RESULTS 2017

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PRODUCTION SITE OF SEZ «TOGLIATTI»
EFFICIENT INVESTMENT

INDUSTRIAL AND LABOR GLORY OF TOGLIATTI CITY IS A POINT OF PRIDE FOR THE WHOLE COUNTRY AND EVERY RESIDENT OF THE SAMARA REGION. AMBITIOUS AND VIGOROUS PEOPLE LIVE HERE. OUR TASK IS TO PROVIDE FAVORABLE CONDITIONS FOR ECONOMIC GROWTH OF THE TERRITORY AND CREATE JOBS. AS ONE OF THE LARGEST INVESTMENT SITES IN THE REGION, TOGLIATTI SEZ PLAYS AN IMPORTANT ROLE IN THE PROCESS. THE SAMARA REGION GOVERNMENT IS INTERESTED IN THE SUCCESS OF THE ZONE AND IS READY TO PROVIDE FULL SUPPORT TO YOUR STRATEGIC INITIATIVES.

20 RESIDENTS

8 OPERATING FACTORIES

2 NEW INVESTORS

10 BLN RUB. INVESTMENTS MADE BY RESIDENT COMPANIES
SEZ IN FIGURES

FINANCING INTO CONSTRUCTION OF SEZ INFRASTRUCTURE*
(MLN RUBLES, PROGRESSIVE TOTAL)

INVESTMENTS MADE BY RESIDENT COMPANIES
(MLN RUBLES, PROGRESSIVE TOTAL)

PAID TAXES
(MLN RUBLES, PROGRESSIVE TOTAL)

COLLECTED BENEFITS
(MLN RUBLES, PROGRESSIVE TOTAL)

TOTAL CUSTOMS DUTIES PAID BY RESIDENTS
(MLN RUBLES, PROGRESSIVE TOTAL)

VOLUME OF EXPORTED GOODS
(MLN RUBLES, PROGRESSIVE TOTAL)

RETURN ON BUDGET INVESTMENT

* including investment of energy companies – 853.88 mln. rub

TOTAL AMOUNT OF INVESTMENTS PUT INTO CREATION OF SEZ
(MLN RUBLES, PROGRESSIVE TOTAL)

PRIVATE INVESTMENTS

STATE INVESTMENTS

OPERATING FACTORIES
(PROGRESSIVE TOTAL)

RESIDENTS’ TOTAL REVENUE
(PROGRESSIVE TOTAL)

RESIDENTS’ TOTAL OUTPUT
(PROGRESSIVE TOTAL)

JOBS CREATED BY RESIDENT COMPANIES
(PROGRESSIVE TOTAL)

PRIVATE INVESTMENTS

STATE INVESTMENTS

FEDERAL BUDGET

REGIONAL BUDGET

ENERGY COMPANIES

FEDERAL BUDGET

REGIONAL BUDGET

1

10,4

0.9

6.4

0.6

18.3

1

1.60
PROJECT DYNAMICS

SEZ «TOGLIATTI» IS ONE OF THE BEST RUSSIAN SEZs ACCORDING TO THE FEDERAL JOURNAL «EXPERT» AND THE NATIONAL RATING OF SPECIAL ECONOMIC ZONES

2010
12 AUGUST
SEZ «TOGLIATTI» WAS CREATED PURSUANT TO DECREE NO. 621 OF THE RUSSIAN GOVERNMENT

23 DECEMBER
BRANCH OFFICE OF JSC «SEZ» IN THE SAMARA REGION WAS ESTABLISHED, THE PROJECT TEAM FORMATION COMMENCED

2011
PREPARATORY WORKS WERE LAUNCHED ON THE CONSTRUCTION SITE

2012
2 NOVEMBER
FIRST PILE DRIVEN ON THE SITE

2013
START OF CONSTRUCTION BY SEZ RESIDENTS

STAGE I (181 HA) CONSTRUCTION WORKS COMMENCED

2014
12 AUGUST
FIRST INDUSTRIAL FACILITY LAUNCHED (LLC «NOBEL AUTOMOTIVE RUSYA»)

