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# Introductory Word by the Head of The Development Corporation of the Republic of Bashkortostan JSC



**Mr. RAIL SARBAYEV**

The General Director of the Development  
Corporation of the Republic of Bashkortostan

## **Dear Partners and Friends!**

On behalf of the Development Corporation of the Republic of Bashkortostan, I am pleased welcome you to the pages of this publication.

Bashkortostan is keenly interested in creating comfortable conditions for business development and attracting investments into various sectors of the economy: the construction industry, agriculture, medicine, energy, utilities, engineering, and the field of high- and energy-efficient technologies. Each project means new jobs, new tax revenue, and therefore, greater development of our Republic.

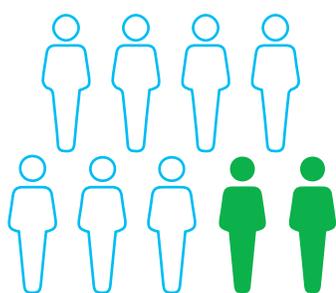
The regional government has been actively building needed infrastructure for the development of our investment projects. To date, five advanced social and economic development areas (ASEDA) have been created, eleven industrial parks are now functioning, a special economic zone in the Ishimbay district is at the design stage, and techno-parks and start-up business centers are being opened. Amendments have been made to our investment legislation which made it possible to simplify the procedures for working with our investors. All this is the result of our tremendous efforts to improve the business and investment climate and coordinate the work of all development-related institutions.

The Development Corporation of the Republic of Bashkortostan as a tool of State investment policy has proved to be an effective and convenient platform for building greater interactions between government and business.

We consider as our main task to provide comprehensive support of investment projects at all stages of their implementation - from concept development to commissioning, and, at the same time, to strive to use all available opportunities to make the work of investors in the region as comfortable and productive as possible.



# General Information



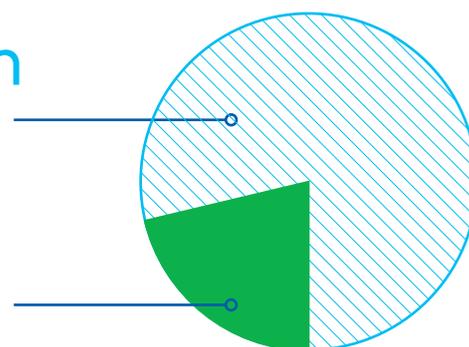
Amount of Population

**4,05 million**

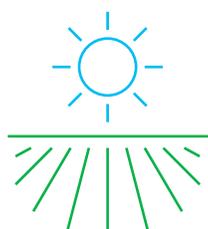
the population of  
Bashkortostan, million  
people

**1,1 million**

the population of Ufa,  
million people

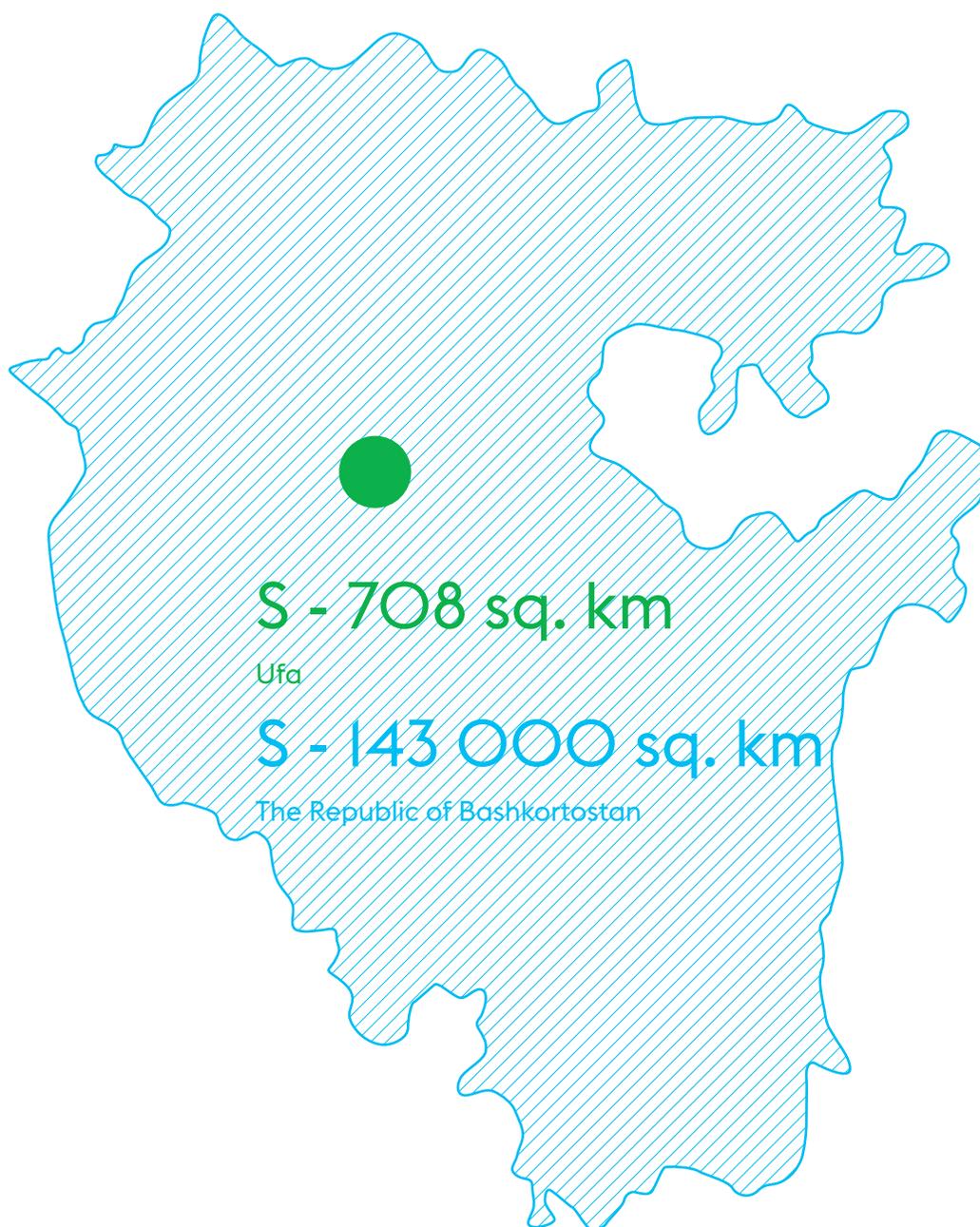


The Republic is located in the Southern part of the Urals, on the border of Europe and Asia, within the basins of the rivers Volga, Ural and Ob. It belongs to the Volga federal district.



**14**

million ha is the land reserve of the  
republic.







