

Section 1. Introduction to the Region

1.1. About the Region

The Novosibirsk Region is one of the largest and fastest growing regions of Russia. It offers favourable conditions for domestic and international companies exploring new opportunities for expansion in various industries.

Overview of the Region¹

Official name	Novosibirsk Region
Total area	177,800 km ²
Capital	Novosibirsk
Official language	Russian
Standard time zone	GMT+6
Average temperature	winter: -16°C summer: +19°C
Population	2.7 million
Literacy rate	100%
Employable population	1.46 million

Macroeconomic Indicators²

Gross Regional Product, 2013	RUB 821,415 million (USD 24,200 million)
Per capita Gross Regional Product, 2013	RUB 301,956 USD 8,900
Rate of Gross Regional Product growth vs. 2012	12.8%
Direct foreign investments, 2013	USD 130 million
Investments in fixed capital, 2014	RUB 180,035 million (USD 4,600 million)
Total foreign trade turnover, 2014	USD 4,461 million
Total export, 2014	USD 2,370 million
Total import, 2014	USD 2,091 million

Due to favourable conditions for living and business development, the main socioeconomic indicators of the Novosibirsk Region are growing.

Average Annual Growth Rates of the Main Socioeconomic Indicators in 2011–2014³

Population	+0.7%
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¹ Data source: Federal State Statistics Service. Regional Office of the Federal State Statistics Service for the Novosibirsk Region

² Idem

³ Idem

Number of unemployed	-9.5%
Actual household income	+3.4%
Actual average monthly salary	+4.2%
Gross Regional Product	+4.9%
Industrial production	+4.4%
Investments in fixed capital	+5.1%

Source: Federal State Statistics Service

1.2. Territory

The Novosibirsk Region is located in the geographic centre of the Eurasian continent at the intersection of transport corridors connecting the European and Asian parts of the continent. The Novosibirsk Region is a critical transport hub specialised in transit.

The Novosibirsk Region borders the Republic of Kazakhstan in the south and Russian regions in the west (the Omsk Region), in the north (the Tomsk Region), in the east (the Kemerovo Region), and in the south (the Altai Territory).

The area of the Novosibirsk Region is 178,000 km², including:

- 111,499 km² (63%) of agricultural lands (prevalent in the southern and eastern parts of the region: Kupino District, Chistoozernoye District, and Toguchin District); and
- 45,986 km² (25.8%) of forest lands (prevalent in the northern part of the region: Severnoye District, Kyshtovka District and Kolyvan District).

The Novosibirsk Region has more than 7,000 large and small rivers. The largest river is Ob that provides economic communications of the Far North districts and northern districts of the Tomsk Region and the Tyumen Region with southern districts of Western Siberia. Lakes cover 5,580 km² of the region. The largest are Lake Chany, Lake Ubinskoye, and Lake Karachi.

The geographic coordinates of Novosibirsk, the capital of the Novosibirsk Region, are: latitude 55°0'0" N / longitude 83°0'0" E.

Average temperature:

- -15 to -20°C (+5 to -4°F) in winter; and
- +18 to +21°C (+64 to +70°F) in summer.

Average annual precipitation: >400 mm, of which two-thirds are rainfall and one-third is snowfall.

Administrative Division

The administrative territorial entities of the Novosibirsk Region are the districts in the region; region and district cities; and other settlements.

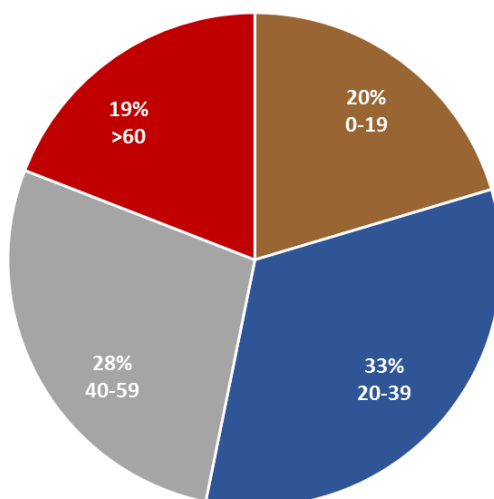
The Novosibirsk Region comprises 30 regional districts and 5 city districts. Novosibirsk is the capital of the region and the third largest Russian city after Moscow and St. Petersburg.

