Guide to investment
Volume 8. Republic of Tatarstan
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This overview has been prepared in conjunction with and based on the materials provided by the Ministry of Economy of the Republic of Tatarstan.

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Welcome letter from the president of the Republic of Tatarstan, R. N. Minnikhanov

Dear ladies and gentlemen,

Welcome to the Republic of Tatarstan Guide to Investment. This guide has been published with one goal in mind: to show our potential local and overseas partners that their projects, ideas and plans will come to life in a favourable and comfortable environment of mutual understanding and fruitful cooperation, and that all business initiatives will be met with full support and appreciation on the part of federal, regional and local governments.

I believe that the authors of this guide, which include professionals from Tatarstan’s Ministry of Economy and advisors from the renowned global network of consulting firms PricewaterhouseCoopers, have succeeded in achieving this goal. You now have an excellent opportunity to see for yourself that Tatarstan is one of Russia’s most advanced regions in terms of investment appeal.

The republic is located in the heart of our great country, at the intersection of major sales routes connecting Europe and Asia. This makes the region a natural strategic base for large-scale logistics projects. It is no coincidence that the Russian part of the Western Europe – Western China trans-continental transport corridor will run through Tatarstan.

Due to geoeconomic and geostrategic factors, Tatarstan has become a concentrated centre of Russian manufacturing. Tatarstan provides 7% of Russian oil production and over 24% of its commercial vehicles, 38% of its synthetic rubber, 43% of its polyethylene and over 30% of its tyres. If we also consider that over 7,000 PhDs and 2,000 people with postdoctoral qualifications work in the region, conducting research in 87 institutions of higher education and 73 scientific centres, it becomes clear why we are openly optimistic about the prospect of national modernisation in the future. In Tatarstan, we have everything we need to make it a reality: a powerful industrial and technological base, and considerable human capital reserves.
An innovative project for social and economic development targeted to raise the economy's competitive capacity and improve the quality of life in Tatarstan began several years ago. As a result of implementing a set of activities aimed at optimising social infrastructure and supporting youth-related policy, Kazan earned the right to host the 27th Summer World Student Games in 2013.

Tatarstan’s regulatory environment is favourable to local and overseas investors. There is a large and diverse network of financial and non-financial development institutions, of which Alabuga Special Economic Zone for Industry and Manufacturing and the IT Park, which operates in the field of information and communication technologies, are some of the best examples.

Our region was selected as the platform for a large-scale, EUR 2 billion investment project between OAO Sollers and FIAT Group. Under the project, an innovation-oriented enterprise will be established to produce 500,000 cars of nine new makes, of which 10% will be exported. Without a doubt, this and other joint projects are living proof that international investment cooperation was, is and will remain the main priority in Tatarstan’s economic policy.

In this guide, you can find more detailed information on these and many other projects currently being realised in the Republic of Tatarstan’s blossoming investment sector, as well as learn more about its characteristics and trends. I sincerely hope that the guide will inspire new ideas, activities and initiatives that will stimulate strategic partnerships in various areas of collaboration!

Yours faithfully,

President of the Republic of Tatarstan,
R. N. Minnikhanov
Tatarstan is one of the most developed regions in Russia. It ranks in Russia’s top ten regions in many areas, including political stability and low investment risk.

Tatarstan is a major centre of Russian industry, especially for sectors like oil, petrochemicals, mechanical engineering and aircraft manufacturing. In recent years, the agricultural sector has become one of the republic’s priorities, and as such receives special government support. Tatarstan ranks in Russia’s top three regions for agricultural production.

In recent years Tatarstan has grown and developed at a rapid pace, holding a leading position in terms of volume of investments. However, it was not able to escape the impact of the economic downturn. To mitigate this impact, the Tatarstan’s government has implemented various anti-recessionary measures aimed at stabilising the regional economy, providing government support to strategically important enterprises and implementing a special regional programme of pre-emptive measures for navigating the crisis.

It is the republic's priority to create favourable conditions for cooperation between Russian and foreign partners and provide assistance in promoting investment projects. One example of an outstanding achievement in this area is the active work of the Alabuga Special Economic Zone for Industry and Manufacturing.

The enormous work already done in the Republic of Tatarstan to modernise key sectors of the economy should also be mentioned. Tatarstan has a network of science
and technology parks with modern technological infrastructure that help companies introduce high technologies, facilitate significant cost savings and concentrate on their core business.

In 2008 Kazan was selected to host the 2013 Summer World Student Games. This is a major sports event, second in its importance only to the Olympic Games, and will be a memorable occasion for Tatarstan and all of Russia.

This guide will help potential investors assess the most promising industries of Tatarstan's economy. It has been prepared in collaboration with Tatarstan’s Ministry of Economy and is based on materials supplied by the ministry.

Peter Gerendasi
Managing Partner
PricewaterhouseCoopers
Geography

Tatarstan is one of the most economically developed regions in Russia. It is located in the centre of a large industrial zone, 800 kilometres east of Moscow, at the confluence of the Volga and Kama rivers.

Tatarstan is located in the eastern part of the East European Plain along the middle course of the Volga River. The Volga and Kama valleys divide the republic into three sections: the Volga right-bank area (Predvolzhye), which includes the Privolzhskaya Upland; the Volga left-bank and Kama right-bank areas (Predkamye); and the Kama left-bank area (Zakamye), which includes the northern slopes of the Bugulma-Bebeley Upland (maximum elevation 364 metres). To the north-west is the southern part of the Vyatsky Spur.

Major rivers in the republic include the Volga, the Kama, the Belaya and the Vyatka. The four rivers’ volume is 234 billion cubic metres per year (97.5% of the total volume of all rivers in the republic). In addition to the four major rivers, approximately 500 other small rivers (at least 10 kilometres in length) and numerous streams flow across Tatarstan. Significant water resources are concentrated in two of the biggest reservoirs: the Kuibyshev and the Nizhnekamskoye. There are also over 8,000 small lakes and ponds in the republic.

Tatarstan is located in hardwood, mixed forest and forest-steppe zones. The main soil types are sod-podzolic, grey forest and black earth. Forests, mainly deciduous (oak, linden and maple), cover 16% of the territory. Local fauna includes 430 species of vertebrates and hundreds of species of invertebrates. The range of animals includes wolves, foxes, elks, squirrels, chipmunks, marmots, and hares (blue and brown); of the birds, there are wood grouse, hazel grouse and bustards.

Tatarstan is rich in mineral resources, with crude oil (around 1 billion tonnes) providing its main source of wealth. The republic also has industrial quantities of limestone and dolomite (66 million tonnes), construction stone (35.3 million cubic metres), sand-gravel aggregate and peat (800 peat deposits having a total area of more than 35,000 hectares). There are geological reserves of natural bitumens (explored reserves of 12.5 billion tonnes), brown and black coal, slate coal, zeolite, copper and bauxite: gypsum (total reserves of 72 million tonnes) and loam (73.5 million cubic metres) are also extracted.

The total area of the republic is 67,836.2 square kilometres. The republic’s territory stretches 290 kilometres north to south and 460 kilometres west to east.

Tatarstan is located in the Volga Federal District and borders eight Russian regions: the Republic of Bashkortostan, the Udmurt Republic, the Mari El Republic, the Chuvash Republic, and the Kirov, Orenburg, Ulyanovsk, and Samara regions.
Administrative and territorial divisions

Tatarstan is highly urbanised, with 74.9% of the population living in urban areas. The republic is divided into 43 districts, 22 cities (of which 14 are subordinate to the republic), 18 urban settlements, and 916 village councils. The major cities are Kazan, Naberezhnye Chelny, Almetyevsk, Nizhnekamsk, Zelenodolsk and Elabuga.

The capital

Kazan, the capital of Tatarstan, is one of the largest economic, industrial, scientific and cultural centres in Russia.

Kazan’s geopolitical location within the Russian Federation is very advantageous: it is located in the centre of the well-developed Volga region, between the industrial regions of the Central and the Ural economic areas. It has the largest population and most economic potential of the cities in the republic.

Kazan is 614.2 sq km in area and has a population of 1.13 million. 40.7% of the population is under the age of 30. Administratively, Kazan is divided into seven districts.

Kazan is a city with a rich history. Once a Bulgar frontier fortress, in the Golden Horde period it became the capital of an independent emirate, and of the Kazan Khanate in 1438. After Kazan fell to Ivan the Terrible in 1552, the city was almost completely destroyed. In 1708, Kazan became the centre of the Kazan province. From 1920 Kazan was the capital of the Tatar Autonomous Soviet Socialist Republic. Since 1992, it has been the capital of the Republic of Tatarstan.

On 30 August 2005, Tatarstan’s capital celebrated its 1,000th anniversary.

Kazan is one of Russia’s major educational centres. Its student population is the third highest in Russia after Moscow and St Petersburg. Some 180,000 young people from 15 countries around the world receive their education in the colleges and universities of the city.

Kazan has a very favourable investment climate. In the last five years, Kazan has ranked first in investment per capita among Russian cities with populations of over one million.
The city of Naberezhnye Chelny is located in north-east Tatarstan on the banks of the River Kama. The city is a one-company town, with almost the entire population somehow associated with local economic mainstay Kamsky Motor Works (OAO KamAZ), a manufacturer of heavy-duty vehicles and spare parts.

Naberezhnye Chelny is a major transportation hub due to its location at the intersection of railway, automobile and river transport routes.

The city implements major cultural projects. Exercising particular popularity among locals are a sports centre, go-cart track, art gallery, circus, Masterovye Theatre and dolphinarium.

The city has 173 educational establishments, 20 higher education institutions and 25 specialised secondary educational establishments.

Nizhnekamsks is one of Russia’s largest petrochemical centres. The major petrochemical manufacturers include OAO Nizhnekamsk Petrochemical Plant, OAO Nizhnekametskneftekhim, OAO Nizhnekamshina, OAO Nizhnekamsktekhuglerod and OAO Elastik. The Nizhnekamsk Hydroelectric Power Station supplies electrical power to the city and surrounding areas.
Almetyevsk is the largest centre of crude oil production in Tatarstan. The Druzhba Oil Pipeline through which Tatarstan exports crude oil starts here. The largest company in the region is OAO Tatneft (a producer of crude oil and petroleum gas). The Almetyevsk Petroleum Institute plays an important role in training personnel for the republic’s main industry.

Zelenodolsk is an important transport junction in the west of the republic. Products made by the city’s shipbuilding plant and the Sergo Plant production association (refrigeration appliances) are in demand far beyond Tatarstan.

Today Elabuga is one of Tatarstan’s most promising cities. The local economy specialises primarily in manufacturing, agriculture, education and tourism. About 27.6% of the economically active population works in manufacturing. The main industries are oil production and the machine industry. The Alabuga Special Economic Zone for Industry and Manufacturing is one of Russia’s best equipped investment sites for realising large manufacturing projects.
Climate
Tatarstan has a moderately continental climate. Occasional droughts may occur. The average temperature in January (the coldest month) is -14°C, and in July (the hottest month) the average temperature is +19°C. Annual precipitation ranges from 460 to 520 millimetres. The growing season lasts approximately 170 days.

Labour force
A population of 3.8 million people (2.7% of the total Russian population) comprises 115 ethnic groups; these include Tatars (52.9%), Russians (39.5%), Chuvashes (3.4%) as well as Udmurts, Ukrainians, Mordovians, Mari, Bashkirs and others. The labour force numbers 2.43 million people. 74.9% of Tatarstan residents live in urban areas.

According to 2002 census data, 754,000 people are under working age (children) and 774,600 people over working age. The economically active working population of the republic is 2.0 million.

The educational level of the population is high: 435 people out of 1,000 aged 15 and older have intermediate vocational or higher education.

Religion
Over 1,000 religious organisations are registered in the Republic of Tatarstan.

The most widespread religions are Islam and Orthodox Christianity.

There are small Jewish, Buddhist and Hindu communities.

Official languages
Under Tatarstan’s constitution, the Tatar and Russian languages have equal rights in the republic.

The Russian population prevails in large cities and adjacent regions, while the Tatar population dominates in rural areas.

The Tatar language belongs to the Turkic group of the Altaic family of languages, along with Kazakh, Uzbek, Turkish, etc. The Russian language is a member of the eastern Slavic subgroup of the Slavic group of the Indo-European family of languages.
Culture

For historical and geographical reasons, Tatarstan’s culture developed at the junction of two large civilizations – the East and the West – and this to a large extent accounts for the diversity of its cultural wealth.

The Tatars keep up the centuries-old traditions of their ancestors, the Bulgars. Literature retains a special place in the life of the Bulgars and modern Tatars. Traditions established by the poet Koul Gali in the 13th century were maintained by Mahmoud Gali, Saif Sarai and Mouhamedyar. Outstanding names in Tatar culture in the 19th and 20th centuries include G. Toukay, K. Nasyri, S. Marjani, G. Kamal, F. Amirkhan, R. Nouriev, B. Urmanche, G. Ibragimov, G. Iskhaki and M. Jalil.

There are seven historical centres in the republic: in Bulgar and Bilyar, the Kazan Kremlin, Elabuga, Chistopol, Sviazhsk, the Raifa Monastery, as well as six national parks.

