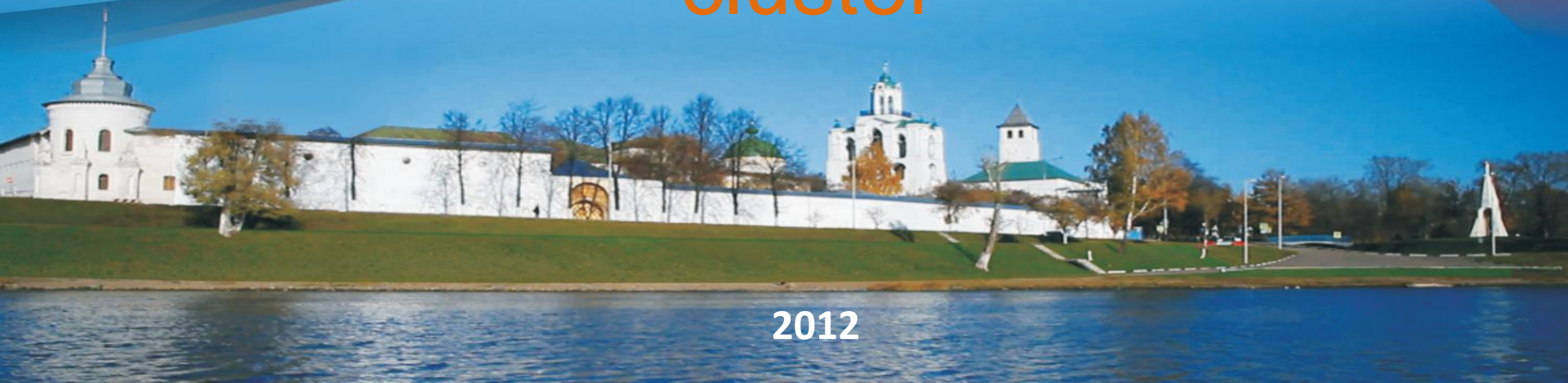




Government of the Yaroslavl Region

Yaroslavl region- the
area of the development of
automotive components
cluster



2012



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Automotive components industry in the Yaroslavl Region

The history of automotive industry started nearly 100 years ago



- 1916 - Car plant was opened in Yaroslavl
- 1917 - the first truck Y-3 with load-lifting capacity of 3 tons was produced
- 1931 - the YAG10 truck with load-lifting capacity of 8 tons was produced. We started to supply new coating materials and varnishes to GAZ company
- 1932 - a bus YA-2 with capacity of 100 passengers was produced
- 1932 – Yaroslavl Tire Plant (YASHZ) was opened. The first Russian tire produced
- 1933 - the first local diesel engine was produced
- 1936 - the first trolleybus was built
- 1951-1958 –production focused on diesel engines
- 1977 - YZDA plant started to supply diesel equipment
- 1980 - production of combine harvesters YSC-170 started
- 1990 – YASHZ released the first metallic-cord tire
- 2006 - joint venture DuPont Russian Coatings was established
- 2011 – production of a new family of engines JAMZ – 530 is planned



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Automotive industry in the Yaroslavl Region



Engines and components

**«Autodiesel», Tytaev Motor Plant,
YAZTA & YAZDA plants**

**Engines, gearboxes, fuel systems,
pump elements, engine control
systems**



Tyres and mechanical rubber goods

Yaroslavl Tire Plant, Yaroslavl Plant RT

**Tires, gaskets,
sealing rings, cuffs,
barrels, cases, caps**



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Automotive industry in the Yaroslavl Region

Enterprises of the region deliver their products to the major Russian and foreign car manufacturers



