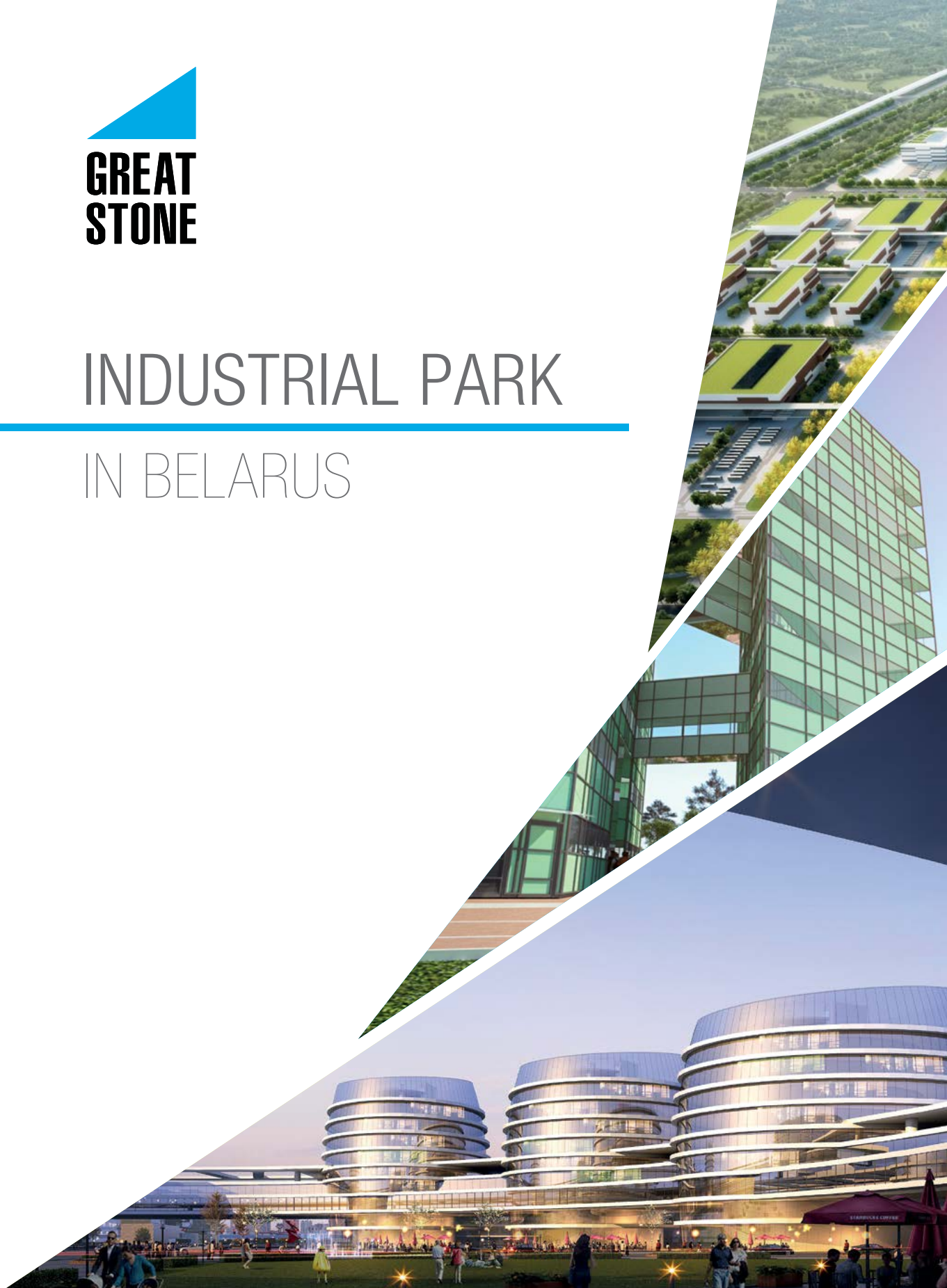




INDUSTRIAL PARK

IN BELARUS



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1 THE REPUBLIC OF BELARUS

The Republic of Belarus is situated in the center of Europe, bordered by Russia to the northeast, Ukraine to the south, Poland to the west, Lithuania and Latvia to the northwest. It's Europe and CIS Countries traffic and trade corridor.