01  
Agriculture

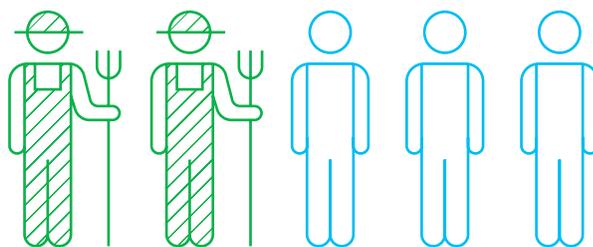
# Agriculture



In the  
top-7 of  
the  
leaders



Bashkortostan is in the top-7 among the leaders of the agriculture goods production.



1,5 million

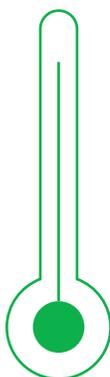
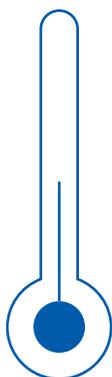
people in the region are rural population

37,8%



-16°

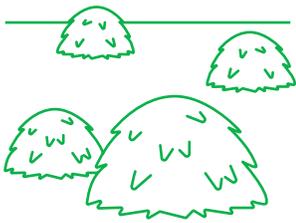
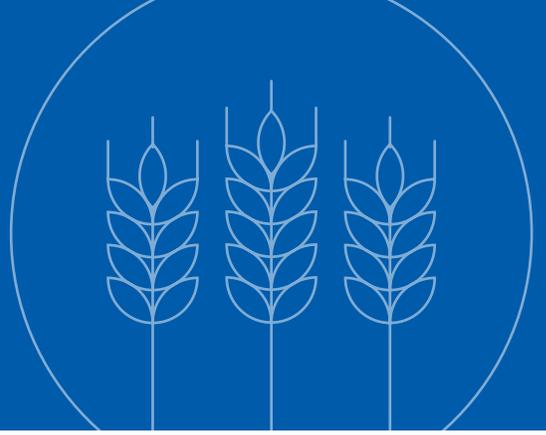
is the average temperature in January



+20°

is the average temperature in July

The climate in the republic is moderate continental, with warm summer and moderately cool winter.



7,3

million ha of the farming land



3,6

million ha of the plough land

## Land resources allocated for the Agricultural Sector

## Number of the agricultural enterprises on the territory of Bashkortostan



703

agricultural enterprises



1 125

enterprises of food processing industry



6 321

farm enterprises and individual entrepreneurs



# The Republic is among the leaders in the key agriculture production indices in Russia



975,2

number of cattle,  
thousands of heads



186,3

beef production,  
thousand tons



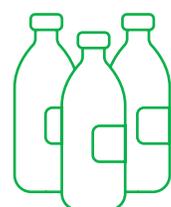
3,2

kumis production,  
thousand tons



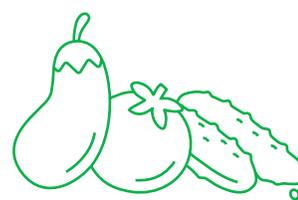
5,4

commercial honey  
production, thousand tons



1613,7

milk production,  
thousand tons



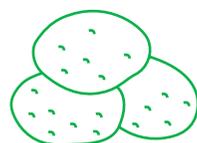
86,8

protected ground vegetable  
production, thousand tons



112,3

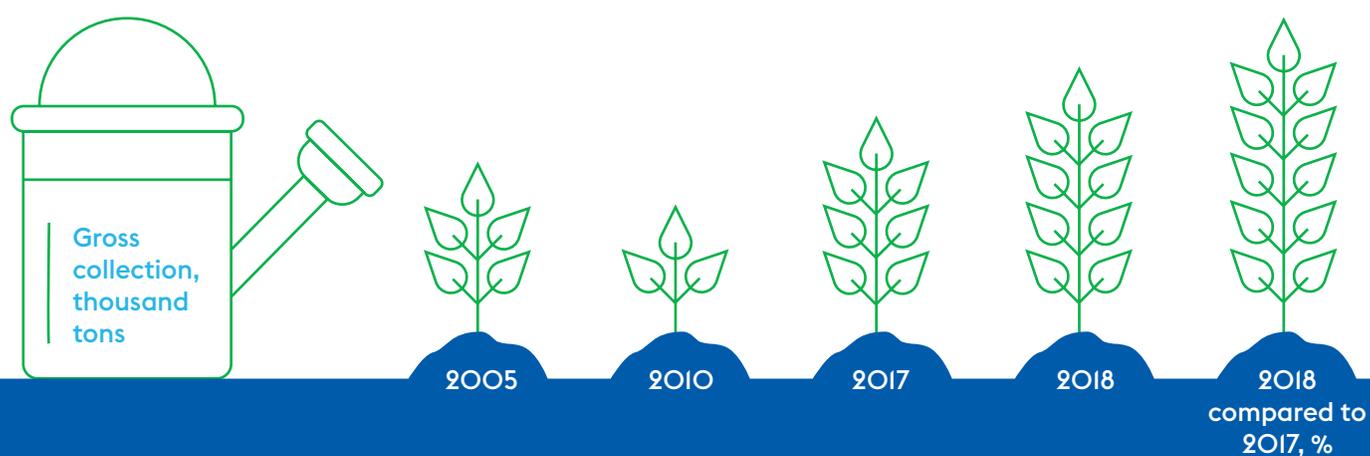
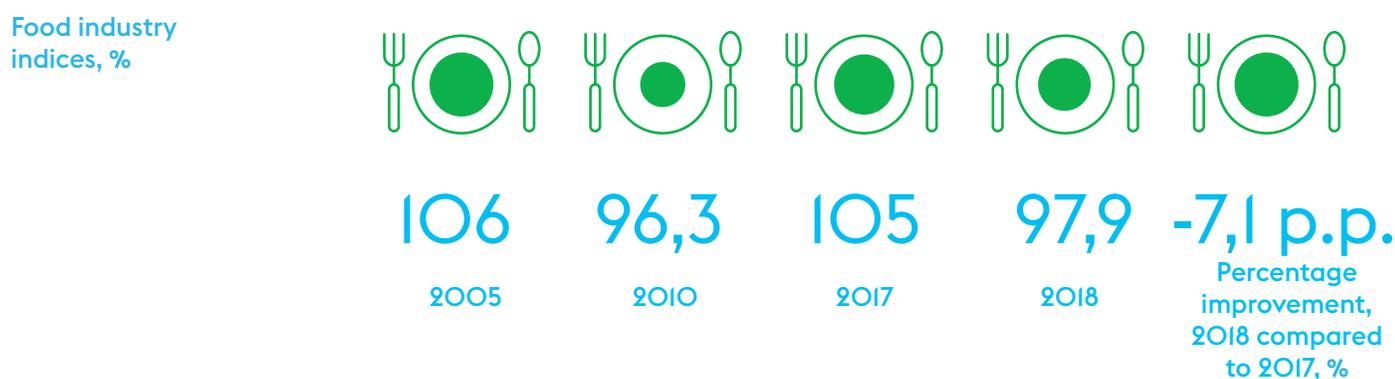
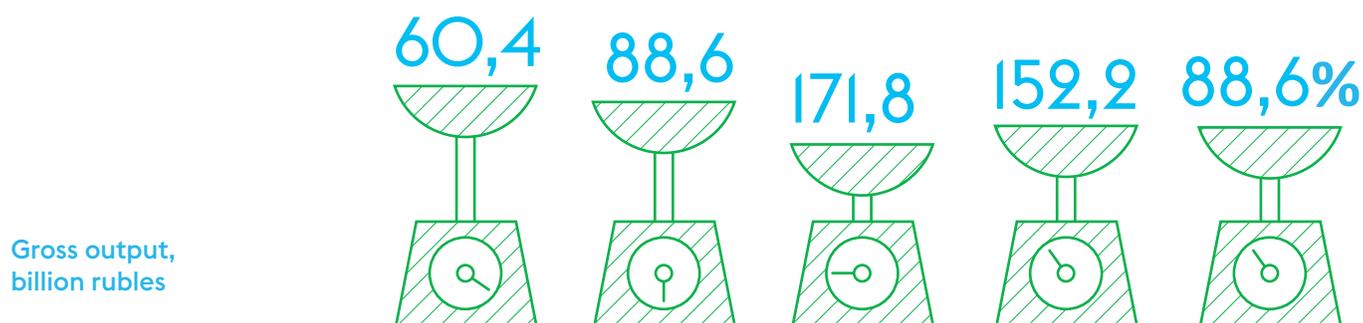
horse population,  
thousands of heads



