Dear investors!

I greet you in our hospitable region! Kuzbass is the largest coal and metallurgical center in Russia and one of the main industrial regions of the country. Currently we create conditions for Kemerovo region to become also a territory of developed agriculture, fascinating year-round tourism and a scientific and cultural center.

We set ourselves an ambitious goal to make Kuzbass the region No. 1 in Siberia. First of all concerning quality of people’s lives. Our region has a great potential and a set of competitive advantages for conducting economic activity.

Three territories of advanced social and economic development (TASED) have been created and are actively operating on the territory of three Kuzbass mono cities. Jurga town became the first TASED in July 2016. The second TASED was established in Anzhero-Sudzhensk in September 2016, and the third in the metallurgical heart of Kuzbass – Novokuznetsk city in March 2018. TASED residents are provided with federal, regional and local tax benefits.

There are two zones with economically preferable terms (ZEPT) in Kuzbass - the industrial-production type “Kuznetsk Sloboda” and the tourist-recreational type “Gornaya Shoria”. Their residents are granted regional tax benefits. Carbon, biomedical, agrocultural and tourism recreation clusters are actively developing.

To help investors, the regional “Agency for Investments Promotion and Protection” was created. Its task is to promote the potential of Kuzbass at interregional and international levels, attract investment and support investment projects on the principle of "one window". What is important, the agency provides its services free of charge. With the assistance of the agency the Kuzbass Investors’ Club was created. It is a platform for exchanging information between entrepreneurs, investors and authorities.

Providing a favorable investment climate and supporting projects are the permanent priorities of our investment policy. This is reflected in the strategy of attracting investments in Kemerovo region until 2030.

To maximize the region economic potential use, we began a work on a large-scale program for region development. We called it “Kuzbass No. 1. Update strategy”. The main goal of the Strategy is to bring Kemerovo region to the first place in Siberia in terms of living standards.

We are always glad to investors and business partners. We will continue to create all the necessary conditions for investment projects successful implementation.

Dear investors! I invite you to visit our Kuzbass and get acquainted with its rich potential. I wish all of us a mutually beneficial and fruitful cooperation!

Best regards,
Governor of Kemerovo Region
Sergei Tsivilev
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Section 1

Kemerovo region’s resource potential

1.1. General information about Kemerovo Region

1.1.1. Geographical characteristics

Lying in the southeast of Western Siberia, Kemerovo Region is almost equidistant from the western and the eastern borders of the Russian Federation. The region is located at a latitude between 52°08’ and 56°54’ North and a longitude between 84°33’ and 89°28’ East, in the fifth time zone. It is 3,482 km away from and 4 hours ahead of Moscow.

Occupying an area of 95,700 sq. km, which accounts for 4% of Western Siberia and 0.56 % of the Russian Federation, Kemerovo Region is the 10th largest territory in the Siberian Federal District (SFD). It borders Republic of Altai in the South, Altai Krai in the southwest, Novosibirsk Region in the West, Tomsk Region in the North, Krasnoyarsk Krai in the northeast and the Republic of Khakassia in the East. Kuzbass stretches for almost 500 km from north to south and 300 km from west to east.

Kemerovo Region is located mainly in the Kuznetsk Depression between the Salair Ridge (567 m) and the Kuznetsk Alatau (2178 m). The main river is the Tom. Climate is continental with average temperatures between -10 and -13°C in January and between 18 and 20°C in July. Annual precipitation amounts to 300-500 mm. Soils are podzolic. Kuzbass has the largest deposits of coal in Russia accounting for a quarter of all energy resources of the country. The South of the region is famous for its unique tourist and recreational resort, “Gornaya (Mountainous) Shoria”.

1.1.2. Administrative-territorial structure and territorial zoning

In 1943 the Presidium of the Supreme Soviet of the USSR by its Edict No. 5 of 26.01.43 separated Kuzbass from Novosibirsk Region and established Kemerovo Region there.

On 01.01.2018 the region had a population of 2,708,844 people, accounting for 14.04% of the Siberian Federal District (SFD) (the 3rd place in the SFD) and 1.85% of the Russian Federation (the 16th place in the RF). Kuzbass has the highest population density of 28.6 people per 1 sq. km in the Siberian Federal District and the East of the Urals. 85.6% of the population is concentrated in urban areas. As population density Kuzbass takes the 1st place in the Siberian Federal District.

Administratively, Kemerovo Region is divided into 220 municipalities, including 16 urban districts and 18 municipal districts (raions). Kemerovo with a population of 559,000 people is its administrative center.

In addition, there are 3 more urban districts with population of over 100 thousand inhabitants, besides regional center. They are: Novokuznetsk, Prokopyevsk, Belovo.

By urbanisation level Kuzbass takes the 1st place in the Siberian Federal District.

Kemerovo Region location and natural resources offer a number of economic advantages, namely:

- the federal railway and motor roads running across the north and a dense transport network covering the developed parts of the region;
The Kuznetsk Coal Basin (Kuzbass) is the major coal producing region in terms of its reserves and coal quality.

- proximity to regions with highly developed industrial sector (Krasnoyarsk Krai), agriculture (Altai Krai) and a significant scientific potential (Tomsk, Novosibirsk);
- opportunities for developing a diversified economy thanks to abundant natural resources and favourable climatic conditions;
- a well-developed territorial-industrial complex with strong horizontal links between enterprises in key sectors; economic specialisation ensures strong positions in interregional and international division of labour.

1.2. Natural resources

Mineral resources

The Kuznetsk Coal Basin (Kuzbass) is the major coal producing region in terms of its reserves and coal quality. It is the biggest of all exploiting coal basins in the world. There is no other place in the world where a small area of 26,700 square kilometres could be so rich in coal deposits with a wide range of coal grades suitable for coking, producing liquid fuels, being used as raw materials for chemical industry and other purposes. Kuznetsk coals are valued for their quality, including low ash content of 4.8-13% and high heat value of 6426 kcal/kg (up to 8650 kcal/kg from the best grades).

Another important feature of Kuzbass coals is their horizontal bedding with almost 80% of flat and inclined seams. The total geological coal reserves of the Kuznetsk Basin down to a 1800-meter depth are estimated at 733,400 million tons; 724,300 million tons of which meet requirements for mineable deposits, namely for seam thickness and ash content of coal. Most of the coal deposits in Kuzbass are multiple seam coal beds with an average seam thickness of 4 meters. A great advantage of Kuznetsk coals is a variety of their grades, with coking coal – the main fuel for iron melting – being the most valuable of them. Kuzbass accounts for 77% of such coal reserves in Russia. The western part of the Kansk-Achinsk lignite deposit is located in the northeast of the
region. The main lignite reserves of the Kuznetsk Basin are estimated at 64.2 billion tons.

The main areas of iron ore deposits are in the Mountain Shoria (2.169 billion tons, balance reserves of which are equal to 1,013,100,000 tons) and the Kuznetsk Alatau (balance reserves - 370.1 million tons). In Kemerovo region’s vicinity (in Khakassia and the south of Krasnoyarsk region) there are also large deposits of raw materials.

Kemerovo region has 10 ore and 141 placer gold deposits. Gold placer deposits’ balance reserves are 35 tons, and ore - 29 tons. In addition, the region’s territory (primarily in the areas of the Mountain Shoria and the Kuznetsky Alatau) has more than 90 fields and 20 ore occurrences of various metals: gold, silver, iron, manganese, zinc, lead, copper, titanium, chromium, tungsten, molybdenum, mercury, antimony, uranium and thorium.

Raw material base of the main non-metallic minerals for Kuzbass steel industry consists of 5 fluxing limestone deposits (Tyazhinsky, Guryevsky, Tisulsky, Belovo and Novokuznetsk areas), 3 quartzite deposits (the Mountain Shoria and Yaysky District), 2 dolomite deposits (the Mountain Shoria), 8 refractory clays fields (Kemerovo, Novokuznetsk and Guryevsky areas) and 6 molding sands deposits (Chebulinsky, Izhmorsky Districts). Thus, Kemerovo region metallurgical complex has a high potential for the raw material development. There is also a large supply of non-metallic minerals that are used in other areas of activity: about 150 deposits of various kinds e.g. building materials (operated approximately 40 percent), mineral waters and peat (230 fields with total reserves and resources equal to 199.9 million tonnes, including 34 large fields with reserves of more than 1 million tons), significant reserves of rock phosphate and talc.

The region is home to around 2/3 of all manganese ores’ explored reserves in Russia (Usinsk field near Mezhdurechensk, Durnovskoe in Leninsk-Kuznetsk area). Manganese ore deposits’ balance reserves of the Usinsk - 106.4 million tons; It accounts 67 percent of total Russian’s reserves. In the south-western part of the Mountain Shoria there is highlighted a manganese ore district - about 200 occurrences. It was made on basis of materials from the field geological prospecting and filming. Forecast reserves are estimated at 120 million tons of oxidized manganese ores. There are reserves of aluminium ore: 7 nepheline deposits, bauxite – 17. At the moment one of them are currently operated. It is Chia-Shaltyskoe urtite mine in the north of the Kuznetsky Alatau.

### Forest resources

The territory of Kemerovo region is rich in forest resources. They occupy more than half the area of entire territory. According to the State Forest Register, as of 01.01.2018, the total forest area of Kemerovo region is 5,727.0 thousand hectares (for competition: the area of whole Kemerovo region is 9,527.5 thousand hectares). The indicator of the region forest cover is 59.8%.

In forests classified as forest fund, softwood plantations occupy 57.0%, plantations of other soft-leaved species occupy 42.8%, shrubs - 0.2%. Hard-leaf plantings occupy only 49.0 ha, other species - 103.0 ha.

The predominant tree species are deciduous: birch (55.5%) and aspen (43.3%) stands. Other soft-leaved species account for 1.2% of forest cover, including linden plantations - 0.1%, willow trees - about 1%, poplars - less than 0.1%. Among fir plantations conifers prevail (80.0%), followed by cedar - 7.4%, pine - 6.5% and spruce - 5.7%.

### 1.3. Human resources

According to the Federal State Statistics Service for the year 2017, the population of the region counts 2 million 708 thousand 844 people in total, including 2 million 325 thousand 436 people of the urban population.
Formation sources and a structure of the labor force
(In average in 2017, number of people, Russian statistic organization’s data *)

Resident population

2 708 844

1 500 737
The population of working age

679 686
The population over working age

527 421
The population below working age

1 423 563
Able-bodied working age (not “disabled” category)

107 002
People employed in the economy who are over the working age and teenagers

1 542 080
Human resources, number of people

Employed in the economy
1 244 200

241 520
The able-bodied population of working age not employed in the economy

100 584
Students, pupils, students with off-the-job status

24 829
People applied to the employment service for assistance in job finding

95 100
Unemployed according to ILO (International Labor Organization)

11 515
Foreign migrant workers

Complete information about Kemerovo region’s labor market situation is at the website: http://kemerovostat.gks.ru/wps/wcm/connect/rosstat_ts/kemerovostat/ru/statistics/population/
383 thousand 408 people of the rural population. The total number of Kemerovo Region labor resources counts 1 million 542 thousand 80 people on average for 2017. This indicator includes:
- able-bodied population at working age - 1 million 423 thousand 563 people;
- Foreign labor migrants - 11 thousand 515 people;
- persons older than working age and adolescents employed in the economy - 107 thousand 2 people.

