

# Investment potential of the Vologda region



Original Vologda  
product



Vologda butter



Vologda lace



Vologda flax



Ded Moroz from  
Veliky Ustyug

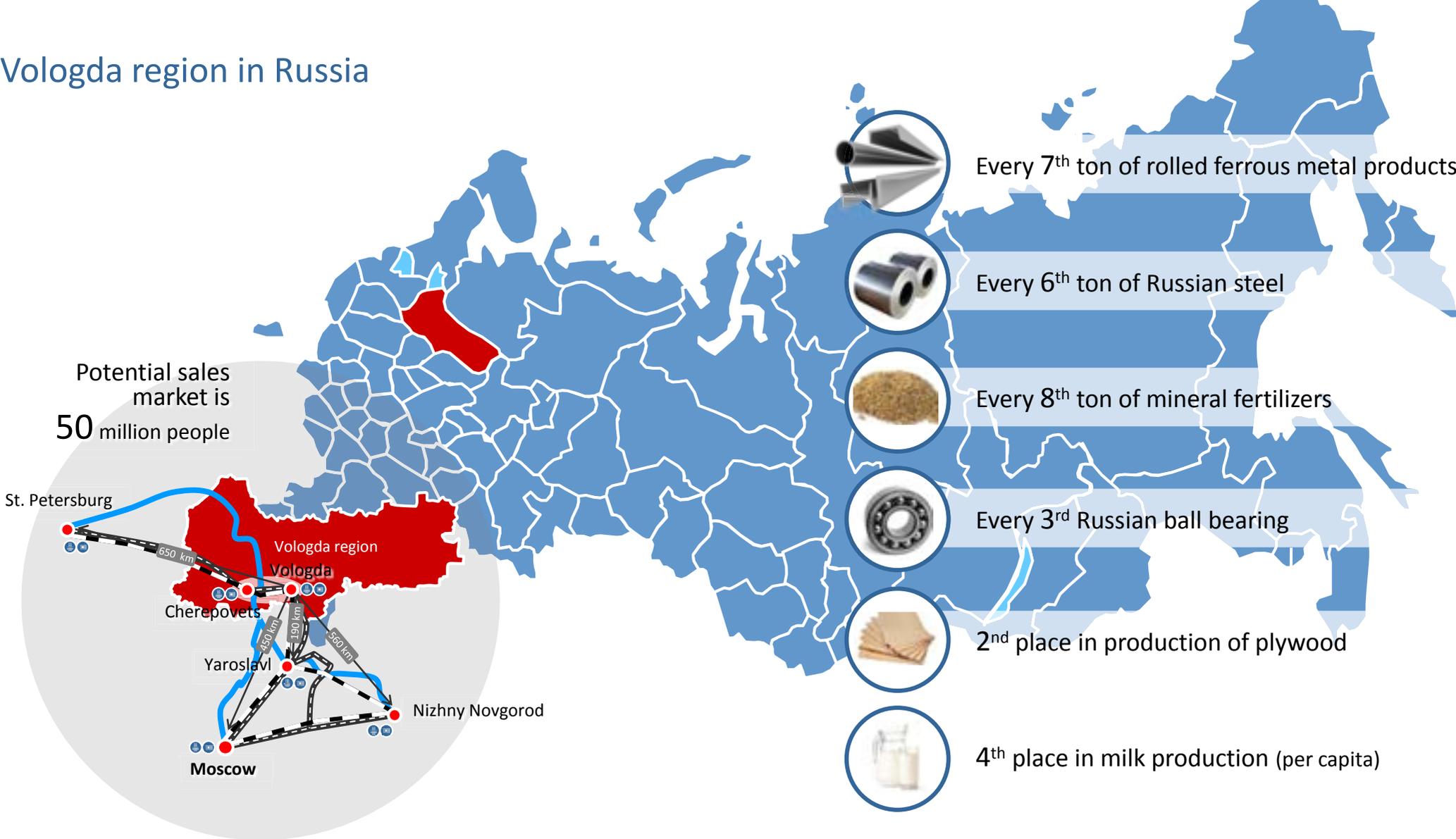


Severstal



PhosAgro

# Vologda region in Russia





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

**Study directions:**  
- 83 - bachelors  
- 32 - masters

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

- 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

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.



