



THE REPUBLIC OF CRIMEA
DEVELOPMENT CORPORATION



CRIMEA THE INVESTOR'S REFERENCE BOOK





Vladimir Putin
RF President

– Crimea is tourism and holidays. But not only that. Crimea has a very good industrial and agricultural potential, and we will be developing it.

Our goal is to make Crimea and Sevastopol the dynamically developing constituent subjects of the Russian Federation.



Sergey Aksentov
Head of the Republic of Crimea

– Ensuring sustainable social and economic development of the Republic of Crimea is the main task of the system of state authorities of the Republic of Crimea. The key role in accomplishing this task is played by the consistent implementation of a balanced investment policy aimed at creating a business environment favorable for the development of entrepreneurship, investments of capital and implementation of investment projects.

We are open to cooperation, we are forming transparent power-business relations and creating comfortable conditions for the investor's work.

Today, the Republic of Crimea is a territory of unique opportunities for doing business and for the efficient work of investors' capital. Investment in Crimea is an investment in the future of Russia!



Andrey Melnikov
Minister of Economic Development
of the Republic of Crimea

At present, Crimea is one of the most promising Russian territories in terms of investment. This characteristic is based on the combination of a number of favorable factors: unique natural conditions, numerous state support measures, the availability of necessary intellectual and labor potential, and, most importantly, the political will to achieve the set goals.

Effective mechanisms for working with investors have been introduced in the Republic, development institutes have been established, and the investment strategy for Crimea is being developed.

Time has come to realize our potential!



Oleg Morozov
General Manager,
The Republic of Crimea
Development Corporation
a Joint-Stock Company

– Even today, despite the subjective restrictions, the possibility of implementing their business ideas in Crimea attracts a significant number of Russian and foreign investors. The Republic of Crimea Development Corporation is called upon to accumulate investment proposals and ensure the effective interaction between business and the state when implementing major projects necessary for the harmonious development of priority sectors of the regional economy.

We are constantly expanding the portfolio of investment sites and proposals, ready to consider the various forms of participation of our partners and open to cooperation!





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REGION COMPETITIVENESS FACTORS

Today the Republic of Crimea is one of the most investment-attractive regions of the Russian Federation due to its favorable geographical location, natural resources, developed infrastructure and availability of labor potential.

The populations' high educational level, as well as a wide range of qualified specialists in various spheres, permits to carry out activities in almost all areas of economic development.

In addition, Crimea has a significant potential for creating tourist-recreational, agroindustrial and industrial clusters. Currently, three industrial parks are being built in the region.

There is a basis for the formation of transport-logistical, metal-processing, and in the future also high-tech and nanoclusters both in information systems and in biotechnologies.

The analysis of the social and economic development of Crimea allows us to identify a number of competitive advantages and key factors of development of this Russian Federation subject:



Favorable economic and geographical location of the region.



Availability of operating tourist and recreational infrastructure, as well as the climatic conditions necessary for the development of recreation and medical treatment.



Mineral and resource potential, including the availability of hydrocarbon deposits and raw materials for chemical and construction industries.



Natural and climatic conditions favorable for the development of agricultural production.



Developed chemical industry, mechanical engineering, shipbuilding and transport infrastructure.



Availability of qualified workforce, scientific, educational and scientific-industrial institutions of international and regional level.



Expanded opportunities for obtaining institutional, resource and financial support due to Crimea's reintegration into the Russian Federation.



Prospects for strengthening interregional production and cooperation ties with other Russian Federation subjects.

Thus, the availability of adequate potential, a number of competitive advantages and a favorable investment climate create the necessary conditions for the effective implementation of the boldest initiatives in Crimea.

▼ Transport passage across the Kerch Strait





THE REPUBLIC OF CRIMEA DEVELOPMENT CORPORATION

The Republic of Crimea Development Corporation, a Joint-Stock Company, was established on the strength of the Decree of the Republic of Crimea Council of Ministers of 25 November 2015, No. 1139-p.

The experience of most Russian regions shows that the establishment of development institutions in the form of corporations is the most effective tool for improving the business climate, attracting investments in priority sectors of economy, implementing the regional investment strategy and building up the public-private partnership.

Today, the Corporation is creating three industrial and one agroindustrial park in the territory of the peninsula, is developing private agro-park concepts and is carrying out the individual support of investment projects based on the one stop principle. It also interacts with investment funds and development institutions.

The Corporation's activities are carried out on the basis of the best practices in the sphere of investment development adopted in Russia's regions, as well as the best international practices.

It should be noted that the Regional Executive Authorities Activity Standard is being introduced to ensure a favorable investment climate (Investment Standard) in the Republic of Crimea.

The Investment Standard purports the introduction of 15 best practices in the sphere of investment development which have proved to be effective in a number of constituent subjects of the Russian Federation.

The Corporation consistently implements the four key practices of the Investment Standard:



Availability of an organization to attract investments and work with investors;



Creation of infrastructure for investors (industrial, agroindustrial and industrial parks);



Assessment of investors' applications based on the one stop principle;



Availability of an investment portal.

For detailed information about the Corporation, as well as current investment projects and sites, legal, statistical information for investors and other information necessary for the investor, visit the website of the Corporation **kr82.ru** and the investment portal of the Republic of Crimea **invest-in-crimea.ru**.



CRIMEA. GENERAL INFORMATION

Crimea lies at a crossroads of millennia and world cultures. Here you can trace the path of our entire civilization – from cave towns to Russian emperors' palaces.

The peninsula probably got its name from the Turkic word “Kyrym” which means “wall”, “bulwark”, “moat”. In Russian sources, Crimea used to be called Taurida until the 1920s.

A distinctive feature of the Republic of Crimea is its advantageous geographical location at the intersection of thoroughfares between European and Asian countries. Its area is 26.1 thou sq km, which only makes up 0.15% of Russia's territory. The length of its coastline is 2,500 km.

The Republic of Crimea is a constituent subject of the Russian Federation which makes part of the Southern Federal District. The capital of the Republic of Crimea is the city of Simferopol.

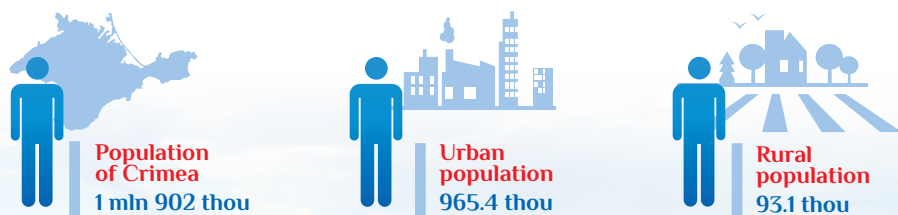
On 18 March 2014, an interstate treaty was signed on the reintegration of the independent Republic of Crimea in the Russian Federation and the formation of new Federation subjects: the Republic of Crimea and the Federal City of Sevastopol.

The Republic of Crimea consists of 25 political subdivisions, including 14 districts and 11 republican subordination cities. The Republic of Crimea Council of Ministers is a permanently acting supreme executive body of state authority of the Republic of Crimea.

Crimea is a multiethnic area. In different historical periods, it was inhabited by Tauri and Cimmerians, Scythians and Greeks, Sarmatians and Romans, Goths, Huns, Avars, Bulgarians, Khazars, Slavs, Pechenegs, Polovtsians, Karaites, Mongols and Crimean Tatars, Italians and Turks.

ASSESSMENT OF THE NUMBER OF POPULATION OF THE REPUBLIC OF CRIMEA

Based on data as at 01 January 2016



The share of population of the Republic of Crimea in the total Russian Federation's population makes up 1.3%.



According to the population census, there were 6 large ethnic groups in the Republic of Crimea in 2014. The number of three of them exceeds 200 thousand people. They are Russians, Ukrainians and Crimean Tatars. The Russian ethnic population is the largest (1.5 million) and makes up 68% of the total population of Crimea.

Today, the Republic of Crimea is a rapidly developing Russian Federation subject where all the necessary conditions for a comfortable life of the population are being created.



ECONOMIC OVERVIEW

The distinctive features of Crimea which served the basis for formation of the peninsula's economy are coastal location, fertile soils, warm climate, as well as natural and recreational resources.

The economy of the Republic of Crimea is rather diversified, with key sectors of economy represented, given regional specifics, which opens up wide opportunities for investment.

The value of Crimea as an international tourist and recreational center is universally recognized. But the economy of Crimea is not limited only to the sphere of recreation and medical treatment.

Agriculture is one of the leading sectors of the region's economy which forms and provides economic and food safety, labor and demographic potential of rural areas and the agrofood market.

The traditional priorities in the sphere of agriculture are viticulture, wine-making, vegetable growing, fruit and grain-crop growing and processing and fishery.

The industry of the Republic of Crimea includes mechanical engineering and shipbuilding enterprises, food and chemical industries. Among the promising investment fields are power production, agricultural processing equipment manufacture and high technology instrumentation.

