



FDI ANNOUNCEMENTS IN RUSSIA 2013-2016

FACTS AND FIGURES





The evaluation of FDI announcements is based on daily monitoring of intentions/deals, publicly announced in business media and official press releases.

This database tracks those FDI announcements that involve the creation of new facilities or modernizing existing production capacities in Russia at a minimum value of USD 500,000.

The research does not cover investments in the real estate sector.

December 2016. Russian Direct Investment Fund ©

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Mars petfood plant groundbreaking ceremony, Rostov Region, October 2015



FDI ANNOUNCEMENTS OVERVIEW 2013-2016

FDI ANNOUNCEMENTS OVERVIEW

2013-2016

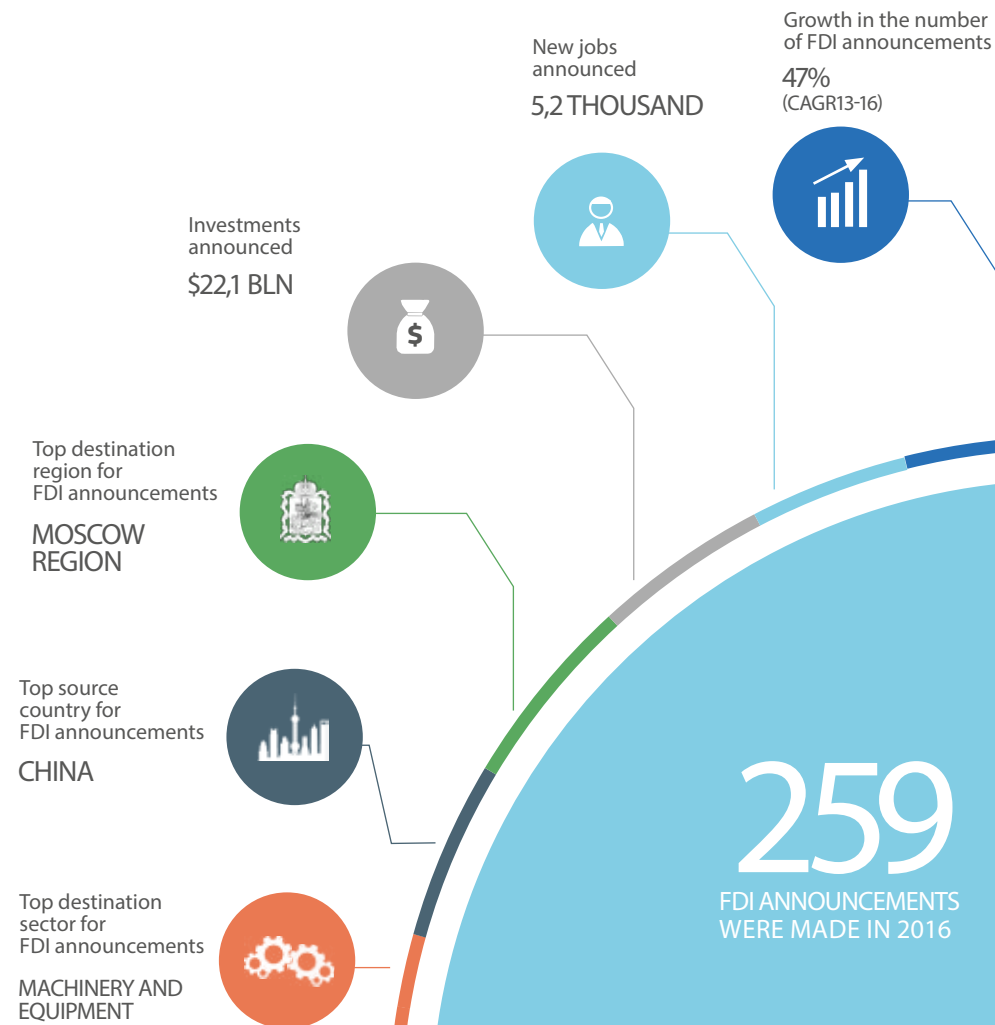
Since 2013, the number of FDI announcements in Russia has been growing steadily, at a CAGR of 47% in 2013–2016.

