



DEVELOPMENT CORPORATION
OF THE REPUBLIC OF BASHKORTOSTAN

ALGA

SPECIAL
ECONOMIC
ZONE

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.

By the end of 2022, Bashkortostan took the 4th place in the National Rating of the investment climate in the regions of the country for the first time (by the Agency for Strategic Initiatives, ASI).

The SEZ “Alga” is recognized as the best in the nomination “Import Substitution” of the VII National rating of investment attractiveness of special economic zones of Russia. It has twice become the most dynamically developing SEZ among all special economic zones of Russia.

POPULATION
4.08 million people



4th place
Investment Climate
State Rating

TOTAL AREA
142 947 sq. km



IC3
High Investment
Attractiveness

**SCOPE OF
INVESTMENTS**
512,4 billion rubles

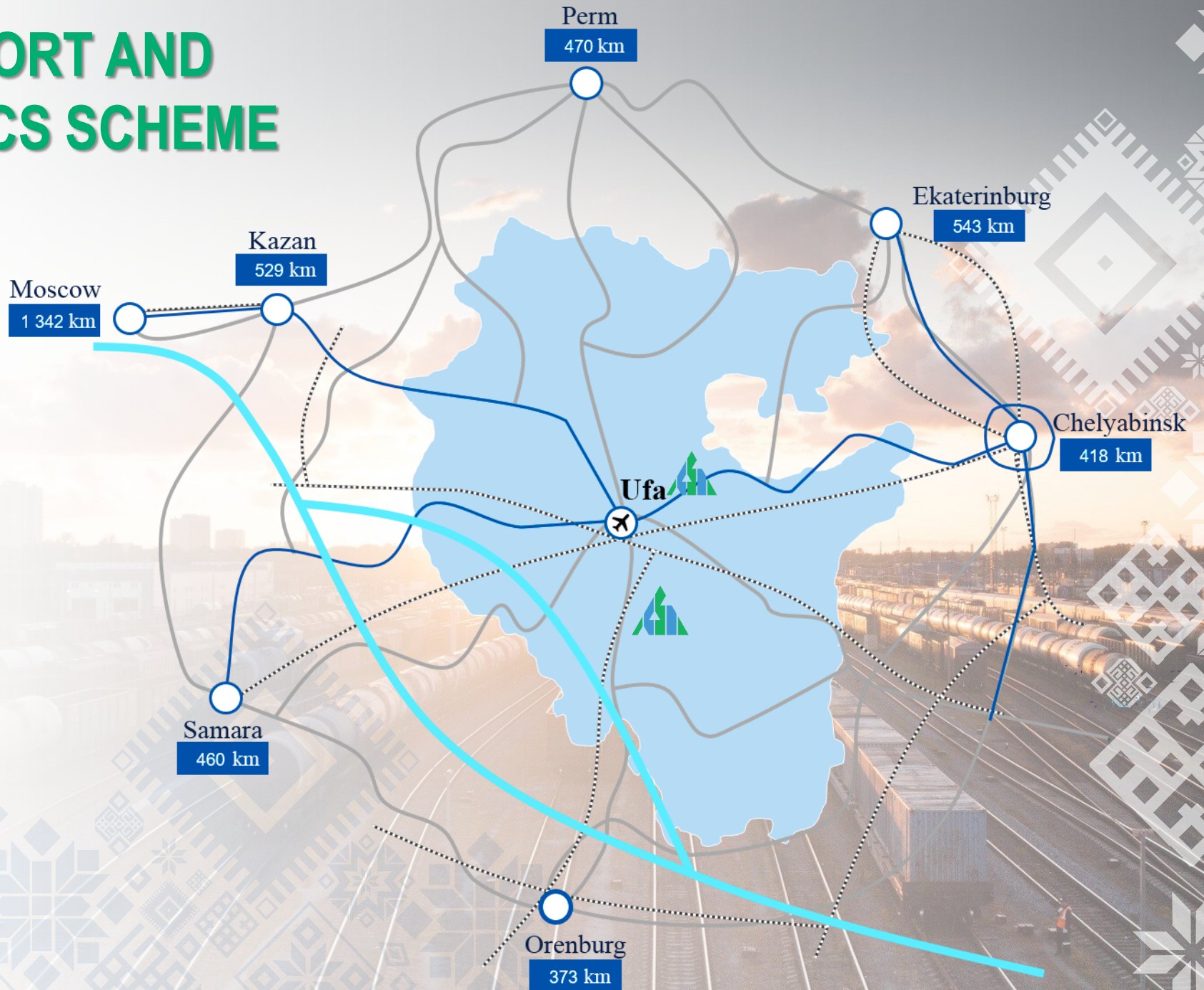


ruAA+
Credit Rating



TRANSPORT AND LOGISTICS SCHEME

-  Federal highways
-  Motorways
-  The Western China-Western Europe transport corridor
-  Railways
-  Airport
-  SEZ "Alga"





LOCATION OF SEZ “ALGA”

The SEZ “Alga” is located on five separate sites.

Sites No. 1-4 are located on the territories of Ishimbaysky and Sterlitamaksky districts near the urban agglomeration Ishimbay-Salavat-Sterlitamak

Site No. 5 is located on the territory of the Ufimsky district near the city of Ufa





LAYOUT OF LAND PARCELS

375.54 Ha (49,21%) – useful area of the SEZ

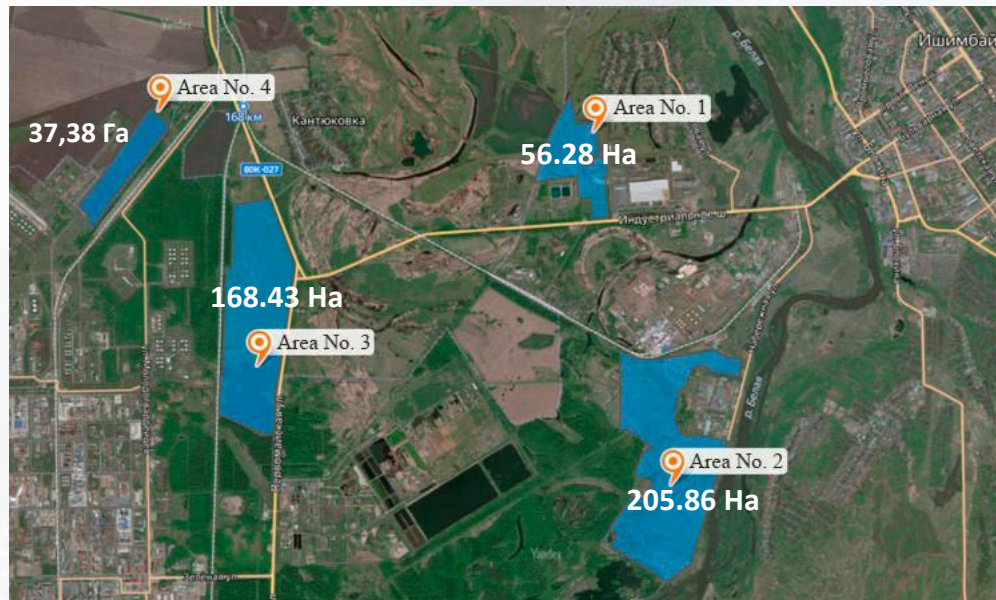
194.32 Ha (25,46%) – area for SEZ infrastructure

