Khabarovskiy krai

GET TO KNOW

Our territory
of growth
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The Khabarovsky krai is one of the largest and most attractive regions of Russia. It ranks fourth in the state as to the area and a fifth of Russia’s forests are found here.

The land is rich in natural resources. We are developing gold, platinum, tin, black and brown coal and construction materials deposits. Our water biological resources are unrivalled, too.

And still industrial production prevails; the gross product is formed largely by industrial enterprises. High-tech aircraft manufacturing leads the krai economy. It was no chance that the pilot Territory of Advanced Social and Economic Development (TASED) is being formed in the krai industrial center, the city of Komsomolsk-na-Amure. Great prospects are tied with the second TASED called Rakitnoye (in the Khabarovsky rayon) that was endorsed by the Sub-committee on implementation of investment projects in the Far East.

Year 2014 was rich in international and inter-regional contacts as never before. Over 130 foreign delegations visited here. The Asia Pacific states remain our key partners.
offering viable cooperation projects in trade, economy, and investment.

The Khabarovsky krai enjoys a beneficial geographic location. Our territory is a key logistics center of the integral Far East transport network. The transport flows between Asia and Europe cross here.

Our geographic advantages, a favourable investment climate and industrial potential are enhanced manifold by the remarkable employees, the true Far Easterners devoted to their native land who do not spare effort for its positive transformation and future development. We believe the most encouraging indicator is the rise in births; the newly born citizens will follow our track of endeavour!

Khabarovskiy krai Governor
V.I. Shport

A HIGH INDUSTRIAL POTENTIAL AND A RICH RESOURCE BASE ARE AT THE BACKGROUND OF REGIONAL ECONOMY
The Khabarovsky krai is a unique administrative territorial entity. Its size is just astounding, it extends from north to south for 1 780 kilometers. To overcome that distance on foot one would need 45 days at least.
Besides its main continental part the krai also incorporates several islands, the larger of them being the Shantar islands.

787,633 km²
makes the Khabarovsky krai area

The Amur, one of the longest world rivers, crosses the krai area and flows into the Sea of Okhotsk.

2,842 km
Amur river total length

The Amur, one of the longest world rivers, crosses the krai area and flows into the Sea of Okhotsk.

Khabarovsk is the capital of the Khabarovsky krai and the Far Eastern federal okrug. It is located on the right bank of the Amur river 20 kilometers off the border with China.

6,075 km
distance to Moscow from Khabarovsk. The flying time is about 8 hours

Besides its main continental part the krai also incorporates several islands, the larger of them being the Shantar islands.
1,338,305 people are krai residents as of January 01, 2015.

The krai industrial potential is concentrated mainly in transport engineering and equipment manufacturing, metallurgy and complete metal ware production as well as chemical engineering.

82% are urban residents
1,095,189

18% are rural residents
243,116
THE KHABAROVSKY Krai is the key node in commodity exchange infrastructure of Russia and the APR States

The Trans-Siberian Railway and the Baikal-Amur Railway cross the krai area. Close economic linkages have been set up with foreign states — China, Republic of Korea, Thailand, Japan, the USA and etc.
No other region of Russia bears comparison with the Khabarovsky krai nature by the diversified and unique flora and fauna.

The krai opens up endless possibilities for all kinds of ordinary and ardent tourists: the lovers of extreme tours are offered mountain river rafting as water sport; fishing, hunting, spelunking and also winter tours. Eco tours often covering history and ethnography are in great demand.

**The Striking Mountain Relief**

There is the Sikhote-Alin Range in the south-east, the Yam-Alin, the Badjalsky and the Kukansky Ranges in the south-west. The central part of the krai is taken with the Djangy and the Stanovoy Ranges. In the north there are the Suntar-Khayata, the Pribrezhny, the Ulyinsky and the Djugdur Ranges. The south of the krai is flatland.

**120 000 Large and Small Rivers**

Plenty of fast and pure rivers run across the krai area, among them the grand broad Amur river with its tributaries of the Amgun, the Bureya and the Ussuri.
The wild life is rich and diverse

Ungulates inhabit the forests (moose, Manchurian deer, roe, musk deer and wild boar), fur animals (sable, Siberian weasel, squirrel, musk beaver, otter, fox, wolf, and bear); also one comes across Amur tiger, Himalayan black bear and lynx. Reindeer, common weasel and skunk bear are found in the Extreme North part.

