

Billions for Development

To say that the Russian Investment Forum in Sochi was a success for the Tula delegation is a massive understatement. More than RUB 32 billion is the total amount of investments that will be allocated to the Tula Region as a result of the nearly 20 agreements signed at the event. Some witty likened the speed, with which Governor Alexey Dyumin ratified business partnership agreements, to that of a firing machine gun, and they were not far off the mark.



Alexey Dyumin presented the "Tula Embankment" project to Dmitry Medvedev, who visited the Tula Region stand.

Arseny ABUSHOV
Andrey LYZHENKOV

Here Viktor Linnik, president of the agroindustrial complex, the leading federal industry, is walking up the podium of the Tula Region stand to sign the agreement with Alexey Dyumin. The enterprise is ready to implement a major regional project for storing and processing vegetables. The investments will amount to RUB 6.4 billion. Only a few minutes later, we see Pavel Radel, director of one of the largest suppliers of fabrics and knitwear in the Russian market, approach the Region governor. His company aims to create a production facility for synthetic and natural jersey fabric with a capacity of 1,500 tonnes per year in the Uzlovsky district.

A pen stroke, exchange of documents, and the partners sign the papers. Words of gratitude addressed to the Governor and the government, and in return a promise to continue their full support for major manufacturers who keep their word. And here's the next partner walking to the stand, and so on, and so on ...

The event became a milestone for Shchekinoazot, which signed a number of agreements in Sochi. A memorandum on partnership with Vnesheconombank (VEB) was ratified even before the Forum's official start, at the business breakfast with Maxim Oreshkin, Minister of Economic Development of Russia. The parties intend to become strategic partners in the construction and operation of a facility for the production of methanol with a capacity of 500,000 tonnes per year. The document defines the collaboration procedures under the Project Finance Factory, which, in fact, is a loan on favourable terms for leading enterprises in the real sector of the economy that are ready to develop particularly expensive production in Russia.

Shchekinoazot signs the following agreement with the Government of the Tula Region. Governor Alexey Dyumin and the financial director of the company Andrey Tokarev sign the document.

The document concerns a cooperation during the construction of the nitric acid and ammonium nitrate production complex. It will be erected on the company's production site and should contribute to enhancing the region's export capacity and further development of the enterprise.

"A facility worth a total of RUB 6.5 billion will be built in the region under the new investment agreement. This will create about 100 new jobs," said the governor after the ceremony following the signing of the agreement between JSC Shchekinoazot and JSC Gazprombank. This document describes basic conditions for funding the construction of the nitric acid production plant with a capacity of 270,000 tonnes per year and ammonium nitrate plant with a capacity of 340,000 tonnes per year.

Management of Shchekinoazot thanks the Governor and the Region Government for the investment programme support.

However, the investment forum in Sochi will remain in the memory of its participants, delegates from Tula Region, not only for the large number of agreements signed. Our stand is of great interest to the Chairman of the Government Dmitry Medvedev, for whom Alexey Dyumin is presenting the "Tula Embankment" project.

"It's only logical that a promenade zone will appear along the city's historic quarter. The project is thorough, well done!" concludes the country's Prime Minister having listened carefully to the Governor.

Later, at the Infrastructure Mortgage session: Public and Private Partnership 2.0, which Dmitry Medvedev also attended, this new format was discussed, too.

"An infrastructure mortgage is a financing mechanism for a full-cycle infrastructure project for the region's social and economic development. This is a pilot project, which will be implemented on the territory of the Tula Region. The issue at hand is the construction of a new object in this format: a bypass highway around Novomoskovsk. The existing road passes through a number of major enterprises, and therefore, is rather inconveniencing for the city residents. So, the new project should take the main traffic flows away from Novomoskovsk to improve

both the environmental and transport situation in the city, and, thus, reduce the rate of accidents,"

says Alexey Dyumin, stressing that the region is working closely with the Minister for Economic Development and Prime Minister of Russia.

The award ceremony for the contest winners on the best social and economic practices among the regions of Russia was held in traditional fashion in Sochi.

One year ago, the "Public Budget" programme was recognised as the best and proved a good "shot" not only in the Tula Region: today, more than 20 subjects of the Russian Federation draw actively on our experience. Such popularity did not go unnoticed: Deputy Prime Minister Dmitry Kozak presented Alexey Dyumin with the prize for the most replicated regional practice. And, speaking in response, the governor said that the project will be extended until 2020, and RUB 1.5 billion have been allocated from the regional budget for its implementation.

RUB 1.5 billion
from the regional budget
have been allocated for
implementation of the
"Public Budget"
programme

Vladimir Vladimirov, Stavropol Krai Governor:



Three companies of the Tula Region have become part of the national aerosol cluster that specialises in aerosol packaging products. Previously, companies of Stavropol Krai and Karachay-

Cherkessia were its participants. The signed document is a good example of regional cooperation between the government and business, and governors of all three subjects, cluster participants, are going to support this project. Moreover, in our general opinion, the agreement will allow the regions to also develop their partnership in other areas.

Andrey Tokarev, Financial Director, Shchekinoazot:



The Project Finance Factory is a revolution in the field of finance. The format offers 10-year loans at fixed rates below average market. In other words, the company receives a guarantee that the

projects will be protected against inflation and its consequences. With regard to the actual projects, at the Forum Shchekinoazot presented M-500, the 3rd line of the methanol production facility with a capacity 500,000 tonnes per year. And this project should become one of the Factory's first participants. The project budget is EUR 281 million. We plan to receive loans in the new form already this year. By launching the M-500 plant, Shchekinoazot will produce 1.5 million tonnes of methanol per year, thus not only becoming its most efficient producer in Europe, but getting to rank among the largest. And we address Governor Alexey Dyumin and his team with words of great appreciation for the active support of our investment programme.

Alexey Dragunkov, Director General, a bakery complex:



We are planning to invest about RUB 2.5 billion to bring the plant up-to-date. 520 new jobs will be created. Our project is unique for Russia: more than 30 percent of innovative technologies to be

applied during the renovation will later be used at other food facilities throughout the country.

Vitaly Chobanu, Director General, a shoe making enterprise:



The active work to increase productivity in the Tula Region proved to be the determining factor in selecting a region to develop our production, for which the Governor and his team receive special

thanks, as the trend on import phaseout is not possible without the growth of this indicator. We intend to become leaders in the Russian Federation in terms of the volume of footwear production. We aim big to both import phaseout, and creation of competition with our Asian rivals dominating in the industry.