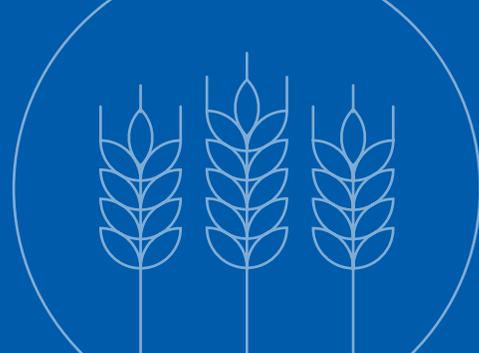
869,3

potato production,  
thousand tons

# Main types of production



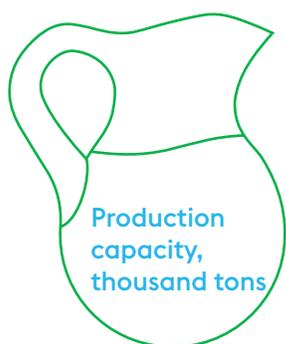
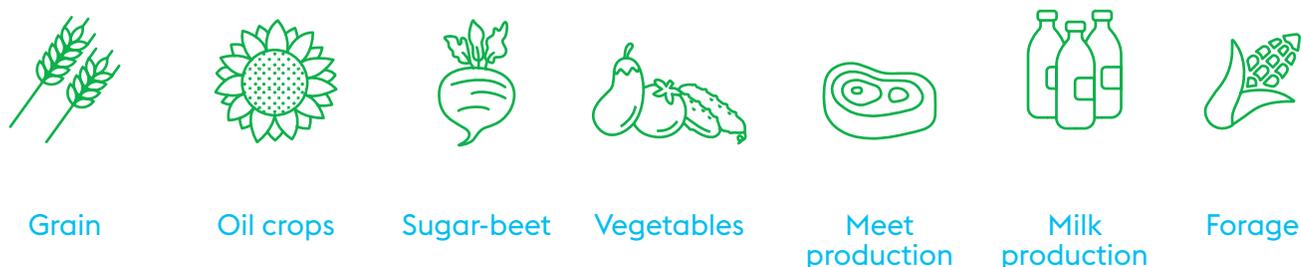
Grain	2884	781	3783	3059	81
Sugar-beet	1176	377	1594	1426	89
Sunflower	126	51	274	324	118
Vegetables and potato	1501	663	1346	1184	88



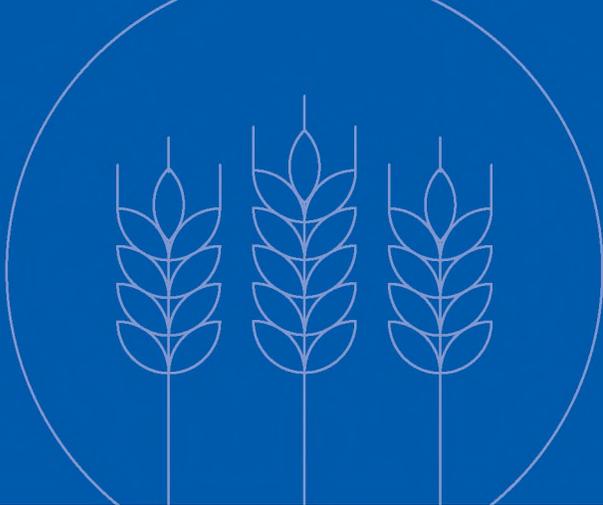
# Industry potential

- 1. Livestock: an increase in the share of marketable milk; creation of infrastructure for the development of beef-producing cattle.
- 2. Crop production: an increase in the production of high margin crops; development of organic farming.
- 3. Processing: the creation of a logistics infrastructure; production of export-oriented finished feed products.

## Main types of the agriculture production in the Republic of Bashkortostan



	2005	2010	2017	2018	2018 compared to 2017, %
Milk	2083,4	2078,1	1718,4	1613,7	94,5
Meat	381,6	467,1	410,2	400,1	97,5



The 47th International Congress of Beekeepers,  
Apimondia will be held in the city of Ufa in 2021

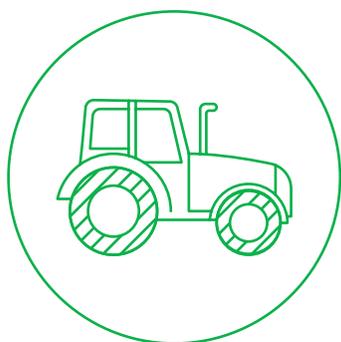


# Support Measures

## Equipment costs recovery

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The following subsidy rates, provided in accordance with the nomenclatures and rates approved by the Ministry for Agriculture of the Republic of Bashkortostan, were adopted by the Government of the Republic of Bashkortostan in accordance with the Decree №254 dated 05 June 2017 (amended on 15.02.2019) "About the subsidies allocation from the Budget of the Republic of Bashkortostan for partial recovery of agricultural equipment costs".