Monsoon climate

Southern and central parts of the krai area are in the moderate climate zone while its northern part is in the sub-Arctic one. Monsoon climate with a long cold winter and a hot and humid summer prevails.

The tourism and recreation potential of the krai is determined by the beneficial geographic location of the region, a high level of social and economic development, a great variety of natural resources and rich culture, history and heritage.
The official symbols of the state-legal status of the Khabarovsky krai endorsed by the regional law are the Khabarovsky krai flag and Coat of arms. The traditional heraldic symbols of the Khabarovsky krai are the mighty animals of the Ussuri taiga: the white-chested Himalayan bear and the Amur tiger.

The Khabarovsky krai Coat of arms was endorsed on July 28, 1994. It is made on the French heraldic shield. In the center of the shield in white (silver) colour in the place of honour is depicted a powerful-looking white-chested bear sitting on its hind legs, both his forepaws embracing the Khabarovsk city Coat of arms.

The Khabarovsky krai flag rectangular in shape is in three main colours: blue, green and white. The flag follows the motto “Where once the Russian flag was hoisted it cannot be lowered” (Emperor Nicholas I, 1850).
AMUR TIGER

It is the largest animal in the world and the lowest-number and northernmost tiger subspecies. It is entered in the Red Book of Russia. It is the sole in the tiger family inhabiting snow regions.

The Amur tiger differs from its kin in the other countries by a large size and thick and dense winter fur. Its body length reaches 290 cm, and its weighs at times exceeds 260 kg. The tiger footprint is a typical feline shape larger size; the animal’s estimated size can be found by the footprint.

The tiger outlook demonstrates a harmony of great force and feline grace. It is light and most important, unseen crossing the thick forest approaching its prey.

WHITE-CHESTED BEAR

A large and wonderfully beautiful animal. The same as the Amur tiger it is endemic to the Far Eastern nature and is met nowhere else in Russia’s stretches.

The colour of the long and thick fur of the carnivore is almost always pure black except the white or cream marking on the chest in shape resembling the Latin letter V. The white-chested bear in size is much smaller than the brown bear and differs from the latter by a slenderer built, a long snout and large rounded ears. The claws on its front and hind legs are sharply curved which is connected with its inclination to tree climbing.

The indigenous people of Priamurye for hundreds of years practiced the cult of bear and during festivals devoted to the master of forest they glorified the kinship with this animal.
The indigenous peoples characterized the Southern Far East of Russia as rich in silver and fur animals. The Russian state sent several expeditions for survey and setting up trade linkages and for active exploration of the area. In 1639 a group of Cossacks under Ivan Yurievitch Moskvitin reached the Sea of Okhotsk shore. The Cossacks surveyed the sea shore and gathered the first data on the Amur river. This was the first Russian team to have reached the Far Eastern lands as they are now, that brought the peoples of the region under Russian sovereignty.

In 1643 in search of the unknown Dauria land (as Western Priamurye was called) the Yakutskoye voevodstvo (the military district of the time) sent a Cossack group under Vasily Danilovitch Poyarkov. It was a large group of 132 people that left rather a full description of the river, the economy and way of life of the indigenous people.

The news of the rich Amur river aroused interest of Siberian industrialists. In autumn of 1649 the team of 70 men under Erofei Khabarov from Yakutsk crossed the Stanovoy Range to come down the Urka river towards the Amur river. During the expedition the river and its surroundings were surveyed and linkages with the locals were set up. The Albazinskoye voevodstvo was formed, too.

Priamurye for a long time remained “undiscovered” for the Russian state. Explorers came across the first mention of the Far Eastern lands from Evens, the local indigenous people back in XVII century.
In XVIII-XIX centuries the turbulent economic growth of Far Eastern Russia, the advantages of the Amur river for supplies to this Russia’s domain urged the Russian state to deeply engage in the development of the area and protection of national boundaries.

Settling the vast area of the Far East is owed to incoming migrants from the western part of the country. Mass population came to Priamurye after serfdom was abolished in Russia.

In the past centuries the boundaries of the Khabarovsky krai changed several times. It was a vast area late XIX century. This Priamurskoye Governor General territory incorporated the Zabaikalskaya, Amurskaya and Primorskaya oblasts, with the administrative center in Khabarovsk. This structure was valid until early XX century.