The Kazan Kremlin, the current residence of Tatarstan’s president, is the main sightseeing attraction in Kazan. The Kremlin boasts a harmonious architectural arrangement consisting of the Annunciation Cathedral, the Syuyumbike Tower (the architectural emblem of the city) and the Kul-Sharif Mosque. Other places of interest in Kazan include Kazan State University (1825), the Azimov Mosque (mid 19th century), the St Peter and Paul Cathedral (1723-1726), and the Mardjani Mosque (1766).

There are three concert facilities in Kazan: the Tukai Tatar State Philharmonic, the Saidashev State Concert Hall, the Tatarstan Republic State Ensemble of Song and Dance and the Kazan State Circus.

There are seven unions representing creative professions in Tatarstan: the architects union, the journalists union, the composers union, the concert workers union, the writers union, the theatre workers union, and the artists union.

The republic’s well-developed network of hotels and guest houses is always eager to receive visitors. The capital’s hotels include the four-star Korston Hotel, the five-star Mirage, Shalyapin Palace Hotel, Grand Hotel Kazan, a hotel of the IBIS chain and many other cosy spots. In other cities of the republic, visitors can find comfortable accommodation in Alabuga-City Hotel (Elabuga), Tatarstan Hotel, Swiss House Hotel (Naberezhnye Chelny) and Paradise Hotel Complex (Nizhnekamsk).

Tatarstan offers a wide network of entertainment facilities where a variety of recreational activities can be enjoyed. People who love sports and outdoor activities can use equestrian centres, ice rinks, the Kazan (Kazan) and Yan (Almetyevsk) indoor skiing centres, water parks (Kazan), amusement parks, go-carting and bowling alleys. Those who prefer quieter leisure can visit the Kazan State Circus, the zoo, botanical gardens, restaurants and cinemas or various concert halls and galleries.
Theatres

There are now twelve professional theatres in Tatarstan, including seven in Kazan. The Jalil Tatarstan State Theatre of Opera and Ballet (established in 1939) is the most popular theatre both in and outside the republic.

It hosts annual international opera festivals in honour of F. I. Shalyapin and classical ballet festivals in honour of R. Nuriev, featuring internationally famous dancers and opera singers. The theatre achieved global fame and popularity after touring Europe.

The Kamal Tatarstan State Academic Theatre is famous for its productions of plays by classic Tatar playwrights such as N. Isanbet, G. Kamal, F. Yarullin and T. Minnullin. It has become a tradition for the theatre to give performances in Moscow and countries with large Tatar communities.

The Kachalov Kazan Academic Large Russian Drama Theatre regularly participates in international festivals and is very popular with people from both Kazan and other cities.

Museums

In Tatarstan, 88 state and over 300 private museums provide information about regional history and culture.

The United State Museum of the Republic of Tatarstan was established in 1894. The museum’s collection was formed on the basis of exhibits from the Exhibition of Science and Industry held in 1890, as well as A. Likhachyov’s private collection.

The Museum of Fine Arts, created in 1959 on the basis of the State Museum’s art gallery, contains more than 21,000 paintings, prints, sculptures and applied arts works. The collection includes works by Rembrandt, Durer, K. Bryullov, I. Aivazovsky, V. Perov, I. Kramskoy, A, Savrasov, I. Shishkin, A. Kuindzhii, I. Levitan, I. Repin, V. Vereshchagin, V. Serov, N. Roerich, N. Feshin, B. Urmanche and others.

The Kazan State University Geology Museum has an extensive collection of meteorites, minerals and crystals from the Urals and Siberia.

The Kazan State University Ethnography Museum provides information about people from various parts of the globe. It also exhibits materials collected by I. Simonov during the Antarctic expedition of Bellinshausen and Lazarev.

The following museums may also be of interest to those visiting Tatarstan: the M. Dzhalil and N. Zhiganov apartment museums; the E. Boratynsky, M. Gorky, B. Urmanche, and S. Saidashev museums in Kazan; the Y. Gashek museum in Bogulma, and the I. Shishkin, M. Tsvetayeva and N. Durova museums in Elabuga.
In August 2005, a unique exhibition centre called Khazine opened in the Kazan Kremlin. The centre includes Russia’s first State Hermitage exhibition centre: the Hermitage-Kazan.

**Education and science**

Tatarstan has huge educational and scientific potential; nearly 170,000 people work in educational institutions here.

There are 2,555 comprehensive schools in the republic, with nearly 586,800 students. After completing their compulsory education, more than 90% of students continue their studies in senior classes or enter specialised colleges.

Tatarstan is famous for its well-developed academic and industrial sciences and its higher education system. Kazan has been one of the leading Eastern European centre of learning for two hundred years. Kazan is proud of its internationally renowned schools for mathematicians, chemists, astronomers, physicists, eastern studies scholars, linguists, and physiologists. Names like N. I. Lobachevsky, N. N. Zinin, A. M. Butlerov, A. E. Arbuzov, E. K. Zavoisky, V. V. Radlov, K. Fuchs, S. Marjani, and K. Nasyri have gone down in academic history.

Kazan is one of the oldest educational centres in Russia. The Tatarstan Academy of Sciences, the Kazan Centre of the Russian Academy of Sciences, the National Library of Tatarstan (which has 2.8 million books) and the Kazan University research library (4.8 million books) bolster academic studies in the region.

There are 64 institutions of higher education in Tatarstan (including 38 public institutions); most of these are in Kazan. Four of Kazan’s universities rank among the Russian top 50: Lenin Kazan State University, the Kirov Kazan State University of Technology, the Tupolev Kazan State Technical University, and the Kazan State Institute of Finance and Economics.

In 2009 the Russian President signed a decree on the establishment of five federal universities: the Northern, North-Eastern, Ural, Far-East and Volga Federal Universities. The Volga Federal University will be based on Kazan State University. Thus, the renowned Lenin Kazan State University is attaining a new status and will be transformed into an internationally competitive research and academic centre. Along with Kazan State University, several other well-known universities in Kazan will lose their independent status and merge to form the Volga Federal University: the Kazan State Institute of Finance and Economics, the Architecture and Construction University and the Tatar Humanitarian and Pedagogic University.
In 2009 the Tupolev Kazan State Technical University won a contest for university development programmes. As the winner, it will be assigned National Research Centre status.

Health care

According to 2009 information, there are 87 hospitals, six dispensaries, 61 independent outpatient facilities, 15 dental clinics, five preventive medical centres in Tatarstan.

Tatarstan’s medical institutions provide high-quality medical treatment and diagnostic services. The republic is always introducing new state-of-the-art medical technologies, diagnostics methods, and hi-tech medical support systems, including transplants of human organs and tissues.

The republic has a successfully functioning Clinical Cancer Detection Centre, Republic Clinical Hospital, Republic Children’s Clinical Hospital and Restorative Traumatology and Orthopedics Research Centre. In 2006 the list of major medical establishments expanded to include the Interregional Clinics and Diagnostics Centre. This medical institution offers high-tech medical treatment to people from Tatarstan and neighbouring regions. In addition to government-owned medical facilities, Tatarstan has numerous private clinics offering services in a wide variety of areas.

Tatarstan’s achievements in the area of health care informatisation are rated highly by experts.

Tatarstan has created a continuous training system for health care professionals, starting from educating professionally oriented youth in comprehensive schools to postgraduate training of specialists in continuing education institutions.

Administration

The president of the Republic of Tatarstan is the head of state and highest-ranking official.

The current president is Rustam Nurgalievich Minnikhanov.

Prime Minister of the Republic of Tatarstan Ildar Shafkatovich Khalikov

The Republic of Tatarstan State Advisor is Mintimer Sharipovich Shaimiev

First Deputy Prime Minister of the Republic of Tatarstan Ravil Fatykhovich Muratov

Deputy Prime Minister of the Republic of Tatarstan Chief of Staff of the Cabinet of Ministers of the Republic of Tatarstan Shamil Khamitovich Gafarov

Deputy Prime Minister of the Republic of Tatarstan Minister of Energy of the Republic of Tatarstan Ilshat Shayehovich Fardiev

Deputy Prime Minister of the Republic of Tatarstan Minister of Agriculture and Food of the Republic of Tatarstan Marat Gotovich Akhmetov

Deputy Prime Minister of the Republic of Tatarstan Minister of Informatisation and Communications of the Republic of Tatarstan Nikolay Anatolievich Nikiforov

Deputy Prime Minister of the Republic of Tatarstan Minister of Culture of the Republic of Tatarstan Zilya Rakhimianovna Valeyeva
Republic of Tatarstan

The ministries:
• Ministry of Energy
• Ministry of Economy
• Ministry of Finance
• Ministry of Industry and Trade
• Ministry of Justice
• Ministry of Internal Affairs
• Ministry of Informatisation and Communications
• Ministry of Education and Science
• Ministry of Culture
• Ministry of Health Care
• Ministry of Agriculture and Food
• Ministry of Ecology and Natural Resources
• Ministry of Construction, Architecture and Housing
• Ministry of Civil Defence and Emergency Situations
• Ministry of Transport and Roads
• Ministry of Youth, Sports and Tourism
• Ministry of Land and Property Relations
• Ministry of Forestry
• Ministry of Labour, Employment and Social Protection

State Committees:
• Committee on Socioeconomic Monitoring
• Committee on the Development of Small- and Medium-sized Businesses
• Committee on Tariffs

Agencies:
• State Unitary Enterprise Agency for State Orders, Investment Activities and Interregional Relations of the Republic of Tatarstan
• Republican Press and Mass Communication Agency
• Agency for the Development of International Cooperation under the Cabinet of Ministers of the Republic of Tatarstan
Economic potential

Gross regional product (GRP)

In 2009 Tatarstan’s gross regional product was RUB 878 billion. The decline in economic growth in the republic is estimated at 4.2% in adjusted prices as compared to the previous year (7.9% for Russia as a whole).

A decrease in manufacturing activity, which accounts for about 17.0% of the gross regional product, played a significant role in the economic downturn in Tatarstan. In 2009, the rate of growth for processing industries fell 14.6% as compared to the previous year.

Changes in Russia’s GDP and Tatarstan’s GRP in 2009, RUB billion

Starting in the second quarter the gross regional product has been increasing, supported by growth in oil prices from April 2009.

GRP by type of business activity, %

In 2009, gross regional product per capita was estimated as RUB 232.7 thousand, which is a 5.1% decrease from the previous year.

GRP per capita, RUB thousand

According to estimates, in 2009 GRP per economically active person decreased by 5.6% as compared to 2008, equaling RUB 480.7 thousand.
Personal income levels

According to estimates, in 2009 personal income per capita in Tatarstan grew by 9.3% as compared to 2008, to reach RUB 15,553 (in Russia overall: 12.6% growth to reach RUB 16,818 thousand).

Real personal income decreased by 8.8 percentage points to reach 99.8% of 2008’s level. In 2009, real disposable income (less mandatory duties and payments) decreased by 4.5 percentage points from 2008 to reach 101.4%.

Personal income in roubles, year-on-year (%)

The purchasing power of personal income in 2009 amounted to 3.77 times the subsistence minimum budget (SMB) (2008: 3.77 of times).

Consolidated budget, RUB million

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<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>All incomes, including</td>
<td>88,326.9</td>
<td>106,132.5</td>
<td>139,269.0</td>
<td>140,637.0</td>
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<tr>
<td>fiscal</td>
<td>62,908.1</td>
<td>79,910.3</td>
<td>101,268.5</td>
<td>85,053.0</td>
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<tr>
<td>non-fiscal</td>
<td>10,127.8</td>
<td>12,529.7</td>
<td>13,674.4</td>
<td>6,440.5</td>
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<tr>
<td>non-repayable revenues from the federal budget</td>
<td>15,291.0</td>
<td>13,692.5</td>
<td>24,326.1</td>
<td>49,143.5</td>
</tr>
<tr>
<td>Expenditures – total</td>
<td>86,262.3</td>
<td>108,518.0</td>
<td>146,268.5</td>
<td>152,731.5</td>
</tr>
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</table>
**Major banks**

<table>
<thead>
<tr>
<th>Bank name</th>
<th>Contact information</th>
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</table>
| OAO AK BARS Bank | Robert Khamitovich Minnegaliev, Chairman of the Board  
Address: 1 Ul. Dekabristov, Kazan, 420066  
Phone: +7 (843) 519-39-99  
Fax: +7 (843) 519-39-75  
e-mail: pozd@akbars.ru  
http://www.akbars.ru |
| OAO AIKB Tatfondbank | Ildus Anvarovich Mingazetdinov, President  
Address: 43/2 Ul. Chernyshevskogo, Kazan, 420111  
Phone: +7 (843) 291-99-99 / 291-98-10  
Fax: +7 (843) 291-98-95 / 291-98-04  
e-mail: tfb@tfb.ru  
http://www.tfb.ru |
| OAO AKB Spurt | Evgeniya Valentinovna Dautova, Chairman of the Board  
Address: 2 Ul. Spartakovskaya, Kazan, 420107  
Phone: +7 (843) 291-50-00  
Fax: +7 (843) 291-50-15  
e-mail: info@spurtbank.ru  
http://www.spurtbank.ru |
| OAO Joint-Stock Commercial Mortgage Bank AKIBANK | Ildar Khaydarovich Galyautdinov, Chairman of the Board  
Address: 88a Prospect Mira, Naberezhnye Chelny, 423818  
Phone: +7 (8552) 77-33-33 / 77-33-80  
Fax: +7 (8552) 72-23-77  
e-mail: office@akibank.ru  
http://www.akibank.ru |
| OAO AB Devon-Credit | Nafis Navykovich Gumarov, President, Chairman of the Board  
Address: 77 Ul. Lenina, Almetyevsk, 423450  
Phone: +7 (8553) 45-67-77  
Fax: +7 (8553) 31-75-13  
e-mail: devon@devoncredit.ru  
http://www.devoncredit.ru |
Federal and regional social and economic development programmes

In 2009 RUB 27.73 billion from the federal budget was used to finance various activities in Tatarstan.