In 2016, foreign investors announced 259 projects to be implemented in Russia, i.e. 29% more than in 2015 and 219% more than in 2013. In 2016, the amount of investments announced increased by 36% vs. 2015, to USD 22.1 bn.

Moscow Region remains the leading destination for FDI announcements with over 9% of the total number in all Russian regions.

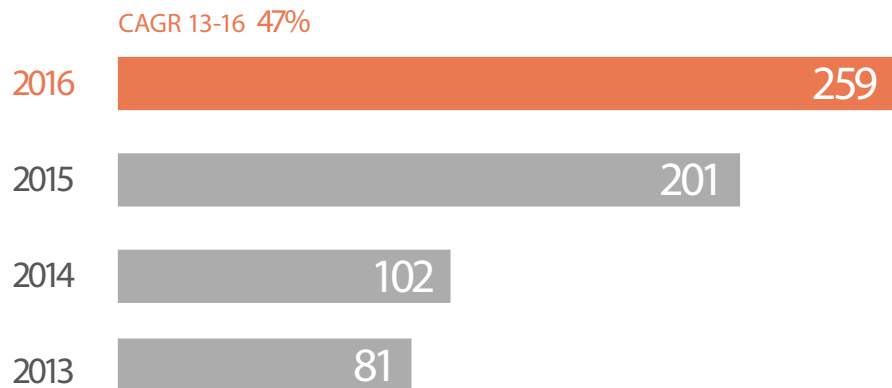
China remains the top source country for FDI announcements in 2014-2016 (16.2% of the total number of announcements in 2016). In 2016 Chinese companies considered Power as the most attractive destination to invest in.

The top sector by FDI announcement numbers – Machinery and equipment – accounted for 18% of all FDI announcements in Russia. In 2016 Germany replaced Italy and China as the top source country for FDI announcements in Machinery and equipment.



THE NUMBER OF FDI ANNOUNCEMENTS TRIPLED IN 2016 COMPARED TO 2013

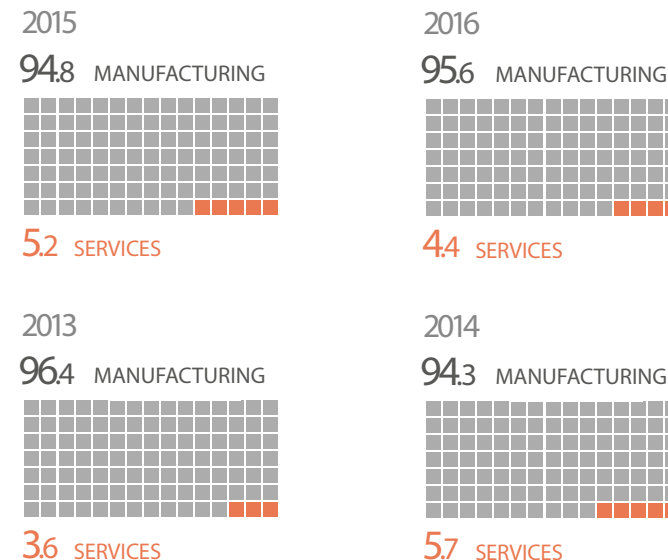
Number of FDI announcements, 2013–2016



Source: RDIF analytics, company data

MANUFACTURING ACQUIRES FOR OVER 90% OF FDI ANNOUNCEMENTS IN RUSSIA

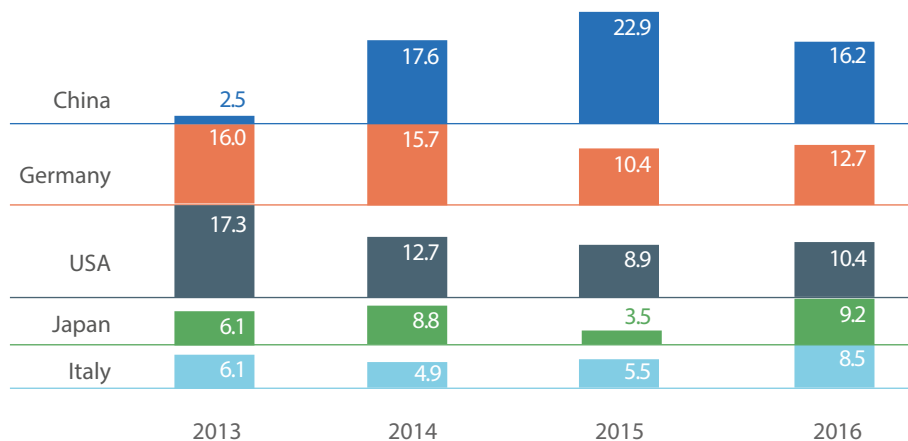
FDI announcements by type of activity, 2013–2016



