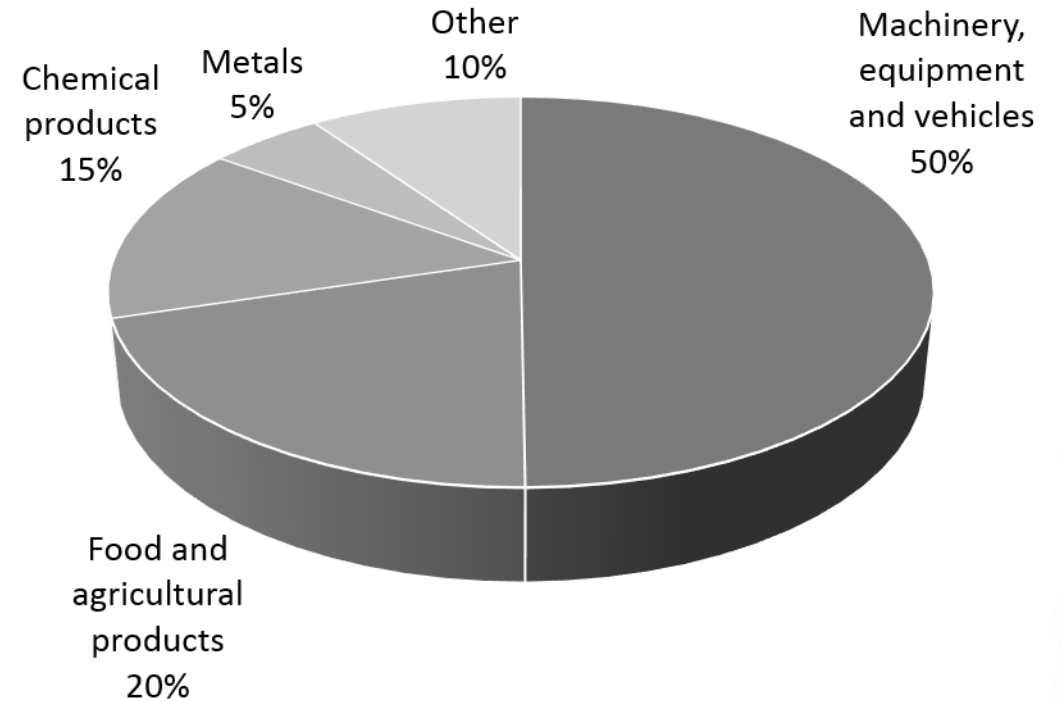
# 4. External economic relations

## f) Import structure in 2012

Saint Petersburg



Leningrad region



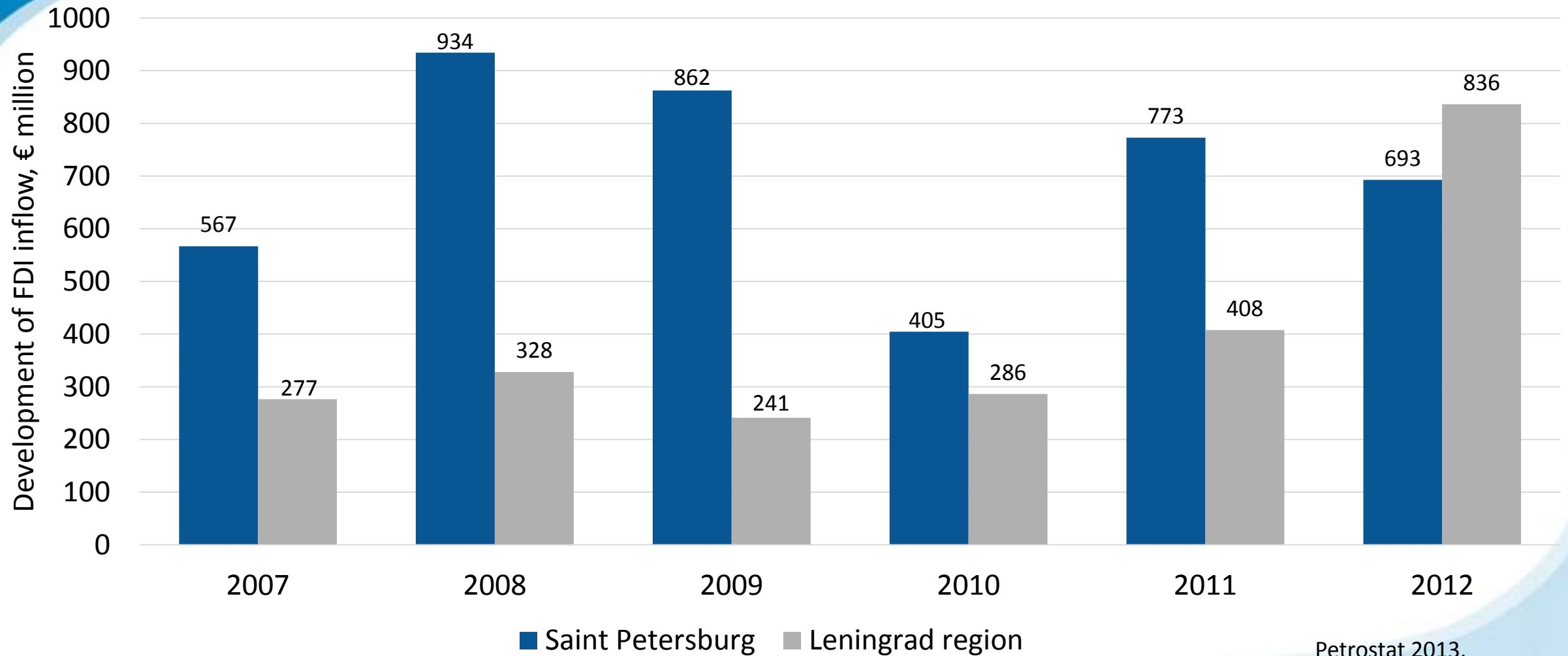
# 4. External economic relations

g) Foreign investment inflow, mn €

|              | 2007         |            | 2008         |            | 2009         |            | 2010         |            | 2011         |            | 2012         |              |
|--------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|--------------|
|              | City         | Region     | City         | Region     | City         | Region     | City         | Region     | City         | Region     | City         | Region       |
| FDI          | 567          | 277        | 934          | 328        | 862          | 241        | 405          | 286        | 773          | 408        | 693          | 837          |
| Portfolio    | 370          | 0          | 18           | 0          | 99           | 0          | 3            | 79         | 152          | 33         | 42           | 35           |
| Trade loans  | 1 382        | 37         | 1 440        | 24         | 1 672        | 6          | 1 383        | 2          | 2 032        | 23         | 2 854        | 28           |
| Other loans  | 2 268        | 428        | 1 640        | 301        | 1 342        | 650        | 1 402        | 111        | 2 051        | 69         | 4 758        | 189          |
| <b>Total</b> | <b>4 587</b> | <b>741</b> | <b>4 032</b> | <b>654</b> | <b>3 975</b> | <b>897</b> | <b>3 933</b> | <b>479</b> | <b>4 403</b> | <b>533</b> | <b>8 347</b> | <b>1 089</b> |

