



Investment potential
of Mordovia **/2013**

Economic and geographical position



26 128 km²

Mordovia is located in the centre of the European part of Russia and is located in the Volga Federal District.

It borders with Ulyanovsk, Penza, Ryazan, Nizhny Novgorod regions as well as the Chuvash Republic.

The capital of Mordovia is Saransk.



Within 500 km from the city of Saransk - 5 cities with populations over one million



The region is located very well. There are more than 10,000 km of roads and over 550 km of railway lines that is very convenient domestic and inter-regional transportation. There is a federal highway M5 that is part of an important transcontinental route.



The republic has one of the largest railway stations "Ruzaevka" which links Central Russia with the southeastern part of European territory, the Urals and Siberia.





Mordovia is a rapidly growing multinational republic. There are about one million people there, 43% of who are rural residents.

Mordovia



> 800 000

Saransk



> 300 000

Comfortable living conditions

More than **70**
health care facilities

Advanced Medical Technology



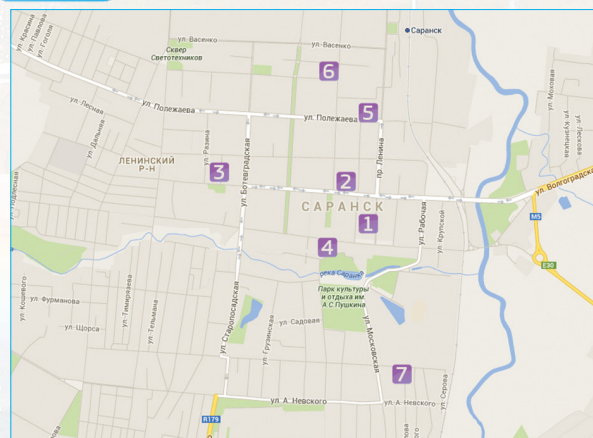
There has been active modernization of health care in Mordovia recently. The republic is in one of the top positions in the country in terms of federal investments in the health sector.

There are more than 70 health care facilities in Mordovia. They include Federal Perinatal Center, the Modern Republican Medical Center “Mordovia Republican Clinical Hospital” as well as unique Dialysis Center opened in cooperation with the German company “Fresenius-Hefro”.

Technical equipment of these medical facilities meet modern international standards and can provide a full range of medical services and carry out surveys and operations of high complexity.

Comfortable living conditions

The capital of the region in 2011 was officially recognized as the most comfortable city in Russia, and in 2013 it received the status of one of the greenest cities in the country



8 hotels
in the centre of Saransk

1. «Mordovia»
2. «Saransk»
3. «Olimpia»
4. «Парк Отель»
5. «Sura»
6. «Mirta»
7. «Studencheskaya»



There are city parks, theaters, museums, concert halls as well as shopping and entertainment centres and nightclubs in the city.

The real pride of the city is the S. Erzya Museum of Fine Arts that has the exhibition of works by world-renowned sculptor S. Erzya.

I. M. Yaushev State Music Theatre has been opened in a new building recently. It attracts visitors and residents with interesting repertoire, unusual architecture and luxurious interior.

Comfortable living conditions



Mordovia is one of the most athletic republics in the Volga region. Athletes of V. M. Chegin Olympic Training Centre in race walking are known all over the world.



Sports infrastructure in the republic is systematically renovated. There are stadiums and sports facilities designed to hold world-class championships in the republic. There is the sports centre “Mordovia”, “Ice Palace,” “Palace of Water Sports” and many others.

The indoor football and athletics arena and “Universal Hall” is currently under construction. It is, a sports complex designed to hold the competition in almost all kinds of sports.



Catering network in Saransk and Mordovia is presented by restaurants, cafes and fast food establishments. There are food courts in all leisure centers.