The transport and road complex of Crimea presents a developed communication system which includes 14.7 thousand km of roads, 4 commercial sea ports and 2 ferry lines, an airport and an extensive 629 km-long railway network.

The economy of the Republic of Crimea is developing taking into account the measures provided for by the Federal Target Program Social and Economic Development of the Republic of Crimea and the City of Sevastopol until 2020 approved by the Decree of the Russian Federation Government of 11 August 2014, No. 790.

The goal of the Program is the integration of Crimea into the economic space of the Russian Federation, provision of transport accessibility and lifting of infrastructure constraints.

The following will be the prospective priorities to form the basis for the long-term economic development of Crimea:



Tourism and recreation with sanatorium rehabilitation;



Agroindustrial complex with the development of ecologically pure horticulture and viticulture production;



High-tech industries; and



IT-sphere.



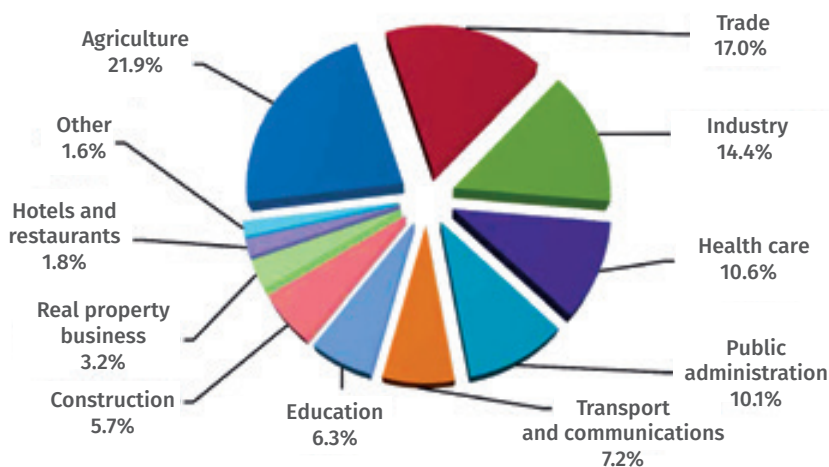
The implementation of the Program activities will ensure an uninterrupted power and gas supply of the region. It will also permit to create a stable water supply system and to expand the transit transport potentialities of the peninsula.

The current state of the region's economy is determined by statistical indicators, of which the gross regional product is the key one.

The volume of the gross regional product of the Republic of Crimea for the year 2014 is estimated at 137.9 billion rubles. By this indicator, the Republic of Crimea comes 72nd among the constituent subjects of the Russian Federation.

The per capita GRP volume for the same period amounted to 73.2 thousand rubles, being 5.5 times lower than the average for the constituent subjects of the Russian Federation (403.2 thousand rubles), and only exceeding Sevastopol's indicator (45, 8 thousand rubles).

THE REPUBLIC OF CRIMEA GRP STRUCTURE BASED ON TYPES OF ECONOMIC ACTIVITY



The structure of the gross regional product of the Republic of Crimea shows that the leading sectors in the region are agriculture (21.9%), trade (17.0%) and industry (14.4%). Rather a large part of the GRP (27.1%) falls on the sphere of non-material production related to health care, education and security.

It should be noted that since the end of 2014 – early 2015, the investor support mechanisms of federal and regional levels have been introduced in the Republic of Crimea, with more than 900 private projects launched, which will positively influence the GRP volume and structure.



NATURAL RESOURCE POTENTIAL

The Republic of Crimea occupies one of the leading places in the Russian Federation in terms of saturation with minerals.

The balance of reserves of the Republic of Crimea accounted in the territory of the peninsula 183 deposits of 21 types of minerals. The deposits of raw materials for the production of building materials (113 deposits or 61.7% of the total quantity) prevail in the structure of raw material potential.



Fuel and energy complex fossils are represented by 34 deposits (18.6%), water fossils (drinking and technical, mineral and thermal) are represented by 17 deposits (9.3%), those of metallurgical raw materials – by 11 deposits (6.1%), those of mining-chemical raw materials – by 3 deposits (1.6%), with 5 deposits of other raw materials (2.7%). The region is characterized with the uneven distribution of fossil deposits, which is explained by the spatial distribution of productive structural-formational and structural-material geopolitical complexes in which they were formed.

The highest saturation with minerals, in addition to fresh groundwater, is typical of Saky and Leninsky districts, with 49 deposits in each of the districts.



In the territory of the Republic of Crimea, there are more than **1,657 rivers and watercourses** with a total length of about 6 thousand km; **1,842 ponds**, as well as **315 lakes**, including 50 salt lakes, 35 of which contain the stock of therapeutic mud (Saky, Bakalskoye, Sasyk-Sivash, Kizil-Yar and Chokraskoye Lakes).



The region has **22 water reservoirs**, with a total volume of 334.2 million cubic meters. Of this number, 14 are natural runoff reservoirs and 8 are off-stream storage reservoirs. The volume of predicted reserves of fresh groundwater makes up 1,301 thou cub m/24 hrs, including 1,105 thou cub m/24 hrs of approved reserves.



Chernozems are the most common zonal soils in Crimea. They are developed in the steppe and partly in the foothill area and make up over 1,100 thousand hectares, or more than 45% of the peninsula's surface. More than 75% of their area is ploughed up, which creates favorable conditions for the development of agriculture.



The total **area of the forest fund** of the Republic is **237.0 thousand hectares**. Forest plant communities are represented mainly by beech, oak and hornbeam forests and Crimean pine forests.



The **fauna** of the peninsula is rich and diverse: there are 12 thousand species of insects, 14 species of reptiles, more than 300 species of birds and 61 species of mammals. The Crimean mountain forests are populated by the Crimean red deer, roe deer, fallow deer, wild boar, fox, badger, and a variety of birds, including the woodcock, black-headed vulture and griffon vulture.



EDUCATION AND SCIENCE

In modern conditions, the educational system becomes one of the most important factors ensuring economic growth and development of the institutions of civil society. The population's educational level is an indispensable condition for the progress of society and economy.

Education in the Republic of Crimea has a well-developed network of educational institutions

470
preschool
institutions

562
general
education
institutions

50
technical
schools and
colleges

In the territory of the Republic of Crimea, qualified specialists are prepared in 10 educational institutions of higher education, with 48.3 thousand students taking various courses in the 2015-16 academic year.

The leading scientific and educational center of the Republic of Crimea is the **V.I. Vernadsky Crimean Federal University**, a Federal State Autonomous Educational Institution of Higher Education. In addition, there are nine other higher educational institutions in the region.

The activities of Crimea's higher educational institutions are based on a rich history and established traditions of teaching and research work. They have developed material and research bases and prepare professionals in a wide range of majors.

▼ **V.I. Vernadsky Crimean Federal University**





By the results of the population census in the Crimean Federal District, there are **4,528 Candidates of Science and 916 Doctors of Science** in the Republic of Crimea, with 2,203 women (48.7% of the total number) Cand.Sc. and 322 women (35.1%) Dr.Sc.. In terms of age, prevailing among Candidates of Science are persons of employable age (57%), with persons older than employable age (53.2%) among Doctors of Science.

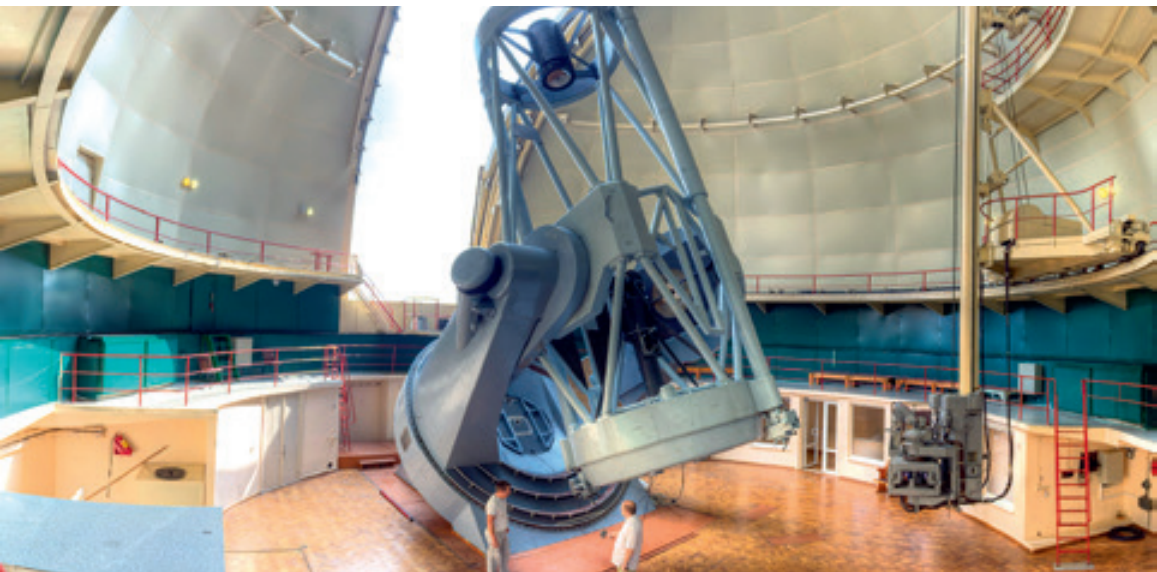
The network of research institutions in the territory of the Republic of Crimea is represented by 17 entities. The Nikitsky Botanical Gardens - National Research Center, Bearer of the Order of the Red Banner of Labor, a State-Financed Entity of the Republic of Crimea, is one of the world's most famous and oldest national scientific research institutions. It was founded in 1812.