The number of labor force for 2017 amounted to 1 million 339 thousand 300 people. It is 61.2% of the total population, including 1 million 244 thousand 200 people employed in the region economy, 95 thousand 100 people unemployed (but they are actively looking for a job and are classified as unemployed in accordance with the methodology of the International Labor Organization (ILO)). 24 thousand 829 people from unemployed amount are officially registered as unemployed in the employment service. The average age of the unemployed people is 37.5 years.

At the same time, the number of unemployed decreased by 11.8% in comparison with 2016. Unemployment rate now is 7.1% against 7.9% in 2016.

Compared to 2016, there is an increase in higher professional education specialists (from 22.5 to 28.0%), which in turn affected the decline in the unemployment rate compared to previous years. The average age of Kuzbass workers employed in the regional economy is 40.1 years.

1.4. Transport infrastructure

Kuzbass transport network consists of railway, motor and municipal electric transport, aircraft, pipeline and river transport, ensuring stable internal and external communications in the region. Having the most developed network east of the Urals, Kemerovo Region is crossed by the Trans-Siberian Railway and the Trans-Siberian Highway, which are the basis of the Russian transport network and a natural extension of the Pan-European Transport Corridor No. 2, recognised by ESCAP as a priority route between Europe and Asia.

1.4.1. Railway transport

Today, a Kuzbass branch of the West Siberian Railway is a powerful transport system that is second to none in Russia unparalleled in terms of freight transportation. More than 20 % of total freight carried by Russian railways comes from Kuzbass. The region public service railways are 1,685 km long including more than 1,500 km of electrified railways. Kuzbass is crossed by several stretches of two major railways of international importance, namely the Trans-Siberian and the South Siberian Railways.

A distinctive feature of the Kuzbass branch is that its main railway lines serve the needs of the region’s major industries such as coal and power sectors, ferrous and non-ferrous metallurgy, engineering and chemical sectors. Coal transportation by rail, accounting for 93.9% of all coal shipments, is vital to Kuzbass which supplies coal not only to various regions of Russia but also to 51 countries worldwide.

In 2018 OJSC "Russian Railways" allocated 2.5 billion rubles of investment funds to develop railway infrastructure. These funds will help Kuzbass West Siberian Railway to conduct following the largest actions on railways modernization and development:
- equipment for microprocessor centralization at Novokuznetsk-Passenger station of the West Siberian Railway;
- tcontact network devices reconstruction on Taiga-Anjerska stretch with installation of a temporary block post;
- technological communication line modernization on Mundybash-Tashtagol section;
- traction power supply devices strengthening on Artyshta-Tyrgan-Tomusinskaya-Mezhdurechensk section of West Siberian Railway;
- modernization and reconstruction of Mezhdurechensk station of West Siberian Railway;
- modernization and reconstruction of railway track on following sections: Taiga station, Zenkovo, Krasulino, Biryulinskaya - with a total length of 8.2 km.

1.4.2. Motor roads

The Kuzbass network of motor roads has some stretches of the federal road R-255 "Siberia", as well as territorial, municipal and departmental roads which link all parts of the region together.

The total length of the region’s entire road network is 21,605 km, 465 km of which are federal highways, 5,496 kilometers are roads of regional significance, 9771 kilometers - local roads, 5873 km - urban roads.

On the whole, the Kuzbass roads provide a fairly good level of service, although their technical parameters and engineering facilities vary markedly throughout the region.

There is an intensive road building construction in the region. 6404 kilometers of roads were built or repaired for the last 18 years.

One of the most important sites for Kuzbass - highway Kemerovo - Leninisk-Kuznetsky which is a part of the road connecting the two largest cities in the region:
During a period from 2001 to the present time, there were built and commissioned 323 km of roads, 37 bridges and overpasses.

Kemerovo and Novokuznetsk. More than 80 percent of the region population live and work in the area of this route; its basic industrial potential is right here.

The route Kemerovo - Leninsk-Kuznetsky - Novokuznetsk connects the North and the South of Kuzbass. In addition, it provides the shortest route from southern Kuzbass areas to the cities of Western Siberia and Russia as a whole because it goes out on the federal highway M-53 "Novosibirsk – Irkutsk". And from the north part of the region using this site of the road people can access Altai Territory, Altai Republic, Kazakhstan, Central Asia and Mongolia.

Construction of a new road Kemerovo - Leninsk-Kuznetsky, along with an increase in traffic capacity, also solves a problem of people security and ecology preservation - the old road passed through six villages while modern highway bypasses settlements.

The total length of the road is 67 kilometers. Its construction is carried out in 3 stages: the first section was put into operation in September 2011, the second - in August of 2013. In general, today the traffic is opened on 49.4 kilometers of the road.

Now this is the first high-speed highway in Siberia. Permitted speed on it - 130 kilometers per hour. There are only eight such highways in Russia, and the other seven are located in the European part of the country. With the launch of the road second section travel time from Kemerovo to Leninsk-Kuznetsky will reduce by half. An intelligent traffic control system is installed at this highway, which includes a weather station, electronic displays,
wireless video cameras, etc. Online system helps professionals to monitor road condition and gives recommendations about optimal mode of movement to drivers, depending on weather conditions.

Road builders have begun to construct the last stretch of 19 kilometers of motorway in 2016. Completion of this section is planned in 2019. When the site will be commissioned the travel time from Kemerovo to Novokuznetsk will be reduced by 40 minutes. This will ultimately lead to reduction of the transport component in the products prices by 12-16 percent.

Another important road for the Kuzbass development which was commissioned in 2011 is directly connecting village Chugunash and sports – tourist complex "Sheregesh". In September 2016 it was completed and put into operation a site of Kuzedeevo - Mundybash - Tashtagol road bypassing village Kaz. With its commissioning the road capacity and traffic safety will increase, environment - improve, accessibility to sports – tourist complex "Sheregesh" - significantly rise.

### 1.4.3. Air transport

Air transport is of great importance for regional development to ensure regular passenger and cargo traffic both within and outside the country. There are three airports in Kuzbass.

Kemerovo International Airport named after A.A. Leonov is a Class III airport having a Class B paved runway and a round-the-clock operating permit. In 1998 it was certified to operate with international flights. The airport has border control, customs, quarantine and immigration control services. Kemerovo airport is used for joint deployment of following ministries: the Ministry of Transport, Ministry of Defense and Ministry of Internal Affairs of Russia. Aviation detachment of special purpose (ADSP) of Kemerovo region Police, operating helicopters "Mi-8AMT" ("Mi-171") is also based on the airfield.

There is a regular air communication in direction of Kemerovo - Moscow - Kemerovo.


The artificial runway with the size of 3200x60 m has a monolithic cement concrete cover; the classification number of the runway cover is PCN 45/R/A/W/T. It is equipped with a MK 226 for precision approach according to the landing category I. The runway is capable of receiving aircraft with the maximum take-off weigh of 450 tons.

Estimated throughput capacity of Kemerovo airport is 220 sorties per day and more than 250 thousand passengers per day. At Kemerovo airport there are two terminals in two buildings: domestic air lines (throughput 500 pas / hour) and international airlines (terminal with a throughput of 200 pas / hour). There are significant reserves for further increasing in the airport loading and capacity.

In 2016 the new owner of the Kemerovo international airport named after A.A. Leonov became the holding company "Novaport" (Moscow). Economic management and operational management of the airport were transferred to the administration of the Limited Liability Company "International Airport Kemerovo named after Aleksey Leonov". By 2021 it is planned to hold an international airport a complete renovation with tourist flow increase not less than 2 times.

Spichenkovo (LLC Aerokuzbass) is an international Class II airport with a Class B airfield in Novokuznetsk. Operating round the clock, the airport is capable of serving such aircrafts as Il-76T (TD), Tu-204, Tu-214, Tu-154, Tu-134, Yak-40, Yak -42, Il-114, Il-18, An-24, An-26, BAE-125-700, ATR-42 and its modifications, Boeing -737-300/400/500/600/700/800, Boeing-757-200, Airbus-319, Airbus-320, Airbus-321, CRJ-200, Cessna208BGrandCaravan, L-410, as well as other BC class III and IV aircraft and all types of helicopters.

Runway has size 2679x45m and classification number of cover equal to PCN 38 / R / A / W / T. Covered with steel fibre reinforced concrete, the airport runway is capable to serve aircrafts with a maximum take-off weight of 185 tonnes. The Novokuznetsk airport has a capacity of handling 170 departing flights and 100,000 passengers per day. Having great potential for increasing air traffic, the airport’s terminal can currently service 200 passengers per hour. There are 9 asphalt helicopter landing pads at the airport. The size of each is 18x26m.

A local airport in Tashtagol (LLC Aerokuzbass) is "unclassified", the class of the airfield is "E". The facility is suitable for receiving Mi-8 helicopters and its modifications.

Within a framework of the Russian Federation state program "Transport system development" (Decree of the Russian Federation Government of December 20, 2017 No. 1596), following measures are planned on co-financing terms: reconstruction of the Spichenkovo airport complex (Novokuznetsk, Kemerovo region), reconstruction of the Kemerovo airport complex.
The Kuzbass power system is one of the largest in the country and the third largest in the Siberian Federal District.

1.5. Power supply infrastructure

The Kuzbass power system is one of the largest in the country and the third largest in the Siberian Federal District.

The main generation facilities are Tom-Usinsk State District Power Plant (SDPP), Belovo SDPP, Novokuznetsk gas turbine power plant (branches of OJSC Kuzbassenergo, subsidiaries and affiliates LLC "Siberian Generation Company"), Southern Kuzbass SDPP (PJSC SK SDPP) and West-Siberian heat power plant (a branch of JSC "EVRAZ West-Siberian Metallurgical Combine"), Kemerovo SDPP (branches of JSC "Kemerovo Generation", subsidiaries and affiliates LLC "Siberian Generation Company"), JSC "New-Kemerovo heat power plant" and JSC "Kuznetsk heat power plant" (subsidiaries and affiliates LLC "Siberian Generation Company").

According to accounting data for 2017, power generation by the power plants of Kemerovo region amounted to 24,679,99 million kWh, electricity consumption – 31,377,83 million kWh.

In 2015-2017 in Kemerovo region, capacity of a power grid complex was increased. This made it possible to improve reliability of electricity supply to existing consumers in the region and ensured possibility of connecting new industrial enterprises.

In 2015, a substation 35/6 kV "Utuya" with installed transformer capacity of 2 * 2.5 MVA and a 35 kV overhead line with length of 4.2 km was put into operation.

The substation commissioning allowed satisfying demand for electric energy and removing technological limitation of engineering infrastructure of "Mountain Zelenaya" Sports and Tourism Complex, Sector E in Sheregesh town.

In 2016 a 35/6 kV substation "Osinniki municipal" was put into operation with installed transformer capacity of 2 * 10 MVA and 35 kV overhead line 3 km length, which allowed to remove technological capacity restriction of the Osinniki central part.

In December 2016 in Belovo the 35/6 kV "Parkovaya" substation with installed transformer capacity of 2 * 10 MVA and 35 kV overhead line with length of 0.5 km was put into operation. This allowed to remove technological capacity restriction of Belovo town and improve quality and reliability of electricity supply to new micro-district "Sosnovy Bor" ("pine wood") and a new boiler house.
Section 2

Structural features of Kuzbass economy. Avoiding mono-dependence

2.1. Development Programs for single-industry towns

There are 24 mono-towns in Kemerovo region. 9 of them (Anzhero-Sudzhensk, Guryevsk, Prokopyevsk, Kaltan, Kiselevsk, Yurga, Salair, Tashtagol, Mundybash) are classified in the 1st category as mono-profile municipalities of the Russian Federation (single-industry city or town) with the most difficult social and economic situation (including functioning problems of city-forming organizations) (Order of the Russian Federation Government No. 1398-r of July 29, 2014, as amended on 04.16.2015).

