

Special Economic Industrial Zone "Alabuga", Elabuga, Tatarstan, Russia

The Special Economic Industrial Zone "Alabuga" was created on December 21st 2005 on the territory of Elabuga District, the Republic of Tatarstan. The SEZ "Alabuga" occupies the territory of 20 sq. km that makes it the largest SEZ of industrial type in the Russian Federation.

Companies establishing manufacturing in the SEZ get fully prepared land plots with all the necessary utilities. A railway branch (more than 5 km) and a container site for 1500 containers (40-pound each) are functioning. The network of inner-site automobile roads stretching for more than 20 km has also been built. Each land plot is supplied with electricity, central heating, gas, water, high speed internet, telephone and other engineering communications which are more than 240 km long. Altogether the infrastructure objects of some 8.1 bln. rubles were built in 2006-2008.

On April 21, 2008 Elabuga Customs Post started operating. The "Free Customs Zone" regime has been launched on the territory of the SEZ since the April of 2008. It is allowed to import modern high-tech equipment to the territory of the SEZ "Alabuga" paying no import duty & VAT. The Customs Terminal of 60 hectares is supplied with modern high-tech equipment that minimizes the time of clearing customs.

Offices of 16 state regulatory bodies are located in the Administrative-Business Centre of the SEZ "Alabuga" in the frameworks of the so called "One Stop Shop" system. The list of the institutions was formed according to the survey of residents' utmost needs. That is the first such a system in Russia and it had been created here in the Special Zone.

At this stage, the residents of the SEZ "Alabuga" are presented between three key-type clusters: full-circle car manufacturing and auto components production, polymer processing, and the production of construction materials.

According to the development strategy of the SEZ "Alabuga", some 40 residents are expected to be registered in the SEZ till 2011. That will create 16,000 new job positions and attract some 50 bln. rubles investments to the national economy.

Eight registered residents of the SEZ "Alabuga" were planning to invest 12 bln. rubles in their industrial projects, but because of the favourable economical situation the planned production capacities were increased. Thus, the total investment by the first 9 residents will be more than 23 bln. rubles and will create 4.500 more workplaces.

By the end of June 2009, 2500 workplaces were created at the industrial enterprises on the territory of the SEZ "Alabuga".

The first resident, the "Sollers-Alabuga" LLC plans to produce 120.000 trucks annually. The total amount of investments in both "Sollers" projects will exceed 210 mln. Euro with more than 5 000 jobs created.

The official launching of the first Fiat Ducato production line took place on May 27, 2008, with the participation of the Prime Minister of Russia Vladimir Putin.

CJSC "Polymatiz" will process 20 000 tons of polypropylene produced in Tatarstan Republic. They started manufacturing in the July of 2009.

On June 4, 2008 the laying of the foundation stone of the "Rockwool-Volga" LLC resident's plant took place in the SEZ "Alabuga". The plant is planned to be the largest nonflammable heat insulation materials producing factory in Eastern Europe.

On July 4, 2008 the fiberglass manufacturing plant was found in the SEZ. This plant is the joint venture between JSC "Tatneft" and Germany based company "Preiss-Daimler".

During the next year the SEZ resident "Air Liquide Alabuga" LLC is going to build the modern high technology enterprise in the SEZ "Alabuga" for producing of technical gases (such as oxygen and nitrogen). "Air Liquide Alabuga" LLC is a the department enterprise of the French "Air Liquide" – the world leader in the production of technical and medical gases.

The taxes paid by 9 residents of SEZ “Alabuga” up to 2012 are estimated to make up to some 5.8 bln. rubles and as the number of residents is planned to grow in the future, the total sum of tax payments to 2012 is expected to achieve 8.7 bln. rubles.

At present the minimal investment required to get the residential status is 10 mln. euro. At the Government meeting under the conduct of Vladimir Putin there was initiated the legislation about decreasing the minimum investment volume for companies producing vehicle components from 10 mln. euro to 3 mln. euro. The amendments are expected to be adopted in the september of 2009.

Thus, nowadays the SEZ “Alabuga” is the most prepared investment platform in Russia for realization of any scale industrial projects.

By April 1st 2009 there are 9 residents registered at the SEZ “Alabuga”:

- "Sollers-Alabuga" LLC (75.000 Fiat Ducato automobiles annually, total investments – USD 140 mln., 2000 work places are planned to be created)
- CJSC "Polymatiz" (17 thousand tons of polypropylene goods annually, total investments – more than USD 50 mln., 70 work places are planned to be created)
- "Rockwool-Volga" LLC (production of nonflammable heat insulation materials with the output capacity of 200.000 tons annually, total investments – USD 105 mln., 140 work places are planned to be created)
- "Sollers-ISUZU" (the joint-venture of JSC "Sollers" and Japanese corporations Isuzu Motors and Sojitz Corp for trucks production), the project capacity of the plant amounts 25.000 trucks annually, total investments – USD 14.5 mln., 140 work places are planned to be created)
- CJSC "Engineering Equipment Factory" (the production of climate system elements, total investments – USD 21.6 mln., 200 work places are planned to be created)

- "Septal" LLC (the production of equipment for local canalization systems, the project capacity of 7 000 annually, total investments – EUR 28 mln., 200 work places are planned to be created)
- JSC "Preiss-Daimler - Tatneft-Alabuga Fiberglass" (19 000 tons of fiberglass and goods based on it annually, total investments – EUR 71.5 mln., 300 work places are planned to be created)
- "Air Liquide Alabuga" LLC will build the modern high technology enterprise in the SEZ "Alabuga", which will be producing technical gases (such as oxygen and nitrogen). "Air Liquide Alabuga" LLC is a the subsidiary of the French "Air Liquide" – the world leader in the production of technical and medical gases
- Akulchev-Alabuga – confectionary and bakery goods.