The Khabarovsky krai in its current boundaries and with the capital in Khabarovsk city was formed on October 20, 1938.

In mid-XIX century Governor General N.N. Muravyov organized several Amur upstream expeditions. The expeditions showed that sailing up the Amur was the shortest and securest route to bring commodities and settlers. The Amur rafting acted as a driver for the economic exploration of the area.

G.I. Nevelskoy contributed much to the exploration history of Far Eastern Russia. He proved that the Amur was navigable for sea-going vessels, made an exact survey of the area, produced the map of the Amur, and ascertained that Sakhalin was an island.
Khabarovsk city is the administrative center of the Khabarovsky krai and the krai capital. The city was founded in May of 1858 as a military post of Khabarovka and in 1893 was renamed into Khabarovsk. In May 2000 after the Decree of the Russian Federation President Khabarovsk became capital of the Far Eastern federal okrug.

Khabarovsk is the regional economy center. Here processing industry and trade and telecommunication facilities are found. The city is an important transport hub well integrated into the APR infrastructure. Khabarovsk maintains sister-city and other friendly relations with different cities abroad.

The city has a great number of higher and secondary education facilities and large research and sports centers.

The city follows an intense housing construction program. New business and residential areas are emerging. The transport infrastructure is being improved.

607,216 people inhabit Khabarovsk as of January 01, 2015.
The Krai center for bandy called Erofei Arena opened in Khabarovsk and in 2015 it hosted the memorable XXXV Bandy World Championship. The Russia assembly team defeated the assembly team of Sweden with 5:3.
The Khabarovsky krai economy diversified industry and service sectors are based on competitive advantages of the region: rich and varied natural resources, beneficial economic and geographic positioning, and a high education level of the population. Industry, transport, telecommunications and trade lead the economy.

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<thead>
<tr>
<th></th>
<th>RUR</th>
<th>USD</th>
<th>THOUSAND PEOPLE</th>
</tr>
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<tbody>
<tr>
<td>GROSS REGIONAL PRODUCT IN 2014</td>
<td>551.1</td>
<td>2.2</td>
<td>744.6</td>
</tr>
<tr>
<td>FOREIGN TRADE VALUE FOR 2014</td>
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Heavy engineering and transport remain key directions for the Khabarovskiy krai safeguarding budget revenues, development and technical refurbishment of production facilities and employment.

**MAJOR MACROECONOMIC INDICATORS***

- **100,5 %** Industrial production index
- **104,2 %** Index of agricultural production
- **115,8 %** Freight turnover
- **105,1 %** Retail trade turnover
- **99,9 %** Real wages

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**GROSS REGIONAL PRODUCT STRUCTURE IN 2014**

- **0,2 %** Financial activities
- **5,6 %** Mining
- **1,5 %** Utility, social and personal services
- **7,6 %** Processing
- **1,2 %** Hotels and restaurants
- **4,7 %** Production and distribution of electric power, gas and water
- **1,4 %** Fisheries, fish farming
- **5,0 %** Education
- **7,6 %** Real estate operations, lease and provision of services
- **7,3 %** Health care and social services
- **13,8 %** Wholesale and retail trade, repair of vehicles, motorcycles, household utilities and personal appliances
- **11,2 %** State administration and military security; mandatory social welfare
- **5,2 %** Construction
- **4,7 %** Agriculture, hunting and forestry
- **23,0 %** Transport and telecommunications
- **5,2 %** Construction

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* 2014 against 2013, %
**UNEMPLOYMENT IN THE KRAI**

- Officially unemployed, thousand people:
  - 2008: 22.3
  - 2009: 30.4
  - 2010: 25
  - 2011: 19.4
  - 2012: 14.8
  - 2013: 12.4
  - 2014: 8.9

- Tension factor, ratio of unemployed per job opening:
  - 2008: 2.1
  - 2009: 1.8
  - 2010: 1.7
  - 2011: 1.3
  - 2012: 0.8
  - 2013: 0.6
  - 2014: 0.5

- Jobs opening, thousand:
  - 2008: 10.6
  - 2009: 16.7
  - 2010: 15.1
  - 2011: 15.3
  - 2012: 18.7
  - 2013: 19.3
  - 2014: 18.3