Most of this federal funding was used to build venues for the World Student Games (RUB 10,980 million), for capital repairs of multiple occupancy homes in the republic along the Fund for Reforming Housing and Utilities Infrastructure lines (RUB 4,717.75 million), and on measures aimed at alleviating labour market tensions (RUB 2.78 billion).

The share of federal funding for federal-level special purpose programmes was RUB 4.2 billion, or 15.15% of Tatarstan’s total federal funding in 2009.

Tatarstan participates in 18 of 53 federal-level special purpose programmes.

Federal-level special-purpose programmes

1. National System for Chemical and Biological Safety of the Russian Federation (2009-2013)
5. Developing, Renewing and Organising Production of Strategic, Rare and Import-Substitution Low-Tonnage Chemicals for Armaments, Military and Special-Purpose Assets for 2009-2011 and until 2015.
7. Research and Development in Priority Areas of Russian Science and Technology for 2007-2012
8. Federal Education Development for 2006-2010
9. Housing for 2002-2010
12. Modernisation of Russia’s Transportation System (2002-2010)
13. Social Development in Rural Areas until 2012
17. Children of Russia

Federal funding was increased thanks in large part to Russian State Duma deputies from the Republic of Tatarstan who headed 13 working groups. These groups included representatives of Tatarstan’s ministries and agencies and of local government authorities.
The republic’s long-term special-purpose programmes

In 2009 33 long-term and over 70 local special-purpose programmes were realised in Tatarstan. The total funding for these programmes was RUB 110 billion. The main programmes that are being implemented with attraction of investment funds are:

1. The Republic of Tatarstan Small and Medium Business Support Programme for 2005-2010. The total funding for this programme is RUB 2.7 billion. The primary objective is government regulation of the support and development of small and medium business in Tatarstan. Expected results by 2012:
   - increased share of small and medium businesses in Tatarstan’s GRP;
   - increased share of tax payments by small businesses in Tatarstan’s tax revenues;
   - increased profitability of small enterprises, etc.

2. Republic of Tatarstan Traffic Safety Programme for 2008-2009. The programme for subsequent years is expected to be adopted shortly. The primary objective of this programme is to reduce the number of traffic accidents and fatalities. The total funding for this programme in 2008-2009 was RUB 750.1 million. The programme is funded by other non-tax revenues allocated for road safety.

3. The Children of Tatarstan Programme for 2008-2010. The main objective of this programme is government management of the social development of young people, harnessing their creative potential in strengthening Tatarstan’s competitiveness, and ensuring optimal conditions for improving the standard of living of the young. The total funding for this programme for the entire period is RUB 156.3 million

4. Development and Use of Information and Telecommunication Technologies in Tatarstan (Electronic Tatarstan Programme) for 2008-2010. The key objectives of this programme are:
   - improved standard of living through the use of information and telecommunication technologies in the social sphere, in ensuring health and safety and in everyday life;
   - enhanced efficiency of state and municipal governance in Tatarstan, improved availability and quality of public services for individuals and entities, and increased openness of the authorities;
   - economic growth and increased competitiveness of Tatarstan, higher standard of living, and increased budget revenues through developing a modern information and communications infrastructure.

   The total funding for this programme is RUB 975 million.

5. Republic Government Support to Providing Housing to Citizens of the Republic of Tatarstan for 2009. This programme is run annually. In 2009 the programme received funding of RUB 12.6 billion from various sources. The purpose of this programme is to create favourable conditions for all citizens to exercise their constitutional right to housing, to organise an efficient system of providing affordable housing to Tatarstan citizens of various income levels, develop financial mechanisms to ensure housing’s affordability, and to establish an efficient housing market in Tatarstan for permanent use.

Guide to investment
and temporary residence based on ownership or rent.

6. Tatarstan’s Transport Development Programme for 2006-2010. The total funding is RUB 115.05 billion; in 2009 RUB 22.0 billion was allocated for this programme, including over RUB 6.8 billion from non-budgetary sources. The programme is aimed at:

- establishing a single road network for federal, regional and municipal roads;
- preserving the existing road network: carrying out maintenance, repair and modernisation of existing roads;
- ensuring year-round transportation between communities; improving traffic safety; reducing harm to the environment;
- establishing and developing a regulated public transport services market and ensuring efficient public transport administration and operators.

7. Republic of Tatarstan Agricultural Development Programme for 2008-2012. The objective of this programme is:

- to increase the competitiveness of agricultural products and improve food safety in Tatarstan by improving the efficiency of agricultural production;
- to improve the standard of living and social infrastructure in rural populations;
- to create conditions for improving the efficiency of agricultural production, and its dynamic and balanced growth.

The volume of funding is RUB 181.6 billion.

8. Tatarstan’s Fishery Development Programme for 2009-2013. The objective of this programme is to ensure favourable conditions for the sustainable and rapid growth of Tatarstan’s fishing industry in order to meet the needs of the fish product market, create new jobs, and increase budget revenues at all levels. The total volume of funding is RUB 3,520.8 million.
Guide to investment

Key industries

Industrial production

The volume of shipped domestically produced goods, domestically performed work and provided services in 2009 was RUB 859 billion. The industrial production index in the Republic of Tatarstan was 91.5% of 2008’s level, which is higher than the average Russian rate (89.2%).

Industrial production rates

The volume of shipped goods by type of economic activity was: RUB 284.6 billion for mineral resources production; RUB 497.4 billion for manufacturing activity; and RUB 77.0 billion for production and distribution of electricity, gas and water.

The industrial production index for mineral resources production was 100.6%; for manufacturing activity, 85.4%; and for production and distribution of electricity, gas and water, 90.5%.

In 2009, most manufacturing entities had lower production volumes. The most significant reduction occurred in machinery and equipment manufacturing (by 46.8%), woodworking and wood product manufacturing (by 45%), production of other non-metallic mineral products (43.0%), and production of transportation vehicles and equipment (31.2%). The least significant reduction in production volumes was in textile and clothing manufacturing (0.4%).
Chemical production grew by 7.5% as compared to 2008; oil products production, by 4.7%; pulp and paper production and publishing and printing industry, by 3.5%; and food production, by 3.4%.

The largest share of shipped manufactured goods is traditionally attributable to vehicles and equipment production (21.2%), chemical production (20.6%), oil product production (16.2%) and food production (12.3%).
Energy industry

The energy industry is the republic’s most important, contributing to the development of almost all sectors of the economy in the region. The industrial production index for electricity, gas and water was 90.5% in 2009. In 2009, the republic’s energy industry generated 22,171 million kWh of energy (89.9%).

Electricity production

Heat production in 2009 decreased by 8.3% as compared to 2008 to total 48,248.3 thousand Gcal.

Oil production

The main products produced in this sector are oil, associated gas, heating oil, diesel and petrol. Oil is the main treasure of Tatarstan’s mineral wealth. Probable reserves amount to around 1 billion tonnes. Thirty-four oil companies operate in the Republic of Tatarstan, of which the largest is OAO Tatneft.

The industrial production index for fuel and energy resources was 100.7% as compared to 2008; for other mineral resources, it was 45.3%.

Mineral resources production rate

Oil production was 32.4 million tonnes (100.7% against 2008), and gas production was 774.5 million cu m (100.3%).

Oil refining and petrochemical industry

The chemical and petrochemical industry includes production of chemicals, rubber and plastic goods, and oil products.

The chemical production output in 2009 totalled RUB 102.5 billion, and the chemical production index was 107.5%.

The fastest production output growth was seen in polyethylene (132.6% of the prior year level), thermoplastics (126.5%), synthetic resin and plastics (120.0%), mineral fertilizers (114.3%) and sulphur (116.7%).
The production output of rubber and plastic goods was RUB 39.9 billion; the industrial production index was 77.4%.

The share of truck tyre production in rubber and plastic goods manufacturing decreased by 27.0%; the share of passenger vehicle tyre production decreased by 16.5%; and the share of agricultural machine tyre production fell by 32.2%.

The oil product production index was 104.7%. Production of heating oil rose by 7.7%; diesel fuel production rose by 2.9%. Production of automobile gasoline in 2009 decreased by 11.2%.
Mechanical engineering and metalworking

Mechanical engineering and metalworking includes metallurgical production and production of finished metal goods, machinery, electrical and optical equipment, and transportation vehicles and equipment. The republic’s major companies are OAO KAMAZ, OAO Compact Cars Plant, OAO Kazan Helicopter Plant, OAO Kazan Compressor Machinery Plant, OAO Alnas, OAO A.M. Gorky Plant, OAO KMPO, and the Federal State Unitary Enterprises Gorbunov KAPO and the Sergo Plant.

The industrial production index for machinery and equipment in 2009 as compared to 2008 was 53.2%; for electrical and optical equipment production, 87.3%; for production of transportation vehicles and equipment, 68.8%; and for metallurgical production and production of finished metal goods, 81.8%.

Compared to 2008, the production of passenger vehicles decreased by 6.7 times; production of commercial vehicles decreased by 2.2 times; household refrigerators and freezers, by 1.4 times; tractors, by 4.5 times. Steel pipe production increased by 7.3% as compared to the 2008 level.

Vehicle production

<table>
<thead>
<tr>
<th>Year</th>
<th>Commercial vehicles, thousand items</th>
<th>Passenger vehicles, thousand items</th>
<th>Transportation vehicles and equipment production index, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>131.9</td>
<td>53.8</td>
<td>27.7</td>
</tr>
<tr>
<td>2008</td>
<td>62</td>
<td>98</td>
<td>68.8</td>
</tr>
<tr>
<td>2009</td>
<td>5.4</td>
<td>68.8</td>
<td>-</td>
</tr>
</tbody>
</table>
Agriculture

Agriculture is one of the most stable sectors of Tatarstan’s economy. Though the republic is located in what is considered to be a difficult farming environment, Tatarstan has nevertheless over the last few years yielded one of the largest grain harvests in Russia, with only the native grain-growing regions of Russia’s south producing more.

In 2009, the Republic of Tatarstan Agricultural Development Programme for 2008-2012 continued to be implemented.

Tatarstan’s share in Russia’s agricultural production output exceeded 4.7%.

The agricultural production output for all agricultural producers (agricultural entities, residential households and farms) was RUB 119.1 billion, or 100.1% in comparable prices against the 2008 level.

Agricultural production

Due to weather conditions, the share of crops in the agricultural product mix decreased by 3.7% to total 50.9% (in 2008: 54.6%). The share of livestock production grew to reach 49.1% (in 2008: 45.4%).

Agricultural production in 2009 (% of the total volume)

In 2009, agricultural entities accounted for 53.1% of agricultural production. The share of residential households was 42.1%, and the share of farms was 4.8%.

Crop production

The crop production output in the republic was RUB 60.6 billion (93.7% in comparable prices against the 2008 level).

Crop production

The gross grain harvest in the republic was 4,820.1 thousand tonnes (4,441.8 thousand tonnes after processing), which is 22.6% less than in 2008. The fall in grain production resulted from a 6.2% fall in grain yields, with harvested areas decreasing by 17.5%.
The potato crop totalled 1,900.8 thousand tonnes (up 17.1%), with crop yield up 0.5% and harvested areas expanding by 16.5%.

The gross yield of field vegetable crops was up 4.6%, due to a 7.8% increase in crop yield with a 3.0% reduction in harvested areas.

According to 2009 results, Tatarstan holds the fifth place in Russia in terms of ground grain volumes and first place in potato harvest.

Livestock production

The livestock production output in the republic was RUB 58.5 billion in 2009 (107.6% in comparable prices against the 2008 level).

Overall, livestock numbers in the republic increased by 1.7% against 2008 to reach 1,122.1 thousand: pigs by 2.8% (701.2 thousand), poultry by 9.2% (13,066.6 thousand). The overall number of sheep and goats remained at the prior year level: 392.7 thousand.

Meat production in all types of production units grew by 5.4% as compared to 2008 to reach 412.9 thousand tonnes. Milk production was up to 1,910.8 thousand tonnes (a 4.9% increase). Egg production totalled 1,020.6 million (100.2% against the 2008 level).

One cow in an agricultural entity yielded an average of 4.7 tonnes of milk, which exceeds the 2008 level by 3.7%. Tatarstan is the leader among the regions of the Volga Federal District in milk yield per cow.

The republic took second place among the regions of the district in agricultural entities’ meat production per capita (overall in Russia – eleventh place) and third place in milk production per capita (overall in Russia – fifth place).

