

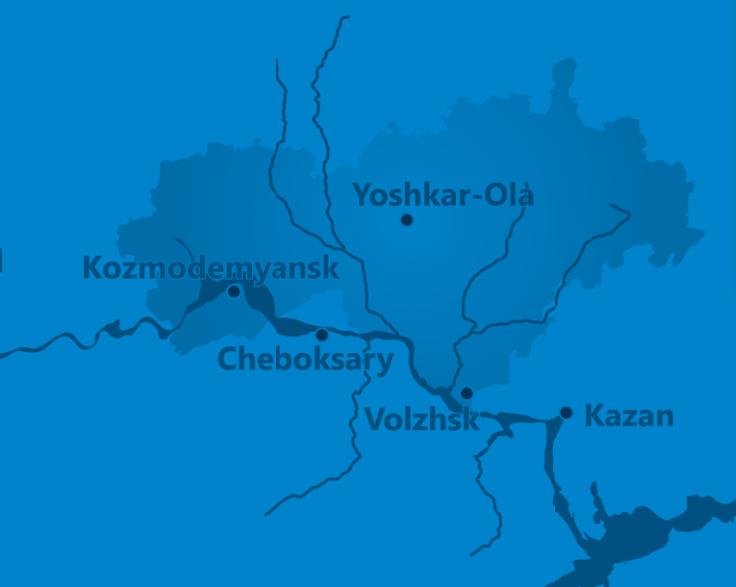


**Министерство
экономического
развития и торговли
Республики Марий Эл**

**Ministry of Economic
Development and Trade
of the Republic of Mari El**

**Инвестиционные
возможности
Республики Марий Эл
2014**

**Investment
Opportunities
of the Republic of Mari El
2014**



Приветственное слово

Главы Республики

Марий Эл

Уважаемые друзья и партнеры!

Рад приветствовать Вас на страницах информационного справочника «Инвестиционные возможности Республики Марий Эл-2014». Уверен, этот проект будет не только полезным источником информации, но и станет своеобразным путеводителем для активных, деловых людей и потенциальных инвесторов, желающих установить эффективные экономические связи с Марийским краем. Наш регион всегда открыт для делового сотрудничества.

По итогам 2013 года Республика Марий Эл заняла I место в России по темпам роста инвестиций. Показатель составил свыше 138% относительно предыдущего года. Такого результата не удалось достичь ни одному российскому региону. Но это была плановая работа по привлечению инвестиций и созданию благоприятного климата в регионе, проводя которую Правительство Марий Эл стремится к повышению уровня качества жизни населения, обеспечивающего устойчивое развитие и конкурентоспособность республики.

В рамках комплексного инвестиционного развития региона вскоре в Республике Марий Эл появится новый промышленный район, что сыграет особую роль в повышении конкурентоспособности экономики и инвестиционной привлекательности региона. Индустриальная площадка создается в Медведевском муниципальном образовании. Среди преимуществ нового промышленного района - развитая инфраструктура: близость столицы республики, обездной и железнодорожной дороги, газораспределительной станции и других коммуникаций.



Марийский край красив и многообразен. Экологически чистые районы, лесные угодья, значительное количество водоемов, многообразие растительного и животного мира создают прекрасные условия для развития рекреации и туризма.

В Марий Эл создана благоприятная обстановка для спокойной работы инвесторов, оперативно и индивидуально решаются вопросы, касающиеся бизнеса.

Республиканским законодательством предусмотрена государственная поддержка по субсидированию части лизинговых платежей и части процентных расходов по кредитам, привлеченным для реализации инвестиционных проектов, направленных на развитие производства и создание новых рабочих мест. Инвесторам, осуществляющим инвестиции в экономику республики, предоставляется возможность уплачивать налог на прибыль в республиканский бюджет по пониженным ставкам в зависимости от размера инвестиций. При реализации инвестиционных проектов на территории республики арендная плата за землю взимается по минимальной ставке.

Большое внимание уделяется развитию малого предпринимательства. Реали-

зумая программа государственной поддержки предусматривает субсидии из республиканского бюджета субъектам малого предпринимательства на открытие и развитие бизнеса, меры по повышению доступности кредитных ресурсов и созданию предпринимательской инфраструктуры. В частности в г. Йошкар-Оле действуют два бизнес-инкубатора, оснащенные современным оборудованием. Их основной деятельностью является оказание помощи начинающим предпринимателям и бизнесменам.

Сфера приложения капитала и идей потенциальных инвесторов в Республике Марий Эл обширна и может стать реальной основой для развития современного, конкурентоспособного и перспективного бизнеса.

Приглашаем всех заинтересованных инвесторов и партнеров к плодотворному сотрудничеству. Желаю успехов, творческого настроения на новые созидательные дела на территории Республики Марий Эл!

С искренним уважение и пожеланиями
взаимовыгодного сотрудничества,
Глава Республики Марий Эл
Л.И.Маркелов

Welcome speech of the Head of the Republic of Mari El

Dear friends and partners!

I am glad to welcome you on the pages of the resource book "Investment Opportunities of the Mari El Republic – 2014". I am sure this project will become not only a useful information source, but also a unique guide for active business individuals and potential investors who want to establish effective economical relationships with the Mari region. Our region is always open for business cooperation.

Summarizing the results of 2013, the Mari El Republic took the 1st place in Russia in the pace of investment growth. The parameter increased to 138% in comparison with the previous year. No other Russian region has reached such a result. It was a planned work aimed at attracting investment and creation of a favorable climate in the region, whereby the Government of the Mari El Republic seeks to improve the quality of people's life, to provide a sustainable development and competitive performance of the republic.

Within the framework of a complex investment-driven development of the region, a new industrial district will soon emerge in

the Mari El Republic, that it will play a discrete role in the competitive growth of the economy and promotion of the region attraction for the investors. The industrial site is created in Medvedevo municipal district. Advantages of the new industrial district include a developed infrastructure: proximity of the capital of the republic, by-pass road and a railway, gas distribution station and other utility systems.

The Mari region is very beautiful and diversified. There are a lot of unpolluted areas, forested areas, a great number of waters, diverse animal and plant worlds which create outstanding facilities for recreation and tourist sectors development.

The Mari El Republic is distinguished by its favorable climate for the work of investors. All the issues relating to business are resolved quickly and efficiently.

Republican legislation provides government support to subsidize a part of lease payments and a part of interest expenses on loans for investment projects aimed at the development of production and creation of new jobs. Investors who invest in the economy of the republic are given the opportunity to pay income tax to the national budget at reduced rates depending on the size of investment.

With the implementation of investment projects on the territory of the republic, land lease rental is charged at the minimum rate.

Much attention is paid to the development of small business. The implemented program provides state support subsidies from the national budget for the small businesses to start and develop business, develop measures for increasing credit resources accessibility, and to create an entrepreneurial infrastructure. In particular in Yoshkar-Ola, there are two business incubators equipped with modern facilities. Their main activity is to help budding entrepreneurs and businesspersons.

The area of the application of the capital and ideas of potential investors in the Mari El Republic is extensive. This is an extensive real basis for the development of a modern competitive and promising business.

We invite all interested investors and partners for productive cooperation. I wish you success, a positive attitude to new creative businesses in the Mari El Republic!

Yours sincerely, wishing
mutually beneficial cooperation,
Head of the Mari El Republic
L.I.Markelov



1. Equal opportunities, engagement and transparency in the decision-making, implementation and use of best practices of support for the investors.
2. Guarantees of protection of investment, rights and interests of investors.
3. Guarantees of equal rights for investment, publicity in project discussions, capital investment protection, provision of state support, taking into account investors' interests while changing the legislation.
4. Information and consultation support in project implementation.
5. Elimination of administrative barriers.
6. Creation of project offices to implement the projects from representatives of government authorities and investors.
7. Reduction of terms. Simplification of procedures to issue permission documentation.
8. Assistance in provision of land lots and real estate items that are owned by the Republic of Mari El.
9. Arrangement of conditions to provide investors with skilled workforce.
10. Readiness to make changes in accordance with investors' proposals.

- Progressive legal framework for investment
- Investment declaration of the Republic of Mari El
- Investment Council of the Republic of Mari El chaired by the Head of the Republic of Mari El
- Appointment of curators for the investment projects
- Investor support system based on «one-stop shop» principle
- Arrangement of project offices for project implementation
- Information and consulting support of investors
- System of operating control for the implementation of the investment projects at the level of the Head of the Republic of Mari El
- Formation of investment sites with arranged infrastructure for doing business
- Developed investment infrastructure

Investment Policy Statement of the Mari El Republic

Measures of Investors Support





Please find below the list of companies that successfully operate in the Mari El Republic



The Republic is situated in the center of the European part of Russia, in the middle flow of the Volga River and it is a part of Privolzhsky Federal District.

