Start Your Business in the Kaliningrad Region
Why Kaliningrad region?

01 Entry to EAEU and EU markets

02 Access to the North and Atlantic sea routes

03 Minimal fiscal burden

04 Integration into the EU transport infrastructure

05 Proactive investment policy of the authorities

06 Preferential conditions for connecting to communications

07 Unique tourism and recreational potential

08 Legislative guarantees of stability for business conditions

09 Special Administrative Region regime

10 Simplified e-visa processing
The Kaliningrad Region

Administrative centre

Kaliningrad

482,450 people

Sovetsk - 39,700 people
Chernyakhovsk - 37,521 people
Baltiysk - 33,550 people
Gusev - 28,300 people

Total area —

15,100 km²

Border territories

Baltic sea
Republic of Lithuania
Republic of Poland

Cities

Kaliningrad
Sovetsk
Baltiysk
Chernyakhovsk
Gusev

3
108 km
205 km

Norway
Sweden
Poland
Lithuania
Latvia
St. Petersburg
Moscow

Baltiysk - 33,550 people
Gusev - 28,300 people
Sovetsk - 39,700 people
Chernyakhovsk - 37,521 people

22 cities
Population

1 mln. people

Population density
12th place in Russian Federation

Population

33 550
Kaliningrad

482 450
Sovetsk

37 521
Chernyakhovsk

28 300
Baltiysk

Gusev

Educational and Labor Resources

Education

7000 graduates per year

Immanuel Kant Baltic Federal University (BFU)
It is included in the federal program "5-100"

Kaliningrad State Technical University
A major technical university

Labor Resources

Stable migration growth since 1998

Population increase
7000 - 10 000 person per year

The largest university in the region. Currently BFU has 11 faculties, the Higher school of pedagogy, European business school and 2 colleges, Scientific and Production Enterprise “Factory”

Total 30 higher education establishments
More than 10 400 students of full-time and extramural form of study

Unemployment rate 4,7%

The economically active population 548 000 people

The population of the region > 1 000 000 people
Economic Performance

- **Gross Regional Product**: $450 BLN (increased by 20% per year)
- **Foreign Trade Turnover**: $10,2 BLN
- **Investment in Fixed Capital of Organizations**: $130,5 BLN

### Additional Costs:

- **Electricity Cost per kw/h**: $0.07/kwh
- **Rental Cost for Commercial and Office Properties**: $4,12/ sq.m. per year
- **Petrol Cost per Liter**: $0.7/l
- **Average Salary per Month**: $33,826
- **Average Salary per Year**: $42,400
- **Cost of Broadband Internet per Year**: $538
- **Outgoing Calls per Minute**: $0.02
Attracted investments amount

449 000 000 000 ₽
/$ 6 741 mln

Invested in the fixed capital of the Kaliningrad region in 2015 - 2018

RAEX Agency

Credit Rating
ruBBB+

Rating of investment attractiveness
IC3*

*according to National Rating Agency
### Companies

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>1200</td>
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<tr>
<td>Manufacturing</td>
<td>4226</td>
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<tr>
<td>Mining operations</td>
<td>112</td>
</tr>
<tr>
<td>IT &amp; Communications Companies</td>
<td>1030</td>
</tr>
<tr>
<td>Hotels and restaurants, cafes</td>
<td>1124</td>
</tr>
</tbody>
</table>

### Export-import goods
- Food and agricultural raw materials
- Products of fuel and energy complex
- Products of the chemical industry, rubber
- Wood and pulp and paper products
- Metals and articles thereof
- Machinery, equipment and vehicles

### Companies

- Foreign: 1483
- Joint: 952
Prospective industries

- Automotive and machine building construction
- Shipbuilding and ship repair
- Fishery and fish processing
- Agriculture and food
- Tourism
- Media business and film production
- Amber-jewelry manufacturing
- Pharmaceutical manufacturing
- Children's tourism and recreation camps
- Medical tourism
- IT cluster
- Transport, logistics
The Kaliningrad Power plant -2 with a capacity of 900 MW is one of the most modern and environmentally friendly power plants in Russia. Commissioning of the second block of Power plant -2 ensured the needs of the region in electricity and created energy surplus.