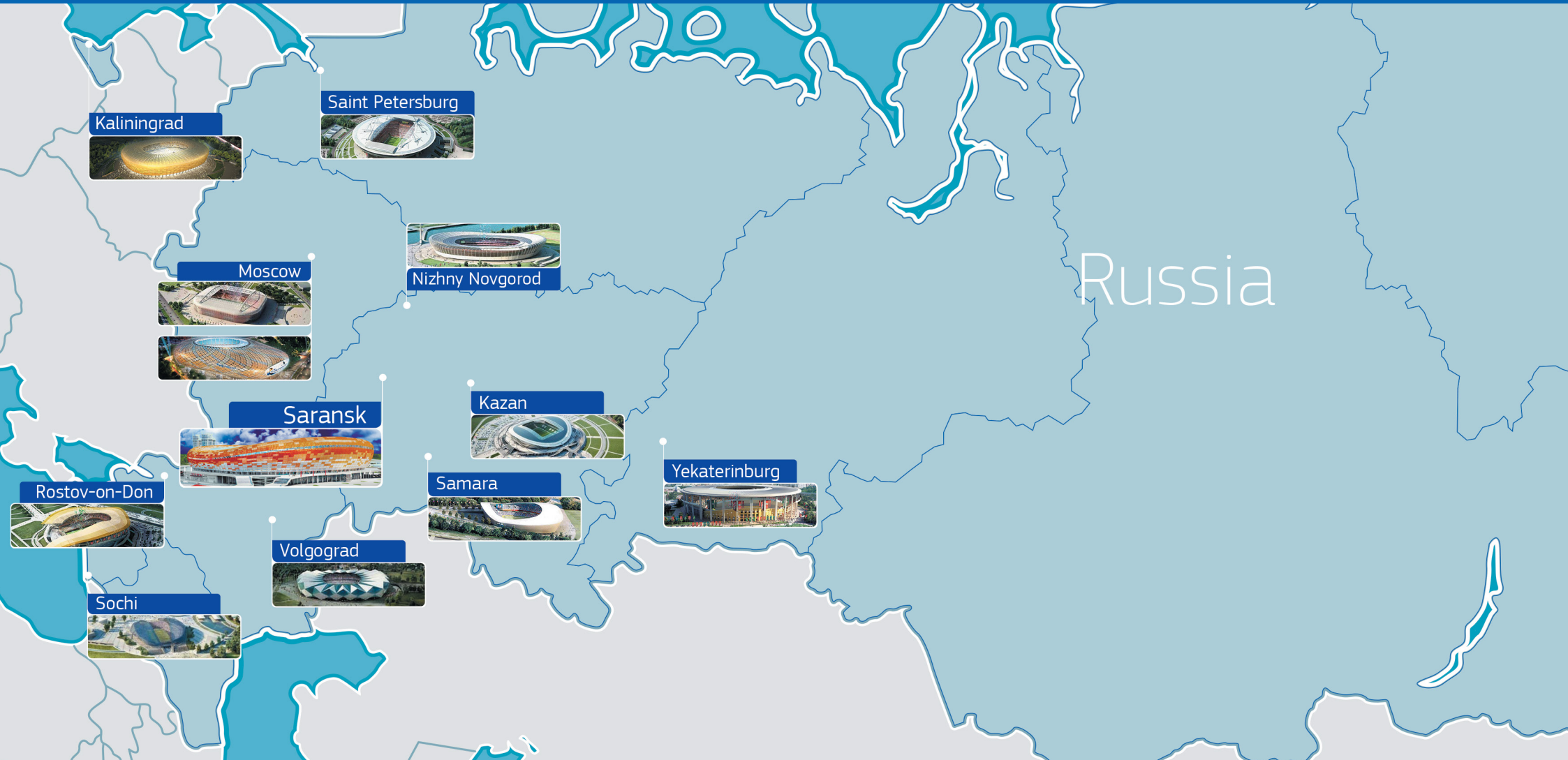
There is a well-developed network of information and communication technologies in Saransk and Mordovia. It includes the broadband Internet and digital TV broadcasting. The fourth-generation mobile communication of LTE standard will have been introduced in Mordovia by the end of 2013.



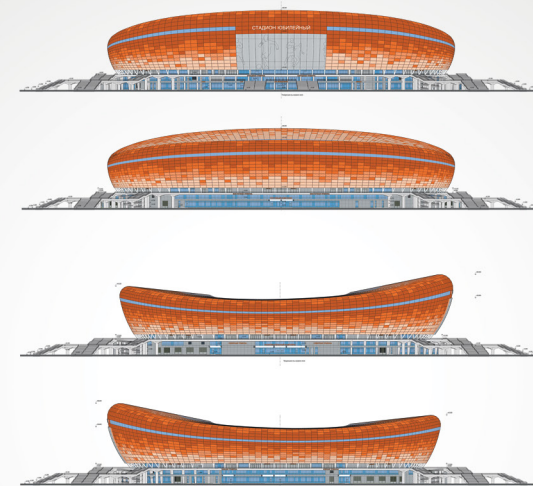
There is low level of crime and drug addiction in the republic; the operational situation in the region is stable. The stability of the operational situation in the region is the result of coordinated work of the law enforcement system of Mordovia.