Total area is **23.4** thousand square kilometers. Population is **688.7** thousand people. The capital of the Republic of Mari El is the city of Yoshkar-Ola (population is **260.3** thousand people).

The Republic of Mari El is situated in the zone with a temperate continental climate. Average air temperature in January is -19°C , in July $+20^{\circ}\text{C}$.

More than 50% of the territory of the republic is covered with forests. The soil of the republic is mainly sod-podzolic, loamy, sandy-loam and sandy.

Distance to big cities (by vehicle)

Moscow – **753** km

Kazan – **147** km

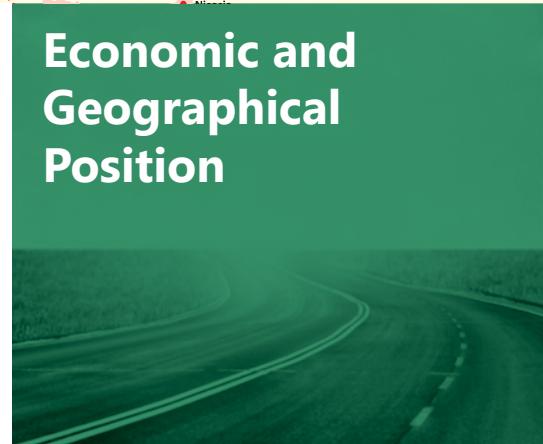
Nizhniy Novgorod – **337** km

Ekatirenburg – **1096** km

Saint-Petersburg – **1466** km



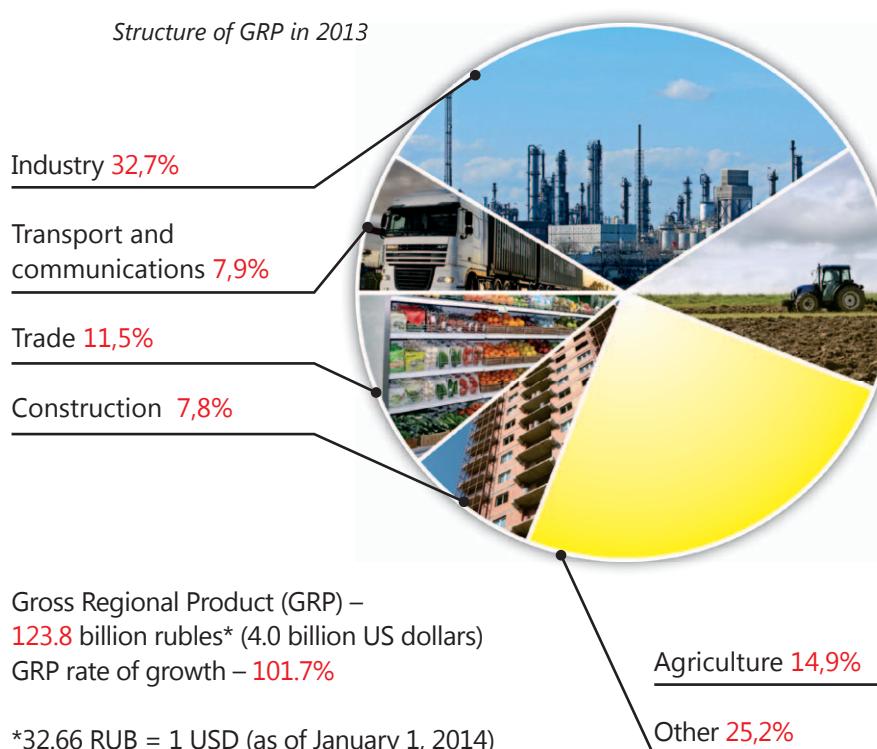
Economic and Geographical Position



Economic Indicators for the year 2013



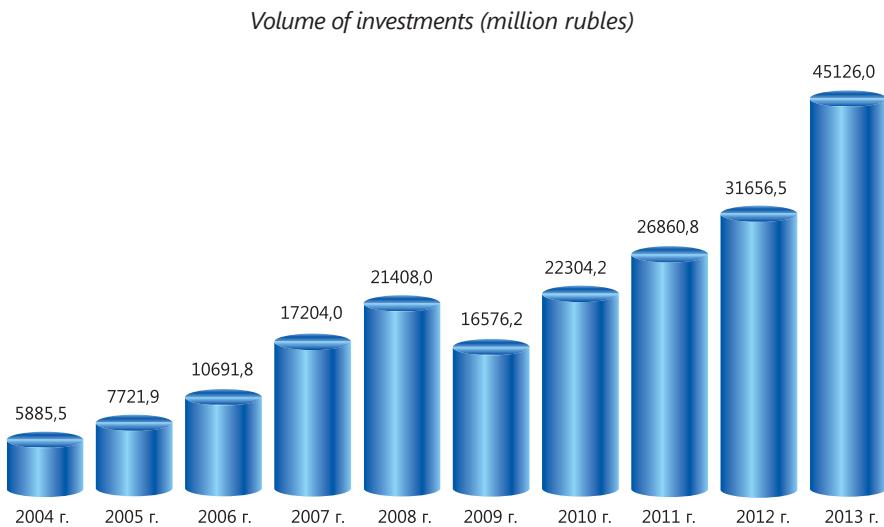
Among the regions of PFB (Privolzhskiy Federal District) in comparison to the years 2013/2012	Other indicators
1st place (138.1%) in pace of investment growth in capital stock among regions of the Russian Federation	The year 2014: Acc. to Fitch Ratings the Republic of Mari El was assigned a long-term rating «stable investment forecast»
3rd place (110%) in rate of growth of agricultural products production	Average annual rate of growth of investment for the years 2001-2013 is 16.8% in comparable prices
3rd place (107.1%) in pace of increase in turnover in retail	Average annual index of growth of industrial production for the years 2001-2013 – 8.2%
4th place (0.84%) in the level of registered unemployment	Average annual rate of growth of GRP for the years 2001-2013 – 5.0%
Leader among Russian regions in number of people who do sports on a regular basis (in 2013 – 34.7% of population)	



Major Macroeconomic Indicators



Major Macroeconomic Indicators



24,5% (21,1 billion rubles)
Food and beverage production

5,8% (5,0 billion rubles)
Pulp and paper production; publishing and printing activity

0,4% (0,3 billion rubles)
Mining operations

2,5% (2,1 billion rubles)
Process of wooden and manufacturing of wood products

12,2% (10,5 billion rubles)
Production and distribution of electricity, gas and water

6,7%
(5,8 billion rubles)
Manufacture of oil products

6,5% (5,6 billion rubles)
Other types of production

3,7% (3,2 billion rubles)
Equipment, transport means production

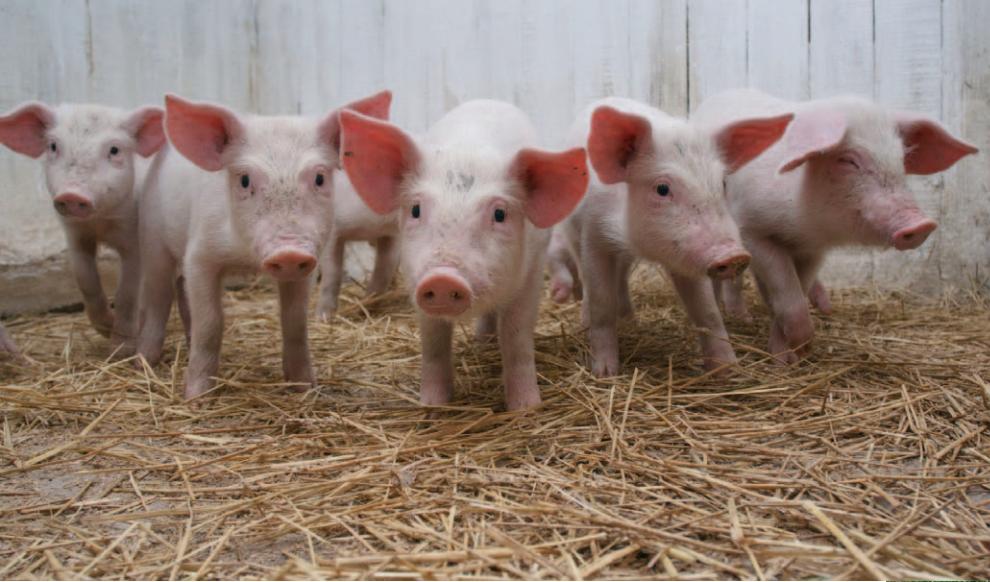
13,9% (12,0 billion rubles)
Electrical, electronics and optical equipment production

9,1% (7,8 billion rubles)
Production of machinery and equipment

7,7% (6,6 billion rubles)
Metallurgical production and manufacture of fabricated metal products

Industrial structure in 2013





29.7 billion rubles – volume of agricultural products produced in 2013 (**110%** by 2012).