Transmission, cables

**TIIR, Fritex, Markon,
RybinskAutoCable plants**

**Sealing, covers,
brake pads,
pump elements, cables**



Car's coatings

**DuPont Russian Coatings
Automotive and conveyor
materials, lacquers, primary
coatings, electrovection**

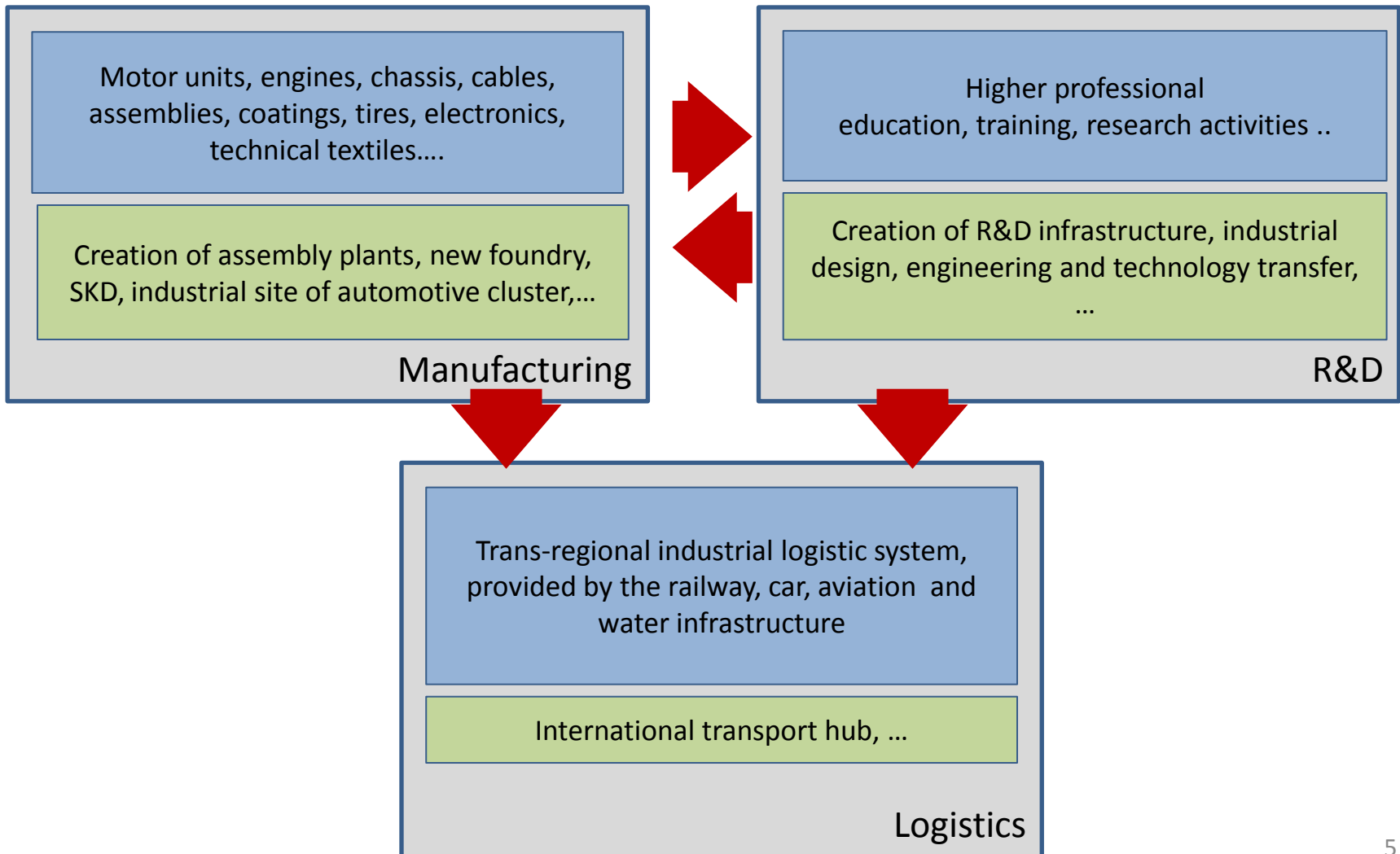


Units

**Savell, Multitruck
Assemblies, bodies,
tanks, wagons**



Basics of automotive components cluster





The development strategy of automotive components cluster

Leading industries of the region

Directions of development

Technical textiles

Production of passenger compartment items

Chemical industry

Production of high quality motor oil and car chemicals

Production of plastic items

Manufacturing of rubber products

Expansion of OEM-coatings production

Automotive industry

Placement of assembly plants, stamping

Foundry

Production of engines, fuel systems and components

Power engineering industry

Production of electric and hybrid engines

Radio electronics

Manufacturing of lighting equipment, electronic control units, etc.



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Cluster projects: Autodiesel plant (YAMZ)

Medium diesel engines YAMZ-530

The new family of inline engines YMZ-530 is being developed at Yaroslavl Motor Plant "Avtodiesel" jointly with the Austrian engineering company AVL List.