The Novosibirsk Region comprises 490 municipal entities, including five city districts, 30 regional districts, 26 towns, and 429 villages. The major settlements in the Novosibirsk Region are the cities of Novosibirsk, Berdsk, Iskitim, Ob, and Koltsovo work settlement.

1.3. Population

As of the beginning of 2015, the population of the Novosibirsk Region was 2.7 million, including 53% females and 47% males.

The majority of the Novosibirsk Region population consists of people aged 20 to 39. Age groups of the population are shown on the following diagram:⁴

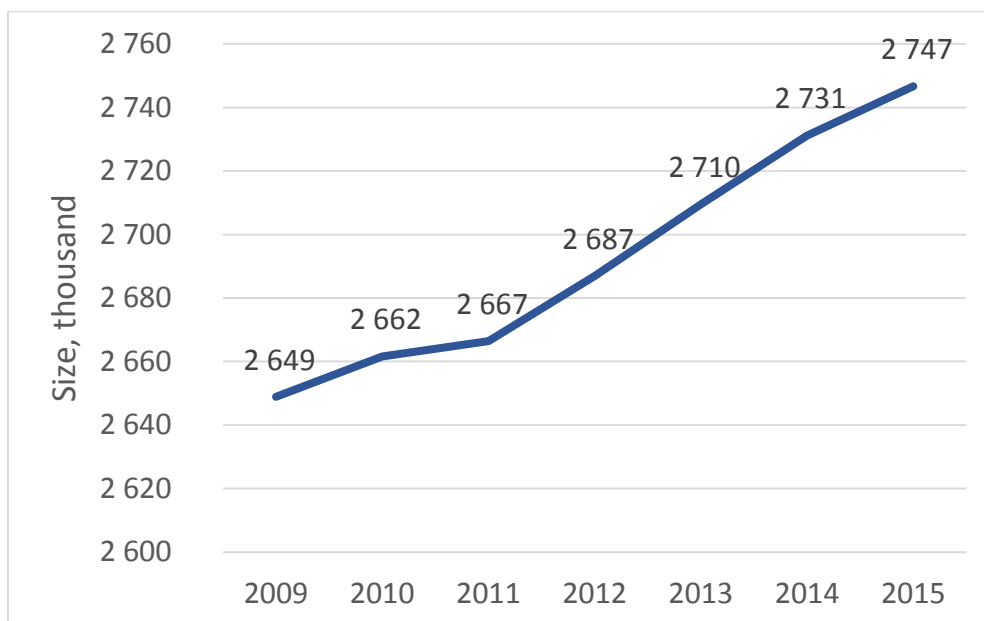


The population of the Novosibirsk Region is constantly growing. In 2011–2014, the average annual population growth reached 0.7%.

Changes in the population of the Novosibirsk Region are shown in the following chart.