In 2018-2019:

01. «Talakhovskaya»
02. «Pregolskaya»
03. «Mayakovskaya»
04. A liquefied natural gas terminal was commissioned

It is planned:

to increase the volume of the Kaliningrad underground gas storage

three gas-turbine power plants with a total capacity of 762 MW were commissioned:
Territorial Location

Warsaw 400 km
Oslo 850 km
Stockholm 650 km
Copenhagen 680 km
Riga 390 km
Vilnius 390 km
Saint-Petersburg 960 km
Moscow 1289 km

1,5 hours
15 hours
22 hours

Being in the jurisdiction of Russia you can reach or deliver your cargo to most European countries.

RU
Any mode of transport
EU

Just a few hours
Any mode of transport
Logistics of the region

- Ice-free port
- International airport and large cargo terminal
- 22 international border-crossing points (auto, water, railway and the airport)
- European and trans-European transport corridors pass through the region
- The Kaliningrad Railway
  - narrow gauge railroad
  - broad gauge railroad
- 600 km/thousand km² road network density
- 5th freedom of the air
  - Airport regime
- International waterways
  - 534 km inland waterway network
Trans-european transport corridors

Railway connection with following cities:
- **Russia**: Moscow, Saint-Petersburg, Chelyabinsk, Adler, Velikiy Novgorod
- **Belorussia**: Minsk
- **Lithuania**: Vilnius

Gauge width:
- 1520 mm (Russian standard gauge)
- 1435 mm (West European standard gauge)

Railway hubs:
- **Kaliningrad**: 7 roads
- **Chernyakhovsk**: 4 roads
Roads operate regular trips to the cities of Germany, Belarus, Poland, the Czech Republic and the Baltic countries.

8 border terminals

Border crossing without delay

with Poland:
- Bagrationovsk - Bezledy
- Mamonovo – Gronovo
- Mamonovo 2 - Grzechotki
- Gusev - Gołdap

with Lithuania:
- Sovetsk - Panemune
- Chernyshevskoe - Kybartai
- Morskoe - Nida
- Pogranichny - Ramoniskiai

2 Trans-European highways
Maritime Transport

Non-freezing sea ports

Kalinigrad  Baltsiysk  Svetliy  Pionersky

Well-developed logistics of cargo sea terminals

Saint Petersburg  Baltsiysk

Ferry crossing

Train-ferry transport

Port of Baltsiysk  Port of Ust-Luga

36 hours  travel time
521 sea miles  distance
18 498 Wagonload/year  total traffic
1 min tonnes  quantity
Aviation Transport

Geographic flight expansion

Year-round
- Moscow
- St. Petersburg
- Minsk
- Cherepovets
- Tashkent
- Riga
- Warsaw
- Kazan
- Perm
- Nizhnevartovsk

Summer period
- Krasnodar
- Grodno / Brest / Gomel
- Arkhangelsk
- Sochi
- Murmansk
- Ekaterinburg
- Vitebsk
- Antalia
- Monastir
- Enfidha
- Nizhniy Novgorod
- Rostov-on-Don
- Kaluga
- Volgograd

Reconstruction of Khrabrovo airport is completed

Up to 3,500,000 passengers per year

50 tonnes of cargo per day

5TH FREEDOM OF THE AIR
Infrastructure Projects

The completion is planned

2019

Northern bypass
4 BLN ₽ (≈ $ 60 mln)

2020

3 train-ferries
Baltiysk - Ust-Luga
5 BLN ₽ (≈ $ 75 mln)
budgetary sources
9 BLN ₽ (≈ $ 135.5 mln)
non-budgetary sources

2020

Marine terminal
in Pionersky
8 BLN ₽ (≈ $ 120 mln)

2021

Inland port construction in
Chernyakhovsk
15 BLN ₽ (≈ $ 226 mln)

2024

Construction of a bridge across the
Kaliningrad Gulf
35 BLN ₽ (≈ $ 527 mln)
(under a concession agreement)
Priority industries of the region

Automotive Manufacturing

Prospects for the development of this sector are based on the plans of the AUTOTOR enterprise to form a full-profile automobile production cluster on the basis of joint ventures in the Kaliningrad Region.

Ship building and repairing

In the region, OJSC Yantar Shipyard fulfills defense orders for the construction of warships, as well as dozens of private companies engaged in the construction and repair of ships for fishing and tourism industries.

2018
203 000
Cars produced

01 KIA
02 Hyundai
03 BMW
“Infamed-K” produces Miramistin® - innovative popular antiseptic drug, 0.01% solution, and Ocomistin® - eye drops, total up to 32 million units per year.

