## CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Welcome words from the Governor</td>
</tr>
<tr>
<td>6</td>
<td>Map of the Pskov region</td>
</tr>
<tr>
<td>7</td>
<td>Overview of the Pskov region</td>
</tr>
<tr>
<td>10</td>
<td>Overview of Pskov</td>
</tr>
<tr>
<td>11</td>
<td>Overview of Velikie Luki</td>
</tr>
<tr>
<td>12</td>
<td>5 reasons to invest in the Pskov region</td>
</tr>
<tr>
<td>13</td>
<td>Favorable investment climate</td>
</tr>
<tr>
<td>17</td>
<td>Border location</td>
</tr>
<tr>
<td>18</td>
<td>Transport infrastructure of the Northwest of Russia</td>
</tr>
<tr>
<td>20</td>
<td>Workforce potential</td>
</tr>
<tr>
<td>22</td>
<td>Level of infrastructure development</td>
</tr>
<tr>
<td>25</td>
<td>Moglino SEZ</td>
</tr>
<tr>
<td>28</td>
<td>Resource potential</td>
</tr>
<tr>
<td>31</td>
<td>Strategic investment projects</td>
</tr>
<tr>
<td>35</td>
<td>Contacts</td>
</tr>
</tbody>
</table>
Dear investors!

I am glad to present you the updated edition of the Investment Memorandum of the Pskov region.

It provides information that will help you to get to know the region, learn about its achievements, including those in the area of investments, as well as factors contributing to the favorable investment climate of the Pskov region.

The Geographic location, great historical and cultural heritage and abundant natural resources present broad opportunities for implementation of investment projects in many sectors of economy.

In July 2012 existing benefits of the region were complemented by the decision to create the special economic zone of the industrial production type Moglino within its territory. A corresponding Decree No. 729 of July 19, 2012 was signed by the Head of the RF Government. The Investment Memorandum of the Pskov region will give you an opportunity to learn about the advantages and privileges available for the SEZ residents.

The Pskov region is a place of dynamic development of agriculture — implementation of the project on construction of a pig breeding complex with a compound feed factory, which is the largest in the North-West of Russia, and projects in the area of dairy farming and fish farming.

In order to increase competitiveness of the region in the tourism market, a project on creation of the tourism and recreation cluster Pskovsky was developed. The project is included into the Federal Target Program “Development of Domestic and Inbound Tourism in the Russian Federation (2011-2018)”.

Facilitation of investment processes in the region and infrastructure development are tasks of the Pskov Region Development Agency. This agency works with entrepreneurs and potential investors. It performs a range of tasks on project administration, which implies assisting investors in overcoming of bureaucratic barriers, settlement of land issues, consultancy support in the area of federal and regional legislature.

I hope that the materials presented in the Investment Memorandum will trigger implementation of new projects in the territory of the region.

Yours sincerely,
Governor of the Pskov region
Andrey Turchak
PSKOV REGION: PLACE TO LIVE, WORK AND PLAY
OVERVIEW OF THE PSKOV REGION

The Pskov region is situated in the northwest of Russia and has an advantageous economic and geographic location:

- It is one of two subjects of the Russian Federation bordering on three foreign states, two of which are European Union countries — Estonia, Latvia and Belarus;
- There is a representative office of the Ministry of Foreign Affairs of the Russian Federation and two consular representative offices of Latvia and Estonia;
- The region is located in close proximity to two major agglomerations — Moscow and St. Petersburg, as well as a number of Russian and Baltic ports (St. Petersburg, Ust-Luga, Riga, Tallinn, Ventspils, Liepaja, Klaipeda, Helsinki).

The region consists of 2 city districts (regional capital - Pskov and Velikie Luki) and 24 municipal districts.

The population of the region is 661.5 thousand people. 350.5 thousand of them are economically active population. 327 thousand people are employed.

The gross regional product in 2011 comprised 2.8 bln USD* (106.5% as percentage of the previous year levels). The main sectors are industrial production, transport and communications, as well as retail trade.

The manufacturing sector of the region is dominated by production of electrical, electronic and optical equipment (32.3%), food processing, including drinks and tobacco (31.8%) and production of machines and equipment.

Industrial potential of the region is about 300 major and medium enterprises. There are major industrial enterprises in the region that are significant not only for the economy of the region, but also for the economy of the whole Russia:

- OAO Velikie Luki Meat Processing Plant
- ZAO Velikie Luki Dairy Factory
- OAO Avtoelektroarmatura
- OAO Pskovkabel
- OOO ALUR
- ZAO Factory of Electrical Equipment
- OOO Power Machines - Reostat Factory
- OOO Velmash-Service

* Calculated taking into account the dollar/rouble exchange rate as of 28.02.2014
Agriculture, which is a priority development area of the Pskov region, receives the best support from the Administration of the region.

In 2012 the output of agricultural products in the region comprised over 333 mln USD. The leading position among various types of farms in the agroindustry belongs to agricultural organizations (56%). The main sector of agriculture is meat and dairy cattle breeding. Pig breeding is an actively developing sector.

The amount of investments in 2012 reached 933 mln USD (128.2% as a percentage of the 2011 level).