## Granting and Distribution of the Subsidies

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The Decree №717 dated 14.06.2012 (amended on 08.02.2019) adopted by the Government of the Russian Federation "About the governmental program on the agriculture development and agriculture goods, commodity and food market regulation for the period from 2013 to 2020" establishes the procedure for governmental subsidies granting and allocating from the Federal budget to the constituent entities' budgets.



# Agriculture support measures of the State Program for the Development of Agriculture and Regulation of Agricultural Products, Raw Materials and Food Markets for 2013–2020 years

**1.** Subsidies for partial reimbursement of interest rate on short-term (investment) credits:

- for the development of plant production, processing and marketing of plant products, infrastructure development and logistics support for plant production markets;
- for the development of livestock husbandry, processing and marketing of animal production, infrastructure development and logistics support for animal production markets;
- for the construction and reconstruction of the facilities for beef and dairy animal husbandry;
- for the processing of plant and animal production in the sphere of wholesale and distribution centers development;
- for the support of livestock breeding, beef and dairy cattle breeding

**2.** Subsidies for 1 kg of sold marketable milk (dairy farming subprogramme).

**3.** Provision and distribution of subsidies from the federal budget to the budgets of the subjects of the Russian Federation to assist in achieving the target indicators of regional programs for the development of the agro-industrial complex (Unified subsidy):

**Subsidies for partial reimbursement of charges for the following:**

- increasing the population of reindeer, red deer and herd meat horses;
- increasing the breeding stock of sheep and goats;
- uprooting of old orchards and the recultivation of uprooted areas;
- planting and care of perennial fruit and berry plantations;
- payment of the insurance premium accrued under the agricultural insurance contract in the sphere of plant production and livestock breeding;
- support for elite seed production;
- support for agricultural producers in the sphere of plant production;
- support for novice farmers;
- development of family livestock farms;
- grant support of agricultural consumer cooperatives

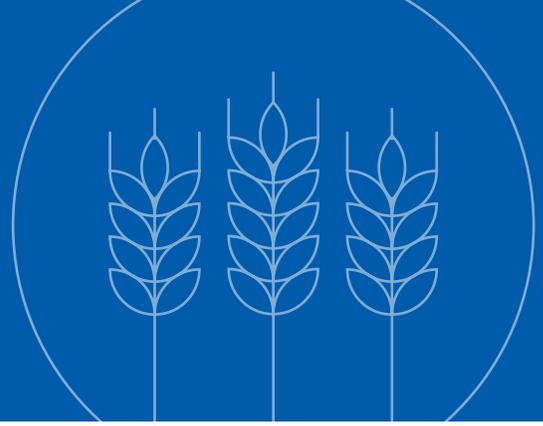
for the development of material and technical base.

**Subsidies from the federal budget to the budgets of the subjects of the Russian Federation for partial reimbursement of direct costs incurred for the creation and modernization of the facilities of the agro-industrial complex:**

- creation and (or) modernization of fruit storage facilities owned by agricultural producers, with the exception of persons with private garden plots;
- creation and (or) modernization of potato storages (vegetable storehouses), owned by agricultural producers, with the exception of persons with private garden plots;
- creation and (or) modernization of greenhouse complexes, owned by Russian organisations and agricultural producers, with the exception of persons with private garden plots;
- creation and (or) modernization of dairy cattle-breeding complexes (dairy farms), owned by Russian organisations and agricultural producers, with the exception of persons with private garden plots;
- creation and (or) modernization of breeding and genetic centers in animal husbandry and seed selection centers in plant production, owned by Russian organisations and agricultural producers, with the exception of persons with private garden plots;
- creation by Russian organizations of wholesale distribution centers, the requirements for which are determined by the Ministry of Agriculture of the Russian Federation.

**Subsidies for partial reimbursement of costs (budget of the Republic of Bashkortostan):**

- purchase of chemicals (Decree of the Government of the Republic of Bashkortostan No. 168 dated May 05, 2016);
- payment of interest on investment loans concluded after 01/01/2017 (Decree of the Government of the Republic of Bashkortostan No. 89 dated March 07, 2018);
- payment of interest on investment loans concluded prior to 01/01/2017 (Decree of the Government of the Republic of Bashkortostan No. 490 dated October 09,



2018);

- purchase of agricultural machinery and equipment (Decree of the Government of the Republic of Bashkortostan No. 254 dated June 05, 2017);
- payment of interest on loans received from Russian credit organizations for the development of aquaculture (fish farming) and commercial sturgeon breeding (Decree of the Government of the Republic of Bashkortostan No. 31 dated February 07, 2017);
- purchase of fish farming equipment, animal feed, fish stock (Decree of the Government of the Republic of Bashkortostan No. 211 dated May 05, 2017);
- purchase of young dairy cattle (Decree of the Government of the Republic of Bashkortostan No. 338 dated July 24, 2017);
- increase in productivity in dairy cattle breeding (Decree of the Government of the Republic of Bashkortostan No. 44 dated February 08, 2017);
- compensation for damage caused by natural disaster (Decree of the Government of the Republic of Bashkortostan No. 525 dated December 16, 2015);
- soil fertility maintenance (Decree of the Government of the Republic of Bashkortostan No. 278 dated June 26, 2013);
- support for agricultural producers in the sphere of plant production (Decree of the Government of the Republic of Bashkortostan No. 79 dated March 12, 2013);
- support of individual sub-sectors of livestock husbandry and plant production, payment of insurance premiums under agricultural insurance agreements in the sphere of livestock husbandry and plant production (Decree of the Government of the Republic of Bashkortostan No. 42 dated February 08, 2017);
- payment of interest on loans received from Russian credit institutions by small enterprises (Decree of the Government of the Republic of Bashkortostan No. 42 dated February 08, 2017);
- covering the production organization costs (a grant to beginning farmers, family livestock farms, agricultural consumer cooperatives) (Decree of the Government of the Republic of Bashkortostan No. 42 dated February

08, 2017);

- development of agricultural consumer cooperatives (Decree of the Government of the Republic of Bashkortostan No. 254 dated June 08, 2018);
- partial reimbursement of the cost of interest on short-term loans concluded since 01.01.2017 (Decree of the Government of the Republic of Bashkortostan No. 436 dated September 11, 2018);
- partial reimbursement of the costs incurred for the creation and (or) modernization of AIC (Agro-Industrial Complex) facilities (Decree of the Government of the Republic of Bashkortostan No. 1413 dated November 24, 2018);
- preferential crediting (Decree of the Government of the Republic of Bashkortostan No. 1528 dated December 29, 2016).