2015
5 SEPTEMBER
SEZ «TOGLIATTI» ADMINISTRATION POWERS DELEGATED TO THE GOVERNMENT OF THE SAMARA REGION

11 SEPTEMBER
THE OFFICIAL START-UP CEREMONY FOR SEZ «TOGLIATTI» (STAGE I)

2016
5 SEPTEMBER
CUSTOMS INFRASTRUCTURE CONSTRUCTION GETS UNDER WAY

18 OCTOBER
SEZ «TOGLIATTI» (STAGE II) STARTED UP ON A 246-HECTARE SITE

2017
OPERATING FACTORIES

OPERATING FACTORIES

OPERATING FACTORIES

Chosen strategy of SEZ «Togliatti» development is based on parallel construction of SEZ infrastructure and residents’ production facilities. It allowed our project to become one of the leading Russian SEZs by efficiency. Federal and regional government has repeatedly recognized the active development of SEZ «Togliatti», which made possible to get repayment of state financing already at construction phase as a result of early construction and start-up of residents’ factories.
READY-MADE INFRASTRUCTURE

SEZ «Togliatti» obtains all necessary infrastructure for construction, launch and successful operation of any production facility.

This year the total SEZ area has more than doubled (up to 427 hectares) so far, which significantly enhances the project’s potential to attract large companies requiring high energy supply. Additional advantage of SEZ «Togliatti» is free connection to all types of utilities available at the site.

SEZ benefits and preferences allow investors to gain around 30% economy on capital construction comparing to other greenfield areas in Russia.

2017

OCTOBER

STAGE II OF SEZ WAS LAUNCHED

ELECTRICAL NETWORK

- Total length of cable racks: AROUND 15.5 KM
- Total length of on-site utility lines: MORE THAN 136 KM
- Total length of off-site utility lines: AROUND 100 KM
- Power: 80.3 MW

WATER SUPPLY LINES

- DRINKING WATER LINE
  - Total length: ALMOST 16 KM
  - Power (I Stage): 2 920 m³/DAY
  - Power (II Stage): 1 825 m³/DAY

- FIRE FIGHTING AND INDUSTRIAL WATER LINE
  - Total length: ALMOST 15 KM
  - Power (I Stage): 4 000 m³/DAY
  - Power (II Stage): 2 500 m³/DAY

- GAS SUPPLY LINES
  - Total length: MORE THAN 15 KM
  - Throughput capacity: 250 000 m³/H

- TELECOM NETWORKS
  - Total length: 250 KM

SEWAGE

- DOMESTIC SEWAGE SYSTEM
  - Total length: ALMOST 14 KM
  - Power (I Stage): 2 920 m³/DAY
  - Power (II Stage): 1 825 m³/DAY

- STORM WATER SEWAGE SYSTEM
  - Total length: ALMOST 17 KM
  - Power (I Stage): 16 104 m³/DAY
  - Power (II Stage): 10 065 m³/DAY

FIRE STATION

- Total area: 1 500 m²
- Capacity: 4 CARS

CUSTOMS INFRASTRUCTURE

- Start of construction: 2017
- Construction to be completed: 2019
- Building area: AROUND 10 HA

MOTOR ROADS

- Total length: MORE THAN 16 KM
SEZ PREFERENCES

WHY INVESTORS CHOOSE SEZ?

In comparison to other greenfield sites in Russia, special economic zones offer the most favorable conditions. Their aim is to attract Russian and foreign direct investment to regional economies, establish new high-tech industries and promote import substitution. Today, 25 special economic zones operate in Russia. Togliatti SEZ is among the most efficient sites. It has always shown good results. The dynamics demonstrated suggests a great future for this project.

