



Flag of the Kaluga Region

KALUGA REGION



Coat of arms of the Kaluga Region

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2. Information about Kaluga region

The Kaluga region was established in 1944. The Kaluga region is located in the Central area of Russia to the southwest from Moscow. It borders with the Tula, the Oryol, the Bryansk and the Smolensk regions. The total area is thousand 29,8 km². Important international railway lines and highways cross the territory of the region: Moscow--Bryansk-Kiev-Lvov-Warsaw. Kaluga is 190 km far away from Moscow by car. Population – 1 002, 9 thousand people. Regional centre – Kaluga city (341,7 thousand people.) is situated 188 km. to the south-west of Moscow.

Source of raw materials : About 500 deposits of 19 kinds of mineral resources were explored in Kaluga region. For example, lignite comprises 36% of the exploited reserves in the Near Moscow basin; fire-resistant and refractory clays comprise 61%, glass making sands - 20%, phosphorites - 17%, tripoli, - 10% of the exploited reserves in Central region of Russia.

Forests occupied 43 per cents of the territory of the region.



Manpower potential : Economically active population – over 530 thousand people (over 50% from the total population of the region).

Market infrastructure: 4 regional banks and 27 branches of foreign credit organization function in Kaluga region; two regional insurance organizations; 23 branches of insurance companies of other regions; 4 organizations rendering leasing services; organizations rendering consultative services in the sphere of economics, audit and management; Kaluga Chamber of Commerce.

State power in the **Kaluga region** is based on the separation of legislative, executive and judicial.

The system of state authorities consists of:

- the highest official in the Kaluga region – **Governor of the Kaluga region Anatoly Artamonov;**
- the highest executive organ of state power of the Kaluga region is Administration of the Kaluga region;
- bodies of executive power of the Kaluga region;
- judicial authorities of the Kaluga region.



Responsible for business development, investment activity and innovation are:

- Deputy Governor - **Maxim Akimov**
- Deputy Governor - **Maxim Shereykin**
- Minister of Economic Development - **Rouslan Zalivatskiy.**

Questions of investment activity and international cooperation are entrusted to the Ministry of economic development.

More detailed information about Kaluga region, structure of executive authorities, regional legislation and also the total list of the regional enterprises and investment proposals are placed at internet sites of the Government of Kaluga region: www.admoblkaluga.ru

3. Economy

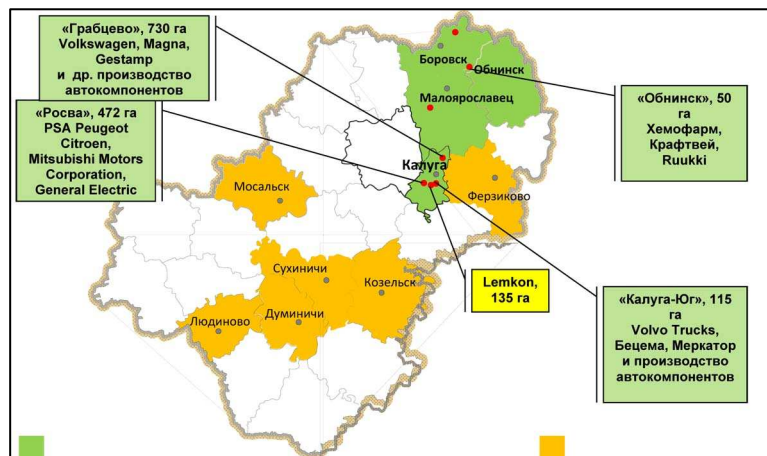
The Kaluga region has competitive advantages, which create favorable conditions for attracting investment and constant development.

Investment policy of the Kaluga region: One of the key decisions in investment policy of the region was the creation of the special areas (industrial parks) for investors. Thanks to this we were able to provide investors with all necessary communications. So the region became the pioneer in sphere of creation the most comfortable facilities for investors in Russia.

During for the previous years a lot of big foreign investors were attracted on the territory of Kaluga region. They had located their plants in industrial parks. Because there are developed infrastructure with water supply, gas supply, power supply, spure- tracks and ect. on the territory of industrial parks.

The creation of industrial parks on the territory of Kaluga region based on the following principles:

1. To provide investor with tax breaks,
2. Preparation of the high-quality land plots,
3. Assingation to the investor of the land plot with delivered infrastructure,
4. Support in tenet and property rights for the land plot,
5. Support on all stages of realization of investment project.