Vancouver
✈ 17.50

New York
✈ 12.00

Territory 207.6 thousand sq.km (ranks 84th in the world)

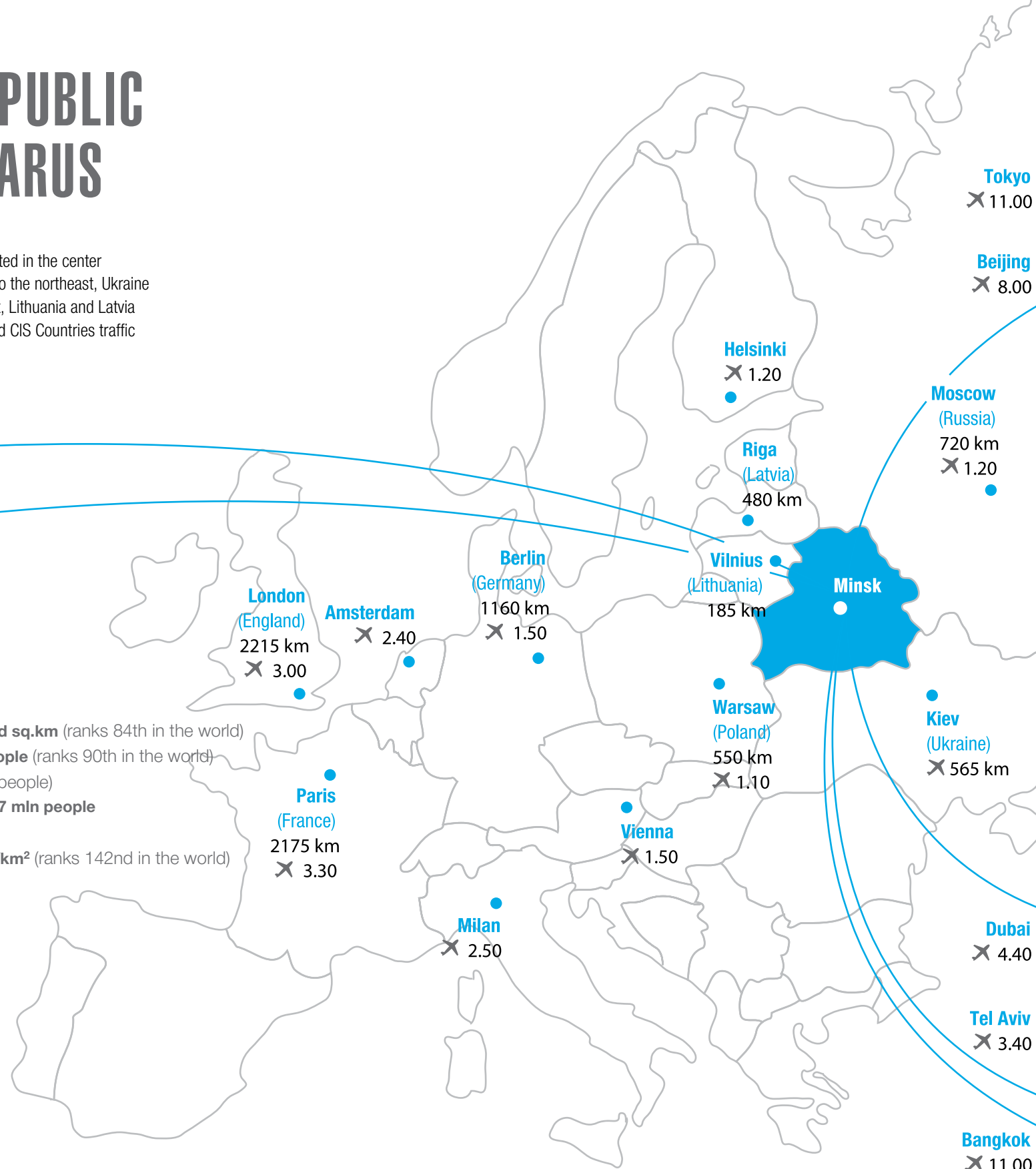
Population 9.33 mln people (ranks 90th in the world)

Capital Minsk (1.9 mln people)

Able-bodied citizens 6.7 mln people

GDP 76 bln USD (2014)

Population density 45.1/km² (ranks 142nd in the world)