**FOREIGN TRADE**

**EXPORTS**
- USD BILLION: 1.4

**IMPORTS**
- USD BILLION: 0.8

**Khabarovskiy krai key foreign trade counterpart states in 2014**

- PRC: 41%
- Republic of Korea: 18.3%
- Japan: 8.6%
- Thailand: 6.3%
- USA: 5.3%
- France: 3.3%
- Germany: 2.6%
- Austria: 1.7%
- Italy: 1.4%
- Great Britain: 1.2%
- Others: 10.3%
Structure of commodity exports of the Khabarovsky krai in 2014

<table>
<thead>
<tr>
<th>Product</th>
<th>Share</th>
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<tbody>
<tr>
<td>Wood and pulp and paper products</td>
<td>40.9%</td>
</tr>
<tr>
<td>Minerals</td>
<td>29.3%</td>
</tr>
<tr>
<td>Metals and metal ware</td>
<td>15.2%</td>
</tr>
<tr>
<td>Fish and sea food</td>
<td>12.1%</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>1.1%</td>
</tr>
<tr>
<td>Others</td>
<td>1.4%</td>
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Structure of commodity imports of the Khabarovsky krai in 2014

<table>
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<tr>
<th>Product</th>
<th>Share</th>
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<tr>
<td>Machinery and equipment</td>
<td>69%</td>
</tr>
<tr>
<td>Metals and metal ware</td>
<td>7.6%</td>
</tr>
<tr>
<td>Chemical products</td>
<td>6.6%</td>
</tr>
<tr>
<td>Foods</td>
<td>5.4%</td>
</tr>
<tr>
<td>Textiles, clothing and footwear</td>
<td>2.5%</td>
</tr>
<tr>
<td>Minerals</td>
<td>1.5%</td>
</tr>
<tr>
<td>Wood and pulp and paper products</td>
<td>1%</td>
</tr>
<tr>
<td>Others</td>
<td>6.4%</td>
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The Khabarovsky krai has generated a basis for a fast industrial development. The base vector is in the direction of high-tech production. In March 2014 the Khabarovsky krai Government adopted the Investment Strategy for the period as far as 2020. Its goal is the sustainable system of attracting investments and implementation of investment projects in the krai.

Machinery is a leading industry sector with its production volume, accumulated production, research and staffing potential. The key sub-branches are defense and civil water- and aircraft manufacturing, production of casting, hoisting, transport and power engineering equipment.

Under the Investment Strategy the innovation territorial cluster in aircraft and watercraft manufacturing will see further development due to new high-tech SMEs around larger heavy engineering facilities of the region.
A strategic goal of the Khabarovsky krai is forming a competitive industrial complex. Industrial parks are a new vector of development and implementation of industrial policies in the krai. Five industrial park projects are at different preparation stages (Avangard, Dalenergomash, Amur Shipbuilding Plant, Chegdomyn, and Dallesprom). These projects demonstrate undeniable advantages with their well-developed infrastructure, new utilities and a guaranteed opportunity for expanding the park area.

The krai Government is drafting and endorsing required normative and law provisions, it set up the order and criteria for selecting the industrial parks qualifying for co-funding support from the federal budget, it is working at the Law on the krai state support.
The latest generation weaponry is being produced in the Khabarovsky krai. Of late thanks to the influx of investments the krai has registered a boost in the defense industry output.

Komsomolsk-na-Amure Aircraft Manufacturing Plant after Yu. Gagarin (KnAAZ) is the leader of the Russian and world aircraft manufacturing. The plant produces world-known combat aircraft SU-27, SU-30MK2, SU-35 that are supplied to the Russian Federation and foreign states' armed forces.

High-quality production of KnAAZ stands behind its winning the state tender for a perspective 5th generation airborne complex of frontline aviation, T-50.

The production prototype of the new aircraft already performed the test flights from the plant's airfield.
Here at KnAAZ the first civil aircraft of the Sukhoi Corporation was produced, Superjet 100. SSJ 100 is the Russian regional passenger aircraft of the new generation, a product of collaboration between Russian engineers and the world leading aircraft manufacturers.

The program members are the world-level concerns of Boeing, Liebherr, and Goodrich et al. In 2012 the aircraft passed flight tests and received the EASA Type Certificate. Now KnAAZ continues serial production of Superjet for Russian and foreign customers.
Amur Shipbuilding Plant (ASP) is a large shipyard of the Far East. ASP has production facility and technology for manufacturing civil vessels and ships of war, including nuclear-powered submarines up to 25 kt submerged.