The main types of activity in mono-towns are mining, metallurgy, energy and mechanical engineering, which account for about 70% of the region shipped goods. More than two thirds of Kuzbass population live in mono-towns. Since 2009, the region has been working on avoiding mono-dependence by Kemerovo region mono-towns. For example, in 2009-2015, colossal work was carried out - plans were made for all Kuzbass mono-towns modernization and the government commission submitted integrated investment plans for 17 Kuzbass mono-cities modernization.

Since 2009, the region has been working on avoiding mono-dependence by Kemerovo region mono-towns. For example, in 2009-2015, colossal work was carried out - plans were made for all Kuzbass mono-towns modernization and the government commission submitted integrated investment plans for 17 Kuzbass mono-cities modernization.

In 2010 three Kuzbass mono-towns - Leninsk-Kuznetsky, Prokopyevsk and Tashtagol had received state support in the amount of 3.2 billion rubles for creation of infrastructure necessary for implementation of pilot investment projects, small business development, reduction of tension in the labor market, resettlement of dilapidated housing and the overhaul of the housing stock.

Since 2015 Kemerovo region has started cooperating with non-profit organization (NPO) "Mono-cities development fund" (MDF) on issue of support for single-industry towns development. In 2015-2016, 3 agreements were signed to co-finance Kemerovo Region expenses for construction and / or reconstruction of infrastructure needed to implement new investment projects in Anjero-Sudzhensk, Yurga and Tashtagol monocities.

As a result of such cooperation, in 2016, two water supply facilities and two power supply facilities were built in Anzhero-Sudzhensk for a total of 1,036 billion rubles, in Yurga - a sewer collector costing 136.5 million rubles, in 2017 in Tashtagol - a bridge over the Kondoma river valued at 310,622 million rubles.

The infrastructure built in Anzhero-Sudzhensk (water pipeline, main water pipeline, overhead power line, substation) will attract 6.8 billion rubles of investments and create 2,381 jobs by 2020; in Yurga, the infrastructure (sewage collector) will attract 677.5 million rubles of investments and create 300 jobs by 2020.

The infrastructure built in Anzhero-Sudzhensk (water pipeline, main water pipeline, overhead power line, substation) will attract 6.8 billion rubles of investments and create 2,381 jobs by 2020; in Yurga, the infrastructure (sewage collector) will attract 677.5 million rubles of investments and create 300 jobs by 2020.
At present, the NPO "Mono-cities development fund" has applied for co-financing construction of an infrastructure facility for new investment projects in a single-industry town of Novokuznetsk.

The decree of Kemerovo Region Board of Administration dated December 29, 2017 No. 624-r approved a passport of a priority regional program "Integrated Development of Kemerovo Region Mono-cities" with a planning period up to 2025 which includes projects and activities of passports for integrated development programs for all 24 mono-towns in all major areas: education, sports and tourism, culture, housing and communal services and roads, development of small and medium-sized businesses, environmental development.

As part of implementation of program projects and activities for 2016-2017 in Kemerovo region single-industry towns:
- new jobs were created which are not related to city-forming organization activities (in accordance with a MDF methodology in 2016) - 34 319 under the plan - 28 688, fulfillment - 120%;
- Investments in fixed assets amounted to 126.439 billion rubles with a plan of 110 billion, implementation - 115%.

The program "Integrated Development of Kemerovo Region Mono-cities" together with implementation of investment and infrastructure projects, provides central streets repairs, safe and high-quality roads, repairs of entrance groups in medical institutions, allocation of ambulances, improvement of squares, streets and courtyards, construction, reconstruction and repairs of sports facilities, cultural facilities, schools and kindergartens, targeted training of specialists in medical and pedagogical areas - everything necessary to create an attractive environment for investment projects implementation.

### 2.2. Territories with advancing socio-economic development (TASED)

TASED - is part of Russian Federation territory including closed administrative-territorial entity. In accordance with the decision of the Russian Government TASED territory has a special legal regime of business and other activities established in order to create favorable conditions to attract investments, ensure rapid socio-economic development and comfortable conditions for population life.

Creating TASED on territory of single-industry cities opens up great opportunities for implementation of state support measures for investors who plan to carry out new investment projects.

Also, the state support of business entities is provided by the Russian Federation Federal Law from 29.12.2014 number 473-FZ "About territories with advancing socio-economic development in the Russian Federation" and the Decree of the RF Government of 22.06.2015 num-

### Benefits provided TASED residents

- For 10 years from the 1st day of the month following the month in which it was obtained TASED residential status the tariffs for insurance payments are in the total amount of 7.6% (Department of the Russian Federation state pension - 6%, Social Insurance Fund - 1.5%, Federal Compulsory Medical Insurance Fund - 0.1%) instead of 30%.
- Rate of corporate income tax does not exceed 5% for 5 tax periods starting from the first profit from operations and 10% for next 5 tax periods instead of 18%.
- Rate of corporate income tax payable to the federal budget is set at 0% instead of 2%.
- Full release from taxes on property and land taxes for TASED members.
Section 2. Structural features of Kuzbass economy. Avoiding mono-dependence

2.2.1. TASED "Yurga"

TASED status was assigned to Yurga by the Russian Federation Government Decree from 07.07.2016 № 641 "About creation of the territory with advancing socio-economic development in Yurga". TASED area is installed within the boundaries of Yurga city district. The list of economic activities which allowed as investment projects implementation in TASED "Yurga" includes 27 products. The resulting status will allow the city to get away from mono-dependence (economic dependence on the city-forming enterprises "Yurginsky MashZavod"), to attract investment, start new businesses and create in Yurga not less than 2 thousand workplaces.

It is planned that by 2025 the amount of investments in Yurga development will amount about 10 billion rubles. Due to this, the city will increase the number of people employed in the industry. It will be promoted as the opening of new and modernization of existing enterprises. So, for the next five years it is planned to launch the production of rainbow trout growing, increasing the output of medical devices equipment, reconstruction and modernization of mineral and drinking water production, packaging containers’ production and other.

2.2.2. TASED "Anzhero-Sudzhensk"

The territory with advancing socio-economic development (TASED) "Anzhero-Sudzhensk" was formed by the Russian Government Decree dated 19 September 2016, № 941 within the boundaries of the municipality "Anzhero-Sudzhensk city district". There is a list of economic activities that allows implementing investment projects in TASED area "Anzhero-Sudzhensk". This list includes 21 lines. Total investment volume aimed at Anzhero-Sudzhensk development till 2025 is not less than 10 billion rubles. Also, it is planned to create 2.5 thousands new work places.

2.2.3. TASED "Novokuznetsk"

In accordance with a Decree of Russian Federation Government of 16.03.2018 № 278 «On TASED "Novokuznetsk" creation on the territory of the Novokuznetsk municipal entity, Kemerovo region», the third TASED was created. The boundaries of the Novokuznetsk TASED are defined. Types of economic activity in implementation of which a special legal regime of entrepreneurial activity operates within the territory of TASED include: minimum amount of residents capital investments and minimum number of new permanent jobs.

For TASED residents the following preferences are granted:

• Profit tax of 5% in the first 5 years (instead of 20%), after - 13%;
• Insurance premiums 7.6% (instead of 30%)
  - Compulsory pension insurance 6% (instead of 22%)
  - Compulsory social insurance 1.5% (instead of 2.9%)
  - Obligatory medical insurance 0.1% (instead of 5.1%);
• Property tax 0% in the first 5 years (instead of 2.2%), after - 1.1%;
• Land tax 0% in the first 5 years.

The list of types of economic activities permitted for implementation at TASED Novokuznetsk includes 8 directions and 19 positions. Potential residents of TASED "Novokuznetsk" may be given the opportunity to implement investment projects at the production sites of correctional facilities of Federal Governmental Institution (FGI) "Treatment and Correctional Institution – 16" and FGI «remand center - 2» with the involvement of convicted labor. The production activity of these institutions is carried out in centers of labor adaptation of convicts who have the potential for conducting production and economic activities in various industries: woodworking, metalworking, and production of building materials.
Over the past 20 years it has managed to attract more than 17 billion rubles of private investment. Thanks to these resources 206 objects of tourist infrastructure were built.
2.3. Zones with economically preferable terms (ZEPT)

One of the mechanisms of state support for investment, innovation and industrial activity in the region (including industrial, agro-industrial and high-tech manufacturing and tourism services provision) is creation of zones with economically preferable terms (ZEPT).

On July 8, 2010, a law of the Kemerovo region № 87-OZ "On zones with economically preferable terms" and on 19 October 2010 - The Decree № 451 "On Kemerovo region's measures for implementation preferable terms" were adopted. According to the law, on the territory of Kemerovo region there can be created following types of ZEPT: industrial, agro-industrial, technology development, tourism and recreation.

For today in Kuzbass there is one ZEPT of tourist-recreational type - ZEPT "Gornaya Shoria" in Tashtagolsky area.

ZEPT is a separate part of the territory where special conditions for economic activities operate.

They include simplifying administrative procedures, reducing infrastructure costs, tax breaks, subsidies and other forms of state support.

Both legal entities and individual entrepreneurs can take advantage of this support. To do this, they must be registered in the municipality on which territory ZEPT is located. Legal entities and individual entrepreneurs conclude a quadripartite agreement with the Kemerovo region College of Administration, municipality administration and ZEPT management company on conducting economic activity in the ZEPT. Preferences and privileges are applicable to activities which correspond to the specialization area. The participants take certain commitments for implementation of investment (innovation) project - implementation of capital investment and job creation, operation activity that correspond to ZEPT type.

2.3.1. Zone with economically preferable terms of tourist-recreational type "Gornaya Shoria" Tashtagol District (ZEPT "Gornaya Shoria")

It was established according to decision of the Kemerovo region Administration Board from 02.12.2010 № 1028-р.

The total area of ZEPT - 4500 hectares.

For three consecutive seasons (2014/2015, 2015/2016, 2016/2017) the tourists flow to a ski resort "Sheregesh" was more than 1 million people. The corresponding demand implies a quality services provision which should meet international standards by competitive prices. And it's not just training of existing staff but also innovations introduction in the hotel industry services, the use of energy-saving and environmentally friendly technologies and last but not the least - creation of the resort's year-round operation relating to the 4th group (conducting inter-national competitions, services for foreign tourists, providing both individual and group tours with provision of spa services). For successful summer tourism development on Mount Zelyonaya (mount Green) ZEPT participants plan to build a water park, to carry out beaches improvement, development of sanatorium treatment, medical center and rehabilitation in hotels.

The entire necessary external infrastructure is brought to ZEPT "Gornaya Shoria": electricity (a power line of 110 kV Temir-Tau – Kondoma was built), roads (a highway Chugunash – Sheregesh was built. In 2016 a section of a highway was built around the village of Kaz, which is part of a new Kuzadeevo-Mundybash-Tashtagol highway in the direction of the Sheregesh STC (sports and tourist complex); water supply (now requires modernization).

