

Great Stone Industrial Park



July 2020



What is Great Stone?

- “...the country’s most important joint project.” Alexander Lukashenko, President of Belarus
- An industrial park with an area of 112 km² ≈ Paris
- Part of China’s One Belt, One Road Initiative
- The China–Singapore Suzhou Industrial Park is the prototype for Great Stone



Where are we now?

- In 1st phase of development, area 8.5km²
- Developed infrastructure with \$249m invested
- >50% of phase 1 land plots occupied
- Production facilities of 65k m² built, of which 85% are utilized
- International recognition

- 62 residents registered in the park
- \$314m invested by residents as of Q1 2020
- 800 jobs created in the park

Where do we want to be and when?

Short to medium term – next 5 years

- Commence 2nd phase of development
- Rail
 - Rail freight terminal: the largest in the Silk Road Economic Belt, to be built by Duisburg Port and their partners
 - Direct connection to the national airport and Minsk, commencing this year
- 250 resident companies

Where do we want to be and when?

Longer term and ultimately

- Complete 2nd phase of development
- A city with up to 130,000 residents
- Infrastructure investment of \$2bn
- Foreign direct investment of \$2bn - \$5.5bn

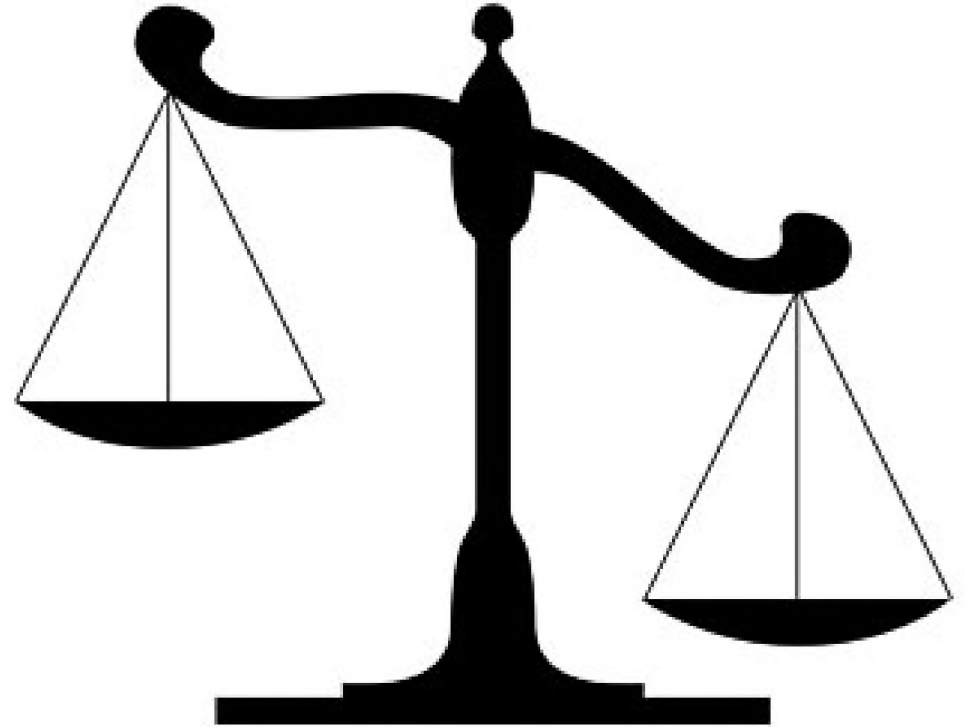
Criteria to become a resident

- Operating sector
 - Manufacturing
 - Engineering
 - Logistics
 - R&D
 - E-commerce
 - Data processing
 - Others
- Investments of:
 - \geq \$500k within 3 years or
 - \geq \$5m in total



Why become a resident of Great Stone?

