

**Industrial Site No. 1 – CHIMMASH Plant**

Republic of Mordovia, Ruzaevka



Vacant **industrial land**, ha:

**30.0**

**SITE BRIEF:**

**General Information; Location; Contacts**

**Transport accessibility**

**Infrastructure**

**Preferences**

	<b>Site characteristics</b>	<b>Description</b>
1.	Cadastral number	13:17:0108006:127
2	Location	Republic of Mordovia, Ruzaevka, Ruzchimmash OJSC area
3	Location description	Southern part of the town
4	Land use category	Agricultural land
5	Site in brief	Low angle relief, black soil, grassland vegetation
6	Type of ownership (private, public, public-private)	Non-delineated public ownership
7	Management company or similar (MC)	Agrosoyuz Krasnoe Selco (an agricultural enterprise)
8	MC Address (postal, electronic, web-site)	431469, Republic of Mordovia, ul. Lenina, 4, Ruzaevka, Krasnoe Selco (83451) 5-43-17, accounting office
9	MC contact responsible for relations with potential residents/investors (full name, title, phone number and e-mail)	I.F. Alemaev Deputy Head of Ruzaevka (83451) 4-06-56, 6-10-89
10	Site Development Concept (web-site, if any) (yes/no)	Industrial zone pursuant to the Master Layout Plan
11	Industry specialization	Industry, agribusiness

**Transport accessibility**

	<b>Characteristics</b>	<b>Current status</b>	<b>Projections</b>
1.	Distance to the nearest town (km)	Within Ruzaevka boundaries	—
2.	Distance to the regional center (km)	Saransk - 30 km	—
3.	Distance to Moscow (km)	616 km	—
4.	Distance to the nearest highway, name and distance (km)	P 158, 3 km	—
5.	Any road connecting the Site with the nearest highway: distance and road condition (km)	No, 0.3 km	

	<b>Characteristics</b>	<b>Current status</b>	<b>Projections</b>
6.	Any motor roads across the Site (yes/no)	No	
7.	Any connections to railways (yes/no)	Yes	
8.	Any offloading rail terminal facilities (yes/no)	No	
9.	Distance to the nearest international airport (km)	254 km to Ulianovsk-Vostochny	
10.	Distance and name to the nearest river port (km)	Nizhny Novgorod, 475 km	
11.	Distance and name to the nearest sea port (km)	Kronshtadt, 1403 km	

**Infrastructure**

<b>№</b>	<b>Characteristics</b>	<b>Current status</b>	<b>Projections</b>
<b><i>Area of the Site</i></b>			
1.	Total area of the Site (ha)	<u>30,0</u>	
2	Vacant industrial land (ha)	<u>30.0</u>	

***Engineering infrastructure***

3	<p>Availability of utilities (yes/no/comments). Distance from the Site to utilities (km); available load of:</p> <ul style="list-style-type: none"> <li>- electric mains</li> <li>- heat supply system</li> <li>- gas supply system</li> <li>- water supply network</li> <li>- sewerage system</li> </ul> <p>Note: electric (3.5 km), heat supply (1 km), water supply (2 km), sewerage (1.5 km) and gas supply 0.5 km) networks are to be constructed. Project documentation has not been developed. Construction may be performed for account of the investor backed by state support from Republic of Mordovia</p>	<p>3.5 km to electrical substation (load is enough)</p> <p>1.0 km to heat trace (load is enough)</p> <p>0.5 km to gas pipeline (load is enough)</p> <p>2.0 km to water supply network (load is not enough)</p> <p>1.5 km to sewerage system (load is not enough)</p> <p>Potential for development</p>	
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***Workforce***

4	Transport service between the Site and the settlements	Yes	
5	Total workforce estimates within a 50-km radius of the Site (people, thousand)	25	
6	Approximate number of unoccupied able-bodied population (people, thousand)	0.372	

***Social infrastructure within 30-min proximity of the Site***

7	Hospitals (yes/no, proximity to the nearest one)	Yes, 5 km	
8	Shops (yes/no, proximity)	Yes, 1.5 km	
9	Housing for the Site staff (yes/no, proximity)	No	
11	Hotels for the Site staff (yes/no, proximity)	Yes, 2.5 km	

**Preferences to Residents**

***In terms of initial costs***

	<b>Preferences</b>	<b>Statutory document and approving authority</b>	<b>Statutory document validity</b>
1.	Subsidies on lease payments to acquire fixed assets	Resolution by the Government of Republic of Mordovia No. 498 dd. 20.12.2010 (as revised 17.07.2012) "On Integrated Program of Development and State Support of SMEs in Republic of Mordovia for 2011-2015"	2011-2015
2.	Guarantees on SME loans to acquire fixed assets	Resolution by the Government of Republic of Mordovia No. 498 dd.	2011-2015

