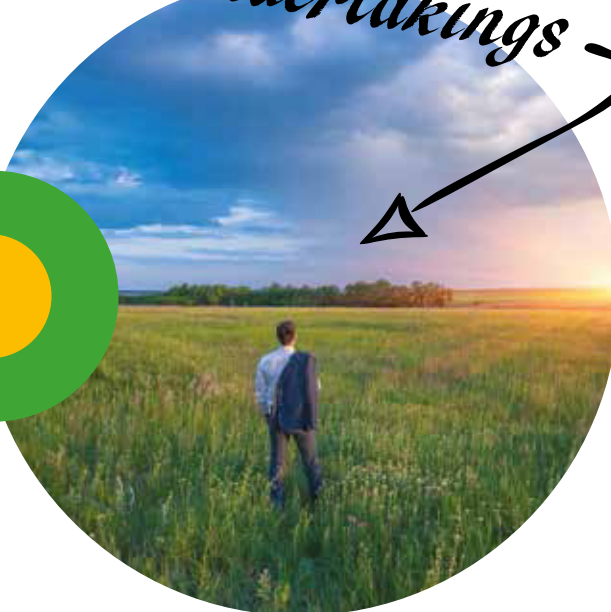
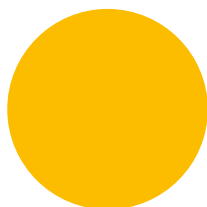


INVEST IN PENZA



LAND OF BOLD BEGINNINGS
AND SUCCESSFUL INVESTMENTS

*More courageous
undertakings*







LAND OF BOLD BEGINNINGS
AND SUCCESSFUL INVESTMENTS



Penza region –

DYNAMICALLY DEVELOPING REGION



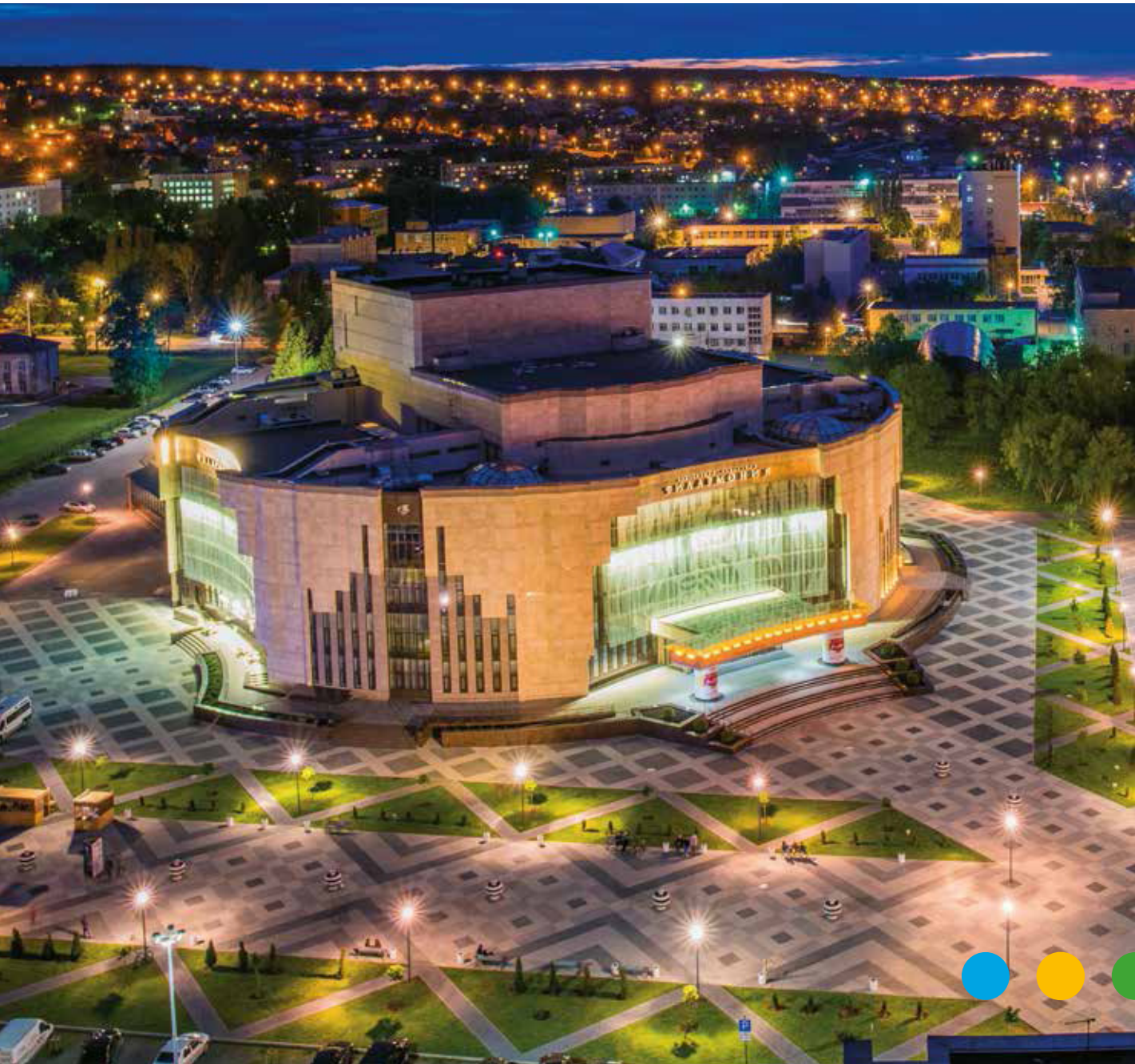
DEAR FRIENDS,
DEAR PARTNERS!

The Penza region is a dynamically developing region of Russia. It is located at the intersection of major transport highways. A rich resource base, developed industry and infrastructure, as well as qualified personnel make the region attractive for investors.

All conditions necessary for successful investments have been created in the Penza region, and the principle of "one-stop" project support makes it possible to minimize the time and effort required to obtain the necessary permits.

We are open for cooperation and are interested in developing cooperation in order to implement bold and large-scale investment projects in the Penza region. We guarantee investors optimal conditions for conducting business activities and prompt resolution of all issues that arise. You are making the right choice by choosing the Penza region as a business partner.

Governor of the Penza region
I.A. Belozertsev



Land of bold beginnings and successful investments



STEPS TO SUCCESSFUL INVESTMENTS



INVEST
●
●
●
IN PENZA

INVEST IN PENZA

REASONS TO CHOOSE PENZA REGION



Convenient location and favorable logistics



Developed regional economy



Rich resource and raw materials base



Scientific potential and available skilled labor force



Tax benefits and government support



Available infrastructure



Powerful industrial and IT potential



Trust of global brands



Business and event tourism



Cultural and historical heritage



Favorable environment

Land of bold beginnings and successful investments

CONVENIENT LOCATION AND FAVORABLE LOGISTICS

★ NEAR THE CAPITAL!