The implementation of the investment project "Tourism and recreation cluster "Sheregesh" was started within the framework of the Federal target program "Development of domestic tourism in the Russian Federation on 2015-2018 years». Creation of tourist and engineering infrastructure objects on the territory of the tourist and recreational cluster "Sheregesh" allowed to significantly increase the transport accessibility to the Sheregesh STC.

The total resources amount involved for project from the federal and regional budgets for construction of the highway Kuzadeevo - Mundybash - Tashtagol is equal to 2,047,477 thousand rubles.

In 2018, work is underway to include Kemerovo region in a new state program, which is a continuation of the basic idea of a previously acting federal target program, and is aimed at increasing competitiveness of the domestic tourism market, creating conditions for the development of tourist infrastructure and attracting investment in the tourism industry. The processed program will be a part of the state program "Development of Culture and Tourism for 2013-2020" (approved by Government Decree No. 317 of 15.04.2014).
Section 3

Infrastructure for investors attracting and supporting

3.1. Agency for Investments Promotion and Protection

In April 2014 Kemerovo region state organization "Agency for Investments Promotion and Protection" started to work in Kuzbass.

The main objectives of the Agency’s activity - a comprehensive assistance in:
1. establishment and development of a favorable investment climate in Kemerovo region;
2. elimination of barriers to development of investment and business activity;
3. investment risks reduction.

In order to achieve objectives the Agency performs following activities:
- Events organization and performance of necessary work to attract investment into the Kemerovo Region economy;
- supporting investment projects implementation from the date of the intent declaration submission to the entrance into operation;
- Representational functions, including representation on behalf of the Kemerovo region’s investment projects on interregional and international levels.

Since March 2016 Agency has opened a branch in Sheregesh city, the main task of which is to ensure the attractiveness and competitiveness of STC “Sheregesh” on a global level.

The Agency carries out the work on investor relations in the mode of “one window”. Agency provides all services free of charge.

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Агентство-по-привлечению-и-защите-инвестиций-
1044053202319073

3.2. Department of Kemerovo Region investments and strategic development

Department of Kemerovo Region investments and strategic development (hereinafter - the Department) is the executive body of Kemerovo area government with special competence which implements state policy in sphere of favorable conditions creation for development of investment and innovation activities and strategic planning in Kemerovo region.

The Department carries out its activities in cooperation with federal authorities, territorial bodies of federal executive bodies, Office of the Plenipotentiary Representative of Russian Federation President in the Siberian Federal District, Interregional Association "Siberian Agree-
Section 3. Infrastructure for investors’ attracting and supporting

3.3. Kuzbass Technopark

JSC “Kuzbass Technopark” was established in 2007 on an initiative of Kemerovo region Administration. It is a part of 12 technoparks supported by Russian Federation Ministry of Communications and Mass Media. 100% of shares belong to Kemerovo Region Committee for Municipal Property Management.

The objectives of creating a technopark are:
- assistance in transferring enterprises of core industries to a new technological level;
- increasing efficiency of nature management in the region and minimizing technogenic impact on the environment and human health;
- formation of regional economy competitive advantages at the expense of science-intensive products and services production, introduction of modern forms of human resources management and development.

The main directions of Kuzbass Technopark industry specialization are:
- Coal extraction and processing;
- Energy;
- Mechanical engineering;
- Processing of ore and non-metallic minerals;
- Ecology;
- Medicine;
- Biotechnology;
- Security;
- Information technology;
- Education.

The infrastructure current state

The site for the construction of technopark facilities measures 10.7 hectares and is located in the Rudnichny district of Kemerovo city. The site includes a business incubator (11,000 sq m), an industrial and laboratory building «Ecology and Nature Management» (4,000 sq. m.).

A building “Medicine and Biotechnology” (4 thousand square meters) is in the stage of unfinished construction.

The conference facilities and investment sites of the Technopark include:
- a conference hall for 150 seats, a hall for interactive events with 150 seats, conference rooms, meeting rooms, computerized classrooms, small rooms for presentations. More than 10 sites can function at once, accepting up to 300 participants.
- From 2010 to 2017, more than 870 events have taken place at Kuzbass Technopark sites, the number of participants has exceeded 15 thousand people.
- At Kuzbass technopark site there are the “Agency for attraction and protection Kemerovo Region Investment” (the representative of the Innovation Support Fund (Bortnik Foundation)), Kuzbass Chamber of Commerce and Industry, Regional Engineering Center, Cluster Development Center, Agency for Strategic Initiatives, coworking for 20 people.

Project work, project support

Since the technopark creation, 61 resident companies have been supported, implementing innovative projects, 22 of which were located on the technopark territory.

More than 360 applications for support were considered, 174 innovative projects were passed by the Expert Council, 53 projects had received regional tax incentives.

As of June 1, 2018, 14 residents are being accompanied, 6 of which are located on the technopark territory.

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3.4. Regional Engineering Center

In 2014 a new element of Kemerovo region infrastructure for small and medium enterprises support became a Regional Engineering Center (REC). The operator of this Russian Ministry’s of Economic Development program in Kemerovo region is "Innovation scientific-production center "Innotech" LLC.

The purpose of REC - improving the competitiveness of small and medium-sized enterprises (SMEs) through development of technological and technical processes, software design solutions, engineering, techno-
logical, organizational and promotional tasks, raising funds for modernization projects and new technologies implementation.

**REC Services:**
1. conducting a rapid assessment of the technological readiness index. Express audit to assess the enterprise potential;
2. carrying out technical audits (process / energy / environmental / other types of production audits) on SMEs;
3. designing investment projects for SMEs development (modernization programs / technical modernization / renovation of production);
4. drawing up business plans / feasibility study / investment memorandums for SMEs’ investment projects;
5. provision of marketing services for branding, positioning and promotion of SMEs new products (services);
6. services for development of manufacturing processes, production technology and product quality in the basic directions of REC-activity;
7. services for technical and technological documentation’s development (technical specifications, Technical Instructions, regulations, etc.);
8. educational activities for SMEs;
9. other engineering services.

In 2017, 129 SMEs were provided with REC services.

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**3.5. Cluster Development Center**

Since 2010, under the program for supporting small and medium-sized enterprises, Russian Federation Economic Development Ministry is providing subsidies to the regions for cluster development centers creation and operation.

Kemerovo Cluster Development Center (CDC) was created in July 2014.

“Innovation scientific-production center "Innotech" LLC is an operator of Kemerovo Region CDC Since 2017.

The main goal is to create conditions for effective interaction of cluster’s participants, educational and science organizations, non-commercial and public organizations, state bodies, municipal bodies and investors in order to develop territorial clusters and implement joint cluster projects

**CDC services:**
- Providing marketing services (marketing research aimed at analyzing different markets based on cluster enterprises needs, developing and promoting umbrella brands of regional clusters, etc.), branding, positioning and promotion of Cluster member SMEs’ new products (services);
- Organization and conduction of educational trainings, seminars with involvement of outside teachers (trainers) for purposes of training Cluster member SMEs employees;
- Conducting information campaigns in media for Cluster member SMEs;
- Preparation of business plans, feasibility studies of joint cluster projects of Cluster member SMEs;
- Organization of participation of Cluster member SMEs on specialized Russian and foreign exhibition sites (organizational fee payment, rent of exhibition space, exhibition equipment, stand construction);
- Organization of work to ensure that products of comply with requirements of consumers in order to enter new sales markets (development of uniform standards);
- Conducting webinars, roundtables for Cluster member SMEs.

With a support of the Cluster Development Center, 4 clusters are actively developing in the region:
- “Coal and industrial waste complex processing”;
- Biomedical;
- Agriculture;
- Tourism and recreation.

For 2014-2017 under the program of Russian Federation Economic Development Ministry for Cluster member SMEs support and implementation of joint cluster projects it was attracted:
- more than 56 million rubles - at the expense of federal subsidies;
- more than 9 million rubles - at the expense of the regional budget;
- More than 8 million rubles - co-financing for cluster activities implementation at the expense of the participants own funds.

With the CDC assistance Kemerovo region clusters participants were provided with following services for 4 years:
- 77 marketing services;
- more than 130 communication events were held,
including about 55 educational events; 21 round table discussions, 1 international conference "Prospects for Coal Chemistry Development in Russia: Science, Technology and Production", held in Kemerovo on January 25-27, 2016 at the initiative of the Russian Federation Energy Ministry, the Russian Sciences Academy with support of Kemerovo Region Administration and other intercluster measures;

- More than 35 information campaigns were conducted by local media on CDC order aimed to promote the cluster members products;
- 43 business plans and feasibility studies were developed to implement participants joint cluster projects;
- More than 80 goods and services produced and provided by organizations participating in clusters were certified, and therefore, most of them were brought to the consumer market as new ones.

In 2017, 317 SMEs received CDC services.

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Four clusters successfully operate in Kemerovo region by January 1, 2018.

3.5.1. Innovative regional cluster "Coal and industrial waste complex processing"

The purpose of cluster creation and development is to strengthen competitiveness of the regional economy through introduction of R&D deliverables, innovations and international experience involvement in the field of complex processing of coal and waste produced at its mining, beneficiation and combustion.

Cluster "Coal and industrial waste complex processing" (coal chemical industrial cluster) is a territorial cluster. In Russia since 2012 approved and developed 25 innovative regional clusters who have significant (compared to industry and country parameters) share of cluster innovative products as well as formed innovative infrastructure.

A cluster is a structural part of Russia’s largest territorial-production complex in the coal industry. It brings together key enterprises on principle of the unity of raw materials sources. These key enterprises are companies for coal mining and coal beneficiation and companies which are using coal as the main source of energy and heat (energy, metallurgy, housing).

The cluster is deeply integrated into regional industry. The cluster’s technological platform are those interacting industries as:
- extraction and beneficiation of coal and lignite;
- coal generation (thermal power generation based on coal combustion);
- ferrous and nonferrous metallurgy;
- large-chemical production.

As of June 1, 2018, the cluster "Coal and industrial waste complex processing" includes 76 participating organizations.

Prospective cluster projects:
- production of carbon adsorbents for gas separation, air purification and methane storage (LLC «Sorbents Kuzbass", LLC "Ekonomohim", Institute of Coal Chemistry and Chemical Materials of Russian Sciences Academy (Siberian Branch));
- organization of adsorptive materials manufacture for natural gas purification and storage (PC "Vtorpolimer");
- production of humic acids and derivatives from illiquid lignite (LLC "Ekonomohim", Institute of Coal Chemistry and Chemical Materials of Russian Sciences Academy (Siberian Branch));
- creation of a pilot equipment of modular type energy complex intend to adjust technologies. These technologies are needed for first stage of waste processing. The waste that was produced on mining-concentrating and smelting industries (JSC "Kuzbass Technopark", JSC "Energy Hol-ding", LLC "NIC" systems technology integrator");
- creation of integrated manufacture for industrial processing of waste from coal coking on basis of technological waste landfill of JSC "EVRAZ OZSMK" (JSC "Kuzbass Technopark", LLC "HimKreking");
- disposal of stale waste obtained by magnetic combustion of ores on concentrating-sinter plant (LLC "Ekomash").
3.5.2. Biomedical cluster

The cluster’s purpose is to increase competitiveness and quality of care due to the intensification of scientific development, due to stimulation the formation of small innovative enterprises and large-scale introduction of commercial products in the field of biotechnology.

The cluster is integrated in the Russian Federation health system as a provider of professional competences in the field of medical assistance, applied research in the field of cardiology in general and cardiovascular surgery in particular, pharmaceutical and galeno-pharmaceuticals and medicinal products for target groups treatment. Cluster is also the largest manufacturer of biomedical products for cardiovascular surgery.