- The fundamentally new design using advanced technologies;
- Compliance with the requirements of "Euro-3 and Euro-4/5" combined with very low operating costs;
- powerfull from **120 to 315 hp**

The project goals:

- ✓ **Maximum satisfaction of the GAZ Group enterprises needs in their own power units**
- ✓ **Expansion of the product line**
- ✓ **Strengthening the positions of "Autodiesel" as a leading manufacturer of diesel engines in Russia and CIS**
- ✓ **Creating opportunities for entering the world market**

Project indicators:

- **The investment amount** - **340 mln. USD**
- **Production capacity** - **up to 50 000 units/year**
- **Start of manufacturing** - **October 2011**



YAMZ 530





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Prospects of YAMZ-530 engines application

**New consumers
Of YAMZ engines**

Currently used engines

**Engines
since 2012**

| | | | |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------|
|  | <p>ГРУППА ГАЗ РУССКИЕ АВТОБУСЫ</p> <p>ПАЗ ГолАЗ ЛмАЗ КАВЗ</p> | <p>Cummins, MM3, CAT, Deutz, V-shaped YAMZ Euro-3</p> | <p>YAMZ-534/536 Euro-4</p> |
|  | <p>ГРУППА ГАЗ ООО «КОММЕРЧЕСКИЕ АВТОМОБИЛИ - ГРУППА ГАЗ»</p>  | <p>Cummins, MMZ Euro-3</p> | <p>YAMZ-534 Euro-4</p> |
|  | <p>ГРУППА ГАЗ ДИВИЗИОН «СПЕЦТЕХНИКА»</p>  | <p>Perkins, Deutz, MMZ Regulations 96-01</p> | <p>YAMZ-534/536 Euro-4</p> |
|  | <p>ОБЕНО-ПРОМЫШЛЕННАЯ КОМПАНИЯ ВПК MILITARY INDUSTRIAL COMPANY</p> | <p>Cummins</p> | <p>YAMZ-534</p> |



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GAZ-group partners



**AVL List (Austria) – a partner in
design and testing of engines**



**Comau (Italy) – a partner in technological
engineering**



One Global Company





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Priority Clusters – Auto components industry

«Komatsu Manufacturing Rus»

The project started in 2009 with the investment agreement.



In **September 2010** fully equipped plant proceeded to business.



Cluster projects: I.L.M. Foundry

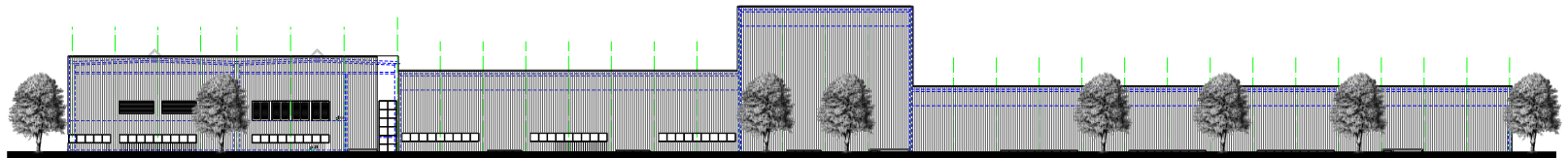
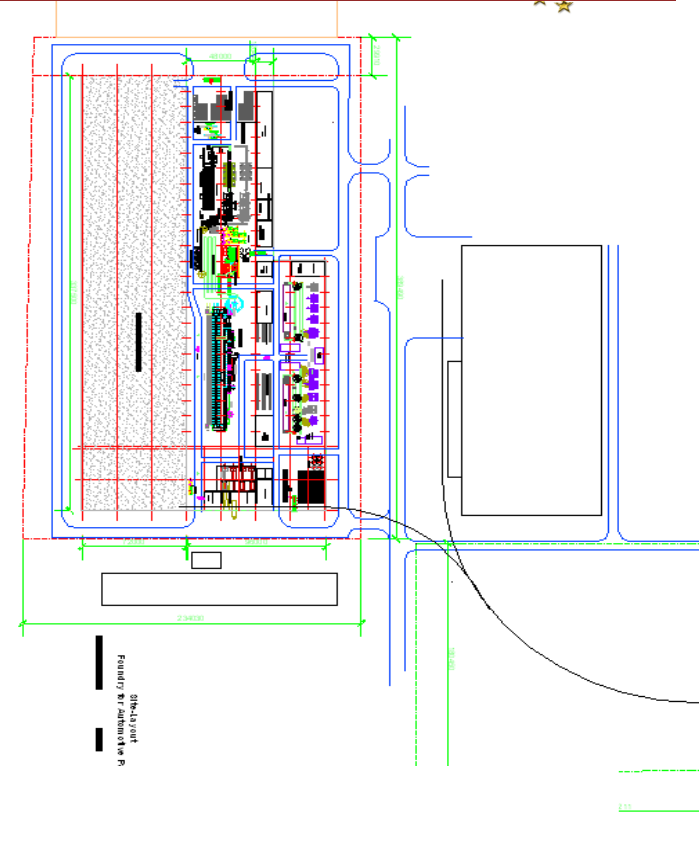
- **Industrial site** - Greenfield in Tytaev , supplied with all necessary communications
- Project is developed by «Krapohl – Wirth Foundry Consulting» (KW).
- Equipped by modern facilities of leading world manufacturers (ABP, Kunkel Wagner, Loramendi, etc.)
- Gradual increase of production capacity