ELMIRA AKHMEEVA, DEPUTY HEAD OF REGIONAL DEVELOPMENT DEPARTMENT, RUSSIAN MINISTRY FOR ECONOMIC DEVELOPMENT

ECONOMICAL:
- LOW PRICES FOR LAND RENT AND LAND PURCHASE
- READY INFRASTRUCTURE (POSSIBILITY FOR PRODUCTION EXPANSION)
- SERVICE OF SUPERVISING CONSTRUCTION AND MAINTENANCE WORK
- DEVELOPMENT OF TECHNOLOGICAL COOPERATION
- AVAILABILITY OF QUALIFIED LABOR FORCE

TECHNICAL:
- ADMINISTRATIVE SUPPORT
- TAX AND CUSTOMS BENEFITS

BROWNFIELD
- DEPRECIATION OF FIXED ASSETS - AROUND 50%
- RECONSTRUCTION CAN BE MORE EXPENSIVE

GREEN FIELD
- WHERE TO CONSTRUCT A FACTORY?
- SEZ OPPORTUNITIES
RESIDENTS OF SEZ «TOGLIATTI»
**INTERVIEW**

**Production Director of LLC «OZON PHARM»**

Oleg Minakov

*WE ARE GLAD TO WORK WITH MANAGEMENT COMPANY OF SEZ «TOGLIATTI». DURING ALL THEY WAY OF OUR COOPERATION WE HAVE NOT FACED ANY DIFFICULTIES OR DELAYS IN PROBLEM SOLVING REGARDING OUR PROJECT. I SHOULD MENTION PROFESSIONAL COMPETENCE OF SEZ EMPLOYEES, THEIR KINDNESS AND WILL TO ASSIST UNDER ANY CIRCUMSTANCES.*

Which of the events of 2017 do you find remarkable for «Ozon Pharm»?

This year «Ozon Pharm» has successfully launched its operations in Special Economic Zone «Togliatti». By the official start-up on 1 August, we had completed construction and installation works, obtained commissioning permit, carried out start-up work and obtained the required manufacturing licenses.

To date, the plant has released its first batches of drugs. The opening ceremony took place on 17 November, which is a very important day for our company. It is the birthday of our parent company LLC «Ozon».

Tell us a few words about «Ozon Pharm». What makes it one of the most advanced pharmaceutical plants in Russia?

First of all, the people. We have been fortunate to build a highly professional team, where each of the members is an excellent and competent specialist in his/her own area of expertise, demonstrating great responsibility.

Secondly, it is the equipment we purchased in Italy and Germany. Since we built up our production capacity not so long ago, we purchased the most advanced equipment available.

Thirdly, our company operates in compliance with the GMP standard which sets requirements to the manufacturing and quality control of pharmaceutical drugs for use in medical industry. This standard is also implemented in our parent company LLC «Ozon» which has been present in the market for more than 14 years.

Another advantage is our experience in the use of state-of-the-art manufacturing technologies.

What kind of production have you launched in 2017? What is the destination of the first supplies?

We have produced our first batches of drugs. Since this is new production, we carry out thorough quality control of the products. We will only be able to deliver drugs to the market after we have completed all the required procedures. This is likely to happen in early 2018.

How do you plan to scale up your production in the future?

To date, we have only launched a tablet production line, but in the future we would like to manufacture drugs in other dosage forms as well. We are also going to expand the range of drug products. Currently, we manufacture 6 items, but in the future their number will grow up to 50. Total output will be near to 67 million packs of finished products in 2018.
These are vital and essential drugs, analogues of foreign tablets. Our entire programme is focused on import substitution, and we will continue to work towards this goal.

Do you plan to develop your export supplies?

The products manufactured by «Ozon» will not only be supplied domestically, but also to the CIS countries and Vietnam. We expect our first batch to be exported as soon as in 2018. This area of business has been developed by our parent company, it is promising, and our drugs are in demand.

Overall, we plan to export around 10% of our total output.

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Why did you choose this SEZ for implementation of your project?

The Samara Region is our homeland. It is the place where our parent company operates. This is why we, as patriots of both our country and the lesser motherland, decided to set up our second production facility within our region. The decision was made in favour of SEZ «Togliatti» because of the significant benefits provided by the government. The SEZ allows us to invest the funds, that become available due to the use of tax and other preferences, in the pharmaceutical industry as a whole: registration of new drugs, new research, purchase of advanced equipment and personnel training.

Without any reference to new technologies. Today, the production process is automated to such a great extent that we, in fact, only supervise the equipment. Certainly, this has both advantages and disadvantages. On the one hand, we remove the human factor from the production process, which is a benefit. The disadvantage is that the production process is automated to such an extent that it does not require a lot of staff.