The amount of foreign investments in 2012 was 78.8 mln USD or 101.4% as a percentage of the 2011 level ($77.6 mln). Index of the physical quantity of foreign investments at the end of 2011 as a percentage of the 2010 level was 182.5%.
Wholesale and retail trade; repair of motor vehicles, motorcycles, household appliances and personal demand items

Manufacturing

Agriculture, hunting and forestry

Transport and communications

DYNAMICS OF INVESTMENT INTO EQUITY

BREAKDOWN OF FOREIGN INVESTMENTS

32,31% Production of optic and electrical equipment

31,8% Production of foodstuffs, including drinks and tobacco

7,67% Production of machines and equipment

28,22% Other production

67,5% Animal breeding

32,5% Plant growing

Manufacturing 25%

Agriculture, hunting and forestry 23,4%

Transport and communications 20,3%

Wholesale and retail trade; repair of motor vehicles, motorcycles, household appliances and personal demand items 30,7%

Other 0,5%
PSKOV

Pskov was first mentioned in chronicles in 903. The city is famous by most rare monuments of ancient Russian architecture: the Kremlin, the Trinity Cathedral and numerous churches. Unique frescos of the Cathedral of the Transfiguration of the Savior in the Mirozhsky Monastery are one of the treasures of the world’s culture.

Location: 290 km from St. Petersburg, 300 km from Riga, 60 km from Tallinn, 600 km from Moscow, 860 km from Stockholm, 700 km from Helsinki, 1740 km from Brussels.

Transport connectivity: an international airport, railway connectivity with Moscow, St. Petersburg, Vilnius and Riga; extensive network of highways.

There are 3 diplomatic institutions in Pskov: a representative office of the Ministry of Internal Affairs of the Russian Federation, Consulate of the Republic of Latvia and Pskov Chancellery of the Consulate of the Republic of Estonia in St. Petersburg.

The city actively develops social projects, e.g. we have the only system of educational, medical and social institutions for people with disabilities in Russia aimed at social integration of such people. There is a sports complex Ice Palace, several swimming pools and stadiums.

Pskov is the center of business activity of the region. There are over 50 functioning industrial enterprises within its territory.

The city is ideal both for cultural, education and business tourism. In Pskov itself there are 18 hotels, from hostels to 4-star facilities, over 150 cafes and restaurants and 14 conference halls. A unique pilot project on creation of the tourism and recreation cluster Pskovsky is being implemented within the territory of the city. Together with 12 other Russian cities Pskov is a member of the New Hanseatic League.

Population — 206 thousand people
VELIKIE LUKI

The city is at the threshold of its anniversary. Velikie Luki is a City of Military Glory that was founded in 1166 and in 2016 will celebrate 850 years from its first mentioning in chronicles.

Velikie Luki is a prominent economic center of the Pskov region, which is unofficially called an “industrial capital” of the region due to a great number of industrial enterprises. The share of Velikie Luki enterprises in the industrial production of the region comprises almost 40%.

Diversified industrial production of the city allows for production of electrical equipment, including high-voltage equipment and electrical equipment for railway transport, special equipment for operation and repair of main oil pipelines, heat and power equipment, forestry harvesting equipment, furniture, textiles, garments, cellulose and paper and printed products.

Machine-building and metal processing enterprises include OAO Velikie Luki Factory Leskhozmarsh, Velikie Luki Machine-Building Plant and Velikie Luki Locomotive and ZAO Carriage Repair Factory.

Electrical equipment is produced by ZAO Factory of Electrical Equipment (ZETO), OAO Reostat Factory (subsidiary of OAO Elektrosila), Impuls (alkaline batteries and car starters) and Elektrofarfor.

In the city there is one of the largest agricultural enterprises of the North-West - OOO Velikie Luki Pig-Breeding Complex. Its products are widely known not only in the Pskov region but also in other regions.
5 REASONS TO INVEST IN THE PSKOV REGION
FAVORABLE INVESTMENT CLIMATE

Strategic priorities

Investment activity in the Pskov region is based on strategic development priorities. The Strategy of Social and Economic Development of the region up to 2020 has been adopted and is being implemented. Areas indicated in the Strategy as priorities receive comprehensive support under state programs. The priorities of social and economic development are the following:

**AGROINDUSTRY** • The Administration of the region adopted the state program "Development of Agriculture of the Pskov region for 2013-2020". Over 165 mln USD will be allocated for its activities.

**TRANSPORT AND LOGISTICS** • Transfer of customs clearance to places located close to the state border of the Russian Federation is actively carried out within the territory of the region. For the past few years the Administration of the Pskov region has supported commissioning of 5 customs and logistics terminals providing services on customs clearance and temporary storage of cargo.

A public private partnership project of a simplified procedure for movement of international vehicles at the multiway automobile checkpoint Kunichina Gora-Koidula was launched on September 25th, 2012. Now international vehicles carrying automobiles (car haulers) can pass though the border-crossing point along the assigned lane and then proceed to the temporary storage warehouse located several hundreds of meters away. The simplified procedure includes an assigned lane for movement and queuing of car haulers and a special service window for customs clearance at the multiway automobile checkpoint Kunichina Gora.

**TOURISM** • The project of the tourism and recreation cluster Pskovsky implemented in the Pskov region is aimed at diversification of the tourism product, infrastructure development and modernization of public spaces. The cost of the project is over 138 mln USD, including over 55 mln USD of budget funds.
MACHINE-BUILDING AND ELECTRICAL EQUIPMENT • Several programs aimed at modernization of boiler plants and the power distribution network are being implemented in the region. Development of the agroindustry in the territory of the region drives the demand for creation of food processing and agricultural equipment enterprises. The Pskov region is an ideal platform to create and develop automotive components enterprises in the vicinity of potential sales markets (Leningrad region, Kaluga region).