Multiprofile resource centre of continuous professional education



Experimental engineering practice ground

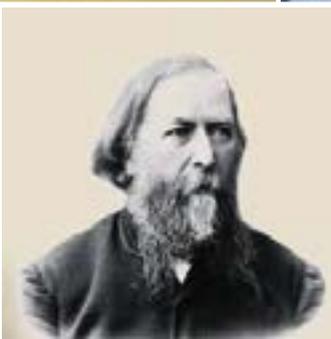


Chemical and technological practice ground

## Vologda butter



## Vologda lace



Nikolay  
Vereschagin  
creator of Vologda butter

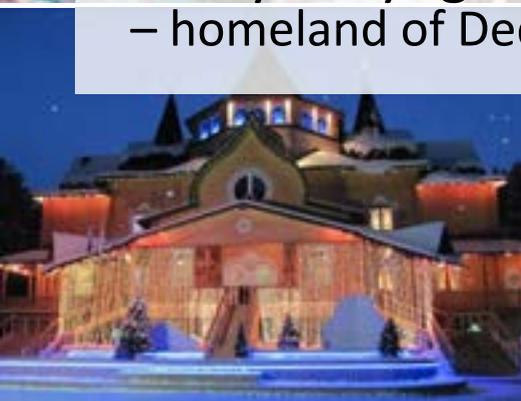


National lace  
museum in Vologda

## Thematic tourism



Veliky Ustyug  
– homeland of Ded Moroz



Dionysius's frescoes  
– monument of UNESCO  
world heritage

## Event tourism



VOICES – festival of young  
European films



# Agriculture



**430**  
ths. tons

Milk production



Milk and meat  
cattle-breeding



Vegetable farming,  
greenhousing



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)



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

11,5  
million ha

Forest resources  
of the region

68%

Timber  
processing  
in the region

29  
million m<sup>3</sup>

Rated  
wood cutting

1,6  
billion m<sup>3</sup>

Total forest standing  
volume

# Forest sector: cooperation with Finnish companies



storaenso



Metsä



3-5 of December 2014

Russian wood  
international exhibition



## Severstal



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

## PhosAgro



### Production of fertilizers:

- Acids: sulphuric, phosphoric, azotic.
  - Other products: sulphur waste, aluminum fluoride (AlF<sub>3</sub>).
- Liquid ammonia

# The biggest investment projects of the region



## Construction of a pulp mill



**1 200**  
ths.. tons  
per year  
capacity

**1,5**  
billion euro  
investments  
of the anchor  
investor

## Creation of special economic zone (SEZ) and forest cluster

Projects of other residents of SEZ:	investments, million euro
 Air separation plant	48
 Sawmill	19
 Pellets production	11,4
 Wooden houses producing plant	22,8
 Plant of industrial railway transport	9,5
 Board production (plywood plant)	81,6
 Production of fiber boards	20,9
 Furniture board producing plant	6,8

**220**  
million euro  
investments  
of the residents

2015-2018

# The biggest investment projects of the region



CJSC  
«PhosAgro AG»

Construction of a new  
energy efficient ammonia  
unit



**760**  
ths. tons  
per year

capacity

**480**  
million euro

volume of  
investments



in cooperation with  
Mitsubishi Heavy  
Industries

# Development of the chemical cluster (Cherepovets)

Other promising projects:		capacities, ths. tons per year
	Production of granular carbamide	500
	Production of NPK fertilizers	500
	Production of ammonia sulfate	300
	Technical reequipment of aluminium fluoride production	35

**420**  
million euro

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



80  
million euro

**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

Project  
budget

### Cooperation with Arcelor



#### Cherepovets Steel Mill



100  
million euro

**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

Project  
budget

## Projects implemented in the region

### Cooperation with Thales Optronics

THALES

OJSC «Vologda optical and mechanical plant»



2,6  
million euro

**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

### Cooperation with Nestle

Nestlé

«Nestle Russia», Ltd.



25,9  
million euro

**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

## Projects implemented in the region

Cooperation with SMS Meer



«Severstal Pipeworks «Sheksna», Ltd.



100  
million euro

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

Project  
budget

Cooperation with RÜTGERS



«Rütgers Severtar»



100  
million euro

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

Бюджет  
проекта

## Projects implemented in the region

«OGK-Investproject», Ltd.



353,4  
million euro

Construction of electrical power unit №4 of Cherepovets regional power station on the basis of steamgas technology with rated capacity of 420 MWt

Project  
budget

2011-2014

The object was put into operation in November 20, 2014



OJSC «Russian Railways»



189,6  
million euro

Reconstruction of stations Cherepovets 2, Babaevo, modernization of railways, reconstruction of a bridge at line Cherepovets-Vologda

Project  
budget

2012-2016

# Favourable investment climate

Activities of Standard of Agency of Strategic Initiatives are implemented



Vologda region is the 2<sup>nd</sup> entity of the North-West Federal District which has completely enrooted the Standard of Agency of Strategic Initiatives.

Vologda region is the best region according to statement 8 of the Standard "Presence of mechanisms of professional training and retraining which correspond investment strategy of the region and investors' needs. Experience of the Vologda region was included in the collection of the best practices in improvement of investment climate.

The city of Cherepovets of the Vologda region was chosen for pilot testing of the best practices in improvement of investment climate

## Investment incentives

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/m<sup>2</sup>)



Industrial park «Sheksna»



Industrial park «Sokol»



Industrial park «Vologda-Vostok»



Industrial park «Cherepovets»



Total area of free land sites

2,2  
ths. ha

# Thank you for attention!



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