

INDUSTRIAL PARK "KRYVBAS"

City of Kryvyi Rih
Dnipropetrovsk region

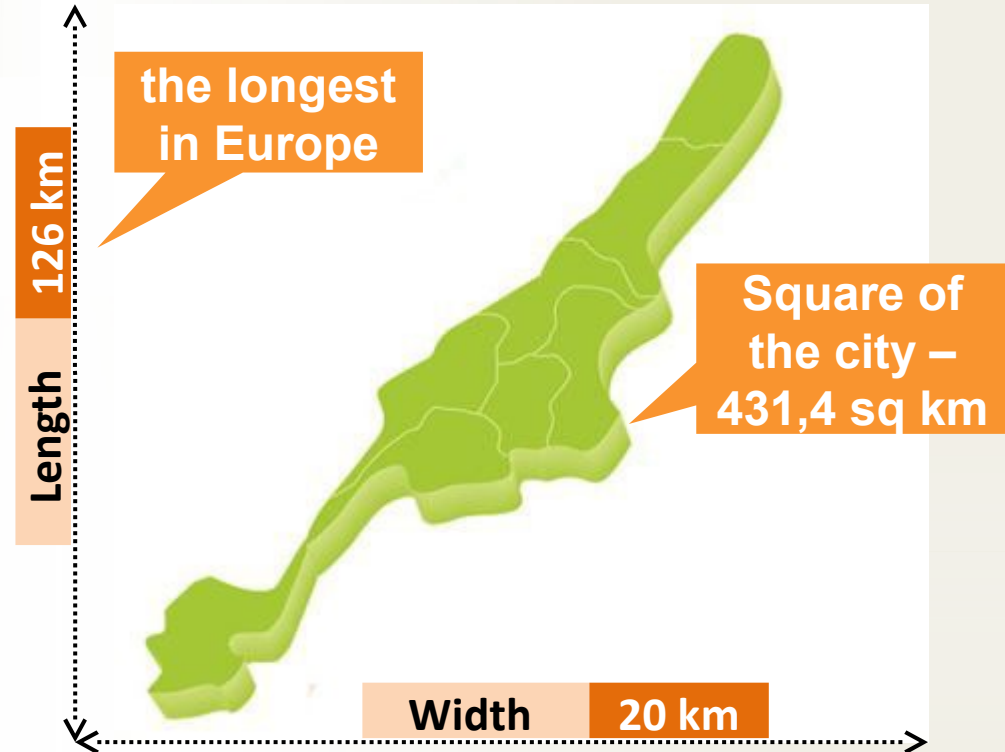
Life-long
CITY



- ✓ Today the city of Kryvyi Rih is known first of all as the **powerful industrial centre** both in Ukraine and in the world.
- ✓ **Over 90 industrial enterprises of various branches** are concentrated inside the territory of the city.
- ✓ **The main city-forming branch** which defines the specialization of the city in territorial division of labor is **iron and steel industry. 7 of 11 enterprises of Ukraine** for mining and processing of iron ore raw materials and also enterprises for service of metallurgical branch are located here. But the city economy has a monoprofile structure. **Almost all large and medium-sized enterprises are focused on metallurgy needs in their activity.**
- ✓ So one of the tasks of city authorities is **assistance in diversification of a city economy, ensuring a sustainable development under conditions of market change.**
- ✓ According to international experience one of the best practices in this matter is **creation of industrial parks.**
- ✓ Besides, in the frame of Complex development strategy of Dnipropetrovsk region in 2015, Strategic development plan of the city of Kryvyi Rih for the period up to 2015, **one of key initiatives to increase the investment appeal of the region is creation of specialized courts for investment.**



Favorable economic and geographical position



Developed industry

Following the results of the first half of the year 2013 the share of Kryvyi Rih in the sold production of industry is:

- ✓ in Ukraine: **8%**;
- ✓ in Dnipropetrovsk region: **42% - the first place.**

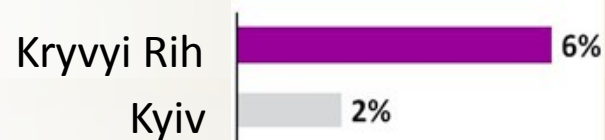
Powerful transport infrastructure

Road transport infrastructure



Length of roads, km	2 788
Number of auto stations, units	4
Number of operators in the market, units	5

Square of the ways in relation to square of the city



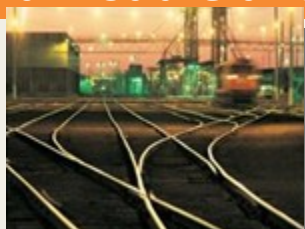
Air transport infrastructure



Capacity (take-off-landing), operations / h	9
Take-off field length, m	2 500
Number of airports, units	1
Number of operators in the market, units	1

PU "International Airport Kryvyi Rih" can accommodate airplanes of various classes, has a convenient geographical and meteorological position that makes possible to work when the weather conditions in the considerable territory of Ukraine are difficult

Railroad transport infrastructure



Length, km	120
Number of stations, units	3
Number of operators in the market, units	1

In 2013
69,3 million tons of freights were transported

Strong resource base

Labor resources

The population of the city is
653 thousand people
(as of 01.06.2014)

Kryvyi Rih takes the 8th place in a population rating among the cities of Ukraine



Men
296,4 thousand people



Women
361,4 thousand people



Working-age population
393,2 thousand people

Natural resources

- ✓ The variety of minerals of the city has **50 types**
- ✓ **The most important among them:** ore deposits, deposits of brown coal, marble, dolomites (40% of balance reserves of Ukraine), roofing and talc slates, minium, ocher, mummy, mortar sand, loam, scandium, vanadium and about 40 elements of periodic table of the elements.
- ✓ Three main industrial types of iron ore are mined: rich ores, magnetite and oxidized ferruginous quartzites.



Foreign economic activity

- ✓ Number of partner countries in foreign economic operations: **84 units**
- ✓ Volume of foreign direct investments is about **5,0 billion dollars**
- ✓ Number of countries from which the foreign direct investments since the beginning of the year were received: **30 units.**

Ensuring the escort of investors, high-quality electronic system for communication of business with authorities

Municipal Service Center of the city of Kryvyi Rih



Web Portal "Resource Center of Kryvyi Rih"



Bilingual module "Guide for investor"



- ✓ **In December 2013 the City council of Kryvyi Rih created the industrial park "Kryvbas" in the city of Kryvyi Rih and with its decision of 30.12.2013 No. 2345 (with changes) approved its Concept.**

Priority activities of industrial park "Kryvbas"

✓ "Engineering"

✓ "Building materials"

✓ "Logistics"

For the allocation of production and warehouse objects the territory of the industrial park "Kryvbas" is divided approximately **into 9 sites***

* using of several sites by one investor with the following consolidation into a bigger site for the allocation of stronger objects is allowed