One of the cluster’s anchor residents is the Kemerovo Cardiology Center - a group of research and health care organizations united around issues to improve the quality and efficiency of high-tech medical services in the field of cardiovascular surgery:
- State Organization “Scientific Research Institute of Cardiovascular Surgery Complex Problems” of Russian Sciences Academy (Siberian Branch);
- Federal State Budgetary Institution "Kemerovo Cardiology Clinic”;
- Department of Cardiology and Cardiovascular Surgery (of Federal State Budgetary Educational Institution of Higher Professional Education "Kemerovo Medical Academy");
- CJSC "NeoKor" (a leading Russian manufacturer of biological prosthetic heart valves);
- number of small innovative enterprises.

As of June 1, 2018, Kemerovo Region Biomedical Cluster includes 62 participating organizations.

Scope of cluster’s main functions:
- Fundamental and applied research in the direction "Pathogenetic substantiation of new biocompatible materials development based on nanotechnology and tissue engineering for Cardiovascular Surgery";
- Medical devices production for prosthetics in cardiovascular surgery.

The cluster’s participants own 23 existing patent used in the manufacture in the Orthotic field. Cluster’s participating companies produce about 70% of all Russian heart valve bioprostheses and provide 20% of these products consumption in domestic Cardiovascular Surgery.

Federal State Budgetary Institution ‘Research Institute for Complex Problems of Cardiovascular Surgery’ of Russian Academy of Medical Sciences (Siberian Branch) and other enterprises participating in cluster (CJSC "NeoKor", OJSC "Organica") are active participants of tetra-complex projects for full-cycle technological platform "Medicine of the Future."

3.5.3. Agriculture cluster

The strategic goal of agro-industrial cluster development is to increase agricultural and food producers’ competitiveness in Kuzbass to ensure food security, develop small and medium-sized agri-business, raise rural population’s living standards.

As of June 1, 2018, the Kemerovo Region Agroindustrial Cluster includes 158 participating organizations.

Cluster tasks:
- Growth in production of ecologically safe food products, development of industries new branches to ensure the region internal demand for agricultural products;
- Improvement of interrelations between agricultural and food industry organizations, development of cooperation among cluster members;
- Stimulation of innovation in agro-industrial production, competitive productions creation;
- Improvement of mechanisms for promotion of local commodity producers products;
- Replacement of raw materials export by export of final products with high added value;
- Increasing the investment attractiveness of the agricultural complex (ACC);
- Increase of ACC profession prestige and employment in rural areas.

Kuzbass farmers are involved in international, national and regional trade fairs under agro-industrial clus-
3.5.4. Tourism and recreation cluster

The strategic goal of the Kuzbass tourism and recreation cluster development in the long term is to increase tourism and recreation complex’s competitiveness, to promote domestic tourism products as well as expand tourism services range in the region.

Kemerovo regional cluster for tourism and recreation was created in 2015 as part of the cluster development strategy for the period until 2025 approved by the order of the Kemerovo region Board of Administration on June 3, 2015 № 301-r.

The regional tourism cluster contributes to the efficient use of natural, cultural and historical, technological, research and educational potential of Kemerovo region. In addition, favorable economic and geographical position and significant industrial potential presented by the giants of coal, metallurgical, chemical, machine-building industries and a number of other companies - are the key factors attracting business and convention travelers to the region.

As of June 1, 2018, Kuzbass Tourist-Recreation Cluster includes 97 organizations-participants.

Tasks for cluster development goal achievement:
- Development of the Kemerovo region tourist complex as a center for domestic and inbound tourism as part of an import substitution policy implementation;
- Development of tourist infrastructure that provides material and technical basis and development of cooperation links between cluster enterprises, as well as assistance to development of related industries enterprises - catering, entertainment, souvenir production;
- Increase the effectiveness of information interaction and coordination of business, scientific and educational organizations, public authorities and local government in the tourism industry;
- Creation of a research and educational complex in a sphere of tourism industry providing methodological and personnel support for tourist cluster development.

3.6. Microcredit company "State Fund for Entrepreneurship Support"

The main purpose of the State of the Kemerovo region "State Fund for Entrepreneurship Support" (hereinafter - the Fund) is to participate in development and implementation of projects and activities aimed to support and develop small and medium enterprises in Kemerovo region. Kemerovo region Administration is Fund founder.

Types of financial support provided by the Fund:
1. Micro-credit in the amount of up to 3 000 000 rubles under 10% per annum for up to 36 months - for burgeoning and functioning entrepreneurs wishing to top up their basic and working capital;
2. Guarantees provision (up to 70% from total sum):
   - for entrepreneurs in order to get loans in commercial banks;
   - guarantee to leasing companies - for equipment purchase through leasing companies;
   - guarantee to banks for bank guarantees.
3. Lending under special conditions within the framework of an agency agreement with JSC “Russian Bank for Small and Medium-sized Entrepreneurship”.

Particular attention is paid to availability of Fund services and speediness of their provision for business. The Foundation has signed cooperation agreements with all multifunctional centers providing state and municipal services in Kemerovo region. Video conferencing is functioning. This allows business to solve issues of obtaining financial support from the Fund without queues and, mainly, in an online mode.

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In order to improve investment climate and to achieve sustainable socio-economic development it was designed a strategy to attract investments in Kemerovo region for the period up to 2030.

To achieve stated by Strategy goal it is necessary to solve a number of problems, the main among which are: administrative barriers elimination, implementation of infrastructure measures and investment activity financial support, providing investing activities by qualified personnel, demand stimulus formation.

Strategy implementation will result an increase in investments volume in Kemerovo region’s fixed capital (at constant prices) by 31.3% (compared to the year 2011) and as consequence consolidated budget’s tax and non-tax revenues will increase over the same period in the 1.5 times by 2030.

In order to implement measures aimed at improving the investment climate terms in Kemerovo region the Governor Tuleyev A.G. introduced the position of an investment authorized agent in the end of 2011. The main objective of the investment authorized agent – assistance to investors in their regional projects, including simplification of administrative procedures for investors interaction with regional and local authorities and officials.

Since 2012 investment authorized agents have been appointed in every Kuzbass town and district.

According to the National rating for investment climate of the Russian Federation regions, presented at the St. Petersburg International Economic Forum (May 2018), Kemerovo region takes 49th place among other regions in Russian Federation on the level of comfort of doing business.

An international agency FitchRatings on the date of October 2017 has confirmed Kemerovo Region ratings at "BB-" with "Stable" forecast; confirmed the long-term Issuer Default Rating ("IDR") of Kemerovo region in foreign and local currency ratings at "BB-" and short-term IDR at «B» in foreign currency. The agency has also affirmed the National Long-term rating at «A + (rus)», forecast on long-term ratings - "Stable". The ratings affirmation reflects Fitch’s unchanged baseline scenario regarding the region's slightly positive operating balance sheet and gradually growing direct risk (direct debt plus other agency debt) corresponding to its ratings.
4.1. State programs in the field of investment, innovation and entrepreneurship support

1. Resolution of Kemerovo region Board of Administration from September 13, 2013 № 376 "On approval of Kemerovo region state program "Kuzbass economic development and innovative economy" for 2014 - 2019".

2. Resolution of Kemerovo region Board of Administration from October 1, 2013 № 413 "On approval of Kemerovo Region state program "Kemerovo region SMEs' development" for 2014 - 2019".

4.2. Basic laws and basic supports (incentives)

In order to improve investment climate and create favorable business environment and to increase region investment attractiveness following Kemerovo region laws are adopted:

1. "On state support of investment, innovation and production activities in Kemerovo region" (from 26.11.2008 number 102-OZ);
2. "On zones with economically preferable terms" (from 08.07.2010 number 87-OZ);
3. "On Kemerovo region’s Techno-parks" (from 02.07.2008 number 55-OZ);
4. "On tax benefits for investment, innovation and productive organization, managing technoparks organizations, base technoparks organizations, technoparks residents, ZEPT’s management companies and ZEPT participants" (from 26.11.2008 number 101-OZ);
5. "On the tax rates under the simplified taxation system" (from 26.11.2008 number 99-OZ);
6. "On tax benefits to organizations engaged in Kemerovo Region waste management activities" (from 02.06.2011 number 64-OZ);
7. "On tax benefits to industrial parks' residents and investment activity subjects performing activities in the field of natural gas (methane) extraction from Kemerovo region's coal deposits" (from 28.01.2010 number 5-OZ);
8. "On Kemerovo region innovation policy" (from 02.07.2008 number 66-OZ);
9. "On establishing criteria that must be met by large-scale investment projects that are planning to be placed on the land owned by the state or municipality for rent provision to legal persons without tender" (from 07.08.2016 number 52-OZ).

4.3. Subjects eligible for state support

- Residents of zones with economically preferable terms (ZEPT);
- residents of territories with advancing socio-economic development (TASED);
- residents of Techno-park;
- subjects (of investment, innovation and production activities) projects of which are included in Kemerovo region investment projects list.
4.4. Investment projects supporting procedure on the principle of "one window"

Block scheme "Investment projects Support"

- **Application**
  - **Is it a small or a micro enterprise?**
    - Yes: Referral to a Centre for SME Support
    - No: Appointment of responsible persons from both sides

- **Appointment of responsible persons from both sides**
  - **Are there any steps (procedures) that require support?**
    - No: End of service
    - Yes: Assessment of the situation, consultations with experts and authorities

- **Assessment of the situation, consultations with experts and authorities**
  - Applicant receives recommendations on the procedure and documents required

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The Agency assesses the documentation, studies laws and administrative regulations and advises the applicant on how to apply for state and municipal services, as well as services of natural monopolies.
Section 4. Support for investment and innovation activity

Application to regional or local authorities and organizations for a service

Progress monitoring, shortening the time of consideration

Are the results in line with the laws?

Yes

Directing application to commissions, supervisory and law-enforcement bodies

Participation in the work of the commissions, monitoring the requirements

Applicant receives the result of the service

A supervisor from the Agency’s staff regularly monitors the progress of the service and sends requests for a faster consideration of the application.

The application is prepared by the Agency and the applicant together.

If there are grounds for investment projects’ support termination then the Agency Director on the basis of a curator reasoned conclusion decides to terminate the support for investment project or to refuse such a termination.

No
4.5. State support forms (in accordance with Kemerovo region laws)

4.5.1. Tax breaks, %

<table>
<thead>
<tr>
<th>Tax type</th>
<th>Tariffs</th>
<th>ZEPT residents, %</th>
<th>TASED residents, %</th>
<th>Technopark residents, %</th>
<th>For subjects included in KR’s priority projects list</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate income tax</td>
<td>20.0</td>
<td>15.5*</td>
<td>5.0**</td>
<td>15.5*</td>
<td>15.5*</td>
</tr>
<tr>
<td>Property tax</td>
<td>2.2</td>
<td>0</td>
<td>0***</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Social insurance</td>
<td>30.0</td>
<td>30.0</td>
<td>7.6</td>
<td>30.0</td>
<td>30.0</td>
</tr>
<tr>
<td>contributions</td>
<td>1.5</td>
<td>-</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Validity: from 1 to 5 years. According to simplified tax system with a 15% reduced to 5%.
** The first 5 years, later - 12%.
***Tax rate is determined on the basis of a normative act adopted by municipality and is equal to 0% during first 5 years and 1.1% - later.