193.32 Ha (25,33%) – area occupied by participants of the Ufimsky industrial park

200.89 Ha (53,49%) – area used by the current residents of the SEZ

36.73 Ha (9,78%) – total area requested by current and potential residents

137.93 Ha (36,73%) – free (non-reserved) SEZ areas

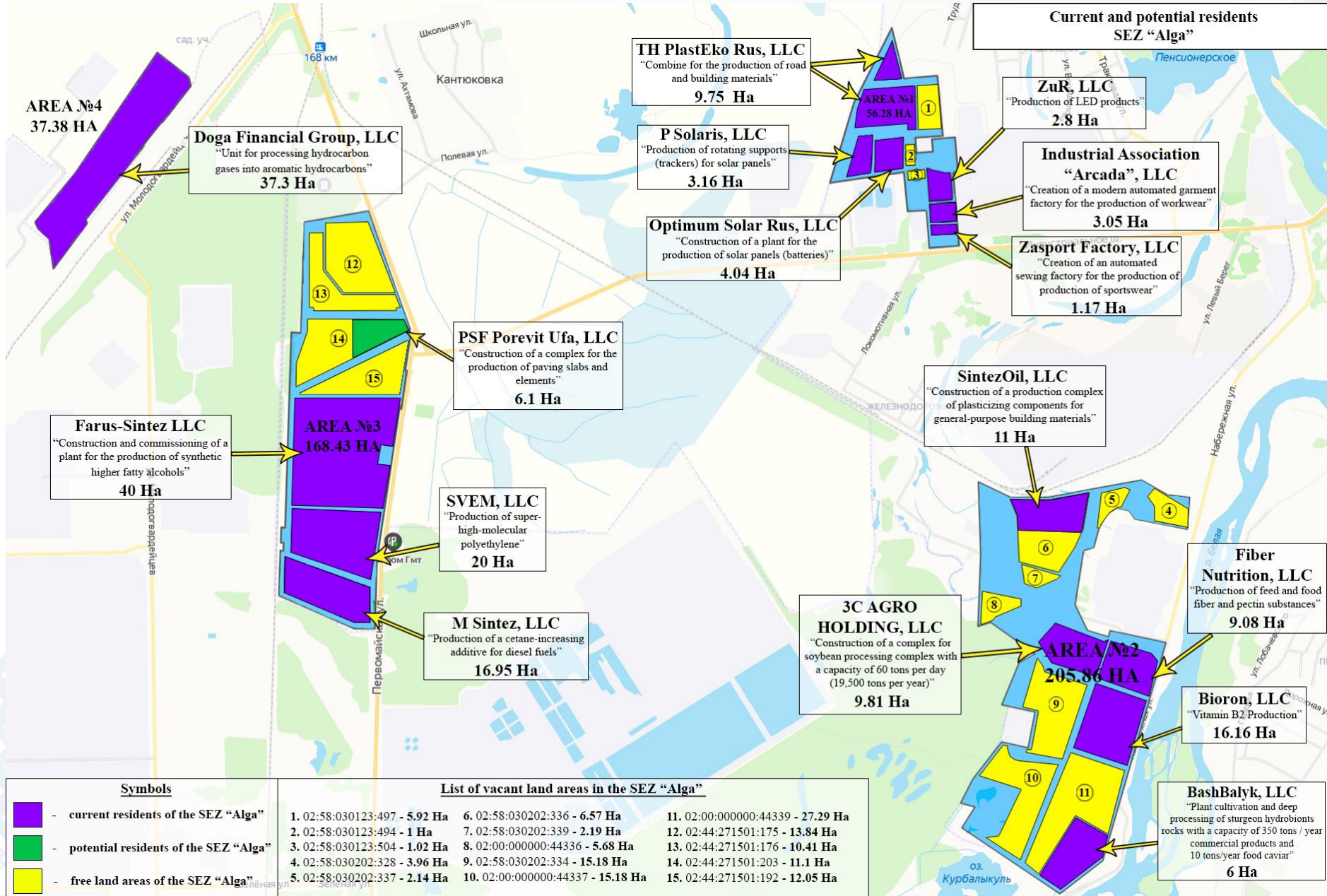


Sq. = 467.97 Ha

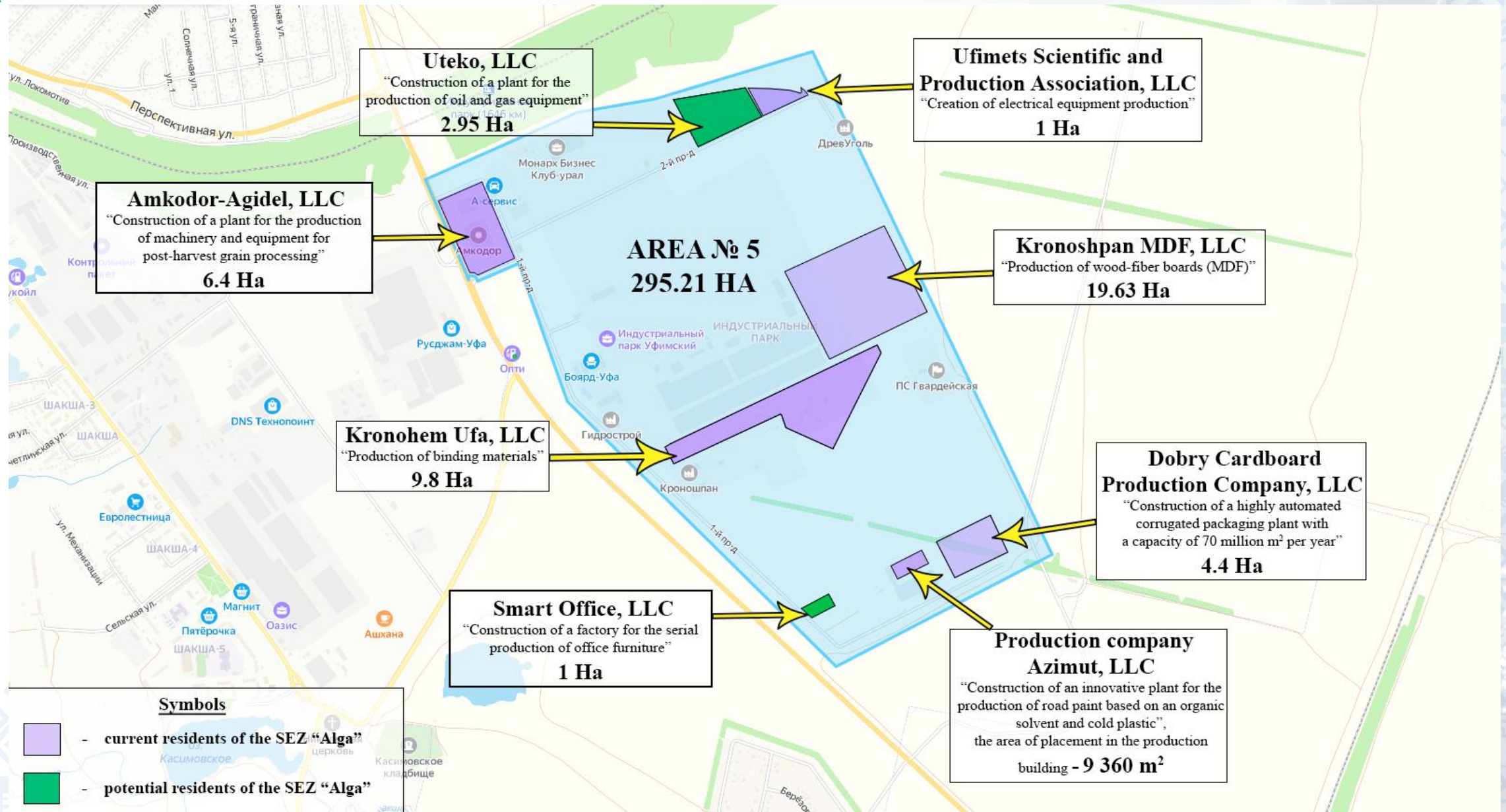




