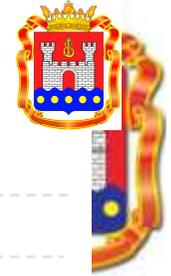




Kaliningrad Region – special economic zone, tourism development and cross border cooperation.

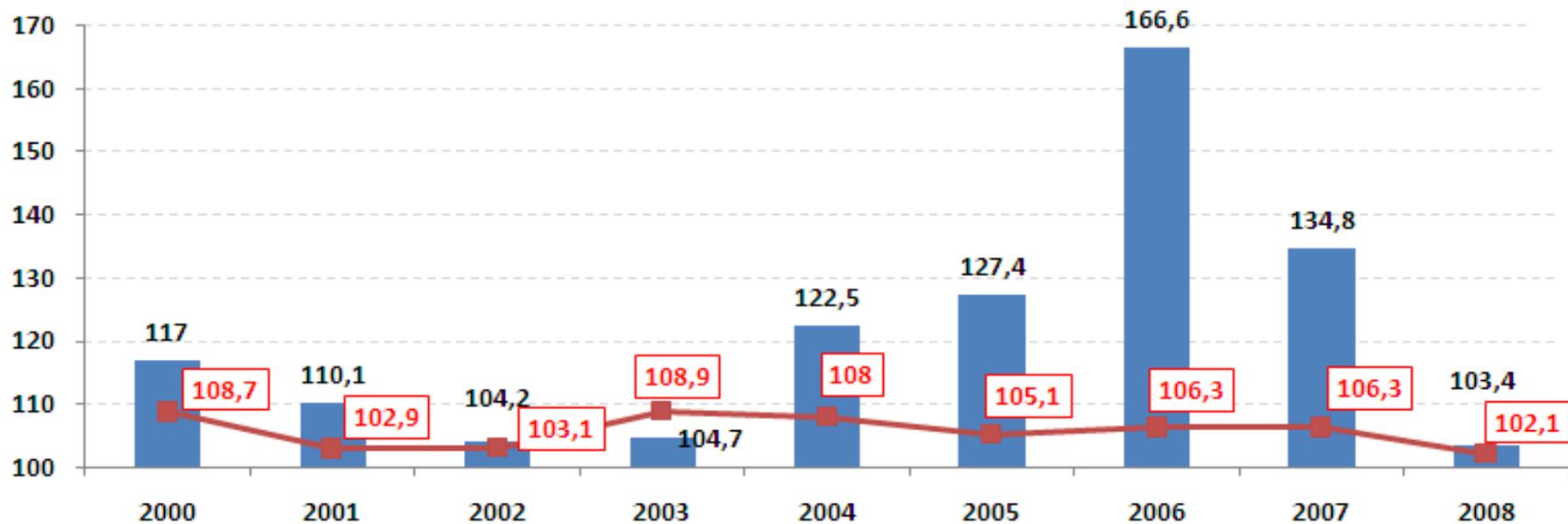
DEVELOPMENT INDICATORS



Real GRP Growth (in per cent as of previous year)



Industrial Production Index (in per cent as of previous year)