A significant contribution to the development of science is also made by the Crimean Astrophysical Observatory, a State-Financed Research Institution of the Republic of Crimea, the Karadag Nature Reserve, a State-Financed Research and Nature Conservation Institution of the Republic of Crimea, the Magarach National Research Institute for Viticulture and Wine, a State-Financed Entity of the Republic of Crimea, and others.

Despite the extensive network of educational institutions, the Republic of Crimea experiences the shortage of workforce. As at the end of 2016, there were 10.2 thousand vacancies, which is 25.5% more than at the beginning of the year.

In the region, there is a steady demand for sales professionals, IT professionals, tourism and restaurant business employees. There is also a demand for marketing specialists, accountants, administrative personnel and construction specialists, as well as doctors and teachers.

▼ Schein's Mirror Telescope





TRANSPORT COMPLEX

The transport complex of the Republic of Crimea unites all types of long-distance transport: railway, road, sea, air, intraurban (electric) transport, transport and terminal storage logistics infrastructure, as well as the transportation management system.

At the same time, the existing transport complex requires the construction of new infrastructure facilities and improvement of the existing ones in order to establish a reliable transport connection with the mainland of the Russian Federation.

Transport constraints in the territory of the peninsula will be resolved within the framework of the activities provided for by the Federal Target Program Social and Economic Development of the Republic of Crimea and the City of Sevastopol until 2020 approved by the Decree of the Russian Federation Government of 11/08/2014, No. 790.

Within the framework of the Program, a transport passage across the Kerch Strait, the Taurida federal highway and port infrastructure facilities are currently constructed, Simferopol International Airport is being reconstructed, to name but a few.

The transport and road complex of the Republic of Crimea is quite developed and represents a single logistics system using various types of transport.

Length of roads in the Republic of Crimea



The railway connects the major cities of Crimea and crosses the entire peninsula. The length of railway tracks makes up 1,309 km, with 629 km operating length. Railways are operated by the Crimean Railway, a Federal State Unitary Enterprise (crimearw.ru).

The processing capacity of all cargo fronts of the Crimean Railway, a Federal State Unitary Enterprise, is 8.9 million tons per year, and the processing capacity of container terminals is 57.5 thousand containers per year in a twenty-foot equivalent.



The container sites are located at Simferopol-Gruzovoy (Cargo), Sevastopol-Tovarny (Goods) and Aivazovskaya stations.

Functioning in the Republic of Crimea are



4 sea commercial ports (Eupatoria, Kerch, Theodosia and Yalta), Kerch sea fishery port and Kerch ferry line. The Crimean Seaports, a State Unitary Entity of the Republic of Crimea (crimeamorport.com), unites the work of all ports located in the territory of the Republic of Crimea.



The aviation transport complex of the Republic of Crimea is represented by enterprises directly involved in passenger and cargo transportation and providing air transport services.



Simferopol International Airport (sipaero.ru) is the main civil airport of the Republic which was set up in 1936. The airport has 2 runways, 42 aircraft parking spaces and is capable of accepting virtually all types of aircraft.



Road transport is one of the most popular transportation means in the region. In Crimea, there are 529 bus services (of which 275 are suburban and 254 are interurban) run by 80 motor vehicle carriers operating more than 1,500 rolling stock units.



Electric transport is represented by trolleybus and trams. In addition, on Crimea' Southern Coast, electric vehicles are widely used for short-distance tourist transportations.

▼ Simferopol International Airport. New airport terminal building





FUEL AND ENERGY COMPLEX

The peninsula has significant reserves of energy fossils and a potential of renewable sources. The region produces gas and oil, electricity and heat.

It should be noted that the power system of the peninsula is quite developed from the point of view of the power grid complex. There are generating capacities both operating on traditional types of fuel and using solar and wind energy.

There are 4 thermal power plants (Simferopol, Kamysh-Burun, Sevastopol and Saky) with a total capacity of 143 MW, 6 solar power plants (407 MW) and 6 wind power plants (88.9 MW) in the territory of the Crimea. In peak hours of consumption in the region, also used are mobile stations' and large enterprises' generating facilities.

In 2015-16, cable lines across the Kerch Strait (energy bridge) were built and commissioned with a total power flow of 800 MW. The energy bridge connected the energy systems of Crimea and the Krasnodar Territory.

In Crimea, projects are now underway to build 2 new combined-cycle cogeneration plants (Sevastopol and Simferopol) with a total power flow of 940 MW (to be commissioned in 2018). A number of private projects for the construction of less powerful power plants in different areas of the Republic of Crimea are also being implemented.

Today, power consumption in peak hours makes up 1,250 gigawatts, with 2,600 gigawatt consumption expected by 2020 due to the rapid economic development and the creation of new industries. This need will be covered by own generation and the power flow from the mainland.

The largest enterprise in the energy sector in the Republic of Crimea is Krymenergo, a State Unitary Entity of the Republic of Crimea (gup-krymenergo.crimea.ru) which provides a reliable and uninterrupted power supply to consumers.

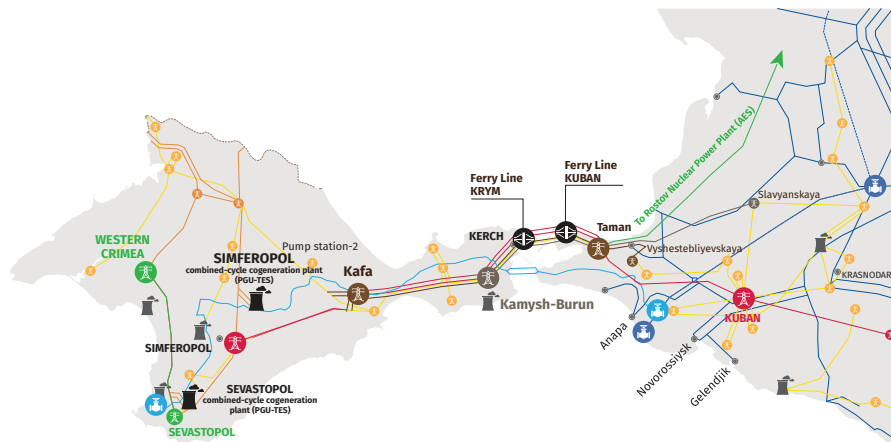
The only enterprise in the Republic of Crimea carrying out the exploration and development of oil and gas fields, the preparation of hydrocarbon crude, its transportation and storage is Chernomorneftegaz, a State Unitary Entity of the Republic of Crimea (gas.crimea.ru). The gas consumption in the region is approximately equal to its production (1.5-1.6 billion cubic meters per year). Glebovskoye underground gas storage helps solve the shortages problem during the heating season (with 10-12 million cubic meter peak consumption and an average daily production of 5.3 million cubic meters).

To provide natural gas supply to the base generation facilities on the peninsula, the Krasnodar Territory-Crimea gas pipeline was put into operation at the end of 2016. It will ensure the pumping of more than 2 billion cubic meters of gas, and with pressure increase, up to 4 billion cubic meters.

The gas supply to consumers in the region is provided by Krymgazseti, a State Unitary Entity of the Republic of Crimea (crimeagasnet.ru).



Integration of Crimean Energy System into Russian Economy



Phase I

December 2015

- 1st stage (02/12/2015)**
 - Cable line across the Kerch Strait
 - 4x14.3 km (1st chain)
 - Substation 220 kV Kamysh-Burun
- 2nd stage (15/12/2015)**
 - Cable line across the Kerch Strait
 - 4x14.3 km (2nd chain)
 - Substation 220 kV Kafa

1st stage Substation 500 kV Taman (Switchyard 220 kV)

Stepdown substation Crimea and stepdown substation Kuban

02.12.2015	15.12.2015
200 MW	power flow
320-420 MW	power shortfall
90%	population energy saving
12 noon-3 pm	power supply from supergrid
	6-8 pm

Phase II

May 2016

- High voltage transmission line 500 kV **Kuban-Taman** 126 km
- 2nd stage Substation 500 kV **Taman** (Switchyard 500 kV)
- High voltage transmission line 500 kV **Kafa-Simferopol** 120 km
- Cable line across the Kerch Strait
- 2x4x14.3 km (3rd - 4th chains)

Power flow **850 MW**
100% power supply to consumers from supergrid system)

Phase III

2017

- High voltage transmission line 500 kV **Rostov-Andreyevskaya-Taman** 500 km
- High voltage transmission line 330 kV **Western Crimea-Sevastopol** 100 km

Ensuring reliability of Crimean energy system

Construction provided for of a separate independent gas transportation system

Expansion of gas transportation network to south-west areas of Krasnodar Territory
106.2 km

Main gas line
Krasnodar Territory-Crimea
343 km

Sites selected in Simferopol and Sevastopol

Sevastopol combined-cycle cogeneration plant
470 MW

Simferopol combined-cycle cogeneration plant
470 MW



WATER SUPPLY

In terms of water resources, the Republic of Crimea is one of the least successful regions of Russia. Virtually all Crimea's local flow water resources available for use are involved in the water supply system.

