Products and services for FUEL AND ENERGY SECTOR: investment potential of the Sverdlovsk region



THE GOVERNMENT
OF THE SVERDLOVSK
REGION

INVESTMENT
PROMOTION
AGENCY
of the Sverdlovsk region



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ENTERPRISES OF THE SVERDLOVSK REGION ARE CAPABLE TO ENSURE COMPLEX FUNCTIONING OF ANY OBJECTS OF THE FUEL AND ENERGY SECTOR



City center
of Ekaterinburg,
the capital of
the Sverdlovsk region

KEY INVESTMENT AREAS

01

THE SVERDLOVSK REGION IS A STRATEGIC PLACE FOR LOCALIZATION OF MANUFACTURERS SERVING THE OIL AND GAS INDUSTRY OF THE RUSSIAN FEDERATION

1 Oil and gas mechanical engineering

DRILLING RIG SYSTEM



CAPACITIVE EQUIPMENT



PUMP AND COMPRESSOR EQUIPMENT



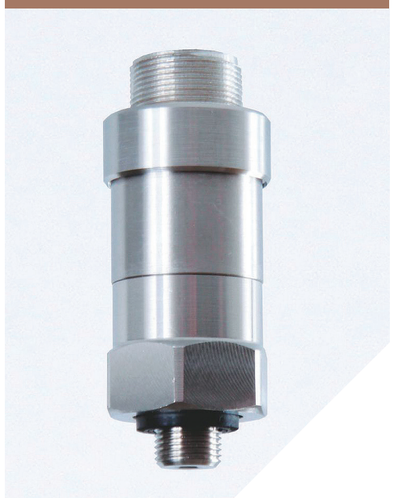
KEY INVESTMENT AREAS

2 Instrument engineering

AUTOMATED PROCESS CONTROL SYSTEMS



SENSORS AND GAUGES



ELECTROTECHNICAL EQUIPMENT



3 Chemical industry

PAINTS AND COATINGS



CONSUMABLES (BIOMICROGELS, PROPPANTS)



4 Production of materials for industrial and transport construction

1 INERT MATERIALS

2 REINFORCED CONCRETE PRODUCTS

3 HEAVY EQUIPMENT



THE ADVANTAGES OF LOCALIZATION IN THE SVERDLOVSK REGION

02

BASIC FACTS

1. sales market proximity
2. availability of human and scientific resources
3. accessible and transparent mechanisms of state support
4. accessible and intelligible state support measures
5. historically strong technological basis in key service industries