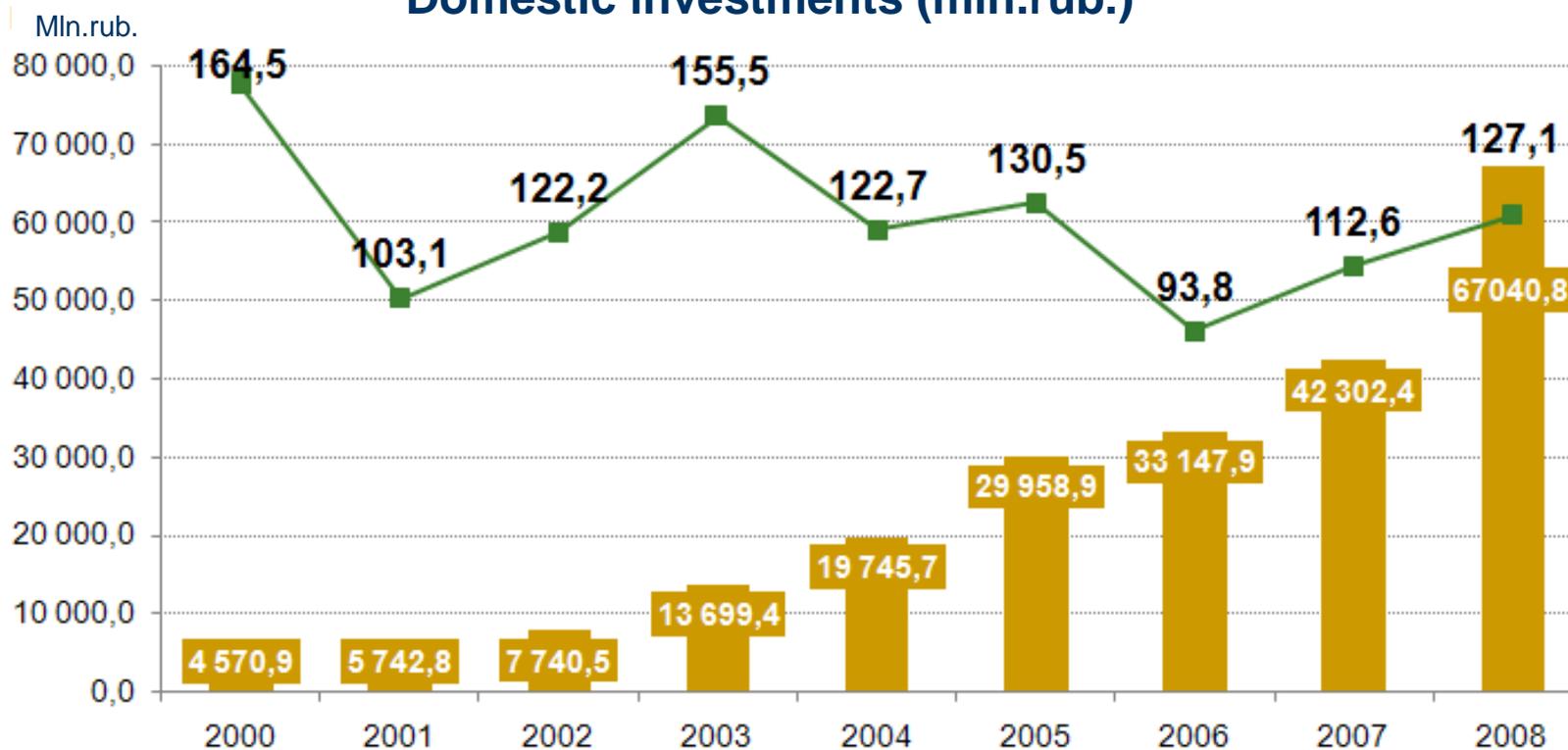


■ Kaliningrad region ■ Russian Federation

INVESTMENTS



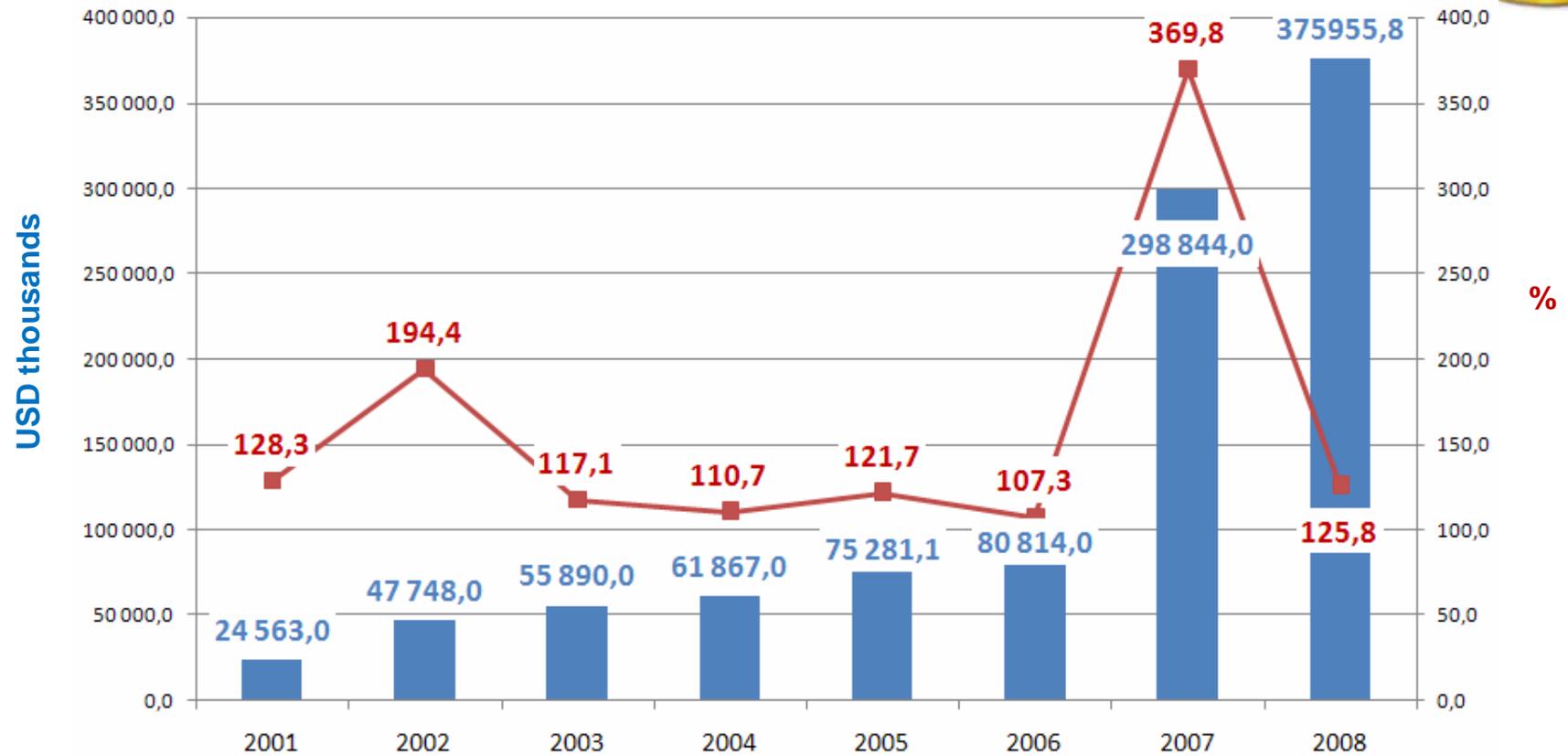
Domestic investments (mln.rub.)