CONSTRUCTION MATERIALS • New opportunities are opened through the program "Stimulating of Housing Construction up to 2015" and implementation of large-scale investment projects. The most prominent of them are the tourism and recreation cluster Pskovsky, special economic zone of the industrial production type Moglino and the largest project in the area of housing construction in the region - development of the Borisovichi city district of 127 ha in area.

WOOD AND PEAT PROCESSING • A program on development of the use of local types of fuel in the communal sector is underway in the territory of the Pskov region and actions are taken to transfer boiler plants to local types of fuel. These measures are prerequisites for further development of the wood and peat processing sector.

Pskov Region Investment Development Agency

In the Pskov region investment projects recognized as strategic are guided by the Pskov Region Investment Development Agency. The main goal of the Agency is attraction of investments to the Pskov region and enhancement of investment potential of the region.

Guidance involves provision of investors with assistance in timely obtaining of required approvals from the state bodies and local self-government bodies, assistance in obtaining of technical requirements for connection of facilities to engineering networks, as well as settlement of other matters arising in the process of implementation of specific investment projects.

Main conditions for conclusion of an investment agreement to recognize the project as strategic:

• Amount of investments — at least 100 mln rubles (2,7 mln USD);
• The project shall be initiated in a priority area of development of the Pskov region and facilitate improvement of social and economic conditions in certain municipal units or sectors of the regional economy.

Today over 30 major investment projects are put under the guidance procedure.
Implementation of the Standard for activities of executive bodies

By instruction of the President of the Russian Federation of 04.02.2013 No. Pr-144GS in follow-up of the meeting of the State Council of the Russian Federation of December 27th, 2012 it is prescribed to implement the Standard for activities of the executive bodies of the subject of the Russian Federation aimed to ensure favorable investment climate in the region up to December 2013. The standard is based on the best practices of the most investment-attractive regions of the Russian Federation.

Currently the Standard for activities of the executive bodies of the subject of the Russian Federation aimed to ensure favorable investment climate in the region is being implemented in the Pskov region.

The Standard is a document developed by the autonomous non-commercial organization Agency of Strategic Initiatives on Promotion of New Projects in partnership with the all-Russian public organization Delovaya Rossiya (Business Russia) and the Ministry of Economic Development by order of the President of the Russian Federation Vladimir Putin made at the 10th International Investment Forum Sochi-2011.

The Standard is a minimal set of requirements and measures forming the infrastructure for efficient communication between businesses and authorities.

The implementation of the measures of the Standard included development of the Investment Strategy, adoption of the Investment Policy Statement of the Pskov region and creation of the Investment Council of the Pskov region by decree of the Governor of the region of September 5th, 2013 No. 53-UG.

It is noteworthy that implementation of the Standard is under constant societal control. An expert group consisting of representatives of regional companies, investors and the local expert community was created for approval of documents envisaged by the Standard and monitoring of implementation of the roadmap.

Provision of tax privileges

In the Pskov region investors have an opportunity to receive tax privileges and there are minimal requirements for provision of property tax and profit tax privileges. The Law of the Pskov region of October 12th, 2005 No. 473-OZ “On tax privileges and state support of investment activity in the Pskov region” guarantees non-regression of the tax regime with regard to regional and federal taxes paid to the budget of the region (for investment projects approved by the Administration of the Pskov region). In 2012 the Law was amended with an increase of the period of provision of tax privileges to 7 years for strategic investment projects implemented in high-tech industries and extend of the validity of tax privileges for projects on creation of transport and logistics terminals, tourist infrastructure, as well as projects implemented in the manufacturing industry.

In 2012 tax privileges in the form of preferential tax rates for corporate property and corporate profit tax were provided to organizations of the region for 30 investment projects with the total investments of about 213 mln USD.
INVESTOR prepares information on the investment project (information about the organization; certificate of availability of assets or proposed funding sources of the investment project, investment memorandum, draft presentation of the investment projects presenting the concept of the project) and submits it to the State committee of the Pskov region on economic development and investment policy.

State committee of the Pskov region on economic development and investment policy
- conducts preliminary review of the information and makes requests to the investor to specify the parameters of the project if necessary;
- analyzes compliance of the investment project with the legislature and prepares a statement concerning conformity of the investment project with the criteria of strategic investment projects.

Investment board of the Pskov Region decides whether the investment project shall be included into the list of strategic investment projects and whether an investment agreement shall be concluded with the investor or decides to refuse to provide support (within 30 days from the date of submission of documents by the investor).

Governor of the Pskov region approves the protocol of the investment commission of the Administration of the region.

The State committee of the Pskov region on economic development and investment policy prepares a draft investment agreement and submits it for approval within 5 days upon approval of the protocol of the investment commission.

Governor of the region (Vice-Governor of the region) signs the investment agreement between the Administration of the region and the investor.
The Pskov region is located in the area of influence of two largest economic centers of Russia - Moscow and St. Petersburg, and has high transport accessibility towards Russian and Baltic ports.