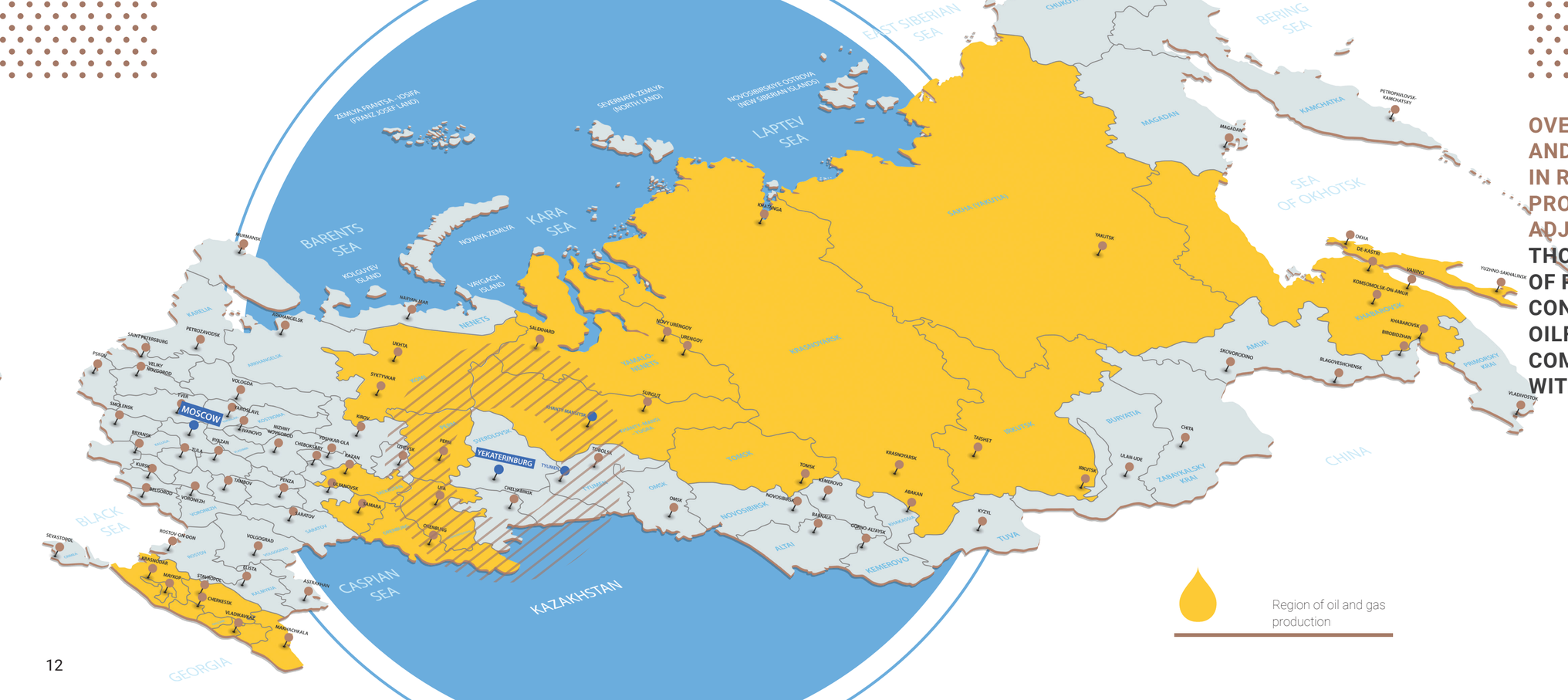


BENEFITS FOR INVESTORS

1. reduced transportation costs, quick arrival of service engineers, delivery of equipment and spare parts
2. possibility to create experimental polygons and test benches for new technologies
3. reducing the duration of the investment phase of projects
4. start-up cost reduction
5. possibility of localization and production cooperation with existing enterprises







OVER 70% OF OIL AND 90% OF GAS IN RUSSIA ARE PRODUCED IN ADJACENT REGIONS. THOUSANDS OF POTENTIAL CONSUMERS OF OILFIELD SERVICE COMPANIES ARE WITHIN DAILY REACH.

Region of oil and gas production

03 SALES MARKET

OPERATING COMPANIES IN THE REGION

IN SVERDLOVSK REGION THERE ARE DOZENS OF COMPANIES THAT MANUFACTURE PRODUCTS FOR THE FUEL AND ENERGY SECTOR. FOR NEW ENTERPRISES, THIS IS AN ADDITIONAL SALES MARKET, AS WELL AS AN AMPLE SOURCE OF OPPORTUNITIES FOR COOPERATION.

