

# Kaluga Region – the Territory of Success

*The Kaluga Region is situated in the very centre of the European part of Russia on the border with the Moscow region. The region's population is 1002.9 thousand people; the largest cities are Kaluga – 341.7 thousand people and Obninsk – 105.5 thousand people.*



Since 2001 the regional administration has been actively implementing a strategy aimed at creating a positive image and to popularise the Kaluga Region among investors. Following a series of active negotiations with large foreign investors, in 2005 the administration initiated a program on creating and developing industrial parks.

Favourable conditions created by the regional administration for the establishment of new enterprises have been

appreciated by global companies such as Nestle, Samsung, and John Deere.

Since 2006 the Government of the Kaluga Region has been working on the establishment of a manufacturing cluster in the automobile industry. As a result, large global automobile manufacturers, namely Volkswagen and Volvo Truck, have opened their business in the region. Today these companies are already supplying their products to the market, increasing production volumes and allocating suppliers.

Despite the global crisis, the alliance of PSA Peugeot Citroen and Mitsubishi Motors Corporation has not changed its plans as well: construction of the plant started in July 2009, and is planned for commissioning in 2010.

Every day new opportunities to invest in the region arise. In order to efficiently manage investment processes, two specialised organisations have been created: the

The Kaluga Region is the leader in Russian Federation by the growth rate of its industrial output and the second largest by the growth rate of fixed capital investments per capita.

The Kaluga Region is in the top 20 regions in terms of the road network density, including railways and motorways. Internationally important motorways «Moscow - Brest», «Moscow - Kiev» and «Moscow - Warsaw» pass through the territory of the region. The main railways are «Moscow - Kiev» and «Vyazma - Kaluga». At present, the city airport undergoes large-scale reconstruction.

The Kaluga Region has high scientific and innovative potential. There are 28 higher education institutions and over 40 scientific organisations working in the region.

The work on creating a favourable investment climate in the Kaluga Region was started back in 1998, when the first foreign companies SAB Miller and Stora Enso established their operations in the region.



Kaluga Region Development Corporation and the Regional Development Agency of the Kaluga Region. The former is in charge of the program on creating and developing industrial parks and the construction of engineering infrastructure. The latter has the objective of fostering investment processes and providing support to individual projects.

Also, another company «Industrial Logistics» has been established to deal with issues related to customs and warehouse logistics, and to build railways and logistic terminals.

This year has been fruitful for investment victories. Projects on construction of the LOTTE confectionery plant, the L'Oreal cosmetics production factory, and the KT&G tobacco processing plant were started; an investment agreement with Lafarge was signed; the project on construction of a plant by a well-known automotive parts manufacturer Magna is in full swing. In August the groundbreaking ceremony to launch the construction of the General Electric Power Technology Centre took place.

All of this, however, is only part of the overall picture. In the times of crisis the regional government initiated a project on construction of a large complex of production, warehouse and office facilities to accommodate new investors. The complex will be built to the highest European standards.

All of the above is not an exhaustive list of all investment opportunities in the Kaluga Region. We are open for an intensive and productive dialogue and would like invite everyone to cooperate and share our success!



For more information please contact:

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