Source: RDIF analytics, company data
Manufacturing : industry, R&D, logistics. Services: marketing and sales, representative offices, business services, training

TOP SOURCE COUNTRIES FOR FDI ANNOUNCEMENTS IN 2013–2016

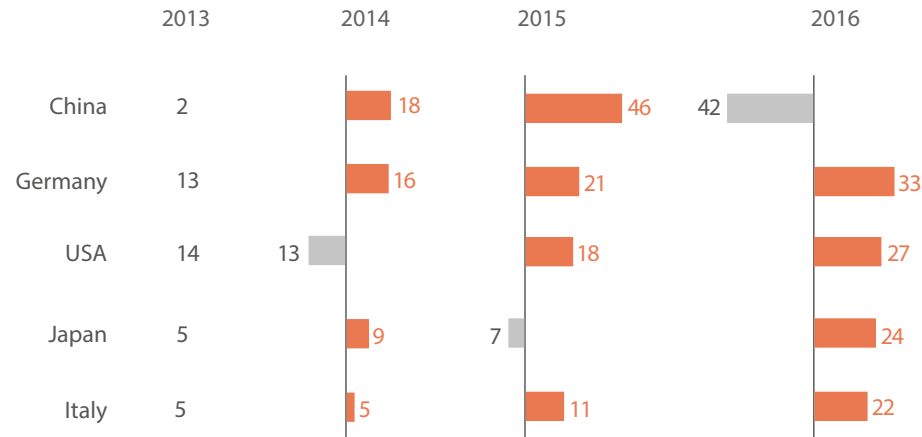
FDI announcements breakdown by TOP 5 source countries, 2013–2016, %



Source: RDIF analytics, company data

CHINA IS THE TOP SOURCE COUNTRY FOR FDI ANNOUNCEMENTS IN RUSSIA

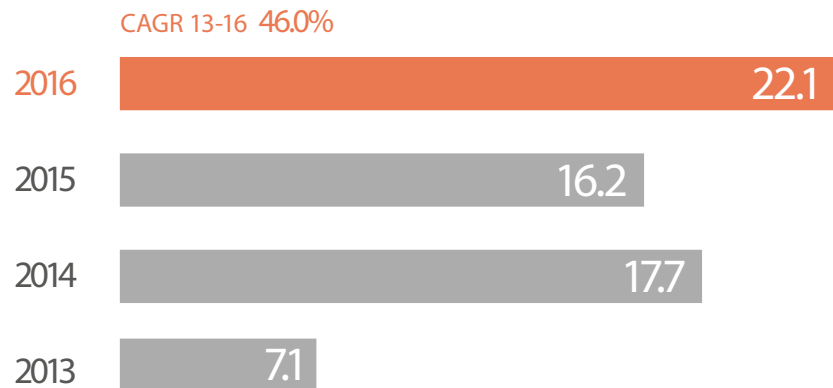
Number of FDI announcements, 2013–2016



Source: RDIF analytics, company data

INVESTMENTS, ANNOUNCED BY FOREIGN COMPANIES, INCREASED THREE TIMES IN 2016 AS COMPARED TO 2013

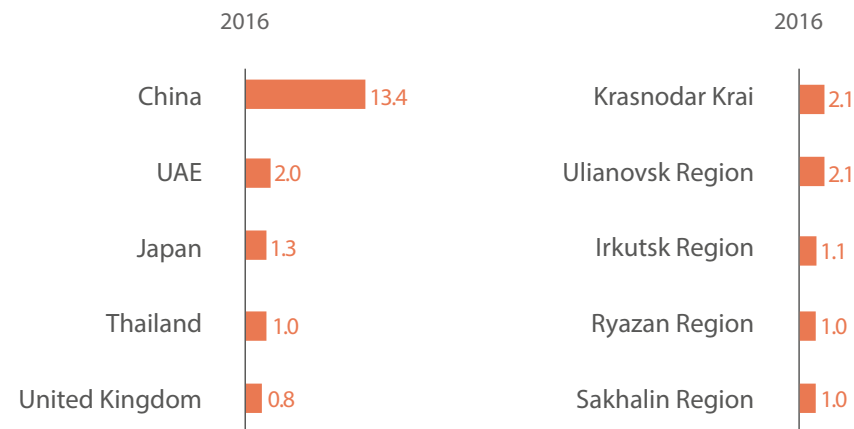
Investments, announced by foreign companies, 2013–2016, USD bn