Distance from Penza to Moscow by highway
610 km



6 scheduled flights a day
Moscow-Penza

Flight time –
1 hour

TIME ZONE:
UTC/GMT +3 HOURS (MSK)

CAR REGION CODE: 58

PHONE AREA CODE: 8412

INVEST



IN PENZA

47 million people
live within 600 km



Territory
43,400 sq. km



Population
1.3 million people



Area of farmland
2.8 million hectares



FLIGHTS

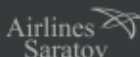
Penza – Kazan,
flight time – 1 h 10 min

Penza – Nizhny Novgorod
flight time – 1 h 40 min

Penza – Simferopol
flight time – 2 h 30 min

Penza – Anapa
flight time – 2 h 20 min

Penza – Sochi
flight time – 2 h



HIGHWAYS

Federal highway M5 "Ural" (E 30)

Interregional highways:

- P158 "Nizhny Novgorod – Saratov"
- P209 "Penza – Tambov"



RAILWAYS

Kuybyshev Railway

South Eastern Railway

Euro-Asian Transport Corridor (TRACECA)

Direct access to Trans-Siberian Railway

DISTANCE FROM PENZA TO ADMINISTRATIVE CENTERS

○ Saransk 142 km 3 million people	○ Saratov 224 km 7 million people
○ Ulyanovsk 306 km 16 million people	○ Tolyatti 386 km 18 million people
○ Samara 409 km 21 million people	★ Moscow 608 km 46 million people
○ Kazan 595 km 45 million people	○ Ufa 836 km More than 100 million people

Land of bold beginnings and successful investments

CONVENIENT LOCATION AND FAVORABLE LOGISTICS



One Belt, One Road
railway corridor
(China-Europe)