INVESTMENTS



Overseas investments, USD thousands in the corresponding year prices



DEVELOPMENT TOOLS



The Special Economic Zone (SEZ)



www.investinkaliningrad.ru

The Federal Law on the Special Economic Zone in the Kaliningrad Region

GUARANTEES TO THE RESIDENT

TAX CONCESSIONS

The SEZ Administration
The Kaliningrad Regional Government

*The administration shall consider the application for inclusion of the Applicant in the Register **within 10 days***

The Special Economic Zone is established for the period of 25 years



FEDERAL LAW on SEZ



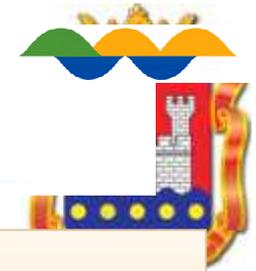
TAX CONCESSIONS

PROFIT TAX PROPERTY TAX	0%	1/2 of the general rate
	for the first six years	for the years 7 th to 12 th

STATE GUARANTEES

RENTAL RATE	Rental rate, set in the agreement for the term of the investment project should not be violated
OTHER GUARANTEES	Simplified visa issuing No customs duties for importing goods for internal intermediate consumption (with certain exceptions) The overall tax burden (with the exception of VAT, excises and Pension tax) imposed on Resident, should not be increased (<i>If a newly approved law increases the tax burden, it should not be effective for the Resident</i>)

SEZ RESIDENT REQUIREMENTS



**Implementation of projects
in the Kaliningrad region**

**Implementation of investments
in the form of capital investments**

**The amount of capital investments according to the
presented investment project
not less than RUR 150 mill. (*about 3,5 mill. Euro*)
during a period of not more than three years from the date
of inclusion of a legal entity in the register of the SEZ
residents.**

The capital investments do not include handover of machines, equipment and transport vehicles from the companies which operated before the Law came into force