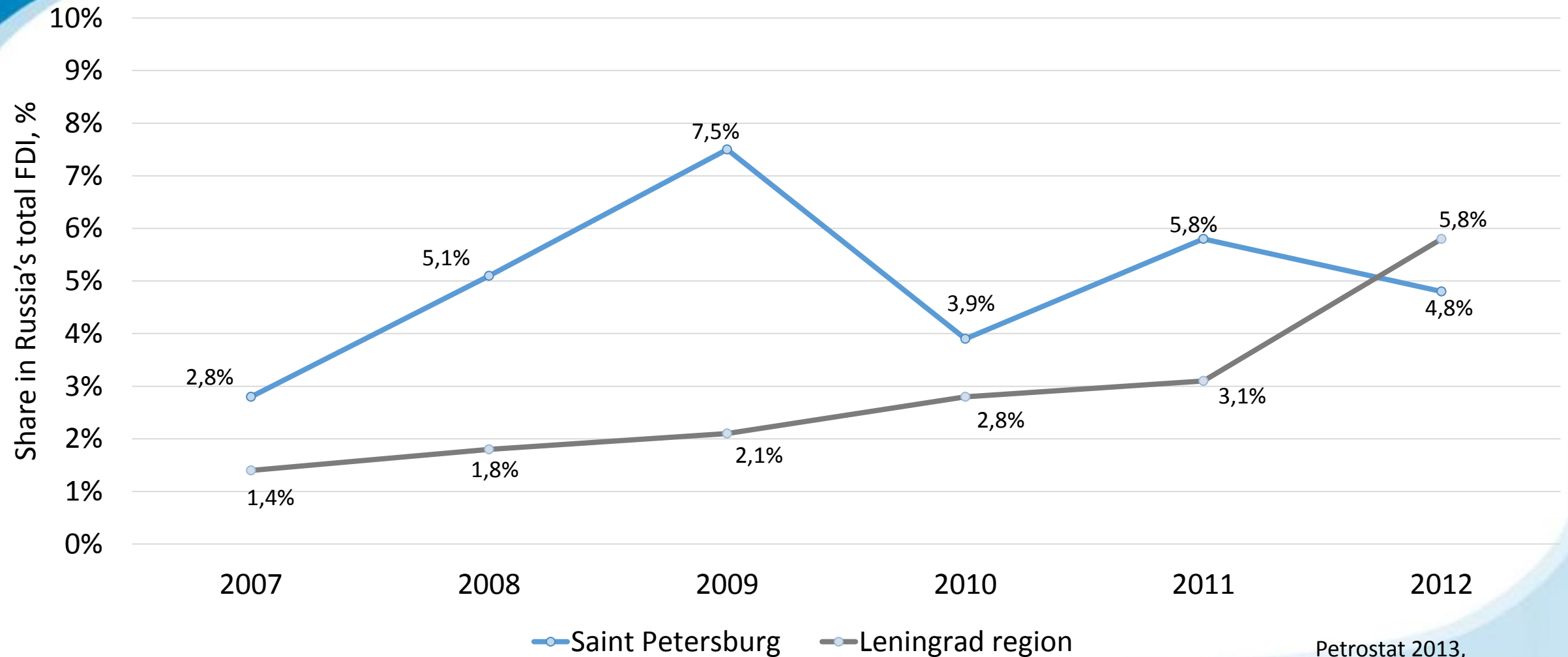
# 4. External economic relations

h) Development of FDI inflow, mn €



# 4. External economic relations

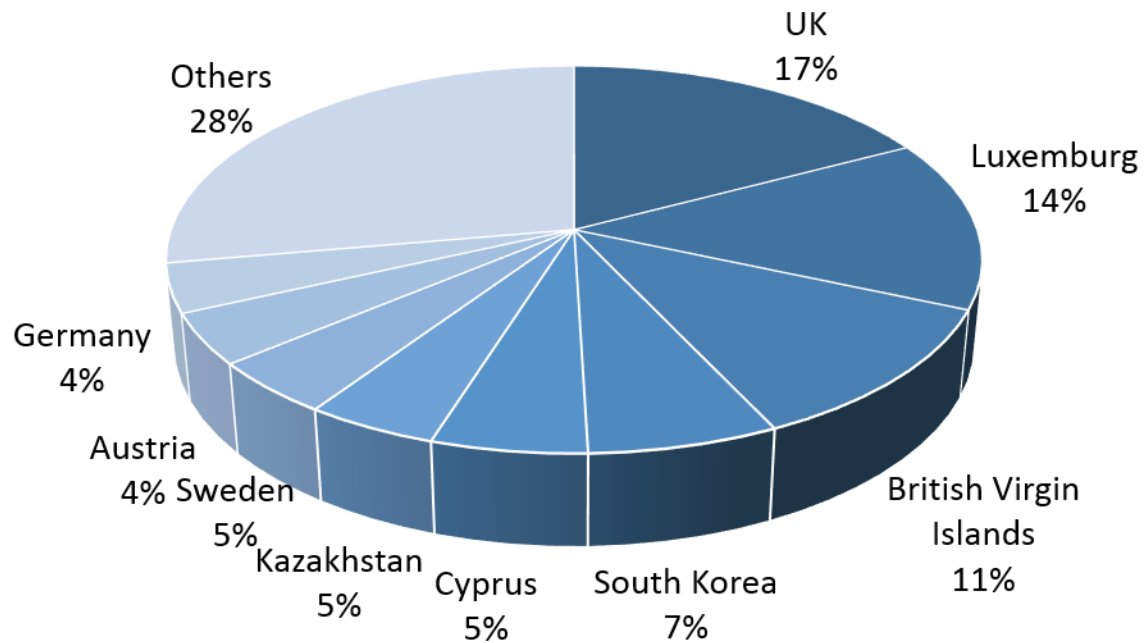
i) Share in Russia's total FDI, %



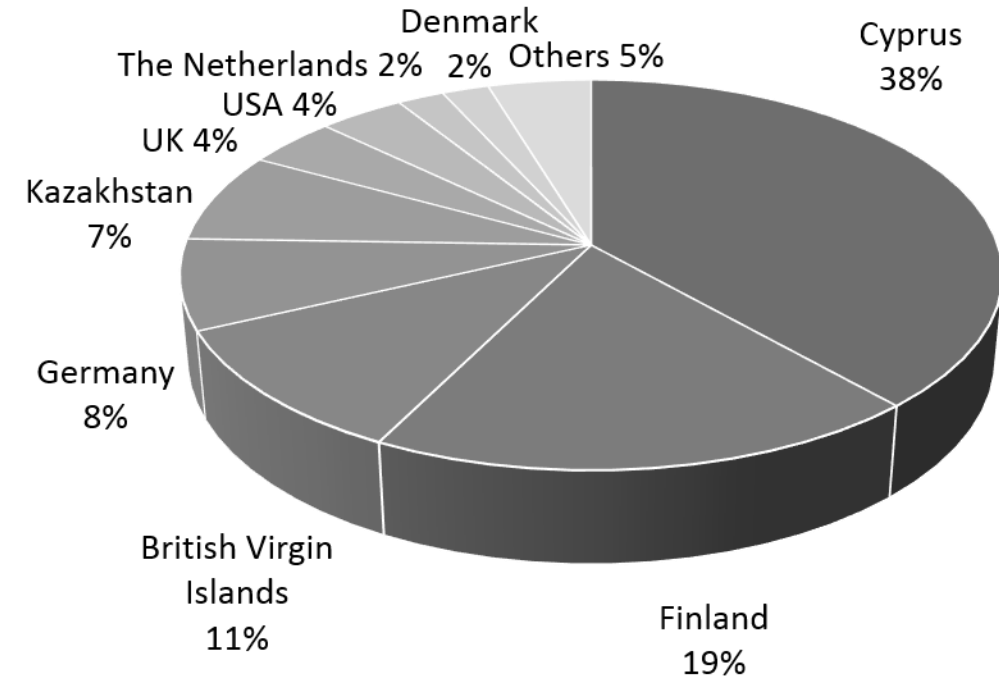
# 4. External economic relations

j) Foreign investment by country of origin in 2012

Saint Petersburg



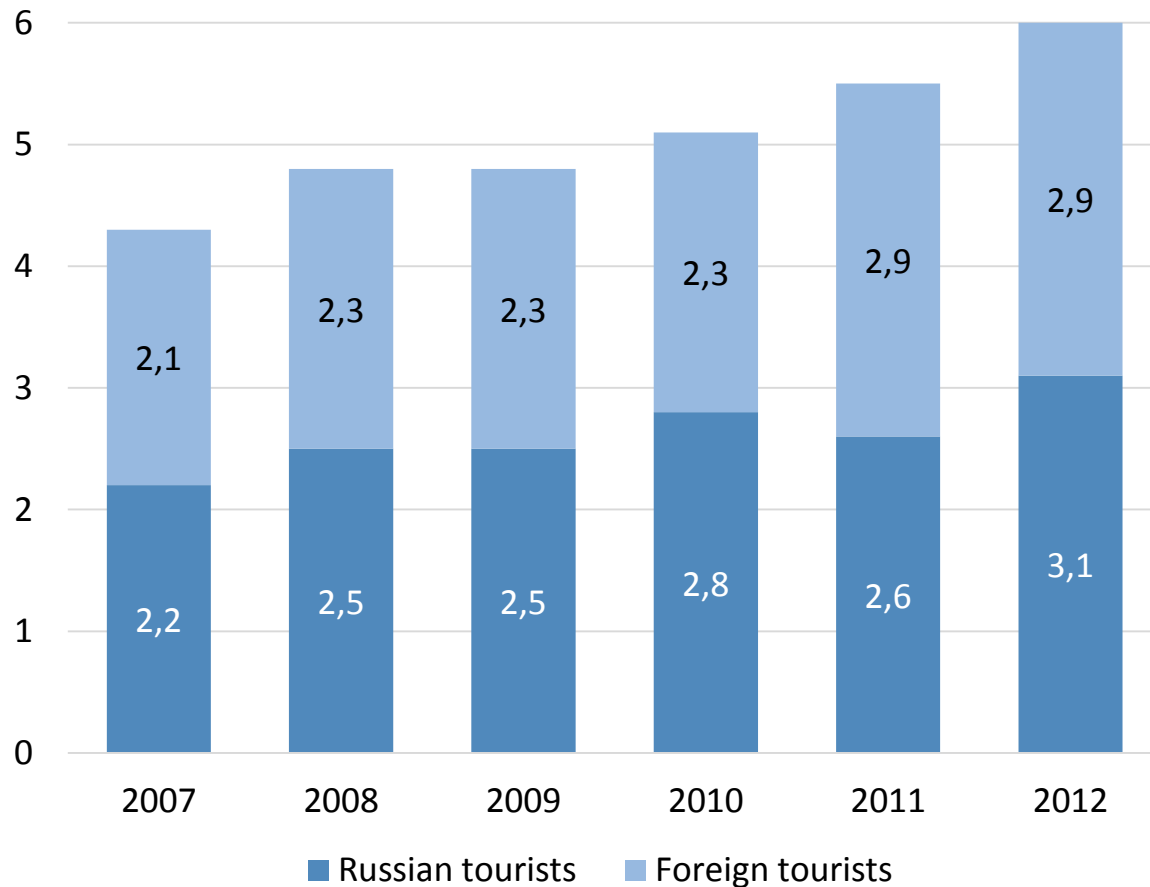