The current main production of the plant are combat ships, civil vessels and sea platforms. A distinctive feature of ASP is that its slipways are in the roofed hangars. It enables year-round manufacturing under standard temperature regimes and fitting out the vessels to a high degree of operational readiness.

In May 2015 a festive ceremony of launching the multi-target guard ship Sovershenny Project 20380, the first of the corvette class produced by ASP. The corvette is designated for operations in the state maritime zone as a surface combat ship and for combating enemy submarines as well as artillery support of marine assault operations.
Khabarovsk Shipbuilding Plant’s specialty is hovercraft and hydrofoil combat ships and civil vessels.

For over 55 years of its long history the plant has built about 360 vessels, in that over 200 combat ones. The production employs the newest materials, low-magnetic stainless shipbuilding steel, aluminium and titanium alloy and polymers. The plant’s military projects are well-reputed on the market. It concerns high-speed air-cushion assault landing craft Murena-E, Mercury sea-high-speed air cavern boat for State Border and State Tax Services.

In May 2015 a new fast-going passenger boat of Project A45-2 called 70 Years of Victory went down the slipway ready to operate on domestic water ways up to 650 km long.
The Khabarovsky krai is rich in forest resources. The total timber reserves exceed 5 billion cubic meters. The allowable cut is 21.5 million cubic meters. Annual 11.5 million cubic meters of timber is available from the leased wood stock.

The krai carries on programs in enhancing forest resources use and deep wood pressing — now over 70% of the investments are directed to greenfield and brownfield wood production facilities.

A number of projects are under way in the Khabarovsky krai listed as priorities in forest exploitation in accord with the Russian Federation Government Statement #419 of 30.06.2015 “On priority investment projects in forest exploration”.
1. Far Eastern Center of deep wood processing in Amursk town (Dallesprom Public JSC). The project foresees the following new production:
   - 300 thousand cubic meters sliced veneer;
   - 230 thousand cubic meters of lumber annually.

2. Production of planed and profiled timber (Beryozovy settl. of the Solnechny rayon, Asia Les LLC). The project foresees the following new production:
   - 350 thousand cubic meters of lumber annually, including 100 thousand cubic meters profiled timber;
   - 290 thousand cubic meters of industrial chips annually;
   - 84 thousand tons of fuel pellets.

3. Wood processing complex (Beryozovy settl. of the Solnechny rayon, Amur Forest LLC). The project foresees the following new production:
   - 150 thousand cubic meters of lumber annually;
   - 75 thousand tons of fuel pellets.

4. Milling facilities for 470 thousand cubic meters lumber by Rimbunan Hijau MDF LLC.

In view of the sectoral development vector and competitiveness, the integral and sustainable use of forest resources a new inter-regional pulp and paper plant in Amursk town is considered the most viable option for forestry. The project was initiated by Managing Company RFP Group, LLC.

The total projected investments in the priority projects will get over 35 billion roubles, and the submitted ones already account for 25 billion roubles. 22.5 billion roubles has been invested, 5.6 billion roubles of that amount arrived in 2014.
The Khabarovsky krai is rich in many very valuable minerals. 50% of platinum reserves of the Far Eastern federal okrug, 50% of copper, 20% of tin, 8% of gold, 7.5% of coal reserves are registered in the krai.

There are great reserves and resources of non-ferrous, rare earth metals and construction materials. Reserves of agrochemical raw, gem stones, mineral underground waters, curative muds and mineral paints have been defined. Now deposits of ore and placer gold are being developed, those of black and brown coal, mineral waters, and construction materials.

As of today 23 mining companies are operating in the Khabarovsky krai. 20 of them mine gold and silver and one is engaged in placer mining of platinum, two others mine tin.

The Khabarovsky krai sole in the Russian Federation continues development of tin deposits.
The projects of mine dressing plants at Alba-zino and Belaya Gora, the Amursk hydromet-allurgy plant have been implemented in the krai recently.

Amursk mine dressing plant pioneered the Russian Federation in technology of pres-
sure oxidation that helps process gold-con-
taining concentrates from dressing of sulfide gold-containing ores at Albazinsky ore dress-
ing plant in the rayon after Polina Osipenko.