Fishing industry

The long-term Fishery Development Programme for 2009-2013 is being implemented in the republic as of August 2009.

The objective of this programme is to ensure favourable conditions for the sustainable and rapid growth of Tatarstan’s fishing industry in order to meet the needs of the fish product market, create new jobs, and increase budget revenues at all levels.
Construction

In 2009, the construction industry output was RUB 184.1 billion.

Construction output, RUB billion

<table>
<thead>
<tr>
<th>Year</th>
<th>RUB billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>86.6</td>
</tr>
<tr>
<td>2007</td>
<td>124.0</td>
</tr>
<tr>
<td>2008</td>
<td>157.0</td>
</tr>
<tr>
<td>2009</td>
<td>184.1</td>
</tr>
</tbody>
</table>

The average housing per capita in 2009 was 22.3 sq m; new housing per capita was an average 0.53 sq m.

Housing per resident, sq m

<table>
<thead>
<tr>
<th>Year</th>
<th>sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>21.9</td>
</tr>
<tr>
<td>2009</td>
<td>22.3</td>
</tr>
</tbody>
</table>

The Republic of Tatarstan takes the third place in Russia (after the Moscow Region and Krasnodar Territory) in volume of new housing. The volume of new housing is 4% of the total Russian volume.

In 2009, 2,010.2 thousand sq m of new housing was commissioned in the Republic of Tatarstan, of which 805 thousand sq m was covered by the mortgage programme.

New housing in the Republic of Tatarstan, thousand sq m

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousand sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1,778.3</td>
</tr>
<tr>
<td>2007</td>
<td>2,040.7</td>
</tr>
<tr>
<td>2008</td>
<td>2,222.5</td>
</tr>
<tr>
<td>2009</td>
<td>2,010.2</td>
</tr>
</tbody>
</table>

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Housing per resident, sq m

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<th>sq m</th>
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In 2009, 2,010.2 thousand sq m of new housing was commissioned in the Republic of Tatarstan, of which 805 thousand sq m was covered by the mortgage programme.
The republic is situated at the intersection of major transport routes: railway (Trans-Siberian Railway and the North-South line), river (the Volga and Kama rivers, flowing to the Caspian Sea, the Urals and the Moscow Region) and road (Centre–Far East Federal Motorway).

Roads. Hard-surface public roads cover 18,500 km, including such federal motorways as:

- Moscow–Nizhny Novgorod–Kazan–Ufa–Chelyabinsk;
- Moscow–Nizhny Novgorod–Kazan–Perm–Ekaterinburg;
- Moscow–Nizhny Novgorod–Kazan–Orenburg;
- St Petersburg–Yaroslavl–Nizhny Novgorod–Kazan;

Tatarstan has three cargo ports with five cargo territories, four passenger ports.
(Kazan, Naberezhnye Chelny, Chistopol, and Nizhnekamsk), six inland water terminals and the following three railway transport companies:

- OAO Kazan Cross-Industry Enterprise Promzheldortrans,
- OOO Zheleznodorozhnik,
- OOO Promtrans.

The first metro line in Kazan was opened on 27 August 2005. As of today, there are six operating stations, and three stations under construction.

**Railways.** The following railway lines run through the republic: Moscow–Kazan–Ekaterinburg, Kazan–Volgograd, and Naberezhnye Chelny–Bugulma.

**Airports.** Tatarstan’s international airports operate scheduled flights to Germany, Greece, the Czech Republic, Cyprus, Turkey, Azerbaijan, Uzbekistan and Tajikistan.

Of the six airports located in the Republic of Tatarstan, two (Kazan and Begishevo) are federal airports.

**River transport.** The Volga, Kama and Vyatka rivers are navigable waterways.

There are passenger river ports located in the cities of Kazan and Chistopol (on the Volga), Nizhnekamsk (on the Kama) and the towns of Tetyushi and Bolgari. The Volga and Kama rivers account for the bulk of river traffic.

**Oil and gas pipelines.** The world’s largest oil pipeline, Druzhba, starts in the Republic of Tatarstan. Trunk gas pipelines carrying natural gas from the Urengoy and Yamburg fields to Western Europe also run through the republic.

**Cargo transportation.** In 2009, the republic’s motor transport entities (including small entities and entrepreneurs dealing with commercial cargo) transferred 10% less commercial cargo than for the corresponding period of 2008 (26.5 million tonnes). Over the period in question, cargo turnover decreased by 10.2% to reach 2,366.8 million tonne-kilometres.

The volume of cargo transported by specialised automobile transport entities, including small entities and entrepreneurs dealing with commercial cargo, decreased by 9.5% to reach 24.6 million tonnes. The cargo turnover was 92.6% of the 2008 level (2,204 million tonne-kilometres). Large and medium specialised automobile entities account for almost 73.4% of the cargo transportation volume (18.1 million tonnes). The share of these entities in the total volume of commercial cargo turnover was 37.3% (822.9 million tonne-kilometres).

**Commercial cargo turnover of automobile transport (% against prior year)**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>I – Cargo turnover of automobile transport entities of all types of economic activity</td>
<td>155.2</td>
<td>153.1</td>
</tr>
<tr>
<td>II – Cargo turnover of specialised automobile entities</td>
<td>89.8</td>
<td>92.6</td>
</tr>
</tbody>
</table>

RUB 14,088.4 million was spent on implementing Tatarstan’s Transport Development Programme for 2006-2010, of which RUB 7,412.9 million was allocated from the Tatarstan budget (the plan provides for raising RUB 20,971 million, which includes RUB 8,064.46 million from the regional budget).
Logistics centres

Today, the development of the transport system is focused around developing logistics technology, coordinating all modes of transport, and building up the infrastructure for international transport corridors.

This system should be based on federal multimodal logistics centres established in the country’s large transportation centres: Moscow, St Petersburg, Kaliningrad, Kazan, Murmansk, Astrakhan, Rostov and Ekaterinburg.

In the framework of creating a network of gateway terminals, the Republic of Tatarstan is implementing a project to set up an interregional multimodal logistics centre in Sviyazhsk.

The importance of the Sviyazhsk terminal will increase significantly following the creation of the Baltic–China transport corridor, which will cross the republic. It will become not only the largest traffic terminal for the Volga region, but the redistribution centre for cargo traffic along three international transport corridors (Baltic–China; South–North; East–West).

The centre will unite all modes of transport: motor, railway and water to begin with, and pipeline and air transport will be added in the future.

The Russian Transport System Development Programme for 2010–2015 provides for the Sviyazhsk centre to be created as a public-private partnership.

The project cost is roughly RUB 12 billion, including RUB 5.6 billion from the federal budget, RUB 1.3 billion from Tatarstan’s budget and about RUB 5 billion of expected private investments.

In the past year, the situation with Class A warehouse space has changed significantly. In 2009 three European-quality logistics centres with the potential for expansion were opened in the republic. The availability of such warehouses will help improve the level of services provided by the republic’s transport companies and logistics operators, which is important from an international trade agreement perspective.

The largest world-class industrial park in the Volga region, Biek Tau, was officially opened on 30 September 2009. The park is designed to accommodate manufacturing facilities and Class A warehouses. The park is located on the M7 federal highway and has a planned capacity of 260,000 sq m, which can handle products and cargo of up to 9.5 million tonnes per year.

The first part of the Konstantinovsky modern logistics complex was put into operation in the republic’s high-altitude region in June 2009. The total floor area of Class A warehouses for handling and storing cargo is 44,000 sq m.

In addition, in April 2009 the first part of the Q – Park Kazan logistics complex was opened. The complex neighbours Kazan International Airport, and its total floor area is 230,000 sq m. The complex is a Class A warehouse that meets all global standards.

In two out of the three logistics centres that opened in the Republic of Tatarstan in 2009 (Biek Tau and Q – Park Kazan), only part of the total floor space was put into operation (62% and 30%, respectively). The remaining parts will be built up in a phased manner in accordance with the construction plans.
Kazan international airport

The Evaluation Committee of the International University Sport Federation said modernising Kazan International Airport was a key condition of Kazan hosting the World Student Games in 2013. To upgrade the airport, it has been decided to:

- extend Runway – 1 to 3,750 metres and widen it to 60 metres;
- reconstruct terminal apron and passenger terminal No.1;
- build a new arrival/departure zone for passengers, cargo terminals, hotels and a new passenger terminal.

These actions will increase the airport’s annual servicing capacity to 1.2 million passengers and 60,000 tonnes of cargo.

The airport upgrade costs are expected to total RUB 9 billion, including RUB 3 billion for plate structure reconstruction.

JSC Khimimport (Bulgaria) is currently a potential investor in Kazan International Airport’s modernisation.
Electronic government

Under a public-private partnership, for the last ten years the Tatarstan Ministry of Informatisation and Communications has ensured investments in communications infrastructure and the implementation of federal and regional special-purpose programmes in a total amount of RUB 17.8 billion, including RUB 728 million from the budget (RUB 302 million from the federal budget and RUB 426 million from Tatarstan’s budget).

Records in all of Tatarstan’s executive bodies are managed electronically. Electronic document management is used by 800 organisations and 10,000 governmental and municipal officers. The seven most popular governmental and municipal services are now available in e-form.

The state information centre of the Republic of Tatarstan was organised in 2009 and includes:

1) the government integrated telecommunications system – a high-speed and secure infocomm infrastructure uniting over six thousand governmental agencies of the federal, regional and local levels in the republic;

2) special portals: Government–People and Government–Business;

3) a new portal of government and municipal services of the Republic of Tatarstan;

4) electronic information kiosks which allow anyone to receive self-service e-services;

5) a processing centre for telephone and video requests for governmental and municipal services.

The Republic of Tatarstan’s Electronic Goods Information System was put into operation to support Russian manufacturers in the difficult economic conditions. The system went live on 1 March 2009 in order to ensure that the republic’s manufacturers are given priority when government and municipal purchases are made.

Telecommunications

The Republic of Tatarstan has an extensive telecommunications system that meets international standards. In 2009 revenues from telecommunication services provided by entities of all types of activities amounted to RUB 23,300 million.

Forty operators provide local telephony services in the Republic of Tatarstan.

Percentage of subscribers who selected their operator in advance, based on 2009 results (other operators account for less than 1%)

There are 2,788 base station sites and 12 mobile switching centres with total installed capacity of 6.93 million numbers operating in the republic.
Internet

2009 could be called the year of the Internet. Significant work has been done to reduce tariffs, attract new entities to the internet services market, and develop alternative access technologies. The level of broadband Internet access increased to 50% and reached 653,000 users. The total number of Internet users was 1,617,000 people.

A number of entities commenced implementation of the 4G standard based on WiMax technology. A new player appeared on the market: the Scartel company (Yota trade name), whose goal is to cover big cities using an attractive price policy.

Internet in the Republic of Tatarstan

<table>
<thead>
<tr>
<th>Achievements:</th>
<th>Goals:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadband Internet penetration rate – 50%</td>
<td>Internet penetration rate – 70%</td>
</tr>
<tr>
<td>Number of broadband Internet users – 653,000.</td>
<td>Broadband Internet speed – at least 10 Mbps</td>
</tr>
<tr>
<td>Total number of Internet users – 1.617 million</td>
<td>WiMax penetration rate – at least 25%</td>
</tr>
<tr>
<td></td>
<td>Implementation of 4.5G standard based on LTE technology</td>
</tr>
</tbody>
</table>

Broadband Internet penetration rate

![Graph showing broadband Internet penetration rate across different regions, with Tatarstan reaching 50% and other regions showing lower percentages.]
Innovative development

Technology parks of the Republic of Tatarstan

There are six technology parks and IT innovation centres in the republic’s capital: Khimgrad Technopolis, OAO Idea Innovation and Industrial Technology Park, GOU VPO Kazan State Technology University Research and Technology Park (Foresight Technology Park), KSU Innovation Centre Research and Technology Park, OAO KNIAT Innovation and Technology Centre and Tupolev KSTU Research and Technology Park.

In addition, relatively separate structural elements function within the above facilities, such as the Sviyaga business incubator, Tupolev KSTU business incubator, the Volga Region Light Industry Innovation and Technology Centre and Khimgrad Industrial Park.

There are five operating technology parks in other cities of the republic: OOO Idea YUGO-VOSTOK Innovation and Industrial Technology Park, OAO Vostok Technology Park, Prikamya Technology Park Research and Industrial Non-Commercial Partnership, OAO Master Kama Industrial Park and Elabuga business incubator. There are also four centres for innovation: Master Industrial Park, Kamskiye Polyany Industrial Park, and independent business incubators in Almetyevsk (Impulse) and Chistopol. Apart from the above, a business incubator in Naberezhnye Chelny was launched in 2007.

The opening of the “youngest” facility of the regional innovation system, the IT Park, is special because this park was created under the government programme Establishing Hi-tech Techno Parks in the Russian Federation.
Setting up this development institute aimed at large-scale commercialisation of communication and IT projects (the largest in Eastern Europe) required RUB 3 billion in government financing, including approximately RUB 1.1 billion from the federal budget.

