BASHKORTOSTAN

ALGA
INDUSTRIAL PRODUCTION
SPECIAL ECONOMIC ZONE
THE REPUBLIC OF BASHKORTOSTAN

Bashkortostan is one of the leading industrial and agricultural regions of the Russian Federation, one of the main oil producing regions of the country, a center for chemical industry and mechanical engineering.

In 2021 Bashkortostan was listed as the 5th most favourable region in the Investment Climate State Rating (by the Agency for Strategic Initiatives, ANPO).

SEZ "Alga" became the most dynamically developing special economic zone in Russia in 2021

POPULATION
4.05 million people

TOTAL AREA
143,600 sq. km

SCOPE OF INVESTMENTS
419.3 billion rubles

5th place
Investment Climate State Rating

IC3
High Investment Attractiveness

ruAA+
Credit Rating
This special economic zone is situated in the territory of two districts: Ishimbaisky District and Sterlitamaksky District. It is close to 3 towns: Ishimbay, Salavat and Sterlitamak.

**LARGE COMPANIES**
- Gazprom Neftekhim Salavat
- Bashkir Soda Company
- Sintez-Kauchuk
- Salavatneftechemash
- Salavat Catalyst Plant
- Inman
- HeidelbergCement Rus
- Salavatsteklo
- Avangard
- Krasny Proletariy
- Shikhan (Heineken)

**DISTANCE TO UFA**
150 km down the federal highway P-240 Ufa-Orenburg
336.81 Ha (72%) – leasable area of the SEZ
131.16 Ha (28%) – area for SEZ infrastructure
143.09 Ha (42.5%) – area occupied by existing residents
71.97 Ha – total area requested by potential residents
121.75 Ha (36.15%) – free (non-reserved) areas of the SEZ
LAYOUT OF SEZ ALGA
CURRENT AND POTENTIAL RESIDENTS

Current and potential residents
SEZ «Alga»

ZnR, LLC
«Production of LED products»
2.8 Ha

Industrial Association «Arcada», LLC
«Creation of a modern intermodal container factory for the production of containers»
3.05 Ha

Zasport Factory, LLC
«Serving factory for the production of production of sportswear»
1.17 Ha

Area No4
37.38 Ha
Doga Financial Group, LLC
«Unit for processing hydrocarbons gases into basic hydrocarbons»
37.38 Ha

Furus-Sintez LLC
«Construction and commissioning of a plant for the production of synthetic higher fatty alcohols»
10 Ha

Bioron, LLC
«Vitamin B12 Production»
4.65 Ha

SVEM, LLC
«Production of super high-molecular polyethylene»
7.17 Ha

Olimex, LLC
«Production of catalyst for the production of polyethylene and polypropylene»
3.46 Ha

M Sintez, LLC
«Production of a catalyst for diesel fuel production»
16.95 Ha

P Solaris, LLC
«Production of covering supercapacitors (tunnels) for solar panels»
3.16 Ha

TD PlastEko Rus, LLC
«Combine for the production of roof and building materials»
15.66 Ha

Optimum Solar Rus, LLC
«Construction of a plant for the production of solar panels (turnkey)»
4.84 Ha

Sanica Pipe Ltd.
«Construction of a plant for the production of combined heating and hot water systems»
37.45 Ha

Area No3
168.43 Ha

Area No2
205.86 Ha
M Sintez, LLC
«Production of a composite for a gas turbine combustor blocker»
16.95 Ha

Ufa-Chem LLC
«Development of natural and production chemical complexes»
7.86 Ha

ZC AGRO HOLDING, LLC
«Construction of a complex for soybean processing capacity with a capacity of 500 tons per day (18,500 tons per year)»
5.68 Ha

«BashBabiko», LLC
«Plant for soybean and flax processing of unprocessed feedstocks,»
«Production of raffinate (150 t / year)»
49.45 Ha

- current residents of the SEZ «Alga»
- potential residents of the SEZ «Alga»
ENGINEERING INFRASTRUCTURE OF SEZ ALGA

SEZ 1
56.3 Ha

SEZ 2
205.86 Ha

SEZ 3
168.4 Ha

SEZ 4
37.4 Ha

Prospective needs:
147 903 m³/h
149.67 MWt
11.38 km
14.1 km

GSU

gas networks

electrical substation

power grids

motorways

railway tracks

railroad tracks to be built

planned roundabout

water supply networks

wastewater networks

planned for the creation and reconstruction of the highway

ОЭЗ sites on the territory of Sterlitamaksky district

ОЭЗ sites on the territory of the Ishimbaysky district

Novo-Salavatskaya CHPP, LLC

SEZ 1
56.3 Ha

SEZ 2
205.86 Ha

SEZ 3
168.4 Ha

SEZ 4
37.4 Ha

Prospective needs:
147 903 m³/h
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ОЭЗ sites on the territory of Sterlitamaksky district

ОЭЗ sites on the territory of the Ishimbaysky district

Novo-Salavatskaya CHPP, LLC
ALGA SEZ INFRASTRUCTURE

Connected to Kuybyshev Railway

Highway P240 Ufa-Orenburg

Situated within Sterlitamak Industrial Unit (Ishimbay, Sterlitamak, Salavat)