		20.12.2010 (as revised 17.07.2012) “On Integrated Program of Development and State Support of SMEs in Republic of Mordovia for 2011-2015”	
3.	Other preferences (specify)		
	Partial subsidizing on interest payments by SMEs under loans raised from Russian credit institutions	Resolution by the Government of Republic of Mordovia No. 498 dd. 20.12.2010 (as revised 17.07.2012) “On Integrated Program of Development and State Support of SMEs in Republic of Mordovia for 2011-2015”	2011-2015
	Support for SMEs engaged in developing and introducing innovative products	Resolution by the Government of Republic of Mordovia No. 498 dd. 20.12.2010 (as revised 17.07.2012) “On Integrated Program of Development and State Support of SMEs in Republic of Mordovia for 2011-2015”	2011-2015

*In terms of operating costs*

	<b>Preferences</b>	<b>Statutory document and approving authority</b>	<b>Statutory document validity</b>
4.	Subsidies on export support (partial subsidizing of exhibitions, interest rate subsidies on loans)	Resolution by the Government of Republic of Mordovia No. 498 dd. 20.12.2010 (as revised 17.07.2012) “On Integrated Program of Development and State Support of SMEs in Republic of Mordovia for 2011-2015”	2011-2015
5.	Other tax preferences (tax rate – 5%)	Law of Republic of Mordovia No. 5-Z dd. 04.02.2009 “On Tax Rates in Simplified Taxation System”	
	Partial subsidizing out of the Republic of Mordovia budget of commercial banks interest (100% of the Central Bank of Russia refinancing rate) on loans raised from Russian credit institutions	Resolution by the Government of Republic of Mordovia No. 498 dd. 20.12.2010 (as revised 17.07.2012) “On Integrated Program of Development and State Support of SMEs in Republic of Mordovia for 2011-2015”	

**Preferences to investment project initiators**

*In terms of initial costs*

	<b>Preferences</b>	<b>Statutory document and approving authority</b>	<b>Statutory document validity</b>
6.	<p><i>Subsidies on lease payments to acquire fixed assets</i> Investors are granted subsidies to partially reimburse lease payments on agreements at the rate of 2/3 of the amount of reimbursing by the lessee of costs borne by the leasing company and associated with payment of interest on loans raised to acquire machinery and equipment, and revenues of the leasing company, being parts of the lease payment. The subsidy amount cannot exceed the amount calculated as the product of 2/3 of the Central Bank of Russia refinancing rate as of the date of payment by the lessee of the last lease payment, the number of days between the last 2 lease payments and the book value of machinery and equipment, divided by the number of days in the year multiplied by 100%.</p>	Resolution by the Government of Republic of Mordovia No. 89 dd. 18.03.2013 “On Approval of Procedures for Granting Subsidies to Legal Entities to Partially Reimburse Lease Payments under Lease Agreements Concluded with Russian Lease Companies to Acquire Machinery and Equipment Used for Implementation of Investment Projects Included in the Republican Targeted Program of Developing Republic of Mordovia for 2013-2018”	2013-2018
7.	<p><i>Guarantees on SME loans to acquire fixed assets</i> SMEs are granted sureties on bank loans of the Guarantee Fund for Credit Granting in Republic of Mordovia amounting to at least 50% of the amount of the Borrower’s obligation under the loan agreement. Guarantee cost 2(two) percent of the Surety amount</p>	Approved by M. S. Sezganov, Chairman of the Board of Trustees of the Guarantee Fund for Credit Granting in Republic of Mordovia, on 07.11.2007	2007 – indefinite term
8.	<p><i>Other preferences (specify)</i> Pursuant to Law of Republic of Mordovia No. 5-Z dd. 21.02.2008 investors receive state guarantees of Republic of Mordovia</p> <p>Granting loans and/or sureties by the Public Enterprise of Republic of Mordovia – Directorate for Implementing the Republican Targeted Program of Developing Republic of Mordovia – subject to investment project inclusion in the Republican Targeted Program of Developing Republic of Mordovia</p> <p>Pledging of property or property rights of the facilities of Republic of Mordovia pledge fund (competitive bidding)</p>	<p>Law of Republic of Mordovia No. 5-Z dd. 21.02.2008</p> <p>Resolution by the Government of Republic of Mordovia No. 40 dd. 18.02.2013 “On Approval of Tender Procedure for Providing by the Public Enterprise of Republic of Mordovia – Directorate for Implementing the Republican Targeted Program of Developing Republic of Mordovia – of Sureties and/or Loans to Legal Entities to Finance Projects of the Republican Targeted Program of Developing Republic of Mordovia for 2013-2018”</p> <p>Law of Republic of Mordovia No. 106-Z dd. 24.12.2010 “On Pledge</p>	<p>2008 – indefinite term</p> <p>2013-2018</p> <p>2010 – indefinite term</p>