**4.** State support of personnel potential of the agro-industrial complex of the Republic of Bashkortostan.

**5.** Subprogram “Development of dairy cattle breeding in the Republic of Bashkortostan”.

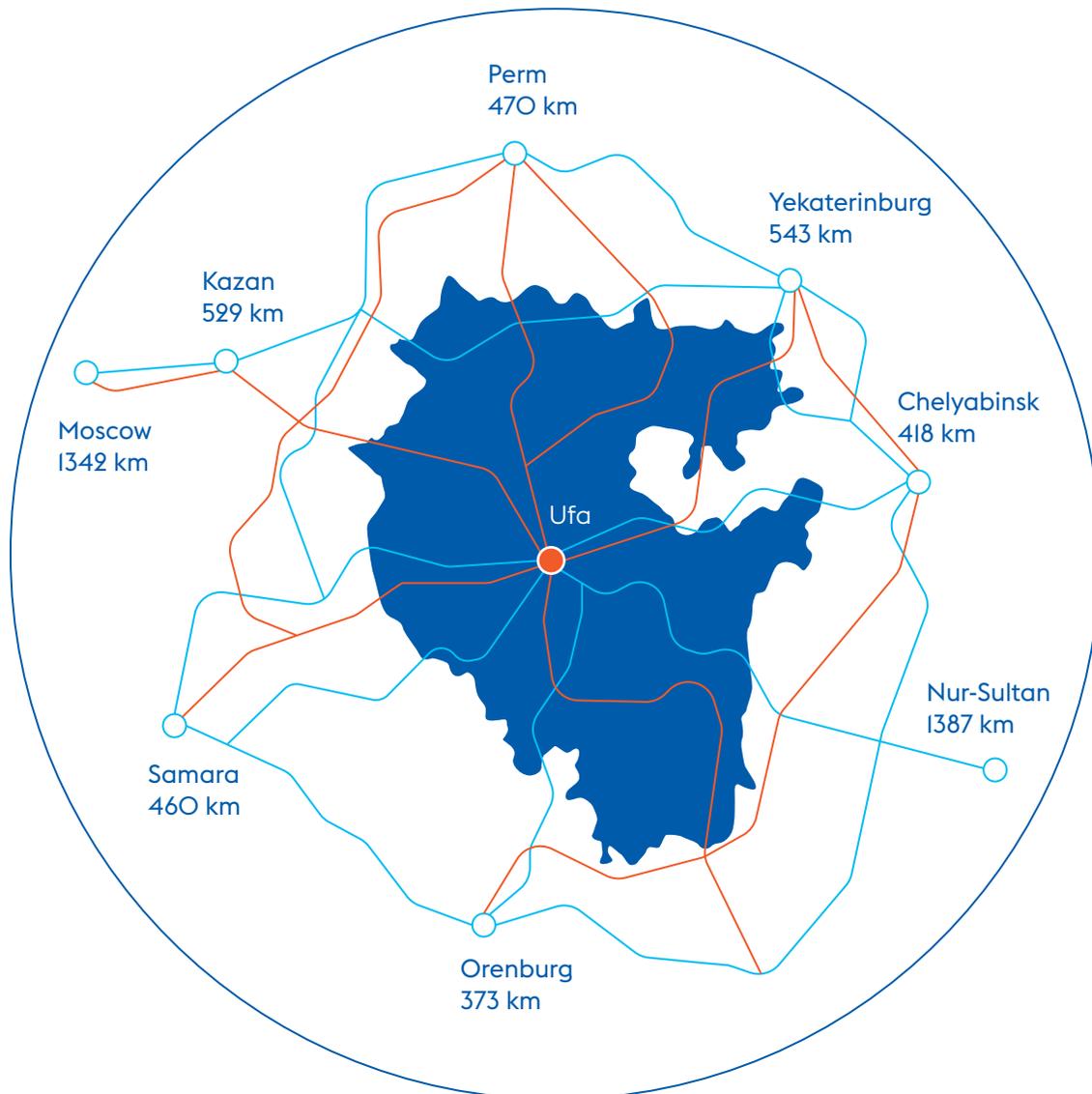
Ministry of Agriculture of the Republic of Bashkortostan:  
[agriculture.bashkortostan.ru/](http://agriculture.bashkortostan.ru/)





# 02 Logistics

# Transport accessibility



-  Federal motorways
-  Highways

The Republic is located on the crossing of the main waterways, railways, pipelines and motorways, which connect the European part of Russia with Ural and Siberia and Central Asian countries.

Developed transportation system and high population density make good conditions for logistics business.

# Transportation Infrastructure



4,05



population of the Republic, million people

28,3

population density, people/sq.km

>20

six cities with population over one million people are located in the radius of 500 km

2



2 federal motorways: M5 "Ural" and M7 "Volga"



47 944

km of public roads



>30

freight volume per year, tons



3 000

length of the republican railways



>5

million train passengers per year



2



runway strips



>2,3

million people is the passenger flow per year



800

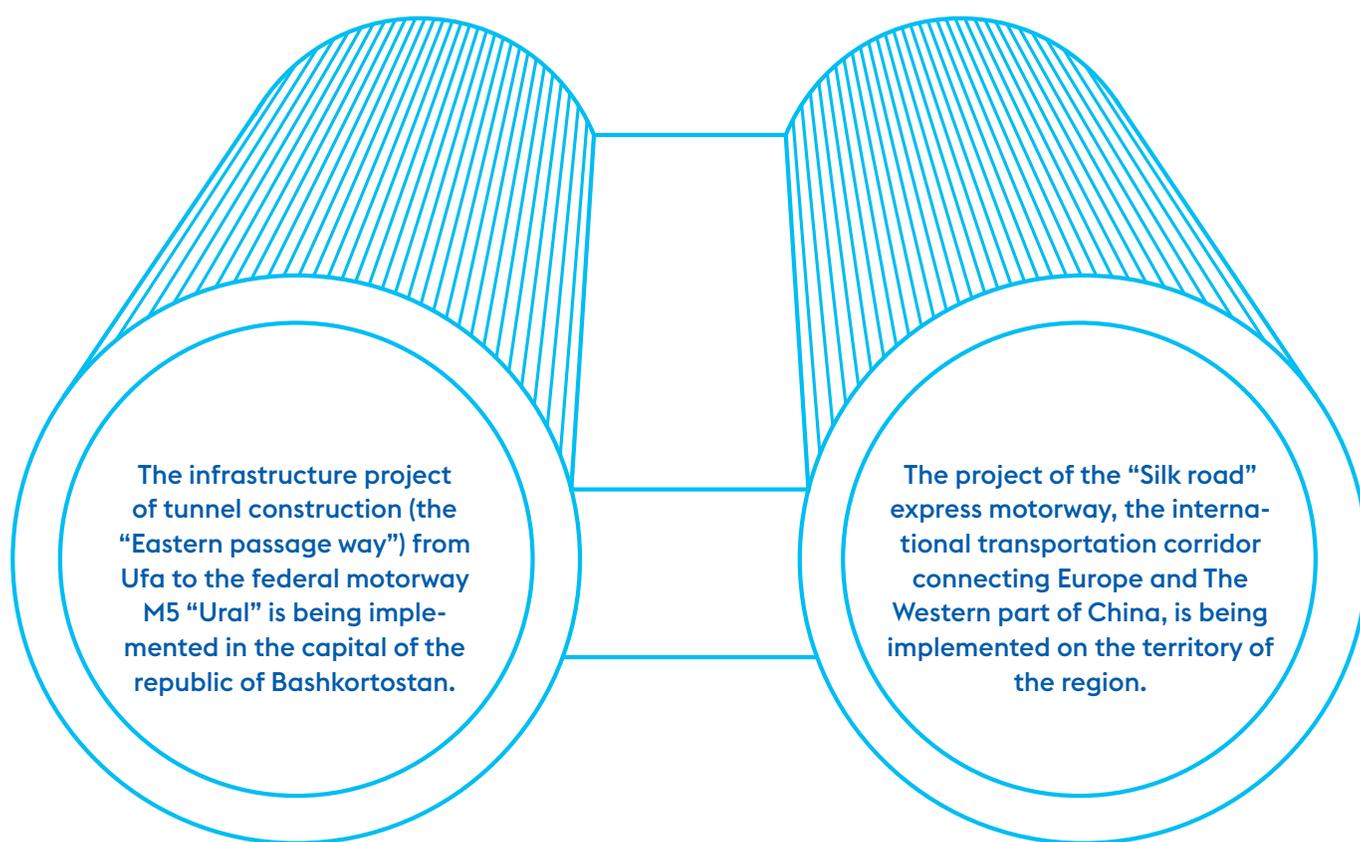
people per hour is the traffic capacity of the airport in Ufa