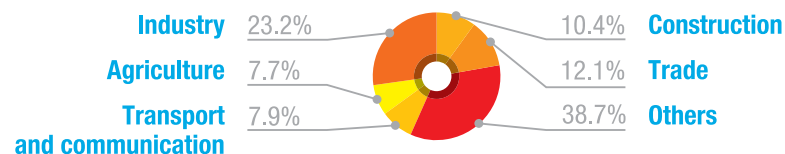


2 ECONOMY AND INDUSTRY

Diversified Economy with Strong Export Positions

A

GDP 2014



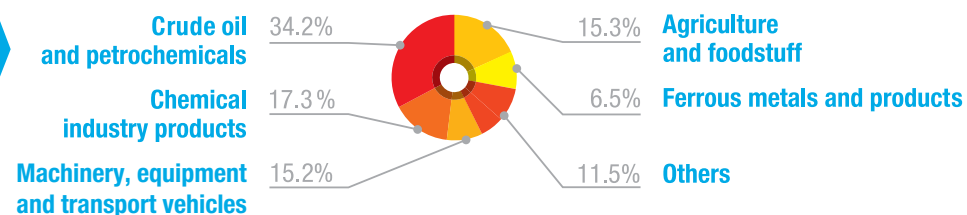
B

Belarus position on the World Market (*faostat.fao.org)

- Nr.1** Producer of mining dump trucks (30% of global market)
- Nr.4** Producer of potash (16% of world reserves)
- Nr.4** Producer of tractors (6%), harvesters (17%)
- Nr.4** Exporter of whole milk*
- Nr.6** Exporter of cattle meat*
- Nr.6** Producer of flax (6.4%), potato (2.8%)
- Nr.8** Exporter of butter (4.1%)

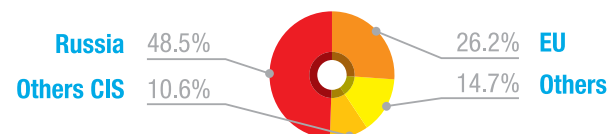
C

Exports 2014

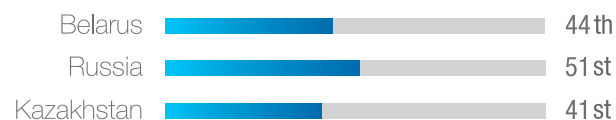


D

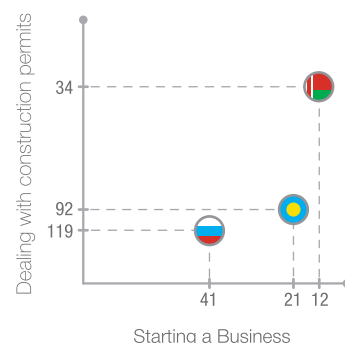
Foreign trade turnover 2014



Doing Business Report, 2016



4 INDUSTRIAL PARK IN BELARUS

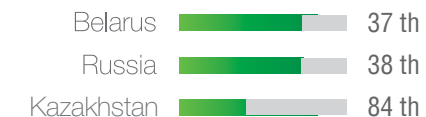


The Global Innovation Index

2015

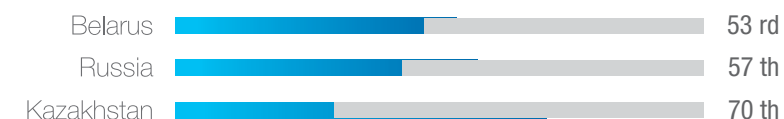


The Global Creativity Index

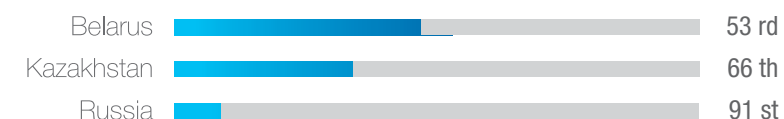


Other international rankings, 2015

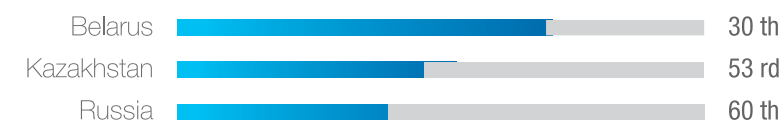
Human Development Index



Legatum Prosperity Index (Safety & Security)

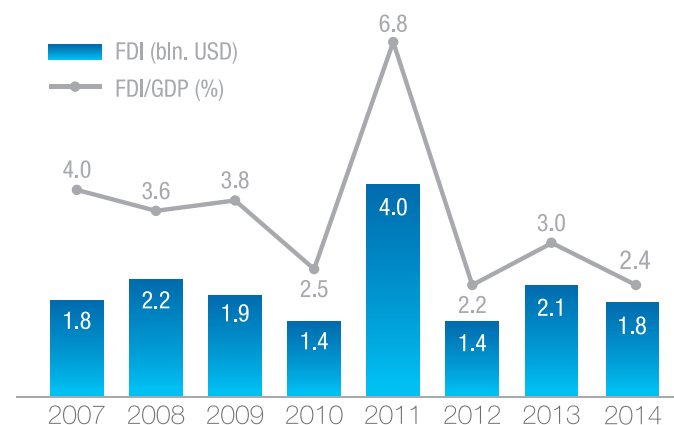


The World Justice Project (Civil Justice)