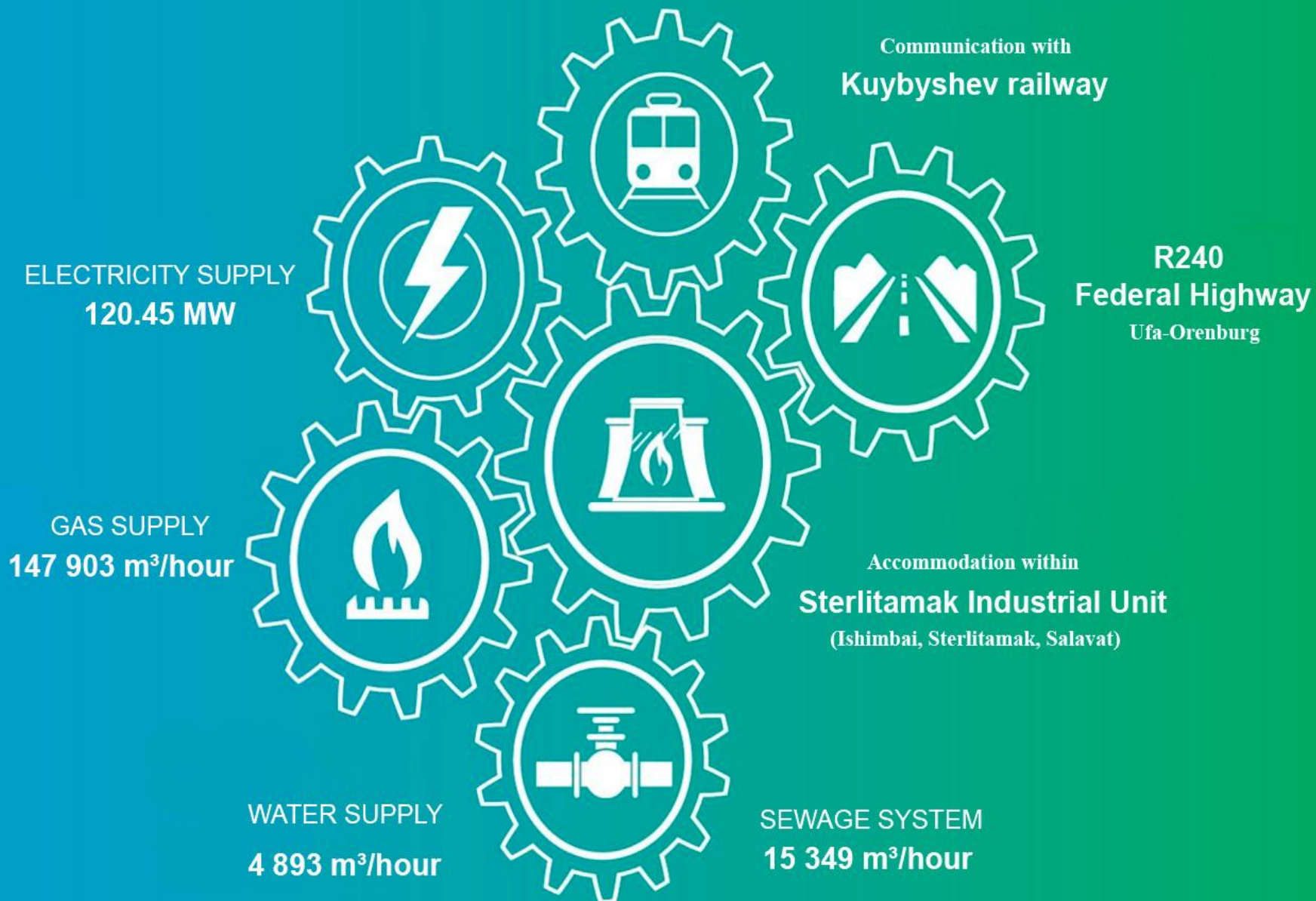
THE LAYOUT OF INVESTMENT PROJECTS AT SITES No. 1-4 OF THE SEZ "ALGA" IN THE ISHIMBAYSKY AND STERLITAMAKSKY DISTRICTS