1-st molding line - 30 thousand tons of high quality casting, (the same line with additional features can increase output of casting up to 60 tons).

2-nd phase - 60 - 120 thousand tons is planned and will require the installation of the second line. The expansion of the plant area up to 100 000 m2 is planned.

Proposal to investors:

- **Rate for a technological electricity connection = free**
- **Tariff for electricity– 2,6 rub. per kWh**
- **Tax benefits**
- **Available workforce**
- **Education Development Center of competence**





Factors to select the region

investor expectations vs. regional observations

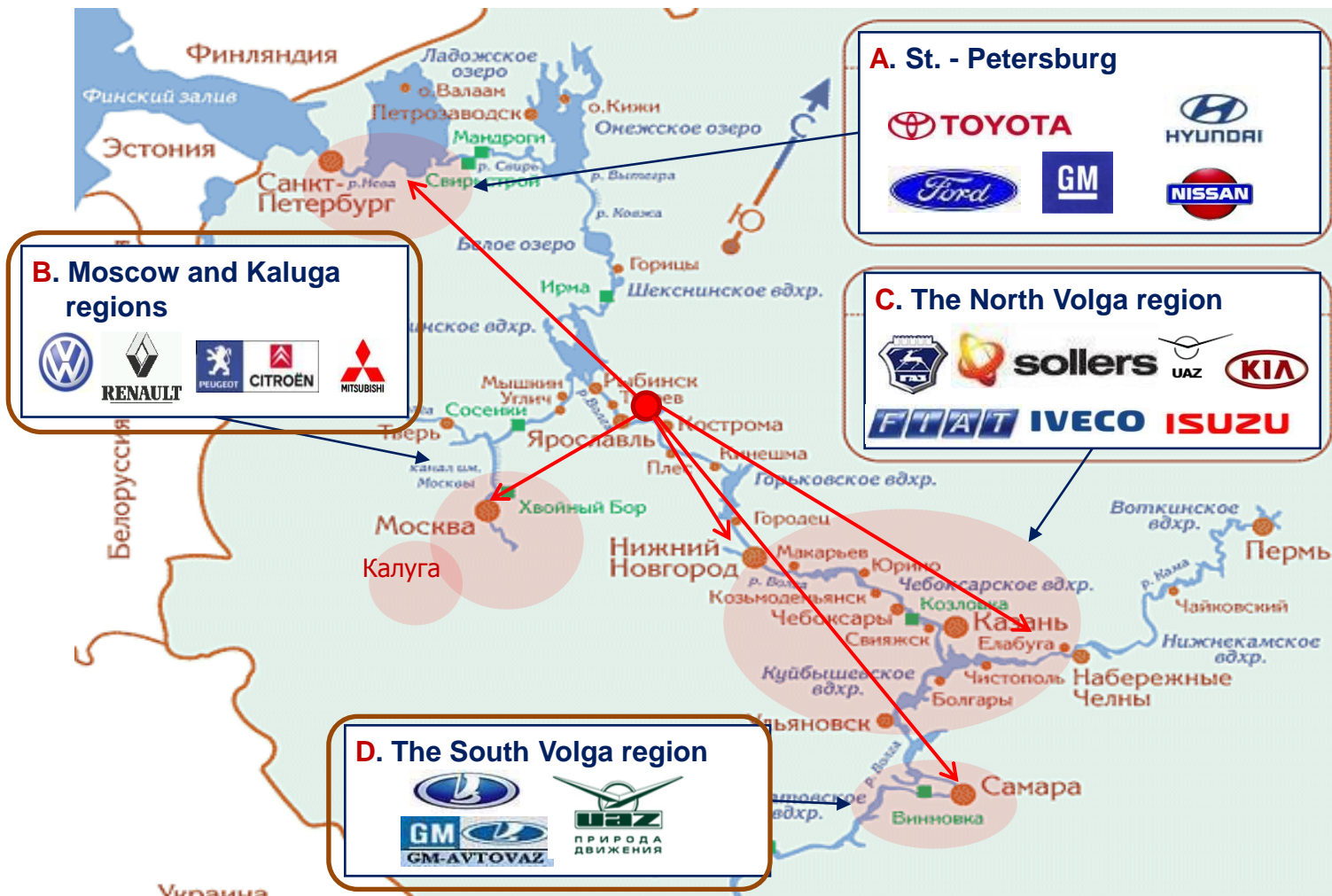




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Yaroslavl region

The central position of the region between the main centers of automotive industry