3 ATTRACTION OF FOREIGN CAPITAL

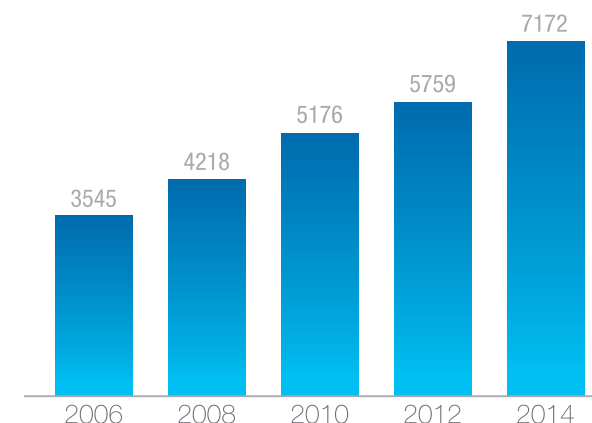
A FDI inflow



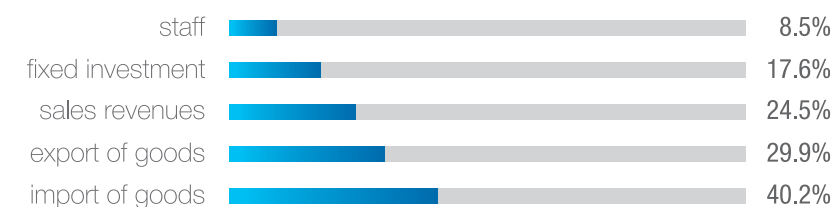
B FDI structure 2015



C Number of registered companies with foreign capital



D Share of companies with foreign capital (%)