Tell us about your experience in the construction and start-up of the plant in the SEZ. How difficult, in your opinion, is it to realize a project on this site?

We implemented our project in SEZ «Togliatti» within a very short time. Everything went smoothly both at the early stage, which involved obtaining technical specifications and construction permits as well as land lease formalities, and at the stage of the plant construction and start-up. All issues were settled very quickly, no matter whether they related to the competence of the management company (SEZ) or the authorities of Stavropol District. I particularly appreciate the support provided by the federal authorities and the authorities of the Samara Region. All complicated issues were settled without time-consuming bureaucracy.

How would you assess the support provided by the Management Company of SEZ «Togliatti» in the course of your project delivery?

It is our pleasure to work with the Management Company of SEZ «Togliatti». During the period of our cooperation we have not experienced any problems or delays in the settlement of issues relating to our project. I would like to mention the professionalism of their staff, their friendly attitude and willingness to lend a helping hand in any situation.

«Ozon Pharm» is the second «Ozon» plant in the Samara Region. Do you find our region promising for business development?

The Samara Region has a favourable geographical location in the centre of Russia, which opens up diverse opportunities for building relationships with major cities and regions. Our nearest neighbours are Moscow, the Kaluga Region with its powerful pharmaceutical cluster, and other regions. Therefore, we are developing in the context of the latest trends in chemistry and pharmaceutics. Again, the availability of professionals is critical.

TOTAL NUMBER OF EMPLOYEES

250 WORK PLACES

OPENING CEREMONY
OF LLC «OZON PHARM»

17 NOVEMBER, 2017

FORECASTED PRODUCTION
VOLUME IN 2018

67 MLN UNITS PER YEAR

2017 RESULTS

How many people are currently employed at the plant in the SEZ, and do you plan any staff increase?

Our project is designed to create 250 jobs. At the moment we have about 100 employees, but gradually we are going to increase our staff numbers. We most urgently need production workers with a chemical or pharmaceutical background. Of course, upon employment we provide on-the-job training, but basic knowledge in these disciplines is essential. Our training is based on detailed studying of the production process, applicable quality standards, and operation of the relevant equipment. Unfortunately, the present-day system of vocational education lags behind the pace of technological progress and is often based on old-school Soviet textbooks.

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General Director of LLC «TOGLIATTI PAPER MILL»
Evgeny Shibakov

This year we have put into operation a paper-making machine. It is the heart of the entire «Togliatti Paper Mill». So now we are fine-tuning the paper-making technology. As soon as we get a product which is fully compliant with our quality specifications and other requirements, we will start supplying it to our customers. Our products are already in demand.

Currently, all our efforts are focused on achieving the planned capacity. In the first quarter of the next year we are planning to ramp up our paper production to 3,000 tons a month.

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Could you tell us about the operating principle of the paper-making machine and your plans for production development?

The operation cycle of the paper-making machine starts with the loading of waste paper of certain grades. Then it is fed into the hydro pulper where it is crushed and de-inked with water. At the end of the process special ingredients are added and the paper stock is brought to the required consistency. After that, the paper stock is fed into the paper-making machine and is passed through the wire section for superfluous water removal. Then, the press section produces a continuous paper web, which is dried and shaped as rolls as heavy as 700 kg to 1.5 tons. This is a finished product that we can supply to our consumers.

So far only a paper-making machine has been at work in the production facility, but we have many plans such as the opening of our own warehouses, logistics areas and repair shops. We have allocated sufficient funds for future development of the project. The total volume of investment in «Togliatti Paper Mill» is 725 million rubles. To date, we have invested 410 million rubles.

The design of your plant also provides for some treatment facilities. What do you need them for?

Yes, over the long term we plan to build treatment facilities for the sake of environmental protection and sustainable use of natural resources, especially water, which also has an inherent economic benefit.
Who are your customers?
At this stage, our customers are manufacturers of corrugated board and packaging located in Samara region. There is a preliminary list of companies we plan to work with.

