Investment potential of the Vologda region

- Original Vologda product
- Vologda butter
- Vologda lace
- Vologda flax
- Ded Moroz from Veliky Ustyug
- Severstal
- PhosAgro
Every 7th ton of rolled ferrous metal products
Every 6th ton of Russian steel
Every 8th ton of mineral fertilizers
Every 3rd Russian ball bearing
2nd place in production of plywood
4th place in milk production (per capita)

Potential sales market is 50 million people
Peopleware

The institutions of higher education prepare specialists in the sphere of economics, finance, management, law, IT, engineering, innovations, sciences, electronic engineering.

18 institutions of higher education:
- 35 ths. students
- 92 professions

Study directions:
- 83 - bachelors
- 32 - masters

Scientific and technical as well as innovative infrastructure is mostly represented by institutions of higher education. There are 116 Doctors of Science and 641 Candidates of Science, there are more than 80 post-graduate professions for more than 450 young specialists.

- 4 state federal institutions of higher education
- 7 affiliates of state federal institutions of higher education
- 1 non-state institution of higher education
- 6 affiliates of non-state institutions of higher education

- Multiprofile resource centre of continuous professional education
- Experimental engineering practice ground
- Chemical and technological practice ground
Vologda butter

Nikolay Vereschagin
creator of Vologda butter

Vologda lace

National lace museum in Vologda
Thematic tourism

Veliky Ustyug – homeland of Ded Moroz

Event tourism

VOICES – festival of young European films

Dionysius’s frescoes – monument of UNESCO world heritage
Agriculture

Milk production

- **Whole milk:** 123 ths. tons (19 companies)
- **Cream:** 3,6 ths. tons (10 companies)
- **Fermented dairy products:** 30,2 ths. tons (19 companies)
- **Sour cream:** 12,7 ths. tons (16 companies)
- **Cottage cheese:** 7,6 ths. tons (15 companies)
- **Butter:** 5,1 ths. tons (13 companies)
- **Powder milk:** 2 ths. tons (2 companies)
- **Condensed milk:** 10,3 million tins (1 company)
- **Cheese:** 774 tons (3 companies)

430 ths. tons

- **Milk and meat cattle-breeding**
- **Vegetable farming, greenhousing**
- **Fish breeding**

240 ths. tons of potatoes per year
Forest sector

- Furniture production
- Veneer and board production
- Wooden houses construction
- Paper, cardboard and pulp production

Forest resources of the region: 11.5 million ha
68% Timber processing in the region
29 million m³ Rated wood cutting
1.6 billion m³ Total forest standing volume
Forest sector: cooperation with Finnish companies

Russian wood international exhibition

3-5 of December 2014
Steel for building construction, bridge construction, electrotechnical steel, shipbuilding steel, pressure vessel steel, zinc coated steel, galvanized steel, automobile body sheet, fittings, rod iron, circle, L-steel, channel, hexagon, molded sections...

Reinforcement, wire, fiber, lattice and lattice structures, steel rods and strands, fasteners, profiled outlines, calibrated steel

Production of fertilizers:
- Acids: sulphuric, phosphoric, azotic.
- Other products: sulphur waste, aluminum fluoride (AlF3).
Liquid ammonia
The biggest investment projects of the region

Creation of special economic zone (SEZ) and forest cluster

CJSC «Sveza»

Construction of a pulp mill

Projects of other residents of SEZ:

<table>
<thead>
<tr>
<th>Project</th>
<th>Investments, million euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air separation plant</td>
<td>48</td>
</tr>
<tr>
<td>Sawmill</td>
<td>19</td>
</tr>
<tr>
<td>Pellets production</td>
<td>11.4</td>
</tr>
<tr>
<td>Wooden houses producing plant</td>
<td>22.8</td>
</tr>
<tr>
<td>Plant of industrial railway transport</td>
<td>9.5</td>
</tr>
<tr>
<td>Board production (plywood plant)</td>
<td>81.6</td>
</tr>
<tr>
<td>Production of fiber boards</td>
<td>20.9</td>
</tr>
<tr>
<td>Furniture board producing plant</td>
<td>6.8</td>
</tr>
</tbody>
</table>