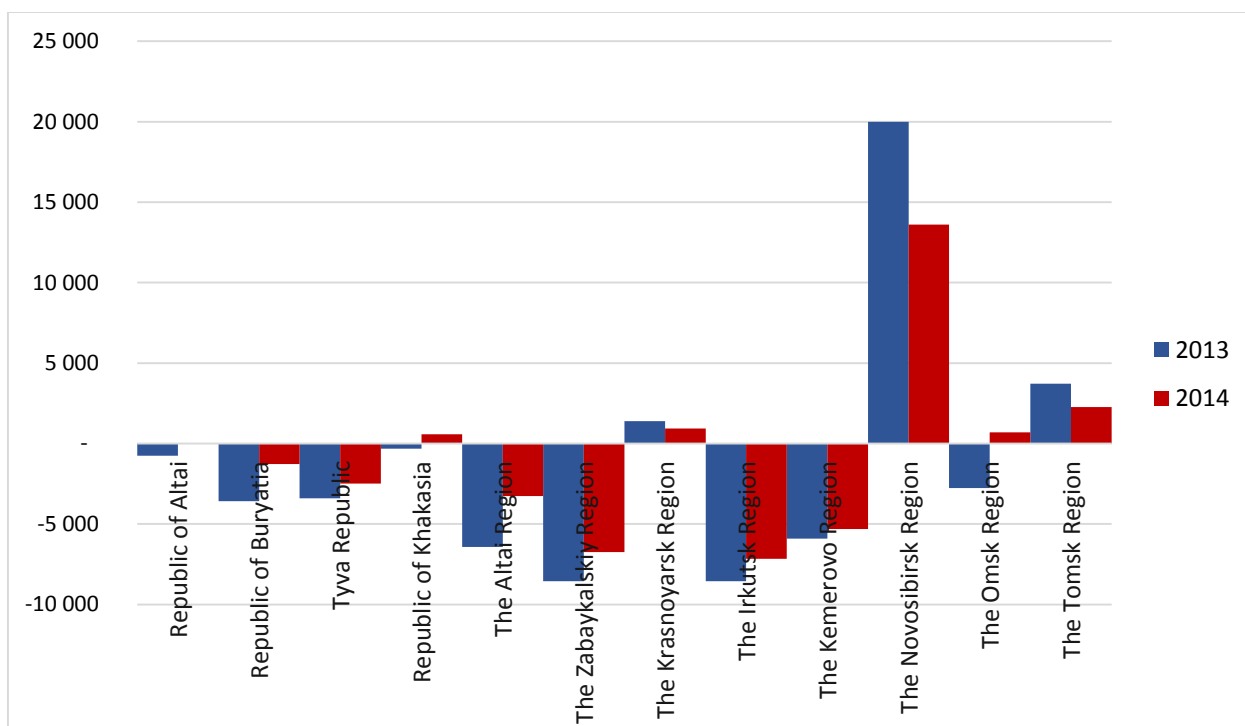
⁴ Data source: Federal State Statistics Service:

http://novosibstat.gks.ru/wps/wcm/connect/rosstat_ts/novosibstat/resources/3dca5e004938a3c2950a95e321b4d743/Распределение+населения+г.+Новосибирска+по+полу+и+возрастным+группам+на+1+января+2015+года.pdf



More and more people come to live in the Novosibirsk Region. The Novosibirsk Region is a strong leader among other regions of the Siberian Federal District in terms of migration gain.

Migration gain and population decrease (-) by regions of the Siberian Federal District.



1.4. Economy

The economic development of the Novosibirsk Region is marked by growth in the Gross Regional Product (GRP). The dynamics of the Novosibirsk Region GRP

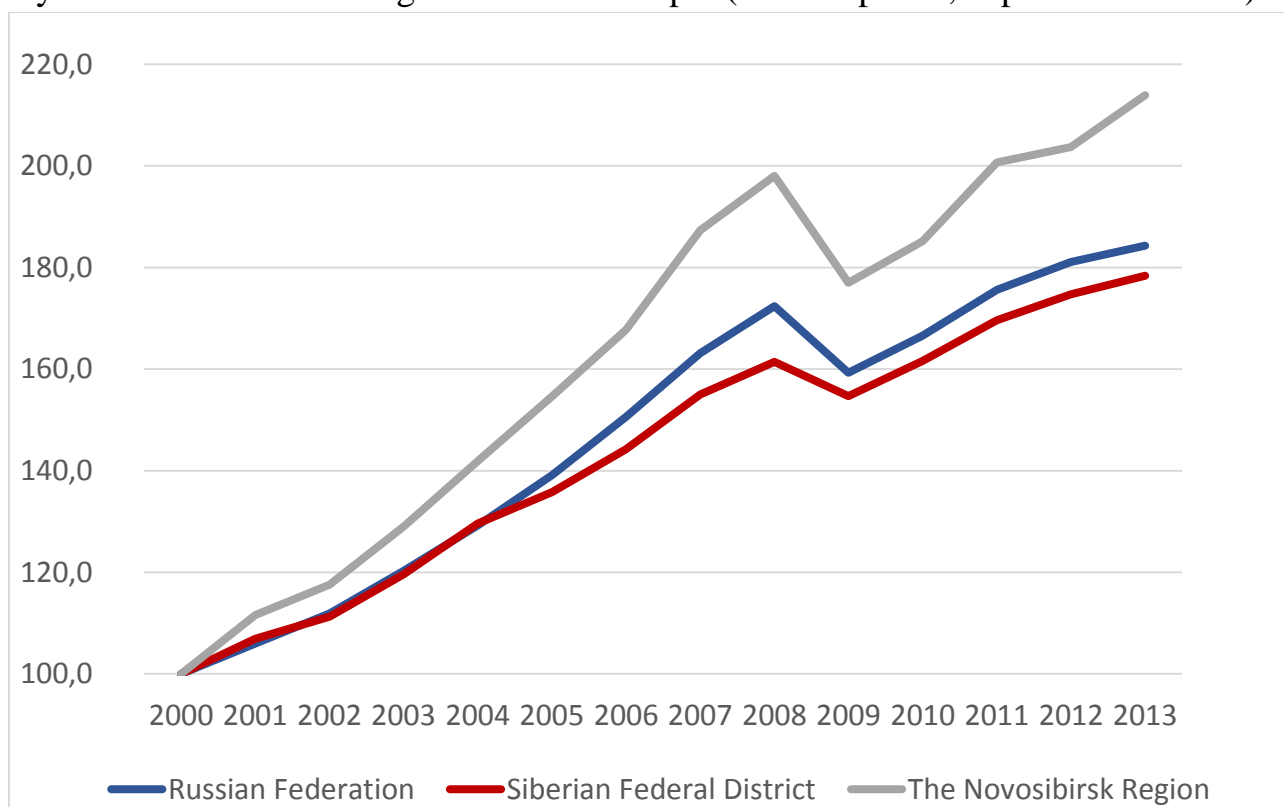
output consistently exceeds the average performance of the Siberian Federal District and the Russian Federation.