Source: RDIF analytics, company data

FIVE COUNTRIES WILL ENSURE OVER 80% OF THE TOTAL AMOUNT OF ANNOUNCED INVESTMENTS

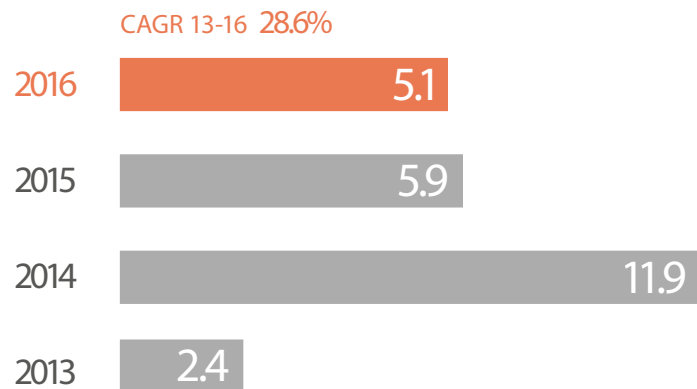
TOP 5 source countries and TOP 5 destination regions for announced investments, 2016, USD bn



Source: RDIF analytics, company data

FDI ANNOUNCEMENTS ARE TO CREATE TWICE AS MANY JOBS IN 2016 AS COMPARED TO 2013

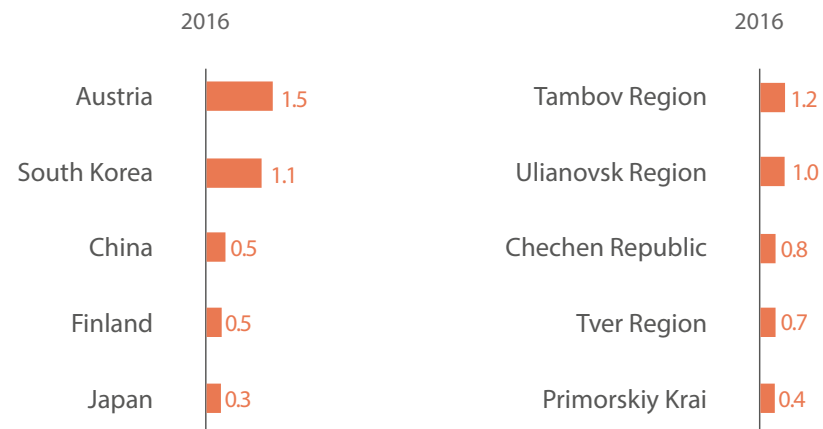
Number of jobs, announced by foreign companies, 2013–2016, '000