Where do raw materials come from?
They come from enterprises in the Samara Region, specialising in the collection and recycling of used paper. Mainly, these are companies based in Togliatti and Samara.

How many people does your enterprise employ, and what are your staff increase plans?
Currently, we employ around 40 people, but after the launch of all three phases of the mill there will be 155 jobs. Engineering staff will definitely be our top priority. But considering that this is a non-core business for the Samara Region, we are going to organize personnel training on our own.

How is the «Togliatti Paper Mill» unique to the Samara Region? Are there many such plants in Russia?
«Togliatti Paper Mill» is the only enterprise in the Samara Region specialized in waste paper recycling and further production of corrugated cardboard and packaging. It is environmentally oriented, because any recycling means tangible savings of natural resources, i.e. trees and water in our case.

Of course, Russia has similar plants. Some enterprises are long-standing players with a big market share. But the nearest one is located around 400 km away from Togliatti. Therefore, we have quite a winning position in terms of logistics. And when we reach the planned capacity, we will claim 3% of the Russian market.
MANAGEMENT COMPANY JSC «SEZ «TOGLIATTI»
WE CANNOT BUT TAKE NOTE OF THE FAST PACE OF SEZ «TOGLIATTI» DEVELOPMENT. IN JUST FIVE YEARS MORE THAN 400 HECTARES OF LAND HAVE BEEN BUILT UP WITH INFRASTRUCTURE. IT IS AN EXCELLENT RESULT, GIVEN THAT DURING THE SAME TIME NEW PLANTS WERE BUILT AND LAUNCHED ON THE SITE. SEZ «TOGLIATTI» IS A STRATEGIC PROJECT AND THE GOVERNMENT OF THE SAMARA REGION SEES AS ONE OF ITS PRIORITIES CREATING A FAVOURABLE ENVIRONMENT TO IMPROVE THE SITE PERFORMANCE, AS WELL AS TO ENCOURAGE THE COMING OF NEW INVESTORS AND TO SUPPORT ALL PROJECTS IMPLEMENTED IN THE SEZ.
SERVICES

Management company of SEZ «Togliatti» provides services in different fields.

2016

START OF PROVIDING SERVICES

70

OPERATING CONTRACTS

WITH RESIDENTS AND REGIONAL ORGANIZATIONS BY THE END OF 2017

MORE THAN

10 BILLION RUB.

MANAGEMENT COMPANY’S REVENUE FROM SERVICES IN 2017

2017 RESULTS

SERVICES PROVIDED BY OPERATION DEPARTMENT

- SERVICES RELATED TO THE USE OF ROAD NETWORK.
- OUTDOOR CLEANING AT RESIDENTS’ AREA.
- PROVISION OF SPECIALISED VEHICLES.
- MAINTENANCE, DISPATCH CONTROL AND REPAIR OF WATER SUPPLY, SEWAGE AND HEATING SYSTEMS.
- COMPREHENSIVE MAINTENANCE OF THE BOILER HOUSE.
- CLEAN-OUT AND FLUSHING OF SEWAGE CONDUITS AND HEATING SYSTEMS, PRESSURE TESTS.
- DISPATCH CONTROL OF THE POWER STATION AND MAINTENANCE OF ELECTRICAL PLANTS.
- APPLICATION OF MARKINGS ONTO ASPHALT COATING.
- CLEANING OF SEWAGE WATER LINES.

ADVISORY SERVICES

- ENVIRONMENTAL SERVICES.
- OCCUPATIONAL HEALTH AND SAFETY SERVICES.
- FIRE SAFETY, CIVIL DEFENCE AND EMERGENCY RESPONSE SERVICES.

OTHER SERVICES

- SECURITY ARRANGEMENT.
- LAND AND PROPERTY RELATED SERVICES.
- CONSTRUCTION SUPERVISION SERVICES.
- PROPERTY RENTALS.
INTERVIEW WITH CEO OF JSC «SEZ «TOGLIATTI» SERGEI FEDOROV

Thus by the eighth year of operation already eight plants have been launched in SEZ «Togliatti». Such a result has been achieved only six years after the beginning of the site infrastructure development in November 2012, and three years after the launch of the first plant in August 2014.