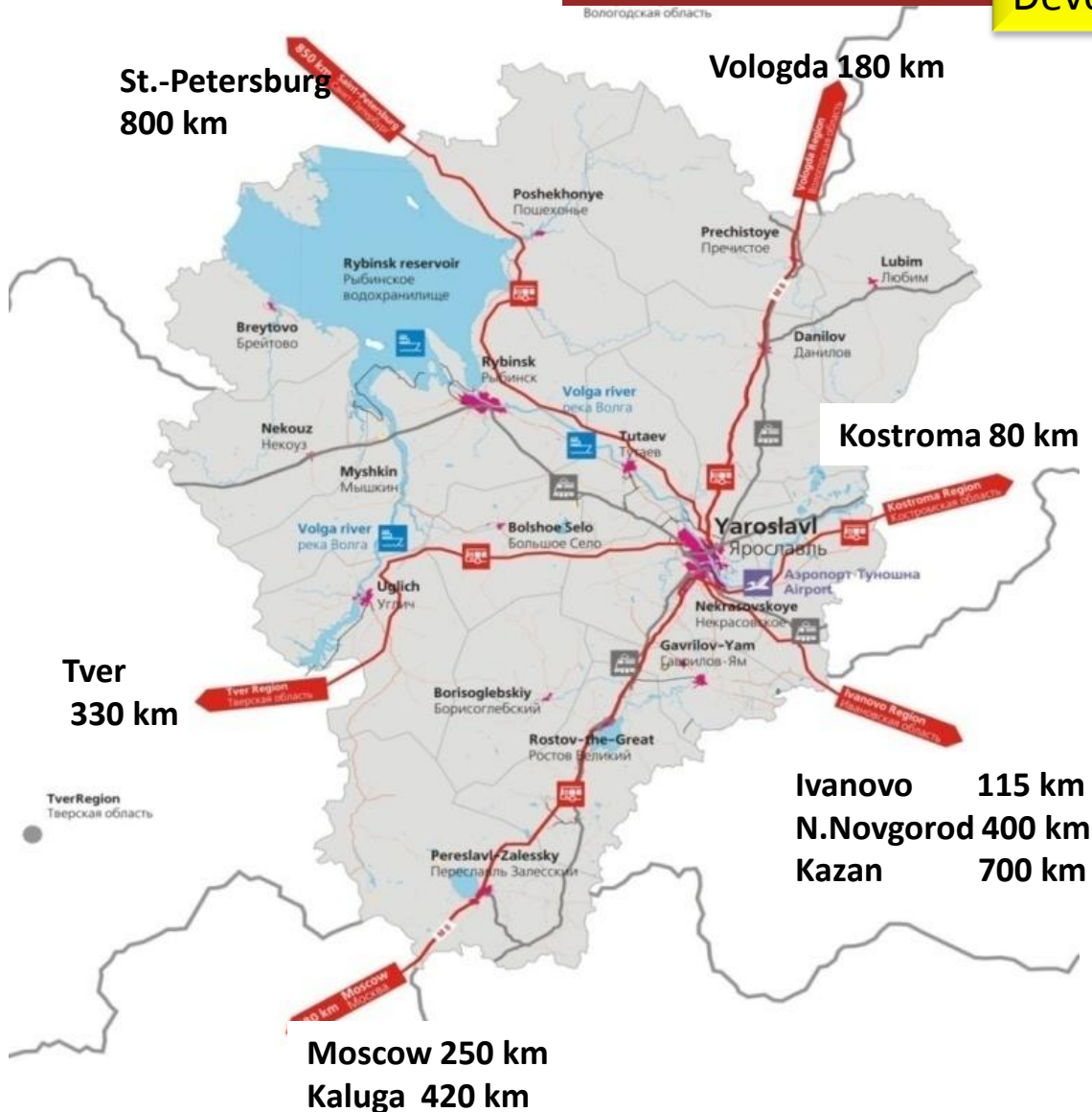




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Advantages of the Yaroslavl region

Developed logistics of the region



- Regular rail communication with Moscow (4-hours travel time), St. Petersburg, Samara. Routes to the Urals and the Far East

- It is planned to launch “Sapsan” train in nearest time (travel time 1.5 h)