Source: RDIF analytics, company data

5 COUNTRIES WILL ENSURE OVER 80% OF THE TOTAL NUMBER OF ANNOUNCED JOBS

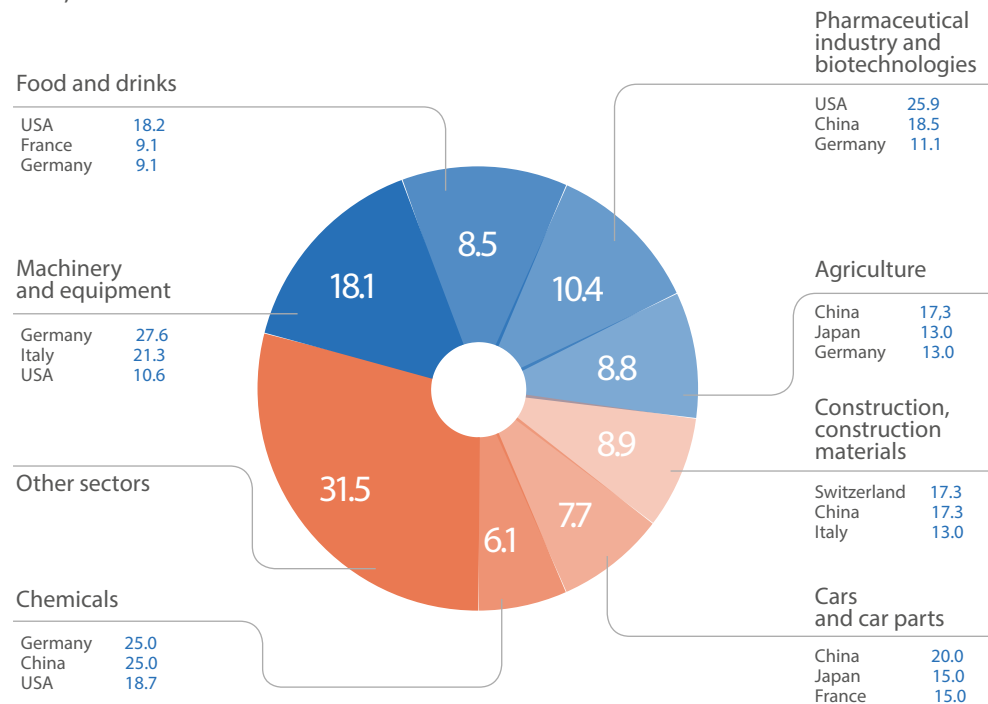
TOP 5 source countries and TOP 5 destination regions for announced jobs, 2016, '000