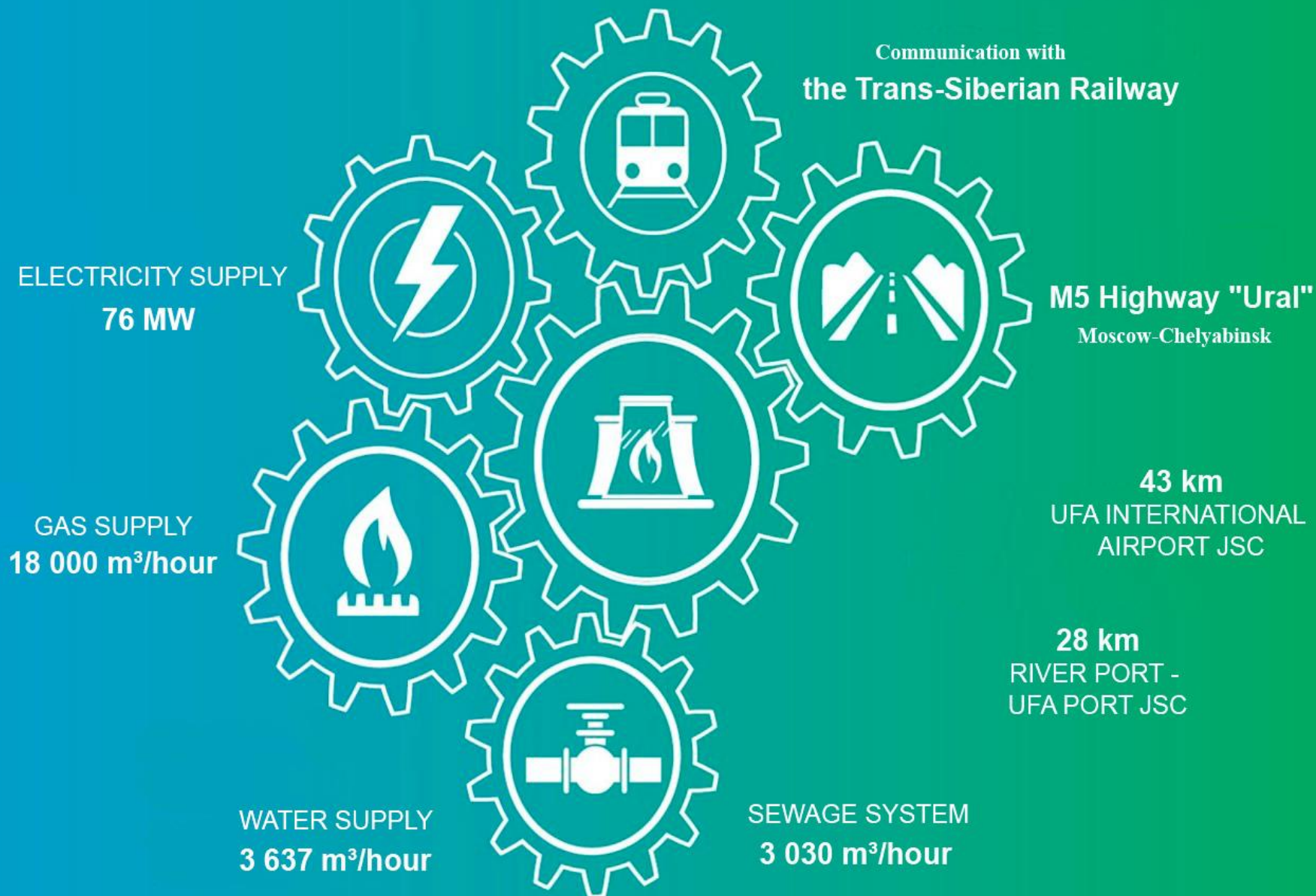
THE LAYOUT OF INVESTMENT PROJECTS ON SITE No. 5 OF THE SEZ "ALGA" IN THE UFIMSKY DISTRICT