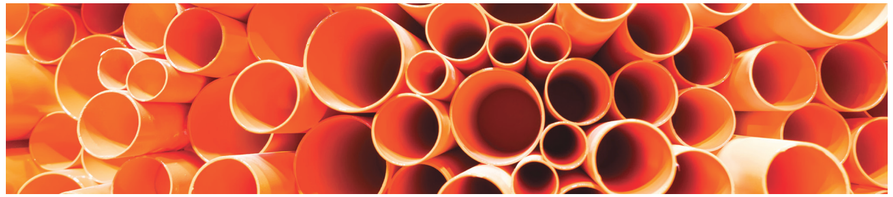
PIPE PRODUCTION

НТТЗ Металлинвест — Нижнетагильский Трубный завод Металлинвест

ТМК

ОАО Уралтрубопром

Первоуральский новотрубный завод



CAPACITIVE EQUIPMENT

Уралхиммаш

ПКФ КУБ

Уралкриомаш



OILFIELD EQUIPMENT

Нефтегазовое оборудование УРАМАШ Холдинг

PSM-IMPEX



PAINTS AND COATINGS

ВМП

Уралхимпласт

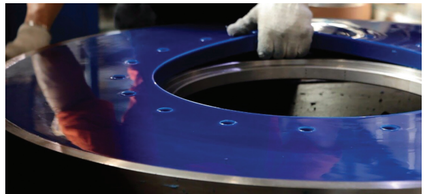
HILONG



INDUSTRIAL RUBBER PRODUCTS

Уральский завод РТИ

УНИКОМ СЕРВИС — Научно-производственное предприятие



ELECTROTECHNICAL EQUIPMENT

УЭТМ

СВЭЛ

Три тролля УЗМЗ

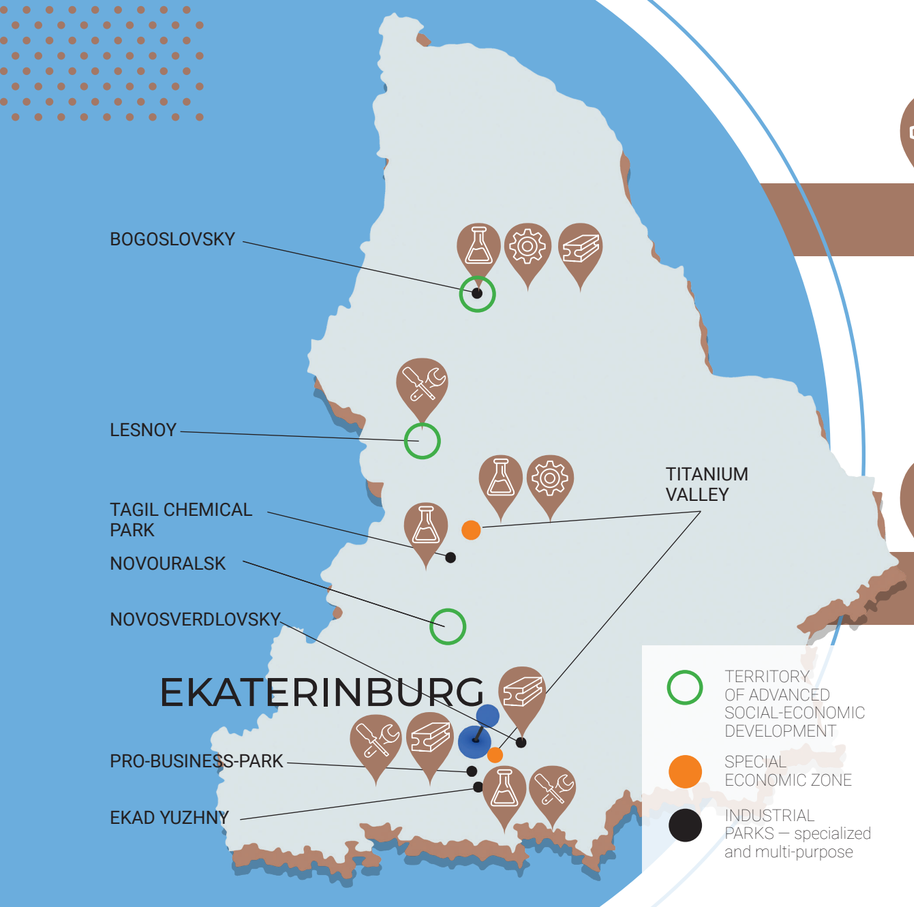


SPARE PARTS, TOOLS AND ACCESSORIES

Машпром — Научно-производственное предприятие

Уралбуртмаш





MECHANICAL ENGINEERING

- TITANIUM VALLEY
- BOGOSLOVSKY

INSTRUMENT ENGINEERING

- PRO-BUSINESS-PARK
- LESNOY
- EKAD YUZHNY
- NOVOURALSK

CHEMICAL INDUSTRY

- TITANIUM VALLEY
- BOGOSLOVSKY
- EKAD YUZHNY
- TAGIL CHEMICAL PARK

CONSTRUCTION MATERIALS

- NOVOSVERDLOVSKY
- BOGOSLOVSKY
- PRO-BUSINESS-PARK

INDUSTRIAL PARKS AND SPECIAL TERRITORIES OF THE SVERDLOVSK REGION ARE THE TOP CHOICE FOR LOCALIZATION OF INDUSTRIAL CAPACITIES OF NEW ENTERPRISES