In the Republic of Crimea, there are 22 functioning water reservoirs, with a total volume of 334.2 million cubic meters, of which number 14 are natural runoff reservoirs and 8 are off-stream storage reservoirs.

The total volume of water supplied to the off-stream storage reservoirs in 2016 amounted to 26.8 million cubic meters, in particular, 11.6 million cubic meters pumped into the Theodosia Reservoir, 12.1 million cubic meters into the Stantsionnoye Reservoir, 0.4 million cubic meters into the Samarlinskoye Reservoir and 2.7 million cubic meters into the Leninskoye Reservoir. In addition, 2.8 million cubic meters is provided from the North-Crimean Canal for Theodosia's water treatment facilities.

The most extensive artesian basins and copious underground aquifers are mainly concentrated in the northern, central and western parts of Crimea. The volume of predicted reserves of fresh underground waters makes up 1,301 thousand cubic meters/24 hrs, including the approved reserves making up 1,105 thousand cubic meters/24 hrs.

The western and central parts of Crimea are provided with water from underground sources. Their yield is stable and does not depend on the season. The Southern Coast of Crimea, together with a part of the central area, is provided mainly due to the surface runoff and partially from underground sources.

Currently, all the populated localities of the Republic of Crimea are fully provided with water. Filling of off-stream storage reservoirs continues in accordance with their operating modes.

In addition, it should be noted that the inter-farm reclamation network of the Republic of Crimea has been preserved, is maintained in a normal technical state and can provide water for irrigation of agricultural crops on an area of at least 284 thousand hectares.

In particular, in 2016, agricultural crops were irrigated on a total area of 11.6 thousand hectares. More than 12 million cubic meters of water was supplied for irrigation purposes.

Water supply to the consumers in the Republic of Crimea is carried out by Voda Kryma (Water of Crimea), a State Unitary Entity of the Republic of Crimea (voda.crimea.ru), while the water supplier for the population of the Southern Coast of Crimea is Vodokanal Yuzhnogo Berega Kryma (Water Services Company the Southern Coast of Crimea), a State Unitary Entity of the Republic of Crimea (yaltavodokanal.com).

▼ **Simferopol water reservoir**



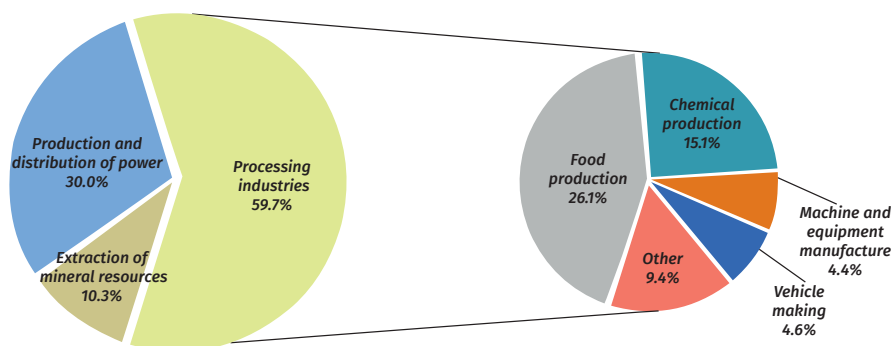


INDUSTRY

The industrial complex of the Republic of Crimea is the leading sector of the region's economy, with a 14.4% share in the gross regional product.

The basis of industry is food industry, chemical industry, mechanical engineering, including shipbuilding, as well as the production and distribution of power, gas and water.

STRUCTURE OF OWN-PRODUCED GOODS SHIPPED IN JANUARY-DECEMBER 2016, %



More than 2,300 large, medium and small enterprises are concentrated in the industrial sector of the Republic of Crimea (including individual entrepreneurs who work in the production sphere), employing about 100,000 people.

The territorial distribution of the industrial potential in the Republic is uneven, mainly due to differences in the provision of resources. Crimea's industrial enterprises are concentrated in Simferopol, Armyansk, Krasnoperekopsk, Kerch, Theodosia, Eupatoria, as well as in Bakhchisaray and Krasnogvardeysky districts.

The chemical industry of the Republic of Crimea is a budget-forming one. In Crimea, there are some large chemical enterprises which form the exportation core of the Republic. The availability on the peninsula of a local raw material base and considerable labor resources is an important factor of the successful production activity.

The leading enterprises of the chemical industry are the Armyansk Branch of Titanovye Investitsii (Titanium Investments), LLC, PJSC Krymsky Sodovy Zavod (Crimean Alkali Works), JSC Brom (Bromine) and Simferopol Production Association Krymplast, LLC.

Crimea's mechanical engineering specializes in the manufacture of electrical and electronic equipment, radio and television instruments, means of communication, optical and navigation devices.



The industry is represented by more than 50 enterprises, of which the leaders are JSC Zavod Fiolent (Fiolent Factory), PJSC Electric Machine Factory - Firm SELMA, PJSC Simferopolselmash Factory (Simferopol Agricultural Machinery Factory) and others.

The products of the Republic's shipbuilding enterprises are known far beyond Crimea. These are supertankers, frigates, ships on dynamic support principles and carrier ships. Also provided are ship repair services.

The shipbuilding industry enterprises are of strategic importance for the development of the peninsula. Distinguished among them are Zaliv Shipbuilding Plant, LLC, More (Sea) Shipbuilding Plant, a Federal State Unitary Entity of the Republic of Crimea, Stekloplastik, a State Unitary Entity of the Republic of Crimea, and Kerch Sea Shipyard Fregat (Frigate), LLC.

The mining industry is represented by a large enterprise, Chernomorneftegaz, a State Unitary Entity of the Republic of Crimea, whose oil and gas condensate production in 2016 amounted to 1.644 billion cubic meters and more than 54 thousand tons. In total, there are 16 deposits on the books of the company, including 8 gas fields, 5 gas condensate fields, one oil and gas field and one oil field.

The Republic of Crimea has also seen a significant expansion of building products range in recent years. They include small concrete blocks, wall blocks from natural stone, granite slabs, expanded clay, gravel, etc.

The raw material base of the region permits to increase the capacities for the production of cement, wall materials, reinforced concrete structures and products, broken stone and sand.

▼ Offshore drilling platform of RC SUE Chernomorneftegaz





AGROINDUSTRIAL COMPLEX

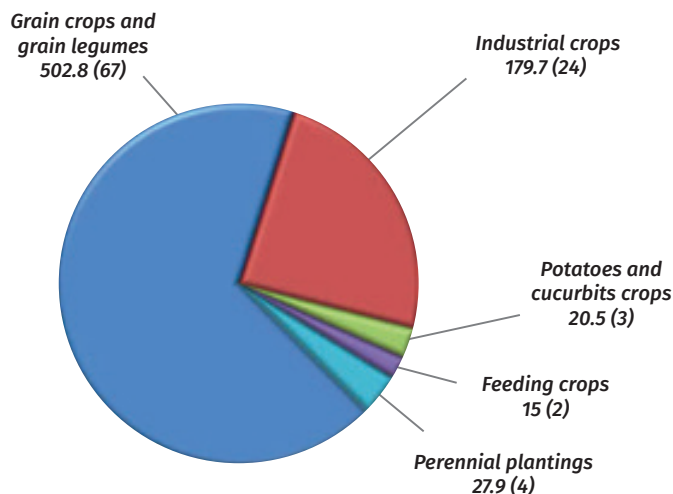
The agriculture of the Republic of Crimea plays a significant role in shaping the economy of the region. It accounts for 21.9% of the gross regional product.

The agrarian sector of the Republic includes 1,337 agricultural entities (6.9% more than in 2015) and 2,262 peasant farms and individual entrepreneurs (24.2% more than in 2015).

The climatic conditions of Crimea make it possible to grow most of the temperate agricultural crops and some subtropical crops. The total area of agricultural land is 1.79 million hectares, including 1.27 million hectares of arable land.

Saky (188.9 thousand hectares), Djankoy (179.4 thousand hectares), Krasnogvardeysky (159.9 thousand hectares), Pervomaysky (137.5 thousand hectares), Chernomorsky (126.7 thousand hectares) and Simferopol (120.8 thousand hectares) districts have the largest agriculturally used areas.