**The distance from Pskov to Moscow is 742 km and to St. Petersburg — 280 km.**

The distance of Pskov from Ust-Luga comprises 270 km, from Riga — 290 km, from Tallinn — 350 km, from Ventspils — 520 km, from Liepaja — 540 km, from Klaipeda — 620 km.

The region has a developed network of federal and regional roads: Federal and international highways pass through the region — M20: St. Petersburg — Kiev — Odessa and M9: Moscow — Riga, as well as highways Moscow — Riga, Moscow — Tallinn, St. Petersburg — Kiev, St. Petersburg - Pskov — Riga, Bologoe — Velikie Luki — Polotsk.

Besides, railway connectivity is well developed. The main railway lines passing through the region include: Moscow — Riga, St. Petersburg — Odessa, St. Petersburg — Vilnius — Kaliningrad, St. Petersburg — Riga, St. Petersburg — Lvov.

The regional center has air connectivity: in Pskov there is a functioning international airport for medium-range passenger and freight airplanes. There are regular flights Pskov-Moscow and Pskov-St.Petersburg. These services are provided by OAO Pskovavia.

OAO Pskovavia has long experience in organization of air freight for export and import cargo from Europe, Africa, air freight traffic inside Russia, as well as cargo transportation beyond the Russian Federation. The company provides services on delivery of live cargo, perishables, oversize cargo, hazardous cargo, valuable cargo, as well as cargo requiring special temperature conditions with a guarantee of their safety. Flights are made with An-26 B aircrafts with the maximal capacity of up to 5 500 kg each.

**The region has developed infrastructure for foreign economic activity:**

- there are 11 functioning border crossing points in the territory of the Pskov region: 1 air border crossing point, 7 automobile border crossing points, 3 railway border crossing points;
- there are 21 customs checkpoints in the territory of the region;
- clearance of goods is ensured by 2 customs offices: Pskov Customs and Sebezh Customs.

In the framework of implementation of the Concept of customs clearance and control of imported goods in locations situated close to the state border 11 customs and logistics terminals were commissioned: Ubylinka TLT, Ludonka TLT, Shumilkino TLT, Kunichina Gora TLT, OOO Elkom-Terminal, OAO Russian Railways, OAO Velikie Luki Meat Processing Plant, OOO RUS-SERVIS Terminal, ZAO ROSTEK-Pskov, OOO Terminal M9, OOO ROSTEK-Independent Customs Broker.
The labor market of the Pskov region is characterized by the following:

- **High level of professional training:** 19% of employed people have a degree of higher education and 29% — a degree of secondary vocational education.

- **High level of development of the professional education system:** In the region there are 4 institutions of higher professional education, 11 institutions of secondary vocational education and 20 institutions of elementary vocational education.

In 2011 Pskov State University was established, being combined from five higher and vocational education institutions: Pskov State Pedagogic University n.a. S.M. Kirov, Pskov Polytechnic Institute, Industrial Training College, Pskov Construction and Economy College and Velikie Luki Construction College. The University trains specialists under three programs: vocational education, Bachelor’s and Master’s programmes.
Training is provided for the following specialties:

- Law
- PR and Advertising
- Document and Archive Science
- Linguistics
- Psychology and Pedagogic
- Medical Cybernetics
- Design
- Economics
- Management
- State and Municipal Management
- Electric Power Industry and Electrical Equipment
- Design and Engineering of Machinery Facilities
- Operation of Transport and Technological Machines and Complexes
- Innovation Studies
- Information Systems and Technologies
- Software Engineering
- Construction
- Banking
- Economics and Accounting
- Tourism
- Hotel Services
- Installation and Technical Operation of Industrial Equipment
- Machine-Building Technologies
- Technical Maintenance and Repairs of Motor Vehicles
- Building of Radio Equipment
- Automation of Technological Processes and Production
- Computer Systems Programming
- Construction and Operation of Buildings and Structures
- Construction and Operation of Roads and Airfields
- Installation and Operation of Gas Supply Equipment and Systems

Professional education institutions of the region possess high potential in the most dynamically developing economy sectors: agriculture, food processing, as well as sectors development of which can be driven in future, such as machine-building, electrical equipment, wood processing, etc.;

- **Competitive salary levels compared to St.Petersburg and Moscow**
  (average monthly salary in the region comprises 500 USD).

- **Availability of human resources that can be employed in the economy of the region.**
  Over 30 thousand citizens of the region are currently employed in other regions, which is an enormous reserve of highly qualified human resources that can be attracted to new enterprises of the Pskov region.
HIGH LEVEL OF INFRASTRUCTURE DEVELOPMENT

About 47.6% of the territory of the region is gasified. Cooperation between the Administration of the Pskov region and OAO Gazprom in the area of measures aimed at gasification of the region under the Program of gas supply and gasification development of the Pskov region today have resulted in the level of gasification of the Pskov region comprising 47.6%. Altogether 14 municipal districts are gasified, including such cities of regional importance as Pskov and Velikie Luki.

On July 1st this year Governor of the Pskov region Andrey Turchak and President of OAO Gazprom Alexey Miller signed the Program of gas supply and gasification development of the Pskov region for the period from 2012 to 2015.

The Program determines the main areas of gasification activity up to 2015.

