

iMoscow



DEPARTMENT OF SCIENCE,
INDUSTRIAL POLICY
AND ENTREPRENEURSHIP
OF MOSCOW

INDUSTRIAL
INNOVATION
INVESTMENT
INTELLIGENT

PRESENTATION BY B. E. MOSHKOVICH

LUXEMBOURG

MOSCOW

IS ONE OF THE LARGEST ECONOMY OF THE WORLD



10th
RANK IN
THE WORLD

468 BLN IN \$
GDP PPP

3rd
RANK IN
EUROPE

200 BLN IN \$
CONSUMER
EXPENDITURE

POINT OF ENTRY
IN THE MARKET OF
RUSSIA AND CIS
COUNTRIES

200 MLN PPL.
END USE MARKET



>25 BLN \$

VOLUME OF INVESTMENTS
IN 2015

70% - PRIVATE INVESTMENTS



+61,3%

INVESTMENT GROWTH
IN 2011-2015

MOSCOW IS

FOR INVESTORS



MOSCOW IS ONE OF THE LARGEST ECONOMIES AMONG THE URBAN ECONOMIES OF THE WORLD



EMPLOYMENT

6.9 MLN PEOPLE

14th RAN
IN THE WORLD



**EMPLOYMENT
GROWTH**

COMPOUND ANNUAL
GROWTH RATE
IN 2009-2015

1.4%



**CONSUMER
SPEND**

10.3 T RUB

14th RANK
IN THE WORLD

SOURCE:
MOSGORSTAT, BROOKINGS INSTITUTION, EUROMONITOR INTERNATIONAL



MOSCOW HOSTED 1,3 M
ECONOMIC ENTITIES

AS OF JANUARY 1, 2016

MOSCOW

IS THE SUPER HUB OF EURASIA



9 RAILWAY HUBS

3 RIVER PORTS (INLAND CONNECTION WITH THE ATLANTIC AND ARCTIC OCEANS)



4 INTERNATIONAL AIRPORTS



40% OF THE RUSSIAN EXTERNAL FREIGHT TURNOVER GOES THROUGH MOSCOW

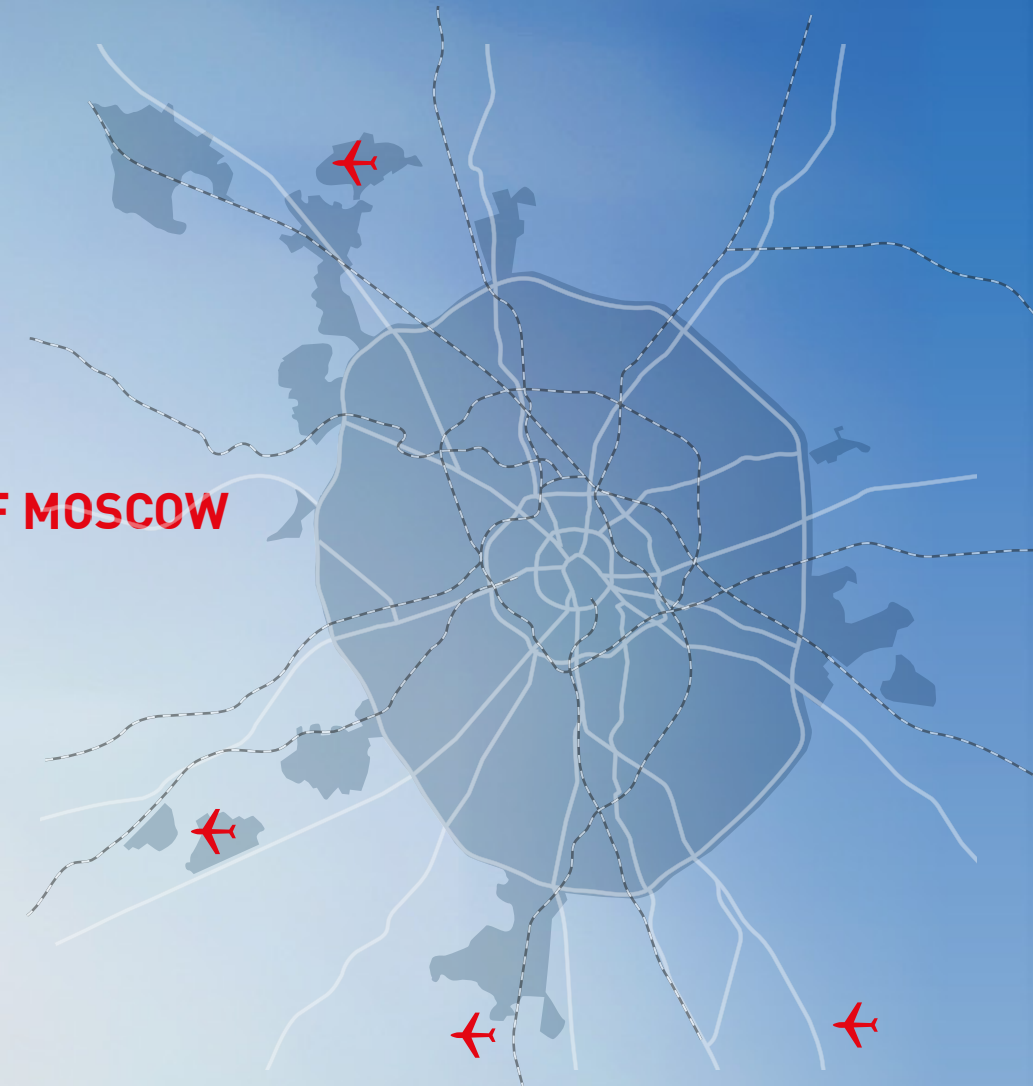


KEY IMPORT PARTNERS OF MOSCOW IN 2015:

- ▶ CHINA (\$15.7 BLN)
- ▶ GERMANY (\$9.2 BLN)
- ▶ USA (\$6 BLN)
- ▶ JAPAN (\$3.8 BLN)
- ▶ ITALY (\$3.6 BLN)
- ▶ UAE (\$73.5 BLN)

KEY EXPORT PARTNERS OF MOSCOW IN 2015:

- ▶ GERMANY (\$15,6 BLN)
- ▶ ITALY (\$17 BLN)
- ▶ CHINA (\$14,2 BLN)
- ▶ NETHERLANDS (\$16.4 BLN)
- ▶ UAE (\$378.3 MLN)



MOSCOW

IS A SCIENCE AND INNOVATION CENTER OF RUSSIA



MOSCOW IS ONE OF THE MOST EDUCATED CITIES OF EUROPE

- ▶ **12 MLN CITIZENS** - ONE OF THE MOST DENSELY POPULATED CITY IN EUROPE
- ▶ **81.5% OF CITIZENS** HAVE SECONDARY OR VOCATIONAL DEGREE
- ▶ **42.1% OF CITIZENS** HAVE HIGHER DEGREE
- ▶ **353** INSTITUTES AND COLLEGES WITH **260 000** GRADUATES PER YEAR

MOSCOW IS THE INNOVATION HUB OF RUSSIA

IN 2015 FIVE MOSCOW UNIVERSITIES WERE INCLUDED IN THE "TIMES HIGHER EDUCATION WORLD UNIVERSIT RANKINGS"

MOSCOW

HAS HUGE POTENTIAL OF GROWTH IN TECHNOLOGY AND INDUSTRY



2014

5 TECHNOLOGY PARKS
250 TSD. M2 OF PREMISES
37 HA OF LAND PLOTS
120 RESIDENTS
1 500 JOBS

MAY 2016

22 TECHNOLOGY PARKS
1 053 TSD. M2 OF PREMISES
503 HA OF LAND PLOTS
1 468 RESIDENTS
18 553 JOBS
8 INDUSTRIAL COMPLEXES
509 TSD. M2 OF PREMISES
61 HA OF LAND PLOTS
13 091 JOBS

2017

70
DEDICATED AREAS

- TECHNOLOGY PARKS
- INDUSTRIAL PARKS
- INDUSTRIAL COMPLEXES

3 791,8 TSD. M2 OF PREMISES
1 050 HA OF LAND PLOTS
9 500 TENANTS
140 000 HIGH PAYING JOBS

POTENTIAL OF INDUSTRIAL AREAS

208 INDUSTRIAL AREAS IN MOSCOW

17,8 TSD. HA **1/6** OF MOSCOW

INDUSTRIAL AREA TERRITORY

IDENTIFIED POTENTIAL OF **36** EXAMINED INDUSTRIAL AREAS FOR INDUSTRIAL REAL ESTATE BUILDING

28,1 MM²

POTENTIAL INVESTMENT VOLUME -

>25 B USD

HIGH-PRIORITY INDUSTRIES:

- FOOD PROCESSING INDUSTRY
- POLYGRAPHIC INDUSTRY
- CONSTRUCTION MATERIALS INDUSTRY
- TEXTILE INDUSTRY
- INDUSTRIAL BIOTECHNOLOGIES
- AUTOMOTIVE SECTOR
- MECHANICAL ENGINEERING AND METAL WORKING
- INFORMATION TECHNOLOGIES

MOSCOW

IS RATED HIGH IN GLOBAL RANKINGS



47

INTERNATIONAL RATINGS

INDEX OF GLOBAL CITIES

CITY "GLOBALITY" LEVEL STUDIED
I.E. IF CITIES ARE "GLOBAL CENTERS"

POSITION
OF MOSCOW:

14

125
CITIES/REGIONS
INCLUDED IN THE RATING



+ 11 COMPARISON
POSITIONS FROM 2010
(25TH POSITION)

POSITIONS:

- | | | |
|--------------|-----|--------------|
| 1 - NEW YORK | ... | 13 - TORONTO |
| 2 - LONDON | ... | 14 - MOSCOW |
| 3 - PARIS | ... | 15 - SYDNEY |

A.T. KEARNEY
GLOBAL
CITIES INDEX

4

HIGH INDICATORS

CITILAB: 25 MOST INFLUENTIAL CITIES IN TERMS OF ECONOMY

CITYLA: 25 MOST
ECONOMICALLY
POWERFULL
CITIES OF
THE WORLD

POSITION
OF MOSCOW:

23

25
CITIES/REGIONS
INCLUDED IN THE RATING

BEFORE
WAS NOT INCLUDED
IN THE RATING

POSITIONS:

- | | | | |
|--------------|---------------|-------------|---|
| 1 - NEW YORK | 4 - HONG KONG | 22 - GENEVA | |
| 2 - LONDON | 5 - PARIS | ... | 23 - WASHINGTON, MOSCOW,
SAN FRANCISCO |
| 3 - TOKYO | | | |

GLOBAL INDEX OF INNOVATIVE CITIES

REFLECTS THE INNOVATION POTENTIAL
CONCENTRATED IN THE CITY

POSITION
OF MOSCOW:

63

445
CITIES/REGIONS
INCLUDED IN THE RATING



+ 129 COMPARISON
POSITIONS FROM 2012
(192ND POSITION)

POSITIONS:

- | | | | |
|-----|--------------------|-----|-----------------------|
| ... | 61: KOBE,
JAPAN | ... | 66 - EDINBURGH,
UK |
|-----|--------------------|-----|-----------------------|

2THINKNOW
INNOVATION
CITIES GLOBAL
INDEX

BUSINESS CLIMATE IN RUSSIAN CITIES

RA EXPERT

POSITION
OF MOSCOW:

A+++

100
CITIES/REGIONS
INCLUDED IN THE RATING

HIGHEST RANK

DID NOT CHANGE FROM 2010 - 2014

PRICE WATERHOUSE COOPERS RESEARCH

TO BUILD A BENCHMARK FACILITY IN MOSCOW,
AN ESTATE DEVELOPER PASSES

9

ADMINISTRATIVE PROCEDURES

ACCORDING TO THE CITY PLANNING
POLICY DEPARTMENT

ACCORDING TO WWW.MOS.RU

MOSCOW

IS GROWING SO BUSINESS CAN GROW TOO



ELECTRIC POWER CONSUMPTION

2.5 M M2 - ELECTRIC POWER CONSUMPTION TERRITORY

MOSCOW

55.11

TW/H

LONDON

41.40

TW/H

THE ELECTRIC POWER CONSUMPTION VOLUME GROWS ANNUALLY: IN 2014 MOSCOW CONSUMED MORE POWER THAN LONDON



IN 2015
THE MOESK JSC
RECEIVED

15,000

REQUESTS FOR
CONNECTION
TO MOSCOW ELECTRICITY
GRIDS

INFRASTRUCTURE DEVELOPMENT

BY THE TOTAL AREA OF THE BUILDINGS PUT INTO SERVICE IN 2014

**MOSCOW
OUTRUNS
3 TIMES**

SINGAPORE AND HONG KONG

BUILT IN 5 YEARS

41 M M2 OF REAL ESTATE

34 KM METRO LINES

18 NEW METRO STATIONS

400 KM OF NEW ROADS

PROCEDURES SIMPLIFICATION

SINCE **2013** ALL THE POWERS RELATED TO PERMITS ISSUING WERE EXCLUSIVELY GIVEN TO THE INDUSTRY AUTHORITIES, ANY INTERACTION WITH REGIONAL AUTHORITIES WAS EXCLUDED

THE ENTIRE PROCEDURE CYCLE, FROM THE BEGINNING TO THE END OF CONSTRUCTION WAS TRANSFERRED TO **THE ELECTRONIC FORMAT**



MOSCOW

ESTABLISHED INFRASTRUCTURE TO SUPPORT ECONOMIC DEVELOPMENT



BUSINESS SUPPORT COUNCIL

WAS ESTABLISHED TO PROVIDE SUPPORT FOR SMES AND ERADICATE ADMINISTRATIVE BARRIERS



2012
320 REQUESTS

2013
394 REQUESTS

2014
378 REQUESTS

2015
394 REQUESTS

2016 (AS OF MAY 31)
145 REQUESTS

2016

EXPERT COUNCIL

PROVIDES INPUT IN AND FEEDBACK ON THE REFORMS

MOSCOW GOVERNMENT LAUNCHED A PLATFORM FOR INTERACTION WITH EXPERTS, INDUSTRY LEADERS AND ENTREPRENEURS



SMES SERVICES CENTERS

WILL HELP ENTREPRENEURS TO ADDRESS KEY QUESTIONS AND HELP THEM WITH INTERACTION WITH REGULATIONS

27
CENTERS

- ▶ LEGAL AND CONSULTING SUPPORT
- ▶ HELP IN RECEIVING ELECTRONIC SERVICES
- ▶ PARTICIPATION OF SMES IN GOVERNMENT TENDERS

LOCATIONS

- ▶ TECH PARKS
- ▶ REGIONAL DIVISIONS OF THE SMALL BUSINESS OF MOSCOW
- ▶ FEDERAL TAX SERVICE
- ▶ SBERBANK

60 000

QUESTIONS
WILL BE ADDRESS
IN 2016

MOSCOW

REFORMS ARE MEANT TO FACILITATE AND IGNITE ENTREPRENEURSHIP



SUPPORT MEASURES FOR SMALL AND MEDIUM ENTERPRISES

SIMPLIFICATION OF TECHNOLOGICAL CONNECTION TO ELECTRIC NETWORKS



REFORMS AIMED AT THE SIMPLIFICATION OF TECHNOLOGICAL CONNECTION TO ELECTRIC NETWORKS

80 DAYS IS THE NEW UTILITY CONNECTION TIMING



-50% THE CONNECTION COST



THE APPLICANT MAY CHOOSE INDIVIDUAL CONTRACT CONDITIONS



CHANGES IN THE LAW ON PATENT TAXATION SYSTEM TO REDUCE THE COST OF PATENTS IN CERTAIN BUSINESS AREAS". **THE LEVEL OF LEGALIZATION OF LABOR RELATIONS** WAS INCREASED IN SMALL AND MEDIUM BUSINESS

PRIVILEGED LEASE RATE FOR SME WAS EXTENDED



86%

OF AREA LEASED TO SME IS PROVIDED AT SUBSIDIZED RATE

~2.0 M SQM

~1.0 M SQM

~1.0 M SQM

TOTAL LEASED AREA BY THE CITY

LEASES TO LARGE BUSINESSES

LEASES TO SME

86%



0%

SPECIAL RATE FOR NEW REGISTRATIONS IN PRIORITY SPHERES

2015 RESULTS:

ACCORDING TO THE DIRECTORATE OF THE FEDERAL TAX SERVICE OF RUSSIA, IN 2015 ГОДУ WERE REGISTERED

43.7k

INDIVIDUAL ENTREPRENEURS

28%

MORE THAN LAST YEAR