ZTE 中兴

TELEKOM AUSTRIA

Unilever

Coca-Cola

kapsch >>>

GEELY

kronospan

PHILIPS

Henkel

HUAWEI

<epam>

Alcatel-Lucent

ZEISS

FRESENIUS

Heineken

Microsoft

GAZPROM

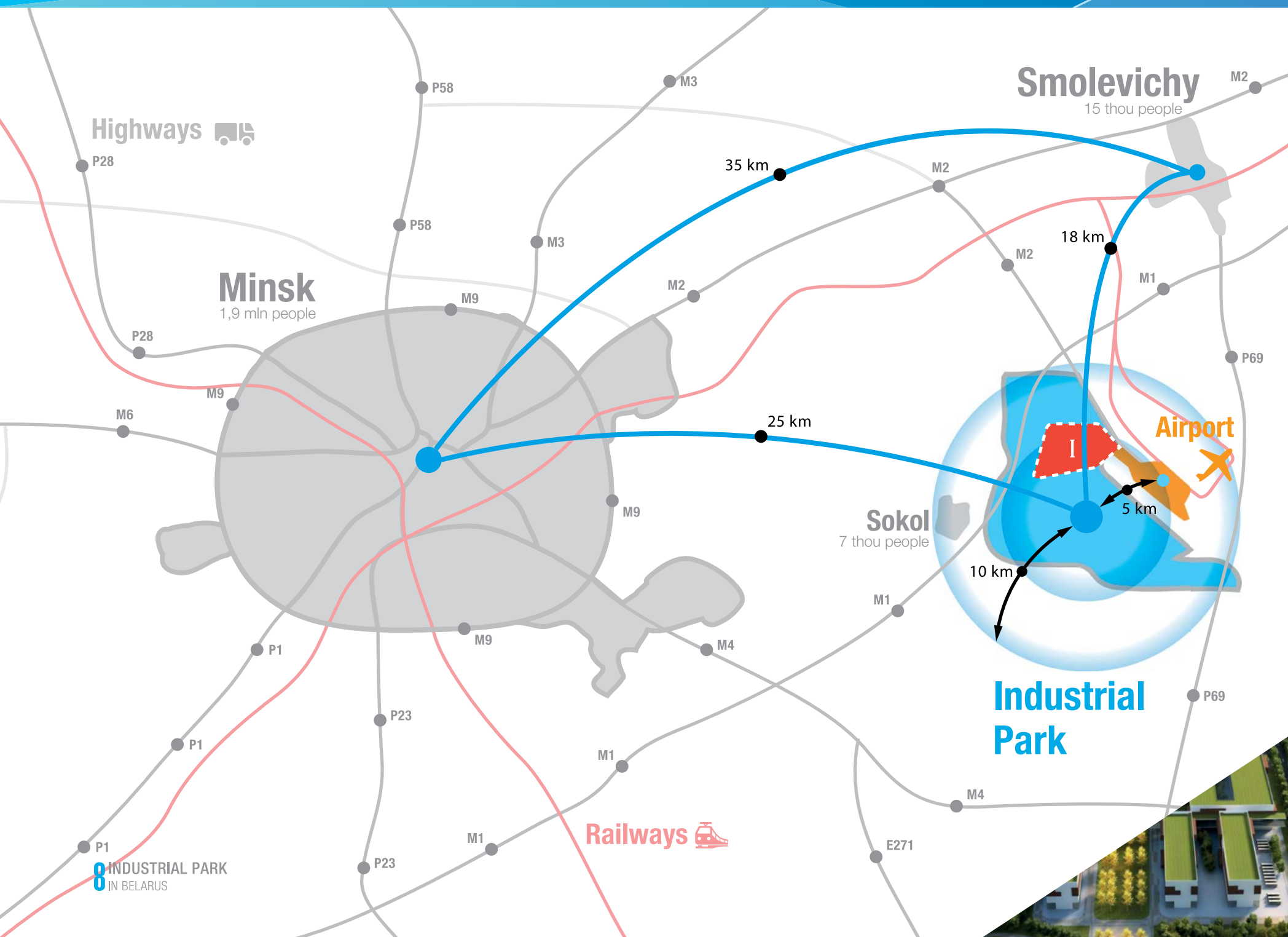
Raiffeisen BANK

DANONE

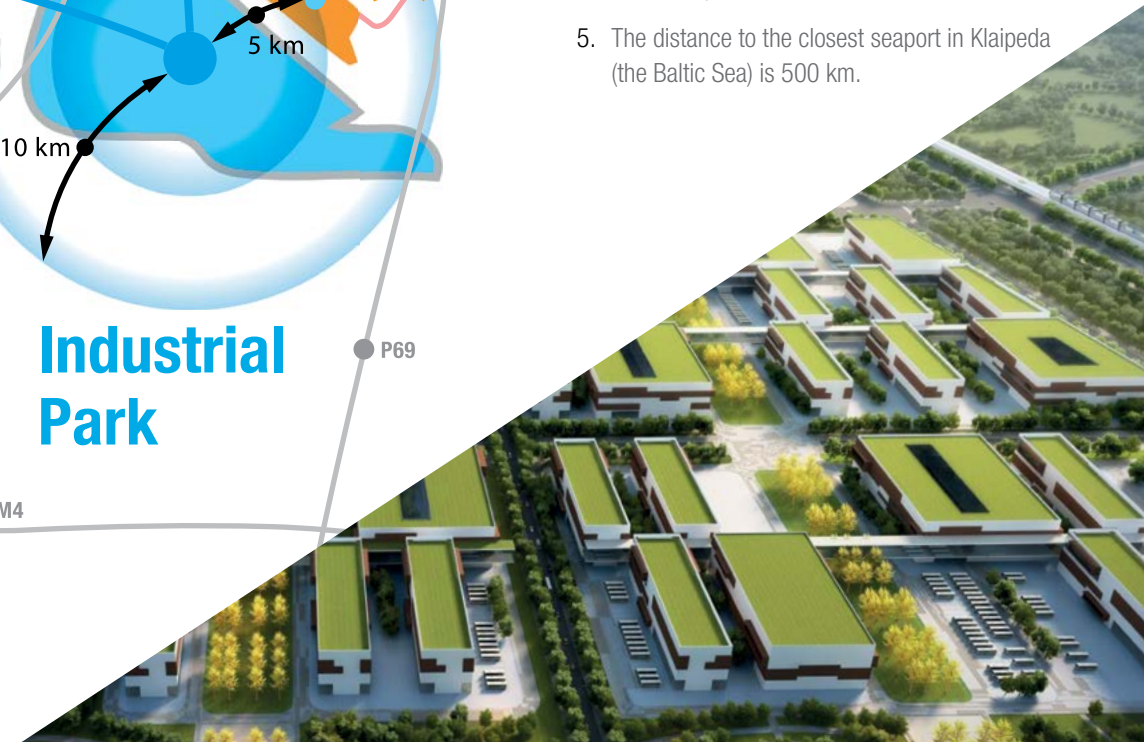
STADLER

6 INDUSTRIAL PARK
IN BELARUS

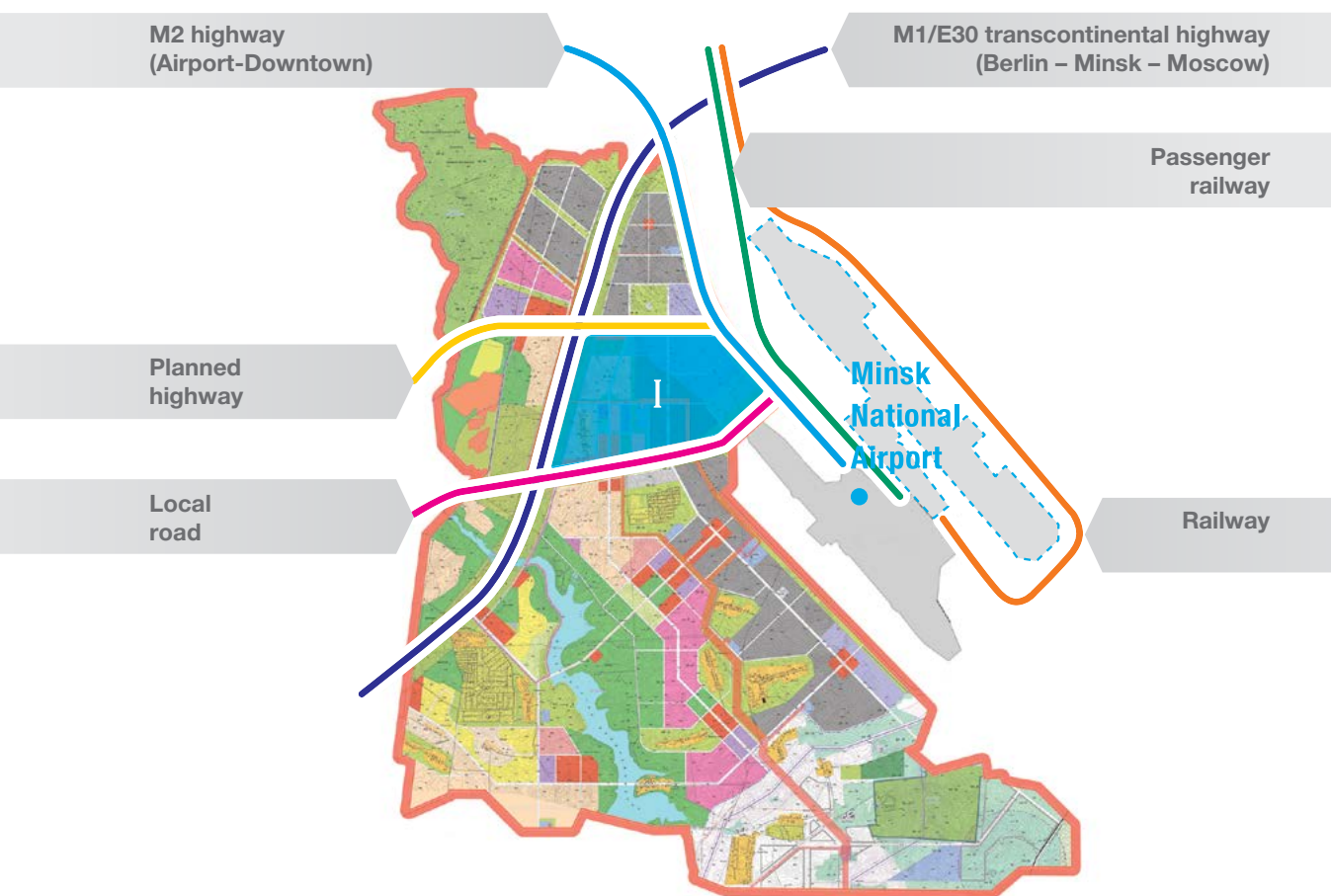
4 INDUSTRIAL PARK OVERVIEW



1. Industrial park is situated in Smolevichy district, Minsk region, in the distance of 25 km from Minsk, the capital of the country, and occupies about 91 sq.km.
2. The aim of park construction is to create a new international city which will attract intellectual assets due to its closeness to universities and scientific centers, will combine advanced industries and modern services, and will be based on the harmony of nature, production and innovations.
3. Advantageous geographical situation and infrastructure
4. The park is situated in close vicinity to Minsk National Airport, railways. The international highway E30 (M1) with a total length of 5700 km which extends from Ireland to Siberia passes through the territory of the industrial park. The distance from the industrial park to Moscow – 700 km, to Berlin – 1100 km.
5. The distance to the closest seaport in Klaipeda (the Baltic Sea) is 500 km.