14.9% - proportion of the agricultural sector, sector of hunting and forestry in GRP of the region.

35.2% of republic population lives in a countryside.

774.9 thousand ha (**33.2%** of the republic territory) – total area of agricultural land.

463.6 thousand ha (**59.8%** of agricultural land) - plowed area.

The Republic of Mari El includes:

130 agricultural enterprises

75 food and processing companies

2026 peasant (farming) enterprises

133.3 thousand of private farm holding

49 agricultural consumer cooperatives,

including **21** credit ones, **4** processing ones,

24 supply-sale cooperative societies

25 organizations have a status of breed livestock farms

The following organizations received the most intensive development:

cattle breeding – table poultry and pork production

crop growing – growing of vegetables and potato.

Among the regions of PFD the Republic of Mari El occupied:

the **1st** place for the production of cattle and poultry meat (**236** kg)

the **1st** place for the production of vegetables (**258** kg)

the **2nd** place for the production of potatoes (**456** kg)

the **4th** place for the production of eggs (**486** pieces).

Agricultural holdings are actively developing.



The VI and VII stages of the development project of poultry production unit of Akashevo agricultural holding (poultry production and production of chicken products) with total value **14.6** billion rubles are being implemented. Production capacity of the enterprise after implementation of the indicated stages will be **223.2** thousand tons of poultry meat annually.

Since 2013 the construction of the VIII stage of the complex was started, namely sow farms of the I and II stages, that will allow the enterprise to produce its own stock eggs for heavy breed chicken. Total cost of the VIII stage is **9.8** billion rubles.

Halal products of the enterprise are supplied to the United Arab Emirates, Hong Kong and Thailand. Commercial contracts are also concluded with the Republic of Senegal and the Islamic Republic of Mauritania.



Yola agricultural holding (swine keeping and production of meat products) plans to further reconstruct the existing production facilities.

A number of other projects is also implemented within the agricultural industry and agricultural processing: in swine keeping (Mari pig complex LLC), production of products from goat milk (Lukoz LLC), logistic support of agricultural products and foodstuffs, social rural development, etc.

The products of the republican enterprises were many times marked with highest medals and prizes at Russian, international, foreign exhibitions, and quality competitions for high achievements in products quality.

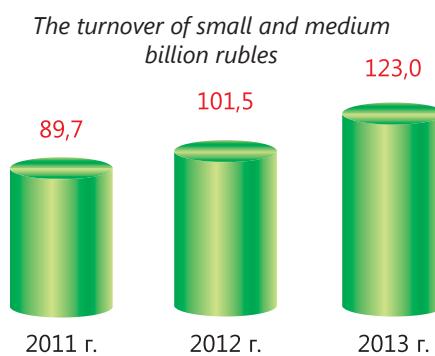
Agriculture





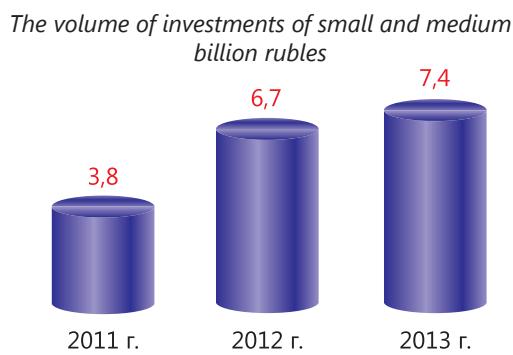
8.8 thousand of enterprises of small and medium business (growth vs. 2012 by 14.4%)
69.2 thousand people taking into account individual entrepreneurs are engaged in small and medium business.

The turnover of small and medium enterprises in 2013 was 123.0 billion rubles (growth vs. 2012 - 21.2%)



7.4 billion rubles was invested in the economy of the republic by small and medium business enterprises in 2013 (growth vs. 2012 – 10.6%)

9% - proportion of the taxes paid by the small and medium business enterprises in total volume of taxes and duties of consolidated budget (1 029.4 billion rubles paid by estimate).



Policy measures taken in 2013 and aimed at support of small and medium business enterprises provided financial and property support to implement 184 projects of small and medium business enterprises of the republic, to create 640 new working places, attract investment by the executors of the policy measures in the amount of over 530 million rubles. Amount of payments to the budget at all levels and to non-budget funds from the small and medium business enterprises – receivers of the state support – was about 500 million rubles.

In 2013 a new business incubator was opened in Yoshkar-Ola with total area in the order of 2,8 thousand square meters.

Information support of small and medium business is also provided at the portal of small and medium business of the Mari El Republic

Small and Medium Business



63.8 billion rubles – turnover of retail industry in 2013.

13.8% - proportion of tax payments in total tax collection of the republican budget from the following industries: wholesale and retail sales, vehicle repair services, hotels and restaurants.

Turnover of retail industry (billion rubles)



New retail outlets open, and new formats of shops are used (hypermarkets, supermarkets, shopping malls, discount stores).

Number of retail network is increasing (Perekrestok, Pyaterochka, M.Video, EUROSPAR, Magnit, Karusel, Miratorg), which successfully develop.

Developing regional sales network of the group of companies «Universal» (shops, «OUR», «Gourmet», «O frech», Department store non-food goods

«TSUM», hotel-entertainment complex «Stone-club»)

Open new shops and catering facilities.

Household services take **12.9%** in the structure of commercial services for population.

Dealership networks actively develop, including Renault, Opel-Chevrolet, Škoda, VW, Mitsubishi, Hyundai, Toyota, LADA, etc.

Trade, food services and service industry



International Economic Activity

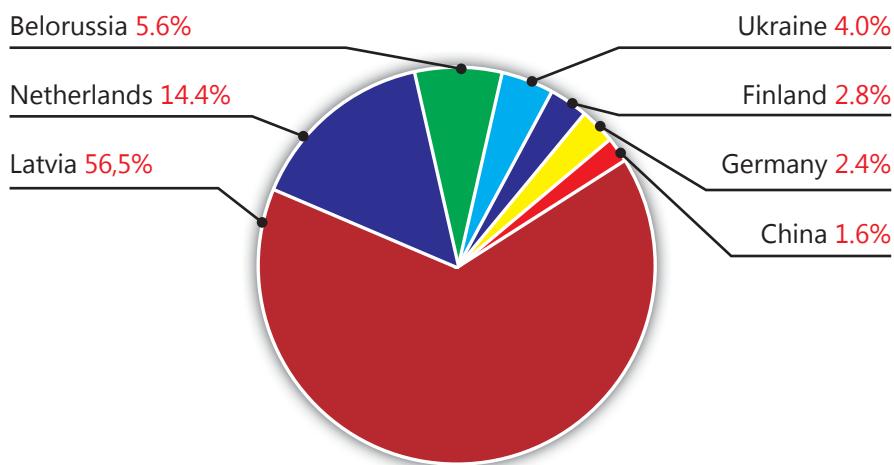
593.8 million US dollars - foreign trade turnover of the republic of Mari El in 2013.

450.1 million US dollars – export.

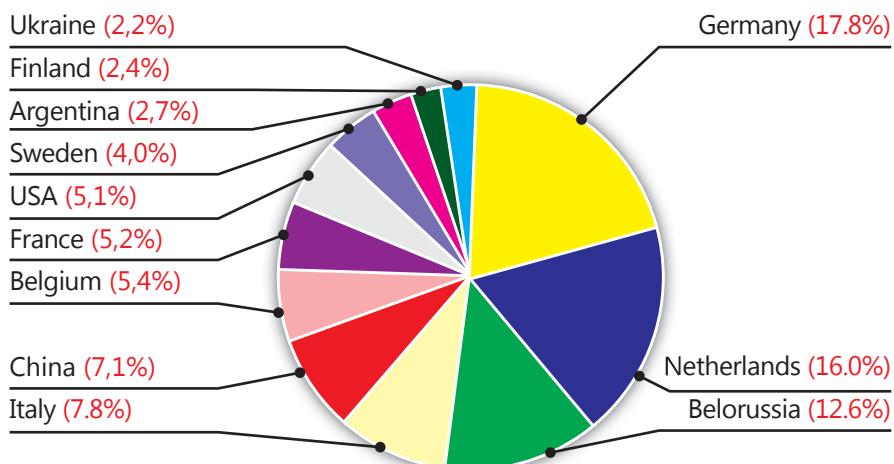
143.7 million US dollars – import.