4.5.2. Non-tax incentives *

- Subsidies from the regional budget to compensate interest on bank loans obtained for projects implementation.
- Subsidies provision from the regional budget to compensate costs for design documentation development, passing through state investment (innovation) projects examination.
- Providing incentives for property rental which is Kemerovo region public property and which is necessary for priority investment projects implementation.
- Kemerovo region as a guarantee of obligations of investment and innovative productive entities arising during priority investment projects implementation.
- Kemerovo region’s participation in open joint-stock companies founding members.
- Provision of non-financial measures of state support, including organizational, informational and consulting assistance provision.

* According to the Kemerovo region’s Law from 26.11.2008 number 102-OZ “On state support of Kemerovo region investment, innovation and production activities.”

4.6. Necessary procedure to include subjects of investment, innovation, manufacturing activity in Kemerovo region’s investment projects list. **

1. Contacting Kemerovo region’s department for investments and strategic development.

2. Preparation of needed documents to obtain public support.

The list of documents submitted to the Kemerovo Region department for investments and strategic development for application consideration:
- an application for investment activity state support, prepared in accordance with the form;
- copies of constituent documents with all subsequent amendments and additions;
- extract from the Unified State Register of Legal Entities received no earlier than ten days prior to the application date;
- a copy of documents confirming powers of the head;
- a business plan on paper and electronic media compiled by form;
- the Kemerovo region Administration structural divisions statement or statement from other Kemerovo region’s executive authorities respect to project’s branch (activity) whether to provide state support in terms of project (activity) significance for industry development and whether it meets criteria for granting state support, including information on previous support provided by the state;
- copies of balance sheets and annexes for the previous year and the previous quarters of this year with a mark of tax inspection;
- a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;
- a certificate of average employees number and average wage for the previous reporting period, certified by activity subject signature and seal.

3. Conducting peer review of documents by Kemerovo
4.7. The procedure for granting state support to Technoparks’ residents***

1. Appeal to technopark’s managing organization.
2. Preparation of needed documents to obtain public support.
   The list of documents submitted to the Kemerovo Region’s department for investments and strategic development for application consideration:
   - application for Technopark’s resident status assignment, compiled in the form;
   - innovative project that covers appropriate technopark’s activity areas compiled in the form;
   - innovative project’s positive conclusion by Technopark’s expert council included in Kemerovo Region technoparks register;
   - an agreement between the applicant and the Technopark on innovation project implementation;
   - a copy of certificate about registration in tax authority at the entity activities location;
   - copies of constituent documents with all subsequent amendments and additions;
   - a tax authorities’ certificate on debt absence (presence) on payments to the budgets;
   - a certificate of average employees’ number and average wage for the previous reporting period.
3. Conducting peer review of documents by Kemerovo region’s investment policy department for strategic development.
4. Project introduction to investment and innovation Council under Kemerovo Region Governor (hereinafter - the Council).
5. Project consideration by Kemerovo region Board of Administration (with a positive decision by the Council) in a period not exceeding 45 calendar days from the date of application and documents receipt.
6. Signing of Agreement on cooperation for project realization between Kemerovo region, a Technopark and Technopark’s resident which receives government support (in case of a positive decision of the Kemerovo region Board of Administration).

***According to the Resolution of the Kemerovo region’s Board of Administration from 14.10.2009 number 411 “On measures to implement Kemerovo region law from 26.11.2008 number 102-OZ “On state support of investment, innovation and production activities in Kemerovo region”.

4.8. Necessary procedure to conclude agreements on activity implementation on territories with advancing socio-economic development (TASED) established in Kemerovo region’s mono-core municipalities (mono-cities)****

1. Contacting Kemerovo region department for investments and strategic development.
2. Preparation of needed documents to obtain public support.
   The list of documents submitted to the Kemerovo region’s department for investments and strategic development for application consideration:
   - an application for agreement signing, prepared in accordance with the form;
   - copies of constituent documents with all subsequent amendments and additions;
   - a copy of documents confirming powers of the head;
   - information about the owners (including information on no communication with city-forming company);
   - a business plan on paper and electronic media, compiled by form;
   - an investment project’s passport on paper and electronic media, compiled by form;
   - information on planned total capital investment and jobs, including subdivision by every year, in case of investment project implementation;
   - copies of balance sheets and annexes for the year prior to the application year;
   - a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;
- information about payments status on insurance premiums, penalties and fines issued by the competent authorities no earlier than one month before application submission
- A certificate of average employees’ number and average wage for the previous reporting period, certified by activity’s subject signature and seal (if any).

3. Conduct peer review of documents by Kemerovo region’s investment policy department for strategic development.

4. Project introduction to investment and innovation Council under Kemerovo Region Governor (hereinafter - the Council).

5. Kemerovo region College Administration takes one of the following decisions according to results of investment project’s review:
   - on agreement conclusion;
   - of negative response with indication of reasons.

6. Sending agreement to the Ministry of economic development to include this agreement in the registry.

Terms for submitted documents examination:
- Department of Kemerovo region’s investments and strategic development takes 15 to 33 days for a conclusion;
- the conclusion is reviewed by investment and innovation Council under Kemerovo Region Governor in period of 7 to 15 days and Council gives a next conclusion;
- this conclusion is reviewed by Kemerovo region College of Administration in period of 5 to 15 days;
- the term of agreement signing on the activity implementation in TASED - within 15 days from the date of a Kemerovo region’s Board of Administration order;
- term of a new TASED resident’s registration by Ministry of Russia’s Economic Development in period of 7 to 15 days.

****According to the decree of the Kemerovo region’s College of Administration adopted № 312 "On approval of a Procedure for conclusion of agreements on activity implementation on the territories of advancing social and economic development, established on the territories of Kemerovo region’s single-industry municipalities (mono-cities)".

4.9 Agreement concluding procedure for economic activity in zones with economically preferable terms (ZEPT) *****

1. To conduct business in ZEPT, subject should be registered on a municipality’s territory which has ZEPT on it and have the same type of economic activity that ZEPT does. Company should direct an application for economic activity in ZEPT to the Department of Kemerovo Region investments and strategic development.

2. Also companies need to provide authorities with following documents:
   - land parcel documents for the territory on which the organization plans to conduct economic activity corresponding to the ZEPT-type;
   - a business plan on paper and electronic media, compiled by form. Business plan should include details about

One of the Kemerovo region’s priority projects is oil refinery.
Map diagram of Kemerovo region’s territories with favorable conditions for economic activity conduction

**TASED “Yurga”**
The territory with advancing socio-economic development “Yurga” was established by the Russian Federation Government Decree from 07.07.2016. TASED “Yurga” area installed within the boundaries of the Yurga city district.

**TASED “Anzhero-Sudzhensk”**
The territory with advancing socio-economic development “Anzhero-Sudzhensk” was established by the Russian Federation Government Decree from 19.09.2016. TASED “Anzhero-Sudzhensk” area installed within the boundaries of the Anzhero-Sudzhensk city district.

**TASED “Novokuznetsk”**
The territory of advanced social and economic development “Novokuznetsk” was formed by Decree of Russian Federation Government of March 16, 2018. The TASED Novokuznetsk area is within the borders of Novokuznetsk municipal district.

**ZEPT “Gornaya Shoria”**
The zone with economically preferable terms of tourism and recreation type (Tashtagol area).
planned investments volume on the ZEPT territory, the number of newly created jobs, goods' production description and volume, sales volume's substantiation;
- copies of balance sheets and annexes for the previous year and the previous quarters of this year with a mark of tax inspection;
- a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;
- a certificate of average employees’ number and average wage for the previous reporting period, certified by activity’s subject signature and seal.

3. Individual entrepreneurs need to provide authorities with following documents in addition to application:
- land parcel documents for the territory on which the organization plans to conduct economic activity corresponding to the ZEPT-type;
- a copy of Russian Federation citizen’s identity document;
- a copy of certificate of “person as an individual entrepreneur” state registration;
- a business plan on paper and electronic media, compiled by form. Business plan should include details about planned investments volume on the ZEPT territory, the number of newly created jobs, goods’ production description and volume, sales volume’s substantiation;
- copies of balance sheets and annexes for the previous year and the previous quarters of this year with a mark of tax inspection;
- a certificate from the tax authorities on the status of payments for taxes, fees, fines and penalties received no earlier than ten days prior to the application date;
- a certificate of average employees number and average wage for the previous reporting period, certified by subject’s head signature and seal.

4. Documents’ copies must be certified by signature and seal of the organization (individual entrepreneur).

Management conducts their expert evaluation within thirty calendar days from the documents receipt date. According to the expert assessment results the conclusion about agreement possibility (or impossibility) to be made. In case of positive answer an agreement is concluded within thirty calendar days from the date answer was given.

***** According to the decree of the Kemerovo region’s College of Administration № 451 from 19 October 2010 "On Kemerovo region’s measures for implementation the Kemerovo region’s law № 87-OZ from 08.07.2010 “On zones with economically preferable terms”.

4.10. Investors activity in case of capital construction

1. The investment site search and identification of the main object’s technical and economic parameters.

Investment site search can be carried out from among the sites located in the investment sites Registry on the Investment portal www.keminvest.ru or by using the Kemerovo region www.isogd42.ru geographic information spatial planning system.

Consultations on investment platforms selection are available at Kemerovo Region State public institutions "Agency for Investments Promotion and Protection" (Kemerovo, 1, Sosnoviy Boulevard, office 204, Tel./fax: 8 (384-2) 77-86-00, Monday - Friday 8.30-17.30 break 12.00-13.00).

Planned object’s technical and economic parameters are determined by the investor.

2. Registration of land rights.

Local municipalities’ authorities provide municipally owned land. Information on the procedure for granting land (administrative regulations) is available on the official sites of local governments. Information on conditions of land use, town planning restrictions and limiting parameters of permitted construction is contained in the planning regulations of territorial zones in Rules of municipalities for land use and development. These Rules are available on the local governments official sites. For convenience, you can use the regional resource www.guai42.ru.

Allocation of land plots that are not delimited in Kemerovo city and Kemerovo region is carried out by the Kemerovo region’s Committee of State Property Management (www.kugi42.ru). If survey work is necessary the applicant must apply to any cadastral engineer. Information about certified engineers is contained in the cadastral engineers’ Register on Russian register site: www.rosreestr.ru.

Making land rights between business entities is conducted in accordance with Russian Federation Civil Code.

For land rights registration in cases provided by law an applicant must apply to the Russian State Register Office of Kemerovo Region (www.to42.rosreestr.ru) or its territorial department (list of territorial divisions posted on the website under "Structure": www.to42.rosreestr.ru/) or the nearest multifunctional center providing state and municipal services.


Urban development plan of the land site is provided by municipality local government, in which this territory
is found. Information on the procedure of urban development land plans (administrative regulations) is available on local governments official sites.

4. Engineering surveys.

In order to obtain information on natural conditions, factors of anthropogenic impact on the environment and materials needed for project’s documentation development it is needed to perform engineering surveys. Types of engineering survey works, which affect the capital construction’s security, must be carried out only by individual entrepreneurs or legal entities who have issued a certificate for this type of work from self-regulatory organization (SRO). Lists of these organizations are available on the official websites of the SRO. SRO Register is posted at Russian technical control site: http://sro.gosnadzor.ru.