New technologies help to provide safety in the republic. The situation in the streets of Saransk is controlled by the automated intelligent system called the “Safe City”.

Saransk: the host city of the World Cup in Russia FIFA™



Saransk is among the 11 host cities of the World Cup FIFA 2018 in Russia. It is planned to significantly renovate the social infrastructure in the city.



Stadium “Saransk” will be located in the central part of Saransk, in a picturesque place in the floodplain of the Insar River.



45,000 seats
including 15,000 temporary seats;
1,200 seats for the media; 60 seats for VVIP-Tribune;
1,800 seats for VIP-Tribune.



The total built-up area **57 270 m²**
Green area **109 265 m²**
The height of the stadium
from **50.9 to 35.04 m**



«Tavla»

hotel and residential complex



Land area
77 498,70 m²
Number of rooms
1 736

It is a unique project. During the Games the complex will be a hotel but at the end of the Championship it will be transformed into an apartment house.



Airport “Saransk”

Airport “Saransk” is located at the most comfortable distance from the stadium, hotels and apartment complexes. By 2018 it will be subjected to a large-scale reconstruction. By the end of 2015 it is planned to build a permanent terminal designed to service 200 passengers per hour. At the beginning of 2017 a temporary terminal will be erected which will increase the overall capacity of the airport to 800 people per hour.

Saransk: the host city of the World Cup in Russia FIFA™



Transport infrastructure

The high-speed rail link between the cities of Saransk, Moscow, Nizhny Novgorod, Kazan, Samara

Reconstruction of the federal and regional roads - 110 km

Reconstruction of the road network in the city of Saransk - 50 km

Construction of 5 multi-level interchanges



“... In Mordovia, as well as in some other regions of the Russian Federation, there is no gold, oil or gas but the republic is developing quite well. It is true not only about agriculture but also about industry and humanitarian sphere“

President of Russia
V. Putin

Mordovia is the republic of sustainable and planned economic development. The President of the Russian Federation Vladimir Putin points out its special place in the economy of the region.

Economic potential of Mordovia

The largest share in the structure of the economy of the Republic of Mordovia is traditionally the processing industries (90%).

Gross regional product



The scale of industrial production



Investments in fixed assets



Gross agricultural production



The scope of work for the activity "Construction"



Retail trade turnover



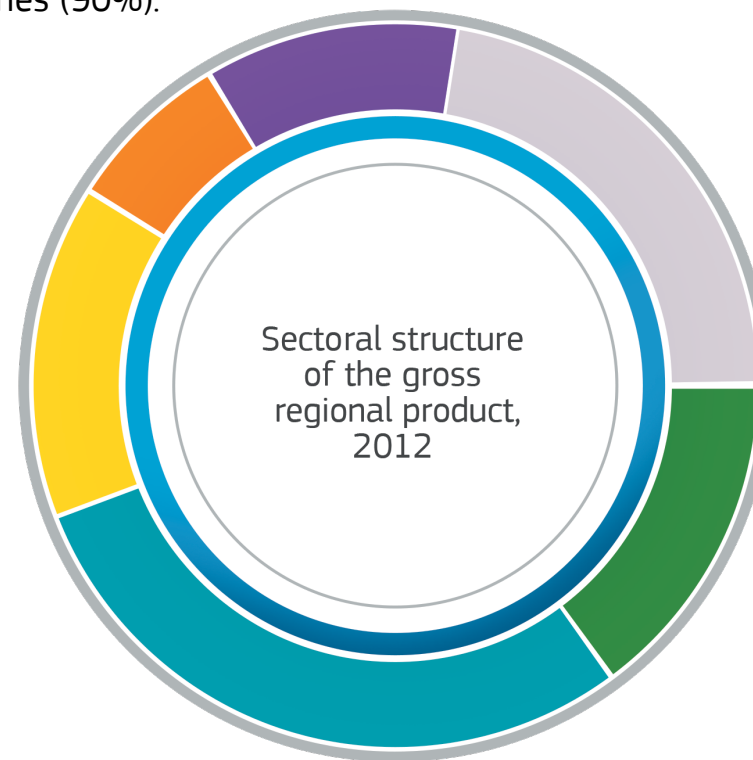
The total turnover in the region



Export



Import



Strategy of economic development

The strategy of economic development of Mordovia is mainly focused on competitiveness and cluster development industries. In close connection are educational establishments, innovative engineering centres and industry.