1

river and sea type port "Agidel" is in the Republic



# The sphere's development perspectives



## The development area potential

The high population density and the presence of large retailers in the region create a high potential in building large logistics complexes. The development of the logistics sphere will allow us to solve a number of important economic and social problems, one of which is entry of local agricultural producers into the market (when creating class A warehouse complexes

with the possibility of washing and packing agricultural products).

Foreign retailers: Metro Cash & Carry, Decathlon, IKEA, Leroy Merlin, Auchan, etc.



## Storehouse's areas



**209 560 sq.m**

The total area of the storehouses in the Republic

**54 910 sq.m**

Wholesale trading arrangements  
**8 premises**

**56 220 sq.m**

Distribution centers  
**3 premises**

**68 750 sq.m**

Wholesale distribution centers  
**2 premises**



**11 large retail complexes**

including "Planeta", "Mega", "Semiya", "Arkada", "Tsentralnyi", "Iyun" with total area over 40000 sq.m. each.

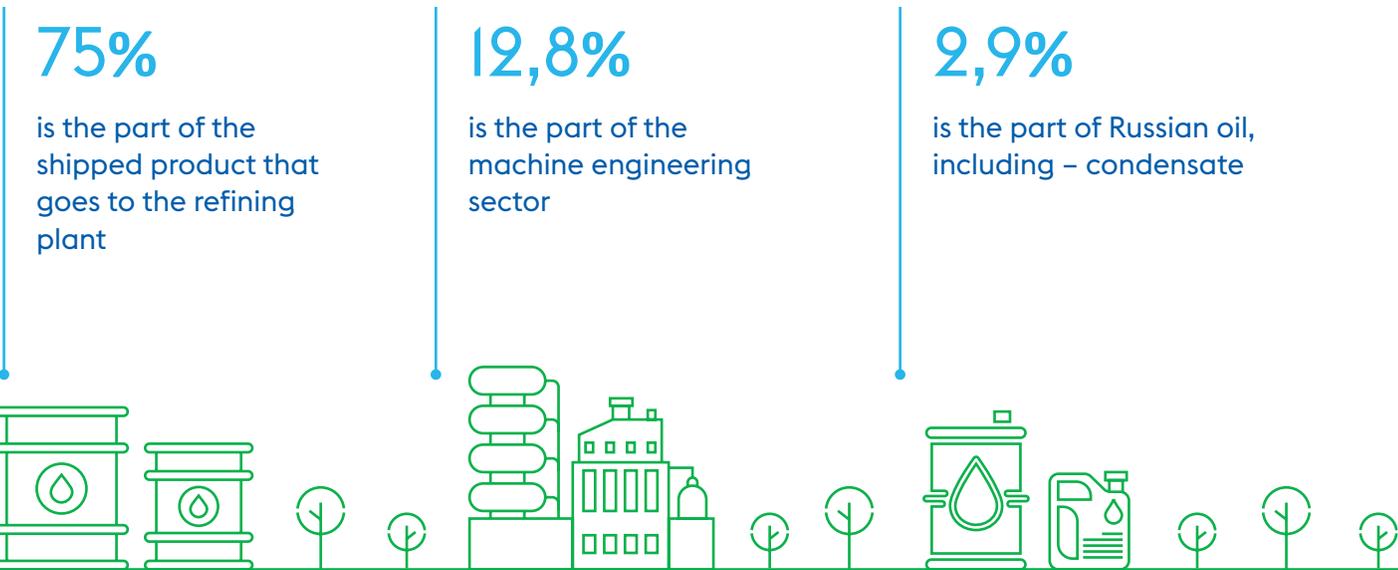
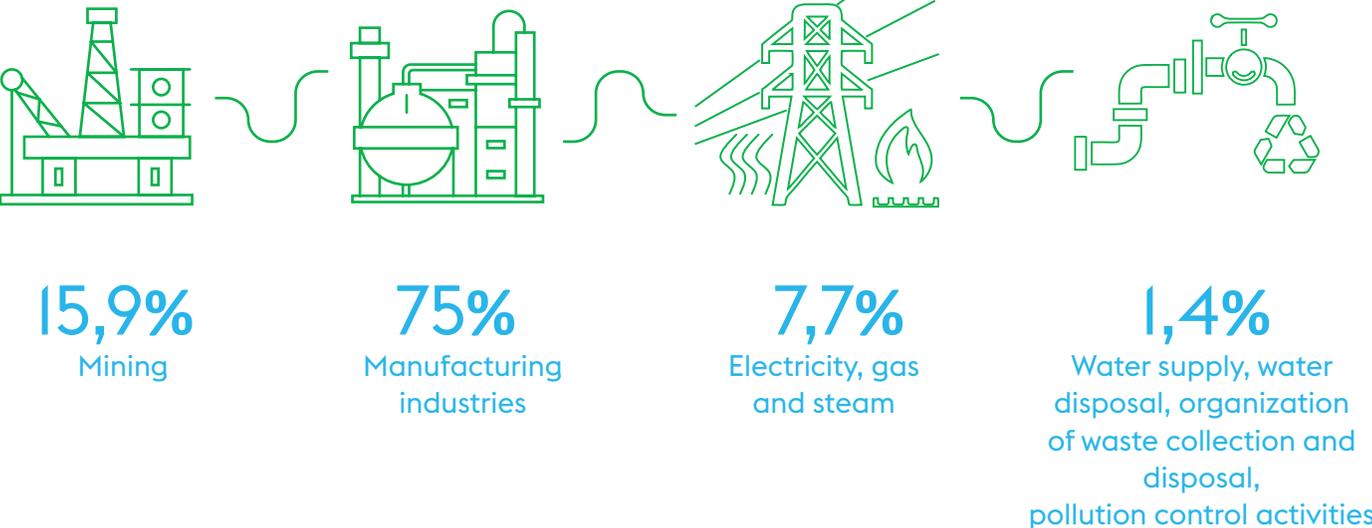