Electricity supply 149.67 MWt

Gas supply 147 903 m³/h

Water supply 18 887 m³/day

Sewage 22 692 m³/day
## TAX PRIVILEGES OF SEZ ALGA

<table>
<thead>
<tr>
<th>Type of privilege</th>
<th>Budget level</th>
<th>Basic conditions</th>
<th>Amount and term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company’s income tax</td>
<td>Federal budget</td>
<td>3 %</td>
<td>2 %</td>
</tr>
<tr>
<td></td>
<td>Local budget</td>
<td>17 %</td>
<td>first 5 years* – 0 % after 5 years – 5 % after 12 years – 13.5 %</td>
</tr>
<tr>
<td>Company’s property tax</td>
<td>Local budget</td>
<td>2.2 %</td>
<td>0 % 10 years since registered</td>
</tr>
<tr>
<td>VAT</td>
<td>Federal budget</td>
<td>20 %</td>
<td>20 % (0 %)**</td>
</tr>
<tr>
<td>Land tax</td>
<td>Local budget</td>
<td>1.5 %</td>
<td>0 % 5 years since the property right registered</td>
</tr>
<tr>
<td>Transport tax</td>
<td>Local budget</td>
<td>10-250 RUB/h.p.</td>
<td>0 RUB/h.p. within 10 years since the taxation period when the vehicle was registered, but nor earlier than when the company gained the status of an industrial production SEZ resident; the privilege applies to trucks, buses, other self-propelled vehicles, machines and mechanisms driven by pneumatic means or caterpillars</td>
</tr>
</tbody>
</table>

* since the year when the first income was gained
** if products are delivered within the free customs zone or among SEZ residents; the residents are relieved from import customs duties and taxes for foreign equipment as long as this equipment stays within SEZ
OPERATION OF FREE CUSTOMS ZONE

- Relief from VAT and import duties on imported materials and crudes processed within SEZ;
- Relief from import taxes and duties on foreign equipment as long as this equipment stays within SEZ;
- Relief from VAT, import and export duties on goods imported and sold within the Customs Union (the Russia Federation, Belarus, Kazakhstan, Kyrgyzstan, Armenia);
- Relief from customs duties and VAT, if products are produced out of foreign-origin components and sold to the Customs Union states;
- Export duty payable alone, if the company exports produced goods outside the Customs Union, provided these goods are admitted as Customs Union ones;
- No duties or VAT, if foreign-origin goods are re-sold outside the Customs Union;
- Export duty payable alone, if Customs Union goods are re-sold outside it.
- Relief from customs duties and VAT, if goods admitted as foreign are re-sold outside the Customs Union.
SEZ tax-payers will be allowed to enhance their general depreciation rate by an additional special index in relation to their own basic depreciated means (until their useful service life ends), however, this index shall not exceed 2.

2% of the cadastral value of the land plot with the possibility of applying a reduction coefficient for the lease of land up to 0.5 (in accordance with the order of the Ministry of Economic Development of the Russian Federation N 190 dated 14.07.2006).
## RESIDENCY IN SEZ

### REQUIREMENTS TO SEZ RESIDENTS
- commercial company (except for unitary enterprises)
- registration in the municipal unit where SEZ lays
- no branch or office outside SEZ
- agreement signed between the SEZ management, the resident, the Government of the Republic of Bashkortostan and Development Corporation of the Republic of Bashkortostan on industrial production business or on logistics business arranged inside the industrial production SEZ
- capital contributions amounting to at least 120 million rubles, provided 40 million of them are invested within first 3 years

### DON'TS IN SEZ
- develop fossil deposits (except for obtaining mineral water or other natural healing resources).
- produce or process excisable goods (except for motor cars or motorbikes, production and processing of ethane, liquefied petroleum gases and liquid steel).

### TYPES OF BUSINESS IN SEZ
- industrial production business (production and (or) processing of goods (items), selling them)
- A SEZ resident in Ishimbaisky or Sterlitamaksky Districts of the Republic of Bashkortostan can: logistics business (providing shipments or warehousing of goods)
How to Gain SEZ Resident Status

The full set of services in assisting residents is provided by Development Corporation of the Republic of Bashkortostan, JSC. They assist from forming an application to launching production. For more details, please, call us in Ufa +7 (347) 214 90 70

1. Preparing an application for SEZ resident status
2. Application considered by Alga SEZ Expert Council
3. Concluding agreements on industrial production business
4. Obtaining SEZ resident status
5. Conclusion of a land parcel rent agreement with SEZ’s management company
6. Issue and expertise of project documents and cost estimations
7. Obtaining technical specification for connecting to the networks
8. Obtaining permission for construction
9. Construction of production facility
10. Commissioning of production facility
11. Checking how the SEZ resident fulfills agreements on industrial production business
12. 

Development Corporation of the Republic of Bashkortostan
DEVELOPMENT CORPORATION OF THE REPUBLIC OF BASHKORTOSTAN – Management Company of Alga Special Economic Zone

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Consulation on any issue of your investment project
Platforms for your business’s specific needs
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