Another site at the IT Park, designed for localising and scaling of small and medium innovative chemical and petrochemical enterprises, is currently under construction. A collective use centre, certification lab, corporate university and a number of other links in the R&D commercialisation chain will be established in the second “launching area” of this innovation infrastructure facility. The total headcount of this second site will exceed 3,500 people.

Republic of Tatarstan 2008-2010 Innovation Memorandum

Republic of Tatarstan Cabinet of Ministers Resolution No. 357 of 3 June 2009 introduces a number of amendments to the wording of the Republic of Tatarstan 2008-2010 Innovation Memorandum concerning macroeconomic benchmarks for the republic’s innovation policy and target performance benchmarks for regional innovation system facilities.

The Innovation Memorandum will be further improved by updating the target benchmarks for developing the republic’s research and education facilities.

New benchmarks for research and education facilities for the creation of:
- a group of affiliated innovative small businesses
- a network of “endogenic” innovative infrastructure

Creating an “innovation belt” of research and educational facilities
Mass commercialisation of the results of internal research and development
Expansion of non-budgetary streams of financing research and studies
Idea Innovation and Industrial Technology Park

The business model for Idea Technology Park provides for the presence of anchor residents and small innovative companies.

To date, 82% of the Technology Park capacity has been filled. Among its anchor residents are representative offices of DHL, McDonalds, Siemens, NPP GKS, GNO RT Investment and Venture Fund and the recently opened Yokogava Electric CIS and ZAO GE Money Bank.

In the five years of its operation, 117 companies have become residents of the Idea Innovation and Industrial Technology Park. The headcount in resident companies is approximately 1,600 people, and their average salaries are higher than the average in the republic. The technology park is one of the largest in Europe in terms of area occupied (30,000 sq m on 2 ha in the centre of Kazan).

The technology park’s infrastructure includes three main blocks:

- Innovative business incubator with office premises for innovative projects at their early development stages (2,500 sq m);
- Innovation technology centre with office premises for young innovative companies (14,200 sq m);
- Business park with office premises for service companies and companies that are expanding (four buildings with a total area of 10,300 sq m).

Idea Innovation and Industrial Technology Park has become one of four winners of the first contest to create a nanotechnology centre in Russia, held by the Rosnanotekh State Corporation. The results of the contest were announced on 26 March 2010.
The Rosnano State Corporation is planning to invest RUB 1.72 billion to create a nanotechnology centre in Kazan: RUB 1.5 billion to buy innovative equipment, train qualified personnel and maintain the centre’s operation, and RUB 225 million to set up a Technology Transfer Centre based on the Khimgrad Technopolis. The total value of the bid is RUB 3.4 billion. The remaining investment is expected to be raised from private investors.

The new facility will become the base for various research initiatives, as well as for training students. The centre’s objectives will include incubating and supporting innovative companies, working out and introducing new technologies in the nano industry, engineering development for commercial firms and providing equipment for hands-on work. The main areas of future research are pharmaceutics, composite materials, spintronics and reagents.

**Address:** 50 Peterburgskaya Ul., Kazan, 420107
Telephone/Fax: +7 (843) 570-68-50, +7 (843) 570-68-40
e-mail: info@tpidea.ru
http://www.tpidea.ru/

**Nanotechnology development**

An integrated programme for the projected development of the nano industry in the Republic of Tatarstan until 2015 has been developed; it includes 174 R&D projects to create nanotechnologies and nano materials and promote their industrial application in various sectors of the economy. The programme’s funding is RUB 181.7 billion. One priority infrastructure project is the International Nanotechnology Centre Project. Under this project, a NANOFAB Centre based on the Idea Technology Park is planned to be created.

Realising this programme will help to systemically solve problems connected with achieving the republic’s main goals for the nano industry’s development; create a trigger for the innovation process by developing and implementation it in the republic’s priority industries; create complete technology cycles – from research to final industrial consumers of nano products and technologies – in the most “advanced” projects; identify and promote competitive products based on nano materials and technologies in petrochemicals, aircraft, automotive, shipbuilding and mechanical engineering, medicine and other industries.

It is expected that implementing the programme will result in a 39% increase in the manufacturing of innovative products in the republic and an increase in the people employed in hi-tech and science-driven sectors of the republic’s economy to 50,000.
At the end of 2005, Tatarstan submitted its Elabuga region in a Russia-wide competition to select sites for special economic zones (SEZ) for industry and manufacturing.

Tatarstan was selected as one of the first two SEZs to be created. Alabuga’s selection depended on objective factors, such as success in stimulating investment activities, advantageous geography, and a well-developed manufacturing sector and transport infrastructure. Begishevo Airport is within 45 km of the Alabuga SEZ. The SEZ has access to the Moscow-Ufa-Kazan-Chelyabinsk federal highway. It also has access to the nearby river ports of Chelny and Nizhnekamsk, which form part of a unified deep-water transport system in the European part of Russia.

All the necessary infrastructure is in place for each resident site: roads, railroad, utilities, electricity, heating, gas, water, sewage systems, high-speed Internet connection, etc. RUB 9 billion has been invested in the infrastructure of the Alabuga SEZ.

The Elabuga customs terminal has been in operation at the Alabuga SEZ since 21 April 2008. The customs terminal, 60 ha in area, is equipped with state-of-the-art equipment that optimises customs clearance time.

Companies that participate in the SEZ are assumed to be high-technology, export-oriented manufacturers that will reduce the republic’s dependence on imports. Resident companies will thus need to sign an agreement with the Russian Ministry of Economic Development on conducting manufacturing activities and investing in production assets in the SEZ. According to the new version of the Law No. 116-FZ “On Special Economic Zones in Russia”, companies should invest at least EUR 3 million.

The SEZ will be of great interest to foreign and domestic investors because it will give them several clear competitive advantages:

- By registering in the SEZ, a legal entity will be granted a number of tax benefits. In particular, they will be exempt from property tax for 10 years (from the moment their property is registered), land tax (from the moment they obtain the title to the land plot) and transport tax payable to the Tatarstan budget. Residents will have other additional tax privileges, including a profit tax rate of 15.5%.
- The SEZ will also be a free customs zone, with any foreign equipment installed and used within it being exempt from customs duty and VAT. Additionally, manufactured goods transported from the zone will be exempt from export duties. Russian goods will be kept and used under terms and conditions in accordance with the customs treatment of exports, which stipulates the payment of excise duties while waiving export customs duties.
- SEZ residents have the right to apply a special coefficient (no higher than two) to the base depreciation rate of their fixed assets.
- R&D expenses (including those with no positive results) incurred by taxpayers registered and operating in the SEZ will be recognised in their actual amount in the reporting (tax) period in which they were incurred.
- Restrictions on loss carry forwards incurred in the previous tax period will be waived for SEZ resident companies.
• A “single window” system operates in the Alabuga SEZ. This enables residents to interact with governmental authorities without leaving the SEZ and seriously reduces the amount of red tape.

• Audits of SEZ residents by government supervisory authorities are held according to a special procedure at least once every two years.

Consequently, depending on the business, all of these benefits can lower costs for investors significantly.

### Comparative Tax Table Republic of Tatarstan versus Alabuga SEZ

<table>
<thead>
<tr>
<th>Tax</th>
<th>Rate</th>
<th>Budget allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Federal</td>
<td>Regional</td>
</tr>
<tr>
<td>1. Profits tax</td>
<td>20.0%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>SEZ residents</strong></td>
<td>15.5%</td>
<td>2%</td>
</tr>
<tr>
<td>2. Value added tax</td>
<td>18.0%</td>
<td>18.0%</td>
</tr>
<tr>
<td><strong>SEZ residents</strong></td>
<td>18.0%</td>
<td>18.0%</td>
</tr>
<tr>
<td>3. Property tax</td>
<td>2.2%</td>
<td>-</td>
</tr>
<tr>
<td><strong>SEZ residents</strong></td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>4. Land tax</td>
<td>1.5%</td>
<td>-</td>
</tr>
<tr>
<td><strong>SEZ residents</strong></td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>5. Transport tax</td>
<td>Rates depend on the type and capacity of the transport vehicle</td>
<td>Rates depend on the type and capacity of the transport vehicle</td>
</tr>
<tr>
<td><strong>SEZ residents</strong></td>
<td>0%</td>
<td>-</td>
</tr>
</tbody>
</table>
According to the long-term development strategy, by 2011 the construction of all types of infrastructure facilities (engineering, customs and business) will be complete. The construction of a Kama-500 substation of 500 mW capacity (outside of Alabuga SEZ) is planned to satisfy residents’ demand for electric power.

By 2012, it is planned to open 40 resident companies manufacturing various products in the Alabuga SEZ: cars, buses, auto components, heat pumps, construction equipment, high-tech electronic equipment, aviation components, oil conversion products, polymers, construction materials, household products, pharmaceuticals, etc.

Alabuga SEZ managing company
PO Box 162, Street 14, Alabuga Industrial Site, Elabuga, 423602
Telephone: +7 (85557) 5-52-16, 5-52-36
http://www.alabuga.rosoez.ru/
# List of Alabuga SEZ resident companies

<table>
<thead>
<tr>
<th>№</th>
<th>Name of company</th>
<th>Products manufactured under the project</th>
<th>Planned amount of investment (USD millions)</th>
<th>Planned number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>OOO Severstal-Auto Elabuga [link]</td>
<td>FIAT Ducato automobile plant</td>
<td>250</td>
<td>2,500</td>
</tr>
<tr>
<td>2</td>
<td>ZAO Severstal-Auto Isuzu [link]</td>
<td>ISUZU truck plant</td>
<td>83.3</td>
<td>1,500</td>
</tr>
<tr>
<td>3</td>
<td>ZAO Polimatiz [link]</td>
<td>Production of spunbond and spunmelt nonwovens</td>
<td>50</td>
<td>110</td>
</tr>
<tr>
<td>4</td>
<td>OOO Rokwool-Volga [link]</td>
<td>Manufacturing of mineral wool products</td>
<td>210</td>
<td>150</td>
</tr>
<tr>
<td>5</td>
<td>ZAO Technical Equipment Factory [link]</td>
<td>Heat pumps and components for climate control systems</td>
<td>20</td>
<td>200</td>
</tr>
<tr>
<td>6</td>
<td>OOO Septal [link]</td>
<td>Production of equipment for local and small sewage systems</td>
<td>28</td>
<td>200</td>
</tr>
<tr>
<td>7</td>
<td>OOO P-D Tatneft Alabuga Glass Fibre [link]</td>
<td>Production of glass fibre and associated glass fibre products</td>
<td>70</td>
<td>300</td>
</tr>
<tr>
<td>8</td>
<td>OOO Air Liquid Alabuga [link]</td>
<td>Production of technical gases: liquid oxygen, liquid nitrogen, gas oxygen</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>9</td>
<td>OOO Akulchev-Alabuga [link]</td>
<td>Confectionary and bakery</td>
<td>10.9</td>
<td>156</td>
</tr>
</tbody>
</table>
Universiade 2013

Around 12,000 athletes and members of delegations from 170 countries, 1,500 mass media representatives and 100,000 tourists and fans are expected to take part in the Summer World Student Games in Kazan. A record number of sports have been announced for the 2013 Games – 26 in total (of which 13 are main sports and 13 are additional).

The Universiade Village in Kazan will be one of the best in the history of the World Student Games. It will have an informational and entertainment centre, a stadium and sports gyms. The housing will accommodate 14,500 people.

After the Universiade end, the Village will be used as a student campus with a training centre for teams selected from various sports.

Some 64 sports facilities concentrated in four areas of Kazan are planned to be used in the games (28 sports facilities exist and will be renovated and 36 are under construction).

To date, 11 sports facilities have been commissioned as part of the preparations for the Universiade 2013. Ten facilities were built in 2009; these include the Combat Sports Palace, Zilant, Vatan, Triumph, Forward, Itil sports facilities and others. A football stadium with 45,000 seats and the Aquatics Palace are under construction.

The eleventh facility of the Universiade 2013 opened its doors in Kazan’s Kirovsk District on 1 March 2010. The Olympian Universal Sports Complex will host the volleyball competitions. The federal budget has allocated around RUB 300 million for the construction of the Olympian.

The Central Stadium will serve as the centre for track and field competitions. A special Boxing Centre for the boxing matches is proposed to be built on the Armor School campus.
Rowing competitions will be held as part of the World Student Games. In connection with this, a rowing channel will be arranged in Kaban Lake.

A separate facility for gymnastics will be built next to the Village. Water polo competitions will be held in the Orgsyntez swimming pool.

The fencing tournaments will be held in the pavilion of Kazanskaya Yarmarka Exhibition Centre. Batyr Sports Complex will welcome weight-lifters. Beach football and volleyball competitions will be held at the new Kazan racetrack.

All the sports facilities should be ready by the end of 2012.

After the World Student Games are over, the new facilities will be handed over to Kazan’s universities, children’s sports schools and Olympic reserve academies.
Foreign economic activity

Foreign trade

The Republic of Tatarstan foreign trade turnover in 2009 was estimated to be USD 13.4 billion, a decrease of 37% as compared to 2008 (in Russia: 35.1%).

USD 11.7 billion worth of goods was exported, which is 36.8% less than in 2008. Imports decreased 41.4 and came to USD 1.7 billion.