# 03 Petrochemistry



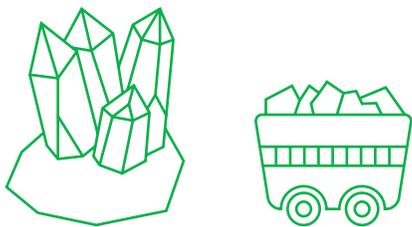
# Petrochemistry

## Region's industrial production structure:

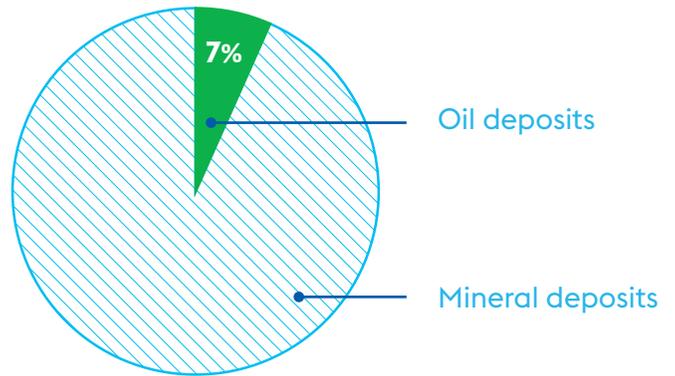




## Over 60 different types



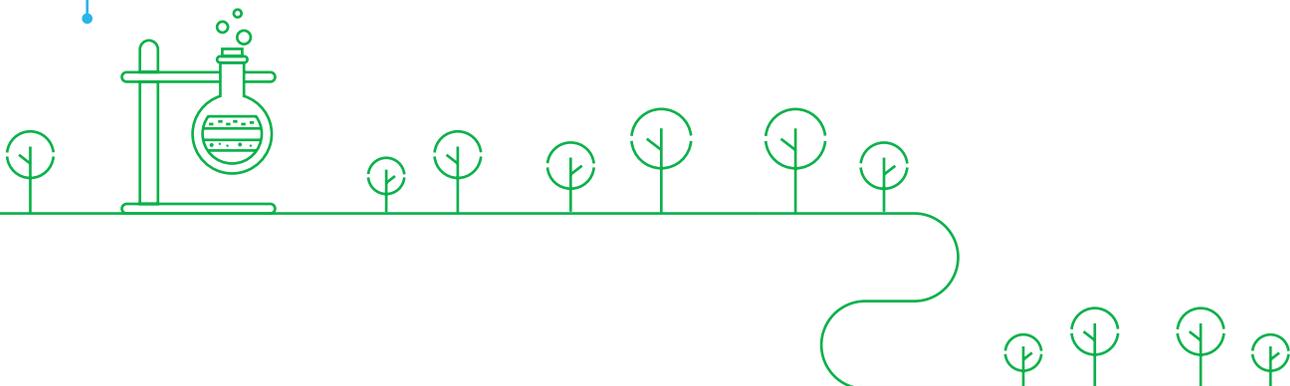
The territory of Bashkortostan is known for wide range of minerals of different types



There are 3500 mineral deposits on the territory of the region, 250 of which are oil deposits

# 85,5%

The depth of oil refining in the Republic of Bashkortostan (the average for Russia is 82.2%)



**The Republic of Bashkortostan occupies a leading position among the subjects of the Russian Federation in natural resources:**



Extraction of soda ash



Oil received for processing



Oil production

Bashkortostan is one of the largest producers of light petroleum products in the country: in the production of diesel fuel it occupies first place and in the production of motor gasoline, it occupies second place.

Bashkortostan is one of the oldest oil-producing regions in the country: 2.9% of Russian oil is produced in the region, including gas condensate.

**The place of the Republic of Bashkortostan in the Russian Federation in the production of certain types of industrial products:**

- concrete pumps\*
- inflatable boats
- benzene
- thermally polished glass
- trailers and semi-trailers (over 3.5 tons, but not more than 10 tons)



- inflatable recreational or sports vessels
- engines of hydraulic and pneumatic linear action
- electric table lamps
- thermally polished sheet glass

**The Republic holds a leading position among the constituent entities of the Russian Federation in the production of chemical products:**

- industrial furnaces and chambers
  - lime hydraulics
- twisted wire, ropes, braided cords, and slings
  - hoists and lifts
- roofing and waterproofing roll materials
- wooden chip plates



- cold-drawn unalloyed steel wire
- helicopters
- non-refractory ceramic building bricks
- technical gas sulfur



· caustic soda

· buses

\*Bashkortostan remains the only manufacturer of concrete pumps in the country



# The development area potential



Mining and processing of minerals



Increasing the depth of oil refining, improving the quality of fuel produced and ensuring the environmental safety of production processes



Development of low-tonnage petro-chemical industry

## Support measures



The provision of concessional loans to industrial enterprises by The Fund for the Development of Industry of the Republic of Bashkortostan, (FDI RB), an NGO.

The FDI RB provides concessional loans under the co-financing program with the Federal Industry Development Fund at 1, 3 and 5% per annum for projects under the Development Projects and Components Projects programs at a ratio of 70% (Federal funds) to 30% (regional funds).