I would like to point out that at initial stages we witnessed quite rapid development of foreign projects in the SEZ, successfully manufacturing car parts. We currently have five such operating plants: «Nobel Automotive Rusya» (Turkey, the Netherlands), «CIE Automotive Rus» (Spain), «Atsumitec Toyota Tsusho Rus» and «Hi-Lex Rus» (Japan), «Edscha Togliatti» (Germany).

Lately, however, the SEZ has been growing increasingly attractive for national companies from various industries, willing to set up their production facilities here. Today, the SEZ accommodates three operating pharmaceutical and chemical enterprises, as well as a packaging plant. These include the above-mentioned plants «Ozon Pharm» and «Togliatti Paper Mill», as well as «Praxair Samara» filling cylinders with industrial and special gases. Furthermore, projects by other residents representing diverse industries are in early development stages.

What events, in your opinion, predetermined the development of the SEZ «Togliatti» project in 2017?

For the SEZ «Togliatti» project 2017 year has been notable due to the launch of two new plants. «Ozon Pharm», the first pharmaceutical plant, started its operation in August. «Ozon», a Zhigulevsk-based company, has expanded in the regional market and opened its second plant in the Samara Region, on the SEZ site. The programme is aimed at import substitution and manufacturing of vitally essential drugs. Incidentally, this year the parent company has come to us with another pharmaceutical project. And I find the investor’s decision to implement the second project immediately after launching the first one an important recognition of our effort. It means that we have given a good account of ourselves.

The second plant that was launched in a test mode this November is «Togliatti Paper Mill». This production facility (unique to the Samara Region) will specialise in paper recycling for subsequent manufacturing of paper and cardboard. In addition to the fact that the project has a great significance for regional economy, it will also help addressing environmental issues.

Companies, which became the residents of SEZ «Togliatti» in 2017, will develop pharmaceuticals industry and production of construction materials.

Lately, however, the SEZ has been growing increasingly attractive for national companies from various industries, willing to set up their production facilities here.

2017 year has been notable due to the launch of two new plants.
This year companies that have become residents of SEZ «Togliatti» have been developing pharmaceuticals and building materials. «Mabscale» plans to manufacture pharmaceutical ingredients and drugs. This project is initiated by LLC «Ozon Pharmatsevtika», the parent company of LLC «Ozon», which has successfully opened the first pharmaceutical plant in the SEZ earlier this year. The purpose of this project is to manufacture both finished dosage forms and starting materials. Manufacturing of pharmaceutical ingredients has not been developed in Russia so far, and most of them are imported.

The production plan of the company was prepared in accordance with the national programme for the development of the pharmaceutical and medical industries in Russia in order to substitute foreign products with local ones.

The programme of the second resident also targets import substitution. PC LLC «Alternativa» plans to create a laminated materials manufacturing facility that will offer customised production services in the medium price segment.

This will constitute a fundamental difference between this company and all other plants operating in the region and producing laminated flooring with pre-defined characteristics, such as the size, thickness and surface structure. The plant will be put into operation in 2020.

In a year’s time after the opening the company plans to ramp up production to 840 000 m² of laminated flooring per year. Let me note that this is the third resident in our zone to produce building materials.

The SEZ accommodates three operating pharmaceutical and chemical enterprises, as well as a packaging plant.

We have developed around 70%, which is 427 ha, of the SEZ total area. This opens up good prospects for the site.
As for overall project performance assessed by the Ministry for Economic Development of the Russian Federation using a consolidated estimate according to the relevant Decree of the Russian Government, I am proud to state that based on the year-end results for 2017, we have a score of more than 90%, which corresponds to «effective performance». It means that we have met the key targets set for the SEZ «Togliatti».

What objectives have you set for 2018?

Our key objective is dynamic attraction of investors to fill the site, considering that we have already launched two phases of infrastructure. Besides that, in raising investment we plan to pursue the cluster approach. We can break down our 20 existing residents into 5 lines of business, such as automotive components, chemicals, packaging, pharmaceuticals and construction materials. In the long run, we plan to strengthen them further.