Now there are 5 projects of state industrial park's development: "Vorsino", "Kaluga- South", "Rosva", "Grabtsevo", "Obninsk"; and first private industrial park- "Lemcon".

Large foreign firms investing to Kaluga region:

Main statistic data:
In 2009 gross regional product (billion rubles) - 158 398,9 .

Foreign trade activity: Foreign trade partners – companies from over than 90 countries of the world. Foreign trade turnover in 2009 comprised 4,5 bill. US \$.



Foreign investments: The region's investment policy in sphere of investment's attraction only during 2 last years helps to attract 20 partners with total investments over 1,5 billions euro.

Export – \$ 219.25 million;

Import – \$ 3 268.81 million

4. Industries

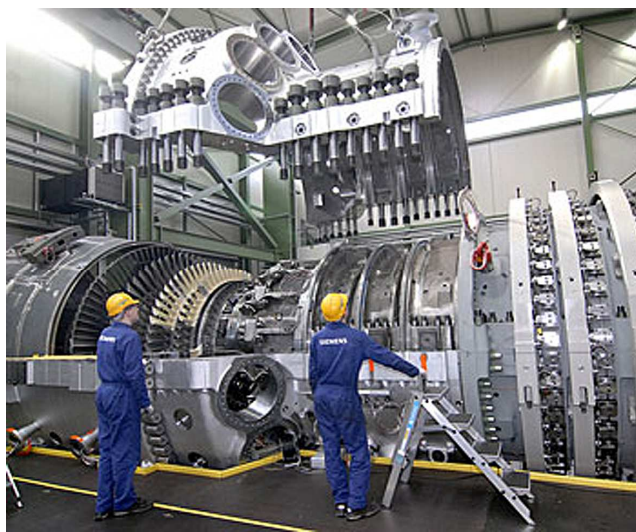
Nowadays 30 % of the gross regional product are produced by industrial sector of the economic of Kaluga region. 1/3 part of the population is employed in the industrial sector.

In case of absence of the own source of raw materials, auto building and metal working industries are successfully developing in the region. Also there are pulp and paper industry enterprises, construction materials industry enterprises and food industry enterprises who constitute the main industrial potential of the region. The total number of the industrial enterprises of the region is over 2500.

Competitive production: Vehicles, cars and tracks, auto electric equipment and auto components, turbines, turbine engines, radar equipment, railway itinerary machinery, TV-sets and domestic radio electronic equipment, food industry, pulp and paper industry, wood-fiber and wood-shaving plates, metal and metal-plastic constructions and products, ceramic sanitary-technical products, building ceramics, check-out equipment.

There are industrial parks that were created for allocation of the new companies on the territory of Kaluga region. Total are is 2475 Ha. Among them:

- Industrial park «Vorsino» - LLC «Samsung Electronics Rus Kaluga», LLC «Nestle Purina PetCare», CJSC «L'Oreal» ect.;
- Municipal industrial zone «Obninsk» – LLC «Ruukki Rus», LLC «Lotte», LLC «Hemofarm» ect.;
- Industrial Park «Grabtsevo» - LLC «Volkswagen Rus», LLC «YAPP», CJSC «Magna», LLC «Visteon», LLC «Benteler», LLC «Lear» ect.;
- Industrial Park «Kaluga - Yug»- CJSC «Volvo Vostok», LLC «Becema Kaluga» ect.;
- Industrial park «Rosva» – LLC «Peugeot Citroen Mitsubishi», LLC «General Electric» ect.



The Kaluga region become the center of forming of the **new clusters of Russia**: Car building and auto components cluster; Bio technology and pharmacy cluster; Nuclear medicine cluster.

5. Kaluga region activity for Small and Medium business support and increase of export potential

Small-scale enterprises have stable positions in the sphere of paid services provided for people, in construction, in production. The major part - the third of all small-scale enterprises - is the enterprises with the principal type of activities as: wholesale and retail trade, vehicle and motorcycle repair, household device and personal belongings repair. There are a number of enterprises with manufacturing activities, their ratio amounts to not more than 17,4 % of total small-scale enterprises,

construction -13.3 %. The export-oriented enterprises were more confident in planning their economic development supported by the government. Additional funds are allocated to export-oriented activities, installation of new production facilities, application of new technologies, and purchase of modern equipment.

Kaluga Chamber of Commerce and Industry (KCCI) financial independent organization existing on full self-support of services for Small and Medium Enterprises in the Kaluga region (www.tppkaluga.ru)