Cooperation with 67 countries of the world is forged.

Main trading partners for export operations include: Latvia (56.5%), the Netherlands (14.4%), Belorussia (5.6%), Ukraine (4.0%), Finland (2.8%), Germany (2.4%), and China (1.6%).



Main trading partners for import operations of the Mari El Republic include: Germany (17.8%), the Netherlands (16.0%), Belorussia (12.6%), Italy (7.8%), China (7.1%), Belgium (5.4%), France (5.2%), the United States of America (5.1%), Sweden (4.0%), Argentina (2.7%), Finland (2.4%), and Ukraine (2.2%).



Export structure:

72.0% - products of fuel and energy industry

10.5% - engineering products

8.8% - products from wood, paper and cardboard

3.5% - hides, fur and leather products

3.2% - food products

1.1% - ferrous and non-ferrous metals

0.7% - products of chemical industry

Import structure:

47.5% - engineering products and equipment

20.4% - ferrous and non-ferrous metals

16.4% - food products

11.1% - chemical industry products

2.2% - textile, clothing and footwear

1.6% - wood products





The main freight traffic is operated out by rail and road.

Bus routes connect the republic with a number of regions of Russia, including the cities of Moscow, St. Petersburg, Nizhniy Novgorod, Kazan, Kirov, Ufa, Ulyanovsk, etc.

The Volga River allows relatively cheap transportation of goods between the republic and other regions. Kozmodemyansk Port JSC is operating freight and passenger river transportation.

Yoshkar-Ola airport provides:

- technical and commercial services;
- use of the airport for technical stops;
- use of the airport as a passenger air hub and freight;
- organization of talks in VIP-

halls of the terminals and in the halls of official delegations;

- delivery of high level services of business aviation (a car to the aircraft, VIP-rooms, etc.).

Low tariffs of airfield maintenance, convenient geographical location of the airport attract people to use the airport as a stopover for transit flights in the direction of the northern and eastern regions.

There is a regular flight connection on the route of Yoshkar-Ola – Moscow, also Yoshkar-Ola – Samara and Yoshkar-Ola – Ufa.

85.2% - level of gas infrastructure development in the republic.

69% - level of gas infrastructure development in the countryside.

111.6 km of gas pipe lines are put into service in 2013.

Power consumption of enterprises and organizations of the republic in 2013 was **3.1** billion kilowatt-hour, gas consumption – **1.2** billion cub. m.

Production: **998** million kilowatt-hour – electric power, **5.6** million Gcal of heat energy.

246.5 MW - total capacity of major power plants on the premises of the Mari El Republic.

Marienergo OJSC branch of IDGC of Center and Volga Region is implementing an investment program for the years 2014-2018, aimed at the reconstruction and modernization of energy facilities, reduction of losses in electric networks and improvement of the quality and reliability of electricity supply of the consumers.

Since January 1, 2014 the Program of prospective development of the electric power industry of the Republic of Mari El for the period 2014-2018 has been functioning, which foresees the development of **35** kV networks and above in the republic.

Transportation Infrastructure

210.7 km – stretch of rail roads within the borders of the republic

3084 km - stretch of auto roads of republican significance

279 km – stretch of water navigable paths on the following river: the Volga, the Vetluga and the Sura.



Fuel and Energy Industry



Investment Infrastructure



AUTONOMOUS NON-COMMERCIAL ORGANIZATION "AGENCY OF INVESTMENT DEVELOPMENT OF THE MARI EL REPUBLIC"

(<http://www.investinmariel.ru>)

Provision of services of all-in-one support for project implementation

- search for financial support for projects, project preparation for investment
- assistance in industrial areas and parks development
- assistance in investment projects implementation, provision of services (including aftersale services) to investors, administration of projects based on the "one-stop shop» principle
- assistance in external economic activity development

BUSINESS INCUBATOR OF THE MARI EL REPUBLIC AUTONOMOUS NON-COMMERCIAL ORGANIZATION

(<http://www.bink12.ru>).

- Business incubation, assistance and support to entities of small and medium business at early stage of their activity.
- Training and provision with special educational programs.
- Holding of seminars, trainings and business courses.
- Consulting, representative, office, legal, accounting, marketing, financial and other services.
- Lease of equipped office premises and specialized facilities (conference rooms, meeting rooms, classrooms).

REPUBLICAN FUND OF SMALL AND MEDIUM ENTERPRISES SUPPORT

(<http://www.fond12.ru>)

Micro-financing: granting of loans to legal entities and individual entrepreneurs .

Guarantee fund: assistance in obtaining loans from commercial banks, provision with additional collateral security.

CHAMBER OF COMMERCE AND INDUSTRY OF THE MARI EL REPUBLIC

(<http://www.tpp12.ru>)

- Assistance in formation of industrial, financial and commercial infrastructure for development of business and arrangement of favorable conditions for entrepreneurial activity;
- development of entrepreneurial activity, trade and economic relations, as well as scientific and technical relations of entrepreneurs of the Republic of Mari El with entrepreneurs from foreign countries;
- regularization of relationships of entrepreneurs with their social partners;
- representation of the interests of members of the Chamber of Commerce and Industry (CCI) of the Republic of Mari El, entrepreneurs and their associations, protection of interests of the commodity producers of the Republic of Mari El.

COORDINATION SUPPORT CENTER OF EXPORT-ORIENTED SMALL AND MEDIUM ENTERPRISES

(<http://www.tpp12.ru>)

Support of export-oriented small and medium business entities.



The banking sector of the republic is actively developing: **14** bank branches were opened in the republic in 2012 and 2013.

The main part of attracted funds (**79.0%**) is deposits of individuals which have seen steady growth.

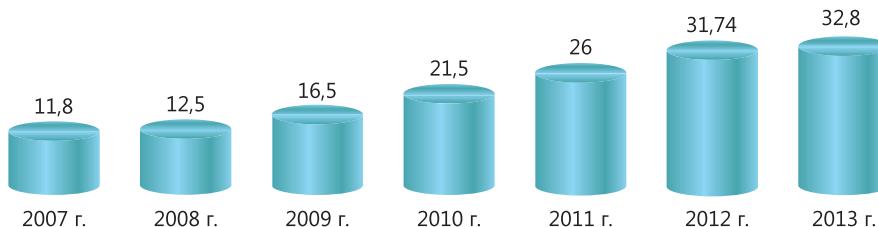
The Branch Mari El No 8614 of Sberbank Rossii OJSC and the Mari branch of Rosselkhozbank OJSC are in dominant position in the share of services at the market of deposits.

Main organizations granting loans include: Branch Mari El

No 8614 of Sberbank Rossii OJSC, the Mari branch of Rosselkhozbank OJSC, the branch of VTB Bank OJSC in the city of Yoshkar-Ola, the branch of Gazprombank OJSC in the city of Yoshkar-Ola, the branch of BINBANK OJSC in the city of Yoshkar-Ola, the Mari branch of AK BARS Bank OJSC.

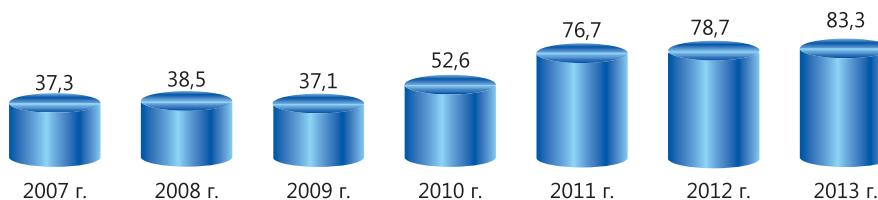
Main share of the lending resources in the amount of **67.8%** (which is **56.5** billion rubles) has been attracted by legal entities and individual entrepreneurs.

The volume of deposits and funds on accounts, billion rubles



The amount of loans of legal entities and individuals is steadily growing.

The volume of loans granted to borrowers in the Republic of Mari El credit institutions, billion rubles



17.6 billion rubles - volume of loans provided to small and medium business enterprises, of which 3.0 billion rubles were given to private entrepreneurs.

26.8 billion rubles - volume of loans provided to private people, among them **5.3** billion rubles for housing purchase.

The program of credit granting to small and medium business is implemented by the following organizations: the Branch Mari El No 8614 of Sberbank Rossii OJSC, Yoshkar-Ola branch No 6318 of VTB 24 bank, the Mari branch of Spurt JSCB OJSC, Yoshkar-Ola branch of MDM Bank OJSC, Operational office of Khlynov OJSC CB, etc.