Source: RDIF analytics, company data

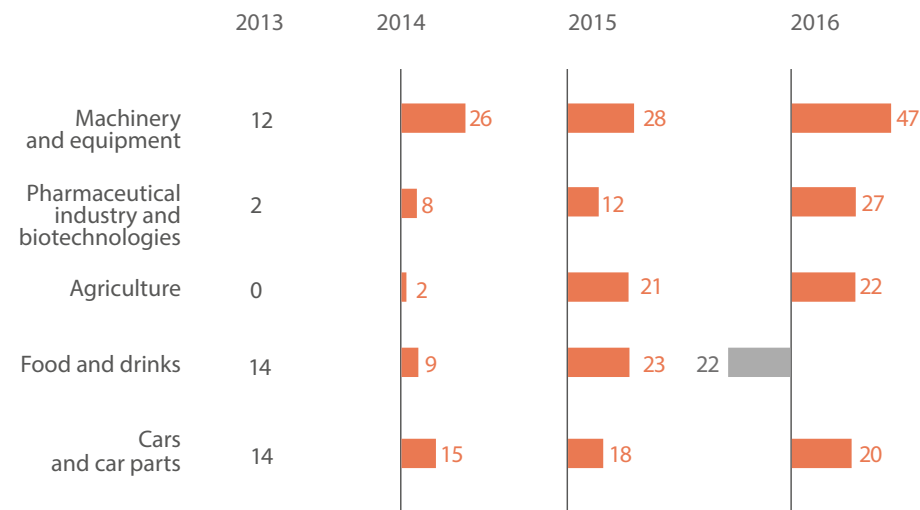
MACHINERY AND EQUIPMENT REMAIN THE PRIORITY SECTOR FOR FDI ANNOUNCEMENTS

FDI announcements breakdown by sector and TOP source countries, 2016, %



MACHINERY AND EQUIPMENT AND PHARMACEUTICAL INDUSTRY ARE THE MAJOR DRIVERS OF FDI ANNOUNCEMENTS GROWTH

Industry structure of FDI announcements, 2013–2016



Source: RDIF analytics, company data

FIVE RUSSIAN REGIONS ACQUIRE FOR OVER ONE THIRD OF FDI ANNOUNCEMENTS

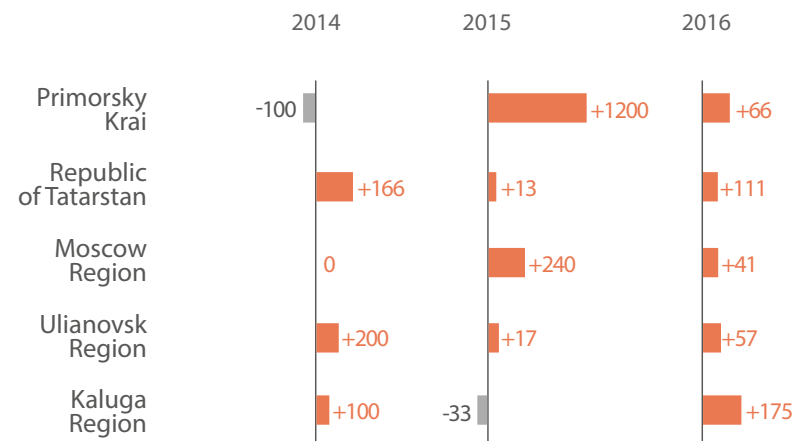
Share of the Top destination regions in the total number of FDI announcements, 2013–2016, %

Rank 2016 (2015)		2016	2015	2014	2013
1 (1)	Moscow Region	9.3	8.4	4.9	6.2
2 (2)	Primorsky Krai	7.7	6.0	0	2.4
3 (4)	Republic of Tatarstan	7.3	4.5	7.8	3.7
4 (7)	Ulianovsk Region	4.2	3.5	5.9	2.4
5 (14)	Kaluga Region	4.2	2.0	5.9	3.7
Total projects		259	201	102	81

Source: RDIF analytics, company data

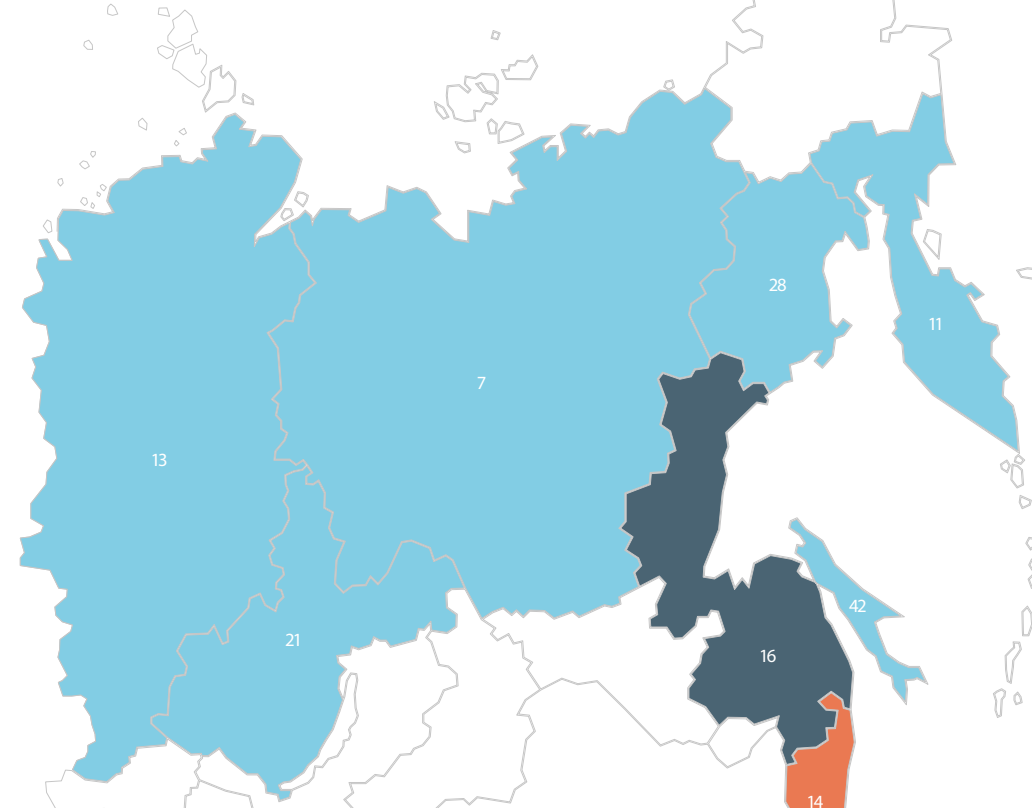
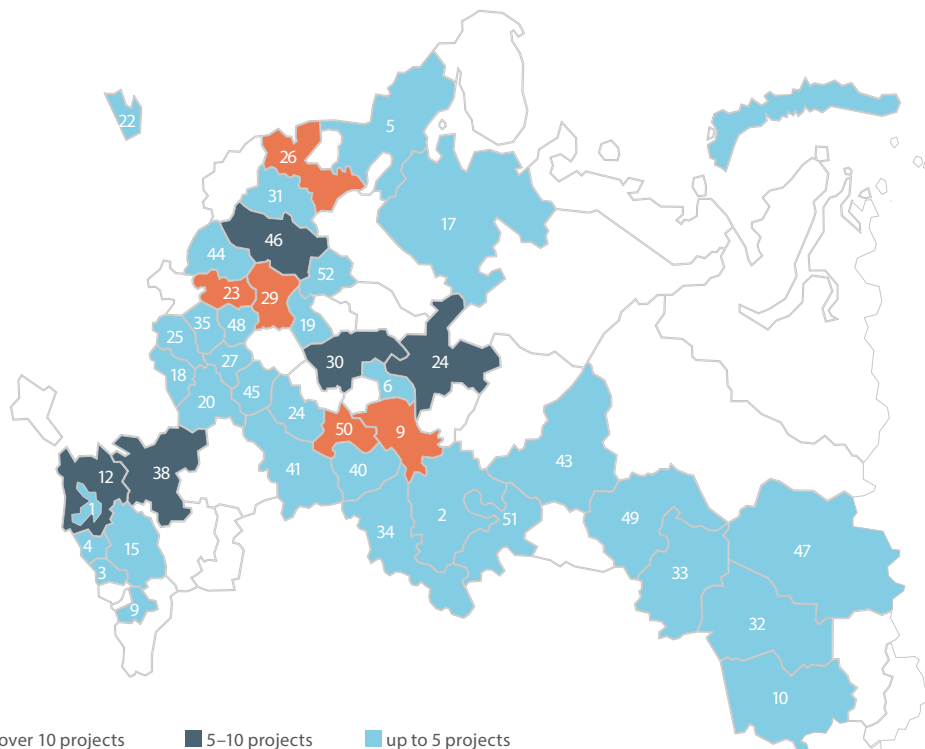
PRIMORSKY KRAI IS THE LEADING DESTINATION REGION IN TERMS OF FDI ANNOUNCEMENTS GROWTH