Exports accounted for 87.3% and imports accounted for 12.7% of the foreign trade turnover.

Foreign trade turnover of the Republic of Tatarstan

The republic’s foreign trade surplus was USD 10 billion (in 2008: USD 15.6 billion).

Mineral products account for 79.8%, chemical and petrochemical products account for 12.5%, and mechanical engineering products account for 6.2% of the export trade structure. Please note that compared to the same period of 2008, the share of mineral products has decreased by 1.3%, while the shares of chemical and petrochemical products and mechanical engineering products have increased by 1.3% and 0.4%, respectively.
Geographic structure of Tatarstan’s Foreign trade

Non-CIS countries have kept the leading position in the geographic structure of Tatarstan’s foreign trade turnover in 2009 with a share of 84.8%, while CIS countries accounted for 15.2%. That said, the share of non-CIS countries in Tatarstan’s exports has decreased 1.9% as compared to 2008 to come to 85.2%, whereas the share in imports increased by 0.2% to reach 82.5%.

The following non-CIS countries account for approximately half of the republic’s foreign trade turnover volume: Italy (13.2%), Turkey (11.9%), Poland (10.2%), the Netherlands (7.3%) and Germany (5.0%).

Share of non-CIS countries in the foreign trade structure of the Republic of Tatarstan, %

![Graph showing the share of non-CIS countries in Tatarstan's foreign trade structure.]

Countries leading in terms of exports to the Republic of Tatarstan in 2009 were Italy (13.5% of the total export volume), Turkey (13.1%) and Poland (11.5%).

Germany (28.4%), Italy (13.7%) and Belarus (8.6%) were the republic’s biggest importers.

External trade with main partner countries, USD million

![Graph showing external trade with main partner countries.]
Regional organisations involved in the support and development of foreign economic activity

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Address</th>
<th>Contact information</th>
</tr>
</thead>
</table>
| Ministry of Industry and Trade of the Republic of Tatarstan                  | 4 Ostrovsky Ul. Kazan, 420111              | Telephone: +7 (843) 299-10-07 / 299-11-09
Fax: +7 (843) 292-16-45
E-mail: mtorg@kabmin.tatarstan.ru
Http://mpt.tatar.ru/                                                        |
| Department of External Communication, Office of the President of Tatarstan   | 9 Kreml Kazan, 420014                      | Telephone: +7 (843) 567-87-26
Fax: +7 (843) 292-00-92 /292-08-10
e-mail: dfa@kremlin.kazan.ru                                                    |
| Committee for External Communication and Tourism of the Kazan Executive Committee | 3 Kremlevskaya Ul. Kazan, 420014           | Telephone: +7 (843) 299-16-43
Fax: +7 (843) 299-17-48                                                            |
| The Cabinet of Minister’s Agency for the Development of International Cooperation, Republic of Tatarstan | 35/2 Pravo-Bulachnaya Ul. Kazan, 420111 | Telephone: +7 (843) 292-79-02
Fax: +7 (843) 292-87-76
e-mail: arms-kazan@mail.ru                                                               |
| Chamber of Commerce and Industry, Republic of Tatarstan                      | 18 Pushkina Ul. Kazan, 420111              | Telephone: +7 (843) 264-62-07
Fax: +7 (843) 236-09-66
e-mail: tpprt@tpprt.ru
Http://www.tpprt.ru                                                            |
Anti-recessionary policy of the Government of the Republic of Tatarstan

To minimise the consequences of the global economic crisis and to provide for the stable operation of the real economy, the government of the Republic of Tatarstan has developed a range of anti-recessionary measures:

- Regional programme (comprehensive plan) of preventive measures for coping with the effects of the global financial crisis in the Republic of Tatarstan
- Republic targeted programme of apartment building overhaul
- Republic programme of providing housing to citizens of the Republic of Tatarstan on favourable conditions (special mortgage)
- Programme for developing transport in the Republic of Tatarstan
- Russian government programme for updating the car fleet and refuse collection and street-cleaning vehicles
- Preparing for the 2013 Summer World Student Games

The total funding for the regional programme of preventive measures for coping with the effects of the global financial crisis was RUB 2,925.5 million in 2009, including RUB 2,775.7 million from the federal budget and RUB 149.8 million from the regional budget.

The republic has passed a number of laws aimed at reducing the tax burden of companies and small and medium businesses as part of measures to provide government support to the real sector of the economy. The profits tax rate was reduced from 18% to 13.5% for industrial and research and development organisations that fulfil the government’s defence orders. Graduated tax rates have been established for taxpayers who apply a simplified tax system. The rates have been reduced from 15% to 5% for various types of economic activity, including various manufacturing activities, production and distribution of electric power, gas and water, and construction. For the remaining taxpayers, rates have been reduced from 15% to 10%.
Surveys of public opinion about corruption were conducted in accordance with the first President Shaymiev’s instructions in 2005, 2007 and 2009. The monitoring of public opinion about corruption is conducted according to the strategy of the Tatarstan anti-corruption policy, approved by order of the President of the Republic of Tatarstan.

According to the survey results, of the respondents who were entrepreneurs, 59.4% mentioned high taxes and 50.3% mentioned economic instability as reasons preventing business development in Tatarstan. That said, 33.6% of respondents believe that business needs government’s support. Respondents also mentioned intense competition (26.4%), corrupt officials (23.3%) and regulator’s activities (20.4%) among factors preventing business from developing.

76.8% of entrepreneurs surveyed did not encounter corruption in the last year. 23.2% of respondents acknowledged encountering corruption personally; of these, 42.5% had been forced to give a bribe, and 57.5% had refused to give one.

According to entrepreneurs, the main reasons for corruption in Russia and Tatarstan are lack of proper control over the income and expenses of public officials (66.0% and 63.8%, respectively), low salaries of public officials (34.0% and 35.5%), and inadequate punishments (33.6% and 34.5%). Having the authority to make unilateral decisions, a flawed judicial system and an uncultured populace have been mentioned among other reasons for corruption.

In the 2008, Russia scored 2.1 out of 10 and ranked 147th out of 180 countries in an anti-corruption rating of the reputed international organisation Transparency International. In 2007 Russia ranked 143rd and in 2006 it ranked 121st.

Information about implementing measures of the programme for realising the strategy of the Tatarstan anti-corruption policy for 2009-2011 in 2009
http://mert.tatar.ru/AnticorPolicy/Results.html
Investment climate

According to Moody’s and Fitch international rating agencies, Tatarstan is considered one of the most investor friendly regions in Russia.

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Ba1</td>
</tr>
<tr>
<td>Fitch</td>
<td>BB</td>
<td>BB</td>
<td>BB+</td>
<td>BBB-</td>
<td>BBB-</td>
</tr>
</tbody>
</table>

According to a survey by Russian rating agency Expert RA, over the last ten years Tatarstan has ranked in the top Russian regions for minimum overall investment risk.

Changes in Tatarstan’s investment ratings

<table>
<thead>
<tr>
<th></th>
<th>Rank (in Russian regions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment potential</td>
<td>10</td>
</tr>
<tr>
<td>Investment risk</td>
<td>9</td>
</tr>
</tbody>
</table>

Investment in fixed capital

In 2009, RUB 267,989.9 million in fixed investment was allocated for the republic’s economic and social development – 93.3% of the previous year’s level in comparable prices.

Changes in fixed investment

Structure of investments in fixed capital by type of business activity, %

<table>
<thead>
<tr>
<th>Business Activity</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4.4</td>
<td>6.1</td>
</tr>
<tr>
<td>Mining</td>
<td>9.6</td>
<td>12.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Production and distribution of power, gas and water</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Construction</td>
<td>11.9</td>
<td>11.6</td>
</tr>
<tr>
<td>Trade</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Transport and communications</td>
<td>18.3</td>
<td>14.5</td>
</tr>
<tr>
<td>Real estate transactions</td>
<td>12</td>
<td>14.5</td>
</tr>
<tr>
<td>Other industries</td>
<td>8.9</td>
<td>5.0</td>
</tr>
</tbody>
</table>
RUB 3,316.6 million in fixed investment was allocated to environmental measures, which in comparable prices is 91.2% higher than the previous year. 63.5% of investments in fixed capital of large and medium-sized companies was financed by loans, whose share in the total fixed investment was up 11.4% as compared to 2008. The share of companies’ and organisations’ own funds allocated for investment purposes was 36.5%; these were generally financed through depreciation.
Investment laws in the Republic of Tatarstan

The Republic of Tatarstan has created a modern legal framework for investments to meet potential investors’ requirements.

The regulatory framework includes, among other things, the following legislation:

- Law No. 2180-XII of 19 July 1994 of the Republic of Tatarstan “On Foreign Investments in the Republic of Tatarstan”

Current laws on benefits and privileges for investors

The Republic of Tatarstan offers loans from its budget, reimburses a portion of loan interest, ensures government guarantees for high-priority investment projects, provides preferential tax treatment, and offers government participation in project implementation through co-financing and grants.

Investment activity is governed by the Republic of Tatarstan Laws “On Investment Activity in the Republic of Tatarstan”; “On Foreign Investments in the Republic of Tatarstan”, laws on the Republic of Tatarstan budget for the next fiscal year, and a number of regulations of the Tatarstan Cabinet of Ministers.

Under Tatarstan law, tax benefits are provided for investors that realise investment projects in Tatarstan enterprises, for example, in the form of an income tax rate reduction to 13.5% for tax due to the budget of Tatarstan and a tax rate reduction to 0.1% for property that has been newly constructed or acquired for investment project purposes in accordance with agreements on investment activity.

The republic has had in place a mechanism for a number of years under which a portion of both interest on bank loans for investment project purposes and coupon income payments on bonds issued for specific investment projects are compensated.

There are two state-run not-for-profit organisations in the republic – the Investment and Venture Fund of the Republic of Tatarstan and the Stabilisation Pledge and Insurance Fund of the Republic of Tatarstan – whose aim is to make investment resources affordable by offering co-financing with banks and private and non-government investors, thus facilitating investment activity in the republic.
**Foreign investments**

The inflow of foreign investments into Tatarstan’s economy in 2009 was USD 2,240.3 million (including rouble-denominated investments converted into US dollars), or 13.6% less than in 2008. As of 1 January 2010, the cumulative foreign investment in the Republic of Tatarstan was USD 5,843.1 million. Foreign investments came from 21 countries.

Structure of investments received from foreign investors by type of economic activity in 2009, %

- Real estate operations; leasing and services: 77.9%
- Mining operations: 18.4%
- Manufacturing activities: 3.3%
- Other: 0.4%

Direct foreign investment received was USD 113.3 million, or 5.06% of the total volume of foreign investments (based on 2008 results, the share of direct investments was 27.9%).

Other foreign investment received amounted to USD 2.12 billion, or 94.6% of the total volume of foreign investments (based on 2008 results, the share of other investments was 72.1%).
Attracting foreign investments to the Republic of Tatarstan in 2007 – 2009

### Structure of investments received from foreign investors in 2007 – 2009

<table>
<thead>
<tr>
<th></th>
<th>2007 (USD million)</th>
<th>2008 (USD million)</th>
<th>2009 (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investments</td>
<td>1,679.4</td>
<td>347.2</td>
<td>2,593.8</td>
</tr>
<tr>
<td>% against previous year</td>
<td>347.2</td>
<td>154.4</td>
<td>86.4</td>
</tr>
</tbody>
</table>