- car journey to Moscow (260 km) - 3 hours, to Nizhny Novgorod (600 km) - 7 hours, to Kirov (360 km) - 4 hours, to Vologda (180 km) - 2 h

- Distance to Sheremetyevo airport 300 km – 4 h.

- It is planned to build a new road from Sergiev Posad to Rostov - travel time to the Moscow Ring Road will be no more than 2 h



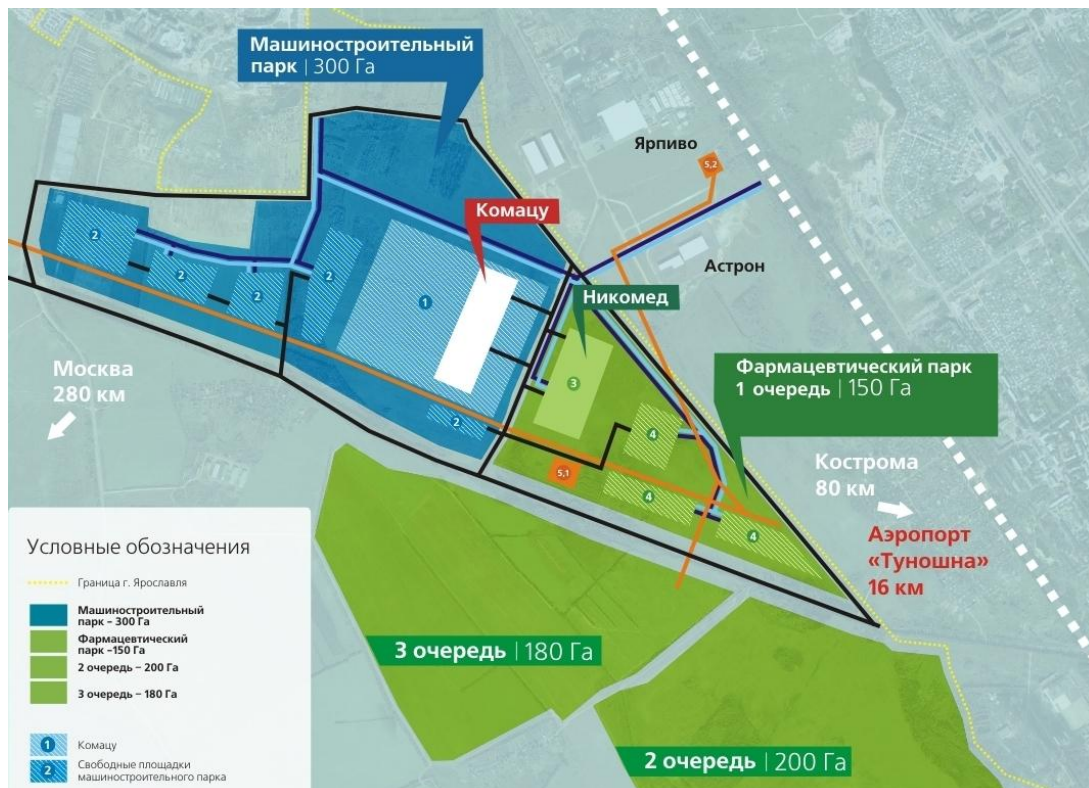
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Industrial sites of the region