Number of FDI announcements, 2013–2016, % YOY



Source: RDIF analytics, company data

FDI ANNOUNCEMENTS MAP IN 2016



■ over 10 projects
 ■ 5–10 projects
 ■ up to 5 projects

- | | | | | | | | |
|-------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------|----------------------|-----------------------|
| 1 Republic of Adygeya | 7 Republic of Sakha (Yakutia) | 13 Krasnoyarsky Krai | 20 Voronezh Region | 27 Lipetsk Region | 34 Orenburg Region | 41 Saratov Region | 48 Tula Region |
| 2 Republic of Bashkortostan | 8 Republic of Tatarstan | 14 Primorsky Krai | 21 Irkutsk Region | 28 Magadan Region | 35 Orel Region | 42 Sakhalin Region | 49 Tyumen Region |
| 3 Kabardino-Balkarian Republic | 9 Chechen Republic | 15 Stavropol'sky Krai | 22 Kaliningrad Region | 29 Moscow Region | 36 Penza Region | 43 Sverdlovsk Region | 50 Ulyanovsk Region |
| 4 Karachayevsko-Circassian Republic | 10 Altai Krai | 16 Khabarovsk Krai | 23 Kaluga Region | 30 Nizhny Novgorod Region | 37 Pskov Region | 44 Smolensk Region | 51 Chelyabinsk Region |
| 5 Republic of Karelia | 11 Kamchatsky Krai | 17 Arkhangelsk Krai | 24 Kirov Region | 31 Novgorod Region | 38 Rostov Region | 45 Tambov Region | 52 Yaroslavl Region |
| 6 Republic of Mari El | 12 Krasnodarsky Krai | 18 Belgorod Region | 25 Kursk Region | 32 Novosibirsk Region | 39 Ryazan Region | 46 Tver Region | |
| | | 19 Vladimir Region | 26 Leningrad Region | 33 Omsk Region | 40 Samara Region | 47 Tomsk Region | |