1.46 billion rubles - insurance bonuses for insurance contracts in 2013

0.68 billion rubles – payments for insurance contracts in 2013

4.17 billion rubles – finances for medical aid payment (compulsory medical insurance)

3.93 billion rubles – payment for medical aid delivered to insured people (compulsory medical insurance).

The leaders in the volume of insurance fees are: the branch of

Rosgosstrakh Ltd in the Republic of Mari El, the Mari branch of VSK MF IOJSC, Zurich Ltd IC; in compulsory health insurance – the branch of Mari El - Rosno-MS OJSC and the Mari branch of Insurance Company SOGAZ-Med OJSC.

Main types of voluntary insurance include private insurance and property insurance.

Bank sector

credit institution – Yoshkar-Ola Bank OJSC

non-bank credit organization – Moneta.Ru

9 branches of banks from other regions

3 offices of credit institutions

Banking services are provided by 64 operational and lending and cash service offices, 66 supplementary offices of credit institutions, 39 operational cash offices out of cash unit.



Investment Infrastructure



Total volume of communication services provided in 2013 - over **3.6** billion rubles.

The industry employs over three thousand people.

Main types of connection: broadband Internet access, mobile radio communication, long-distance and international communication, cable television, provision services of communication channels.

Over **41%** of the population of the Republic of Mari El enjoys broadband services, about **71%** of which are using wireless broadband access (high-speed cellular network of third-and fourth-generation - 3G and 4G-network).

The level of wireless broadband access increased in 2013 by **20%** in comparison to 2012.

Within the framework of implementation of the special federal pro-

There is a possibility of inter-departmental electronic interaction between the federal executive bodies, the executive bodies of the republic and local governments without the participation of an applicant, covering all the republican executive bodies, all municipal administrations, as well as **132** administrative urban and rural settlements.

State and municipal services are provided on the basis of one stop principle after a single application within the Autonomous institution of the Republic of Mari El "Directorate of Multifunctional Centers for State and Municipal Service Delivery in the Republic of Mari El" (MFC).

At the branch premises of the Federal State Unitary Enterprise "The Post of Russia" the MFC network was organized, that covers the whole territory of the republic.

50 MFC branches were opened at the premises of local post offices in each urban and municipal district of the republic, **1** remote MFC workplace within Yoshkar-Ola branch of Sberbank Rossii OJSC and **2** remote workplaces in the settlement of Orshanka.

gram called Development of TV and radio services in the Russian Federation in 2009-2015 on the territory of the Mari El Republic, a network of digital terrestrial on-air television and radio broadcasting is being built.

Population coverage by the digital terrestrial television broadcasting following the construction of communication networks will be **98.84%**.

Five objects are fully ready and operate in the mode of test broadcasting of the digital television signal. These objects are built on the basis of existing RTS in the city of Yoshkar-Ola, Sovetskiy settlement, the city of Volzhsk, the city of Zvenigovo, the city of Kozmodemyansk and Suslonger settlement.

Communication

More than **30** communication service providers operate in the Republic of Mari El.

The largest communication service providers include:

- branch office in the Republic of Mari El of Rostelecom OJSC
- branch office in the Republic of Mari El of Russian Post FSUE
- ER-Telecom Holding CJSC
- branch office in Yoshkar-Ola of VimpelCom Ltd. (Beeline)
- branch office in the Volga region of MegaFon OJSC
- branch office in the Republic of Mari El of Mobile TeleSystems OJSC (MTS)
- Russian television and radio broadcasting network FSUE (RTRS)
- Broadcasting Center of the Republic of Mari El.

Development of Information Society

It is possible to obtain government services through the single portal, including **16** state and **12** standard municipal services.

203 services – total amount of state and municipal services converted into electronic form.

264 services - total amount of state and municipal services converted into electronic form, available at the Unified Portal of State Services.



Tourism

63 tour operators and travel agents
34 hotels and guest houses
29 health resorts, recreation and health retreat centers
18 recreation facilities
8 tourist complexes
82 sites of artisanal handicraft and souvenir making and sale.



Unique natural settings, construction of new cultural, arts and sports facilities, developing infrastructure and urban architectural environment become the background for the development of domestic and inbound tourism in the Republic of Mari El.

A considerable interest among tourists and researchers is due to getting to know the people of Mari, one of those few peoples in Europe who have preserved paganism and correspondent cult objects as a living religion.

The capital of the Republic of Mari El - Yoshkar-Ola - gains more and more popularity among the tourists thanks to its architectural ensembles – the Resurrection embankment, the Tsarevokokshaisk Kremlin, the Patriarch Square with moving figures of the Apostles, the Brugge embankment, the Obolensky-Nogotkov square named after the first governor of Tsarevokokshaisk, etc.



A rapid growth is noted for rural, ecological, cultural, ethnical, educational and sports tourism.

The landmark of the Republic of Mari El is its health resorts located in ecologically clean areas. There are possibilities for horse riding, canoeing and fishing.

In order to develop domestic and inbound tourism on the territory of the republic, Tourism Cooperation Agreement was signed in 2009 between the Federal Agency for Tourism and the Government of the Republic of Mari El.

In 2013 the Committee of the Republic of Mari El for Tourism, entities of the Volga Federal District and Rostourism signed the Agreement for cooperation and collaboration in accomplishing missions in the field of tourist activities with the purpose of creating favorable conditions for sustainable development of domestic and inbound tourism in the regions of the Volga Federal District within the framework of the project "The Great Volga".

This project can offer to become the most large-scale project in the area of tourism, implemented in the Russian Federation over the last years.



Construction and Architecture



Today **461** construction companies are operating in the construction industry of the republic and **7.9** thousand people are employed.

Annually the production of construction materials increases and new kinds of products with the use of local raw materials is developing. In recent years, a number of large enterprises for the production of laminated veneer lumber products, concrete products and structures, cellular concrete, glass, flexible metal profiles, etc. were opened in the republic.

In 2013 the republic witnesses growth in the production of construction materials: reinforced concrete – by **20.2%**, building sand lime brick – by **16%**, cement mortar – by **52.6%**, window units - by **38.4%**.

3 213.3 thous. sq. m of housing were put into service within 2001-2013, including **12** houses for public sector workers.

In 2013 the following buildings were put into service:

- National Presidential General Education Boarding School for Gifted Children
- Business Incubator in the city of Yoshkar-Ola
- Obstetric station in the village of Senkino, Medvedevo district
- Sports Center with a multi-purpose gymnasium in the settlement of Medvedevo
- Gymnasium in the Secondary School of the village of Shoybulak, Medvedevo district
- a number of social facilities, as well as constructed gas and water supply facilities in rural areas were reconstructed.



Construction and Architecture

In 2014 it is planned to put the following objects into service:

- Mari National Opera and Ballet Theatre
- Republican Puppet Theatre
- House of Artistic Unions
- Radiotherapy unit with canyons within the Republican Oncologic Dispensary
- Diagnostic and Treatment unit within the Republican Clinical Hospital of War Veterans
- A bridge across the Malaya Kokshaga river in the city of Yoshkar-Ola
 - first phase of the house for public sector workers on the Voskresensky Avenue in the city of Yoshkar-Ola
 - Sports and recreation centers in the settlements of Privolzhsky
 - A swimming pool in the settlement of Sovetsky
 - 15 obstetric stations in the districts of the republic
 - Nursery schools in the settlements of Shelanger, Medvedevo and the village Senkino
- as well as a number of social facilities in the districts of the republic.

In 2015-2016 the construction of the following object will be continued:

- Mari State Philharmonic Society
- Museum of Childhood of the Republic of Mari El
- Center for Children and Young People's Reading
- Republican Exhibition Center
- Voskresensky Park in the city of Yoshkar-Ola
- Multi-purpose indoor track house
- Multifunctional Center for State and Municipal Service Delivery
- Sports and recreation centers in 5 districts of the republic, paramedic akusherskiy points, as well as nursery schools, general education schools and housing for public sector workers.

The construction of social facilities contributes to the creation of favorable conditions for living on the territory of the Republic of Mari El and to the increase of living standards of people.



TRANSPORT ACCESSIBILITY

The Yoshkar-Ola Airport, regular flights to Moscow, Samara and Ufa.