The Program includes activities on gasification of settlements of the Pskov region, construction and reconstruction of boiler plants, long-term plans for gasification of the Pskov region with regard to development of agriculture (gas supply of the Velikie Luki Pig-Breeding Complex), tourism and industry (gas supply of industrial parks Stupnikovo in Pskov and Moglino in the Pskov district), sports and recreation sphere (gas supply of the fitness center Yunost and the children’s tuberculosis sanatorium Gorokhovoe Ozero).

From 2005 to 2013 about 208 mln USD were allocated from the regional budget for performance of obligations by the Administration of the region under the gasification program.

Today the following funds are planned for implementation of gasification activities under the Program:

- for 2013 — 6,5 mln USD;
- for 2014 — 7,5 mln USD;
- for 2015 — 10 mln USD.

Within 4 years OAO Gazprom plans to invest in gasification of the Pskov region about 55 mln USD to build 3 gas pipeline branches and gas distribution stations (in Novorzhev, Pushkinskie Gory, Opochka), as well as 17 intersettlement gas pipelines. Natural gas is going to be supplied to the Kuniya district, Novorzhev district, Pushkinskie Gory district, Opochka district and Usvyaty district.
At the expense of the regional budget it is planned to build intrasettlement gas pipelines in total 421.5 km long and prepare 12.5 thousand households (apartments) for gas intake. Under this Program 37 boiler plants will be transferred to natural gas or rebuilt.

**The power sector is represented by a major generating facility (Pskov State District Power Station with the capacity of 430 MW), two small hydro-electric power stations with total capacity of 3 MW and highly automated power supply network facilities.** Power in the Pskov region is supplied from the networks and substations of OAO IDGC of the North-West Pskovenergo.

Under the investment program of OAO IDGC of the North-West Pskovenergo industrial parks of the region and a number of major investment projects will be provided with power supply infrastructure.

**A major water supply project is underway - reconstruction of Pskov Water Supply and Waste Water Treatment Enterprise.** This project is being implemented with support from the European Bank for Reconstruction and Development. The main activity under the project is construction of an underground water supply. Project execution period is 2011-2013. After implementation of the project many infrastructure limitations affecting development of the city and implementation of investment projects will be eliminated.

**The Ministry of Economic Development, the Administration of the Pskov region and Singapore company JURONG Consultants signed a tripartite memorandum on establishment of the special economic zone “Moglino” and the industrial park “Stupnikovo”,** which will make it possible to create modern investment and industrial infrastructure in the North-West of Russia. The conditions applicable for special economic zones will apply for 49 years from the date the SEZ was established. Today the area of the special economic zone “Moglino” comprises 215 ha. It is located only 8 km away from Pskov on the way to the border with the Republic of Estonia. The zone is managed by joint stock company SEZ IPT “Moglino”. The territory of the industrial park “Stupnikovo” is planned as a reserve area (proposed opening date — 2014).

**Business support**

In order to create a favorable business climate and foster the development of new and existing small businesses in the Pskov region two business incubators were created and are successfully functioning in the territory of the region:
• Municipal Autonomous Institution “Pskov Business Incubator”

• Municipal Autonomous Institution “Novation”

These institutions are aimed to support first-time entrepreneurs by leasing of non-residential premises and provision of consultancy, accounting, legal and other services.

**Chamber of Commerce and Industry of the Pskov region.**
The Chamber is a member of the Chamber of Commerce and Industry of the Russian Federation and the Association of Chambers of Commerce and Industry of the Northwestern Federal District of the Russian Federation.

Currently the CCI on a voluntary basis unites over 450 small, medium and major enterprises and organizations of the Pskov region.

The CCI of the Pskov region was and remains the most reputable and truly independent organization which consolidates business throughout all industries, represents all business segments, from small businesses to major enterprises, and expresses and protects interests of entrepreneurs in general.

**Autonomous Non-Commercial Organization “Guarantees and Entrepreneurial Development Fund of the Pskov region”** is created by the Administration of the Pskov region in order to implement the regional long-term target program “Stimulating of development of small and medium businesses in the Pskov region for 2012-2014”.

The Fund performs financial services on guarantees and crediting, organizes and holds various events to expand business opportunities of small and medium enterprises, performs extensive work on providing information for the business community on the matters of business organization and development.
MOGLINO SEZ

A project on creation of the special economic zone of the industrial production type "Moglino" is being implemented in the territory of the Pskov region.

This project is approved by the Decree of the Government of the Russian Federation of July 19th, 2012 No. 729 “On establishment of an industrial production special economic zone in the territory of the Pskov region”. Moglino SEZ will become the fifth special economic zone of such type in Russia.

Project Developer: Jurong Consultants (Singapore) — a public company which was engaged in design, creation and management of over 20 SEZs and industrial parks in Singapore, China, India, UAE and other countries.

Site area: 215 ha

Location: 8 km from the city of Pskov (in the south-west direction, on the way to the Estonian border). The site is adjacent to the federal highway and railway (St. Petersburg — Pskov — Riga). The distance to the border with Estonia is approx. 45 km.

Specialty: production of agricultural equipment, communal equipment, electrical equipment and consumer electronics, production of automotive components, construction materials, railway equipment, packaging and logistics companies.
Moglino SEZ
key industrial areas

1 – Logistics companies
2 – Railway engineering
3 – Communal equipment
4 – Agriculture equipment
5 – Electrical equipment and consumer electronics
6 – Automobile components
7 – Construction materials
8 – Reserve production area
The main preferences for investors in the SEZ territory will be:

- free customs zone regime;
- one stop shop regime;
- tax privileges on the profit tax, property tax (from 2.2% to 0%), land tax and vehicle tax (to 0%).