Key indicators of the strategy by 2025

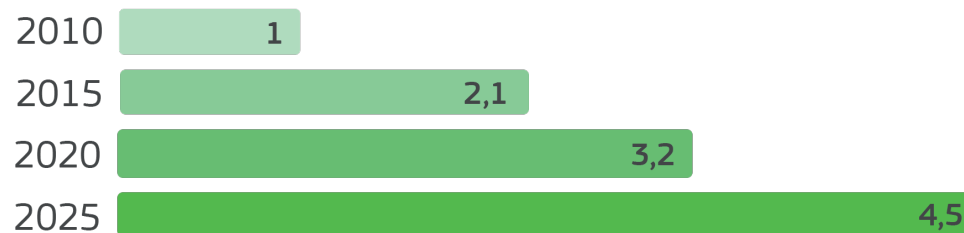
GRG



The average wage



Investing



Economic potential of Mordovia





Education

The initial element of the innovation economy of the region is the Republican Lyceum Centre for Gifted Children. The goal of this educational institution is the formation of human resources in the field of high technologies.

At the age of 12-17 years lyceum students receive specialized education and annually get prizes in international competitions in the applied sciences.

Research capacity of Mordovia is 11 higher education institutions and their affiliates. Among 10 000 inhabitants of the republic there are about 500 students. 10% of students come to the republic from neighboring regions of Russia. More than 1,000 university students of Mordovia are the citizens of foreign countries.

Mordovia State University, one of the largest universities in Russia, is a recognized centre for the training of scientific and pedagogical staff for the entire country. There are 14 doctoral dissertation councils on 72 specialties. In 2010 the university got the status of the “national research university”.



Innovations

are one of the main priorities of modern economic development of Mordovia.

In 2012 the region established the Federal Technopark in the sphere of high technologies.

Its main goal is the organization of the full innovation cycle of Mordovian economics.

Technopark integrates existing innovation infrastructure and the enterprises of the Republic of Mordovia in a single mechanism, creates additional incentives for the development of small and medium-sized businesses including small research organizations at universities and research institutes.



Technopark-Mordovia

- Electronic instrument engineering
- Optoelectronics Fiber optics
- Energy-saving lighting engineering
- Information technologies
- Nano-technologies Nano-materials

Partners:



Economic potential of Mordovia



SIEMENS

KDC Technology
wire and cable compounds



REMONDIS®

Mordovian industry has a cluster structure. We have the best enterprises in the Volga Federal District and Russia that work closely with international partners.

The Federal innovation cluster of the republic “Efficient lighting and intelligent lighting control systems”

is represented by 20 organizations employing more than 12,000 professionals.
The enterprise produces 30% of all manufactured lighting products in Russia.



20 organizations



12,000 professionals



30% of all manufactured
lighting products in Russia

nepesrus



**АРДАТОВСКИЙ
СВЕТОТЕХНИЧЕСКИЙ ЗАВОД**

ЛИСМА LISMA

Ле КСЕНОН

RE FLUX
HID Lamps

An example of successful investments - LLC “Nepes-RUS”

– is a joint venture with the participation
of the South Korean company «Nepes LED Corporation»
on the basis of “Technopark-Mordovia”.
The organization is engaged in the manufacture
and assembly of lighting using advanced
LED technology world.



Innovative territorial carriage-building cluster

is represented by a cluster of leading industrial holding of transport engineering “RM-Rail” that employs more than 12,000 people. Products of the cluster include more than 15% of the market share in Russia, and 60% for the production of specialized cars and tanks.



12,000 people



over 15% of the market share in Russia
60% for the production of specialized
cars and tanks



A multimillion-dollar contract with HEINRICH WAGNER SINTO Maschinenfabrik GmbH and Laempe GmbH was signed when the LLC “VKM-steel” production started. There is active cooperation on creation of innovative rolling stock with the German company VTG.