HOTELS

- Ludoviko Moro Hotel 4*
(49 rooms)
<http://www.hotel-moro.ru>
- Evrika Hotel 3*
(67 rooms)
<http://www.evrikahotel.ru>
- Virginia Hotel 3*
(31 rooms)
<http://hotel-yoshkar-ola.ru>)
- Tourist Hotel 3*
(102 rooms)
<http://yoshkar-ola.amaks-hotels.ru>)
- Stone Boutique Hotel 4*
(16 rooms)
<http://hotelstone.ru>)
- Saiver Guest House 3*
(29 rooms)
<http://hotel-saiver.ru>)

CATERING

A well-developed network of public catering - 193 cafés, 9 restaurants, a developed fast food chain.

LEISURE ACTIVITIES

6 theatres, a philharmonic society, 3 cinemas, concert halls, night clubs, baths complexes.

RECREATION AND SPORT

Residents and visitors of the city of Yoshkar-Ola are offered a wide range of active recreation activities: 2 water sports palaces, 2 ice palaces, stadiums, a tennis court, sports and recreation centers, Internet cafés, museums and art galleries.

MEDICAL TREATMENT

Highly qualified public and private health institutions deliver a full range of health care services.

All the institutions have English-speaking employees.

Comfortable Living Environment in the City of Yoshkar-Ola



Physical Training and Sports



Today a considerable attention is paid in the republic to the development of physical culture and sports, promotion of a healthy lifestyle.

The Republic of Mari El is the leader among the Russian regions by the number of people doing regular physical activities and sports (in 2013 - 34.7% of people).

Over recent years 16 huge sports venues were put into service, now there are 1671 sports facilities in the Republic of Mari El.

2 sports facilities were put into service in 2013: the Akpatyr Stadium in the settlement of Shoybulak, Medvedevo district, and the Vityaz Sports and Recreation Center in the settlement of Medvedevo.

The construction of 10 sports facilities is being continued: the multi-

purpose indoor track in the city of Yoshkar-Ola, the swimming pool in the settlement of Sovetsky, 7 sports and recreation center in the districts of the republic.

38 sports schools are functioning in the republic, more than 16 thous. people attend sports schools.

In 2013 192 sporting and mass participation events were held in the republic in 53 sports, including 2 international and 49 all-Russian competitions, as well as the Russian Federation Workforce Olympic Games where more than 1.5 thous. people participated, and the Olympic Torch Relay "Sochi 2014" with more than 15 thous. participants.

In 2013 42 people were included into the official lists of the Russian national teams.



47 children's schools of art and **2** secondary vocational schools train professionals in the cultural sector.

Cultural institutions are under the process of continued modernization. It is planned to put into service the Mari National Opera and Ballet Theatre named after E.Sapaev, to complete the construction of buildings of the Republican Puppet Theatre, the Museum of History and Archeology, the Republican Center for Children and Young People's Reading.

The construction of the Museum of Childhood has been started, the design activities of the House of Artistic Unions, the Mari State Philharmonic Society n.a. Ya.Eshpay and the Republican Exhibition Center.

It has become a tradition in the republic to hold the following festivals: Theatrical Yoshkar-Ola, Bridge of Friendship, the festival of opera and ballet art Winter Nights, the Festival in honor of Galina Ulanova, Summer Seasons. Creative projects for the Grants of the Head of the Republic of Mari El are successfully implemented.

The Republic of Mari El has long-standing traditions in the development of arts and crafts.

There are **249** collectives in the republican cultural institutions, that is, **2595** involved people. More than **2000** people do arts and crafts on their own.

A system aimed at preservation of traditional artistic handcraft centers is developed. The traditional crafts include embroidery, linen weaving, reproduction of national costumes, processing of natural materials, wood carving, processing of vegetable materials - osier, bast, straw, birch bark and others.

The programs of preservation of the cultural heritage of the peoples living in the republic, preservation of traditional folk arts and crafts are implemented.

The republican festivals "The Fairy Tales of the Mari Forest" and the interregional competition of national costume "Mari Vurgem Pairem Unala Uzhesh" ("The Festival of the Mari Costume Welcomes



The republic's libraries are being computerized, their technical equipment is being renewed, the spectrum of the delivered services is being widened (**199** municipal libraries have access to the Internet).

Art and Culture



You") are held. These events play a significant role in popularization of arts and crafts among the younger generation, they contribute to the revelation of new original names and ensembles.

Folk Arts and Crafts



Representatives of other religions and religious groups also live in peace and concord in the Republic of Mari El. They include Old Believers, Buddhists, Jews, Lutherans, Adventists, Evangelicals, Christians of evangelical faith – Pentecostals and others.

ORTHODOXY

The spread of the Orthodoxy in the Mari land is connected with the events that took place in the middle of the XVI century - the joining of the Middle Volga region to the Russian state. At present time the largest denomination in the territory of the Republic of Mari El is the Russian Orthodox Church.

The Yoshkar-Ola and Mari diocese was formed in July 1993 with the blessing of His Holiness Patriarch Alexi II and became a hundredth of the Orthodox dioceses in Russia.

Urban and rural churches are reconstructed and new ones are under construction. The number of clergymen has grown nearly thrice. The church administrative structure has been established, there are 8 deaneries on the territory of the Republic of Mari El.

THE MARI TRADITIONAL RELIGION

The history of the Mari faith goes to the ancient times. The Mari ancient beliefs are associated with nature, woods, trees. The worship of the forces of nature and reverence of plants, animals, birds, heavenly bodies, objects and phenomena of terrestrial nature is central in the religion of the Mari.

There are 8 registered local religious communities in the republic and one Centralized Religious Institution of the Mari Traditional Reli-

gion. There are many functioning religious groups, more than 600 sacred groves (Mari: "oto", "kyusoto") where prayers take place. The national holidays of the Mari are accompanied by the ancient traditional rites.

In the 90s of the XXth century and till present the Mari prayers have become regular, gathering up to a thousand and even more people, adherents of the Mari Traditional Religion.



ISLAM

In the late 1980's - early 90's of the XX century the Islam was actively revived on the territory of the republic.

In 1992, the mosque was built in Yoshkar-Ola. Since the first half of the 1990s the national and religious holidays Nowruz, Kurban Bayram, Sabantuy, Ramadan have been officially celebrated.

There are 16 registered religious communities of Muslims and 28 mosques in the republic now.

The Muslim population is concentrated in the cities of Yoshkar-Ola and Volzhsk, and also in Paranga, Mari-Turek, Morki, Medvedovo and Zvenigovo districts of the republic.

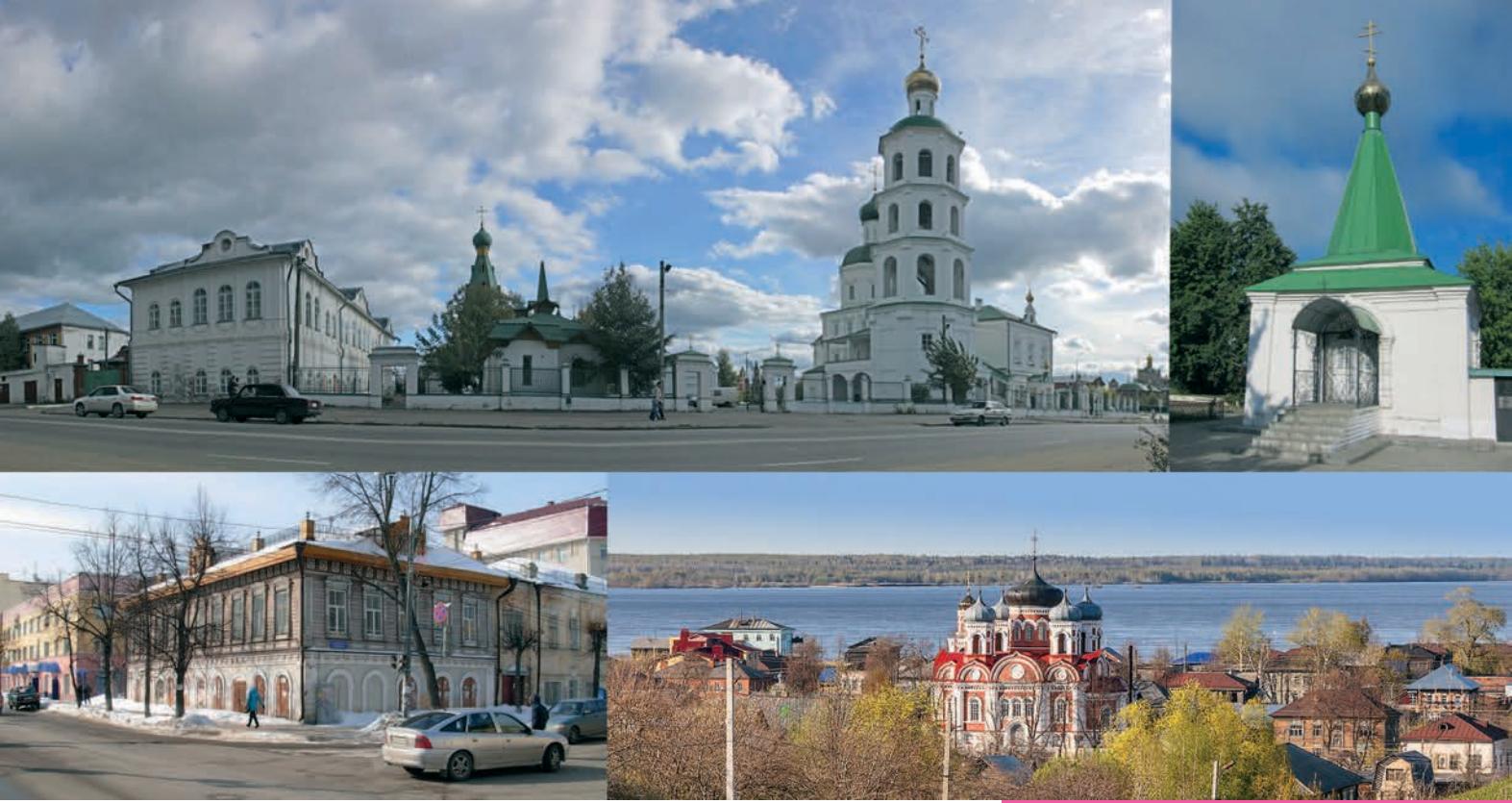
Other religious movements and organizations in the Republic of Mari El are, as a rule, either few in number, or do not have strong traditions on the territory of the republic.