“Aruna” is the company that produces sprayers for bottles, closures for packaging of pharmaceuticals and cosmetic products and perfumes. The company is also considering a possibility of creating a production and warehouse complex for production of clinically clean packaging, storage and transportation of medicines.

The pharmaceutical industry is represented by the enterprises located on the territory of the private industrial park "Ecobaltik".

**Pharmaceutical Industry**

**“Infamed-K”**
- Miramistin
- Okomostin

**“Aruna”**
- Produces closures for medical products
- Plans to produce clinically clean packaging for storage and transportation of medicinal products

32 mln units per year

01
- Medical products

02
- Cosmetics and perfumery

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Amber processing

The Kaliningrad Amber Combine is the only enterprise in Russia with the commercial production of amber. It operates near the Yantarny settlement, where about 90% of the world's explored amber reserves are concentrated.

90% of the world's amber reserves

500 tonnes of amber extracted in 2018

More than 300 enterprises engaged with the amber goods' processing and trade

116 000 tonnes estimated reserves
High-tech production

The "Technopolis GS" is the only private innovative cluster of radio electronic industry in Russia. Since 2008, the “Technopolis GS” created an industrial zone, which consists of 5 various industries: from microelectronics and consumer electronics to nanotechnology and package production.

- **Microelectronics**
  - 2,500,000 digital set-top boxes per year
  - > 50% of the Russian market
  - > 3% of the world market

- **Electronics manufacturing**
  - 80,000,000 m² of corrugated cardboard and corrugated packaging per year
  - + export of products to the EU

- **Nanotechnology**
  - 3,600,000 plastic products per year

- **Package production**
- **Console production**

The only enterprise in the North-West Russia, carrying out a set of works on molding of plastics, manufacturing plastic and metal parts.
Over the years, the Yantar shipyard built more than 490 civil ships of different tonnage; orders for foreign companies are carried out. Foreign customers of JSC “Shipyard Yantar” are companies from Germany, Netherlands, Norway and India.
Growing season 160-180 days

Agriculture

Favorable climate conditions, a long sowing season (160-180 days), adequate moisture and fertile soils contribute to the successful development of agriculture.

Agroindustrial complex

Adequate moisture  Fertile soils  Growing season 160-180 days

Cattle-breeding  Crop production  Fur farming  Fishery, fish farming
Sodruzhestvo Group of Companies is the largest oilseed processor in the post-Soviet space and the largest exporter of agricultural products in Russia.

1. Soybeans
   - 3 oil-extraction plants
   - Process 2,800,000 tonnes of soyabeeses per year
   - Revenue in 2018: 180 BLN ₽ (≈ $2 BLN)
   - 2,500 employees
   - Export of products to more than 30 countries of the World, including Switzerland, Denmark, Norway, Algeria, the United Arab Emirates, China

2. Rape
   - Shop floor for oil hydration
   - Up to 2,400 tonnes of lecithin per year
   - Sustained production growth 15% over the last 10 years

3. Crops
   - The only Russian grain terminal on the Baltic coast with cargo turnover
   - Up to 10,000,000 tonnes per year
   - 5,170 Grain wagons owned

59 place among the largest companies of Russia
Due to the coastal position and the presence of an ice-free port in the region, the fish industry develops dynamically.

Currently, there are 15 large enterprises operating in the region that provide for catching and processing of fish raw materials, including:

✓ fishing collective farm “Za Rodinu”;
✓ LLC “Baltiysky konservniy zavod”;
✓ LLC “Atlantis”;
✓ LLC “Roskon”;

There are several large fish cannery in the region where 31% of all canned fish in Russia are produced. By the end of 2018, 176 million items of canned food were produced in the region. Recently, the production of canned fish has increased several times. In the region there are modern refrigerating systems for long-term storage of the catch. A new fish processing enterprise "Korat" opened in Pionersky in 2018.
Special Economic Zone

SEZ regime is effective on the whole territory of the region
Administration of the SEZ is performed by the region authorities

230 residents as of July 1, 2019
Remains in force until 2045 on the whole territory of the region

$1,9 BLN
124 BLN
total volume of investments declared

$1,5 BLN
85 BLN
total volume of investments attracted

$0,016 mln
1 Mln
minimum volume of investments
1,000,000 ₽ (≈ $15,000)
Minimum investment amount in IT and high-tech