Industrial site «Novoselki», Yaroslavl



Greenfield

- Area - more than 450 hectares with prospects for expansion
- The possibility of choice
- Gas, water, sewage systems, electricity supply, available infrastructure
- Potential producers can be located next to existing residents (Komatsu, Astron Buildings, Nycomed, Baltic)
- The possibility to locate production in a sanitary zone from 50 to 300 meters
- Support of infrastructure development for new investors

- Located on the border of Yaroslavl city
- Near the road «Yaroslavl - Kostroma»
- 3 km to the federal road M-8 «Moscow-Arkhangelsk»
- 7 km to the main railway, 2 km to the terminal endpoint of the railway, 8 km to the railway station
- 16 km to the airport «Tunoshna»



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Tytaev industrial park “Master” - BROWNFIELD



The total area to lease will be **84 500 sq.m.**

Infrastructure

- **Electric power supply:** available capacity up to 8,3 MW
- **Water supply:** available capacity up to 16 m³/hour.
- **Heat supply:** available capacity up to 100 Gkal.
- **Gas supply:** available capacity up to 10 million m³/year
- **Existing railway platform with cranes.**



Industrial site «Rostovskaya»

Location: northern part of Rostov

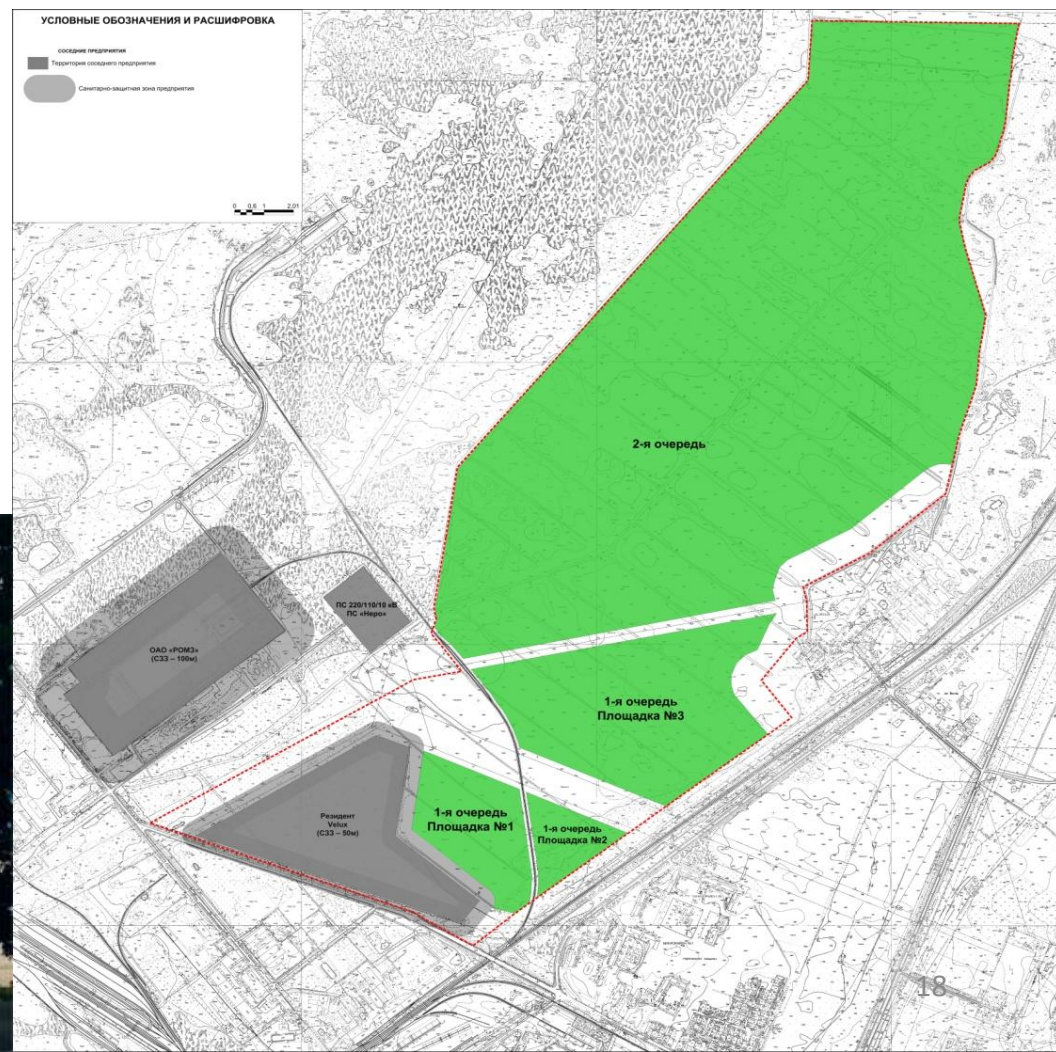
Area: 200 ha

Type of permitted use: for the placement of industrial enterprises up to I class of hazard.