5. Design documentation development.

Types of works on project’s documentation preparation, which affect the security of capital construction must be carried out only by individual entrepreneurs or legal entities who have issued a certificate for this type of work from self-regulatory organization (SRO). Lists of these organizations are available on the official websites of the SRO. SRO Register is posted at Russian technical control site: http://sro.gosnadzor.ru.

6. Examination of project documentation and engineering survey results, state ecological expertise.

In cases under Art. 49 of the Russian Federation Town Planning Code, project documentation and engineering survey results are sent to examination. State or non-state examination can be carried out. The examination type depends on object’s membership in especially dangerous, technically complex and unique objects, as well as depending on sources of financing. State examination is conducted by Federal Autonomous Institution “Glavgosexpertiza Russia” (www.gge.ru) or State Autonomous Agency “State examination Management” (www.uge42.ru). State expertise may be carried out by specialized organizations accredited for conducting non-state examination. The list of accredited organizations is available on the Federal Accreditation Service website http://fsa.gov.ru/ in tab “Registers”.

In cases under Art. 11, 12 of the Federal Law from 23.11.1995, № 174-FZ “On the environmental-impact assessment” project documentation should be sent to the state environmental expertise in Kemerovo region Department of Natural Resources and Ecology (www.kuzbasseco.ru).
7. Obtaining a building permit.
Issuance of building permits is carried out by local municipality authorities that own the territory with the needed land. If an object is located on the territory of two or more Kemerovo region municipalities, the issuance of a building permit is carried out by the Kemerovo region’s Main Department of Architecture and Urban Planning (www.guaig42.ru).

8. Construction implementation.
Types of works on construction, reconstruction, repair of capital construction which affect the security of capital construction must be carried out only by individual entrepreneurs or legal entities who have issued a certificate for this type of work from self-regulatory organization. Lists of these organizations are available on the official websites of the SRO. SRO Register is posted at Russian technical control site http://sro.gosnadzor.ru.

In accordance with Art. 53 of the Russian Federation Town Planning Code a building control is carried out during construction process. In case of construction under the construction contract supervision is carried out by the developer or the technical customer. In this case the latter should have the appropriate SRO approval.

9. Obtaining commissioning permission.
Issuance of capital construction’s commissioning permit is carried out by the authority that issued the building permit.

In cases under Art. 54 of the Russian Federation Town Planning Code the state building supervision must be carried out during the construction. If a construction type is classified as especially dangerous, technically complex and unique objects or related to the placement and disposal of waste I - V hazard class, then construction supervision is carried out by the Siberian Department of Russian technical control (http://usib.gosnadzor.ru) and the Inspectorate of Kemerovo region State construction supervision (www.igsanko.ru).

9. Obtaining commissioning permission.
Issuance of capital construction’s commissioning permit is carried out by the authority that issued the building permit.

In accordance with Art. 53 of the Russian Federation Town Planning Code a building control is carried out during construction process. In case of construction under the construction contract supervision is carried out by the developer or the technical customer. In this case the latter should have the appropriate SRO approval.

Construction authorities

The Kemerovo Region Department for Construction
650000, Kemerovo, 60, Sovetsky prospect
+7 (3842) 58-55-45, 58-71-81
http://dsko.ru

The Kemerovo Region Committee for State Property Management
650099, Kemerovo, 58, Sovetsky prospect
+7 (3842) 58-15-50
http://www.kugi42.ru

The department of the Federal Service for State Registration, Cadastre and Cartography in Kemerovo region
650991, Kemerovo, 3g, Oktyabrsky prospect
+7 (3842) 72-53-59, 35-74-16
http://www.to42.rosreestr.ru

The Central Department of Architecture and Urban Planning of the Kemerovo Region
650099, Kemerovo, 60, Sovetsky prospect
+7 (3842) 36-43-17
http://www.guaig42.ru

The Kemerovo Region Department for State Expert Review
(The Department for Reviewing Design Documentation and Results of Engineering Surveys)
650023, Kemerovo, 18-2, Tereshkovoy st., (3rd floor)
+7 (3842) 34-66-01,
Fax: +7 (3842) 34-66-01
http://uge42.ru

The Kemerovo Region Department of Natural Resources and Ecology
650000, Kemerovo, 63, Sovetsky prospect
+7 (3842) 58-55-56
http://www.kuzbasseco.ru

The Kemerovo Region Inspectorate for State Construction Supervision
650064, Kemerovo, 60, Sovetsky prospect
+7 (3842) 58-70-12
http://www.igsnko.ru

The Siberian Department of the Federal Service for Ecological, Technological and Nuclear Supervision (Rostekhnadzor)
Kemerovo, 3, Institutskaya st.
+7 (3842) 64-54-20
http://usib.gosnadzor.ru
The region’s international and interregional cooperation is governed by the Concept for Development of Foreign and Interregional Economic Activities of Kemerovo region, adopted by Kemerovo Region Administration Board (No. 1123-p of 10.10.2006). The cooperation between Kemerovo region and other constituents of Russia and foreign countries is based on the region’s competitive advantages including rich natural resources, internal reserves for developing and modernizing various regional sectors, well-developed industrial, financial and transport infrastructure and human resources.

5.1. Agency for investments attraction and protection

The main Agency goal is to perform "one window" function which works as an informational source for foreign investors about the region’s investment potential, ongoing projects, new investment opportunities as well as a tool to create favorable conditions for foreign companies’ entry to the regional market.

Main Agency’s functions at the international level are:
- searching and attracting Russian and foreign investors for investment projects realization on the region’s territory;
- organization of interaction and involvement of Russian and international financial organizations and institutions for investment projects implementation;
- region’s presentation on international exhibitions, forums, conferences as well as promotion of investment opportunities and area’s business image by building an efficient system of communication and interaction with international investment community.

During 2018 it is planned to modernize the Kemerovo Region Investment Portal www.keminvest.ru. As a result the portal will be presented in four languages.

Contacts:
Kemerovo, 1, Sosnovy boulevard, office 204
Tel.: (3842) 900–181
http://keminvest.ru
e-mail: aapi42@yandex.ru

5.2. The Kuzbass Chamber of Commerce and Industry

The Kuzbass Chamber of Commerce and Industry (KCCI) is a coordinator of activities aimed to establish and strengthen international and interregional relations of the Kemerovo Region under the Agreement between the Kemerovo Region Administration and the KCCI on cooperation in developing foreign economic relations.

The Union "KCCI" efforts to facilitate the development of foreign and interregional economic relations of Kuzbass enterprises and their participation in exhibitions and fairs focusing on two major objectives, namely:
1. Promoting local products and services in other regions of Russia and abroad; and
2. Encouraging investment in Kuzbass.

The Union "Kuzbass Chamber of Commerce and Industry" conducts the portal of Kemerovo region Foreign Economic Relations www.vedkuzbass.ru.
Kemerovo region investment passport

This portal includes date information for foreign economic activity participants and investors about region geography of foreign economic connections and export potential, foreign economic activity indicators in area of all Russian customs posts’ responsibility as well as regulatory and methodological materials for foreign trade conduction.

Contacts:
650002, Kemerovo, 1, Sosnovy boulevard, office 509
Phone/fax: +7 (3842) 77-88-17, 77-88-22
E-mail: ves@kuztpu.ru
Web-site: http://www.kuztpu.ru/
Web-site: www.vedkuzbass.ru

5.3. Customs

Kemerovo Customs has a status of internal customs without access to the borders of Russia. Structurally, Kemerovo Customs consists of 6 customs stations located in the cities of Novokuznetsk, Prokopyevsk, Mezhdurechensk, Leninsk-Kuznetsky, Belovo and Kemerovo. Belovo, Leninsk-Kuznetsky, Mezhdurechensk and Prokopyevsk customs offices are competent only for registration of railway and transport overhead (affixing the stamp of the customs authority). Kuzbass and Novokuznetsk customs offices are competent to declare the entire product line, except meat, alcoholic beverages as well as forests and energy exports.

As a result of 2017, the amount of federal budget revenues administered by customs authorities of Siberian Customs Administration (SCA) amounted to 80 billion 517 million rubles.

Kemerovo region foreign trade turnover in 2017 amounted to 14.5 billion US dollars and increased by 4.4 billion dollars (43.7%) compared to 2016. In a trade turnover structure the share of exports was 95.6%, the share of imports - 4.4% (in 2016 - 95.0% and 5.0% respectively).

Foreign trade operations were carried out with partners from 107 countries (in 2016 - from 109 countries). Kemerovo region Exports in 2017 amounted to 13.9 billion US dollars and increased by 4.3 billion dollars (44.5%) compared to 2016. At the same time, the exports physical volume increased by 4.2% and amounted to 141.8 million tons. Kemerovo region imports in 2017 amounted to 645.3 million US dollars and increased by 144.2 million dollars (28.8%) compared to 2016. The physical volume of supplies in imports amounted to 773.9 thousand tons and increased 1.6 times.

The main Kemerovo region international partners are Taiwan, Korea, Japan, Turkey, China, Netherlands, Germany.

Kemerovo customs policy is aimed to organize and construct relationship with the business community both of the region and the Siberian Federal District. The purpose of dialogue is creation of favorable conditions for foreign trade development and improving region investment attractiveness. There is a close cooperation with the Kuzbass Chamber of Commerce, the Kuzbass Technopark and a public organization "Support of Russia". Working meetings with foreign trade participants are carried out on ongoing basis. Currently, in cooperation with the Kemerovo Region Administration a work for investment projects studying is organized. These activities help to develop a common strategy and to solve problems occurred during operation.

Kemerovo Customs is actively using modern information technology that reduces time of customs operations and enhances customs control effectiveness. In 2015 Kuzbass and Novokuznetsk customs posts were included in the program for automatic registration and issue of goods declarations, thereby reducing the average time of goods declarations registration from 1 hour to 40 seconds. The work with the participants of foreign economic activity directed to the correct filling of goods declarations is conducted. It allows increasing the number of declarations received automatically and to actively introduce automatic declaration release.

Today, in the area of Kemerovo customs activity there are 9 temporary storage warehouses, 3 customs warehouses, 1 customs authority warehouse, and 2 international air crossing point “Spichenkovo” (Novokuznetsk) and International “Airport in honor of A.A. Leonov” (Kemerovo).

Kemerovo Customs provides free public information service about legal acts in the field of customs and consultancy on customs affairs and other issues within the customs authorities competence. To get such public a subject should sent a written request for consultation to customs authority address.

Persons consulting in public services provision, information on legal acts in the field of customs affairs, counseling on customs affairs and other issues within the customs bodies’ competence and authorized officials, is conducting at the address: 650055, Kemerovo, 36, Sarygina st., tel.: (3842) 36-14-34, 34-94-68 (Kemerovo customs legal department), e-mail.: svc-kem-odo@stu.customs.ru

Contacts:
650055, Kemerovo, 36, Sarygina st.,
tel. on reception: 8 (3842) 75-25-66
Tel. / Fax: 8 (3842) 36-28-69
tel. of operational duty: 8 (3842) 75-27-43
e-mail: svc-kem-odo@stu.customs.ru
Section 6

Recreation, sports and health tourism and leisure

6.1. Recreational resources

Kemerovo Region on a combination of its natural resources variety and the environment can rightly be attributed to the unique region of the world. Kemerovo Region is located at the junction of the West Siberian Plain and the mountains of Southern Siberia. Much of the area lies in the Kuznetsk Depression separating the Kuznetsk Alatau (up to 2178 m tall), the Salair Ridge and the ridges of Gornaya (Mountain) Shoria in the South. The region's high recreational potential can be attributed to its climatic and orographic conditions, its scenery, culture and history, which make this area favourable for almost any kind of tourism such as hiking, water, business, cultural, historical tourism and others.