10,000,000 ₽ (≈ $150,000)
Minimum investment amount in health care

45 days
State examination of project documentation and state ecology examination

Reduced insurance premiums for new jobs

0% Utilization fee for foreign specialized machinery less than 3 years old at the acquisition date

No consular fees

For 8 days
Simplified visa issuance, Electronic visa

SEZ
## SEZ Resident

### Investment amount during 3 years

<table>
<thead>
<tr>
<th>Amount</th>
<th>Value (₽)</th>
<th>Equivalent ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 mln</td>
<td>$15 000</td>
<td></td>
</tr>
<tr>
<td>10 mln</td>
<td>$150 000</td>
<td></td>
</tr>
<tr>
<td>50 mln</td>
<td>$753 000</td>
<td></td>
</tr>
<tr>
<td>150 mln</td>
<td>$2 259 000</td>
<td></td>
</tr>
</tbody>
</table>

### Russian legal entity / registration in Kaliningrad region

- **0%** land tax for the first 5 years
- **Free customs zone**
- **Duty-free tax-free quota-free import**
- **180 days VAT deferral**
- **Unchanged land rent**
- **Non-application of measures**, increasing the total tax burden
- **Simplified procedure** of land lease for the implementation of investment projects

### Other industries
- IT, R&D
- Healthcare
- Manufacturing industries, tourism and agriculture
- Other industries
For SEZ Residents

Now

0% Property tax

1 year

1,1% Property tax

6 year

0% Corporate income tax

10% Income tax

As soon as the first payment is received, but not later than 3 tax periods

Reduction of state examination term

from 01.01.2018

- ecological
- project documentation

7,6%
social contributions to the payroll fund until 2025 for organizations that became residents until 2022

0%
utilization fee for imported specialized machinery younger than 3 years old at the acquisition date

8 days
electronic visas for citizens of 53 countries
Preferences for SEZ IT Residents

Minimum investment amount in IT and High-Tech

1 000 000 ₽
(≈ $15 000)

Investment during
3 years

Activities
by OKVED codes (Russian National Classifier of Types of Economic Activity)

62 Computer software development, consulting services in this area and other related services

63 Activities in the field of information technology

72 Scientific R&D
Special Administrative Region on Oktyabrsky Island in Kaliningrad

SAR regime

- is a competitive tax regime providing an opportunity for foreign companies that conduct business on the territory of the Russian Federation to change foreign (including offshore) jurisdiction to the jurisdiction of the Russian Federation.

Preferences

- received by international holding companies from Russian and foreign companies
- from the sale of shares (stocks) in Russian and foreign companies
- received by Russian controlling persons of international holding companies
- of international holding companies in the form of profits controlled by foreign companies
- on dividends of foreign companies received from an international holding company (for public joint-stock companies)

SAR participants

- international companies that have concluded an agreement on the implementation of activities on the territory of the SAR with the management company
- The STATUS of an “international company” can be obtained by a commercial corporate organization registered no earlier than 01.01.2018, carrying out business activities in the Russian Federation and registered in the FATF or MONEYVAL member country

http://sar.kgd-rdc.ru/
## Electronic visas to the Kaliningrad region

<table>
<thead>
<tr>
<th>Number</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>Countries: 53 (including all EU countries)</td>
</tr>
<tr>
<td>3</td>
<td>Visa processing time: 3 days</td>
</tr>
<tr>
<td>14</td>
<td>Equipped border checkpoints: 14</td>
</tr>
<tr>
<td>8</td>
<td>Maximum length of stay: 8 days in the region</td>
</tr>
<tr>
<td>30</td>
<td>Maximum length of stay: 30 days since registration</td>
</tr>
<tr>
<td>0</td>
<td>Rubles: No consular fee</td>
</tr>
</tbody>
</table>

[electronic-visa.kdmid.ru.](electronic-visa.kdmid.ru.)
Khrabrovo Industrial Park Location

The only industrial park, which is located in close proximity to the Khrabrovo airport.
Khrabrovo Industrial Park

The park is open for all type of production

**Land plot rent:**
- Exemption period
- From 160000 ₽ (≈ $2 400) for 1 ha per year
- After the exemption period
- From 180000 ₽ (≈ $2 700) for 1 ha per year