“The regional leasing company of the Republic of Bashkortostan” offers leasing rate concessions in accordance with the following conditions:

<p><b>Interest rate</b></p> <p><b>6%</b> for the equipment of Russian production</p> <p><b>8%</b> for the equipment of foreign production</p>	<p><b>Lease terms</b></p> <p><b>Up to 84 months</b></p>	<p><b>Currency</b></p> <p>₽ Russian ruble</p>
<p><b>Amount of funding</b></p> <p><b>2,5 – 200</b> million rubles</p>	<p><b>Payment schedule</b></p> <p>Uniform (annuitant) Decreasing Seasonal</p>	<p><b>Balance holder</b></p> <p>Lessee Lessor (by agreement)</p>
<p><b>Advance payment</b></p> <p><b>from 10%</b> of the value of the leased asset</p>	<p><b>Payment frequency</b></p> <p>Monthly</p>	<p><b>Insurance</b></p> <p>Insurance is carried by the lessor (insurance costs are included in the lease payments)</p>
<p><b>General requirements for the lessee</b></p> <p>Resident of the Russian Federation; Subjects of individual and small business; Revenue for 12 months: up to 800 million rubles; Average number of employees: up to 100 people</p>		





# 04 Tourism

# The republic of Bashkortostan is among the leaders in Russia in the Wellness tourism. The region is a large center of mountain and ski sports

31

resort organizations

300

solutional caves

13 000

rivers

2 000

lakes



Rich hydrological resources, diverse and unique flora and fauna, an interesting natural landscape, the presence of specially protected areas and territories with conservation status. Historical, cultural and natural monuments of the republican and of international significance provide ample opportunities for investors in terms of tourism development and recreational activities.

On the territory of the Republic, there are hotels of varying levels, including those of hotel international chains (Crowne Plaza, Holiday Inn, Hilton Garden Inn, Hampton, Azimuth, etc.)

>3 thousand

historic, art, culture  
and archeology mon-  
uments

187

nature monuments

3

state conservations  
(Bashkirskiy,  
Uzhno-Uralskiy,  
Shulgantash)

1

national park  
"Bashkiria"

4

nature parks (total  
area 125 800 ha)

12

historical and  
cultural  
centers



## The development area potential

Ecotourism and extreme tourism (horse riding, rafting, hiking, snowmobiling), skiing, event tourism, and cultural tourism.

Development of traditional recreational activities related to health promotion and winter sports.

Hotel business and convention tourism.





# O5 Forestry

# Forestry

5,7  
million ha

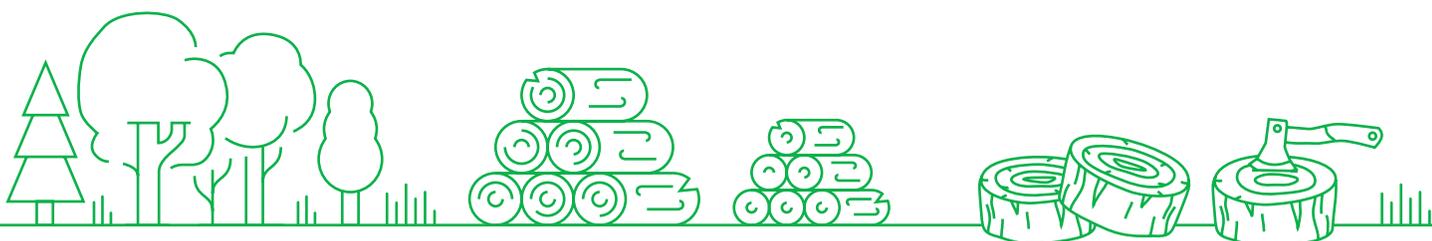
total forest area

768,3  
million m<sup>3</sup>

total timber resources in the forests of the region, with birches, conifers, oaks and maples predominance.

9,6  
million m<sup>3</sup>

expected cutting area



## The development area potential



Deep wood processing



Applying and processing of the low-quality wood and sawmills production waste

## Certain products production dynamics (2016 to 2017, %)



+37%

High-density plywood



+10,6%

Door unit



+7,6%

Wood product



6,7  
million m<sup>3</sup>

of the commercial  
wood reserved

8,1  
billion ₺

the volume of the forestry  
factories shipments  
(2017)

2,9  
million m<sup>3</sup>

of the commercial  
wood reserved  
(2018)



## Support Measures



The following concessions and subsidies were adopted accordance with the Decree by the Government of the Republic of Bashkortostan “About the Governmental subsidies for partial cost recovery of expenditures for harvesting, forestry, forest-fire and toting equipment (made on the territory of the Eurasian Economic Union) purchasing to the timber industry organizations”:

- 30% costs recovery;
- Opportunity to increase the costs recovery up to 50% in case of purchasing hi-tech automatized timber-cutting complex

600  
million ₺

is the planned volume of the budget assignments for the support measures from 2018 up to 2022.

The UEFA logo is rendered in a light green color. It features a large, stylized 'U' on the left and a large, stylized 'F' on the right. The 'U' contains a circular emblem with a grid pattern, representing the UEFA Cup. The 'F' is composed of several horizontal bars of varying lengths, creating a sense of motion or a stylized 'F' shape.

**RUSSIA**

**BRICSISCO**

**BRICS**

**RUSSIA UEFA 2015**

# 06 Region's Development Institution



# The Development Corporation of the Republic of Bashkortostan



The Development Corporation of the Republic of Bashkortostan supports the investment project on the Governmental level, starting with the investment intent stage up to the project launching.

The Development Corporation of the Republic of Bashkortostan offers the full range of services for either complex or partial project support including business-plan development, selection of the site, assistance in the investment attraction, subsidies and concessions obtaining, support on the project development and construction stages, and also legal and marketing services.

In accordance with the Decree №292 dated 19.08.2011 adopted by the Government of the Republic of Bashkortostan, in case of approving the project as a priority investment project of the Republic of Bashkortostan, the following measures of the public support could be applied:

## The amount of the investment

From 10 to 1500 million rubles

From 100 to 1500 million rubles

From 1500 to 5000 million rubles

Over 5000 million rubles

## The tax concession period

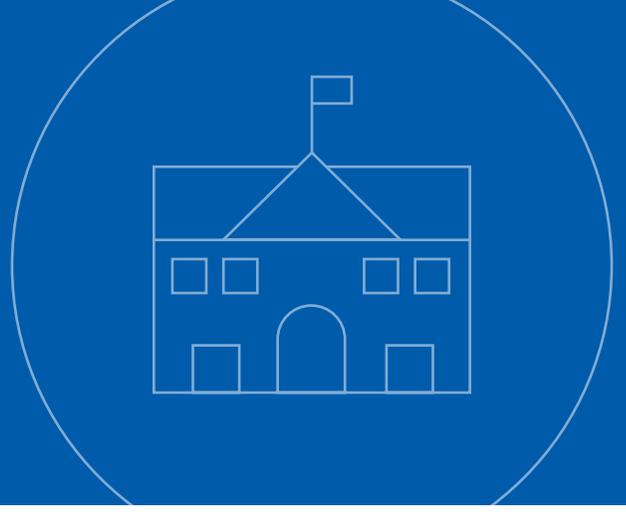
3

3

5

10

(for the projects included in the approved complex Governmental programs of social and economic development of the municipal units of the Republic of Bashkortostan)



#### Sources and references:

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