Trans-Siberian
Railway

IN PENZA



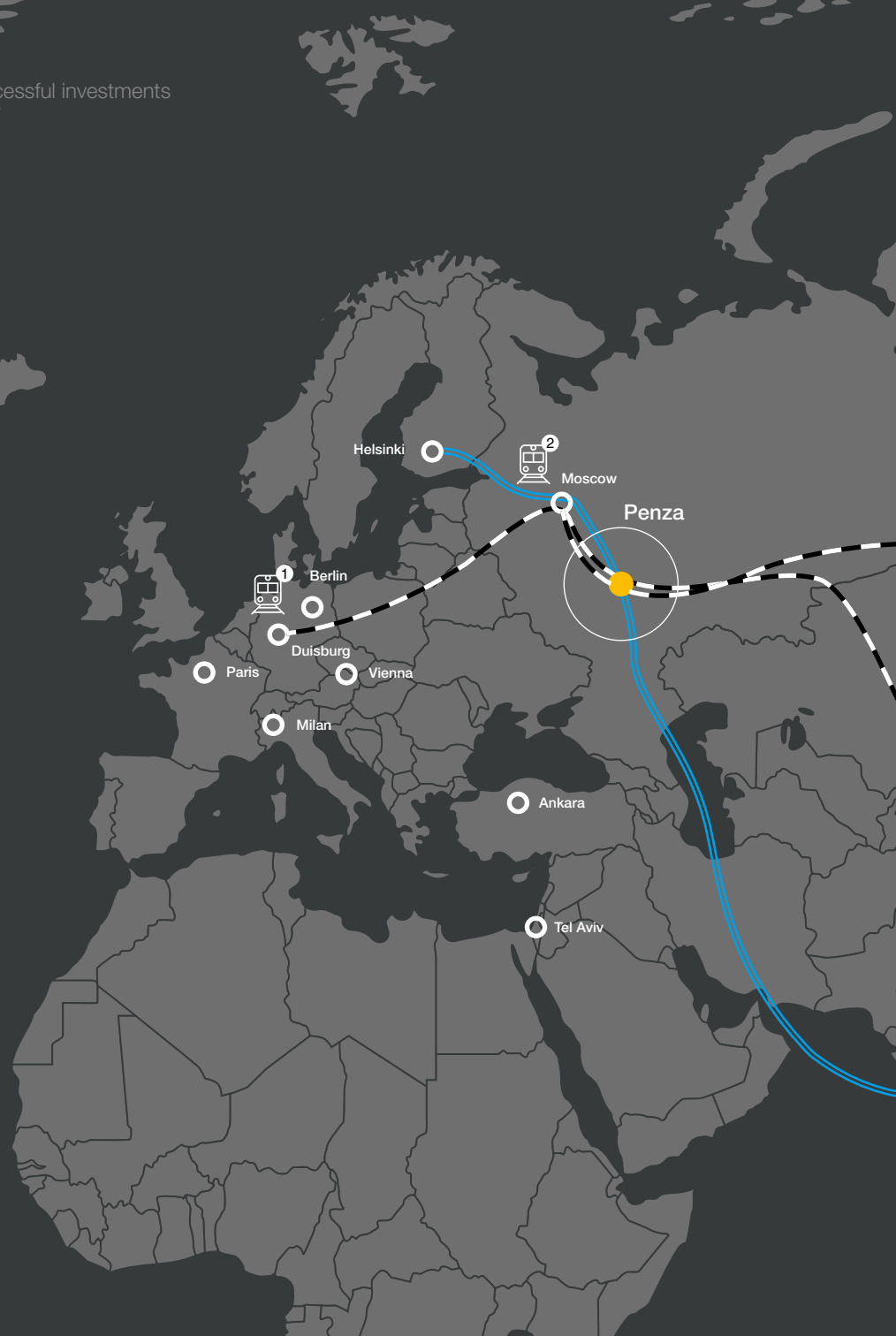
INVEST

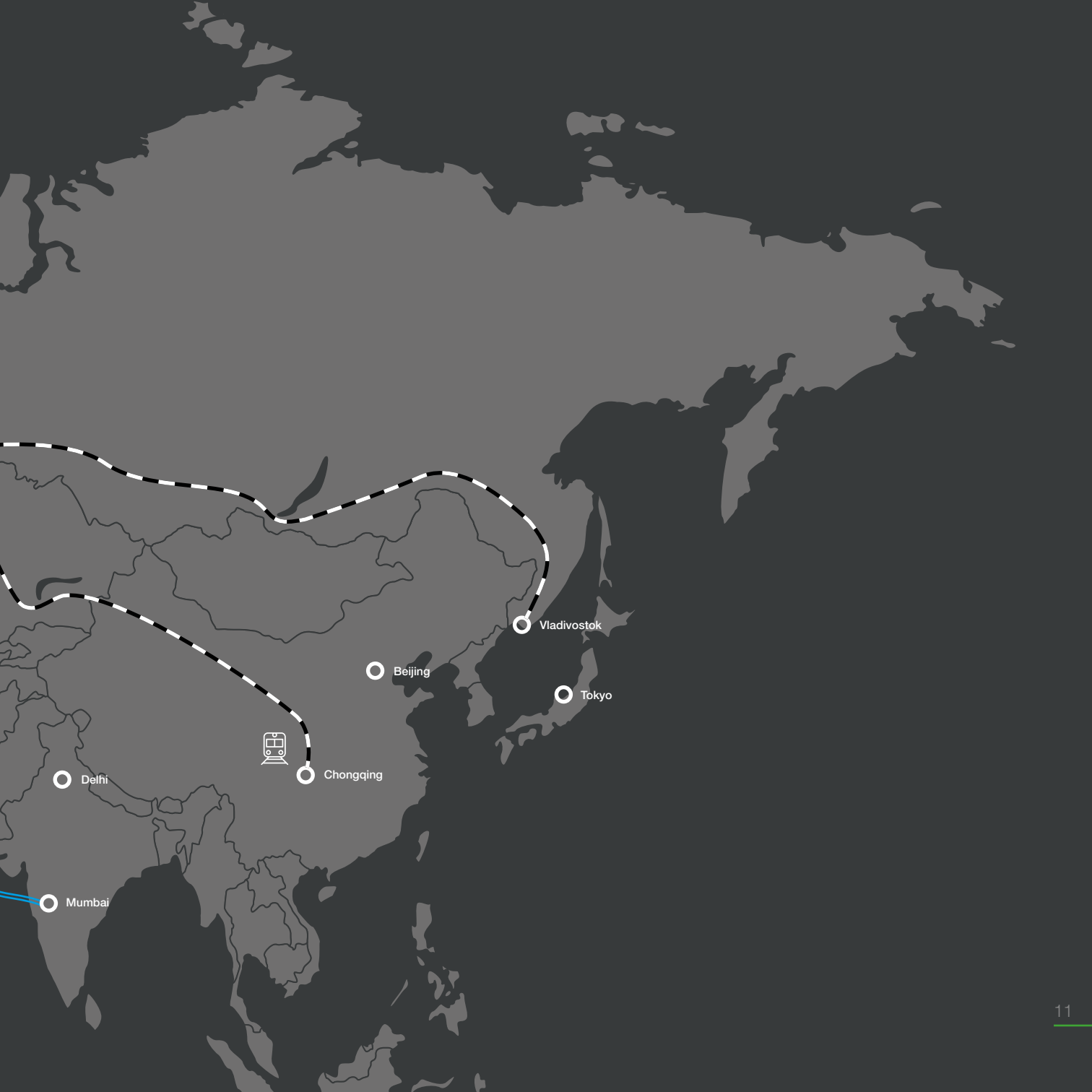


North-South transport
corridor



Profitable investment
region









ECONOMY OF THE REGION



Land of bold beginnings and successful investments

ECONOMY OF THE REGION

→ Rating in Volga Federal District



1ST PLACE

- Growth rate of industrial production index in 2007-2017 (209%)
- Growth rate of agricultural production in 2007-2017 (177%)
- Road conditions are up to government standard



2ND PLACE

- Share of commodities exports in total exports volume
- Growth rate of meat and fish production



3RD PLACE

- Number of youth creative innovation centers

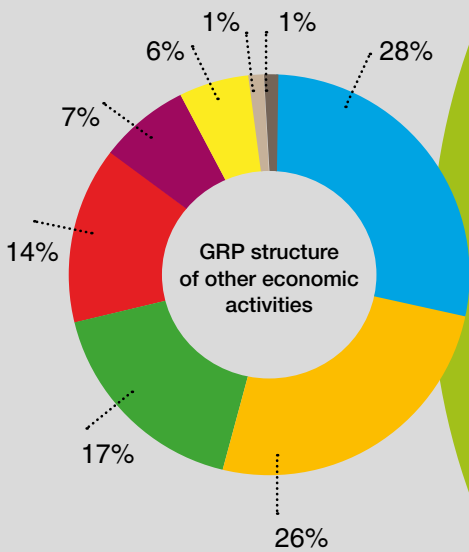


21ST PLACE

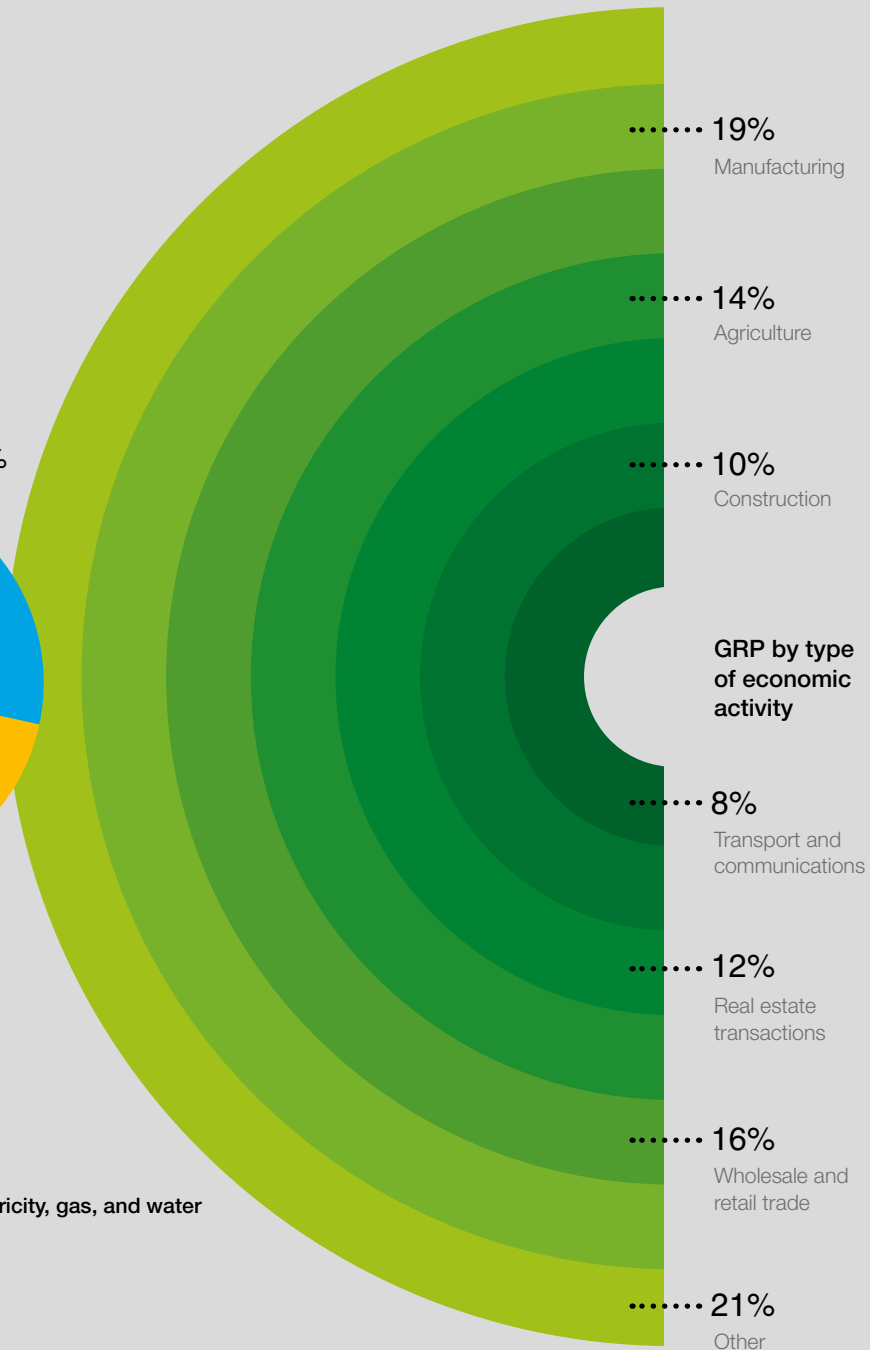
- In national rating of the investment climate of Russian constituent entities (improved by 24 places)



→ Gross regional product



- Public administration
- Health and social services
- Education
- Production and distribution of electricity, gas, and water
- Hotels and restaurants
- Other services
- Financial activities
- Mining



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ECONOMY OF THE REGION

→ Industry

Government support of industry in the region: • special investment contract • industrial development fund • state programs of the Russian Federation • territories of advancing socioeconomic development (TOSER) • industrial parks and technoparks



"Union of Penza confectioners" confectionery cluster

40 enterprises, 4th in production in Russia



"Biomed" engineering and production cluster

21 enterprises, 65% of the production of heart valves in Russia



ПЕНЗЕНСКИЙ КЛАСТЕР ЛЕГКОЙ ПРОМЫШЛЕННОСТИ «ЛЕГПРОМ»

"Legprom" light industry cluster

27 enterprises



"Security" Penza instrument making cluster

50 enterprises, 1,500 types of unique products



Information technology cluster

20 enterprises, 18 unique developments in 2016



МЕБЕЛЬНЫЙ КЛАСТЕР

Furniture cluster

150 enterprises

IN PENZA
INVEST

Industrial production index

- Penza region
- Volga Federal District
- Russian Federation



→ Agriculture

Rating in Volga Federal District

1ST PLACE

- Grain and legume yield
- Growth rate of milk yield per cow
- Potato yield in agricultural organizations