**Land plot sale:**
Land plot price is 2,9 mln ₽ (≈ $43 600) for 1 ha

**Land plots:**
Land plots in the Khrabrovo industrial park are leased to its residents for a period of up to 30 years with the right of further redemption. In this case a resident receives a right of redemption after the commissioning of the production (plant).

http://hrabrovopark.ru/

**Utility networks and infrastructure:**
- Electric supply 39 MW
- Water supply 2500 m³/day
- Gas supply 20 mln m³/year
- Water disposal 2500 m³/day

**Logistics Hub**
- 3 km to the airport
- 345 ha Total area
- 20 km to Kaliningrad
The only industrial park of Russia with railways of both European and Russian standards.
Chernyakhovsk Industrial Park

1146 ha
Total area

68 km
Distance to Lithuania

80 km
Distance to Kaliningrad

62 km
Distance to Poland

Specialization of the park:
- transport and logistic
- machinery manufacturing
- production of building materials
- processing enterprises

Utility networks and infrastructure:
- electric supply 34 MW
- water supply 5000 m³/day
- gas supply 60 mln m³/year
- water disposal 5000 m³/day
- railways
- motorway A229

Railways
- Russian standard
  Gauge 1520 mm
- EU standard
  Gauge 1435 mm

http://chernyakhovskpark.ru/
Multifunctional Centre for Business

Unified platform for business support

100 Specialized services

Regional support funds in one place

Lectorium 60 seats

Conference-hall 70 seats

Co-working 25 seats

Comfortable waiting area

Free wi-fi zone

Highly qualified staff
Tourism potential of the Kaliningrad Region

1,500,000 tourists per year

More than 250 hotels

Including:
- Music Festival “KiVin” and “Kaliningrad City Jazz”
- Film Festival “Koroche”
- World Fireworks Championship
- Festivals of historical reconstruction “Ushkui”, “Kaup” and “Gumbinen”

More than 1,000 restaurants and cafes

International Festivals:

The most visited tourist site of the Kaliningrad Region

Museum of the XIV century
- Brick gothic

8 castles
13 forts
172 Protestant churches – XIII-XVI centuries. (Teutonic Order)

56 Protestant churches
116 Protestant churches

Cathedral on the Kant Island
“The Curonian Spit” National Park

43 km of sandy beaches
6621 ha of unique forests and natural diversity

Recognized as the world heritage site by UNESCO in 2000

Vistynethsky Nature Park

Park Area
22935 ha

Large forestlands, located in the southeastern part of the Kaliningrad region near Lake Vistynets. The park has a rich fauna and potential for the ecotourism development.

The Amber Combine

80 000 tourists per year

an opportunity to get acquainted with the history of amber production in the region and to see a deposit in which the bulk of world amber is mined by open-pit mining. The museum is visited by more than 80 thousand tourists a year.

The Amber Museum

200 000 Tourists per year

The only one in Russia

established in 1979
Support of the authorities

SPI “Representative Office of the Kaliningrad Region Government under the Government of the Russian Federation”, Moscow

Address: 123242, Moscow, Krasnaya Presnya street, bldg. 7
tel.: +7 (499) 252-66-00
fax: +7(499) 252-66-25
e-mail: msk@gov39.ru msk.gov39.ru

JSC "Kaliningrad Region Development Corporation"

Address: 236023, Kaliningrad, Krasnaya street, 63A
tel.: +7 (4012) 67-39-39
e-mail: office@kgd-rdc.ru www.kgd-rdc.ru

JSC «Russian Export Center» branch in Kaliningrad

www.exportcenter.ru

State Autonomous Institution “Fund for Entrepreneurship Support in the Kaliningrad Region”

www.mbkaliningrad.ru

Foreign Investors Association in Kaliningrad Region

www.fias-kaliningrad.ru

Kaliningrad Chamber of Commerce and Industry

kaliningrad.tpprf.ru

Baltic Business Club

www.bdk.ru
Contacts

🌐 www.kgd-rdc.ru

📞 +7 (4012) 67-39-39

✉️ office@kgd-rdc.ru

📍 Russia, 236023, Kaliningrad, 63a Krasnaya St

Special Administrative Region

Khrabrovo Industrial Park
[http://hrabrovopark.ru/](http://hrabrovopark.ru/)

Chernyakhovsk Industrial Park
[http://chernyakhovskpark.ru/](http://chernyakhovskpark.ru/)