

Perm - the City of Investment Opportunities



Anatoly Makhovikov,
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Perm, the administrative centre of the Perm Region, is the most easterly city of Europe situated on the border of Europe and Asia. Perm has great transport accessibility, including an extensive railway network, an international airport, and the navigable Kama River. It is an industrial, scientific, cultural, and educational centre of the Urals Region. The city's population is 1.3 million people. Perm is the third largest Russian city by area after Moscow and St. Petersburg. Perm's leading industries are: oil and gas, machine-building, woodworking, pulp-and-paper, food, telecommunications. By industrial output, Perm holds the first place in the Urals Region, competing with larger (in terms of population) cities of Yekaterinburg and Ufa. At present, about 40 businesses in Perm work with foreign capital.

Perm, with its advantageous geographical location and favourable climate conditions, holds a special position among other cities of the Urals Region. A closed industrial town with a primary focus on basic and heavy industries in the past, today Perm offers vast business opportunities and enjoys high potential for investment projects. What makes Perm such an attractive city for foreign investors?

In stock market terms, Perm is an "undervalued asset" with high investment potential. According to experts, by investment attractiveness the region ranks among the first 20 out of 83 subjects of the Russian Federation.

Anatoly Makhovikov: *"In my opinion, Perm offers numerous investment opportunities. Firstly, its profound industrial base provides for the development of new manufacturing capacities and introduction of modern technologies. Secondly, as a rapidly growing city, Perm has great demand for new and modern facilities in the trade and service sector. Thirdly, notwithstanding today's challenging economic climate, Perm demonstrates stable and continuously improving budget execution and high quality of budget management. All these factors make Perm one of the most promising business partners in Russia."*

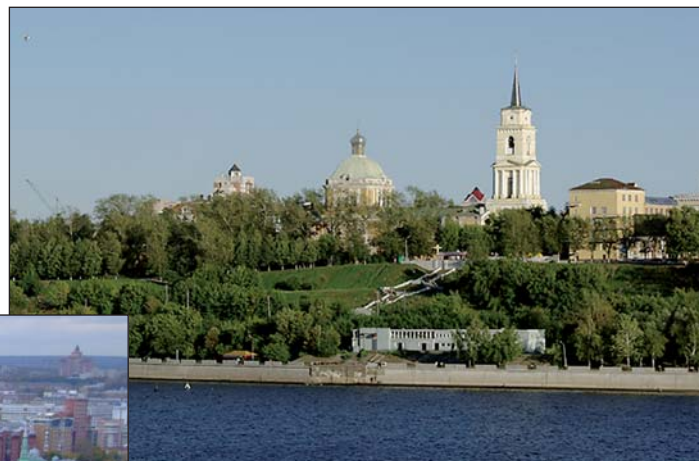


The region's geographical position is among important factors contributing to the city's investment attractiveness. Perm is located on the notional boundary between Europe and Asia; thus, all the investment efforts implemented in Perm reach out to both the European and Asian parts of the country.

The city's main economic objectives include the development of service and engineering infrastructure. Perm has vast potential for new businesses in the service sector, and investment projects aimed at end consumers are of current interest. Thus today, Perm's commodity market is one of the most promising sectors for foreign investment because of the favourable business environment, high investment turnover, and ability to adjust to the changing

economic situation. In particular, Perm has great demand for five-star hotels, multi-purpose entertainment complexes and shopping centres.

As one of the oldest cities in the Urals Region, Perm has vast industrial capacity. Historically, the city has been famous for its rich raw material resources. The city is located on the banks of the navigable Kama River and is surrounded by forests. Perm has many factories and plants. There is also great demand for consumer goods; and since the region's population is 3 million people, the consumer market potential is rather high.



The Perm Government's investment strategy is based on positive approach, informational transparency, and effective cooperation. The city's authorities give full attention and support to investment projects that are planned to be carried out in the area and are open for communication with potential investors. Promotional activities and incentives provided by the local government include a network of regional investment banks and insurance companies, participation in international investment fairs

and conferences etc. Among the current key investment projects is the construction of a zoo and a multi-purpose water-park.

Anatoly Makhovikov: *"We are always open for business offers and initiatives. In our search for a potentially successful investment project we consider any ideas. We work closely with our business partners, discuss all the options, and then develop a joint and balanced action plan. Our projects are based on public-private partnership and are implemented for the benefit and welfare of the city."*

All of these factors provide for all the necessary economic and social resources for Perm to maintain its status of a modern, rapidly growing European city.

Department of Industrial Policy, Investment and Enterprise is an executive body of the Perm City Government responsible for the development and implementation of the city's investment policy and promotion of business cooperation.



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