REGISTER OF THE SEZ RESIDENTS



60 organisations
are registered as the SEZ residents

over 10,000 new jobs

over 1,2 billion USD investments

**550 USD is the average wage level
at the SEZ resident enterprises***

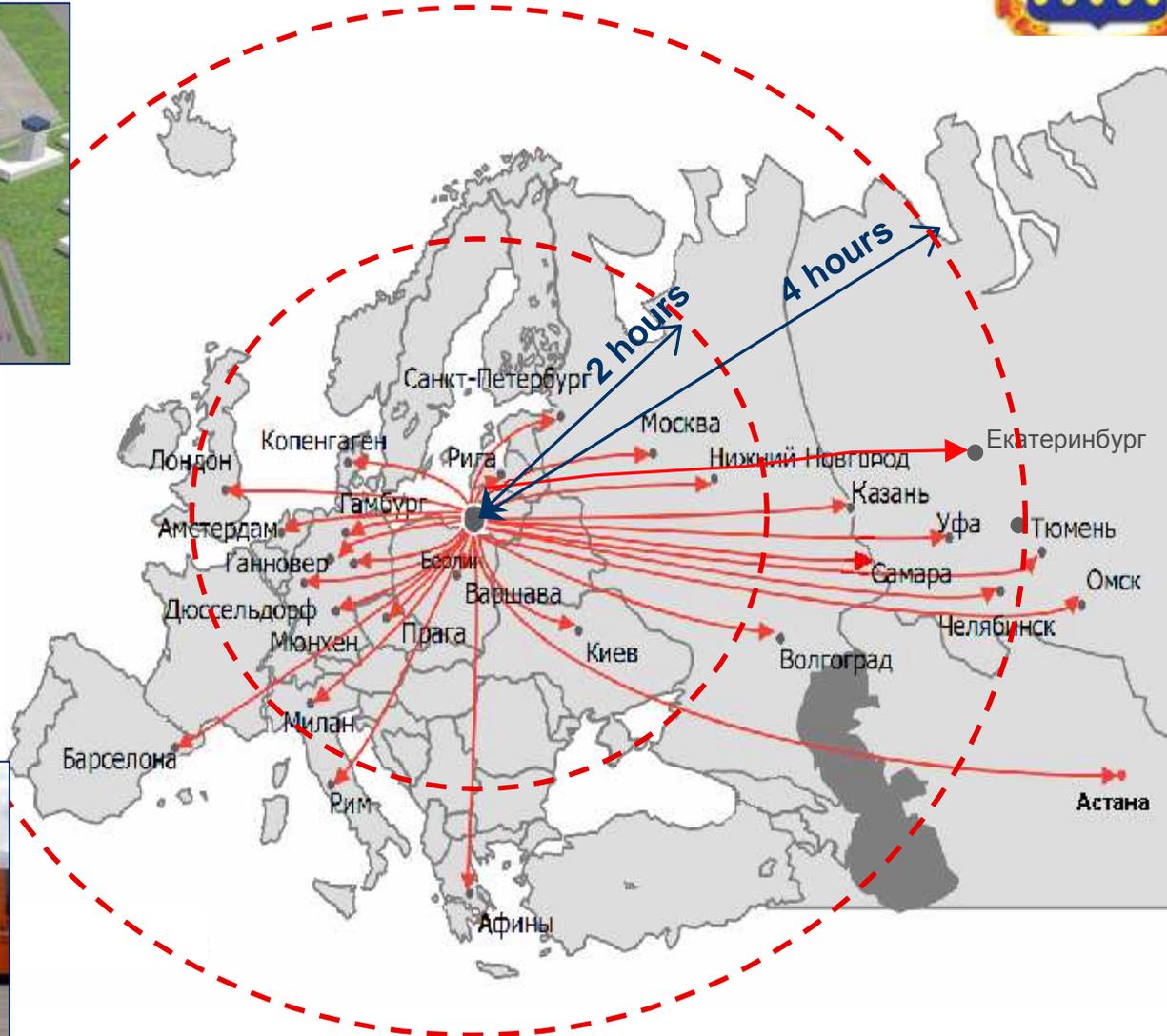
** - more than average wage level in Kaliningrad region*

PRIORITIES OF ECONOMICAL DEVELOPMENT



- **Provision of the regional food industry with raw materials.**
(Development of agro-industrial complex, including creation of full-scale agricultural cluster, as well as development of fishery)
- **Strengthened development of entry tourism and tourist services in the Kaliningrad region.**
- **Organization of logistics, which provides development of all means of transport.**
(Creation of hubs for complex cargo handling)
- **Significant increase of export-oriented enterprises, which use of advanced environment-friendly technology**
(Ship-building industry, soya and rapeseed-processing)
- **Innovations**
(Creation of techno-parks, strengthening links between education and industrial production, other measures for realization of scientific potential accumulated in the Kaliningrad region and Russia, establishment of cooperation between scientific and educational institutions and enterprises aiming at production of advanced and competitive goods and services for internal and external markets).

The AVIA-TRANSPORT NET - airport "KHRABROVO"