5 THE LAND-USE MASTER PLAN OF INDUSTRIAL PARK



Detailed regulatory plan for the first phase of industrial park

- First class residential
- Second class residential (apartment buildings)
- Trade, service and commercial facilities
- Business projects
- Scientific and educational facilities
- Cultural and entertaining facilities
- Sports and recreation facilities
- Medical institutions
- Engineering structures
- Industrial facilities
- Logistics and warehouses
- Planting for public use
- Planting for special purpose
- Transport infrastructure facilities



Logistic park (bonded area)

Land plots can be leased for a period of 99 years or can be privatized

A Zone of residential buildings and buildings of public use

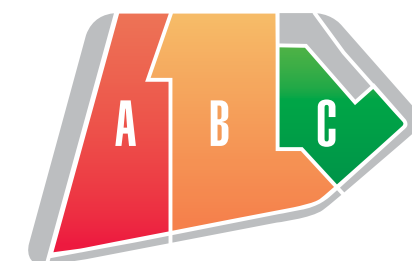
141 ha — to provide enterprise-residents with land plots for residential, trading and services rendering space.

B Industrial zone

182 ha — to provide enterprise-residents with land plots for business activities.

C Warehousing and logistic zone

86 ha — to provide enterprise-residents with land plots for warehouse and logistic services.



	Potable water consumption — 27,000 m ³ /day
	Sewage disposal — 24,000 m ³ /day
	Heat demand, MW 287
	Natural gas consumption — 116 million m ³ /year

	Electricity consumption — 50 MW
	Accumulation of solid waste — 10 tones a year
	Capacity of the telephone network — 30 thousand

6 LARGE MARKET OPPORTUNITIES



One
border
crossing



EURASIAN
ECONOMIC UNION

183 mln
people

• Minsk

• Moscow

• Astana

• Bishkek

Yerevan •

1. Customs Union of Belarus, Russia, Kazakhstan, Armenia and Kyrgyzstan — more than 183 mln people; customs duties and economic limitations are not applied;

2. The Eurasian Economic Union: free traffic of goods, services, capital, labor force, harmonization of legislation, technical and regulatory standards and rules;

3. CIS Free Trade Agreement: free trade with 11 CIS countries;

4. The proximity to the neighboring European countries: reduction of transport and time expenditures when exporting goods to Europe.

7 BENEFITS

Benefits	Totally around Belarus	Industrial Park, priority projects*	Benefits	Totally around Belarus	Industrial Park, priority projects*
Income tax	18 %	First 10 years — 0%; subsequent 10 years — 50% from the existing rate	Tax on income and profits of foreign companies which do not operate through a permanent representative office, concerning dividends	15%	0% within 5 calendar years, beginning with the first year in which there was a gross profit
Real estate tax	1%	First 10 years — 0%; subsequent 10 years — 50% from the existing rate	Tax on dividend income and other similar income accrued to its founders (participants, shareholders, owners)	Not more than 12%	5%
Land tax	Average rates per 1 ha: Park area — 126 USD/ year Minsk district — 3,150 USD/ year Minsk — 24,000 USD/ year	First 10 years — 0%; subsequent 10 years — 50% from the existing rate	Compensation payments for harmful impact upon objects of flora and fauna during construction	Depending on territory	Released
Value added tax (on sales)	20%, in case of export of finished goods including the Customs Union countries — 0%	Prompt refund of the full amount from the state budget, paid by purchasing (import) of goods (works, services), property rights for creation of park facilities	Obligatory sale of currency earnings	30 %	No obligations, exemption applies also to contractors engaged
Customs fees (VAT and customs duty) for raw materials, materials	duties depend on materials (5–20%) VAT — 20 %	0% in case of export of finished goods outside the Customs Union or by absence of analogue materials produced in the CU	Payments in foreign currency in the course of construction of the industrial park objects	Prohibited	Allowed
Customs fees (VAT and customs duty) for components and equipment	duties depend on equipment (usually 5%, rarely 10%)	0%	Certification of goods and materials for construction at the territory of the industrial park	Obligatory certification	Released
Income tax for physical bodies (employees of resident enterprises pay)	13%	9%	State duty for issue (prolongation) of permit to attract foreign work force, special permits for the right to work in the Republic of Belarus, for temporary residency in the Republic of Belarus	~70\$/foreign person. ~750\$/legal entity	Released, exemption applies also to contractors engaged
Allocations to the social protection fund (enterprises pay)	35%	Belarus citizens — 0% for part of incomes which exceed average salary around the Republic. Foreign citizens — 0%. Example: Salary of some Belarusian employee in October=700 \$. Average salary in Belarus in September was 390 \$. Generally fees per October=700*0.35=245 \$. Fees in the Park=390*0.35=137 \$.			