Cluster production of cable products

is well developed in Mordovia due to the large and highly specialized factories whose products are in demand in the export market. Total volume of products produced by a cluster is up to 10% of all the products in the Russian market. And approximately 2,000 professionals are responsible for it. The cluster includes 11 independent companies of the group of companies "Opticenergo" and other organizations including the Spanish-Russian joint venture "Sarmat" co-founded by a Spanish firm «SAPREM S. A.»



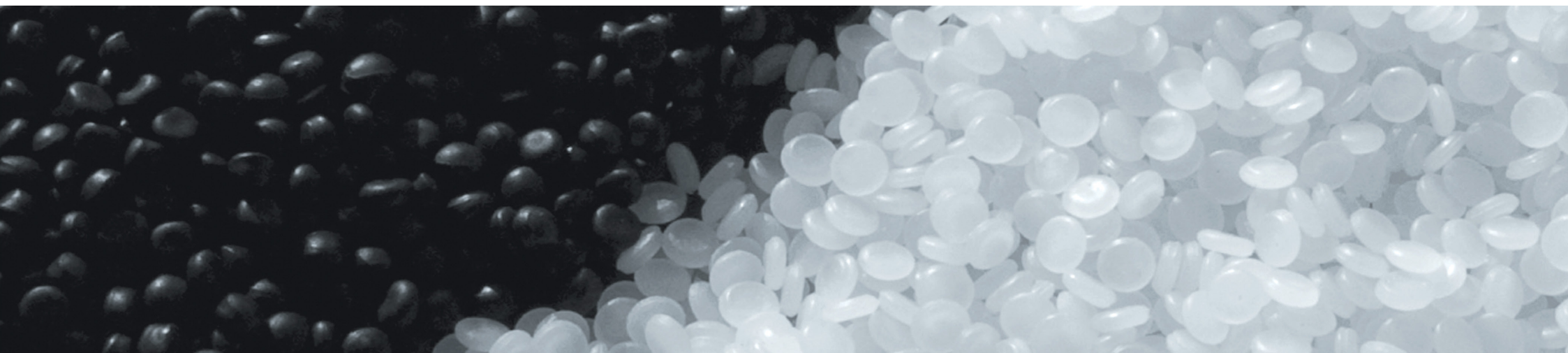
2 000 professionals



About 10% of the market in Russia



The Company "Opticenergo" has installed equipment of German companies «QUEINS & Co. GMBH» and «NEXANS». The unique company "Leader-Compound" actively cooperates with «X-Compound»



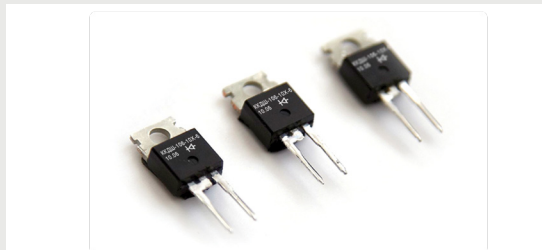
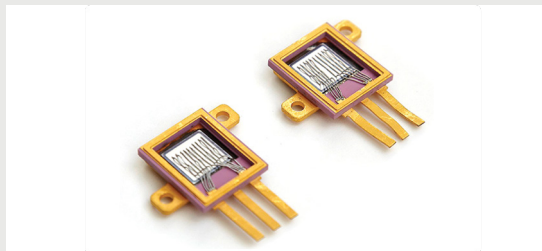


ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО
ЭЛЕКТРОВЫПРЯМИТЕЛЬ

Regional clusters of power electronics

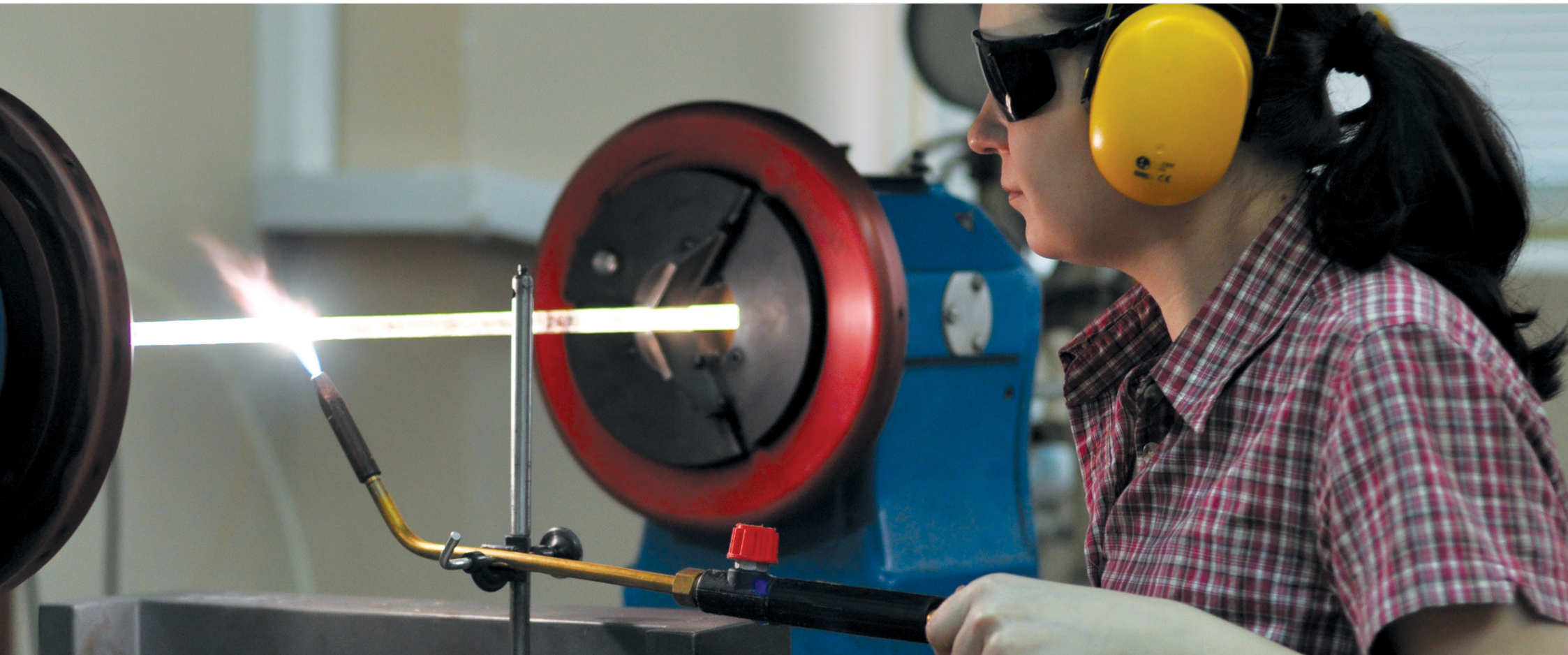
Regional clusters of power electronics produce one-tenth of all the products of the industry in Russia and are presented in Mordovia in some more enterprises.

“Electrovypryamitel” has a long-standing partnership with the company «SIEMENS». It produces high and GTO thyristors. At JSC “Electrovypryamitel” there is equipment of such companies as Kliengelberg, KASTO, HERMLE and Demag.



Fiber cluster

In the short term the position of clusters of power electronics and cable industry will strengthen the work of fiber cluster in Mordovia. Now it is the first industrial fiber plant in the region. The volumes of produced industrial fiber will be 2.5 million km per year in the future. Since the optical fiber in Russia is imported, the company will be of strategic importance.



Building materials cluster

Building materials cluster in Mordovia is presented by one of the most advanced companies in the country, “Mordovcement”, where there are a billion of foreign investments.

The following companies are involved in the production of the equipment: ZAB-Industrietechnik & Service GmbH, BEUMER Maschinenfabrik GmbH & Co, Siemens AG, Gebr. Pfeifer and others.

Besides the production of cement mixes the cluster involves the production of brick, gypsum partition blocks and gypsum boards.

The volume of manufactured products of the cluster makes up more than 8% of market share in Russia.





Food industry cluster

Food processing cluster in Mordovia is presented by enterprises that manufacture confectionery, beverages, sugar and cheese.