- Facilities
- Ease of doing business
- Savings
- Geographic location



Facilities - ready to use infrastructure

Electricity sub station, 50 MW



Street Network



Sewage Treatment Plant



Rainwater Treatment Plant



Facilities - ready to use administrative / support

Office space



Exhibition Centre



Innovations Centre



Residential



Facilities - ready to use production and logistics

Production



Production



Production



Logistics



Ease of doing business

- Ownership / lease options
- One Stop Shop service
- On site customs clearance
- Simplified customs zone
- Construction legislation relaxed
- Unique legislative simplifications and amendments



Ease of doing business

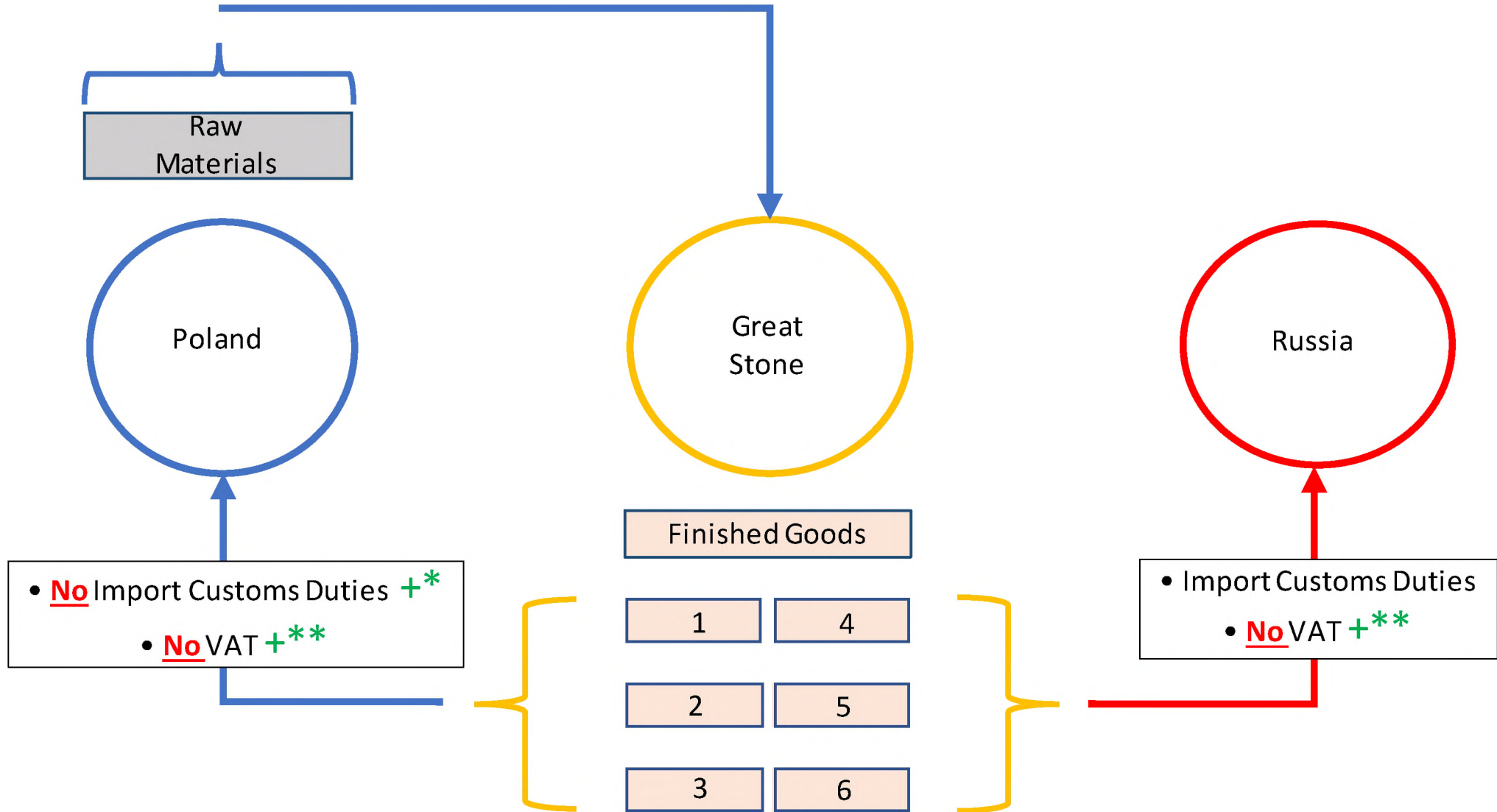
- Unique legislative simplifications and amendments
 - “Simplified tax regime due to exemptions, also removes uncertainty
 - Some rules relaxed (bk a/cs, foreign currency holdings)
 - Timescales to perform foreign trade transactions removed
 - Visa regime 180 days