### Major foreign companies investing in the Republic of Tatarstan

<table>
<thead>
<tr>
<th>№</th>
<th>Investment project description</th>
<th>Brief overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Automatic gearbox manufacture for KAMAZ trucks</td>
<td>ZF KAMA joint venture for assembly work and, later, manufacture of automatic gearboxes for KAMAZ trucks with up to 70% subsequent localisation of components for their assembly. The share of German company ZF Friedrichshafen AG in the joint venture’s charter capital is 51%.</td>
</tr>
<tr>
<td>2</td>
<td>Setup for production of CUMMINS diesel motors that are EURO-3 and EURO-4 compliant in the town of Naberezhnye Chelny</td>
<td>ZAO Cummins KAMA – a joint venture between American company Cummins and OAO KAMAZ.</td>
</tr>
<tr>
<td>3</td>
<td>Production of drum brakes, disc brakes, torsion dampers, automatic control levels for drum brakes</td>
<td>KNORR-BREMSE-KAMA is a joint venture between Knorr-Bremse Systeme für Nutzfahrzeuge GmbH (LLC Knorr-Bremse Systems for commercial vehicles) and OAO KAMAZ.</td>
</tr>
<tr>
<td>4</td>
<td>Setup for manufacture of sleeve assembly components for OAO KAMAZ</td>
<td>Joint venture between OAO KAMAZ and German company Federal-Mogul: OOO Federal-Mogul Powertrain Naberezhnye Chelny.</td>
</tr>
<tr>
<td>№</td>
<td>Investment project description</td>
<td>Brief overview</td>
</tr>
<tr>
<td>----</td>
<td>--------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>5.</td>
<td>Setup for manufacture of mineral wool products with capacity of 100,000 tonnes per annum</td>
<td>OOO Rockwool-Volga (resident of the Alabuga SEZ), set up with foreign capital participation of the Rockwool International Group, the world's largest manufacturer of mineral wool.</td>
</tr>
<tr>
<td>6.</td>
<td>ICL-KPO VC</td>
<td>The company was set up in 1991 by the Kazan Production Association of Computing Systems (KPO VC) and British Company International Computers Limited (ICL). The shareholders of the company are the Ministry of Land and Property Relations of the Republic of Tatarstan and Fujitsu Services Limited (formerly ICL).</td>
</tr>
<tr>
<td>7.</td>
<td>Setup for manufacture of commercial vehicles in the territory of the Alabuga SEZ with a capacity of 25,000 vehicles per annum</td>
<td>ZAO Severstalauto-ISUZU – a joint venture between OAO Severstal-auto and Japanese corporations ISUZU Motors and Sojits Corp.</td>
</tr>
<tr>
<td>8.</td>
<td>Manufacture of protective anticorrosion mastics based on PVC plastisols to protect motor car and bus bodies</td>
<td>OOO D Plast-Eftec RT is a subsidiary of D PLAST-EFTEC A.S. (Czech Republic). It operates in the Alabuga industrial site.</td>
</tr>
<tr>
<td>9.</td>
<td>Manufacture and sale of consumer oil heaters</td>
<td>OOO ZASS Alabuga (investments from Turkey) and LLC Delonghi (investments from Italy). They operate in the Alabuga industrial site.</td>
</tr>
<tr>
<td>10.</td>
<td>A project called “Manufacturing bidirected three-layer polyethylene packaging material for the food industry, trade and agriculture”</td>
<td>OOO EZKI – a joint project with the participation of OAO POEIAZ, OAO Nizhnekamskneftechem and a British firm.</td>
</tr>
<tr>
<td>№</td>
<td>Investment project description</td>
<td>Brief overview</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>11.</td>
<td>Manufacture of plastic articles for home interiors</td>
<td>OOO ANSAN Alabuga – investments from Turkey. It operates in the Alabuga industrial site.</td>
</tr>
<tr>
<td>12.</td>
<td>Construction of a brick factory with capacity of 150 million POROTHERM grade bricks per annum in the Vysokogorsky region of the Republic of Tatarstan</td>
<td>Investor: Wienerberger AG (Austria). The factory was launched on 26 May 2009.</td>
</tr>
<tr>
<td>13.</td>
<td>Setup for licensed production of transformer substations and high-voltage equipment</td>
<td>TatEK company in the town of Zainsk jointly with Schneider Electric (France).</td>
</tr>
<tr>
<td>14.</td>
<td>Establishment of a modern poultry production unit for turkey farming in the territory of Verkhneuslonsky region of the Republic of Tatarstan</td>
<td>AO INDYKPOL (Poland). The project goal is to set up a modern, vertically integrated poultry production unit focused on cheap turkey meat production. The company will consist of: feed-stuff factory, poultry farm and slaughterhouse.</td>
</tr>
<tr>
<td>15.</td>
<td>Construction of Q-Park-Kazan logistics terminal</td>
<td>The project investor is Quinn Group (Ireland). Q-Park Kazan is located 25 km from Kazan near the Kazan – Orenbourg federal highway, used for vehicle transit travelling to Moscow, Samara, Ekaterinburg, Nizhny Novgorod and Ufa. Q-Park Kazan logistics complex was launched on 9 March 2009.</td>
</tr>
<tr>
<td>16.</td>
<td>Setup for manufacture of automobile cables in the town of Naberezhnye Chelny</td>
<td>The project proponent is OOO Leoni Wayering Systems (Rus), the first Russian enterprise of German group Leoni AG, registered in July 2008. Production was launched in October 2009. It is located in Naberezhnye Chelny on 3,000 sq m on the territory of KIP Master. The plant is focused on supplies of electrical wires, cables and straps for diverse industry sectors.</td>
</tr>
</tbody>
</table>
Memorandum between OAO Sollers and Fiat Group company on establishing a joint venture in Russia to manufacture passenger cars and SUVs

The memorandum on establishing a joint venture between Sollers and FIAT was signed in the presence of Prime Minister Vladimir Putin in Naberezhnye Chelny on 11 February 2010. The total production capacity of the new JV will be up to 500,000 vehicles per year.

Establishing this joint venture provides for opening a production centre for vehicle design and manufacture in Russia. This project will lead to the appearance of the second-largest player in the Russian passenger car market (after AvtoVAZ).

The JV product range will include nine new C- and D-segment models, as well as crossovers and SUVs, with up to six models to be produced on a new global FIAT-Chrysler platform. A minimum 10% of the vehicles produced will be shipped to export markets. The project will be implemented in Naberezhnye Chelny, where the plant production site will be expanded with new production facilities and a technology park for component production. The target localisation under the project is at least 50% and stipulates Russian production of engines and gearboxes. Moreover, to support the project’s component needs, the required components will be produced at the ZMZ production site and at the new technology park in Togliatti.

To date, Sollers has invested about EUR 600 million in joint production with FIAT. The new project will require investments of more than EUR 2 billion. The localisation level should be at least 50% in order for the Russian government to continue to render support to Sollers.

In 2009 RUB 5.7 billion was allocated to purchase vehicles produced by Sollers for state and municipal needs. In addition, 2,100 vehicles were sold to citizens through a concessional lending programme. Sollers shipped another 1,200 vehicles to the Far East to be sold at reduced rates.

There is an agreement on the contribution to be made by each party. The Russian government is considering the possibility of lending EUR 2.1 billion to support this project on the condition that lending institutions first conduct a thorough review. A number of Russian regions with relevant experience and personnel will be involved in this project, including Togliatti.
## Major companies (including those with foreign investment)

<table>
<thead>
<tr>
<th>Name</th>
<th>Industry, Sector</th>
<th>Contact data</th>
</tr>
</thead>
</table>
| OAO Tatneft           | Oil producing            | 75 Ul. Lenina  
Almetyevsk, 423450  
Telephone: +7 (8553) 30-70-01 (reception), 37-11-11 (information)  
Fax: +7 (8553) 37-61-51, 25-68-65  
e-mail:tnr@tatneft.ru  
http://www.tatneft.ru |
| OAO TANECO            | Chemical and petrochemical | PO Box 97  
Nizhnekamsk, 423581  
Telephone: +7 (8555) 49-02-02  
Fax: +7 (8555) 49-02-00  
e-mail:eferent@office.nnpz.ru  
http://www.taneco-npz.ru |
| OAO Tatenergo         | Energy                    | 1 Ul. Salimzhanova  
Kazan, 420021  
Telephone: +7 (843) 291-86-59 / 292-77-03  
Fax: +7 (843) 291-83-33 / 291-86-75  
e-mail:office@hq.tatenergo.ru  
http://www.tatenergo.ru |
| OAO Nizhnekamskneftekhim | Chemical and petrochemical | Nizhnekamsk, 423574  
Republic of Tatarstan  
Tel.: +7 (8555) 37-70-09  
Fax: +7 (8555) 37-93-09  
e-mail:nknh@nknh.ru  
http://www.nknh.ru |
| OAO Nizhnekamskshina  | Chemical and petrochemical | Nizhnekamsk, 423550  
Republic of Tatarstan  
Telephone: +7 (8555) 37-23-33 / 34-94-31 / 49-71-17  
Fax: +7 (8555) 34-08-22 / 49-73-38  
e-mail:info@shina-kama.ru  
http://www.shina-kama.ru,  
http://www.tyre-kama.com |
<table>
<thead>
<tr>
<th>Name</th>
<th>Industry, Sector</th>
<th>Contact data</th>
</tr>
</thead>
</table>
| OAO Kazanorgsintez | Chemical and petrochemical | 101 Ul. Belomorskaya
Kazan, 420051
Telephone: +7 (843) 533-99-89 / 533-98-10 / 533-98-09
Fax: +7 (843) 533-99-00
e-mail: kos@kos.ru
http://www.kazanorgsintez.ru |
| OAO Nefis-Cosmetics | Chemical and petrochemical | 152 Ul. Tukaya
Kazan, 420021
Telephone: +7 (843) 277-37-40 / 270-42-06 / 278-94-00
Fax: +7 (843) 570-42-77
e-mail: gensec@nesco.ru
http://www.nefco.ru |
| OAO KAMAZ | Mechanical engineering and metalworking | 29 Pr. M. Dzhalilova
Naberezhnye Chelny, 423808
Telephone: +7 (8552) 37-40-86 / 45-20-86 / 38-00-80
Fax: +7 (8552) 37-41-25 / 53-11-38
e-mail: director@kamaz.net
http://www.kamaz.net |
| OAO Zavod Mikrolitrazhnykh Avtomobiley (Small Car Plant) | Mechanical engineering and metalworking | 20 Pr Vakhitova, PO Box 68
Naberezhnye Chelny, 423815
Telephone: +7 (8552) 38-90-11
Fax: +7 (8552) 38-90-08 / 38-90-07 / 38-90-83
e-mail: secretar@severstalauto.com
http://www.zma.ru |
| OAO ALNAS | Mechanical engineering and metalworking | Almetyevsk, 423461
Republic of Tatarstan
Telephone: +7 (8553) 39-36-04
Fax: +7 (8553) 39-34-90
e-mail: alnas@alnas.ru
http://www.alnas.ru |
<table>
<thead>
<tr>
<th>Name</th>
<th>Industry, Sector</th>
<th>Contact data</th>
</tr>
</thead>
</table>
| OAO Kazankompressormash                        | Mechanical engineering and metalworking | 1 Ul. Khalitova  
Kazan, 420029  
Telephone: +7 (843) 272-22-21  
Fax: +7 (843) 291-79-67  
e-mail: kompr@online.kzn.ru  
http://www.compr.kzn.ru |
| OAO Melita                                     | Light industry                     | 46 Ul. Gafuri  
Kazan, 420029  
Telephone: +7 (843) 278-30-86 / 278-27-82  
Fax: +7 (843) 278-30-88  
e-mail: mer@melita.ru, info@melita.ru  
http://www.melita.ru |
| OAO Tatspiritprom                               | Food & beverages                   | 81 Ul. Dekabristov  
Kazan, 420029  
Telephone: +7 (843) 562-47-26  
Fax: +7 (843) 541-95-00  
e-mail: director@tsp.mi.ru  
http://www.tatspiritprom.ru |
| ZAO Narodnoye Predpriyatie  
Naberezhno-Chelninsky Kartonno-Bumazhny Kombinat  
(Cardboard & Paper Plant)                       | Wood-processing                    | Naberezhnye Chelny, 423808  
Republic of Tatarstan  
Fax: +7 (8552) 77-82-37 / 46-05-97  
e-mail: nkbk@nkbk.ru  
http://www.nkbk.ru/ |
| OAO KAPO named after S.P. Gorbunov             | Mechanical engineering and metalworking | 1a Ul. Dementieva  
Kazan, 420036  
Telephone: +7 (843) 571-31-31 / 571-96-34 / 571-97-77  
Fax: +7 (843) 571-95-98  
e-mail: kapo@mi.ru  
kapo-reklama@mail.ru |
<table>
<thead>
<tr>
<th>Name</th>
<th>Industry, Sector</th>
<th>Contact data</th>
</tr>
</thead>
</table>
| OAO Sollers                                   | Mechanical engineering                         | 10 Ul. Testovskaya, Unit 19-2  
Moscow City, North Tower Business Centre  
Moscow, 123317  
Telephone: +7 (495) 228-30-45  
+7(495) 228-30-43  
Fax: +7(495) 228-30-44  
http://www.sollers-auto.com |
| OAO TAIF                                      | Chemical and petrochemical                     | 27 Ul. Schapova  
Kazan, 420012  
Telephone: +7 (843) 277-94-02  
Fax: +7 (843) 277-94-03  
e-mail: bars@taif.ru  
http://www.taif.ru |
| FKP Kazan Precision Engineering Plant named after M. Kalinin  
FKP GosNIKhP                                  | Mechanical engineering                         | 71 Ul. Gafuri  
Kazan, 420108  
Telephone: +7 (843) 278-25-92 / 278-26-01 / 278-26-29  
Fax: +7 (843) 278-26-01, 278-26-29  
e-mail: kztm@mail.ru |
| FGUP ZPKB  
FGUP FNPTs Radioelektronika (Radio Electronics) named after V.I. Shimko | Instrument engineering                         | 50/3 Ul. Zhurnalistov  
Kazan, 420029  
Telephone: +7 (843) 295-05-05  
Fax: +7 (843) 272-28-01  
e-mail: kniire.hostingweb.ru  
shimko@rosprom.org |
| OAO Zelenodolsk Plant named after A.M. Gorky | Machine industry and metalwork production      | 5 Ul. Zavodskaya  
Zelenodolsk, 422546  
Telephone: +7 (84371) 5-76-10  
Fax: +7 (84371) 5-66-08 / 5-78-00  
e-mail: zdship@nimb.ru  
http://www.zdship.ru |
Most attractive industries for investors

The industries that are the most attractive from an investor’s point of view are the oil producing and oil refining sectors, the chemical and petrochemical industries, information technologies and communications, mechanical engineering, food and beverages and agriculture.