The main resort area resources are mineral water deposits that confined to the Kuznetsk artesian basin. Nitrogen complex chemical composition of water with salinity from 2.8 to 11, 2 g/l are common here. There were revealed large deposits of nitrogen-methane hydrocarbon sodium water containing iodine, bromine, hydrogen sulfide with mineralization from 2 to 5 g/l. Chloride-sodium bicarbonate water is widespread. At 75 km from the city of Novokuznetsk it was found carbonic sodium bicarbonate and sodium-calcium carbonated water (Tersinskoe deposit), in Krapivinskoye area – hydro-chloride sodium water containing 10-20 mg/l of bromine and hydrogen sulfide in excess of 33 mg/l with mineralization up to 2 g/l (Borisovskoye deposit). Spa resorts are created on the basis of these fields.

Kemerovo Region has large reserves of sapropelic therapeutic mud in the freshwater of the lake Bolshoi Berchikul in Tissulskiy District at the junction of the eastern slope of the Kuznetsk Alatau and the Kaychak forest steppe, in the interstream area between the Tom and Yenisei rivers.

A scenic mountain terrain spreads over the South, East and West of the region with its unique natural monuments such as the Spasskiye Dvortsy (Spassky Palaces) cliffs, the Alguiskiye Tremolites, the Pily Taizhesu (the Saws of Taizhesu), the Skalistye Gory (Rocky Mountains) canyon, the Krasniy Kamen (Red Stone), the Gavriloetkiye caves, the Orlinaya Gora (Eagle Mountain), the archaeological complexes of the Ur river, the Kamennye Vorota (Stone Gates), the granite buttes of Mustag bald peak, the Podnebesnye Zubya (Sky-scraping Teeth), cave complexes along the upstream stretch of the Mrassu river and the Usinskiy karst area with the famous Pamyatnaya (Memorial) cave, an underground river, a lake and other sights.

The Tom is the major river in Kuzbass running through the region for almost 300 km and a favourite route among water tourists especially such of its tributaries as the Belsu, the Mrassu, the Usa, the Kondoma, the Verkhnyaya (Upper) Ters, the Srednyaya (Medium)
For the last 20 years tourism has emerged as an independent branch of the Kemerovo regions’ economy. In this period the number of organizations working in tourism business has increased by 11 times.

6.2. Winter sports and tourism development Centers

For the last 20 years tourism has emerged as an independent branch of the Kemerovo regions’ economy. At the end of 2017 the number of organizations working in the tourism business, compared with 1997, has increased by 11 times, the number of employees - up to 6 times, the amount of tax revenues - by 3.5 times, and the flow of tourists - 300 times. The annual volume of tourist services in the region is about 3 billion rubles, hotel and sanatorium - 2 billion rubles. Almost 1 billion rubles in taxes came in different budget levels.

Sports and Tourist Complex “Sheresheh”

Sports and Tourist Complex “Sheresheh”, located in the Gornaya Shoria (mountain Shoria) (in Tashtagol District), is one of the most popular ski resorts not only in Russia, but even abroad. Within the complex there are 66 hotel which can accommodate up to 3 thousand guests, 16 ski lifts (from the rope to the gondola), 21 ski...
slope with a height difference of 120 to 800 meters and 3 snowmobile trails with a total length of over 42 kilometers, 62 cafes and restaurants, three entertainment centers, 13 parking lots, 18 points of equipment rent.

In addition to the skiing facilities at the resort there are actively developing additional services to help diversify the rest such as an indoor ice-skating rink, tennis courts, bowling alley, thermal baths.

The next stage of resort development - Mount Mustaghi slopes’ exploration. The master plan was prepared together with the Canadian company “Ecosign”. In fact it is a construction of the second Sheregesh (Sector “B”) in accordance with international standards.

It is planned to raise an additional 10 billion rubles of private investment in the resort zone development in the period between now and 2020.

In 2017, all documentation for territorial planning of the united territory of Sheregesh and STC Sheregesh was developed and approved. The territory general plan was approved with consideration for the prospects of its development. Also, the Land Use and Development Rules were approved.

Other Kemerovo Region developing ski centers

A provincial snowboarding and skiing center is opened on the mountain Tumannaya in Tashtagolsky area. It laid more than 5000 meters of the ski slopes with a relief that conforms to international standards. A modern snowboard park is built.

The first phase of the Provincial year-round recreation center and health “Tanai” (Promyshlennovsky district) was opened in 2007. It is a popular family vacation place as for Kuzbass and neighboring regions’ inhabitants. Currently, “Tanai” is not only famous as a ski resort but also as a resort special values of which are mineral water “Tanai” and beautiful nature.

In the North of the region there is a ski resort “Gornaya Salanga” (Tisulsky district). There is full infrastructure for guests: 4 ski slopes, 4 lifts, alpine village of 14 chalets, Sport Village with 3 guest houses, a restaurant, bar and children playground.

In addition, more ski resorts are actively developing on Mount Yugus (Mezhdurechensk) and on Mount Zolotaya (Guryev district).
6.3. The most famous Kemerovo region sightseeing

**Ecomuseum-reserve : "Tyulbersky gorodok" ("Tyulbersky town") (Kemerovo region, village Starochervovo)**

It was established in 2002. The ecomuseum - reserve’s basis is medieval settlement with well-preserved shaft, a moat, and burnt dwellings’ remains, metallurgical workshops and cult altar. The reserve has museumified reconstruction of one travel and three angular towers carcass typical Siberian jails and also Cossack sentry hut. This defensive complex of the towers and the picket fence as well as reconstructed modern wooden buildings for residential and farm buildings create a collective image of the Siberian Cossack burg XVII - XVIII centuries, organically fit into the surrounding historic landscape.

**Monument "Memory of Kuzbass miners" (Kemerovo)**

The monument is a symbol of the heroic miners’ work and dedicated to the memory of the dead Kuzbass miners. A bronze sculpture by Ernst Neizvestny is installed on the Tom River’s right bank in Kemerovo.

**Museum-Reserve “Krasnaya gorka” (“Red Hill”) (Kemerovo)**

It was founded in 1991 on former coal mine’s territory. “Krasnaya gorka” area is an open-air museum: here on the Tom’s steep bank a unique complex of monuments of mining and historical and cultural heritage is preserved and it’s located in its natural landscape environment (http://www.redhill-kemerovo.ru).

**“Kuznetskaya krepost” (“Kuznetsk fortress”) (Novokuznetsk)**

Monument of history, military engineering and architecture with federal significance. The fortress, planted on Mount Voznesenskaya in 1799, is entire Western Siberia’s unique architectural monument as it is the only 19th century stone fortification preserved to this day (http://kuzn-krepost.ru).
Kuzedeevskaya lipovaya roshya (linden grove) (Novokuznetsk region)

It is located in Novokuznetsk (Kemerovo region) and has relict linden. Federal natural and historical monument "Kuzedeevsky linden Island" reflects the history of Siberian vegetation formation, it is a remnant of heat-loving deciduous forests of the Tertiary period (60 million years ago).

City Mariinsk

The unique open-air museum - county Siberian city's model of late XIX - early XX century. The city has a rich historical and cultural heritage which is based on architectural complex of historical city center. The city has 74 architectural monuments (http://www.mariinsk-tur.ru).

Podnebesniye zubiya ("Celestial Teeth") (Mezhdurechensk)

"Podnebesniye zubiya" (Tigger-Tisch) - one of the most beautiful mountain areas in the Kuznetsky Alatau, located 60 km east from Mezhdurechensk city.
Biosphere Reserve "Kuznetsky Alatau"

Specially protected natural site, the area of 413 thousand hectares. The reserve was established in Kemerovo region on December 27, 1989. It is located in the South of the central Siberia on the highest part of the Kuznetsky Alatau’s western slope on Tisulsky, Novokuznetsky and Mezhdurechensky territories (Kemerovo region) (http://www.kuz-alatau.ru).

Sculpture "Zolotaya (Golden) Shoriya" (in Tashtagol)

Sculpture Author - Dashi Namdakov. The sculpture is made of blackened bronze and set in the military glory park in Tashtagol city. The sculpture symbolizes the continuity of generations, warm greetings and is a real gem of Tashtagol.

Azasskaya Peschera (Cave) (Tashtagol district)

Nature monument is located in the Tashtagol district 18 km from the settlement Ust-Kabyrza at Azas River rise. The total length of the cave is 7 km. It is considered a Yeti habitat (Bigfoot). In November 2010 a new holiday was established in Kuzbass - the Day of the Yeti. This day is now celebrated each year with the opening of a new winter season and each year attracts thousands of winter recreation fans.

"Spasskiye dvortsy (palaces)" (Tashtagol district)

It is a name of natural rocks located near Spassk village. Size, massiveness and inaccessibility of cliffs composed of granite rocks and surrounded by Taiga really amaze. Spasskiye palaces’s peak tends upward while silence and darkness reign in his caves.
Section 6. Recreation, sports and health tourism and leisure

Shorskiy National Park (Tashtagol District)

It is Specially protected natural site. According to forest surveying reports the park's area is 413843 hectares. 70,826.4 ha (17.1% of the total area of the park) are a protected zone, 56,221.6 ha (13.6%) are area of limited economic use; 129,256 ha (31.2%) belong to recreational use and 157539 ha (38.1%) belong to economic purpose zone. In accordance with the state cadastral registration national park's total land area is 414306.25 hectares.

Shestakovsky archaeological and paleontological complex (Chebulinsky district)

A small village Shestakovo in Chebulinsky district became known throughout the scientific world in 1953 when in the base of Shestakov ravine on the Kiya river bank a small dinosaur skeleton was discovered, belonging to the genus psittacosaurs. Psittacosaurs lived in the early Cretaceous period 130-100 million years ago. Shestakovo - the only location of Early Cretaceous continental vertebrate on the territory of Russia. This ravine was called "dinosaurs graveyard" (http://chudo.chebula.ru). From 2015 a new festival appeared. It is called "Visiting a dinosaur". It is celebrated on the third Saturday of June and held in Shestakovo village Archaeological and paleontological complex. Visitors' number was about 5,000 people in 2017.

Shestakovsky archaeological and paleontological complex consists of 24 monuments. In addition to exhibits of archeological excavations, deposits of paleofauna were discovered in the vicinity of the village. It is represented by Early Cretaceous reptiles and fossil mammal remains. Only here you can see the full, almost undamaged skeletons of "terrible lizards".

From 2015 a new festival appeared. It is called "Visiting a dinosaur". It is celebrated on the third Saturday of June and held in Shestakovo village. For all those who wish to visit these reserved places, a unique tourist route "The Eighth Wonder of Kuzbass" has been developed, which is suitable for both family and cognitive recreation.

Kondoviy buhtay (Chebulinsky district)

Not far from the Kiya River near Shestakovo village there is dilapidated an ancient volcano "Kondoviy buhtay" which is dated to Devonian period. It participated in the volcanic activity in this region more than 400 million years ago.

Tomskaya Pisanitsa (Yashkinsky district)

On the Tom river's right rocky shore in the boundaries of Yashkinsky district there are ancient people's unique paintings – petroglyphs that constitute a single group of Pritomiye rock art sites (http://www.gukmztp.ru).
Welcome to Kuzbass!

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