Management Company: The SEZ is managed by the Open joint stock company “Special Economic Zone of the Industrial Production Type “Moglino”. The CEO of OAO “SEZ IPT “Moglino” is Olga Torbich.

On June 18th, 2013 Moglino SEZ Management Company signed an Agreement with Singapore company Jurong Consultants Pte Ltd on consultancy, marketing and management services for Moglino SEZ. Qualified specialists of the company have been selected to be deployed in the SEZ Management Company and Jurong is going to take part in elaboration of the long-term infrastructure development plan and promotion of the zone.

Address: OAO “SEZ IPT “Moglino”
180000, Russian Federation, Pskov, Lenina str., 17
Tel.: +7 (8112) 66-40-80
e-mail: sez.moglino@gmail.com
RESOURCE POTENTIAL

The Pskov region possesses unique resources for development of the following sectors:

Tourism

1) In the region there are 537 monuments of federal (national) importance, 3570 monuments of regional importance and 1251 newly discovered heritage sites:
   - Pskov Kremlin architectural complex (Krom), 6th-19th century, historical, architectural and town-planning center of Pskov; the complex of the Dovmont City, 10th-17th century; the outer walls of the city in various conditions, 9 km long; the architectural complex of the Mirozhsky Monastery of 12th-19th century with 12th century frescos of the Cathedral of the Transfiguration of the Savior (included into the preliminary UNESCO list of world heritage sites) and other sights;
   - Pechory district: The Holy Dormition Pskovo-Pechersky (Pskov-Caves) monastery founded in 1473 in the city of Pechory, State Historical, Architectural, Natural and Scenic Izborsk Reserve Museum (Izborsk was first mentioned in chronicles in 862) including a fortress of the 14th century, a natural monument — Izborsko-Malskaya Valley and other sights;
   - The Puchkinskie Gory district accommodates a unique cultural site of national importance — State Memorial Historical, Literature, Natural and Scenic Reserve Museum of A.S. Pushkin.

2) Recreational and environmental resources, including opportunities of water-based recreation at the Peipus Lake, as well as other lakes — the number of which in the region exceeds 3.5 thousand — and rivers. Forests and water bodies of the Pskov region traditionally attract a great number of those who are fond of hunting and fishing. In the region there is a wetland of international importance "Pskov and Peipus lakeside lowland", 3 specially protected natural sites of federal importance, 27 specially protected natural sites of regional importance and 11 specially protected natural sites of local importance.

3) Health resort resources. There are 4 developed mineral water deposits for medical use and medical and drinking purposes (Cherekha Health Resort, Khilovo Resort, Golubye Ozera and Panino resorts in Pskov City).

Agriculture and aquiculture

1) Agricultural lands occupy 2289.0 thousand ha (41.3% of the total area of all land in the Pskov region), 1252.2 thousand ha of them are cropland (22.6% of the total land area of the region). Agricultural lands are divided into plough lands (652.4 thousand ha, 52% of all agricultural lands), layland (143.5 thousand ha, 11.5%), perennial plantings (8.2 thousand ha, 0.7%), hayfields (213.5 thousand ha,
17.1%) and pastures (234.6 thousand ha, 18.7%). The Administration of the Pskov region and administrations of municipal units possess land resources that can be allocated to investors.

2) The Pskov region is one of the most environmentally clean regions of Russia.

3) 238 lakes, each over 100 ha in area, have commercial fishing importance. Their total water area comprises 90 thousand ha or 79% of the total area of small lakes in the region. They include ten large water bodies: the Zhizhitskoye Lake, Dvin-Velinskoye Lake, Sebezh Lake, Orono Lake, Nechertsa Lake, Bolshoy Ivan and Malyi Ivan Lakes, Polisto Lake, Uritskoye Lake, Nevelskoye Lake, Ale Lake, each over 1000 ha in area.

Wood processing

Rated wood cutting comprises 4.5 mln m³ of merchantable wood, including coniferous trees - 1.4 mln m³ per year (1105.1 thousand m³ of commercial timber and 386.8 thousand m³ of plank timber) and hard wood trees - 3.1 mln m³ per year (1.9 mln m³ of commercial timber and 1.2 mln m³ of fuel wood).
Construction materials production

1) The region has 28 developed deposits of brick clays with total industrial reserves of 44.9 mln m³, among which there are 20 deposits with confirmed reserves of 32.7 mln m³, including 5 deposits with reserves of keramzite clays of 17.3 mln m³ (Lukovskoye, Loshkovo, Loshkovo-2, Paltsevskoye, Uspenskoye). Despite the abundant reserves of low-melting clays currently only 2 deposits (Lukovskoye and Pridorozhnoye) are being developed.

2) The region has 141 developed deposits of sand and sand-and-gravel material with confirmed deposits of 202.8 mln m³ of category A+B+C1 and 79.0 mln m³ of category C2. At present 47 deposits of this type of raw materials are being developed. In 2009 710 thousand m³ of sand and 1241.3 thousand m³ of sand-and-gravel material were extracted.