1,200 ths. tons per year

1.5 billion euro

1.5 billion euro

220 million euro

2015-2018
The biggest investment projects of the region

Development of the chemical cluster (Cherepovets)

CJSC «PhosAgro AG»

Construction of a new energy efficient ammonia unit

- Production of granular carbamide: 500 pdf tons per year
- Production of NPK fertilizers: 500 pdf tons per year
- Production of ammonia sulfate: 300 pdf tons per year
- Technical reequipment of aluminium fluoride production: 35 pdf tons per year

- Volume of investments: 480 million euro
- Capacity: 760 pdf tons per year
- Investments from the projects implementation: 420 million euro

in cooperation with Mitsubishi Heavy Industries

Investments from the projects implementation: 2014-2018
Projects implemented in the region

Cooperation with Air Liquide

CJSC «Air Liquide»
- joint venture of OJSC «Severstal» and Air Liquide

Project: Construction of air separation units

Production:
- Liquid oxygen, nitrogen and argon – 3 000 tons per day
- Gaseous bulk oxygen of high pressure – 2 000 tons per day

80 million euro

Project budget

Cooperation with Arcelor

Cherepovets Steel Mill

Project: Line for production of high quality hot deep galvanized steel for external and internal parts of automobiles under trademark Extragal

Production:
- More than 50 types of hot deep galvanized steel
- About 95 ths. tons of automobile body sheet were produced in 2013, that exceeds the level of 2012 by 44 %.
- More than 86% of hot deep galvanized automobile sheet are being exported

100 million euro

Project budget
Projects implemented in the region

Cooperation with Thales Optronics

OJSC «Vologda optical and mechanical plant»

**Production:** The centre of license production of thermal imagery cameras “Catherine XP” is organized on the basis of OJSC “Vologda optical and mechanical plant”

**Project budget:** 2.6 million euro

Cooperation with Nestle

«Nestle Russia», Ltd.

**Project:** Construction of a number of buildings of the baby food producing plant in the city Vologda

**Production:**
- Expansion of variety of milk porridge from 14 to 19 articles, of non-milk porridge from 6 to 8 articles,
- Increase of the production volume from 9,000 tons to 40,000 tons by 2020

**Project budget:** 25.9 million euro
Projects implemented in the region

**Cooperation with SMS Meer**

«Severstal Pipeworks «Sheksna», Ltd.

**Project of creation** a plant producing round, square, orthographic pipes with a diameter from 127 mm to 426 mm.

**Project budget** 100 million euro

**Cooperation with RÜTGERS**

«Rütgers Severtar»

**Project of creation** of a new technological chain of deep processing of coal tar in order to receive vacuum carbon loam, naphthalene, oil, etc.

**Budget проекта** 100 million euro
Projects implemented in the region

«OGK-Investproject», Ltd.

- Construction of electrical power unit №4 of Cherepovets regional power station on the basis of steamgas technology with rated capacity of 420 MWh
  - Project budget: 353.4 million euro
  - Construction period: 2011-2014
  - The object was put into operation in November 20, 2014

OJSC «Russian Railways»

- Reconstruction of stations Cherepovets 2, Babaevskaya, modernization of railways, reconstruction of a bridge at line Cherepovets-Vologda
  - Project budget: 189.6 million euro
  - Construction period: 2012-2016
In the Vologda region, investment incentives have been implemented, which has fully enrooted the Standard of Agency of Strategic Initiatives. The region is the 2nd entity of the North-West Federal District to have completely enrooted this standard. It is the best region according to statement 8 of the Standard “Presence of mechanisms of professional training and retraining which correspond to the investment strategy of the region and investors' needs.” The region's experience has been included in the collection of best practices for improving investment climate.

The city of Cherepovets was chosen as a pilot for testing the best practices in improving investment climate.

The city is home to several industrial parks, including:
- Industrial park «Sheksna»
- Industrial park «Sokol»
- Industrial park «Vologda-Vostok»
- Industrial park «Cherepovets»

The total area of free land sites is 2,200,000 square meters.

The investment climate is favorable due to:
- Full project progress tracking in “single window” mode, including “manual project management”
- Activity of regional institutions of development (OJSC “Vologda region development corporation”)
- Price affordability of land plots (rent from 0.01 euro/m²)
Thank you for attention!

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