The Khabarovsky krai is listed among few
Russian regions that are mining platinum; from 1984 Amur Artel of Gold Miners Public
JSC is engaged in development of the unique placer platinum deposit of Kondyor.
FUEL AND ENERGY SECTOR

12,660,900 tons

Oil processed in 2014 by the three oil refineries of the Khabarovskiy krai
The fuel and energy sector of the Khabarovsky krai incorporates oil processing and coal mining, electric and heat power engineering, gas supply systems, managing and distribution companies.

The energy sector produces 97% of electric power and 70% of heat power of the total krai demand. About 95% of the population use centralized electric power services.

The Khabarovsk energy system is the largest in the Far Eastern federal okrug with its share of 18.4% of generated electric and over 25% of heat power of the okrug.

Oil processing is represented by three oil refineries in the krai: RN-Komsomolsk oil refinery LLC, NNK-Khabarovsk oil refinery JSC, Transbunker Vanino LLC that fully meet the krai demand in quality oil products and also ship them to the other Far Eastern regions and to the APR states.

The krai coal mining sector is represented by Urgalugol Public JSC that is under Siberian Coal Energy Company Public JSC. The company is exploring the Urgal black coal deposit of the Khabarovsky krai with balance reserves of 1.2 bn tons.

The coal mined by Urgalugol Public JSC covers over a third of the energy system demand, that of the utility and communal sector, social sector and the krai population. In 2014 the company harvested over 4.5 mln tons coal.

The krai gas distribution system operates on both liquefied and natural gas. Sakhalin shelf is the resource base for supplies of natural gas to the krai consumers.

2.47 BCM

natural gas consumption of the Khabarovsky krai in 2014
The Khabarovsky krai is the logistics center of the entire Far East. The federal status highways and railways run across the area. River and sea ports sustain year-round trade turnover with foreign states.

**Motor transport**

Federal status highways run across the area — Amur highway (Chita-Khabarovsk), Ussuri highway (Khabarovsk-Vladivostok), Vostok (Khabarovsk-Nakhodka) that connect the region with the adjoining territories.

**Railway transport**

Two railway trunk lines, the Trans-Siberian Railway and the Baikal-Amur Railway cross the krai area securing railway communication between Western Russia and the Khabarovsky and Primorsky krai ports, and connecting Europe with the APR states. Khabarovsk is a key node and a large cargo hub in this communication.
AVIATION TRANSPORT

The Khabarovsky krai is at the crossroads of international air corridors. 17 airfields of different category are operating in the krai. Khabarovsk international airport is a larger air hub of the Far Eastern federal okrug. It connects all remote areas of Far Eastern Russia with each other, Central Russia and the APR. Khabarovsk airport services over 2 million passengers annually and ranks 1st in the domestic and international passenger flows among other Far Eastern Russia airports.

WATER TRANSPORT

Big international status sea ports of Vanino, Sovetskaya Gavan and De-Kastri of the Khabarovsky krai back up the trade and economic relations of Russia with the APR.

THE KHABAROVSKY KRAI TRANSPORT SECTOR RANKS FIRST IN THE FAR EASTERN FEDERAL OKRUG AS TO FREIGHT TURNOVER
The Khabarovsky krai has everything for a fast industrial and economic growth. The Khabarovsky krai is a large industrial center already. The krai accounts for most of heavy engineering and metal working, petroleum products of the Far Eastern region and its entire steel and rolled steel output.

Territories of Advanced Social and Economic Development (TASED) present a complimentary driver for regional development. In the future the Khabarovsky krai is seen as the region still more livable, more comfortable for business and investors. Solving a set of issues starting with minimizing risks for investors and ending with building and developing the investment infrastructure among other things will come handy.
On June 03, 2015 in the industrial park of Avangard in Khabarovsk the start-up ceremony of the new year-round hothouse facility for growing vegetables took place. Earlier the Khabarovsky krai Government, JGC Corporation of Japan and Energo-Impulse+ of Russia have signed a memorandum of understanding on this construction project. Hokkaido Bank participated in its funding. At Stage 1 cucumbers and tomatoes will be grown in the area over 2 ha.

The Khabarovsky krai already offers investors a broad range of investment opportunities. It concerns for instance participation in projects of Territories of Advanced Social and Economic Development that maintain international competitiveness of business environment. The pilot territories are being formed in the krai industrial centers of Komsomolsk-na-Amure and Khabarovsk.