Leningrad region



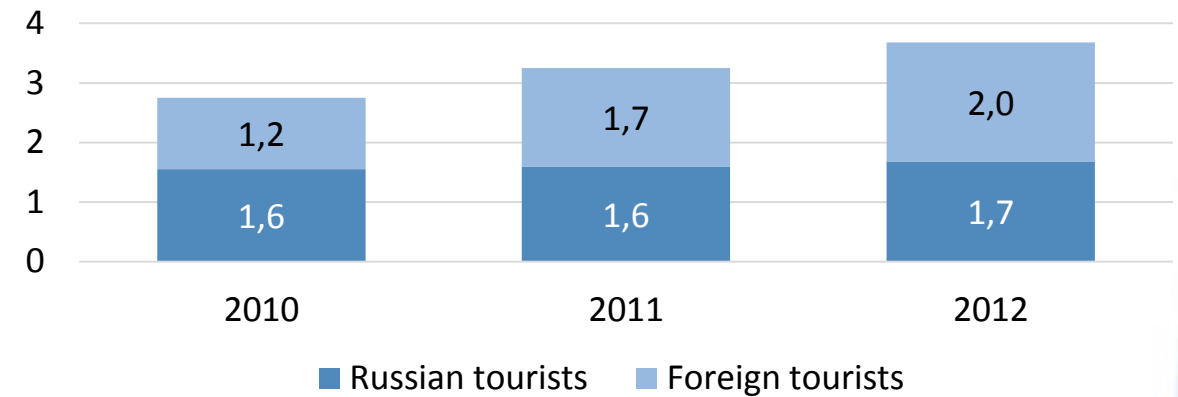
# 4. External economic relations

## k) Tourism

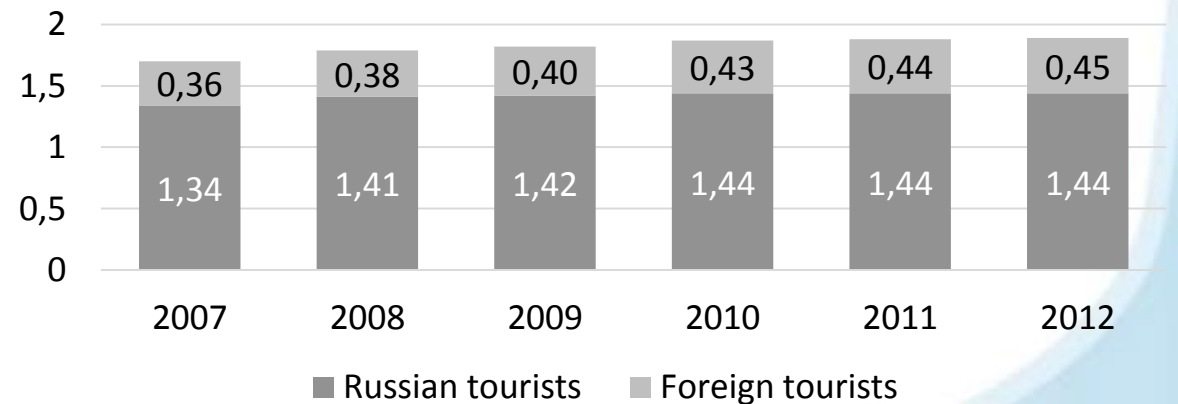
Number of tourists visited St. Petersburg, mn



Money spent by tourists in St. Petersburg, bn €



Number of tourists visited Leningrad region, mn



# 5. Business environment

## a) Special economic zones in Saint Petersburg

Total area 129.4 hectares (two sites):