LABOR FORCE POLICY



There are no restrictions on recruitment of foreign labor force



Exemption from fees connected with engagement of foreign labor force, temporary residence in Belarus



Opportunity to obtain a residence permit in the Republic of Belarus when investing more than 150 thousand euros



Fixed and preferential rate of a personal income tax (9%)



At the first stage, until 2020, it is planned to create conditions for residence of 25 thousand people



Access to manpower of the capital city of Minsk:

1. The population of the city of Minsk is 1.9 million people
2. The nearest district of the city (the settlement of Sokol) is located at a distance of 1 km only from the park territory (its population is 6 thousand people)

High scientific potential

in the Republic of Belarus

The total number of students

362.9 thousand people

Higher educational institutions

54

The number of graduates 2014

81.7 thousand people

207.1 thousand people

In Minsk

30

Technical specialists

16.2 thousand people

Proportion of population

30-34 years old

28.4 %

university-educated

20-24 years old

92.6 %

at least secondary education

~1,613  patent applications annually

From 2010 to 2014 Belarusian scientists submitted more than 8,000 patent applications

16 INDUSTRIAL PARK
IN BELARUS

GREAT
STONE

9 ONE-STOP STATION

Activity in the Park

The Administration makes decisions independently and operatively on registration of the Park residents, on placement of construction facilities in the Park territory, on permission to carry out design and survey work and construction, on other procedural matters and day-to-day management of the Park in whole.

All the administrative procedures are carried out by the Park Administration

In case some questions fall within the competence of another body of state administration, the Park Administration provides answers to such questions without direct interaction of the resident with this body.



Registering property

According to the report of Doing Business 2016, the Republic of Belarus ranks 7rd in the world in registering property.

THE INDUSTRIAL PARK IS A TERRITORIAL UNIT OF THE REPUBLIC OF BELARUS, THE DAY-TO-DAY MANAGEMENT OF WHICH IS CARRIED OUT BY THE PARK ADMINISTRATION.

1

Company registration:

1. Choice and approval of a company name;
2. Business registration with the State Registry;
3. The registration of the company in tax inspection, insurance company, social security fund;
4. Making of a company seal;
5. Opening of a regular bank account with any of 26 banks acting in Belarus.

2

Conclusion of a contract concerning terms and conditions of activity in the Park with the Administration,* **submittal of substantiation** of an investment project in any form.

3

Conclusion of a contract with a management company on rent/purchase of a land plot for construction* or a ready real estate.

10 GUARANTEES FOR INVESTORS

1. **Invariability of preferential treatment even in case of establishment of new taxes and dues in the country** (Decrees of the President of the Republic of Belarus on the Park dated 5 June 2012 and 30 June 2014)
2. **Permanent most favourable treatment in comparison with special economic zones of Belarus** (the Intergovernmental agreement on the Park of 18 September 2011 ratified by the Law of the Republic of Belarus of 7 January 2012)
3. **Unimpeded transfer of profit from the Republic of Belarus** (Decrees of the President of Republic of Belarus on the Park dated 5 June 2012 and 30 June 2014, the law "On investments")
4. **Protection of property against nationalisation and requisition** (the Law of the Republic of Belarus "On investments")
5. **Bilateral agreements on mutual promotion and mutual protection of investments concluded with more than 60 countries of the world**
6. **Opportunity to conclude an investment contract with the Republic of Belarus** (the Decree of the President of 6 August 2009)
7. **Judicial protection, including arbitration and the International Centre for settlement of investment disputes** (Washington convention on the settlement of investment disputes of 18 March 1965)
8. **Insurance of noncommercial risks connected with investment** (the Agreement between the Government of the Republic of Belarus and the Multilateral Investment Guarantee Agency ratified by the Law of 4 May 2012)

Benefits

1. Political and social stability;
2. Steady economic growth;
3. Advantageous geographical position and developed transport infrastructure;
4. Developed industrial, science & technical, export potential;
5. Customs Union & Eurasian Economic Union of Belarus, Russia, Kazakhstan, Armenia and Kyrgyzstan, MIGA and other membership;
6. Low level of crime;
7. Highly qualified and relatively low-cost labour force;
8. Progressive investment legislation and positive dynamics of foreign direct investment.



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