▼ Cultivated areas structure for the year 2016, thou ha (%)



A strategic landmark for the development of the agrarian sector is the creation of a powerful raw material base for the formation of a food complex which not only can meet the needs of the population and holidaymakers in basic foods, but also increase the export potential of sectors traditional for Crimea, such as viticulture and winemaking, horticulture and vegetable growing.



The Republic is famous for technical grape varieties used to make high-quality wines, cognacs and juices. On the average, about 100 thousand tons of grapes is produced per year, together with 14-16 million decaliters of wine bases.

The wine industry of the Republic of Crimea is represented by 32 enterprises. The production capacities of grapes processing enterprises make up 263.0 thousand tons per year, with filling lines capacity of 30.0 million decaliters.

The leading winemaking enterprises of the Republic are the Production and Agrarian Association Massandra, a Federal State Unitary Entity, the Champagne Winery Novy Svet, a State Unitary Entity of the Republic of Crimea, Magliv, LLC and others.

Horticulture in the Republic is represented by pomaceous fruits (apples, pears) and stone fruits (plums, peaches, apricots, sweet cherries). The climate of the region is also favorable for the cultivation of essential oil-bearing crops (rose, lavender, sage).

Cattle breeding is represented by such sub-sectors as dairy cattle breeding, pig breeding, sheep breeding and poultry farming. The largest enterprises in this sector are Crimea-Farming, LLC, Novator, LLC, Krymsky Molochnik (Crimean Milkman), LLC, MPC Skvortsovo, LLC, and Druzhba Narodov (Friendship of Peoples), LLC.

The food industry accounts for more than 43.8% of the total structure of the manufacturing industry of the Republic of Crimea. The industry concentrates the fifth part of all industrial enterprises of the Republic, employing more than 13 thousand people.

In general, the Republic of Crimea is provided with food products of its own in terms of food wheat, wheat flour, pork, mutton, non-alcoholic and confectionery products, melons and watermelons, vegetables and potatoes.

At the same time, the priorities in investing are such areas as the production of vegetable oil, cattle meat, milk and dairy products, fruits, viticulture and winemaking, horticulture and establishment of logistics centers.

▼ Massandra Winery





RESORT AND TOURIST SPHERE

The Republic of Crimea is a unique region of the Russian Federation where a powerful natural-climatic and historical-cultural potential are united to make the basis for the development of the resort and tourist sector.

A diverse landscape, favorable climate, abundant natural resources, rich historical and cultural heritage (the total number of architectural, historical and cultural landmarks in Crimea is about 11,500), recreational potential (mineral waters, therapeutic mud, etc.), together with Crimea's historical experience, determine the main areas of tourism development on the Crimean peninsula.

The total length of the sea coastline of the Republic of Crimea is 914 km, with the length of the coast suitable for beach recreation making up 452 km. During the 2016 bathing season, there were 367 beaches available for use.

The efficient functioning of the sanatorium-resort industry is based on the use of mineral waters, therapeutic mud, beaches, climatic and landscape resources, sea and mountain air.

In the territory of the Republic of Crimea, there are 767 collective accommodation facilities with a total capacity of 156.5 thousand places, of which number 148 establishments provide sanatorium-resort treatment and 213 establishments provide health-improving services.

Also operating in the region are a number of international level sanatorium and resort establishments, such as MRIYA Resort & Spa, Crimean Breeze, Palmira Palace, Respect Hall and others.

▼ [Mriya Resort&Spa Hotel](#)





The most popular tourist destinations are the resorts of Yalta, Eupatoria, Alushta, Sudak and Theodosia, with 80-85% of all tourists who visit Crimea. The active tourist season in Crimea lasts from May to September.

Travel agency activities in the region are carried out by 497 legal entities and individual entrepreneurs, with 90 business entities included in the Unified Federal Register of Tour Operators. Certificates of Attestation have been obtained by 68 guides-instructors and 1,316 tour guides and guides-interpreters.

Today, the Republic is switching over to a cluster approach to the development of the resort and tourist sector of the Crimean economy.

For this purpose, 6 tourist and recreational clusters (in the cities of Eupatoria and Saky, settlement of Koktebel, villages of Kurortnoye and Olenevka, and in Bakhchisaray district) have been formed in the region, within the framework of which recreation infrastructure and new centers of attraction are being created.

For instance, within the Koktebel tourist-recreational cluster alone, a large-scale project Koktebel-Park is planned for implementation to create an innovative cultural and historical park with a recreation and entertainment infrastructure.

Also, the Republic of Crimea has all the resources and prerequisites for the development of medical and health tourism, cultural-cognitive, event tourism, hiking, bicycle, underwater, equestrian, ethnographic, sport and cruise tourism.

▼ The Chernorechensky Canyon



▼ The Swallow's Nest





CONSTRUCTION COMPLEX

The construction industry has at all times been the economic process development engine creating jobs, large-scale facilities and new growth points. The construction complex accounts for 5.7% in the total volume of the gross regional product of the Republic of Crimea.

The construction complex of the region is represented by entities which perform general construction works to erect buildings, construct bridges, roads, tunnels, pipelines, communication and power transmission lines, as well as installation, electrical and finishing works. The construction complex also includes entities engaged in the production of building materials and structures.

The key factors for the development of the Republic's construction industry are the availability of highly skilled manpower, active use of various modern materials and advanced technologies in construction, the experience of work in areas with complex engineering and geological conditions, etc.

A number of specialized research and design institutes work in the Republic of Crimea which carry out preliminary survey and design work in the construction sphere.

For instance, the Research and Design Institute for Land Management, Cadastre and Real Estate Assessment, a State Unitary Entity of the Republic of Crimea (zemrk.ru), carries out research and design work in the sphere of land resources use.

The Research and Design Institute KrymNIIProekt, a State Unitary Entity of the Republic of Crimea (cfuv.ru/sveden/struct/nauchno-issledovatel'skijj-institut-krymniiproekt), has amassed an invaluable experience in the sphere of architecture and town planning.

The KrymGIINTIZ Institute is a basic organization engaged in geological surveys for construction and scientific and technical activities in the spheres of construction, production of building materials, architecture and urban planning.

In the sphere of reclamation and water management, the design and survey work is performed by the Crimean State Design and Survey Institute Krymgiprovdokhoz.

On the construction market of the Republic of Crimea, 577 enterprises are performing construction and installation works, with 338 enterprises constructing buildings, 93 enterprises engaged in the construction of engineering facilities, and 146 enterprises performing specialized construction work.

The largest construction organizations in the Republic of Crimea are the Construction Company Consolstroy LTD, LLC (consolstroy.ru), the Urban Construction Company Vladograd (vladograd.com), the Urban Construction Company Greenwood (гринвуд.рф) and the Urban Construction Company Monolit (monolit.crimea.ru).

More than 40 enterprises are engaged in the production of building materials and products in the Republic. The basic business areas of the industry are the extraction and production of building materials, such as cement, reinforced concrete products and wall materials.



In recent years, the range of construction products has significantly expanded. It includes small concrete blocks, wall blocks of natural stone, granite slabs, expanded clay, gravel, etc. The raw material base of the region permits to increase the capacities for the production of cement, wall materials, reinforced-concrete structures and products, crushed stone and sand.

The large producers of building materials are JSC Bakhchisaray Integrated Plant Stroyindustria (Construction Industry) (crimcement.com), Yasaka, LLC (яса-ка.рф), Attik-Prom Company (attikltd.com), Massiv Factory (zavodmassiv.ru), JSC Sharkhinsky Quarry (шархинский-карьер.рф), Krymzhelezobeton (Crimean Reinforced Concrete), a State Unitary Entity of the Republic of Crimea, and JSC Almsky ZSM (Almsky Building Materials Factory).

▼ Apartment complex Moskovsky, Simferopol





LEGAL CONDITIONS FOR INVESTMENT ACTIVITIES

The investment activities in the Russian Federation are regulated by a wide range of normative legal acts adopted both at the federal level and at the level of the constituent subjects of the Russian Federation.

One of the main Laws regulating the investment activities is Federal Law No. 39-ФЗ of 25 February 1999, On Investment Activities in the Russian Federation Implemented in the Form of Capital Investments.

The Law determines the legal and economic foundations of investment activities and establishes guarantees for equal protection of rights, interests and property of subjects of investment activities carried out in the form of capital investments, regardless of the form of ownership.

It should be noted that, according to the Law, investment means monetary funds, securities and other property invested in the objects of entrepreneurial or other activity for the purpose of attainment of profit or another useful effect.

Federal Law No. 160-ФЗ of 09 July 1999, On Foreign Investments in the Russian Federation, acts at the federal level. The Law determines the guarantees of foreign investors' rights to investments and the revenues and profits earned from investments, as well as the conditions for entrepreneurial activities of foreign investors in the territory of the Russian Federation.

Federal Law No. 377-ФЗ of 29 November 2014, On Development of the Crimean Federal District and the Free Economic Zone in the Territories of the Republic of Crimea and the Federal City of Sevastopol, has been in force since 2015.