Another priority is the development of services by our management company. We started this work in 2016, and today, we manage the entire area of the SEZ on our own, without involving third-party organisations. Our goal is to provide a full scope of services for investors, from design and construction supervision to maintenance of their facilities after the launch of production.

We are looking forward to the development of those projects which will drive the growth of our investment attractiveness compared to other sites. I am talking about the renovation of the Togliatti-Yagodnoye road and construction of a railway track providing access to the SEZ area.

Of course, we will not be able to reach these ambitious objectives alone. We hope for further support from the Russian Ministry for Economic Development and Samara Region Government. Our close cooperation during the entire life of the SEZ «Togliatti» project has enabled us to achieve remarkable results and make all the way through to becoming one of the leaders in Russia.

I am sure that further well-coordinated work of all the participants will increase investment attractiveness of SEZ «Togliatti» and assure social and economic development of the Samara region.

The total investment has grown to RUB 18.3 billion, of which 62% is extra-budgetary funds. This means RUB 1.60 of private funds per RUB 1 of government investment. It is important to note that as the investors’ projects develop, this figure will grow further. What’s more, the year-end results show that more than 15% of the government investment in construction re-entered the budgets as taxes and other payments from the businesses of the residents.

The development of enterprises operating on the site has been boosted through the production range expansion and export supplies. Total output in the SEZ exceeded RUB 3.6 billion, with 22% of goods exported.

It is certainly important that SEZ «Togliatti» is included in reputable Russian and international rating lists. This year our site was mentioned in FDI Magazine’s review of free economic zones, Expert Magazine’s rating of investment attractiveness in the category of industrial parks and SEZs, as well as in the First National Rating of Special Economic Zones issued by the Ministry for Economic Development of the Russian Federation in cooperation with the Association of Clusters and Technology Parks.

The renovation of the first facility is scheduled for 2019-2021. As for the railroad, our plans for 2018 involve applying for the Russian Railways’ Investment Programme to ensure the construction of railways in 2019-2020.

This year, for the first time in seven years, there has been a change in the top management of the SEZ. What’s your opinion about the current status of the project?

I have been working six years on the development of the SEZ «Togliatti» project since 2011, in the team of Alexey Pakhomenko. I have been in charge of legal support with an extensive scope of responsibilities across almost all business lines. My key executive mission is to drive further development of the project in its entirety, while maintaining the fast pace set at the beginning. SEZ «Togliatti» demonstrates good results.

The total output in SEZ «Togliatti» exceeded RUB 3.6 billion, with more than 15% of government investment in construction re-entered the budgets as taxes and other payments from the businesses of the residents.

5 LINES OF BUSINESS IN SEZ «TOGLIATTI»:

- Automotive Components
- Chemicals
- Packaging
- Pharmaceuticals
- Construction Materials

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Another priority is the development of services by our management company. We started this work in 2016, and today, we manage the entire area of the SEZ on our own, without involving third-party organisations. Almost all residents use our services. Our goal is to provide a full scope of services for investors, from design and construction supervision to maintenance of their facilities after the launch of production.

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Of course, we will not be able to reach these ambitious objectives alone. We hope for further support from the Russian Ministry for Economic Development and Samara Region Government. Our close cooperation during the entire life of the SEZ «Togliatti» project has enabled us to achieve remarkable results and make all the way through to becoming one of the leaders in Russia.

I am sure that further well-coordinated work of all the participants will increase investment attractiveness of SEZ «Togliatti» and assure social and economic development of the Samara region.

The renovation of the first facility is scheduled for 2019-2021. As for the railroad, our plans for 2018 involve applying for the Russian Railways’ Investment Programme to ensure the construction of railways in 2019-2020.

This year, for the first time in seven years, there has been a change in the top management of the SEZ. What’s your opinion about the current status of the project?

I have been working six years on the development of the SEZ «Togliatti» project since 2011, in the team of Alexey Pakhomenko. I have been in charge of legal support with an extensive scope of responsibilities across almost all business lines. My key executive mission is to drive further development of the project in its entirety, while maintaining the fast pace set at the beginning. SEZ «Togliatti» demonstrates good results.
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