Total capacity – 1200 passengers per hour



SEA COMPLEX – PORT KALININGRAD

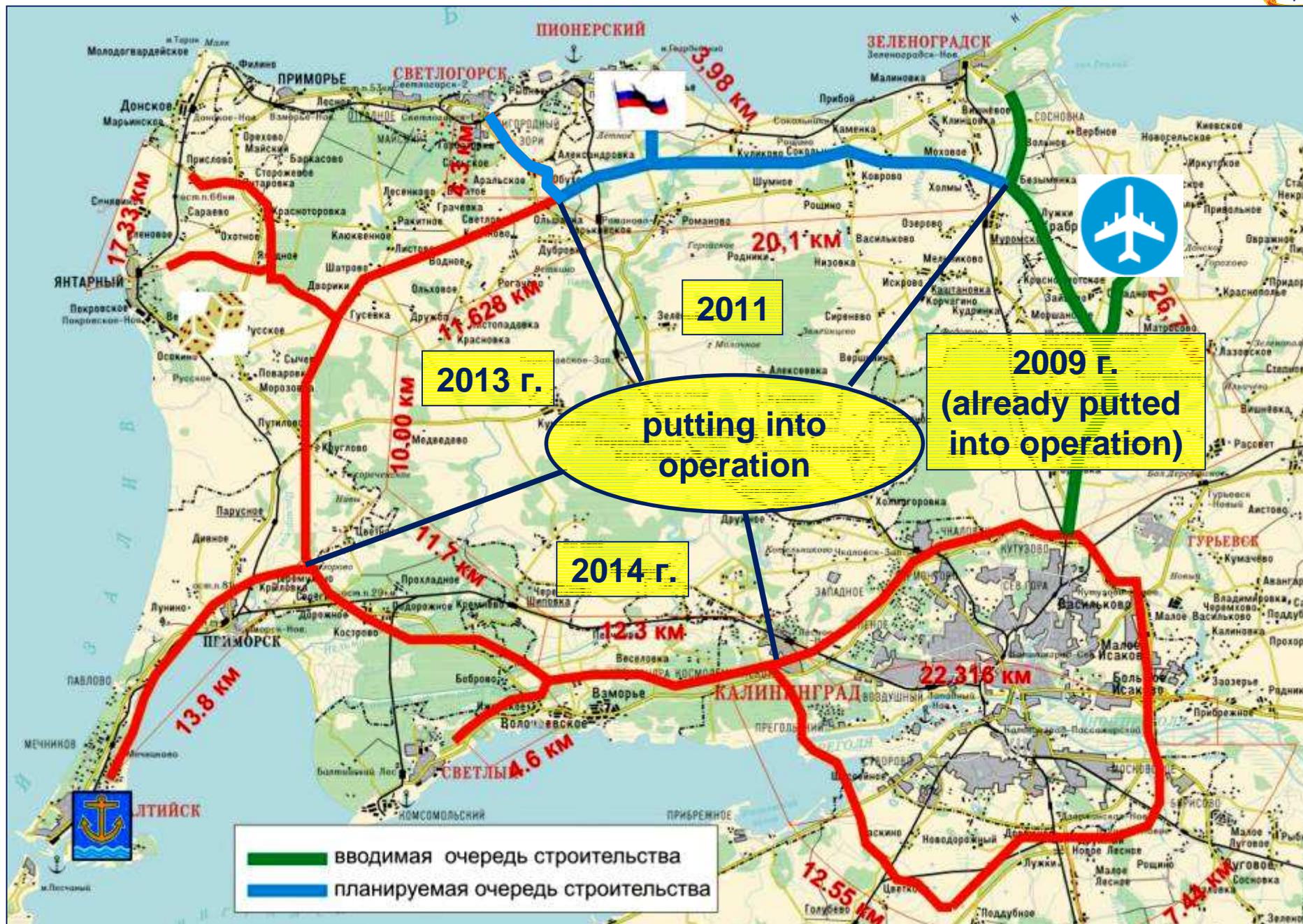


ROAD MAP





«PRIMORSKOE RING»