According to the Law, the FEZ was established in the entire territory of Crimea for a period of 25 years and presupposes a special regime for carrying out entrepreneurial and other activities, including preferential taxation and application of the free customs zone customs procedures.

The subject investment law is determined, first of all, by the requirements of the Investment Standard which is taken into account in the following cases:

- ▶ The Council for Improvement of Investment Climate in the Republic of Crimea is functioning which was established by the Decree of the Head of the Republic of Crimea S. Aksenov of 22 August 2014, No. 215-Y.
- ▶ A unified Procedure for Assessment of Investors' Applications and Concluding Investment Agreements for the Implementation of Projects in the Territory of the Republic of Crimea was adopted by the Decree of the Council of Ministers of the Republic of Crimea of 07 October 2014, No. 368.



- ▶ By the Decree of the Head of the Republic of Crimea S. Aksenov of 11 September 2014, No. 215-Y, the Investment Declaration of the Republic of Crimea was adopted which establishes the principles of interaction of authorities with subjects of entrepreneurial and investment activities, as well as the basic guarantees to investors.
- ▶ The draft law of the Republic of Crimea, On Investment Activities in the Republic of Crimea, was developed. The draft document consolidates the principles of investment policy, establishes the forms and types of state support of investment activities, determines the basic guarantees of investors' rights, etc.

Other issues related to the allocation of land, labor relations, permits, economic relations. etc. are regulated by separate legislative acts of the federal and regional levels.

▼ The State Council of the Republic of Crimea





STATE SUPPORT OF INVESTMENT ACTIVITIES

In order to increase the efficiency of work with investors, a favorable business environment is formed in the region, business support mechanisms are being introduced, and the free economic zone functioning is provided, which is a significant incentive for investors.

There is no doubt that the free economic zone is the key mechanism for supporting investors in Crimea. The Federal Law of 29 November 2014, No. 377-ФЗ provides for a number of tax benefits and preferences, in particular:

- 1) Reduction of the corporate profit tax rate: the federal budget - 0% for 10 years, the budget of Crimea - 2% in the first 3 years, 6% - from year 4 to year 8, 13.5% - from year 9 on;
- 2) Corporate property tax exemption for 10 years;
- 3) Land tax exemption for FEZ member entities, in respect of land plots located in the FEZ territory and used for the purpose of implementation of the FEZ activities agreement for 3 years from the month of emergence of each land plot ownership;
- 4) The possibility of applying accelerated depreciation with a 2 coefficient with respect to own depreciable fixed assets;
- 5) Reduced tariffs of insurance premiums in the amount of 7.6%, of which 6% to be paid to the Russian Federation Pension Fund, 1.5% to the Russian Federation Social Insurance Fund and 0.1% to the Federal Compulsory Medical Insurance Fund;
- 6) Provision of land without bidding; and
- 7) Application of free customs zone procedures.

The FEZ is extremely effective for the region. As at 01 January 2017, 763 agreements had been concluded regarding the conditions of activities in the FEZ. The total volume of capital investments under contracts makes up more than 80.0 billion rubles.

In addition, adopted in the Republic of Crimea was the Procedure for Assessment of Investors' Applications and Conclusion of Investment Agreements for the Implementation of Projects in the Territory of the Republic of Crimea (Decree of the Republic of Crimea Council of Ministers of 07 October 2014, No. 368).

The Procedure permits to render real assistance with implementing projects to investors by way of providing state and municipal plots of land and property without bidding procedure, together with providing organizational and administrative support.



Also, business entities in the region receive substantial support.

The entrepreneurs registered in the territory of the Republic of Crimea have the right to financial support within the framework of the Subprogram Development of Innovative Activity Entrepreneurship in the Republic of Crimea, approved by the Decree of the Republic of Crimea Council of Ministers of 18 January 2017, No. 9.

Business entities may exercise this right, provided they have a business plan developed which provides for the creation of new jobs, increased budget revenues, and payment of wages at a level not lower than the subsistence level established for the able-bodied population of the Republic of Crimea at the date of application.

More detailed information on the support of business can be found on the information and consulting portal for entrepreneurs (business-rk.ru)

In addition, it should be noted that there also exist various investor support mechanisms with respect to sectoral projects which are reflected in the state programs adopted in the Republic of Crimea (minek.rk.gov.ru, Strategic Development section).

Free Economic Zone



Property tax 0%

Corporate property tax exemption for 10 years



Reduced premium rates 7.6%

Russian Federation Pension Fund – 6%

Russian Federation Social Insurance Fund – 1.5%

Federal Compulsory Medical Insurance Fund – 0.1%



Free Customs Zone Procedure

Exemption from payment of import customs duties and taxes



Land tax 0%

Corporate land tax exemption for 3 years



Income tax from 2%

Reduction of corporate profit tax rate:

- ▶ Federal budget (0% for 10 years)
- ▶ The budget of Crimea (2% in the first 3 years, 6% from year 4 to year 8, 13.5% from year 9 on)



Accelerated depreciation

With a coefficient of up to 2 in relation to own depreciable fixed assets



ASSESSMENT OF INVESTORS' APPLICATIONS BASED ON ONE-STOP PRINCIPLE

Favorable investment climate is largely characterized by the quality of government procedures: from the speed of providing investment sites to the investor and registering enterprises to the easiness of obtaining permits for construction and connection to engineering networks.

In order to improve the business environment and introduce the Investment Standard in the territory of the Republic of Crimea, a uniform regulation for the support of all categories of investment projects (hereinafter referred to as the "Procedure") was developed and implemented.

A full range of instruments for investor support at all stages of business development is provided under the Procedure, including assistance with attracting investments, as well as participation in regional, federal and international development programs.

The Procedure was introduced in the territory of the Republic of Crimea by the Decree of the Republic of Crimea Council of Ministers of 07/10/2014, No. 368, On Procedure for Assessment of Investors' Applications and Conclusion of Investment Agreements for the Implementation of Projects in the Territory of the Republic of Crimea.

The document establishes the following procedures based on the one stop principle:

- ▶ Assessment of the investor's information request (pre-project stage).
- ▶ Assessment of investors' applications requesting project implementation and obtaining an investment site.
- ▶ Conclusion of project implementation agreements.
- ▶ Project implementation monitoring.

The investor applying within the framework of the Procedure gets the right to obtain an investment site (plot of land, capital construction facility, property complex) without a competitive bidding procedure.

The Republic of Crimea Ministry of Economic Development (hereinafter referred to as the "Ministry") coordinates the assessment of investors' applications, the work of development institutions, and also forms the investment policy of the region.

In addition to the Republic of Crimea Ministry of Economic Development, investors receive free consultations, and their applications are also assessed by an authorized entity (regional development institute) in conjunction with the interested executive bodies of state authority.



The overall algorithm of working with investors within the framework of the Procedure is as follows:

1. At the pre-project stage, the investor, who/which needs information about vacant investment sites, working conditions in the region, etc., forwards an information request to the authorized entity. The request processing period is 30 days.

2. At the stage of filing a package of documents for obtaining an investment site, the investor applies to an authorized entity which, within 5 business days, checks the completeness of documents, prepares a draft investment agreement and forwards the documents to the Republic of Crimea Ministry of Economic Development.

The Ministry, in its turn, forwards, within 5 business days, the package of documents to interested parties (ministries, departments, municipalities) to provide an opinion on the feasibility of project implementation on a specific site. The timeframe for providing opinions is 10 days.

The Ministry, on the basis of the received opinions on the investment project, prepares, within 3 days, the final opinion regarding the possibility of signing an investment agreement, its further adjustment or rejection, and informs the investor and the authorized entity to the effect.

The investment projects which receive positive opinions are available are assessed and approved at an ordinary meeting of the Council for Improvement of Investment Climate in the Republic of Crimea (hereinafter referred to as the "Council") established by the Decree of the Head of the Republic of Crimea of 22/08/2014, No. 215-Y.

The Council's meeting is organized by the Republic of Crimea Ministry of Economic Development, while the authorized entity organizes the presentation of investment projects at such meeting of the Council.

3. Stage of conclusion of project implementation agreements. After approval of the investment project at an ordinary meeting of the Council, the authorized person signs, within 5 business days, a relevant investment agreement and forwards it to the investor for signing.

4. After the signing of the investment agreement, the project implementation monitoring stage begins. According to the investment agreement terms and conditions, the investor undertakes to submit project implementation reports on a quarterly basis.



The authorized entity annually prepares a report on project implementation results and submits it at a meeting of the Council with proposals as to the appropriateness and possibility of concluding supplementary agreements in case of deviation from the investment project indicators.

It should be noted that the Procedure is a “live” document which is regularly updated and amended, taking into account the remarks and requests of investors, experts, and the public.

In addition, the introduction of the Automated Information Executive Bodies of State Authority Project Activities Management System is underway. The System is designed to automate the application processing procedures, also within the framework of the Procedure.