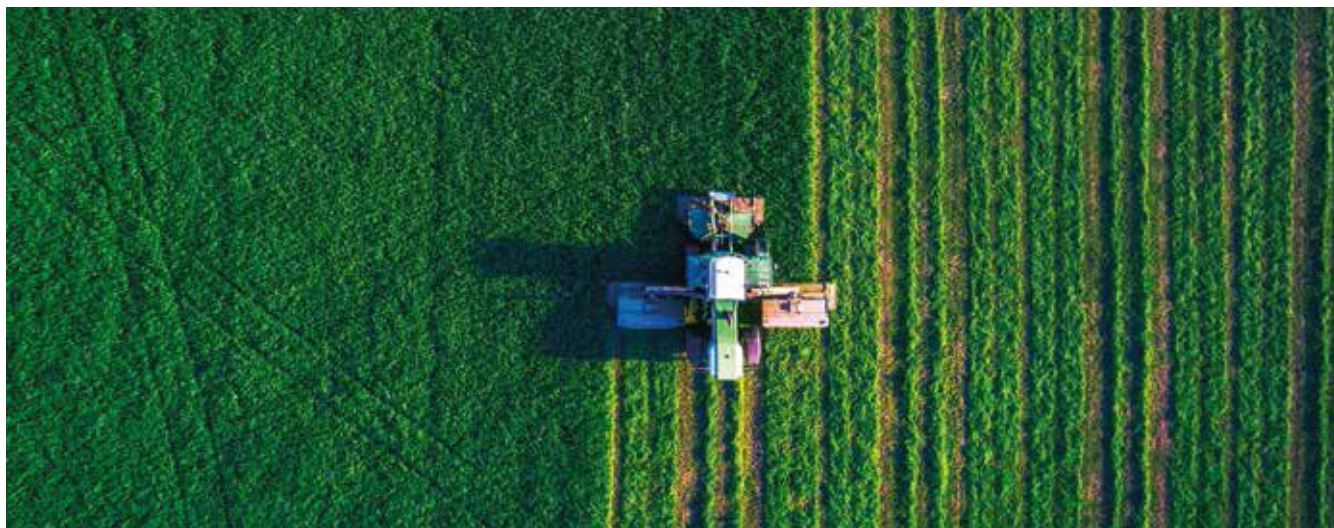
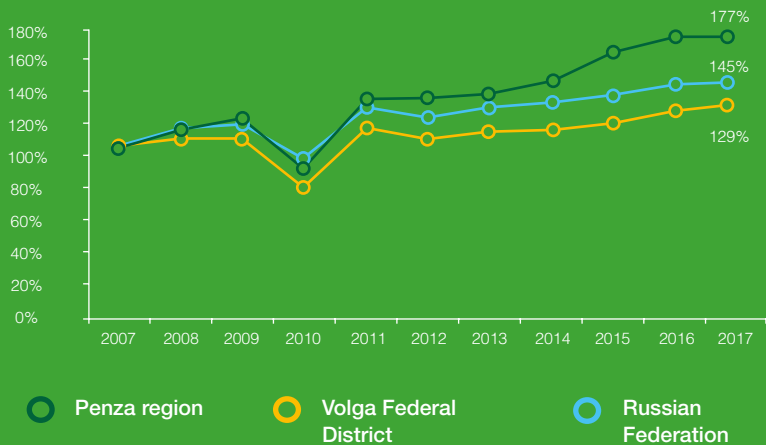
2ND PLACE

- Gross harvest of sugar beet
- Growth rate and volume of meat production

3RD PLACE

- Yield of sugar beet

Indices of agricultural production



Land of bold beginnings and successful investments

RICH RESOURCE AND RAW MATERIALS BASE



→ Land resources

→ Minerals

IN PENZA
INVEST

2.884
MILLION HA

Total area of farmland

1.379
MILLION HA

Acreage in 2017

In 2017, 40,000 hectares of unused land were put into agricultural use

In 2018, 57,000 hectares of unused land are planned to be put into agricultural use

722,000 HA

Grains and legumes

415,000 HA

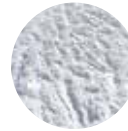
Industrial crop

203,000 HA

Forage crops



Clay



Gypsum



Marl



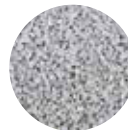
Chalk



Glass Sands



Diatomite



Limestone



Glauconite



Phosphorite



→ Water resources

15,455 KM

Total length of rivers and streams

Provision by forecasted groundwater resources – 6 cubic meters per day per person

Direct-flow water consumption – 193 million cubic meters per year

2%

Agricultural water supply

33%

Domestic needs

65%

Production needs



→ Forest resources

1 MILLION HA 1.15 MILLION CU. M

Total forest area

Allowable cut

Main forest-forming species:



Birch



Pine



Aspen



Oak

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753,000
EMPLOYABLE POPULATION

\$490
average wage level

INVEST IN PENZA



SCIENTIFIC POTENTIAL AND AVAILABLE SKILLED
LABOR FORCE



4 UNIVERSITIES



8 BRANCHES OF UNIVERSITIES



17 COLLEGES



14,000

graduates specialists



3,000

international students

17 INTERNATIONAL PROGRAMS

Land of bold beginnings and successful investments

TAX BENEFITS AND GOVERNMENT SUPPORT

TAX NAME	GENERAL CONDITIONS, %	RATES FOR SPECIAL CATEGORIES			
		Newly created enterprises (less than three years old)	Agricultural producers	Projects with 8+ billion rubles in investments (\$128+ million)	Resident of Center for Regional Development and Industrial Park, for participants of regional investment projects
PROPERTY TAX	2.2	0	1.1	0	-
INCOME TAX	20	16	-	15.5	13
TRANSPORT TAX	Depends on category and capacity of the vehicle	0	-	0	-
TERM OF BENEFITS		3 years from the date of commissioning the facilities provided by the project		5 years from the date of commissioning the facilities provided by the project	For the project's payback period



TAX BENEFITS AND PREFERENCES TO RESIDENTS OF A TERRITORY OF ADVANCING SOCIOECONOMIC DEVELOPMENT



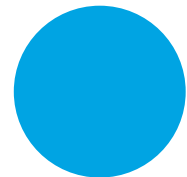
TAX BENEFITS TO TOSER PARTICIPANTS

- Income tax to the federal budget – 0%
- Income tax to the regional budget – 5%
- Mineral extraction tax – 0%
- Corporate property tax – 0%
- Land tax – 0%
- Contributions to social funds – 7.6%



NON-TAX BENEFITS TO TOSER PARTICIPANTS

- Simplified VAT refund procedure
- No-cost connection to infrastructure facilities
- Favorable lease of land



- Provision of land for lease without bidding
- Consulting support
- Reduction of income tax up to 13% (for participants of regional investment projects)

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AVAILABLE INFRASTRUCTURE

4 INDUSTRIAL PARKS

2 TECHNOPARKS

12 REGIONAL BUSINESS INCUBATORS

19 MUNICIPAL BUSINESS INCUBATORS

1 IT PARK

2 TOSERS

INVEST IN PENZA

INDUSTRIAL PARKS (Orange gear icon)

TECHNOPARKS (Orange gear icon)