Current residents: CJSC «MD-RUS» (Velux), «R-Farm»

Specialization: Pharmaceuticals, wood processing.

Greenfield





Industrial site «Rybinskaya»

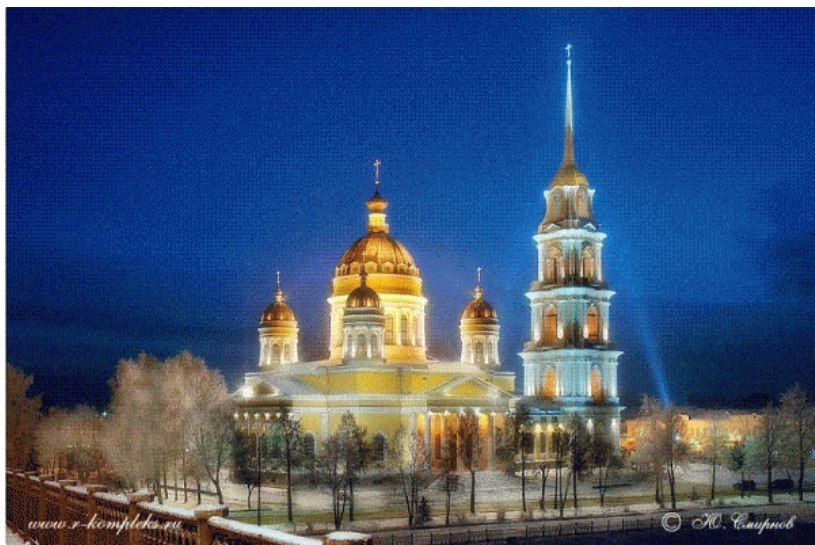
Location: eastern part of the Rybinsk

Area: 160 ha

Type of permitted use: for the placement of industrial enterprises V - III class of hazard.

Current residents: «General Electric», «VimpelCom»

Specialization: energy-machine producing, Hi-Tech industry.



Greenfield





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The Yaroslavl Region advantages

Positive experience

It's easy to Build

- roads
- accessible infrastructure
- power network
- availability of modern industries, materials

The first European-quality plant in Russia by Lindab-ASTRON



Astron buildings plant, 14 000 sq.m.



Komatsu plant in Yaroslavl is designed and built by
ASTRON Buildings, (Industrial Site “Novoselki”)



Komatsu plant, 50 000 sq.m.



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Advantages of the Yaroslavl region

Workforce availability

The training system for specialists

Leading State universities, producing specialists of engineering qualification :

- Yaroslavl Technical University
- Aviation Technological Academy
- Yaroslavl State University
- etc.

- **58 000 students**
- **38 institutions of higher education**
- **61 institutions of higher and secondary professional education**

Spheres of professional education:

- **Automotive Technology**
- **Metallurgy**
- **Automatic control and Management**
- **Engines designing and building**
- **Engineers of electrical power systems**
- **Electrical , radio engineering**
- **Chemical engineering**





Forms of regional government support

Tax benefits

- Period: 7 years with the possibility to extend up to 9 years
- Full property tax exemption (rate – 0%)
- Reduced income tax rate by 4,5 % (up 15,5 %)
- Full vehicle tax exemption (rate – 0%)
- Tax benefits for a land tax
- Possibility of getting subsidies from the budget to compensate the costs of infrastructure, as part of an investment agreement

Support and maintenance of projects

- Selection of sites for investors;
- Support of infrastructure issues;
- Participation in negotiations with the infrastructure companies, federal and local authorities;
- Fast gaining of necessary approvals and permits;
- Assistance in registering of a local company of the investor ;
- Assistance in staff training.



www.yarregion.ru

Thank You for your attention

Welcome to Yaroslavl region

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