		Fund of Republic of Mordovia” Resolution by the Government of Republic of Mordovia No. 181 dd. 23.04.2007 “On Approval of Resolution on Interagency Commission on Pledging the State Property as Collateral”	
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*In terms of operating costs*

	<b>Preferences</b>	<b>Statutory document and approving authority</b>	<b>Statutory document validity</b>
9.	<p><i>Sectoral subsidies – support for producers from specific industries (subsidies to residents on lease payments)</i> Republic of Mordovia grants subsidies on: financial support for scientific-technical and innovation projects</p> <p>to SMEs on reimbursement of the first installment under financial lease agreements Subsidies are granted in a lump sum amounting to 100% of the first installment under financial lease agreement. The maximum amount of a subsidy cannot exceed 30% of the leased item cost under financial lease agreement, in absolute terms – no more than RUB 1000.0 thousand; to SMEs engaged in the development and introduction of innovative products</p>	<p>Resolution by the Government of Republic of Mordovia No.324 dd. 09.08.2010; Resolution by the Government of Republic of Mordovia No. 237 dd. 04.07.2011</p> <p>Resolution by the Government of Republic of Mordovia No. 236 dd. 04.07.2011</p>	<p>2010 – indefinite term 2011 – indefinite term</p> <p>2011 – indefinite term</p>
	<p>providing to legal entities and farm households of subsidies to boost the development of agriculture and train/retrain agricultural specialists</p>	<p>Law of Republic of Mordovia No. 41-Z dd. 26.05.2009 “On State Support for Agriculture in Republic of Mordovia” Resolution by the Government of Republic of Mordovia No. 86 dd. 10.03.2009 “On Approval of Procedure for Granting out of the Budget of Republic of Mordovia of Subsidies to Reimburse Interest Payments under Loans Raised from Russian Credit Institutions and Agricultural Credit Consumer Cooperatives”</p>	<p>2009 – indefinite term</p>
10.	<p><i>Subsidies on export support (partial subsidizing of exhibitions, interest rate subsidies on loans)</i> Financial support for exhibition, congress and presentation activities 50% of expenses for participation in exhibition and congress events in Republic of Mordovia; 75% of expenses – in the Russian Federation, but no more than RUB 100 thousand; 100% of expenses abroad, but no more than RUB 300 thousand; for organizing an integrated exposition of Republic of Mordovia, but no more than RUB 300 thousand in the Russian Federation and no more than</p>	<p>Resolution by the Government of Republic of Mordovia No. 214 dd. 25.06.2012</p>	<p>2012 – indefinite term</p>

	RUB 500 thousand for a single event abroad; for organizing a presentation, but no more than RUB 100 thousand for a single event in the Russian Federation and no more than RUB 150 thousand for a single event abroad		
11.	<i>Interest rate subsidies on loans to the Site residents</i> Subsidies on partial reimbursement of interest payments for loans granted by Russian credit institutions 2/3 of refinancing rate of the RF Central Bank effective as of the date of interest payment under the loan, but no more than 2/3 of the interest amount actually paid	Resolution by the Government of Republic of Mordovia No. 88 dd. 18.03.2013 “On Certain Issues of Implementing the Republican Targeted Program of Developing Republic of Mordovia for 2013-2018”	2013-2018
12.	<i>Profit tax relief</i> Decreasing corporate profit tax rate to 13.5% to the extent credited to the budget of Republic of Mordovia, for the payback period of a priority investment project, but no more than 5 years from the date of including the company in the List of Priority Investment Projects of Republic of Mordovia (subject to inclusion of an investment project in in the List of Priority Investment Projects of Republic of Mordovia (major criterion – project value no less than RUB 100 million)	Law of Republic of Mordovia No. 77-Z dd. 25.11.2004 “On Decrease of Corporate Profit Tax Rate”	2004 – indefinite term
13.	<i>Property tax relief</i> Corporate property tax relief for the payback period of a priority investment project, but no more than 5 years from the date of including the company in the List of Priority Investment Projects of Republic of Mordovia (subject to inclusion of an investment project in in the List of Priority Investment Projects of Republic of Mordovia (major criterion – project value no less than RUB 100 million)	Law of Republic of Mordovia No. 54-Z dd. 27.11.2003 “On Corporate Property Tax”	2003 – indefinite term
14.	<i>Other tax reliefs</i> Transport tax relief	Law of Republic of Mordovia No. 46-Z dd. 17.10.2002 “On Transport Tax”	2002 – indefinite term
15.	<i>Other tax reliefs</i> Tax reliefs in the simplified taxation system	Law of Republic of Mordovia No. 5-Z dd. 04.02.2009 “On Tax Rates in Simplified Taxation System”	2009 – indefinite term