Religion

The Republic of Mari El belongs to the multi-religious territories of Russia, where peoples of different nationalities have been living together for centuries.

According to the results of the social survey conducted by the Mari Research Institute of Language, Literature and History n.a. V. M. Vasilev, 55.6% of the citizens practice Orthodoxy, 17.4% - fully or partly the Mari traditional faith, 4.8% - Islam and 0.4% - adherents of other religions.





There are **1062** objects of cultural heritage on the territory of the Republic of Mari El.

223 objects of cultural heritage are monuments of history and architecture of the regional importance.

The House of Soviets (1937), the Pchelin's House (XVIII century), the Church of the Ascension (1756) Strelets Chapel (1696-1697) and the Church of Yezhovo Mironositskoe convent (XVII century) belong to the monuments of federal significance.

The federal level of protection is given to **124** objects, the regional level – to **875** objects; **63** objects have the status of newly discovered objects of cultural heritage (archeological monuments).

The greatest number of architectural monuments is located on the territory of the city of Yoshkar-Ola - **71** objects of cultural heritage, the town of Kozmodemyansk - **69**, Gornomari district - **15**, Zvenigovo district - **11**, settl. Yurino - **9**, Orshanka district - **8** and **7** – Sernur district.

The objects of cultural heritage taken under protection as architectural monuments are:

- the historico-architectural ensembles and complexes of the historic center of the city of Yoshkar-Ola with surrounding merchant

buildings of the XVIII-XIX centuries and interpretation of the cultural and historic complex "The Tsarevokokshaysk Kremlin";

- the historic-architectural ensembles and old country estates of the XVII, XVIII, XIX centuries on the territory of the preserved area of Kozmodemyansk;

- the objects of the settl. Yurino: the Sheremetevs' Manor with the Main building (Castle) and the Church of Michael the Archangel with surrounding merchant buildings of the XIX century;

- the reconstructed Cathedral church of the Ezhovo-Mironositsky Monastery of the XVII-XIX cent. in the village of Ezhovo, Medvedovo district.

The archeological heritage of the Republic of Mari El is represented by diverse monuments and covers different periods in the history of the Mari land – from the Stone Age until the late Middle Ages.

The districts which are the richest in archeological objects are the Gornomari (**151** objects), Zvenigovo (**162** objects), Kilemari (**96** objects) и Yurino (**86** objects) districts of the republic.

Cultural Heritage of the Republic of Mari El



Public healthcare service



The physical infrastructure of medical institutions has been greatly enhanced. They have acquired modern high-tech medical equipment which allows rendering high quality assistance to patients.

In 2012-2013 there were opened the Regional Cardiovascular Medical Center in the city of Yoshkar-Ola and primary cardiovascular medical units in the town of Volzhsk and settlement of Sernur.

In 2014 the Radiotherapy unit of the Republican Oncologic Dispensary will be put into service, it will provide all types of radiotherapy services.

It is planned to reconstruct the outpatient polyclinic building in the city of Yoshkar-Ola, to construct obstetric centers and other medical institutions in the districts of the republic.

Over 2 100 doctors
Over 7 100 paramedical workers
18 republican and urban hospitals, dispensaries and centers
14 central district and city hospitals
13 hospitals of medical district
6 polyclinics
40 outpatient medical clinics
1 first-aid station and 29 emergency departments

Social Welfare



There are **72** state institutions in the system of social welfare.

Social service at home is provided to **6153** disabled and old citizens.

The work of mobile groups to render social services, as well as services in the sphere of medical care and pension provision of seniors and disabled who have served **16.1** thous. Citizens, is organized.

Since 2013 free computer courses have been conducted for elderly people in the city of Yoshkar-Ola.

Since 2013 in order to render psychological and pedagogical assistance to women and children the family club "Mom's School" has been working. Also the departments aimed at the adaptation and

rehabilitation of families with underage children in difficult life situations are established.

In 2013 the state budgetary institution of the Republic of Mari El "The Republican Center of Psychological and Pedagogical Assistance to the People "Trust" maintained a service to **20.6** thous. people who called for aid.

The main task of the social policy is creation of the conditions for decent life and free personal development.

Over **2.9** billion rubles were directed to the social policy in 2013.



There are 9 major institutions of higher education, including:

- Volga State University of Technology (<http://www.volgatech.net>)
- Mari State University (<http://marsu.ru>)
- Interregional Open Social Institute (<http://mosi.ru>)

There are over 200 specialties represented in the republic.

In 2012 number of companies engaged in innovative activities was 10.6%.

The system of professional education of the republic includes 2 university complexes, 1 non-state high education institution and 6 branches of high education institutions, 26 institutions of secondary vocational education, 2 institutions of primary vocational education.

37.2 thous. people are students and pupils, of which:

0.5 thous. people – trade students;
10 thous. people – secondary vocational education students;

26.7 thous. people – high professional education students

The support of gifted children and young people contributes to the growth in the number of participants and winners (awardees) of the regional stage of the All-Russian Olympiad of schoolchildren (in 2011 - 157 people, in 2012 - 168 people, in 2013 - 181 people).

8 resource centers have been opened in the republic.

The intellectual potential of the republic is being formed on the basis of institutions of higher education, a significant amount of scientific researches is being done, which are commercialized with the help of small enterprises.

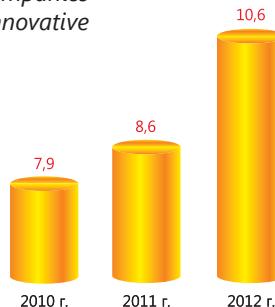
The Mari State University is the center for training specialists in national culture and art, conducting research in history and the Mari language, literature and culture.

The HEI implements about 40 professional development programs in management, information and communication, pedagogical techniques, as well as the Presidential program of managers' professional development "Small and Medium-Sized Business Management", now there are 9 retraining programs.

The HEI has 18 research and educational research schools and 3 research and education centers. There is an innovation center primarily aimed at the integration of the HEI into the unified job training process, as well as at raising of funds for research and development and attraction of venture capital investments.

The Volga State University of Technology trains specialists in radio electronics, machine building and metal processing,

Number of companies engaged in innovative activities, %



The skill profiles of the resource centers are construction, clothing manufacture, wood working, welding industry and machine building, hotel servicing and public catering, road construction, energy engineering.

More than 200 short-term programs are implemented in the resource centers.

Among those who completed their training in 2013 there are enterprises and companies employees - 24%, unemployed - 11.5%, other population categories - 32.4%.

4 federal internship sites operate that are aimed at developing educational milieu considering national, religious and ethnocultural peculiarities of the region; promotion of models of healthy and safe lifestyle culture formation; socialization of small children with disabilities within a preschool education institution; propagation of innovations in the development of technosphere activities at children's extended education institutions.

public road system, forest management and restoration, wood working, tourism and service and other fields.