INFRASTRUCTURE OF SITES No. 1-4 OF THE SEZ "ALGA" IN THE STERLITAMAKSKY AND ISHIMBAYSKY DISTRICTS














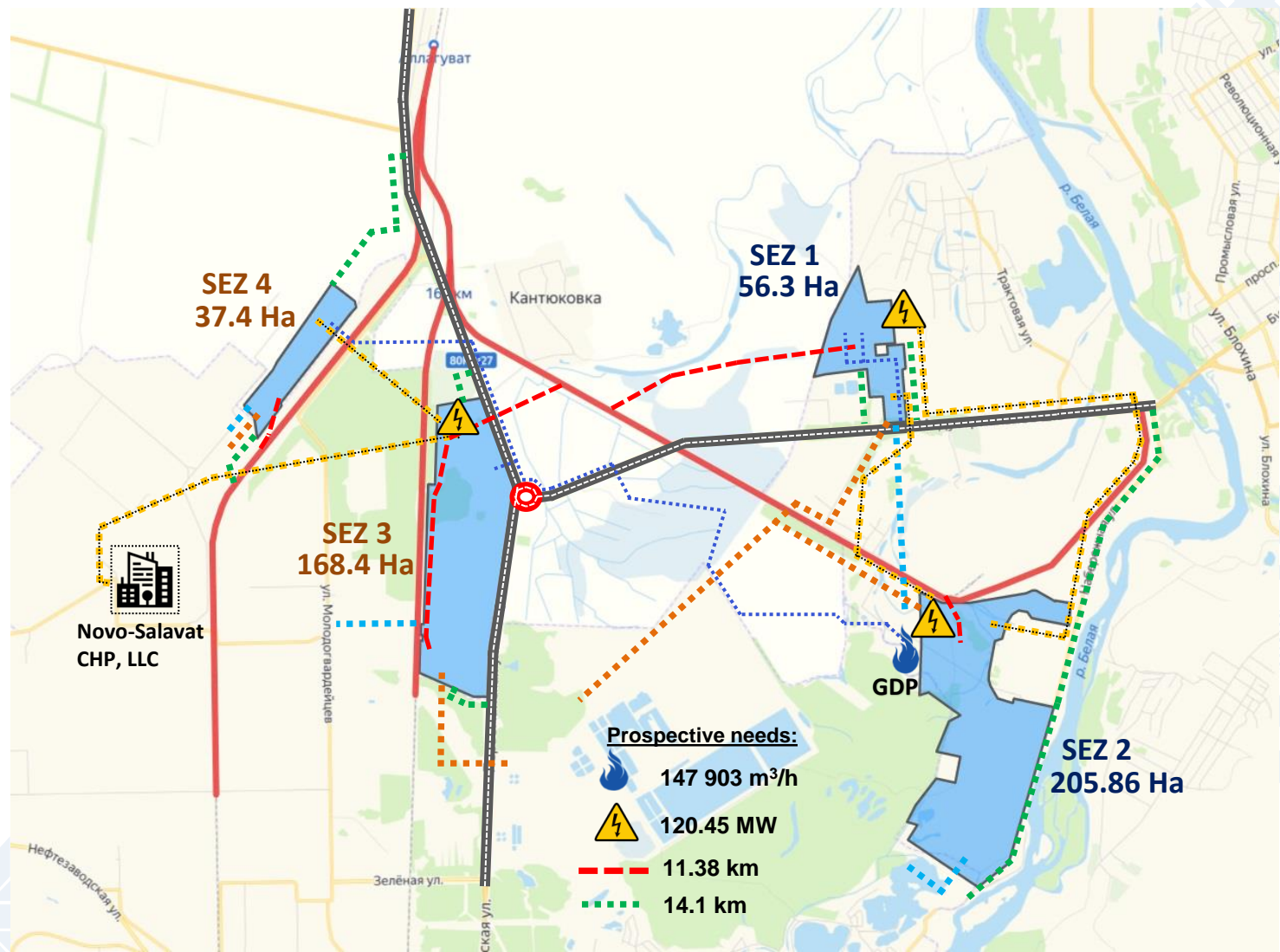
INFRASTRUCTURE OF SITE No. 5 OF THE SEZ "ALGA" IN UFIMSKY DISTRICT





ENGINEERING INFRASTRUCTURE OF SITES No. 1-4 OF THE SEZ "ALGA" IN ISHIMBAYSKY AND STERLITAMAK DISTRICTS

-  GDP
-  gas networks
-  electrical substation
-  power grids
-  motorways
-  railways
-  planned railways
-  constructed roundabout
-  water supply networks
-  wastewater networks
-  planned for the creation and reconstruction of the highway
- SEZ** sites on the territory of Sterlitamaksky district
- SEZ** sites on the territory of the Ishimbaysky district



TAX PRIVILEGES OF THE SEZ “ALGA”

Type of privilege	Budget level	Basic conditions	Amount and term
Company's income tax	Federal budget	3 %	2 %
	Local budget	17 %	first 5 years* – 0 % the next 7 years – 5 % after 12 years – 13.5 %
Company's property tax	Local budget	2.2 %	0 % 10 years since registered
VAT	Federal budget	20 %	20 % (0 %)**
Land tax	Local budget	1.5 %	0 % 5 years since the property right registered
Transport tax	Local budget	10-250 RUB/h.p.	0 RUB/ h.p. within 10 years since the taxation period when the vehicle was registered, but not 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

* 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.



SUPPORT OF SEZ RESIDENTS

ACCELERATED DEPRECIATION IN SEZ

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.