The main characteristics of the land plot and its diagram

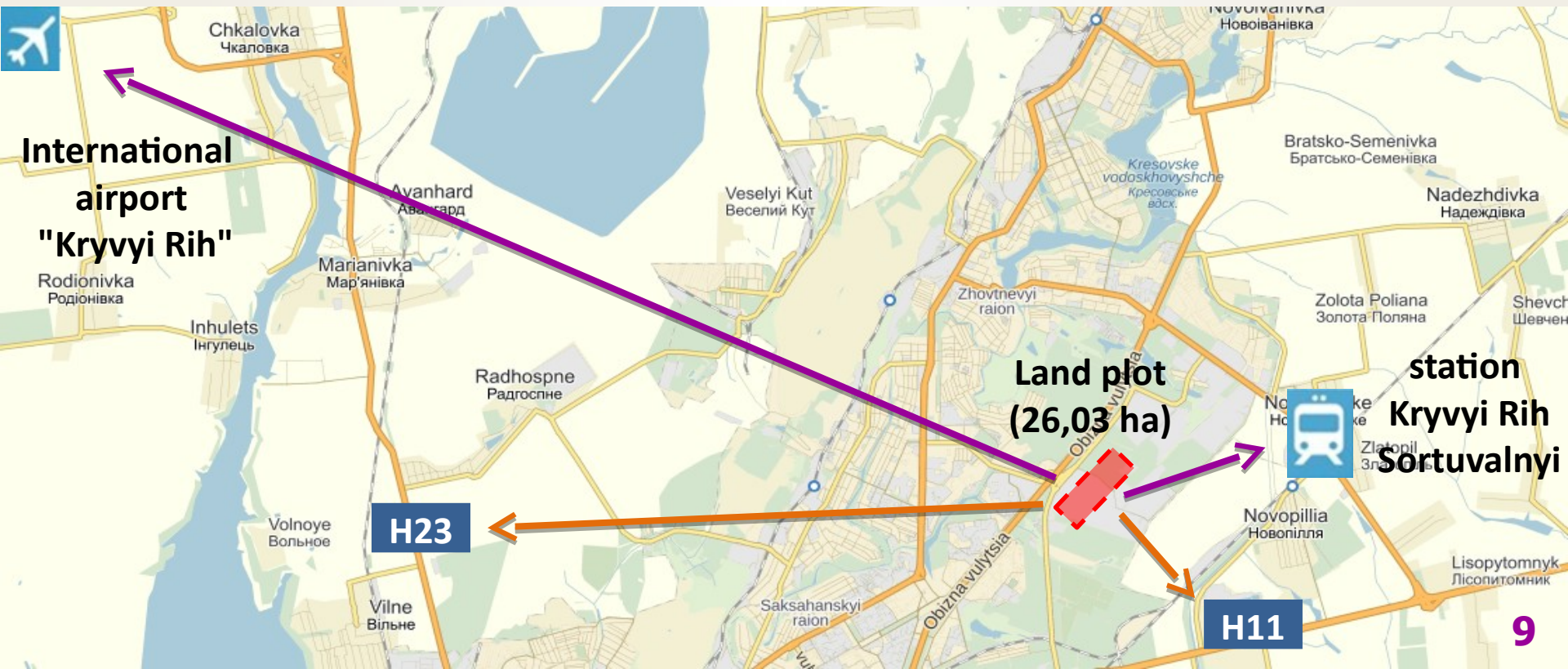
Total area	26,03 ha
Location	Zhovtnevyyi district of the city of Kryvyi Rih, within the industrial district (a production and warehouse complex) "Kolomoitsivskyi"
Designated purpose	Industrial land
Configuration	Polyhedron
Cadastral number	1211000000:04:381:0056



The existing adjoining enterprises and building system	The industrial formation joins power enterprises, petroleum refining industry and building industry enterprises, mechanical engineering enterprises and so forth. The existing adjoining building system is formed mainly from industrial and warehouse buildings (industrial buildings, warehouse buildings, mechanical workshops, garages, etc.) and from the West and the East - from public buildings, houses of multi-dwelling development and allotment of traditional quarter planning
The existence of objects in the territory	Within the territory for allocation of IP "Kryvbas" buildings and constructions are absent.

Transport infrastructure

- The industrial district has the developed system of railway sidings and the industrial railway station.
- Distance from the land plot to:
 - International airport "Kryvyi Rih" – 35 km (excluding traffic route);
 - highway of national importance H11 (Dnipropetrovsk - Mykolaiv (through Kryvyi Rih) - 5,5 km;
 - highway of national importance H23 (Kirovograd - Kryvyi Rih - Zaporizhzhya) – 11,5 km.
- The territory has the developed road network.