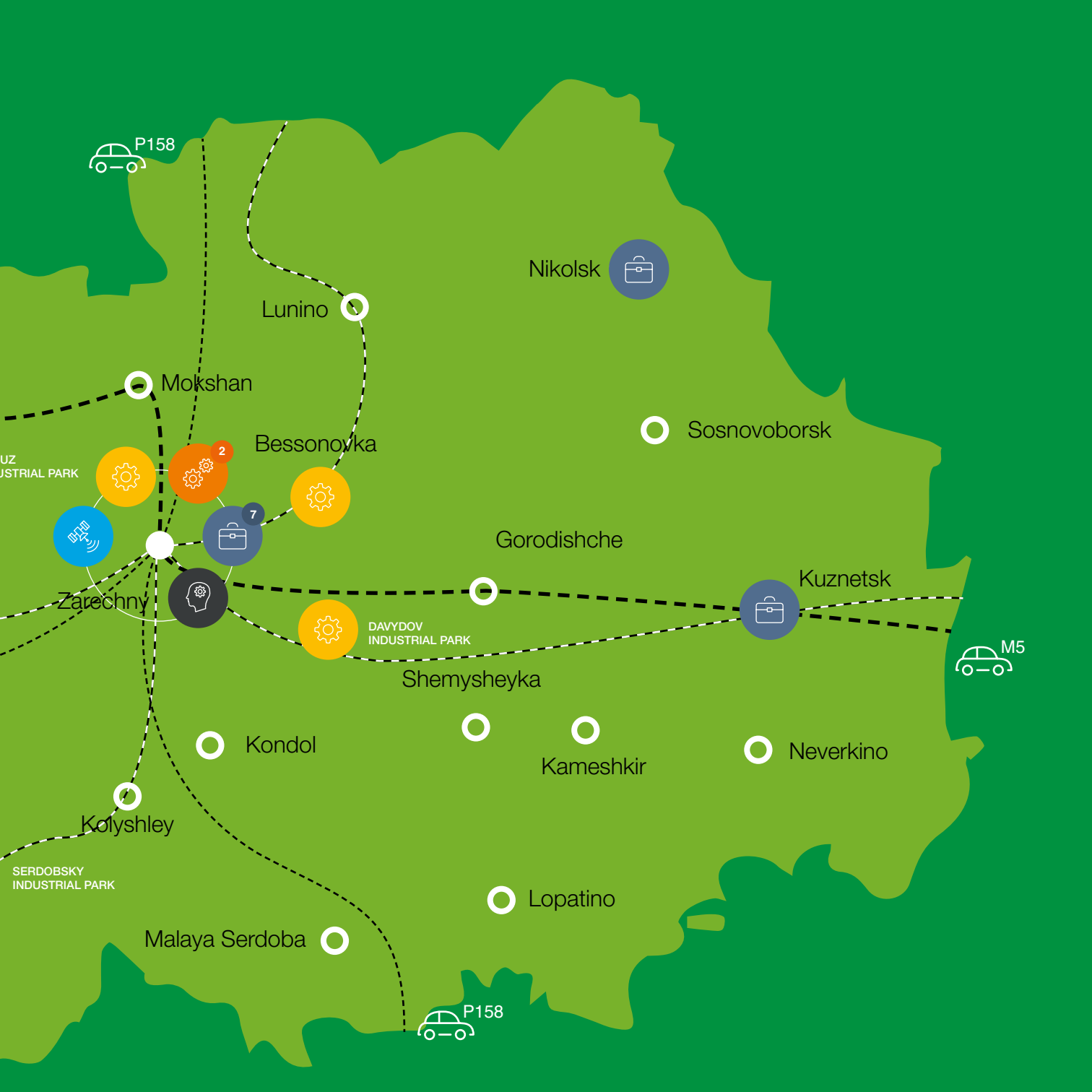
TOSER (Dark blue head with gear icon)

BUSINESS INCUBATORS (Blue briefcase icon)

IT PARK (Blue Wi-Fi icon)

Map locations: Narovchat, Vadinsk, Zemetchino, Nizhny Lomov, Bashmakovo, Pachelma, Kamenka, Belinsky, Tamala, Serdobsk, Bekovo. Highways M5 and P208 are also shown.

* TOSER – Territory of advancing socioeconomic development



→ Industrial parks



**OTVEL
INDUSTRIAL PARK**

www.otvelpark.ru

Profile:

Manufacturing industry

Location:

Penza region, Bessonovsky district, village of Kizhevatovo (655th km of M5 highway)

Free area:

83 ha

Total area:

137 ha

Utility infrastructure:

- power supply – 4 MW
- water supply and disposal – 5,320 cu. m/day
- gas supply – 16,500 cu. m/hour
- on-site roads

Land lease:

\$323/ha/year



**SOYUZ
INDUSTRIAL PARK**

www.krpo.ru

Profile:

Manufacturing industry

Location:

1 Centralnaya St., Penza

Free area:

18,000 sq. m

Total area:

30,000 sq. m

Utility infrastructure:

- gas supply – 1,000 cu. m/hour
- power supply – 4 MW
- water supply and disposal – 128.6 cu. m/day

Lease of premises:

**office – \$30/sq. m/year,
production – \$20/sq. m/year**



SERDOBSKY INDUSTRIAL PARK

www.krpo.ru

Profile:

Agro-industrial park

Location:

Penza region, Serdobsky district, city of Serdobsk

Free area:

138 ha

Total area:

418 ha

Utility infrastructure:

- power supply – 7 MW
- gas supply – 116,000 cu. m/hour
- water disposal

Land lease:

\$21/ha/year



DAVYDOV INDUSTRIAL PARK

www.krpo.ru

Profile:

Agro-industrial park

Location:

Penza region, Shemysheysky district, town of Shemysheyka

Free area:

3 ha

Total area:

115 ha

Utility infrastructure:

- gas supply – 4,500 cu. m/hour

Land lease:

\$97/ha/year



→ Technoparks



**YABLOCHKOV
TECHNOPARK**

www.pnztp.ru

Location:

6 Druzhby St., Penza

Specialization:

- Information technology
- Precise instrument making
- Materials science

Lease of premises:

- \$30/sq. m/year – Office space
- \$30/sq. m/year – Production space

Equipment lease:

- 1 year – 1.5% of equipment cost
- 2-3 years – 2.2% of equipment cost
- 4 years – subsequent years – 3% of equipment cost



**RAMEEV
TECHNOPARK**

www.technopark-rameev.ru

Location:

1v Centralnaya St., Penza

Specialization:

- Medical devices
- Information technology

Lease of premises:

- \$54/sq. m/year – Office space
- \$36/sq. m/year – Production space

Equipment lease:

- 5% of equipment cost per year



BUSINESS TERMS AND CONDITIONS

TARIFFS FOR CONNECTION:

- Electric network: from \$88 per 1 kW/h
- Gas networks: from \$995

OFFICE SPACE:

- Class A – \$191/sq. m/year
- Class B – \$113/sq. m/year
- Class C – \$34/sq. m/year

WAREHOUSE AND PRODUCTION SPACE:

- Class A – \$191/sq. m/year
- Class B – \$113/sq. m/year
- Class C – \$34/sq. m/year

TARIFFS FOR UTILITY SERVICES:

- Electricity – \$0.08 per 1 kW/h
- Gas supply – \$0.08/cu. m
- Water supply – \$0.38/cu. m
- Water disposal – \$0.25/cu. m

COMMERCIAL SPACE:

- Class A – \$337/sq. m/year
- Class B – \$145/sq. m/year
- Class C – \$56/sq. m/year

AVERAGE CONSTRUCTION PERIOD:

- Logistics centers – 1 year
- Production floor – 8 months
- Multi-story buildings – 1 year
- Buildings of the warehouse – 4-5 months