Savings

- “Benefits matching” => always the most favorable terms
- Guarantees of unchanged business environment (Grandfather clause)
- Customs duties benefits of 5% to 20%
- VAT benefits up to 20%
- Company tax benefits
- Payroll taxes
- Other cost benefits – labour and utility costs



Savings: Import Customs Duties and VAT benefits



+ = Benefit of being in at Great Stone

Savings: on equipment and spare parts

- No Customs duties or on equipment and spare parts
 - No import customs duties or VAT on equipment and spare parts brought in from anywhere (EEU / EU / RoW)
 - Can increase scope of project to allow duty free import on subsequent equipment

=> if not in a FEZ, customs duties are payable on equipment and spares for start up at 5%-20% and VAT at 20%

Savings: company tax benefits

- Corporation tax
 - 0% first 10 years after first profit made
 - 50% of standard charge till 2062, = 9% currently
- Dividend tax
 - 0% for first 5 years after first profit made, 12% currently
- Property and land tax
 - 0% till 2062 , 1% currently





Savings: payroll taxes

- Employer contributions capped at 35% of the national average wage
 - $35\% \times \text{€}466 \text{ /mth} = \text{€}163 \text{ /mth} \Rightarrow$ no additional employer tax to pay on salaries $>\text{€}466 \text{ /mth}$
- Employees payroll tax rates reduced to 9%, from 13%









Savings: labour costs

- Low labour cost country

	Belarus	Czech	Russia	Poland	Germany
Average monthly salary	466	1255	693	1205	3771
IT-specialist	1375	1759	1299	1732	5012
Engineer	611	1392	765	1396	4145
R&D-specialist	730	1550	1221	1568	5949
Qualified Factory Worker	570	1259	621	1542	3300

Savings: utilities

- Utility costs at the park are comparable to Russia and much lower than in Europe
- Gas rates lower than in rest of Belarus

	 Electricity	 Gas	 Water
	€ / Kilowatt hour	€ / 1000m ³	€ / m ³
 Great Stone	0.09	150	0.7
 Russia	0.06	124	0.3
 Poland	0.14	474	2.2
 Czech	0.16	600	3.8
 Germany	0.30	641	6.6

Geographic Location

Transport links

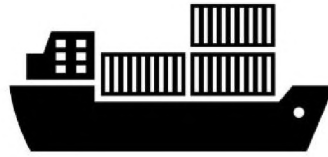
- Road links
 - Moscow-Berlin international highway (M1/E30) to Russia and Central Europe
 - Centrally located in Belarus for domestic market
- Rail links
 - International railway network
 - Rail freight terminal to be built



Geographic Location

Transport links

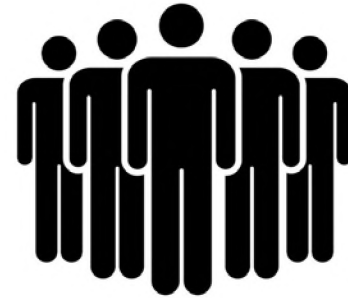
- **Ports**
 - Seaports: Riga (499km), Klaipeda (530km), Kaliningrad (585km)
 - Riverport: Duisburg (1644km), largest river port in Europe
- **Airport**
 - Minsk International airport (3km)
 - Direct flights to 40 cities
 - Moscow 1h 20m; Berlin 1h 45m; London 3h 10m



Geographic Location

Workforce

- Minsk: 25km, population 2m
 - Technical universities and colleges with excellent reputations
 - Strong focus on spheres of science, engineering and IT
 - Young population
- Surrounding towns
 - Sokol 5km, population 7k
 - Smolevichi 23km, population 14k





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Thank you