3) In the region there are 6 deposits of limestones to be calcined for lime, two of them — Porkhovskoye and Lininskoye — are registered on balance (with total reserves comprising 35 743 thousand ton of category A+B+C1 and 12 783 thousand ton of category C2) and four of them — Motovilovo, Opochno-Polonoye, Piskovichi and Ulanovskoye — with total reserves of over 35 mln ton are included into the cadastral register and serve as spare capacity for possible use.

4) There are 7 officially registered explored deposits of white and colored compact-grained dolomite limetones, which can be used as cover stone. Explored reserves of category C1 comprise 955.84 thousand m³ as of 01.01.2010. In 2009 no extraction was carried out. The deposits are located in the Palkino and Pskov districts.

5) There are both greenfields (sites that weren't previously used for construction) and brownfields (industrial or commercial sites which are vacant and not used) available for implementation of projects and doing business in the Pskov region.
<table>
<thead>
<tr>
<th>No.</th>
<th>Name of the investment project</th>
<th>Investor</th>
<th>Protocol of the investment commission of the Administration of the region</th>
<th>Investment agreement</th>
<th>Planned amount of investments (mln USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Construction of the customs and logistics terminal Ubylinka</td>
<td>ZAO Teko-Terminal</td>
<td>No.40 of 10&lt;sup&gt;th&lt;/sup&gt; August, 2010</td>
<td>concluded</td>
<td>18.2</td>
</tr>
<tr>
<td>2</td>
<td>Construction of a mini oil refinery in the Ostrov district, Pskov region</td>
<td>OOO Bona Plus</td>
<td>No.40 of 10&lt;sup&gt;th&lt;/sup&gt; August, 2010</td>
<td>concluded</td>
<td>5.5</td>
</tr>
<tr>
<td>3</td>
<td>Construction of a pig breeding complex for 99 000 commercial pigs in the village of Malaya Guba, Ostrov district, Pskov region</td>
<td>OOO Idavang</td>
<td>No.41 of 24&lt;sup&gt;th&lt;/sup&gt; November, 2010</td>
<td>concluded</td>
<td>52.7</td>
</tr>
<tr>
<td>4</td>
<td>Organization of production of peat fuel bricks in the settlement of Seredka</td>
<td>OOO ERT</td>
<td>No.42 of 16&lt;sup&gt;th&lt;/sup&gt; December, 2010</td>
<td>concluded</td>
<td>3.1</td>
</tr>
<tr>
<td>5</td>
<td>Creation of the Gubernskie hotel chain</td>
<td>OOO Pskovinkomstroy</td>
<td>No.42 of 16&lt;sup&gt;th&lt;/sup&gt; December, 2010</td>
<td>concluded</td>
<td>3.2</td>
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<td>6</td>
<td>Construction of the restaurant and hotel complex Dvor Prodnoeva</td>
<td>OOO Northwestern Investment Company</td>
<td>No.42 of 16&lt;sup&gt;th&lt;/sup&gt; December, 2010</td>
<td>concluded</td>
<td>25</td>
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<tr>
<td>7</td>
<td>Creation of the wood processing complex in the city of Ostrov</td>
<td>OOO Rosbioprom</td>
<td>No.43 of 20&lt;sup&gt;th&lt;/sup&gt; January, 2011</td>
<td>concluded</td>
<td>13.9</td>
</tr>
<tr>
<td>8</td>
<td>Wholesale manufacture of shaped timber from hard wood, cellulose and fuel wood chips in the settlement of Dedovichi, Pskov region</td>
<td>OOO Dedovichi Forestry Enterprise</td>
<td>No.43 of 20&lt;sup&gt;th&lt;/sup&gt; January, 2011</td>
<td>concluded</td>
<td>2.8</td>
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<tr>
<td>#</td>
<td>Project Description</td>
<td>Contractor</td>
<td>Project Number</td>
<td>Status</td>
<td>Cost</td>
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<tr>
<td>9</td>
<td>Organization of production of wood pellets in the settlement of Plussa</td>
<td>OOO Plussa Timber</td>
<td>No.43 of 20th January, 2011</td>
<td>concluded</td>
<td>6.9</td>
</tr>
<tr>
<td>10</td>
<td>Construction of Europark Hotel in the city of Pskov</td>
<td>OOO Pskovinkomstroy</td>
<td>No.43 of 20th January, 2011</td>
<td>concluded</td>
<td>5.1</td>
</tr>
<tr>
<td>11</td>
<td>Creation of sports and fitness center on the bank of the Velikaya river in the city of Pskov</td>
<td>Regional non-governmental organization Federation of Motor Boating and Yacht Tourism of the Pskov Region</td>
<td>No.43 of 20th January, 2011</td>
<td>concluded</td>
<td>12.5</td>
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<tr>
<td>12</td>
<td>Construction of a hotel spa and complex at the address: Pskov, Gogolya str., 52</td>
<td>OOO Dekabr-M</td>
<td>No.44 of 24th February, 2011</td>
<td>concluded</td>
<td>5</td>
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<tr>
<td>13</td>
<td>The Pokrovsky Bulwark complex. Reconstruction of the territory of former psychoneurologic dispensary of the city of Pskov to build a hotel and administrative complex</td>
<td>OOO Alliance Realty</td>
<td>No.44 of 24th February, 2011</td>
<td></td>
<td>8.7</td>
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<tr>
<td>14</td>
<td>Construction of a customs and logistics terminal near the multiway automobile checkpoint Burachki of the Sebezh Customs</td>
<td>OOO Terminal-Sebezh</td>
<td>No.45 of 6th April, 2011</td>
<td></td>
<td>9.7</td>
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<tr>
<td>15</td>