- Neudorf 19.0 hectares
- Novoorlovskaya 110.4 hectares

Focus industries:

- Tool engineering
- Pharmaceuticals and health technologies
- IT and telecom
- Energy efficiency

Incentives for resident investors:

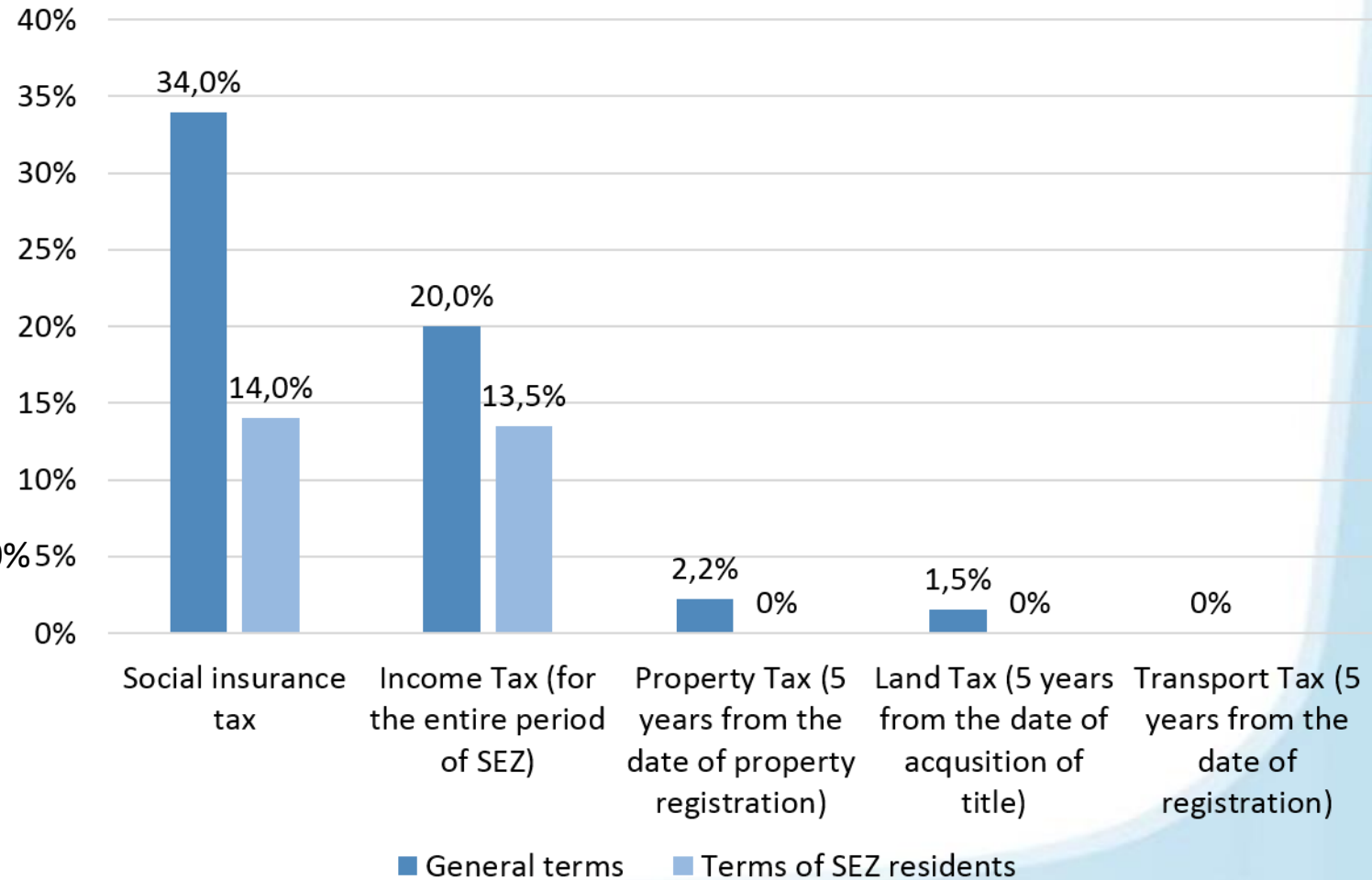
- Land tax exemption
- Property tax exemption
- Corporate income tax reduced to 13,5%
- Social insurance contributions reduced to 14,0%
- Free customs area

