

# Among the Top Five for the Third Time

Sergei MITROFANOV  
Andrey LYZHENKOV

One of the most important events at the St. Petersburg International Economic Forum was the presentation of the national rating results of the investment climate in the constituent entities of the Russian Federation. Forty governors, including the head of our region, Alexei Dyumin gathered in the hall where the results were summed up. "The first rating in 2014 was a pilot one, and it involved only 21 regions. Now it reflects the state of affairs in the entire national government," said Svetlana Chupsheva, Director General of the Agency for Strategic Initiatives. Experts recorded an improvement in the investment climate across the country, and not in individual leading territories for the first time in 2017.

"The growth of the rating results in 2018 is colossal," Svetlana Vitalevna stated. "This is the result of systematic work at all levels of the government. The heads of regions have a special role for certain. The creation and maintenance of favourable conditions for investors is a priority and the daily work for most of them today. The position of the Russian Federation's constituent entity in this year's rating has become one of the key indicators of the effective work of its leaders for the first time. I would like to single out the work of the regional project teams created under the governors. We can see how much tougher the competition has become. 78 regions have grown (92% of the total number) in the national rating of 2018. The Tyumen, Kaliningrad and Novgorod regions have made significant progress."

When referring to the regulatory environment, Chupsheva pointed out that clear performance targets were set for each problematic business procedure for the first time. Not just percentage, but hours, days, and the number of documents. According to the spokeswoman, the regional project offices, together with the federal agencies managed to do the impossible. The average result in Russia is better than the target one in some procedures. For example, the period for obtaining a permit for the construction of a modular facility is 105 days, and the target value is 129. As a comparison: five years ago, the terms were counted in thousands of days!

"Among the leaders in the Regulatory Environment area are: the Tula region, the Ulyanovsk region, Krasnodar Krai, and the Republic of Bashkortostan," Chupsheva reported. "Besides that, the level of the public-private partnership has grown significantly. This means that the conditions have been created for the implementation of projects that are possible only when the government and business work together. There were almost two thousand of such projects in 2017. We raised private investments amounting to RUB 1.7 trillion. I would like to point out the Tula region's



Alexei Dyumin: following last year's results, the highest growth rate of investments for the last six years was registered in the Tula region

positive experience in constructing new boiler houses. The weapons region has also leading positions in supporting small and medium-sized business owners. All our joint actions are aimed at improving the conditions for the investor and, as a result, at increasing investment in the Russian regions. We can observe a strong connection: the higher the place of the constituent entity of the Russian Federation in the national rating, the more noticeable is the increase in investment. This can be seen in the example of Tatarstan, Moscow, and the Tula region.

the entrepreneur is provided with an individualised set of measures for financial and non-financial support. Thus we comply with the highest standards criteria of the largest governmental customers. Development institutions created in the region, namely the Engineering Centre and the Export Support Centre show their effectiveness, and are in demand by business. The number of export-oriented

and to master the production of rolling on the enterprise's site. The federal and regional authorities assume obligations to initiate investment incentives provided for by the SPIC during its validity period. The construction of this complex is already at its final stage. JSC Shchekinoazot concluded a memorandum of understanding in favor of the SPIC in St. Petersburg, so it can await this document in the future.

The document was signed by the Head of the Ministry of Industry and Trade of the country Denis Manturov, the Governor Alexei Dyumin, and the President of Shchekinoazot Boris Sokol. The parties expressed their intention to conclude a trilateral SPIC for the implementation of the projects "Construction of a methanol-rectification plant with a capacity of 500 thousand tonnes per year" and "Construction of a nitric acid production complex with a capacity of 270 thousand tonnes per year and ammonium nitrate with a capacity of 340 thousand tonnes per year" in 2018-2019. These large-scale projects of Shchekinoazot are new points of the company's growth, provided by the the company's development strategy.

By the way, Shchekinoazot will open four new production plants this year: a methanol ammonia M-450/A-135 one, a sulfuric acid plant, a dimethyl ether of perfumery quality plant (a joint venture with PCC SE, Germany), and modern purification works.

After signing the memorandum, Boris Sokol thanked Governor Alexei Dyumin and Minister Denis Manturov for supporting the company, noting that modern tools for the promotion of investment make the company's most ambitious plans, that is, to become a leader in Russia's chemical industry, quite realistic. One should only reach the set goals step by step.



A SPIC memorandum was signed by the Ministry of Industry and Trade of the Russian Federation, the regional government, and JSC Shchekinoazot at the SPIEF-2018.

So, the Tyumen region is in first place, followed by Moscow, then the Republic of Tatarstan; St. Petersburg is in fourth place, the Tula region is in fifth place, which, by the way, has been in the lead for the third consecutive year.

"We have significantly reduced the time of connecting to electrical networks (the period is 82 days) and connecting to gas distribution networks (from 350 days to 135)," commented Alexei Dyumin. "This is a good result, but we do not intend to stop at what has been achieved. In addition, a new tool for supporting small and medium-sized business has been launched. The so-called "raising" of potential suppliers. According to the results of a quick analysis,

companies in the region increased from 92 to almost 200 at year-end 2017. Thanks to the taken measures, investors really trust us. Following last year's results, the highest growth rate of investments for the last six years was registered. All these achievements are the result of the interaction with federal structures, the regional government, municipal administrations and resource-supplying companies. I thank Svetlana Chupsheva for the timely support of our region and for her advice."

One of the forms of supporting investors is a special investment contract (SPIC). It was signed with Tulachermet-Stal LLC at the forum. It is planned to create a casting and rolling complex

Vladimir Yakushev, Minister of Construction and Housing of the Russian Federation, former Governor of the Tyumen region:



Each constituent entity of the Russian Federation seeks financial resources for supporting small and

medium-sized business. We have a mechanism for subsidising the first installment of lease payments that has been working for 10 years: equipment is being purchased and, as a consequence, the technology business is growing. As for the infrastructure, the issue of finding new factory sites was rather troublesome for many years. They required a very large amount of money, which initially made the projects simply unprofitable. And then we turned to the industrial parks. We have a few of them now (over 300 ha): one of them is nearly filled with residents, the second one is ready to accept them, and we are creating a third one. The cost of a site there is only 300 roubles per hectare per month.

Sergei Sobyenin, the mayor of Moscow:



The volume of investments in capital assets has increased by 70 percent over the past few years. At the same time

it is not easy to work here, as there's a huge amount of competition. And when businessmen say that the investment climate has improved in Moscow, that means a lot. We've set a course for reorganising industrial territories and developing commercial real estate, creating jobs, offices, science parks, and the GFC in the city planning policy. 15 million square metres have been built recently. This guarantees businesses reasonable prices for renting premises and science parks for the location of enterprises. In addition, work has been done to remove administrative barriers and provide services online.