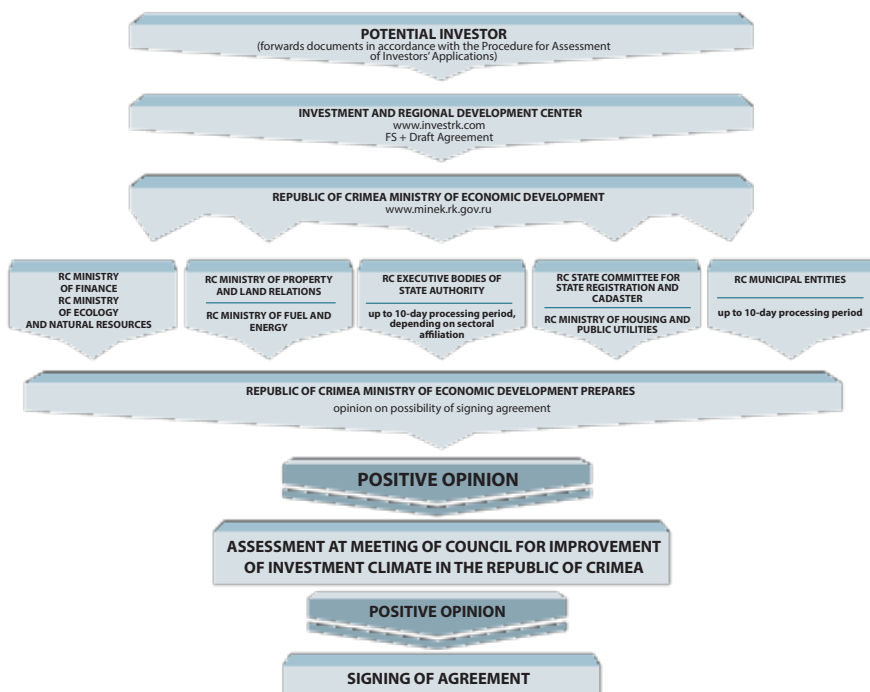
In 2014-16 alone, 49 meetings of the Council were held, following which 142 investment agreements were signed for a total of 143.6 billion rubles. Within the framework of the projects, it is planned to create more than 11 thousand jobs.

More detailed information about assessment of investors' applications based on the one stop principle can be found on the website of the Republic of Crimea Ministry of Economic Development (minek.rk.gov.ru) in the To Help the Investor section.

ASSESSMENT OF INVESTORS' APPLICATIONS AND CONCLUSION OF AGREEMENTS ON INVESTMENT PROJECT IMPLEMENTATION IN THE TERRITORY OF THE REPUBLIC OF CRIMEA

(Decree of 01/10/2014, No. 368)

GENERAL CHART





PUBLIC-PRIVATE PARTNERSHIP IN THE TERRITORY OF THE REPUBLIC OF CRIMEA

Public-private partnership is one of the tools for the development of public infrastructure. It is based on the long-term interaction of the state and business, with business involved not only in creation of an infrastructure facility but also in its subsequent operation in the best interests of society.

The international practice of applying PPP mechanisms has many successful examples of implementation of socially significant projects. As a rule, these mechanisms are used around the world when constructing roads and solving housing and public utilities issues. It should be noted that for the Russian Federation, public-private partnership is a fairly new mechanism for attracting investments, and the appropriate practice is just in the course of formation in the regions of the country. The Republic of Crimea also keeps up with general trends.

Two federal laws form the legal basis for the implementation of PPP mechanisms: the Law of 13 July 2015, No. 224-ФЗ, On Public-Private Partnership, Municipal-Private Partnership in the Russian Federation and Amendments to Certain Legislative Acts of the Russian Federation, and the Law of 21 July 2005, No. 115-ФЗ, On Concession Agreements.

The scope of PPP mechanisms is quite extensive. In particular, topical for the Republic of Crimea are the spheres of municipal solid waste management, heat supply facilities operation, central system of hot water supply, cold water supply (water disposal) and gas supply.

The Decree of the Republic of Crimea Council of Ministers of 19/01/2016, No. 5 approves the list of facilities in the field of management of the municipal solid waste planned to become the subject of concession agreements.

According to the Decree, seven automated waste sorting complexes and five intermunicipal waste disposal sites will be created in the region at the expense of private investments for servicing six logistics zones (clusters).

The information about concession tenders is regularly placed in the information system Torgi.gov.ru.

The procedure for preparation and conclusion of concession agreements in the territory of the Republic of Crimea is regulated by the Decree of the Republic of Crimea Council of Ministers of 15/02/2016, No. 50, On Approval of the Procedure for Preparation and Conclusion of Concession Agreements To Be Implemented in the Territory of the Republic of Crimea.



In addition, the prospective PPP projects in the Republic of Crimea include the establishment of a regional center for processing and storing traffic violations data, the creation of sports infrastructure facilities, the provision of the population with drinking water (creation and modernization of treatment facilities), projects related to the elimination of pre-school educational institution waiting lists, etc.

The Republic of Crimea Development Corporation, a Joint-Stock Company, acts as a regional partner for businesses wishing to implement PPP projects in Crimea.





INVESTMENT PORTAL OF THE REPUBLIC OF CRIMEA

In order to provide potential investors with necessary information about investment opportunities in the Republic of Crimea and current contacts, the Republic of Crimea Development Corporation set up a bilingual official website (kr82.ru).

The site contains general information about the Corporation, a list of investment proposals and sites of the Republic of Crimea, an actual news feed, contact information and a feedback form.

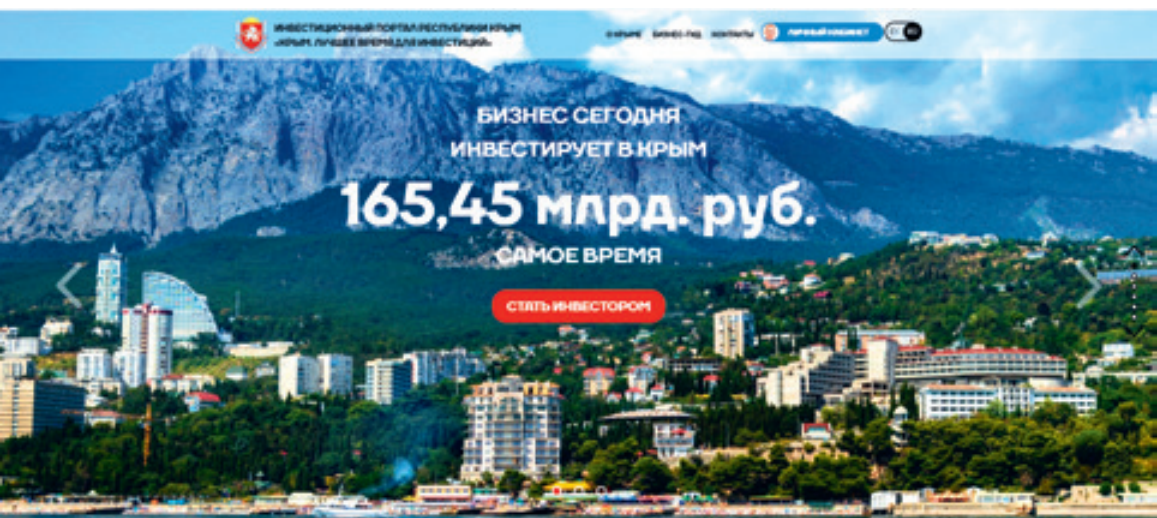
It should be noted that the sections dedicated to investment proposals and sites of the Republic of Crimea are an integral part of the Investment Portal of the Republic of Crimea (invest-in-crimea.ru).

In its turn, the portal is designed to meet the Investment Standard requirements and contains statistical and legal information, as well as an investment card (investment facilities creation plan) and an investor's personal account.

These information resources are updated on a permanent basis, in compliance with the best relevant practices of the Russian Federation's regions and meeting the Investment Standard.

This digest includes some socially significant investment projects whose implementation will contribute to the creation of new products and jobs and will favor the revenue growth.

Projects are also presented on the above information resources.





BAKHCHISARAY INDUSTRIAL PARK



Project description:

The park is planned to be built near the city of Bakhchisaray on a 97.25 hectare plot of land. The land is owned by the Republic of Crimea.

The park's favorable location (between the major cities of Simferopol and Sevastopol) and the availability of natural resources makes it possible to place the following in its territory:

- ▶ a construction and repair wholesale and logistics center;
- ▶ furniture and metal-plastic windows manufacturing facilities;
- ▶ production facilities for environmentally friendly building materials using local raw materials;
- ▶ a production and warehouse complex for small and medium-sized businesses;
- ▶ manufacture of polycarbonate and building materials of a wide range, as well as an integrated homebuilding factory.

Participation terms and conditions:

- ▶ Residents provided a plot of land for placement of production facilities on long-term lease terms with pre-emptive right.
- ▶ Energy resources provided depending on residents' needs on the basis of technical specifications supplied.