Land lease: USD 6 700-17 000 per hectare annually

Land purchase: starting USD 835 000 per hectare

Land plots available for lease: 1 hectare

Tax regime within the special economic zones  
in Saint Petersburg



# 5. Business environment

## b) Investment tax concessions in Saint Petersburg

| Qualifying activities/investments                                                                                                                                | Specific requirements                                                                                                                                                                                                       | Amount invested<br>(at least, in roubles) | Profits tax<br>(regional component) | Property tax  | Concession period |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------|---------------|-------------------|
| <p>Production purposes or corresponding management needs</p> <p>The investment should be made for a period of 5 calendar years any time after 1 January 2012</p> | <p>Investments should be made in the following areas:</p> <ul style="list-style-type: none"> <li>• Manufacturing/processing</li> <li>• Electricity, gas and water</li> <li>• Transport (with certain exceptions)</li> </ul> | 800 mn                                    | 13,5%                               | 0%            | 5 years           |
|                                                                                                                                                                  | <p>The company should be engaged in a high-technology field; revenue from the above-mentioned activities should make up no less than 80% of the company's revenue</p>                                                       | 50 mn                                     | 13,5%                               | No concession | 5 years           |
| <p>Objects for operations for any purposes</p> <p>The investment should be made for a period of 5 calendar years any time after 1 January 2012</p>               | <p>Including rent (Except for leasing)</p>                                                                                                                                                                                  | 15 mn                                     | 13,5%                               | No concession | 7 years           |



# 5. Business environment

## c) Investment tax concessions in Leningrad region

| Qualifying activities/investments                                                             | Specific requirements                                                                                                                                                                                                                                                                                                      | Amount invested<br>(at least, in roubles) | Profits tax<br>(regional component) | Property tax  | Concession period |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------|---------------|-------------------|
| Production purposes or corresponding management needs (Except for tolling)                    | Investments should be made in the following areas: <ul style="list-style-type: none"> <li>• Agriculture and hunting</li> <li>• Manufacturing of certain goods</li> <li>• Publishing</li> <li>• Hospitality and restaurant activities</li> <li>• Water transport activities, transportation and storage of cargo</li> </ul> | 300 mn                                    | 13,5%                               | 0%            | 4 years           |
| The investment should be made for a period of 5 calendar years any time after 1 January 2012  |                                                                                                                                                                                                                                                                                                                            | 500 mn                                    | 13,5%                               | 0%            | 5 years           |
|                                                                                               |                                                                                                                                                                                                                                                                                                                            | over 3 bn                                 | 13,5%                               | 0%            | 6-8 years         |
| Production purposes                                                                           | The company should be engaged in manufacturing/processing activities.<br>Fixed assets should not be acquired under leasing agreements or received on a free-of-charge basis and not have been previously used in the Leningrad region.                                                                                     | 1 bn                                      | 13,5%                               | No concession | 5 years           |
| The investment should be made for a period of 3 calendar years any time after 1 January 2012. |                                                                                                                                                                                                                                                                                                                            |                                           |                                     |               |                   |

# 5. Business environment

## d) Some industrial parks of Leningrad region

|             | Distance to St Petersburg | Specialisation                                                                                | Some examples of residents                                                                                                                                 | Contact details                                                                                                                 |
|-------------|---------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Ust-Luga    | 130 km                    | Enterprises, petroleum and petrochemical sectors                                              | Producers of car parts, equipment and electronics, refiners of hydrocarbon                                                                                 | <a href="http://www.ust-uga.ru/?lang=en">http://www.ust-uga.ru/?lang=en</a><br>info@ust-luga.ru<br>+7 (812) 334 16 77           |
| Greenstate  | 5 km                      | Logistics, packaging, engineering, production of car parts, building materials and foodstuffs | Gorigo (logistics complex), Siemens TGT (production of gas turbines), Viking Life-saving Equipment and Ponsse (maintenance), Pit-Product (meat processing) | <a href="http://yit-greenstate.com/en/main">http://yit-greenstate.com/en/main</a><br>anna.fedorova@yit.ru<br>+7 (812) 448 9855  |
| Marienburg  | 30 km                     | Enterprises, car parts                                                                        | BFW (filters), DINEX (mufflers), Petrocon (aluminum shape)                                                                                                 | <a href="http://marienburg-park.ru/eng.php">http://marienburg-park.ru/eng.php</a><br>lazukov@olimp2000.ru<br>+7 (812) 325 2052  |
| Fedorovskoe | 22 km                     | Enterprises                                                                                   | Gelios (metal goods), Stillwood (furniture), Jotun (liquid and powdered paint), Lenprobeton (concrete products)                                            | <a href="http://www.fedprom.ru/index.php/en/">http://www.fedprom.ru/index.php/en/</a><br>info@fedprom.ru<br>+ 7 (812) 449-28-07 |
| M10 –Tosno  | 20 km                     | Building materials, assembling, storage zones, motor companies, distribution centers          | John Deere (farm machinery), Sotrans (logistics, cargos), Magnit (retail chain)                                                                            |                                                                                                                                 |

# 5. Business environment

## e) Automobile cluster in Saint Petersburg

St. Petersburg is Russia's leading center for the automotive industry:

- 5 plants, one more is being built
- 6 000 workers
- Volume of output: € 4,5 bn (2012)
- 20% of the overall production of cars in Russia

| Year             | Produced cars | Gross investment by car producers \$1,3 bn<br><br>Gross investment by government \$0,2 bn |
|------------------|---------------|-------------------------------------------------------------------------------------------|
| 2011             | 257 000       |                                                                                           |
| 2012             | 386 000       |                                                                                           |
| 2013 (Jan – Sep) | 286 000       |                                                                                           |

| Company        | Opened | Annual production volume | Value of investments | Number of workers |
|----------------|--------|--------------------------|----------------------|-------------------|
| Toyota         | 2007   | 50 000                   | \$ 133 mn            | 600               |
| General Motors | 2008   | 60 000                   | \$ 303 mn            | 1 300             |
| Nissan         | 2009   | 50 000                   | \$ 200 mn            | 1 500             |
| Hyundai        | 2010   | 150 000                  | \$ 650 mn            | 2 400             |
| Scania         | 2010   | 6 500                    | \$ 10 mn             | 600               |
| Yo-Mobile      | 2015   | 45 000                   | € 142 mn             | -                 |

<http://www.spbdnevnik.ru/news/2013-11-06/boleey-20-legkovykh-avtomobiley-rossiyskogo-proizvodstva-vypuskayutsya-v-peterburge/>  
[http://gov.spb.ru/gov/otrasl/c\\_industrial/avtomobilnyj-klaster/](http://gov.spb.ru/gov/otrasl/c_industrial/avtomobilnyj-klaster/)

# 5. Business environment

## f) Other clusters in Saint Petersburg (1)

### Pharmaceutical and medical cluster

- Output in 2012: € 0,3 bn
- 150 companies (including 87 manufacturers and 30 research institutes)
- Value of investment: € 0,7 bn
- The main investor is Novartis International AG with € 350 mn investment (70 % for R&D)

### Power engineering cluster

- Output in 2012: € 1,3 bn
- Produces 80% of energy equipment of Russia and the CIS
- Exports in 2012: € 442 mn
- Specializes in producing gas turbines and development of Smart Grid

### Shipbuilding cluster

- Output in 2012: € 0,7 bn
- Produces 50% of output of defense-industrial sector of Saint Petersburg
- 43 companies with more than 50 000 employees

<http://expert.ru/northwest/2013/18/nauchno-tehnicheskij-poyas/media/194084/>

<http://www.riss.ru/index.php/analitika/1786-mediko-farmatsevticheskij-klaster-sankt-peterburga>

[http://gov.spb.ru/gov/otrasl/c\\_industrial/farmklaster/](http://gov.spb.ru/gov/otrasl/c_industrial/farmklaster/)



# 5. Business environment

## f) Other clusters in Saint Petersburg (2)

### Radio electronics cluster

- Output in 2012: € 2 bn
- 54 companies
- Public-private partnership
- 5 universities for teaching students

### Aerospace cluster

- Output in 2012: € 0,4 bn
- 32 participants (including 12 companies and 13 scientific and educational institutions)
- The main specialization is the satellite navigation technologies

### IT Cluster

- Volume of output in 2012: € 0,01 bn
- 86 participants (200 planned, including Microsoft and Kaspersky Lab)
- The main object is Ingira Technopark
- Value of investment: € 0,6 bn
- Commissioning not earlier than 2015

# 5. Business environment

g) Saint Petersburg and Leningrad region in the rankings in 2013

## Forbes

St. Petersburg is the 21th Russian city for doing business

<http://www.forbes.ru/rating/30-luchshih-gorodov-dlya-biznesa-2013/2013?full=1&table=1>

## General'nyj direktor

St. Petersburg took the 7<sup>th</sup> place and Leningrad region took the 10<sup>th</sup> place out of 83 Russian regions in the investment rating

<http://www.finmarket.ru/economics/article/3554778>

## Kommersant

St. Petersburg is the leading Russian city

<http://im.kommersant.ru/ISSUES.PHOTO/SF/2013/004/sgdcyuok.gif>

## RIA Novosti

St. Petersburg took the 2<sup>nd</sup> place and Leningrad region took the 18<sup>th</sup> place out of 83 Russian regions in the quality of life rating

<http://ria.ru/infografika/20121219/915370916.html>

| Credit rating agency | Saint Petersburg | Leningrad region | Russia        |
|----------------------|------------------|------------------|---------------|
| Standard and Poor's  | BBB (stable)     | BB+ (stable)     | BBB (stable)  |
| Moody's              | Baa1 (stable)    | Ba1 (stable)     | Baa1 (stable) |
| Fitch Ratings        | BBB (stable)     | BB+ (positive)   | BBB (stable)  |

# 5. Business environment

## h) 2018 FIFA World Cup in Saint Petersburg

- Saint Petersburg is one of the Russian cities which will host the 2018 FIFA World Cup, including a semi-final match.
- Owing to this fact, Saint Petersburg and Leningrad region will receive guaranteed funding by FIFA, as well as federal and municipal funding for implementation of infrastructure projects.

### Projects to be implemented:

- Zenit Arena for 69 500 people for € 1 bn
- Ropeway to the stadium for € 165 mn
- Pulkovo's new airport terminal for € 1,2 bn (completed)
- Development of Gatchina that will be the place of accommodation for one of the teams
- Construction of the transport complex in Devyatkinno (Leningrad region) for € 70 mn
- Development of metro and commuter transport