<td>Construction of a customs and logistics terminal near the multiway automobile checkpoint Burachki</td>
<td>ZAO Rostek-Pskov</td>
<td>No.45 of 6th April, 2011</td>
<td></td>
<td>20.8</td>
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<tr>
<td>16</td>
<td>Construction of a customs and logistics terminal near the multiway automobile checkpoint Ubylinka</td>
<td>ZAO Rostek-Pskov</td>
<td>No.45 of 6th April, 2011</td>
<td></td>
<td>10.5</td>
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<tr>
<td>17</td>
<td>Setup of production of modern industrial accumulators</td>
<td>ZAO Velikie Luki Alkaline Accumulator Plant</td>
<td>No.46 of 15th June, 2011</td>
<td></td>
<td>22.4</td>
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<tr>
<td>No.</td>
<td>Project Description</td>
<td>Company Name</td>
<td>Project Number</td>
<td>Date of Conclusion</td>
<td>Conclusion Value</td>
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<tr>
<td>18</td>
<td>Development of meat cattle breeding</td>
<td>OOO Agrofirm “Pogranichnik”</td>
<td>No.47</td>
<td>15th September, 2011</td>
<td>17.8</td>
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<tr>
<td>19</td>
<td>Construction and commissioning of new processing units for dairy cattle breeding</td>
<td>OOO Dobruchi 2</td>
<td>No.49</td>
<td>17th November, 2011</td>
<td>34.7</td>
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<tr>
<td>20</td>
<td>Creation of the Dedovichi complex of production facilities on wood processing</td>
<td>OOO Dedovichi Forest Company</td>
<td>No.49</td>
<td>17th November, 2011</td>
<td>88.2</td>
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<tr>
<td>21</td>
<td>Construction of a factory on production of innovative equipment</td>
<td>OOO EkoEnergia</td>
<td>No.51</td>
<td>24th January, 2012</td>
<td>3</td>
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<tr>
<td>22</td>
<td>Creation of a wood processing factory with processing volumes of 120-140 thousand cubic meters of timber per year</td>
<td>ZAO Pskov Forest Terminal</td>
<td>No.51</td>
<td>24th January, 2012</td>
<td>15.4</td>
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<tr>
<td>23</td>
<td>Creation of a multifunctional tourism center in the buildings of chambers on the Romanova Hill in the city of Pskov</td>
<td>ZAO Dom Priemov</td>
<td>No.52</td>
<td>3rd April, 2012</td>
<td>13.8</td>
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<td>24</td>
<td>Expansion of production facilities of a furniture factory</td>
<td>OOO DULA RU</td>
<td>No.52</td>
<td>3rd April, 2012</td>
<td>6.2</td>
</tr>
<tr>
<td>25</td>
<td>Modernization of the communal infrastructure of the Pskov region by building and upgrading of heat generating facilities working on local fuel types</td>
<td>OOO Pskov Energy Service Company</td>
<td>No.54</td>
<td>16th August, 2012</td>
<td>8.6</td>
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<tr>
<td>26</td>
<td>Construction of sports and fitness center (water park) with a shopping mall</td>
<td>OOO Pskov-Alliance</td>
<td>No.55</td>
<td>14th November, 2012</td>
<td>30.5</td>
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<tr>
<td>27</td>
<td>Brick factory with the capacity of 120 000 ton of finished products (40 mln bricks of normal format per year)</td>
<td>OOO Velikolukskie Stroymaterialy</td>
<td>No.56</td>
<td>26th December, 2012</td>
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<td>No.</td>
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<td>Document No.</td>
<td>Status</td>
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</tr>
<tr>
<td>28</td>
<td>Organization of the Borisov Ruchey-1 householders society and construction of individual housing real estate and ancillary real estate within the boundaries of Palkino Village, Piskovichi volost, Pskov district</td>
<td>OOO SK-Alliance</td>
<td>No.56 of 26th December, 2012</td>
<td></td>
<td>22.7</td>
</tr>
<tr>
<td>29</td>
<td>Creation of a wood processing factory on production of pollution-free fuel (pellets) in the Pskov region</td>
<td>OOO RLP-Bezhanitsy</td>
<td>No.56 of 26th December, 2012</td>
<td>concluded</td>
<td>20.6</td>
</tr>
</tbody>
</table>
Specialists of the State committee of the Pskov region on economic development and investment policy and Pskov Region Investment Development Agency are always ready to support you in implementation of your projects in the territory of the Pskov region!

Welcome!

**State committee of the Pskov region on economic development and investment policy:**
180001, Pskov, Nekrasova str., 23
Tel: + 7 (8112) 68 65 01
Fax: + 7 (8112) 68 65 35
e-mail: economic@obladmin.pskov.ru

**Pskov Region Development Agency**
180000, Pskov, Lenina str., 17
Tel: +7 (8112) 62 24 00
e-mail: arpo-pskov@yandex.ru

For information on measures of support of investment projects, investment potential of the region, legal framework, as well as other useful information, please refer to:

- Website of the State committee of the Pskov region on economic development and investment policy – [www.economics.pskov.ru](http://www.economics.pskov.ru)