Location:
Bakhchisaray



Amount of investment:
to be determined by investor



**Industrial site
implementation time:**

The development of design and technical documentation is in progress. Until December 2019, the plot of land is planned to be provided with a transport and engineering infrastructure with the construction of administrative facilities.

The conclusion of agreements with the management company has been made possible for residents since July 2017. The industrial park infrastructure may be built simultaneously with the investment project implementation.

The functions of the park management company will be carried out by The Republic of Crimea Development Corporation, a Joint-Stock Company.





THEODOSIA INDUSTRIAL PARK



Project description:

The park is planned to be built on a 120 hectare area. The plot of land is located in Theodosia along the Simferopol-Kerch highway. The land is owned by the Republic of Crimea.

The following is planned within the industrial park:

- ▶ a logistics park with a wholesale-retail trade zone and a hypermarket;
- ▶ processing and storage of agricultural products, foodstuff, juice and mineral water manufacturing;
- ▶ a factory making cardboard corrugated packaging, wooden containers, pallets, etc.

About 80 thousand sq m warehouses and services workshops can be located in the industrial park territory.

Participation terms and conditions:

- ▶ Residents provided a plot of land for placement of production facilities on long-term lease terms with pre-emptive right.
- ▶ Energy resources provided depending on residents' needs on the basis of the technical specifications supplied.



Location:
Theodosia



Amount of investment:
to be determined by investor

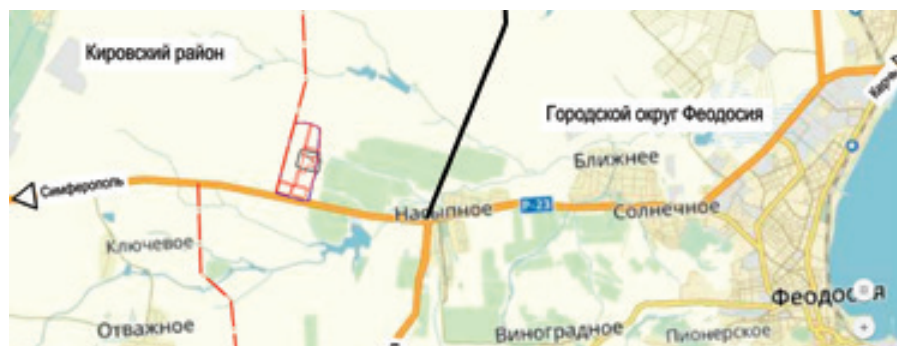


**Industrial site
implementation time:**

The development of design and technical documentation is in progress. Until December 2019, the plot of land is planned to be provided with a transport and engineering infrastructure with the construction of administrative facilities. The conclusion of agreements with the management company has been made possible for residents since July 2017.

The industrial park infrastructure may be built simultaneously with the investment project implementation.

The functions of the park management company will be carried out by The Republic of Crimea Development Corporation, a Joint-Stock Company.





VERESAYEVO AGROINDUSTRIAL PARK



Project description:

The agroindustrial park is planned to be set up based on the facilities and terrain of the former industrial state farm Eupatoriysky near the village of Veresayevo in Saky district of the Republic of Crimea.

The total area of farmland makes up 4,209.5 hectares. The plot of land has the necessary engineering and transport support. Within the framework of the establishment of the park, it is planned to implement a number of viticulture, vegetable growing, horticulture (open ground) and greenhouse farm projects.

Also planned is the construction of a trading and distribution center, an administrative office center, together with a social and residential area.

As part of the creation of the park, public-private partnership mechanisms are planned to be used, as well as the privileges and preferences stipulated by the conditions established for the free economic zone in the territory of the Republic of Crimea.

Participation terms and conditions: plot of land lend-lease.



Location: village of Veresayevo
in Saky district of the Republic
of Crimea



Amount of investment:
to be determined
by investor



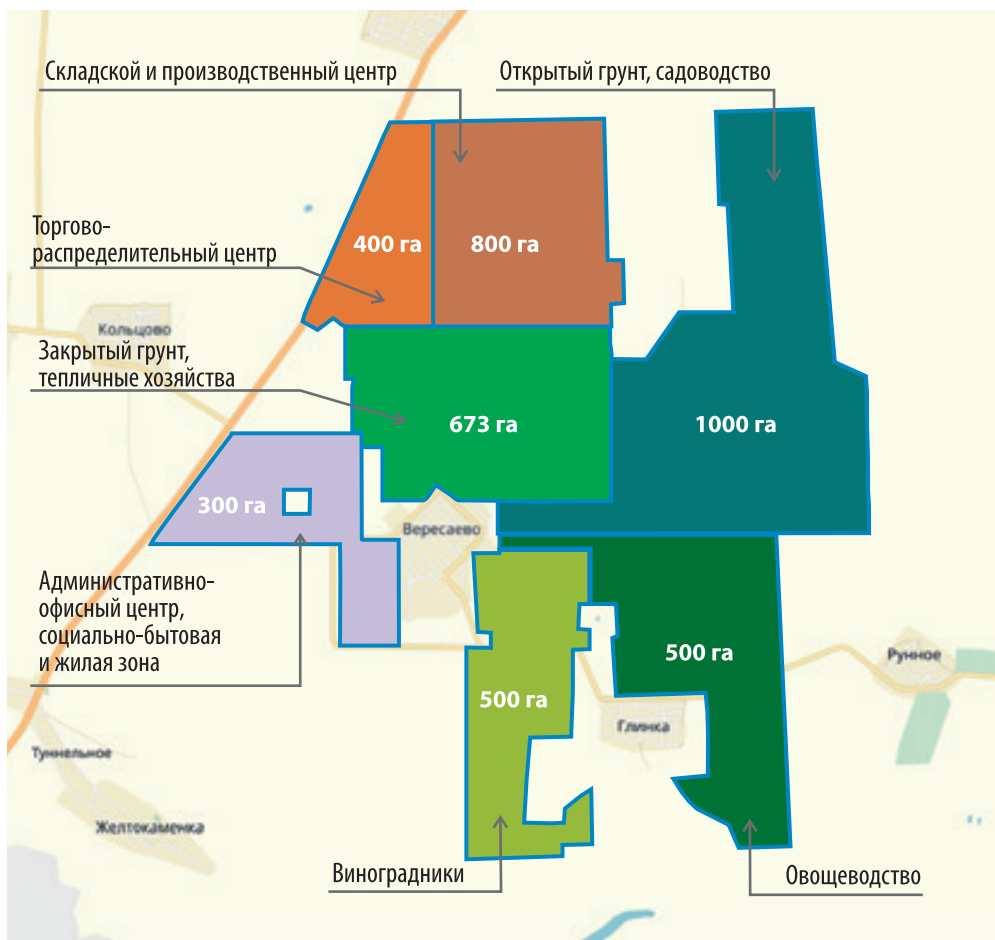
Industrial site implementation time:

To date, the plot of land is owned by the Republic of Crimea, with the procedure in progress for registration of legal relations and awarding The Republic of Crimea Development Corporation, a Joint-Stock Company, the status of investment project operator. Soil groundwater study is being carried out.

Potential investors can declare their intents within the framework of the project by way of signing a memorandum. Residents will be able to conclude agreements with the management company starting from 2018.



▼ Agroindustrial park zoning diagram





CONTACT INFORMATION

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Investment Policy Department:

Tel.: +7 3652 544-394

Free Economic Zone Department:

Tel.: +7 3652 274-404

Business development hot line:

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Crimean Business Support Guarantee Fund, a State Unitary Entity:

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Crimea State Business Support Fund, a Non-Profit Organization:

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**The Republic of Crimea Business Microfinancing Fund,
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**The Republic of Crimea Development Corporation, a Joint-Stock
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Operational headquarters: 34 Karl Marx St., suite 22, Simferopol,
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Foreign Ministry Representative Office in Simferopol:

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Tel.: +7 3652 24-82-17 (Monday to Friday from 9.00 am to 12.30 pm and from 02.00 to 06.00 pm)

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Email: PMSimferopol@mid.ru

The Republic of Crimea Permanent Representation with the RF President:

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Email: pprk@ppcrimea.ru

Investment, Foreign Economic and Inter-regional Ties Office:

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Economics Administration

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Email: ekonomikalyшта@mail.ru

Armyansk

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Fax: 36567 3-38-32

Email: adm@armyansk.rk.gov.ru



Bakhchisaray

Bakhchisaray City Council of the Republic of Crimea

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Email: gorsovet@bahch.rk.gov.ru

Bakhchisaray City Administration of the Republic of Crimea

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Email: bga.bahcisarai@mail.ru

Byelogorsk

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Eupatoria City Council

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Saky City Council

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Simferopol City Council

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Sudak City Council

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Theodosia City Administration

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Theodosia City Council

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Bakhchisaray district

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Byelogorsk district

Byelogorsk District Administration

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Djankoy district

Djankoy District Administration

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FOR NOTES

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