# 6. Additional information

## a) Consulates general (1)

| Country            | Phone              | Address                             | E-mail                                                                                       | Web page                                                                                                                                                                                            |
|--------------------|--------------------|-------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Armenia            | +7 (812) 571-72-36 | 22, ulitsa Dekabristov              |                                                                                              | <a href="http://russia.mfa.am/ru/">http://russia.mfa.am/ru/</a>                                                                                                                                     |
| Azerbaijan         | +7 (812) 717-38-90 | 27/2, 2-ya Sovetskaya ulitsa        | <a href="mailto:stpetersburg@mission.mfa.gov.az">stpetersburg@mission.mfa.gov.az</a>         | <a href="http://azconsulate.spb.ru/">http://azconsulate.spb.ru/</a>                                                                                                                                 |
| Belgium            | +7 (812) 579-57-91 | 11, Saperniy pereulok               | <a href="mailto:saintpetersburg@diplobel.fed.be">saintpetersburg@diplobel.fed.be</a>         | <a href="http://www.diplomatie.be/saint-petersburg">http://www.diplomatie.be/saint-petersburg</a>                                                                                                   |
| Bulgaria           | +7 (812) 401-01-52 | 27, ulitsa Ryleeva                  | <a href="mailto:secretary@mail.wplus.net">secretary@mail.wplus.net</a>                       | <a href="http://www.mfa.bg/embassies/russia/setlang/ll">http://www.mfa.bg/embassies/russia/setlang/ll</a>                                                                                           |
| China              | +7 (812) 713-80-09 | 134, naberezhnaya kanala Griboedova | <a href="mailto:chinaconsul_sp_ru@mfa.gov.cn">chinaconsul_sp_ru@mfa.gov.cn</a>               | <a href="http://saint-petersburg.china-consulate.org/">http://saint-petersburg.china-consulate.org/</a>                                                                                             |
| Cyprus             | +7 (812) 380-78-00 | 27, Furshtatskaya ulitsa            | <a href="mailto:info@cyprus-spb.ru">info@cyprus-spb.ru</a>                                   | <a href="http://www.mfa.gov.cy/mfa/consulate/consulate_spb.nsf/dmlindex_en/dmlindex_en?OpenDocument">http://www.mfa.gov.cy/mfa/consulate/consulate_spb.nsf/dmlindex_en/dmlindex_en?OpenDocument</a> |
| The Czech Republic | +7 (812) 271-04-59 | 5, Tverskaya ulitsa                 | <a href="mailto:petersburg@embassy.mzv.cz">petersburg@embassy.mzv.cz</a>                     | <a href="http://mzv.cz/">http://mzv.cz/</a>                                                                                                                                                         |
| Denmark            | +7 (812) 703-39-00 | 42, Naberezhnaya reki Moiki         | <a href="mailto:ledgkl@um.dk">ledgkl@um.dk</a>                                               | <a href="http://www.dipinfo.ru/eng/gk/denmark">http://www.dipinfo.ru/eng/gk/denmark</a>                                                                                                             |
| Estonia            | +7 (812) 702-09-20 | 14, Bolshaya Monetnaya ulitsa       | <a href="mailto:Consulate.Peterburg@mfa.ee">Consulate.Peterburg@mfa.ee</a>                   | <a href="http://peterburg.estemb.ru/">http://peterburg.estemb.ru/</a>                                                                                                                               |
| Finland            | +7 (812) 331-76-00 | 4, Preobrazhenskaya ploshchad       | <a href="mailto:sanomat.pie@formin.fi">sanomat.pie@formin.fi</a>                             | <a href="http://www.finland.org.ru/ru/">http://www.finland.org.ru/ru/</a>                                                                                                                           |
| France             | +7 (812) 332-22-70 | 15, Naberezhnaya reki Moiki         | <a href="mailto:consulat@francespb.org">consulat@francespb.org</a>                           | <a href="http://www.francespb.org/">http://www.francespb.org/</a>                                                                                                                                   |
| Germany            | +7 (812) 320-24-00 | 39, Furshtatskaya ulitsa            |                                                                                              | <a href="http://www.sankt-petersburg.diplo.de/Vertretung/stpetersburg/ru/Startseite.html">http://www.sankt-petersburg.diplo.de/Vertretung/stpetersburg/ru/Startseite.html</a>                       |
| The United Kingdom | +7 (812) 320-32-00 | 5, Ploshad Proletarskoy Diktaturi   | <a href="mailto:visa.stpetersburg@fco.gov.uk">visa.stpetersburg@fco.gov.uk</a>               | <a href="http://ukinrussia.fco.gov.uk/ru/about-us/other-locations/st-petersburg-consulate-general/">http://ukinrussia.fco.gov.uk/ru/about-us/other-locations/st-petersburg-consulate-general/</a>   |
| Greece             | +7 (812) 334-35-86 | 17, prospect Chernishevskogo        |                                                                                              | <a href="http://www.dipinfo.ru/eng/gk/greece">http://www.dipinfo.ru/eng/gk/greece</a>                                                                                                               |
| Hungary            | +7 (812) 312-64-58 | 15, ulitsa Marata                   | <a href="mailto:mission.spt@kum.hu">mission.spt@kum.hu</a>                                   | <a href="http://www.mfa.gov.hu/">http://www.mfa.gov.hu/</a>                                                                                                                                         |
| Israel             | +7 (812) 406-05-00 |                                     | <a href="mailto:info@spb.mfa.gov.il">info@spb.mfa.gov.il</a>                                 | <a href="http://embassies.gov.il/SPB/Pages/default.aspx">http://embassies.gov.il/SPB/Pages/default.aspx</a>                                                                                         |
| Italy              | +7 (812) 318-07-91 | 10, Teatralnaya ploshchad           | <a href="mailto:segreteria.sanpietroburgo@esteri.it">segreteria.sanpietroburgo@esteri.it</a> | <a href="http://www.conssanpietroburgo.esteri.it/">http://www.conssanpietroburgo.esteri.it/</a>                                                                                                     |