The Republic of Tatarstan’s state policy on attracting foreign investment consists of a package of measures aimed at improving the investment climate and encouraging innovation in the chemical and petrochemical sectors, mechanical engineering, the service sector, and for small and medium businesses.

Tax privileges granted to foreign investors and commercial entities with foreign investments in the Republic of Tatarstan

Russian law provides that federal budgetary funds can be allocated on a repayable basis to high-performance commercial investment projects that have been selected by tender, or on the condition that the state will hold a stake in newly established joint-stock companies, or by granting state guarantees to compensate part of an investor’s losses if an investment project has failed through no fault of the investor’s own. Russian government guarantees are granted within the limits set for this purpose in the regular federal annual budget.

Under the Russian Budgetary Code, as a Russian federal constituent region the Republic of Tatarstan may also grant government guarantees for priority investments projects.

1. Investment entities that have entered into a contract with an authorised agency of the Tatarstan Cabinet of Ministers are exempt from federal taxes payable to the budget of the Republic of Tatarstan as well as from regional taxes, in accordance with Russian laws on taxes and duties.

2. Tax privileges are granted to entities for the pay-back period of the investment project, but not longer than seven years from the moment when the investment project began.

Entities engaging in investment activity in the machine-building/engineering industry can be granted tax privileges for a period of up to thirteen years from the moment when the investment project began.

3. Tatarstan’s State Council can grant certain categories of taxpayers a privilege in the form of a reduced tax rate. The reduced rate should be at least 13.5%.
Republic of Tatarstan

Agency for investment activities

By order of former Tatarstan President Shaimiev, the Ministry of Economy, together with the newly established Investment Agency, have developed and presented to the Ministry of Economic Development a mechanism of cooperating with investors based on a ‘one-window’ principle. This was aimed at minimising and eventually eliminating the impact that existing negative factors have on investment activity in the republic.

The purpose of the ‘one-window’ principle for investors is to reduce the time needed to receive approvals and opinions from different state agencies in order to implement investment projects in the republic.

The system will help the investor to receive practical assistance in dealing with state authorities, local authorities and other organisations during administrative procedures. Such procedures include obtaining a land plot, making arrangements at investment sites, receiving the approved pre-project and project documentation for construction, and receiving permission to construct facilities and put them into commission.

After this mechanism has been introduced, investors will no longer have to go through any agreement procedures by themselves, as they will be taken care of by qualified specialists who have contacts in all the relevant state authorities.

In addition, the Investment Agency is currently determining investment opportunities for import substitution of certain types of products. The Electronic Information System of the Republic of Tatarstan is used as a source of information on the republic’s demand for goods, including those produced outside the republic.

Address: 55 Moskovskaya Ul., Kazan, 420021
Telephone: +7 (843) 292-49-65, +7 (843) 292-01-96
e-mail: Ildar.Shayahmetov@tatar.ru
http://www.agzrt.ru/
# Investment projects

<table>
<thead>
<tr>
<th>№</th>
<th>Name of investment project</th>
<th>Name of company initiating the project (investor)</th>
<th>Cost, RUB million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Complex of refineries and petrochemical plants in Nizhnekamsk</td>
<td>OAO TANECO</td>
<td>265,937.2</td>
</tr>
<tr>
<td>2</td>
<td>Construction of a new integrated complex for production of ammonia, methanol and granular carbamide in Mendeleevsk</td>
<td>OAO Ammony</td>
<td>28,476.5</td>
</tr>
<tr>
<td>3</td>
<td>Construction of a complex for the advanced processing of heavy residue at OAO TAIF-NK Refinery</td>
<td>OAO TAIF-NK</td>
<td>70,314.8</td>
</tr>
<tr>
<td>4</td>
<td>Construction of an EP-1000 complex for production of olefin and derivatives (polyethylene: 600 thousand tonnes p.a., polypropylene: 370 thousand tonnes p.a.)</td>
<td>OAO Nizhnekamskneftekhim</td>
<td>83,800.0</td>
</tr>
<tr>
<td>5</td>
<td>Development of the Ashalchinskoe field with high-viscosity oil deposits</td>
<td>OAO Tatneft</td>
<td>5,262.5</td>
</tr>
<tr>
<td>Summary</td>
<td>Funding structure, % (own funds – o/f; raised funds – r/f)</td>
<td>Information on the project initiator (name of the manager/initiator’s address/telephone number/e-mail)</td>
<td></td>
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<tr>
<td>---------</td>
<td>-----------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>
r/f – 83% | General Director – Khamza Azalovich Bagmanov / OAO TANECO, PO Box 97 RUPS, Nizhnekamsk, 423570, Republic of Tatarstan / +7 (8555) 49-02-02 (reception) / referent@taneco-npz.ru |
| Construction of a complex with daily ammonia production capacity of 2,050 tonnes (w/o co-production of methanol), or 1,492 tonnes of ammonia and 668 tonnes of methanol per day. Granular carbamide production: 2,050 tonnes per day | o/f – 18%  
r/f – 82% | General Director – Radik Rushanovich Vakhitov / Industrial Zone, Mendeleevsk, 423650, Republic of Tatarstan / +7 (843) 299-40-09 / ammoni@bk.ru |
| Extension of OAO TAIF-NK’s existing production to reach the maximum level of oil refining; using own resources to supply the complex with energy and hydrogen; minimising exposure to external factors and risks | o/f – 20%  
r/f – 80% | General Director – Alexander Alexeevich Babynin / OAO TAIF-NK, Bldg. A-12, Industrial Zone, Nizhnekamsk, 423570, Republic of Tatarstan / +7 (8555) 38-16-16, 38-13-99 / chekashov_AA@npz.taifnk.ru |
| Construction of a new production complex with high added value, increase in degree of processing for hydrocarbon material. The project entails the construction of a new enterprise | o/f – 0.05%  
r/f – 99.95% | General Director – Vladimir Mikhailovich Busygin / OAO Nizhnekamskneftekhim, 423574, Republic of Tatarstan / +7 (8555) 37-71-81 / www.nknh.ru |
<p>| Increase in oil production in the Republic of Tatarstan through application of new high-viscosity oil extraction technologies | o/f – 100% | General Director – Shafagat Fakhrazovich Takhautdinov / 75 Ul. Lenina, Almetyevsk, 423400, Republic of Tatarstan / +7 (8553) 45-65-65, 37-11-11, 30-73-00 / +7 (8553) 37-61-51, 25-68-65 / <a href="mailto:tnr@tatneft.ru">tnr@tatneft.ru</a> |</p>
<table>
<thead>
<tr>
<th>№</th>
<th>Name of investment project</th>
<th>Name of company initiating the project (investor)</th>
<th>Cost, RUB million</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Establishment of a joint venture for production and promotion of Mitsubishi Fuso Canter utility trucks in the Russian market</td>
<td>OAO KAMAZ, AO Dymler</td>
<td>1,100</td>
</tr>
<tr>
<td>7</td>
<td>Construction of TatStal electrometallurgy plant with a capacity of 1.2 million tonnes of steel p.a. in Leninogorsk metropolitan area</td>
<td>ZAO TatStal</td>
<td>21,533</td>
</tr>
<tr>
<td>8</td>
<td>Supplies of Tu-334 short-haul aircraft for Russian airlines</td>
<td>OAO KAPO named after S.P. Gorbunov</td>
<td>14,232.6</td>
</tr>
<tr>
<td>9</td>
<td>Establishment of the Khimgrad technopolis</td>
<td>Open joint stock company UK Idea Capital</td>
<td>10,000</td>
</tr>
<tr>
<td>10</td>
<td>Construction of Alekseevskoe – Almetievsk toll highway, including the Shali (M7 Volga) – Bavly (M5 ‘Urals’) highway, and development of a new section of the Kazan-Orenburg federal motorway in the Republic of Tatarstan</td>
<td>Ministry of Transport and Roads of the Republic of Tatarstan</td>
<td>39,592.5</td>
</tr>
<tr>
<td>Summary</td>
<td>Funding structure, % (own funds – o/f; raised funds – r/f)</td>
<td>Information on the project initiator (name of the manager/initiator’s address/telephone number/e-mail)</td>
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<td>------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Launch of Mitsubishi Fuso production in Russia, establishment of a</td>
<td>o/f – 50%</td>
<td>General Director – Sergei Anatolievich Kogogin / 29 Ul. M. Dzhailiya, Nабережные Челны, 423808.</td>
<td></td>
</tr>
<tr>
<td>joint venture of OАО KAMAZ and German automotive group Dymler AG,</td>
<td>r/f – 50%</td>
<td>Republic of Tatarstan / +7 (8552) 45-20-86, 38-00-80 / +7 (8552) 53-11-38 / <a href="mailto:ko_avz@kamaz.net">ko_avz@kamaz.net</a> / <a href="http://www.kamaz.net">http://www.kamaz.net</a></td>
<td></td>
</tr>
<tr>
<td>locating production at vacant OАО KAMAZ sites</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of a new electrometallurgy plant for steel production</td>
<td>o/f – 51%</td>
<td>Executive Director – Yuri Vasilievich Shadrin / 1а Ul. Promyshlennaya, Leninogorsk, 423250,</td>
<td></td>
</tr>
<tr>
<td>with a capacity of up to 1.2 million tonnes of steel p.a., including</td>
<td>r/f – 49%</td>
<td>Republic of Tatarstan / +7 (85595) 2-75-28, 2-75-29 / <a href="mailto:tatstal@list.ru">tatstal@list.ru</a>, <a href="mailto:kspz-maxi@mail.ru">kspz-maxi@mail.ru</a></td>
<td></td>
</tr>
<tr>
<td>steel bar of up to 1.0 million tonnes p.a.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewal of the Russian aircraft fleet of short-haul planes by</td>
<td>o/f – 27%</td>
<td>General Director – Vasil Kadymovich Kayumov / 1 Ul. Dementyeva, Kazan, 420036, Republic of</td>
<td></td>
</tr>
<tr>
<td>launching batch production of Tu-334 aircraft</td>
<td>r/f – 73%</td>
<td>Tatarstan / +7 (843) 571-96-34 / <a href="mailto:kapo@mi.ru">kapo@mi.ru</a></td>
<td></td>
</tr>
<tr>
<td>The Khimgrad Technopolis is an infrastructural support element for</td>
<td>r/f – 100%</td>
<td>Albert Anvarovich Karimov / 50 Peterburgskaya Ul., Kazan, 420107, Republic of Tatarstan / +7 (843) 227-41-40 / +7 (843) 227-41-49 / <a href="mailto:info@himgrad.ru">info@himgrad.ru</a> / <a href="http://www.himgrad.ru">www.himgrad.ru</a></td>
<td></td>
</tr>
<tr>
<td>small and medium companies in the Republic of Tatarstan operating in</td>
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<tr>
<td>the chemical and petrochemical sector. It is aimed to be closely</td>
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<tr>
<td>linked with the republic’s major petrochemical entities and</td>
<td></td>
<td></td>
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<tr>
<td>leading institutes of higher education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The project entails the construction of a new transport route for</td>
<td>o/f – 25%</td>
<td>Minister – Gennady Yegorovich Yemelyanov / 31а Ul. N. Yershova, Kazan, 420061, Republic of</td>
<td></td>
</tr>
<tr>
<td>passenger and cargo traffic along the busiest routes between West</td>
<td>r/f – 75%</td>
<td>Tatarstan / +7 (843) 291-90-10 / <a href="mailto:mindortdans@tatar.ru">mindortdans@tatar.ru</a></td>
<td></td>
</tr>
<tr>
<td>Europe and West China</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>№</td>
<td>Name of investment project</td>
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<td>Cost, RUB million</td>
</tr>
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</tr>
<tr>
<td>11</td>
<td>Construction of the Sedmoe Nebo housing estate in Kazan</td>
<td>OOO AK BARS Development</td>
<td>108,002.5</td>
</tr>
<tr>
<td>12</td>
<td>Construction of the Zeleny Dol satellite town (construction in areas adjacent to the Kazan-Zelenodolsk-Zeleny Dol highway)</td>
<td>OAO RT Mortgage Agency</td>
<td>64,265.6</td>
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<tr>
<td>Summary</td>
<td>Funding structure, % (own funds – o/f; raised funds – r/f)</td>
<td>Information on the project initiator (name of the manager/initiator’s address/telephone number/e-mail)</td>
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<tr>
<td>Building a housing estate with comfortable living conditions for the people of Kazan</td>
<td>o/f – 46.8%</td>
<td>General Director – Robert Renatovich Musin / 2 Ul. Dekabristov, POB 170, Kazan, 420066, Republic of Tatarstan / +7 (843) 513-09-43, 513-09-18, 513-09-50</td>
<td></td>
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<tr>
<td>Construction of the Republic’s first satellite town, Zeleny Dol, with developed infrastructure and comfortable living conditions for people at large</td>
<td>o/f – 32%</td>
<td>General Director – Andrei Anatolievich Simakov / 15/9 Ul. B. Krasnaya, Kazan, 420111, Republic of Tatarstan / +7 (843) 299-19-65 / <a href="mailto:ipotekart@ipotekart.ru">ipotekart@ipotekart.ru</a></td>
<td></td>
</tr>
</tbody>
</table>
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