ALLOCATION OF MANUFACTURE IN THE SVERDLOVSK REGION

04



WORKFORCE

2 145 200

PEOPLE

THE SVERDLOVSK REGION –
IS A HOMELAND OF THE «URAL ENGINEERING SCHOOL»

1st PLACE

IN RUSSIA BY THE NUMBER OF PROFESSIONAL EDUCATIONAL ORGANIZATIONS

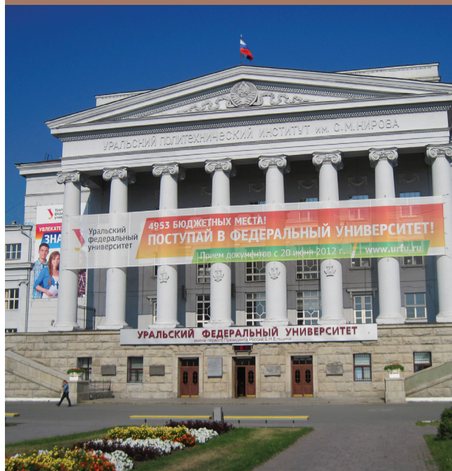
5th PLACE

BY THE NUMBER OF UNIVERSITIES

The region offers investors both experienced personnel and special training programs in collaboration with the main universities of the Urals

URFU – Ural Federal University named after the first President of Russia B.N. Yeltsin

THERE ARE **250** ENGINEERING SPECIALTIES IN **23** UNIVERSITIES





HUMAN RESOURCES AND SCIENTIFIC POTENTIAL

05

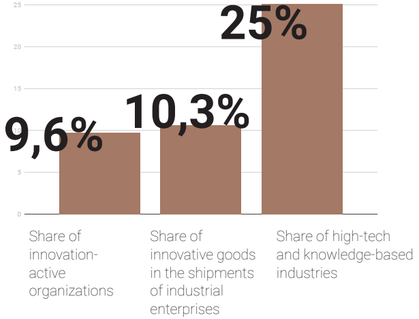
5th PLACE AMONG RUSSIAN REGIONS BY THE NUMBER OF CREATED ADVANCED MANUFACTURING TECHNOLOGIES

3rd
place by the number of advanced manufacturing technologies in use

more than
819
unique technologies have been created and patented in the last 15 years

VMP, research and development holding



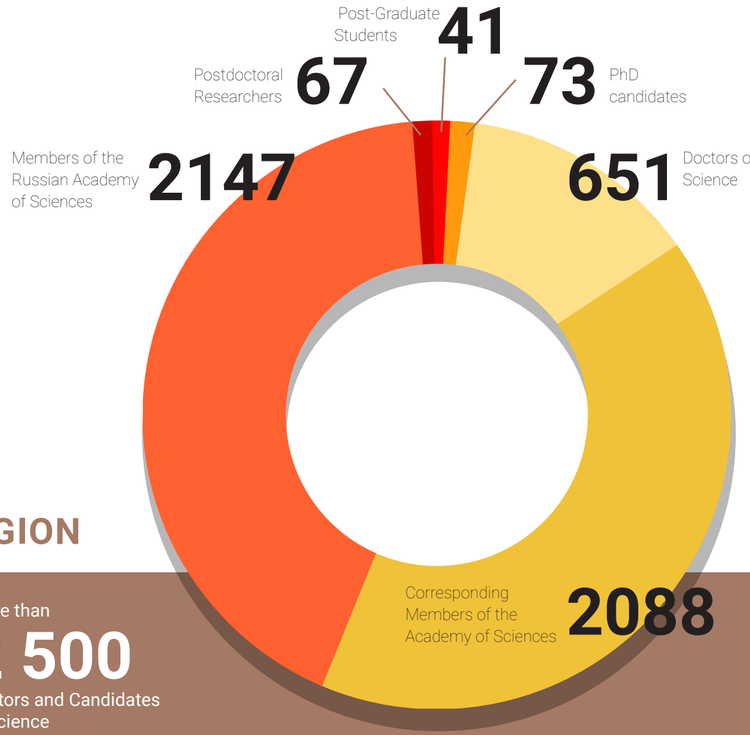


R&D OF THE SVERDLOVSK REGION

109
institutions

including
35
industrial enterprises

more than
2 500
Doctors and Candidates of science





SUCCESSFUL AND REQUIRED R&D OF THE REGION:

1 DRILLING MUD TREATMENT SYSTEM

UNIQUE HIGH-TECH DRILLING MUD TREATMENT SYSTEM AND DISPOSAL OF DRILL CUTTING WASTE BASED ON «ZERO DISCHARGE» PRINCIPLE

2 SUBMERSIBLE TELEMETRY SYSTEM

IMPORT SUBSTITUTING SUBMERCIBLE TELEMETRY SYSTEM FOR CENTRIFUGAL PUMPS IN THE WELL

3 NUCLEAR MAGNETIC RESONANCE

NUCLEAR MAGNETIC RESONANCE TECHNOLOGY FOR EXPLORATION AND PRODUCTION, CONSTRUCTION OF WELLS AND TRANSPORTATION OF OIL PRODUCTS

The Sverdlovsk region can solve global problems of the oil and gas complex:

1. Development and exploitation of new national high technologies in oil and gas production

2. Creation of experimental polygons and test benches for new technologies

TYPES OF TAXES, INSURANCE CONTRIBUTIONS	GENERAL RATE	TAX INCENTIVES				
		Priority Social and Economic Development Area Resident	**Special Economic Zone Titanium Valley Resident**	**Priority investment project**	Special investment contract - federal	**Special investment contract - regional**
INCOME TAX:	20%	5% for 5 years 13% over the next 5 years	2% for 10 years 7% for 5 years 15,5% from 16th year of a project	16,5% for 5 years (for new construction) 19% (for modernization)	13,5% according to the contract, but not later than 2025, inclusive	13,5% according to the contract, but not later than 2025, inclusive
FEDERAL BUDGET	3%	0% for 5 years	2%	3%	0% according to the contract	3%
REGIONAL BUDGET	17%	5% for 5 years 10% over the next 5 years	0% for 10 years 5% for 5 years 13,5% from 16 year of a project	13,5% (for new construction) 16% (for modernization)	13,5% according to the contract, but not later than 2025, inclusive	13,5% according to the contract, but not later than 2025, inclusive
PROPERTY TAX	2,2%	0% for 5 years	0% for 10 years	0% for 5 years 1.1% (only for SPIC in tourism)	0% for 5 years	0% for 5 years
LAND TAX	1,5%	0% for 10 years	0% for 10 years	0% after the decision of local authorities	0% according to the contract	0% according to the contract
TRANSPORT TAX	1,5%		0% for 11 years			
INSURANCE CONTRIBUTIONS	30%	7,6% for 10 years				
PENSION FUND OF THE RUSSIAN FEDERATION	22%	6% for 10 years				
SOCIAL INSURANCE FUND	2,9%	1,5% for 10 years				
FEDERAL COMPULSORY MEDICAL INSURANCE FUND	5,1%	0,1% for 10 years				



THE SVERDLOVSK REGION OFFERS FLEXIBLE SUPPORT MEASURES FOR INVESTMENT PROJECTS, INCLUDING ENTERPRISES MANUFACTURING GOODS FOR OIL AND GAS COMPANIES.

STATE SUPPORT FOR OILFIELD SERVICE COMPANIES

06



QUALITY SERVICES FOR INVESTORS

INVESTMENT PROMOTION AGENCY OF THE SVERDLOVSK REGION PROVIDES ONE-STOP-SHOP SERVICES FOR INVESTORS AT EACH STAGE OF AN INVESTMENT PROJECT

PLANNING 1

- Provision of information about the market and business environment
- Presentation of investment sites of the Sverdlovsk region
- Informing about investment project support measures
- Preparation of investment offers

PREPARATION 2

- Selection of an investment site according to investor criteria
- Preparation of offers for structuring the project's financial model
- Preparation of offers for optimization of the project's implementation schedule

IMPLEMENTATION 3

- Assistance with obtaining support measures and addressing project finance issues
- Provision of information, advice and organizational support for administrative procedures
- Assistance with personnel matters

PROMOTION 4

- Establishing communication with local business communities
- Promoting projects in Russia and abroad
- Assistance with establishing multinational operations

THE GOVERNMENT
OF THE SVERDLOVSK REGION

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