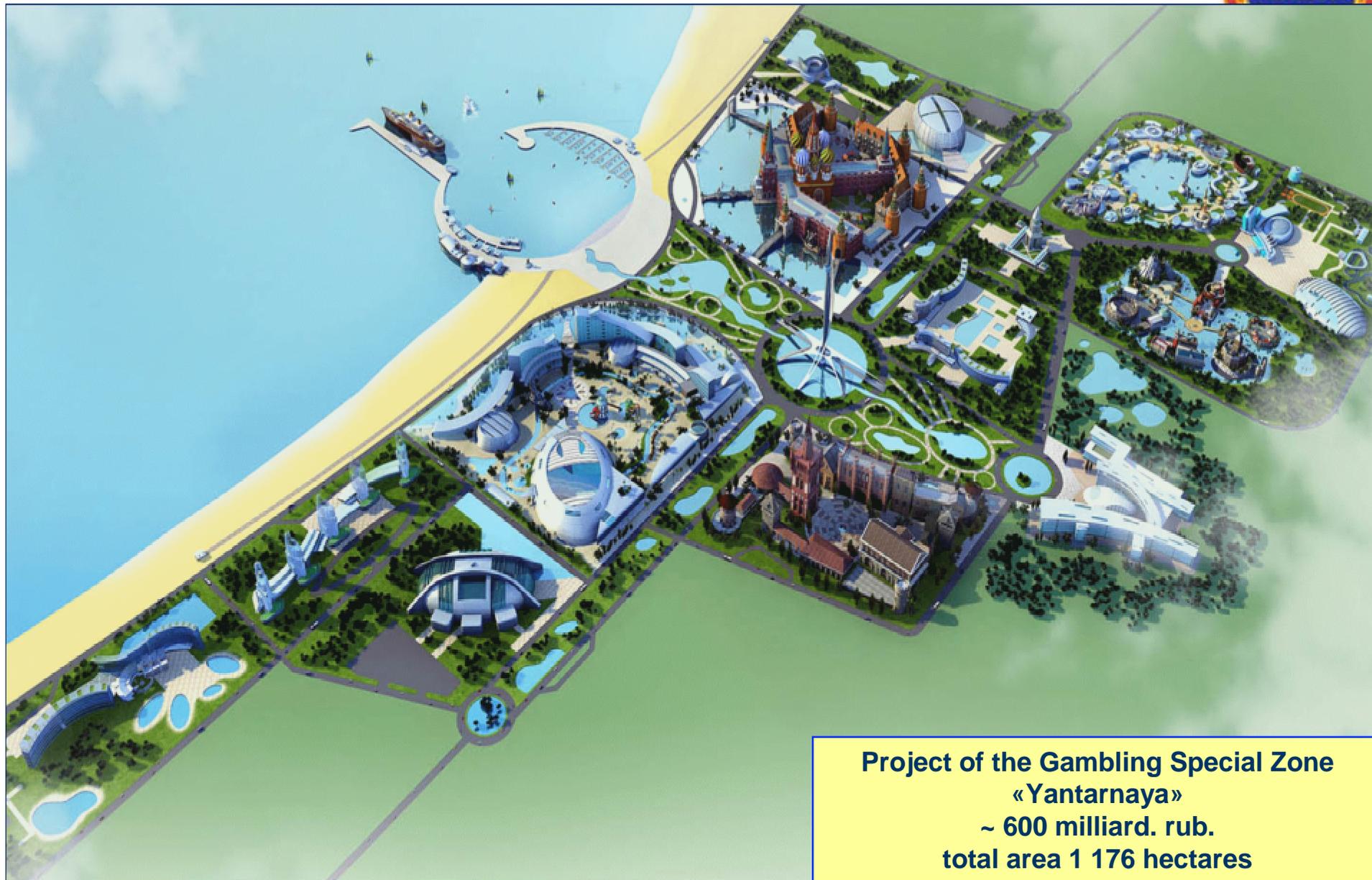


TOURISM AND RECREATION SEZ «CURONIAN SPIT»



**Project of «CURONIAN SPIT»
budget investments 1 800 mln.rub.
external investment 5 815 mln.rub.**

GAMBLING SPECIAL ZONE «YANTARNAYA»



**Project of the Gambling Special Zone
«Yantarnaya»
~ 600 milliard. rub.
total area 1 176 hectares**



TOURIST ZONE «AMBER COAST» (PIONERSKY)

«Amber cost» - plan



maritime terminal



passenger terminal



fish market



amphitheater



Project of «Amber cost»
Total investment ~ 20 milliard. rub.
Already invested ~ 0,4 milliard. rub.
Labour force - more than 5 000

If ferry-boat transportation will be developed Sweden and Finland also become very attractive geographical markets to Kaliningrad region



If improve transport access (preferably by a ferry-boat)



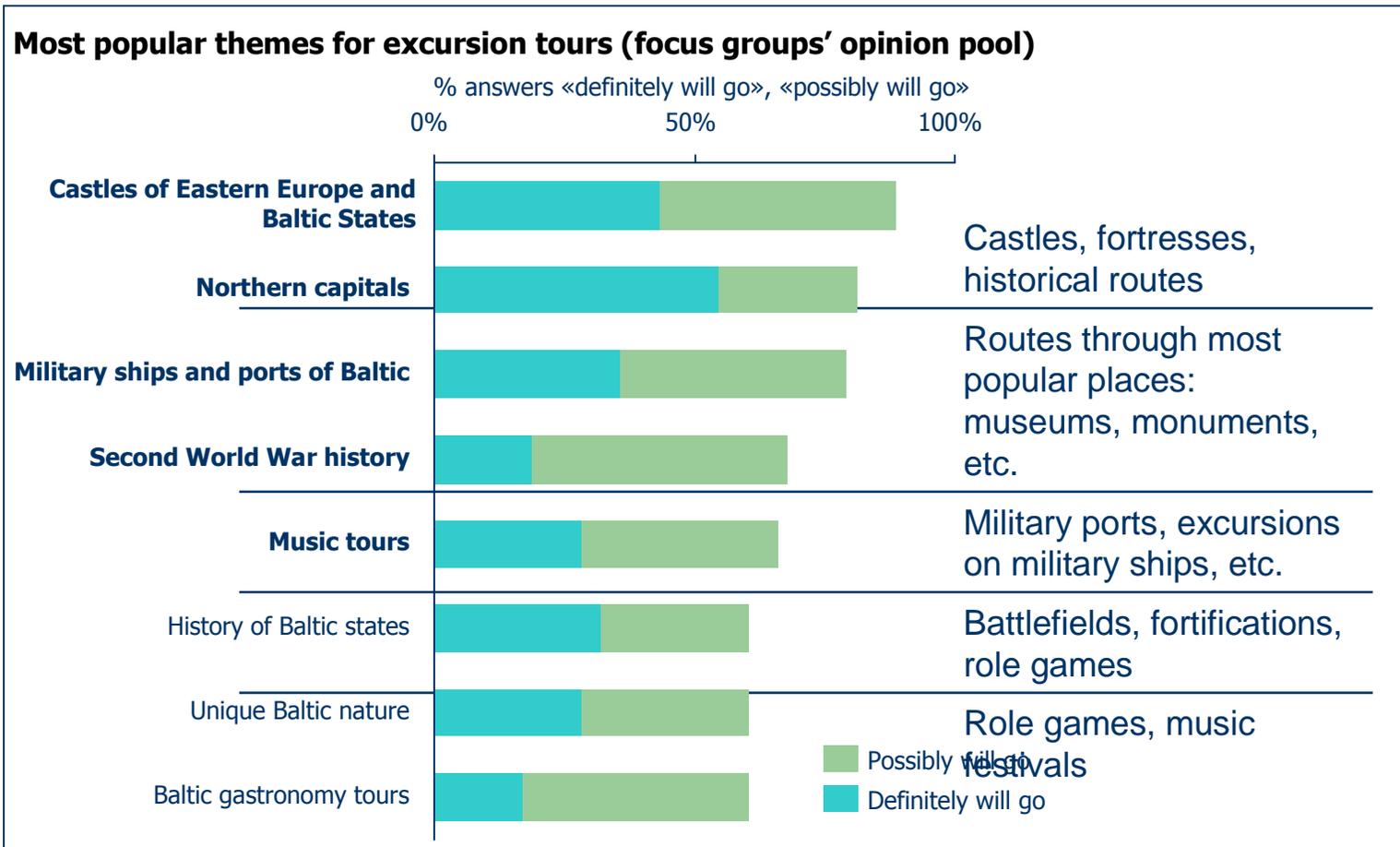
Country	Attractiveness rank
Russia	3.8
Ukraine	3.8
Germany	3.1
Latvia	3.0
Lithuania	2.9
Sweden	2.8
UK	2.7
Poland	2.7
Finland	2.7
Sweden	2.4
Belorussia	2.4
Netherlands	2.3
Finland	2.3
Denmark	2.3
...	