RENT OF LAND

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 THE SEZ “ALGA”

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

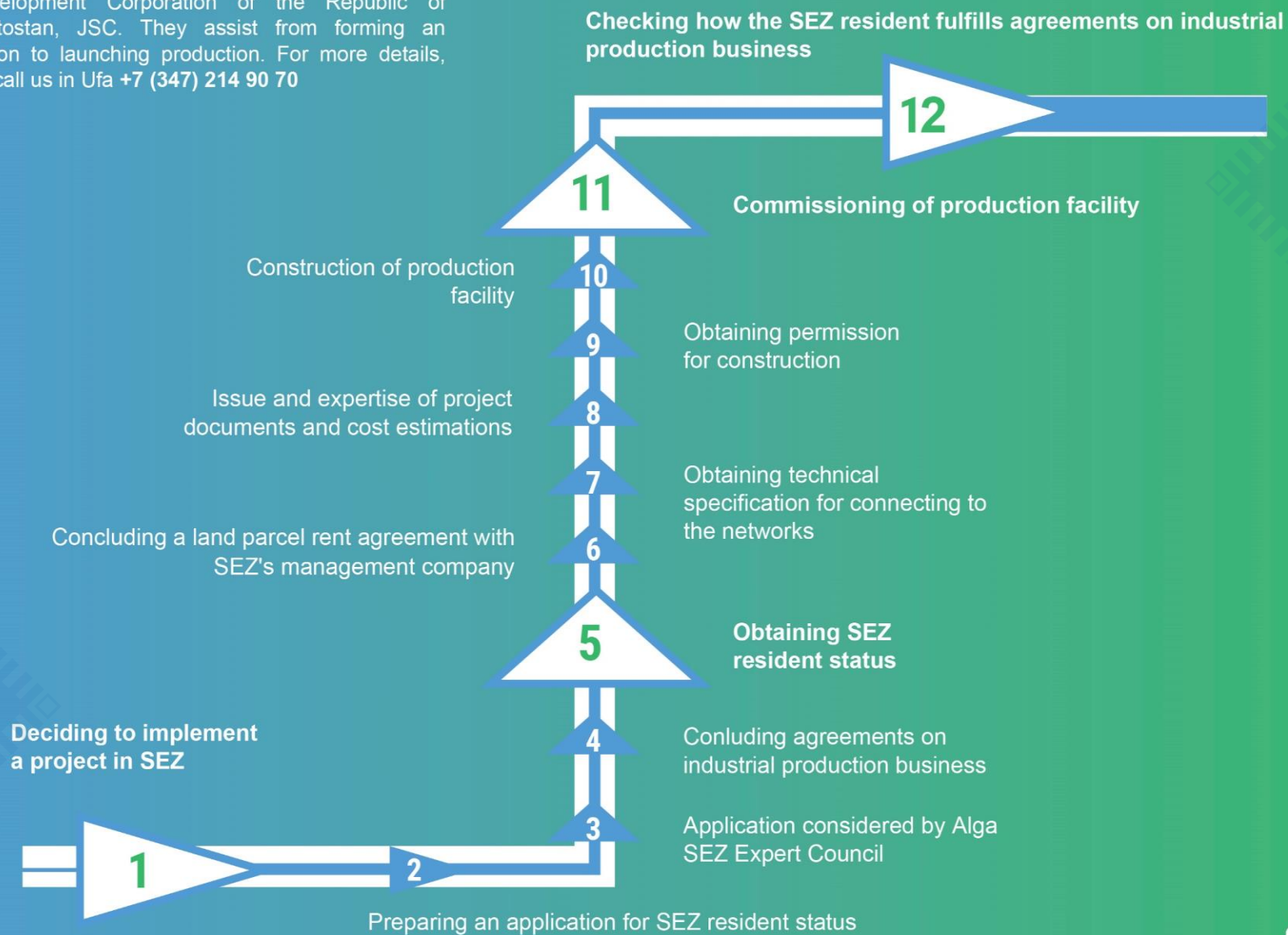
industrial production business
(production and (or) processing of
goods (items), selling them)

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





DEVELOPMENT CORPORATION
OF REPUBLIC OF BASHKORTOSTAN

DEVELOPMENT CORPORATION OF THE REPUBLIC OF BASHKORTOSTAN –

Management Company
of Alga Special Economic Zone

Adress: Bashkortostan Regional Control Center,
46, Tukaeva St., Ufa, the Republic of Bashkortostan

Tel.: +7 (347) 214-90-70

E-mail: infokrrb@bashkortostan.ru

Web-site: www.kr-rb.ru

Social media:

 /kr02ru

 /krrb02



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