Siemens gas turbine plant opening ceremony, Leningrad Region, June 2015



FDI ANNOUNCEMENTS BY WORLD REGION

ASIA-PACIFIC


FDI announcements breakdown
by TOP source countries,
2013–2016, % of the total number of announcements

		2016	2015	2014	2013
1	China	16.2	22.9	17.6	2.5
2	Japan	9.2	3.5	8.8	6.1
3	South Korea	3.4	8.0	2.9	2.5
4	India	1.5	2.0	2.0	1.2
5	Thailand	0.4	0.5		
Total announcements		259	201	102	81

Source: RDIF analytics, company data

EXAMPLES OF PROJECTS ANNOUNCED BY ASIA-PACIFIC COMPANIES

Year	Country	Destination	Company	Project	
2016	Thailand	Ryazan Region	CP Group	Production of milk and dairy products	1.0
2015	India	Stavropolsky Krai	Lupin Limited	Production of pharmaceutical substances	0.2
2014	China	Republic of Tatarstan	Haier	Production of household appliances	0.05
2013	Japan	Ulianovsk Region	Bridgestone Corporation	Production of tyres	0.4

 Investment amount, USD bn

Source: RDIF analytics, company data

EUROPE


FDI announcements breakdown
by TOP source countries,
2013–2016, % of the total number of announcements

		2016	2015	2014	2013
1	Germany	12.7	10.4	15.7	16.0
2	Italy	8.5	5.5	4.9	6.1
3	France	8.1	6.9	2.9	9.9
4	Switzerland	3.4	2.0	2.9	7.4
5	Finland	3.1	3.5	1.9	4.9
Total announcements		259	201	102	81

Source: RDIF analytics, company data

EXAMPLES OF PROJECTS ANNOUNCED BY EUROPEAN COMPANIES

Year	Country	Destination	Company	Project	
2016	Netherlands	Lipetsk Region	Lamb Weston / Meijer	Production of frozen potato products for food service chains	0.1
2016	France	Novosibirsk Region	FM Logistic	Network of wholesale and distribution centers	0.2
2015	France	Kaliningrad Region	Arc	Production of kitchen utensils	0.1
2015	Finland	St. Petersburg	Oy Karl Fazer Ab	Production of bakery products	0.2
2014	Germany, Belgium	Nizhny Novgorod Region	BASF AG Solvay SA	Production of PVC and caustic soda	1.6

 Investment amount, USD bn

Source: RDIF analytics, company data

NORTH AND SOUTH AMERICA

FDI announcements breakdown
by TOP source countries,
2013–2016, % of the total number of announcements

		2016	2015	2014	2013
1	USA	10.8	8.9	12.7	17.3
2	Canada		0.5		2.5
3	Brazil	0.8		1.0	
Total announcements		259	201	102	81

EXAMPLES OF PROJECTS ANNOUNCED BY NORTH AMERICAN COMPANIES

Year	Country	Destination	Company	Project	
2016	USA	Kaluga Region	Pfizer	Production of pharmaceuticals	0.1
2015	USA	Rostov Region	Mars Inc	Production of pet food	0.06
2014	USA	Tula Region	Cargill	Advanced wheat processing	0.08
2013	USA	Moscow Region	AGCO	Production of self-propelled agricultural machinery	0.1

Investment amount, USD bn

MIDDLE EAST

FDI announcements breakdown
by TOP source countries,
2013–2016, % of the total number of announcements

		2016	2015	2014	2013
1	UAE	0.8	2.0		1.2
2	Iran	0.4	0.5		
3	Israel	0.4	0.5	1.0	2.5
Total announcements		252	201	102	81

Source: RDIF analytics, company data

EXAMPLES OF PROJECTS ANNOUNCED BY MIDDLE EASTERN COMPANIES

Year	Country	Destination	Company	Project	
2016	UAE	Krasnodarsky Krai	DP World	Development of the Novorossiysk Commercial Seaport	2.0
2016	Iran	Uljanovsk Region	Rad Sane Atti Industrial Group	Production of gas cylinders	0.03
2016	Israel	Kirov Region	Teva Pharmaceutical Industries	Production of sterile injectables	

 Investment amount, USD bn

Source: RDIF analytics, company data



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