The resident companies will enjoy substantial tax benefits, the construction permit proceedings will be streamlined, and the priority access to infrastructure facilities will be granted.
The regimes of Territories of Advanced Social and Economic Development (TASED) and the Port Special Economic Zone (PSEZ) are the tools of state regional policies in forming the points of advanced development.

On December 29, 2014 Federal Law #473-FZ “On Territories of Advanced Social and Economic Development in the Russian Federation” was adopted. Two first-priority TASEDs have been endorsed in the Khabarovsky krai: the Komsomolsk-na-Amure agglomeration (including Amursk town) and the Khabarovsk city agglomeration.

Two perspective TASEDs have been endorsed: the Russian part of Bolshoi Ussuriysky island and an area in the Vaninsky and Sovetsko-Gavansky rayons.

Also, one PSEZ is being formed in the Vanino-Sovetskaya Gavan transport industrial node.

The proceedings for registering a TASED and obtaining a status of the TASED resident

1. Application for registering a TASED.
2. RF Government Statement on organizing the particular TASED.
3. Agreement on registering the TASED.
4. Agreement on carrying out activities in TASED.
5. Getting the status of a TASED resident.
<table>
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<tr>
<th>Benefits</th>
<th>Universal</th>
<th>TASED regime</th>
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<tbody>
<tr>
<td>Profit tax to the federal budget</td>
<td>2 %</td>
<td>0 % for the first 5 years since registering profit</td>
</tr>
<tr>
<td>Profit tax to the regional budget</td>
<td>18 %</td>
<td>0 % for the first 5 years since registering profit</td>
</tr>
<tr>
<td>Property tax</td>
<td>2.2 %</td>
<td>0.5 % for 5 years since the legal entity is listed in the TASED Register</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.1 % for 5-year follow-up</td>
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<tr>
<td>Land tax</td>
<td>1.5 %</td>
<td>Set by normative legal enactment documents of the representative body of the RF municipal entity</td>
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<tr>
<td>Insurance charges</td>
<td>30 %</td>
<td>7.6 % 6% of that to Russia’s Pension Fund, 1.5% to RF Fund of Social Insurance, 0.1% to Federal Fund of Obligatory Medical Service</td>
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<tr>
<td>Customs duty</td>
<td>—</td>
<td>Free customs zone procedure</td>
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<td>Building infrastructure funded by the federal budget</td>
<td>—</td>
<td>+</td>
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<td>Discounted real estate lease rate</td>
<td>—</td>
<td>+</td>
</tr>
<tr>
<td>Reduced subscriber charge for infrastructure switch-in</td>
<td>—</td>
<td>+</td>
</tr>
<tr>
<td>Streamlined state and municipal control (supervision) regime</td>
<td>—</td>
<td>+</td>
</tr>
<tr>
<td>Streamlined regime of access to state services</td>
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<td>Attracting foreign workforce</td>
<td>Quotas</td>
<td>After the decision made the TASED Supervisory Board</td>
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The international relations between the Khabarovsky krai and the North-East Asia states – the People's Republic of China, Japan and the Republic of Korea are evolving dynamically. Friendly relations have been set up with many regions and cities of these states and under them the cooperation in economy, investment and humanitarian cooperation is carried out.

Under the collaborative programs exchanges of young people in education, research, culture and sports, ecology and tourism are taking place. Bilateral projects cover cooperation in economy, transport, agriculture, health care and state management.
The krai nourishes closest cooperation with the adjoining province of Heilongjiang. In November 2012 the Agreement on setting up friendly relations between the Khabarovsky krai Government and the Guandun province of China was signed. Sister-city relations of Khabarovsk with Harbin and Sanya of the PRC are actively developing.

The Khabarovsky krai keeps up friendly relations with the Hyogo and Aomori prefectures of Japan, and there are intense sister-city relations of Khabarovsk with Niigata (the Niigata prefecture), of Komsomolsk-na-Amure with Kamo (the Niigata prefecture), of Vanino with Ishikari (the Hokkaido prefecture).

The Agreement on setting up sister-territory relations between the Khabarovsky krai and the Kyonsan-Namdo province was signed in September 1996. In 2002 Bucheon in the Republic of Korea and Khabarovsk became twin cities. In 2005 the Kyonsan-Namdo province and the Khabarovsky krai signed the Agreement on promoting relations in economy, science and technology.
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