# 6. Additional information

## a) Consulates general (2)

| Country         | Phone     | Address                              | E-mail                                                                                                                   | Web page                                                                                                                                                                                      |
|-----------------|-----------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| India           | 640-72-22 | Ryleyeva ulitsa, 35                  | <a href="mailto:cgispb@online.ru">cgispb@online.ru</a>                                                                   | <a href="http://www.indianconsulate.ru">http://www.indianconsulate.ru</a>                                                                                                                     |
| Japan           | 449-47-70 | 29, naberezhnaya reki Moiki          | <a href="mailto:consul.japan@mofa.spb.ru">consul.japan@mofa.spb.ru</a>                                                   | <a href="http://st-petersburg.ru.emb-japan.go.jp">http://st-petersburg.ru.emb-japan.go.jp</a>                                                                                                 |
| Kazakhstan      | 325-25-46 | 15A, Vilensky pereulok               | <a href="mailto:kazconspb@mail.ru">kazconspb@mail.ru</a>                                                                 | <a href="http://kazconsulate.spb.ru/">http://kazconsulate.spb.ru/</a>                                                                                                                         |
| South Korea     | 448-19-09 | 32A, ulitsa Nekrasova                | <a href="mailto:korp@b@mofa.go.kr">korp@b@mofa.go.kr</a>                                                                 | <a href="http://rus-stpetersburg.mofa.go.kr/worldlanguage/europe/rus-stpetersburg/main/index.jsp">http://rus-stpetersburg.mofa.go.kr/worldlanguage/europe/rus-stpetersburg/main/index.jsp</a> |
| Latvia          | 327-60-54 | 11, 10-ya liniya, Vasilievsky island | <a href="mailto:consulate.peterburg@mfa.gov.lv">consulate.peterburg@mfa.gov.lv</a>                                       | <a href="http://www.latviaspb.ru/en/stpetersburg">http://www.latviaspb.ru/en/stpetersburg</a>                                                                                                 |
| Lithuania       | 327-02-30 | 37, ulitsa Ryleeva                   | <a href="mailto:st.peterburgas@peterstar.ru">st.peterburgas@peterstar.ru</a>                                             | <a href="http://consulate-stpetersburg.mfa.lt">http://consulate-stpetersburg.mfa.lt</a>                                                                                                       |
| The Netherlands | 334-02-00 | 11, naberezhnaya Reki Moyki          | <a href="mailto:pet@minbuza.nl">pet@minbuza.nl</a>                                                                       | <a href="http://www.nlcg.spb.ru/">http://www.nlcg.spb.ru/</a>                                                                                                                                 |
| Norway          | 336-64-20 | 25, Nevsky prospect                  | <a href="mailto:cons.gen.stpetersburg@mfa.no">cons.gen.stpetersburg@mfa.no</a>                                           | <a href="http://www.norvegia.ru">http://www.norvegia.ru</a>                                                                                                                                   |
| Poland          | 336-31-40 | 12, 5-ya Sovetskaya ulitsa           | <a href="mailto:konsulat@konsulatrp.ru">konsulat@konsulatrp.ru</a>                                                       | <a href="http://www.petersburgkg.polemb.net/index.php?document=161">http://www.petersburgkg.polemb.net/index.php?document=161</a>                                                             |
| Romania         | 312-61-41 | 4, ulitsa Gorokhovaya                | <a href="mailto:consulatro@romk.spb.ru">consulatro@romk.spb.ru</a>                                                       | <a href="http://www.sanktpetersburg.mae.ro">http://www.sanktpetersburg.mae.ro</a>                                                                                                             |
| Slovakia        | 244-36-66 | 21/2, ulitsa Orbeli                  | <a href="mailto:gksr@peterburg.mfa.sk">gksr@peterburg.mfa.sk</a>                                                         | <a href="http://www.mfa.sk/zu/index/podstranka.php?id=1165">http://www.mfa.sk/zu/index/podstranka.php?id=1165</a>                                                                             |
| Spain           | 702-62-66 | 9, Furshtatskaya ulitsa              | <a href="mailto:cog.sanpetersburgo@maec.es">cog.sanpetersburgo@maec.es</a>                                               | <a href="http://www.espana.spb.ru/">http://www.espana.spb.ru/</a>                                                                                                                             |
| Sweden          | 329-14-30 | 1/3, Malaya Konyushennaya ulitsa     | <a href="mailto:generalkonsulat.st-petersburg@foreign.ministry.se">generalkonsulat.st-petersburg@foreign.ministry.se</a> | <a href="http://www.swedenabroad.com/en-GB/Embassies/Saint-Petersburg/">http://www.swedenabroad.com/en-GB/Embassies/Saint-Petersburg/</a>                                                     |
| Switzerland     | 327-08-17 | 9,17, prospect Chernyshevskogo       | <a href="mailto:stp.vertretung@eda.admin.ch">stp.vertretung@eda.admin.ch</a>                                             | <a href="http://eda.admin.ch">http://eda.admin.ch</a>                                                                                                                                         |
| Turkey          | 577-18-12 | 24, 7-ya Sovetskaya ulitsa           | <a href="mailto:consulate.stpetersburg@mfa.gov.tr">consulate.stpetersburg@mfa.gov.tr</a>                                 | <a href="http://stpetersburg.cg.mfa.gov.tr">http://stpetersburg.cg.mfa.gov.tr</a>                                                                                                             |
| Ukraine         | 331-51-69 | 1B, ulitsa Bonch-Bruevicha           | <a href="mailto:gcs@b@cons-ua.ru">gcs@b@cons-ua.ru</a>                                                                   | <a href="http://www.cons-ua.ru">http://www.cons-ua.ru</a>                                                                                                                                     |
| The USA         | 331-26-00 | 15, Furshtatskaya ulitsa             | <a href="mailto:ircpeter@state.gov">ircpeter@state.gov</a>                                                               | <a href="http://stpetersburg.usconsulate.gov">http://stpetersburg.usconsulate.gov</a>                                                                                                         |

# 6. Additional information

## b) Some authorities

### The Governor of Saint Petersburg

- Address: Smloniy
- +7 (812) 576-4501
- <http://gov.spb.ru/governor/>
- gubernator@gov.spb.ru

### The Regional Government of Leningrad region

- Address: prosp. Suvarovskiy, 67
- +7 (812) 577-4774
- [www.lenobl.ru](http://www.lenobl.ru)
- admin@lenobl.ru

### Committee on External Relations of Saint Petersburg

- Address: Smloniy
- +7 (812) 576-7204
- [www.kvs.spb.ru](http://www.kvs.spb.ru)
- kvs@gov.spb.ru

### The Committee on Foreign Economic and Interregional Relations of Leningrad region

- Address: prosp. Suvarovskiy, 67
- +7 (812) 274-4742
- [www.inter.lenobl.ru](http://www.inter.lenobl.ru)
- kvs@lenreg.ru

# 6. Additional information

## c) Some useful links and business supporting services

- Baltic Rim Economies — <http://www.utu.fi/en/units/tse/units/PEI/BRE/Pages/home.aspx>
- Electronic Publications of the Pan-European Institute — <http://www.utu.fi/en/units/tse/units/PEI/reports/Pages/home.aspx>
- Detailed map of Saint Petersburg and Leningrad region — <http://spb.2gis.ru/en/>
- Informational portal in English about Saint Petersburg — <http://www.sptimes.ru/>
- American Chamber of Commerce in Russia — <http://www.amcham.ru/>
- Association of European Businesses — <http://www.aebrus.ru/>
- British Chamber of Commerce in Russia — <http://www.rbcc.com/>
- Chamber of Commerce — <http://www.spbcc.ru/>
- Committee on Land Resources of St. Petersburg — <http://kzr.spb.ru>
- Foundation for Assistance to Small Business Lending — <http://credit-fond.ru/>
- Information and analytical resource on key indicators of investment attractiveness of St. Petersburg — <http://www.spbinvestment.ru>
- The Investments Committee of St. Petersburg — <http://www.cisp-spb.ru/>
- Program of development of small business in St. Petersburg — <http://www.spb-mb.ru/>
- Public Council for Small Business Development — <http://www.ossps.ru/>
- St. Petersburg International Business Association — <http://www.spiba.ru/>