Current ferry-boat transport system does not include Kaliningrad



Opportunity to visit Sweden and Finland is an additional advantage for Russian and Ukraine tourists for visiting Kaliningrad region

There are wide opportunities to organize thematic international tours through Kaliningrad region with popular international destinations





Examples of tours



Cycling in the Curonian Spit. Zelenogradsk - CPT National Park "Curonian Spit" - Village "Forest".

From Zelenogradsk trail bike route lays along the forest road. The picturesque area trails bike route from the PPC National Park to the village "Forest" is on the sea side, surrounded by pines and spruces in the neighborhood of larch, chestnut, etc.



Paths "Dancing Forest ", " Royal Bor ", " Height Efa ", " Swan Lake "and others

"The Dancing Forest - the route introduces an unusual plot of pine forest, planted on the dune Round. On the sandy soil whimsically whirled over one hundred young pines planted 20 years ago. There are trees, twisted into a spiral. Some trunks tied in a loop, both along the ground and perpendicular to it. Scientific explanation of the unusual phenomenon is still there.

«**Royal Bor**»- a route length of 2.8 km introduces the Royal Boron (the oldest forest in the territory of the spit. Never been cut, because there were royal hunting grounds) and displays a filler-meadows of the Curonian Lagoon.



Dune Efa - the highest dune in the Curonian Spit and Europe in general (64 m). Named in honor of the German scientist and engineer Franz Efy, author of the project to strengthen and afforestation of the Curonian Spit. Dunes in this area of mobile and often moved toward residential townships. To tame the dunes, it was necessary to take special measures.

