Saint Petersburg Government's experience in cooperation with investors in the automotive industry, supporting measures for investment projects on the regional level

GOVERNMENT OF St. PETERSBURG

MAXIM SOKOLOV

The Chairman of the Committee for Investments and Strategic Projects

St.Petersburg 7 September 2006



Supporting measures for automotive projects in Saint Petersburg

- Abundant administrative support
- Providing infrastructures (utilities and access roads) in accordance with investor's technical requirements up to the boundaries of the land plot
- Elimination of restrictions on land plot usage
- Providing attractive financial conditions
- Preparing work force for the automotive industry
- Taking measures to insure safe and comfortable living conditions for foreigners in the city

Abundant administrative support

- Informational and consultative assistance for investors
- Legal and organizational support for investment projects at all stages of their realization, including:
 - preparing documentation, which is necessary for government approval for granting land plots for land surveying works and granting land plots for design and construction;
 - coordinating interaction between investors and governmental bodies at the federal and regional level.

Government support for the realization of investment projects simplifies the procedure of granting land plots and decreases the time required to complete the project

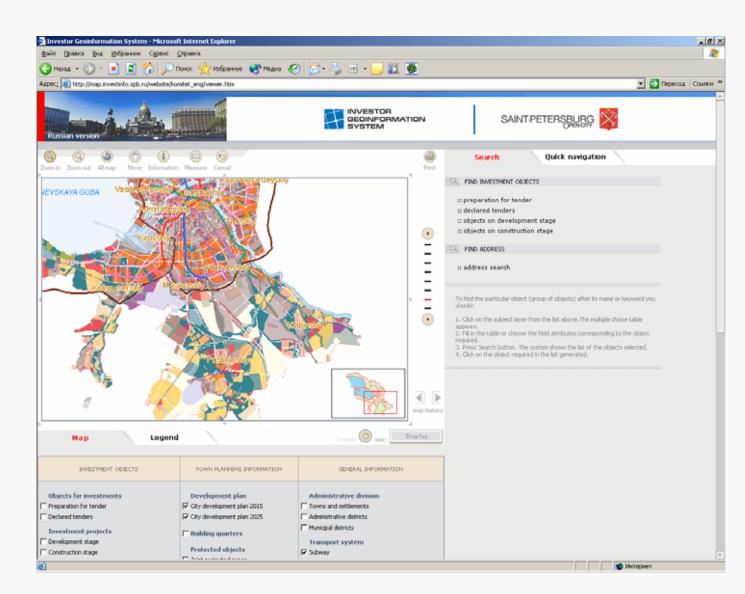


Investor Geoinformation system – www.investinfo.spb.ru

Geoinformation system

presents information on:

- Objects for Investment (Sites up for auction);
- Investment projects;
- Industrial investments;
- Strategic projects;
- Development plan;
- Transportation system of the city;
- Administrative division;
- Protected objects;
- Territory Development agencies;
- Land plots.





Providing infrastructures and eliminating restrictions on land plot usage

- The Government of Saint Petersburg provides utilities (gas, electricity, water, sewage) and access roads up to the borders of the land plots.
- Investors pay the connection fee, determined by the Russian legislation.
- The Government of Saint Petersburg eliminates main restrictions on land plot usage, such as 3rd party rights, soil or groundwater contamination, etc.







Providing attractive financial conditions

Tax incentives	St. Petersburg
Profit tax incentives	Decreasing rates (up to 4%), depending on the amount of investment in fixed assets:
	■ from 24% to 20% - for > 300 mln. RUB investments;
	■ from 24% to 22% - for 150-300 mln. RUB investments.
	Tax incentives are granted for 3 years
	EXPECTED soon: 20% for 5 years
	for > 3000 mln. RUB investments
Property tax incentives	Reduced rate from 2.2% to 1.1% - for > 150 mln. RUB investments in fixed assets.
	Tax incentives are granted for 3 years
	EXPECTED soon: 0% for 5 years
	for > 3000 mln. RUB investments



Preparing work force for the automotive industry

- > Strong educational center
 - 69 state universities and colleges
 - 47 private universities and colleges
 - 11 business schools offering MBA education, three of them provide international certificates

Including 30 state educational organizations preparing human resources for the automotive industry, among them four universities

> Support in establishing contacts with state educational organizations in order to organize training courses adapted for automotive company's needs



Taking measures to insure safety and comfort conditions for foreigners in the city

St.Petersburg has the best living conditions in Russia according to the research of «Mercer Human Resource Consulting» company, which analyzed life quality in 215 cities around the world.

- Hospitals with English speaking personnel (MEDEM, Skandinaviya, Euromed, etc)
- Highly developed public transportation
- 240 supermarkets including29 megastores
- More than 4500 restaurants, cafes, bars
- About 25 entertainment centers
- 120 hotels with 13800 rooms (excluding mini-hotels – 208 with 4366 rooms)





Welcome to St. Petersburg!



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