

# PRIMORSKY TERRITORY

## a land of opportunities



- Political Center of the Russian Far East: Vladivostok - the capital of the Far Eastern Federal District
- Global hub for commerce, culture, business, and tourism in the Far East of Russia
- Russia's gateway to Pacific Asia
- Growing economy and evolving regional markets
- New industrial facilities and power plants
- Proximity to major Asian economies and access to global transit networks
- Highly developed transport and logistics infrastructure
- Extensive tax incentives, duty-free benefits, and administrative preferences

### Key Economic Drivers

- 4 advanced special economic zones (ASEZ)
- 16 areas in the Free Port of Vladivostok
- preferential mortgage program at 2% for a period of five years for residents of the Far East of Russia
- Offshore zone at the Russky Island
- "A Hectare in the Far East" Federal Program

### Economy on the Move

- GRP-2018: 861.45 bln rubles – 107,4% growth by 2017
- ranks 4<sup>th</sup> in Russia in a number of foreign direct investment projects
- ranks 2<sup>nd</sup> in the Far East of Russia in industrial production
- fixed capital investment: 141.9 bln rubles in 2018
- gross agricultural output growth: 114% in 5 years
- port capacity growth: 170% in 7 years

### A Growth Region in the Far East of Russia

- leader in the number of small businesses
- leader in wholesale and retail turnover
- 70% of tourist arrivals in the Russian Far East
- 1/3 of population
- 2/3 of seaport cargo
- over 1/4 of agricultural produce
- 1/5 of gross regional product
- 1/5 of housing development
- 1/10 of industrial production and fixed capital investment

### Leading Sectors

- industrial production
- construction and development
- mining
- forestry and timber
- agriculture
- wholesale and retail sector
- fishing and fish farming
- transport and communications

### Business Growth and Investment Focus

- building materials industry
- housing construction
- deep processing and transportation of hydrocarbons
- oil & gas/ petrochem
- shipbuilding and dock
- vehicle manufacturing and aircraft engineering
- agriculture
- food and processing industry
- fish processing and marine farming
- hi-tech and specialist industries
- development of transport infrastructure: highways, high speed railways, small aircraft
- tourist and recreational complex

### Major Russian and International Businesses

- Rosneft, Transneft, Gazprom, Sollers, Mercy Trade, Rusagro
- Republic of Korea: KOTPA, Lotte, Hyundai, Rolls-Royce Marine Korea, LG Electronics, Korean Air
- Japan: Mitsubishi, Marubeni, Lida Group Holdings, Komatsu Corporation, Toyota, Mazda, Hokkaido Bank
- China and Hong Kong SAR: Bank of China, COFCO Corp., Zhongding Corp., Melco International Development, Naga Corp Ltd., Harbin Pharmaceutical Group Holding
- Siemens, Nycomed Pharma, Ernst & Young, etc.

# Special Economic Regimes

## Advanced special economic zones

- Tax incentives up to 0% and administrative preferences
- **Nadezhdinskaya ASEZ:** a multi-functional industrial and commercial precinct with an intermodal transport and logistics hub
- **Milkhailovsky ASEZ:** an agro-industrial park featuring a full cycle of production, processing, storage and efficient logistics of agricultural commodities
- **Bolshoy Kamen ASEZ:** industry and high-tech production, is going to be the world's largest shipyard
- **Petrochemical ASEZ:** production of gasoline, polypropylene, and consumer goods

**ASEZ Flagship Projects:** construction of Russia's largest Eastern Petrochemical Complex, Nakhodka Fertilizer Plant, and Zvezda Shipyard; the food and agribusiness projects include Far East's biggest dairy, meat-processing, and poultry plants, modern greenhouse facilities, as well as farm vehicle and agricultural machinery assembly plants.

**Free Port of Vladivostok:** duty-free and tax-free regime of the free customs zone for residents and administrative preferences

The **Free Port of Vladivostok projects:** an Indian diamond manufacturing unit, an advanced industrial and logistics site, a children's medical center, a Japanese rehabilitation center, and a 850 thous. sqm residential development in Vladivostok. Plans are underway for construction of advanced fish handling and storage facilities, new residential estates, shopping malls and leisure venues, as well as warehousing facilities, hotels, packaging and building materials production plants, to mention just a few.

**Offshore zone at the Russky Island:** simplified registration, non-resident status, access to Russian exchanges

**ASEZ and Free Port of Vladivostok today: 970 residents, 1.4 trln rubles of investment, 81,000 jobs.**

The region's **transportation infrastructure** is now undergoing major upgrade and development with new highways, bridges, traffic interchanges, and transportation & logistics centers. Development of Primorye-1 and Primorye-2 international transport corridors will connect Heilongjiang and Jilin provinces of Northeast China and southern seaports of Primorsky Territory. These flagship projects are expected to grow the gross regional product by 4-5% annually and to create over 3,000 new jobs, with prospective freight volumes to reach 45 million tons in the long term.

**“A Hectare in the Far East”** Federal program offers Russian citizens free land for business or real estate development. The program is going to be an important economic driver for the Far Eastern District and to catalyze population growth to 36 mln (almost sixfold) by 2025.

## Globally Connected

- a prime destination for international businesses to reach new markets in the Far East of Russia
- a key location to access the fast-growing markets of the Pacific Asia
- international trade in 2018 reached US\$7.55 billion, grew 112% to 2017
- export growth – 112.2%, import growth – 118%
- over 120 foreign trade partners
- major trade partners: China, Republic of Korea, and Japan
- 23 international consular missions and offices
- over 1,000 foreign-invested enterprises
- over 4 mln tourist arrivals in 2017 – 130% by 2016
- facilitated visa procedures: electronic visa for 19 countries and regions
- a key international platform for discussing political and economic issues between Russia and Pacific Asia.
- Since 2015, Vladivostok hosts the Eastern Economic Forum attended by national leaders of the Asia-Pacific Region and the international business community. At the EEF-2019, 270 agreements were signed in the amount of 3.4 trillion rubles, including Primorsky Territory has signed 32 agreements.

## Welcome to Primorsky Territory!

*References: Russian Federal Statistics Service ([www.gks.ru](http://www.gks.ru)),  
Ministry for the Development of the Russian Far East ([www.minvr.ru](http://www.minvr.ru)),  
Primorsky Territory Government ([www.primorsky.ru](http://www.primorsky.ru), [www.primgazeta.ru](http://www.primgazeta.ru)),  
Primorye Investment Agency ([www.invest.primorsky.ru](http://www.invest.primorsky.ru)).*