The HEI houses 24 innovation enterprises, as well as the science and technology centers, business incubator, center of automated machine building, students' engineering bureau, common use center, botanical garden-institute, educational-experimental forestry, 7 research laboratories founded together with the institutes of the Russian Academy of Sciences.

On the base of the HEI the Interregional Field Resource Center operates in the field of forestry, which has united 18 education institutions of the three federal subjects of Russia. It studies bio-, nano-, information and communication, construction, management and other technologies and industries.

The annual volume of the VSUT scientists' researches is more than 200 mln rubles. The university actively participates in the Russian programs "U.M.N.I.K." and "START".

Capacity of the Workforce and Innovation

313.2 thousand people are involved in the economy.

40.2 years old – average age of people involved in the economy.

18.4 thousand rubles – average monthly salary in 2013.

25.4% of people involved in the economy have higher vocational education and 28.3% - intermediate vocational education.

Education, System of Personnel Training

The network of education institutions of the republic in 2013-2014 consists of 609 institutions of different types.

113 thous. people are the total number of students and pupils.

Education, System of Personnel Training



The Republic of Mari El is the land with an amazingly beautiful nature, rich in lakes and forests. In the republic there are lots of picturesque places where it is possible not only to enjoy the scenery, but also to see the rare animals and plants listed in the Red Data Book.

The picturesque places include Nature Reserve called Stone Mountain, National Park Mari Chodra and State Nature Reserve Bolshaya Kokshaga, Nature and History Reserve Mountain Zadelie and a great number of others.

In the republic there are more than **600** lakes, most of which are of karst origin, which are clean and deep, over **400** rivers with the total length over **7** thousand kilometers. The Volga river flows along the republic throughout **155** km. The rivers Ilet, Bolshaya Kokshaga, Yushut, Kundysh are among the most environmentally friendly European rivers and the lakes Yalchik, Kichier, Mor-skoy Glaz and Karas are pure pearls of the Mari land.

Forests cover more than half of the territory of the republic.

The mineral resources sector comprises such raw materials as gypsum and anhydrite, carbonates, haydite, building stone, concrete sand and sand for silicate products, brick and tile materials, peat and sapropel. The republic has explored fields of glass and crystal containing materials, cement materials and therapeutic muds.

The republican balance of mineral reserves registers **236**

fields, among which **52** fields are in the licensed deposits and **45** fields are under development.

The republic produces sand, mud, sapropel and peat, limestone for production of crushed stone, rubble stone, limestone flour and selectively building lime. Calcareous and ceramic brick, keramzit, glass, wall materials are produced. The enterprises are provided with local raw materials for manufacturing products that enables the development of construction, road-building and agricultural systems through the use of local natural resources.

The republic has sufficient reserves of mineral waters, surface waters, high salinity (near Maple Mountain), or with specific components (Fe, Ag, etc.).

The Republic of Mari El is rich in recreational resources, it is the lands of the National Park Mari Chodra, green zones around settlements, spa zone around the lakes Shap, Tahir and Karas, recreation zones along the banks of the Volga river near the village of Kokshaysk which have the status of protected territory with a total area of 92 hectares and is used for rest and health strengthening of people, and for tourism.

The network of protected areas can solve the problem of conservation of biological diversity of ecosystems, environmental standards and unique natural landscapes, and the natural diversity can develop domestic and inbound tourism.

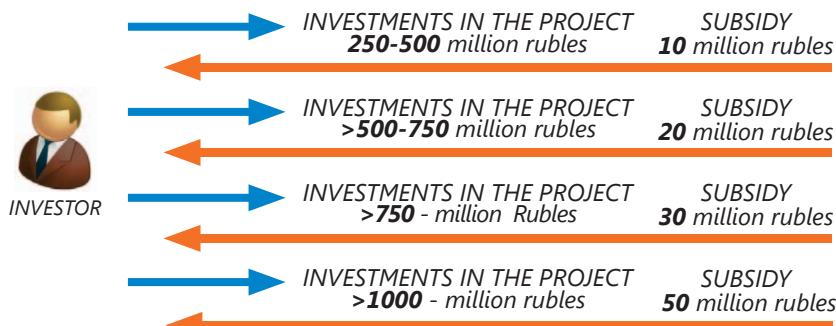
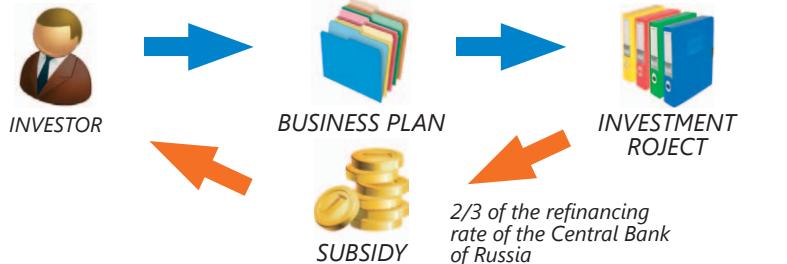
Nature Resources



State support of investors

5 years

from the moment of occurrence of the taxable base



Tax on the profit of organizations



6 years

from the moment of tax base formation

Corporate property tax



20 years

from the moment of tax base formation



10 years

from the moment of tax base formation



3 years

from the moment of tax base formation



3 from the years
when the rate was used
for the 1st time

Rental payment for the land owned by the Mari El Republic

0,01%
from cadastral value of the land

3 years

Development of areas of interest

Location:

- Medvedevo settlement and adjoining the border of the city of Yoshkar-Ola

Distances:

- Distance to the federal highways:
road Vyatka - 3.5 km;
road R-175 - 8.5 km
- Distance to Yoshkar-Ola Airport – 13.8 km
- Distance to Aksamatovo railway station - 0.5 km

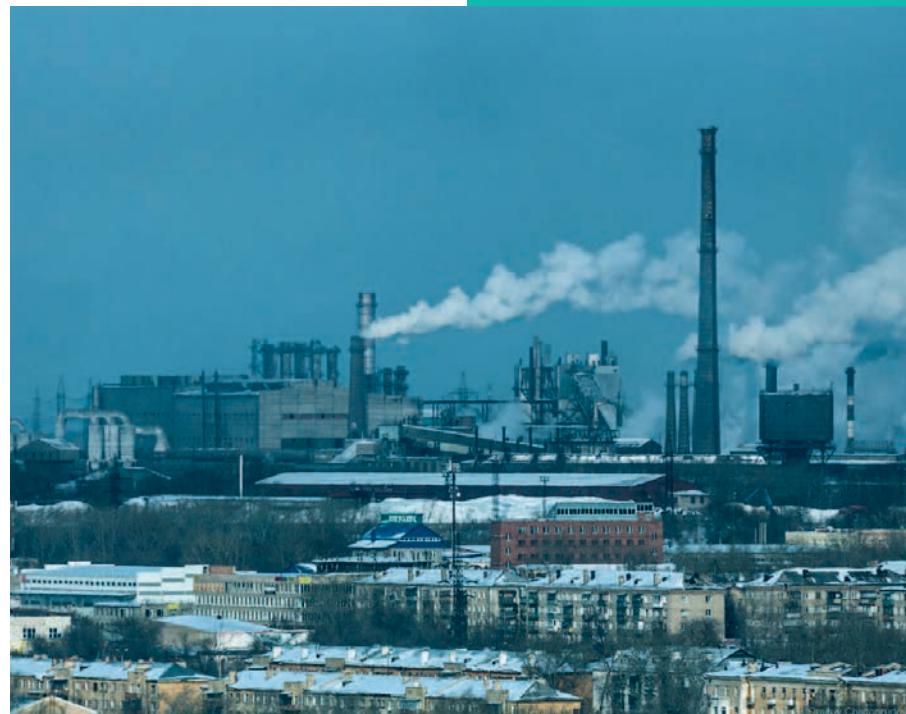
Land area of 150 hectares

Population:

- The city of Yoshkar-Ola – 260.3 thousand people
- Medvedevo – 17.1 thousand people

Advantages:

- Tax benefits and subsidies for investors
- Investment support of projects
- Creation of utility and transportation infrastructure out of public funds
- Provision of shaped land lots
- Convenient location
- Availability of transportation utilities



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+7 960 099 3333
e-mail: investagency@yandex.ru
site:
www.facebook.com/InvestInMariEl

Igor L. Gubin - Head of the Agency of investment development of the Republic of Mari El

The specialized organization for support of the investment projects in the territory of the Republic of Mari El

Providing a mode of «one-stop-shop service» for investors on co-operation with authorities of the Republic of Mari El

The representation of economic interest of the Republic of Mari El in the projects of public-private partnership (such as concessions)

**Agency
of investment
development
of the Mari El
Republic**