A special place is occupied by meat processing and dairy production. LLC "Cheese Factory" Sarmich" cooperates with the German company "ALMPA Alpenland Maschinenbau GmbH. JSC "Lamzur" cooperates with Germany in the supply of equipment of such companies as MEINKE, Probat, Reimelt, Caotech. At JSC "Cheese Factory" Ichalkovsky" there is equipment of Frans Vernee, Reich, Germany.

There is one of the modern breweries in Saransk that belongs to OJSC "SUN InBev", which is a Russian unit of the world's largest brewing company "Anheuser-Busch InBev". Malthouse in Saransk is recognized as the most effective branch among all the malting companies of "AB InBev".





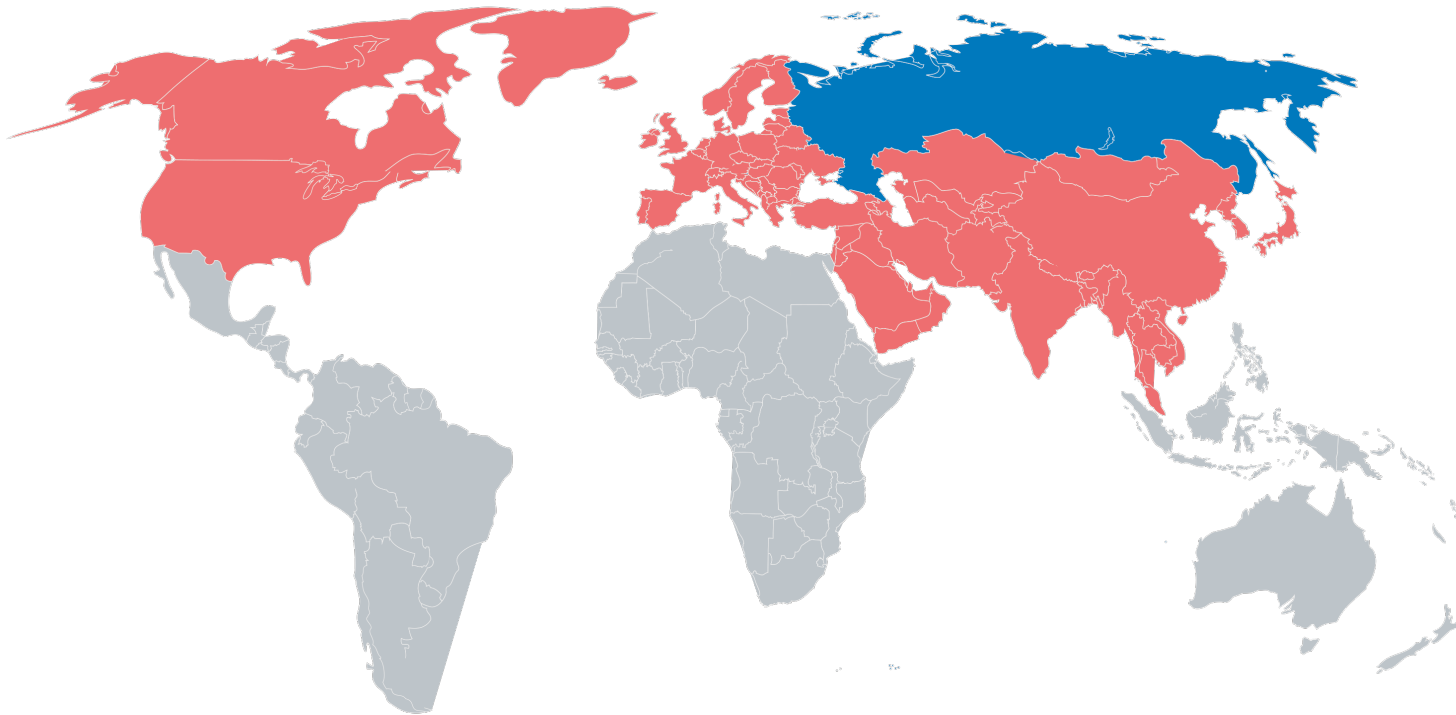
Agrocultural sector

Favorable temperate climate of central region contributes to the successful development of most agricultural sectors. Mordovia has always been an agrarian region and is increasing its pace of development now. Agricultural sector is still a strong sphere in Mordovian economics.