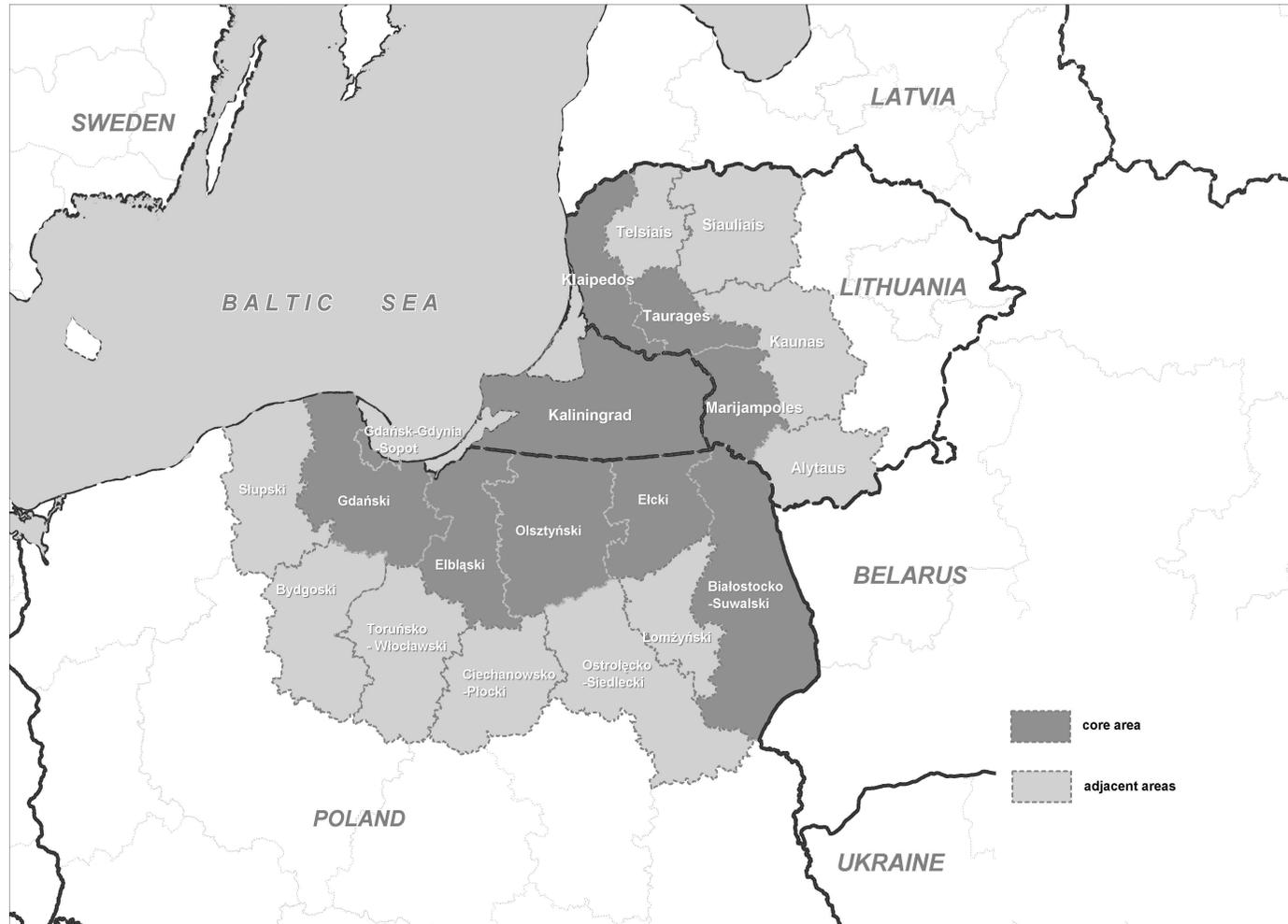


Cross-border cooperation programme Lithuania-Poland-Russia 2007-2013 ENPI

Programme budget:

- EU – 132 bln. euro;
- RU – 44 bln. euro;
- Partners co-financing 10 %

Cross-border cooperation programme Lithuania-Poland-Russia 2007-2013 ENPI





Programme objectives

- Support to the establishment and intensification of the CBC contacts between Russia, Lithuania, Poland
- Assistance to the regional development
- Increase of the quality of life of population

**Cross-border cooperation programme
Lithuania-Poland-Russia 2007-2013
ENPI**



Priority 1: Contribution to the solution of
common problems and challenges

1.1 Sustainable nature use

1.2 Development of communication links
(*Traffic and informational*)

Cross-border cooperation programme Lithuania-Poland-Russia 2007-2013 ENPI



Priority 2: Pursuing social, economic and spatial development

2.1 Tourism development

2.2 Development of human potential by improvement of social conditions governance and educational opportunities

2.3 Increasing competitiveness of SMEs and development of the labour market

2. 4 Joint spatial and socio-economic planning



Potential beneficiaries

The following types of organizations can apply:

- **State or semi-state institutions, local authorities or administrations**
- **Organizations contributing to the economic and social development**
- **Local organizations (including network organizations) involved into decentralized regional cooperation and integration**
- **Educational, cultural and scientific-research institutions**



Initial selection of projects

- Approximate starting date of the first call for proposals – 1 June, 2010
- Programme working paper is placed on the web-site www.gov39.ru in the section International relations/International programmes and projects
- Approximate date of the dead-line for the proposals submission – 31 August, 2010



Size of projects

- Minimum budget 100 000 Euro
- Maximum budget 4 000 000 Euro
- Co-financing from the partners side – 10 % of the total budget



Application

- It is impossible to apply without partners
- There is no “financing quota per country”
- Identifying sources of co-financing
- Application is in English



Projects selection

- An application will be assessed by independent experts
- Final decision will be made by the Selection (Evaluation) Committee
- The decision will be confirmed by the Joint Monitoring Committee of the Programme



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region

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