Approximate connection to the existing utility networks*

Water supply	<p>Through the territory of the land plot comes a water supply network. Potential point of connection to the main pipeline is the existing water pipe with a diameter of 225 mm for 1,0 MPa located approximately at the distance of 1 km. The estimated cost of connection for the polyethylene pipeline is 512,0 thousand UAH.</p>
Water disposal	<p>Potential point of connection to water disposal is located at the distance of approximately 2 km. Water disposal is provided into the existing sewerage network with removing to the existing treatment facilities. Estimated amount of sewage waters is 50-60 cubic meters/day.</p>
Storm water drain	<p>For disposal of rain and meltwater from the territory of the existing complex the appropriate territory planning with the installation of storm water inlets is provided. For disposal of rain and meltwater from roofs of houses the installation of internal drains is provided. Water disposal of rain and meltwater from the territory is provided into the sewerage with the installation of local treatment facilities (perspective).</p>
Gas supply	<p>Potential point of connection to gas supply system is the existing network with a diameter of 530 mm (the design capacity of the gas pipeline is about 55000 cubic meters/hour), of high pressure, located near the border of the land plot.</p>



Heat supply	<p>Provided from the existing network</p>
Electricity supply	<p>Connection from transformer substation ШПФ-150 [Wool Spinning Factory], located at the distance of about 2,5 km from the land plot is available.</p>

*in the frame of the development of project design documentation several alternatives for connection of networks of all types are available

Potential management companies and investors of the industrial park

✓ Private company "INSIL Deutschland UG" (Germany)

1. Held negotiations

2. Signed Memorandum

✓ LLC "GESS Consulting Ukraine"

1. Held negotiations

2. Signed Memorandum

✓ Turkish consulting company "Orteksan Consultancy LLC"

1. Held negotiations

✓ Chinese-European building fund

1. Held negotiations

The degree of readiness of local authorities

For the purpose of holding of a competitive tender for the selection of management company of Industrial park "Kryvbas" the conditions of competition, tender commission composition and proceedings of tender commission by the selection of management company of Industrial park "Kryvbas" were approved.

Projected financial results of Industrial park "Kryvbas" activity to the budgets and state funds for the period 2015-2023, thousand UAH.

Name of deduction type	Years								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
VAT	0	0	0	70693	73167	75728	78378	81121	83961
Profit tax	0	0	0	11102	11490	11893	12309	12740	13186
Land lease	2382	1191	1191	2382	2382	2382	2382	2382	2382
Personal income tax	22	47	58	1389	1480	1576	1678	1787	1904
Unified social tax	61	130	161	3876	4128	4396	4682	4986	5310
Total	2465	1368	1410	89441	92646	95974	99429	103016	106742

Projected resources necessary for creation and functioning of Industrial park "Kryvbas" and expected benefits

Sl. No	Item of cost	Proforma demand for arranging of Industrial park "Kryvbas"		Source of funding	Expected benefits
		mln UAH	%		
1.	Arranging of industrial park	6,5	25%**	State budget	✓ Annual state budget replenishment in amount of about 94,0 million UAH
		19,4	75%**	Management company	✓ Escort and preferences obtaining
2.	Filling of industrial park	300	100%	Participants of the industrial park together with the management company	✓ Profit earning from the park activities

* calculation of resources necessary for arranging and getting started of industrial park was made by expertise due to the absence of design specifications and estimates at the moment of Conception developing

**the most optimal ratio of co-financing of industrial park arranging taking into account the preservation of the project investment appeal.

The main results of the industrial park “Kryvbas” functioning for the territorial community of Kryvyi Rih will be:

- ✓ Diversification of the city’s economy;
- ✓ Development of innovative high-tech and knowledge-intensive industries of economy;
- ✓ Creation of more than 2000 new jobs;
- ✓ Additional revenues to the local budget about 4 million UAH yearly