In 2000 the Landtag of Thuringia and State Assembly of the Republic of Mordovia signed the agreement about the development of educational, cultural and economic relations between the regions



In general the republic actively participates in foreign relations with more than 60 countries, including Germany, Italy, the USA, Netherlands, Belarus, Kazakhstan, etc.



2nd place
among 30 participating cities



The investment policy is to support investors and ensure comfortable and mutually beneficial partnership. The favorable investment conditions in the republic indicate that Saransk is the second in the ranking of sub-national study by the World Bank “Doing Business in Russia - 2012”

Investor support measures

- ✓ Political stability in the region
- ✓ Favorable legal framework for investors
- ✓ Adopted investment declaration of Mordovia
- ✓ Tax incentives
- ✓ Well-developed investment infrastructure
- ✓ High accessibility
- ✓ Support of investment projects on the principle of “one window”
- ✓ Information support
- ✓ Ability to provide enterprises with energy of up to 500 MW of electricity and up to 3 billion cubic meters of gas a year
- ✓ Human resourcing of investment activities



Incentives for investors

There are following mechanisms of state support for investors that implement investment projects:

- ✓ selection of necessary land areas
- ✓ tax benefits: reduction in income tax rate, exemption from property tax, exemption from land tax
- ✓ financing part of the interest rate on bank loans and lease payments;
- ✓ bail of the Guarantee Fund of Mordovia

up to 13,5%

corporate profits tax

up to 0%

property tax

up to 0%

land tax

up to 0%

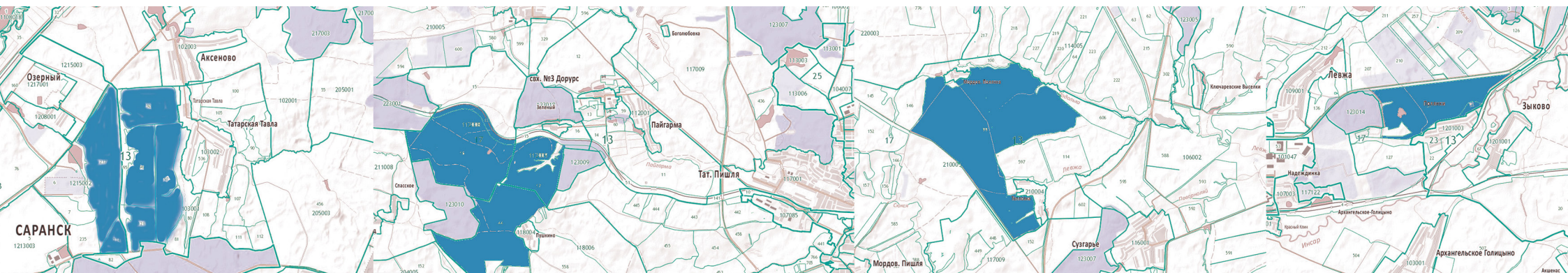
transport tax

For the implementation of the most significant projects in Saransk there will be constructed a special economic zone of industrial production type



- ✓ Tax incentives
- ✓ Accelerated depreciation of fixed assets
- ✓ The regime of free customs zone
- ✓ Preferential terms of land lease

Investment infrastructure is formed by 15 greenfields and more than 10 brownfields within the territories of existing enterprises



The territory is approximately
1,000 hectares

Location:
border between Saransk
and Ruzaevka municipal area



Electric power supply

220/110/10 KW substation free capacity
of about 100 MW



Gas supply

In close proximity there is GDS-3
with free capacity of about 280 million
MW per year



Heat supply

The designed capacity of 430 Gcal / h
(construction of 2 boilers)



Water supply

Capacity of about 20,000 CMPD



Wastewater effluent

Capacity of about 20,000 CMPD
(reconstruction of municipal wastewater
treatment plants)



Car Post

P 179 “Saransk-Ruzaevka-Insar”

P 178 “Saransk - Surskoe - Ulyanovsk” 3 km to the highway

P 158 “Nizhny Novgorod - Arzamas - Saransk” -
5 km to the highway

P 180 Saransk - Krasnoslobodsk – Novie Viselky with
access to M-5 “Ural” - 5 km to the highway



The train service

There are two railway stations:
in Saransk (2 km) and in Ruzaevka (15 km).

There is a dead-end track in the border.



Airport

Airport Saransk is within 10 km



Welcome to Mordovia!
We look forward to cooperation with you!