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PRIORITY INDUSTRIES



**HIGH VALUE-ADDED
INDUSTRY**



IT SECTOR



**FOOD AND
PROCESSING
INDUSTRY**



**MANUFACTURE
OF FURNITURE
AND ACCESSORIES**



AGRICULTURE



WOODWORKING

INVEST    IN PENZA



PHARMACEUTICALS



LIGHT INDUSTRY



TOURISM







PRIORITY PROJECTS



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PRIORITY PROJECTS

→ Agro-industrial complex/Food and processing industry



PROJECT FOR ADVANCED PROCESSING OF WHEAT AND CORN

(succinic, gluconic, itaconic, glutamic, citric, lactic, xylonic, tartronic acids, polylactide, polyamides, polyethylene terephthalate)

Market conditions for project implementation:

- Separation of all valuable components of grain
- Production of high value-added products
- Products are used in various industries
- Growth in economic efficiency of grain production
- High potential for import substitution
- Growth of export demand for biodegradable lactic acid-based plastics
- Steady growth in demand for project products

Resource base:

- Grain surplus in Penza region – 1 million tons

Sales market:

- Russian market
- Export to foreign markets

Government support:

- Government stimulates grain production
- Infrastructure-provided site in the TOSER Regional tax benefits

**250,000 tons
of raw materials**

Projected capacity

12.8 billion rubles

Investment amount

IRR – 7%





CREATING A CHEESE CLUSTER

(dairy farms + processing plant)

Market conditions for project implementation:

- Cheese imports are 25% of the market volume
- Demand has growth potential
- High potential for import substitution
- Growing shortage of raw milk in Russia.
- Presence of skills in the region in the production and processing of marketable milk, feed production, education and science

Resource base:

- Large dairy farms and small businesses.
- Stable growth in the production of marketable milk to 210,000 tons

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Income tax on agricultural producers – 0%
- Reimbursement of CAPEX – 30% (farm)
- Favorable loan rate – 1-5%
- Obtaining land plots for lease without bidding
- Subsidies to purchase livestock
- Reimbursement of part of milk production costs
- Subsidizing insurance costs
- Subsidizing 30% of the cost of machinery and equipment for dairy cattle ranching

**12,500 tons
of products per year**

Projected capacity

2 billion rubles

Investment amount

IRR – 22%





→ Industry



PRODUCTION OF MACHINERY AND MACHINING CENTERS



IRR – 27%

Market conditions for project implementation:

- Government support of the production of machinery and accessories.
- Government support of localization of foreign production in Russia
- Existence of region's skills in this industry
- High potential for import substitution of machinery (80%)
- Devaluation of the ruble exchange rate relative to foreign currencies brings advantages when exporting products

Sales market:

- Domestic market of the Penza region
- Russian market
- Export to foreign market

Government support:

- Targeted loans at a rate of 1-5% per annum for up to 7 years in the amount of 50 to 750 million rubles
- Developed infrastructure of industrial parks
- Benefits for residents of industrial parks

Projected capacity:
1,000 machines and machining centers per year

Investment amount:
1.57 billion rubles



ORGANIZATION OF FOUNDRY PRODUCTION



IRR – 9%

Market conditions for project implementation:

- Presence of demand for products on the part of regional beverage companies
- High export potential
- Devaluation of the ruble exchange rate relative to foreign currencies brings advantages when exporting products
- High share of imported products

Sales market:

- Domestic market of the Penza region
- Russian market
- World market

Government support:

- Targeted loans at a rate of 1-5% per annum for up to 7 years in the amount of 50 to 750 million rubles
- Guaranteed demand for domestic products in government procurement
- Creation by the government of a mechanism to form demand for foundry products

Projected capacity:
3,000 tons per year

Investment amount:
700 million rubles



LOCALIZATION OF INSTRUMENT MAKING



Market conditions for project implementation:

- Great potential for import substitution – the share of imported equipment ~ 100%
- Active government support of the modernization of Russian industry, organization of new industries, and provision of import substitution
- High demand in domestic microelectronics of state enterprises
- Projected growth in market volume

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Targeted loans at a rate of 1-5% per annum for up to 7 years in the amount of 50 to 750 million rubles
- Guaranteed government purchases of Russian civil microelectronics

Projected capacity:
5% of the Russian market

Investment amount:
2 billion rubles



PRODUCTION OF FOOD INDUSTRY EQUIPMENT



Market conditions for project implementation:

- High share of imported products in the industry
- Government support for development of domestic production

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Subsidies in the amount of 15% of the equipment price excluding VAT (but no more than 15 million rubles)

Investment amount:
730 million rubles

Land of bold beginnings and successful investments

→ Manufacture of machinery and equipment for agricultural and processing industry



PRODUCTION OF AGRICULTURAL MACHINERY



Market conditions for project implementation:

- Active government support of the modernization of Russian industry, organization of new industries, and provision of import substitution.
- High speed of development of agricultural and processing industry.
- High market share of imported machinery in the domestic market (46%)
- High market growth potential

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Subsidies to Russian manufacturers of agricultural machinery (20%)
- Compensation of a portion of expenses to machine manufacturers
- Developed infrastructure of industrial parks
- Benefits for residents of industrial parks
- Favorable loans from the Industrial Development Fund



CONFECTIONERY PRODUCTION

(Eastern sweets)



Market conditions for project implementation:

- Growing demand for organic products
- Projected increase in consumption of project products

Resource base:

- Production of 6% of sugar in Russia

Sales market:

- Domestic market of the Penza region
- Russian market

Projected capacity:

750 tons of products per month

Investment amount:

862 million rubles



PROJECT FOR PRODUCING CANNED FRUITS AND VEGETABLES FOR BABY FOOD



IRR – 19%

Market conditions for project implementation:

- Presence of a stable base for agricultural production
- Need to establish a balanced diet for young children

Resource base:

- Gross harvest of vegetables and potatoes at farms of all categories is 8,100 tons

Sales market:

- Domestic market of the Penza region
- Russian market

Projected capacity:

8 million standard cans

Investment amount:

750 million rubles



PRODUCTION OF ANIMAL FEED



IRR – 16%

Market conditions for project implementation:

- High development of livestock industry in the Penza region
- Plans for further development of the industry
- High profitability of production due to the availability of raw material surplus and low purchase price

Resource base:

- Production surplus of grain – 1 million tons

Sales market:

- Domestic market of the Penza region

Government support:

- Income tax on agricultural producers – 0%

Projected capacity:

170,000 tons

Investment amount:

1.9 billion rubles

Land of bold beginnings and successful investments

→ Livestock



SHEEP AND GOAT RANCHING



Market conditions for project implementation:

- Low share of industrial production (7.7% of the market)
- Steady demand for manufactured products by a growing Muslim population
- Increased demand for marketable meat of sheep and goats
- Sustained potential of lamb exports to the Asia-Pacific regions

Resource base:

- Large grazing pastures

Sales market:

- Domestic market of the Penza region
- Russian market
- Export to foreign market

Government support:

- Income tax on agricultural enterprises – 0%
- Favorable loan rate – 1-5%

Projected capacity:

Meat 6,000 tons
Breeding stock 65,000 head

Investment amount:

3.2 billion rubles



BEEF CATTLE RANCHING



Market conditions for project implementation:

- Potential for substitution of imported products
- Presence of skills in the region
- High share of imported products (22%)

Resource base:

- Development of raw materials base

Sales market:

- Domestic market of the Penza region
- Russian market
- Export to foreign market

Government support:

- Income tax on agricultural enterprises – 0%
- Favorable loan rate – 1-5%
- Subsidizing insurance costs

Projected capacity:

Meat 4,000 tons
9,000 head

Investment amount:

2.3 billion rubles

→ Fish farming



CREATING FISH FARMS

(installation of closed water supply)



Market conditions for project implementation:

- Projected increase in demand for project products.
- Presence of a trend in marketable production of aquaculture

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Income tax on agricultural enterprises – 0%
- Favorable loan rate – 1-5%

Projected capacity:

500 tons of marketable fish

500,000 planting stock fish per year

Investment amount:

800 million rubles

→ Crop production



GROWING SOYBEANS IN OPEN FIELDS WITH IRRIGATION SYSTEMS

(including seeds)



Market conditions for project implementation:

- Availability of water infrastructure for irrigation
- Proximity to industrial consumers
- Presence of skills in scientific support of the project (Penza Agricultural Research Institute)
- Possibility of inclusion in the rotation of existing enterprises
- Trend of reduced imports of soybean meal
- Growth in commercial herds of farm animals and poultry in the Penza region

Resource base:

- 476,000 hectares of land not involved in crop rotation

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Income tax for agricultural enterprises – 0%
- Favorable loan rate – 1-5%
- Reimbursement of CAPEX – 30%

Projected capacity:

Cultivation – 5,000 ha

Processing – 660,000 tons/year

Investment amount:

2 billion rubles

cost of processing plant is 3.5 billion rubles.

Land of bold beginnings and successful investments

→ Vegetable growing

GROWING TOMATOES IN GREENHOUSES



Market conditions for project implementation:

- Insufficient tomato production
- Introduction of food embargo increases the sales market and helps reduce the project's payback period

Resource base:

- Availability of land plots fully equipped with infrastructure
- Possibility of low-cost electricity supply
- Possibility of low-cost heat supply

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Income tax on agricultural enterprises – 0%
- Favorable loan rate – 1-5%
- Reimbursement of CAPEX – 20%
- Tax benefits under TOSER

Projected capacity:

**Area of greenhouses 100 ha
Production of 67,000 tons
of vegetables per year**

Investment amount:

13.2 billion rubles

→ Gardening

ESTABLISH PERENNIAL GARDENS, BERRY AND OTHER FRUIT CROPS



Market conditions for project implementation:

- High share of imported products on the market (29-60%)
- Presence of skills and specialists
- Volume of imported fruits and berries in the Penza region is 63,900 tons/year
- Based on natural and economic conditions, the Penza region is recognized as favorable for production of high-quality strawberries, raspberries, currants, gooseberries and other fruit crops

Resource base:

- Availability of land plots equipped with infrastructure

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Income tax – 0%
- Subsidizing CAPEX 230 RUB/HA
- Favorable loan rate – 1-5%

Projected capacity:

**Garden area 300 ha
Network of farms
of 5-10 hectares**

Investment amount:

1.9 billion rubles



PRODUCTION OF MUSHROOMS

(except champignons)

Market conditions for project implementation:

- Favorable climate
- Low competition and high market capacity
- High export potential

Resource base:

- Availability of land plots equipped with infrastructure

Sales market:

- Domestic market of the Penza region
- Russian market
- Export to foreign market

Government support:

- Income tax – 0%
- CAPEX subsidies – 20%
- Favorable loan rate – 1-5%

Projected capacity:

7,500 tons

Investment amount:

2.3 billion rubles

IRR – 9%



Land of bold beginnings and successful investments

→ Domestic and business tourism

→ Light industry



TRANSPORT AND LOGISTICS COMPLEX



Market conditions for project implementation:

- Reduction of transport costs and time costs to deliver products to consumers
- Presence of demand for manufactured products

Sales market:

- Domestic market of the Penza region
- Russian market

Projected capacity:

30,000 sq. km

Investment amount:

256 million rubles



ESTABLISHMENT OF SEWING COMPANY



Market conditions for project implementation:

- High potential for import substitution
- Stimulates demand for domestic products in Russia and abroad

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Tax benefits when placed in TOSER
- Infrastructure-equipped sites in industrial parks

Projected capacity:

132,000 products/year

Investment amount:

332 million rubles

→ Furniture industry and woodworking



PRODUCTION OF FURNITURE FITTINGS



IRR – 18%

Market conditions for project implementation:

- 4% of all furniture in Russia is produced in the Penza region, but it lacks production of furniture fittings. All fittings are imported
- High export potential of products

Sales market:

- Domestic market of the Penza region
- Russian market
- World market

Government support:

- Advantages of domestic products when participating in government procurement
- Benefits for residents of industrial parks
- Favorable loans from the Industrial Development Fund

Investment amount:

1.6 billion rubles



PRODUCTION OF FABRICS FOR FURNITURE INDUSTRY



IRR – 14%

Market conditions for project implementation:

- 4% of all furniture in Russia is produced in the Penza region, but it lacks production of furniture fabrics. All fabrics are imported
- High export potential
- High potential for import substitution – volume of imported products on the market is 85%

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Benefits for residents of industrial parks
- Favorable loans from the Industrial Development Fund

Projected capacity:

200,000 linear meters
of fabric/year

Investment amount:

650 million rubles

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→ Production of construction materials



CEMENT PRODUCTION



Market conditions for project implementation:

- Presence of demand for manufactured products
- Demand of the construction industry of the Penza region is more than 1.5 million tons

Resource base:

- Availability of raw materials in the region – own deposit of chalk and clay with a capacity of 90 million tons (up to 50 years of production)

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Availability of a site provided with infrastructure
- Availability of a license to develop the deposit

Projected capacity:

1.5 million tons of cement/year

Investment amount:

17.8 billion rubles



PRODUCTION OF GLASS CONTAINERS



Market conditions for project implementation:

- Presence of demand for products on the part of regional beverage companies
- Presence of skills and production facilities in the region
- Needs of the food industry are met through imports, the volume of which is ten times higher than exports. Russian producers do not meet the need for glass containers

Resource base:

- Availability of raw materials in the region – deposits of glass sands

Sales market:

- Domestic market of the Penza region

Projected capacity:

**550,000 tons of enriched sand
850 million bottles**

Investment amount:

14 billion rubles



MANUFACTURE OF MEDICAL DEVICES



IRR – 26%

Market conditions for project implementation:

- Great potential for import substitution – share of imported equipment is 75%
- Plan to increase the share of domestic products
- Availability of skills in the industry

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

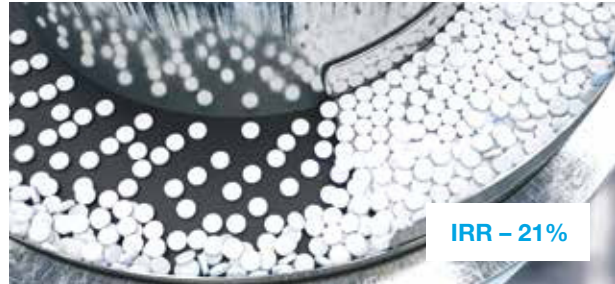
- Subsidizing part of the cost of implementing projects for the creation of import substitution industries
- Subsidizing part of the cost of implementing projects for the creation of innovative medicines
- Benefits for residents of industrial parks
- Favorable loans from the Industrial Development Fund

Investment amount:

765 million rubles



PRODUCTION OF SOLID PHARMACEUTICALS AND DIETARY SUPPLEMENTS



IRR – 21%

Market conditions for project implementation:

- Growth of the Russian pharmaceutical market by 7-8% per year on average
- Growth in exports of Russian pharmaceutical products by 13% per year on average
- Increasing consumer interest in healthy lifestyles and natural products to support health and longevity
- Availability of competencies: more than 25 patents for invention, 3 patents for a utility model, 5 patents for an industrial design in pharmaceutical production

Resource base:

- more than 1,000 hectares of medicinal herbs in central Russia

Sales market:

- Domestic market of the Penza region
- Russian market
- Export to foreign market

Government support:

- Subsidizing part of the cost of implementing projects for the creation of import substitution industries
- Subsidizing part of the cost of implementing projects for the creation of innovative medicines
- Opportunity to carry out research and participate in international events as a Skolkovo resident

Investment amount:

9.8 billion rubles

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→ Transport infrastructure



CONSTRUCTION OF 4-STAR HOTEL COMPLEX

congress hotel in the city center



Market conditions for project implementation:

- Lack of business class hotel services

Sales market:

- Domestic market of the Penza region

Government support:

- Assistance in selecting land for the site

Project parameters:

100 rooms 6,000 sq. m

Investment amount:

720 million rubles



CONSTRUCTION OF AIRPORT HELIPAD



Market conditions for project implementation:

- Demand by regional consumers for helicopter services
- Large volume of the interregional transport market
- Potential for government procurement of municipal transport services
- Availability of a secured site for project implementation

Sales market:

- Domestic market of the Penza region
- 15 regions within a radius of 700 km

Government support:

- Government procurement of helicopter transportation services for EMERCOM needs

Investment amount:

300 million rubles



CONSTRUCTION OF "PENZA-EXPO" CONGRESS AND EXHIBITION CENTER



IRR – 27%

Market conditions for project implementation:

- Advantageous location of the complex among technoparks, industrial parks, near the airport
- Needs of regional businesses to present their projects
- Project implementation in the finished building of the industrial park

Sales market:

- Domestic market of the Penza region

Government support:

- Favorable rate for land lease
- Providing the facility with infrastructure

Projected capacity:

Total exhibition area – 6,000 sq. m

Investment amount:

450 million rubles



INVESTMENTS IN HEALTH: SPA RESORTS, REHABILITATION CENTERS



IRR – 9%

Market conditions for project implementation:

- Presence of government demand for the facilities

Sales market:

- Domestic market of the Penza region
- Russian market

Government support:

- Cooperation as public-private partnership

Projected capacity:

Medical complex – 3,000 sq. m

Investment amount:

250 million rubles

Сеть объектов недвижимости и успешные инвестиции

INVEST IN PENZA





**INVEST
IN PENZA**

→ City events



SECON International Conference
of Software Developers



JazzMay Annual International Jazz Music
Festival



INNOMED All-Russian Forum "Effective
Models for Innovation in the Medical
Industry and Healthcare"



Largest marketing festival in the Volga
region, MARKETING FEST

BUSINESS AND EVENT TOURISM

→ Hotels in the city

Penza has more than 30 hotels with more than 4,300 rooms



Heliopark Residence Hotel

Hotel in the heart of the city with private parking

91
Rooms



VOYAGE hotel complex

Hotel complex is located in the business and historical center of Penza. Includes: hotel, 1st class restaurant.

31
Rooms



Russian Hunting restaurant and hotel complex

40 hectare complex in the style of Russian architecture is located in a forested area 11 km from the city

18
Rooms



Chistye Prudy hotel complex

15 km from the city on the lakeshore. Largest sculptural park in Europe, Legenda, is located at the complex

204
Rooms

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CULTURAL AND HISTORICAL HERITAGE



Tarkhany Lermontov Museum-Reserve



V.E. Meyerhold Museum of Performing Arts



V.O. Klyuchevsky Museum Home



V.G. Belinsky State Museum Estate



Troitse-Scanov monastery and cave complex
(Narovchat)



Legenda Park



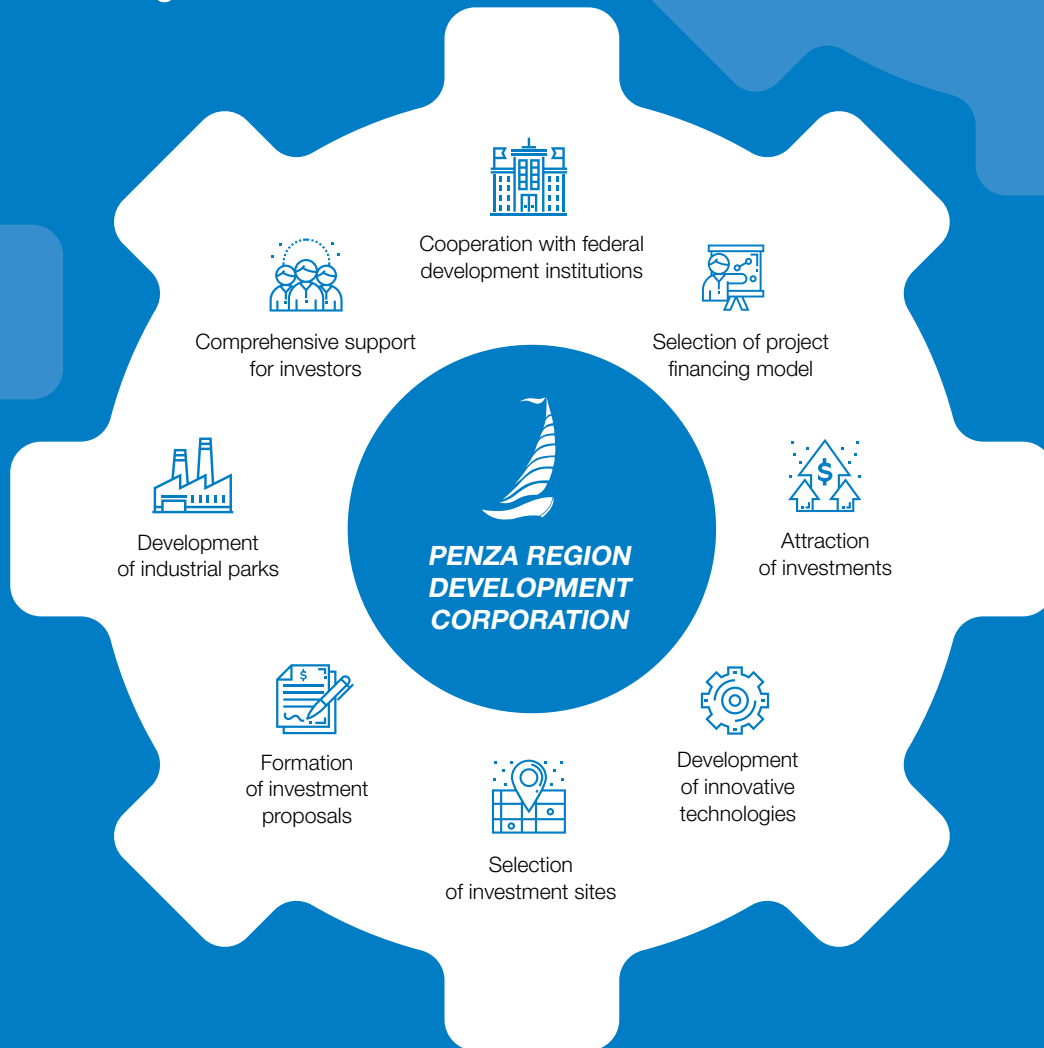
Penza State Museum of Local History



Museum of One Painting named after G.V. Myasnikov

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Your convenient guide to the Penza region



IN PENZA

INVEST

Investment portal of the Penza region
investinpenza.com

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AND SUCCESSFUL INVESTMENTS



**Penza
region**



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