As of the beginning of 2014, the Gross Regional Product (GRP) of the Novosibirsk Region reached RUB 821.4 billion (USD 24.2 billion). The per capita GRP of the Novosibirsk Region was RUB 301,956 (USD 8,900).

Changes in the Output of the Novosibirsk Region Gross Regional Product over 5 Years⁵

Indicator	2009	2010	2011	2012	2013
Gross Regional Product (gross value added in basic prices), RUB billion	425	484	599	728	821
Actual gain vs. the previous year, %	89.4	104.6	108.4	101.5	105.0

Dynamics of the Gross Regional Product output (in fixed prices, in percent vs. 2000)



The Novosibirsk Region Gross Regional Product output and structure by economic activities⁶

⁵ Federal State Statistics Service

Regional indicators of the 2013 National Accounts System. Statistical compilation. Federal State Statistics Service. Regional Office of the Federal State Statistics Service for the Novosibirsk Region. Novosibirsk, May 2015, pp. 8 and 12.

⁶ Federal State Statistics Service:

Economic activity	Output, RUB million	Share, %
Real estate transactions, lease, and provision of services	154,115	18.76
Production	147,804	17.99
Transport and communications	140,965	17.16
Wholesale and retail trade; repair of vehicles, motorcycles, household goods, and personal appliances	138,931	16.91
Public management and defence; social insurance	51,741	6.30
Construction	43,423	5.29
Agriculture, hunting, and forestry	42,418	5.16
Healthcare and social services	41,321	5.03
Education	38,879	4.73
Other utility, social, and personal services	11,403	1.39
Hotels and restaurants	7,343	0.89
Financial activities	2,941	0.36
Fishery and fish farming	131	0.03
Total	821,415	100

Foreign Trade

From 2009 to 2014, the foreign trade turnover of the Novosibirsk Region had increased by more than 70%. In the past five years, the annual foreign trade turnover has exceeded USD 4 billion.

Foreign Trade Turnover of the Novosibirsk Region, USD million⁷

	2009	2010	2011	2012	2013	2014
Total foreign trade turnover	2,595	4,100	4,008	4,733	4,519	4,461
including: - export	1,483	1,954	1,632	2,342	2,201	2,370
- import	1,112	2,146	2,376	2,391	2,318	2,091

Investments in Fixed Capital

In 2014, investments in fixed capital of enterprises and organisations of the Novosibirsk Region amounted to RUB 180 billion, including:

Regional indicators of the 2013 National Accounts System. Statistical compilation. Federal State Statistics Service. Regional Office of the Federal State Statistics Service for the Novosibirsk Region. Novosibirsk, May 2015, pp. 12 to 13.

⁷ Federal State Statistics Service:

http://novosibstat.gks.ru/wps/wcm/connect/rosstat_ts/novosibstat/resources/cfd1bc004eb1353eb100b1189c529309/Основные+показатели+внешнеэкономической+деятельности.pdf

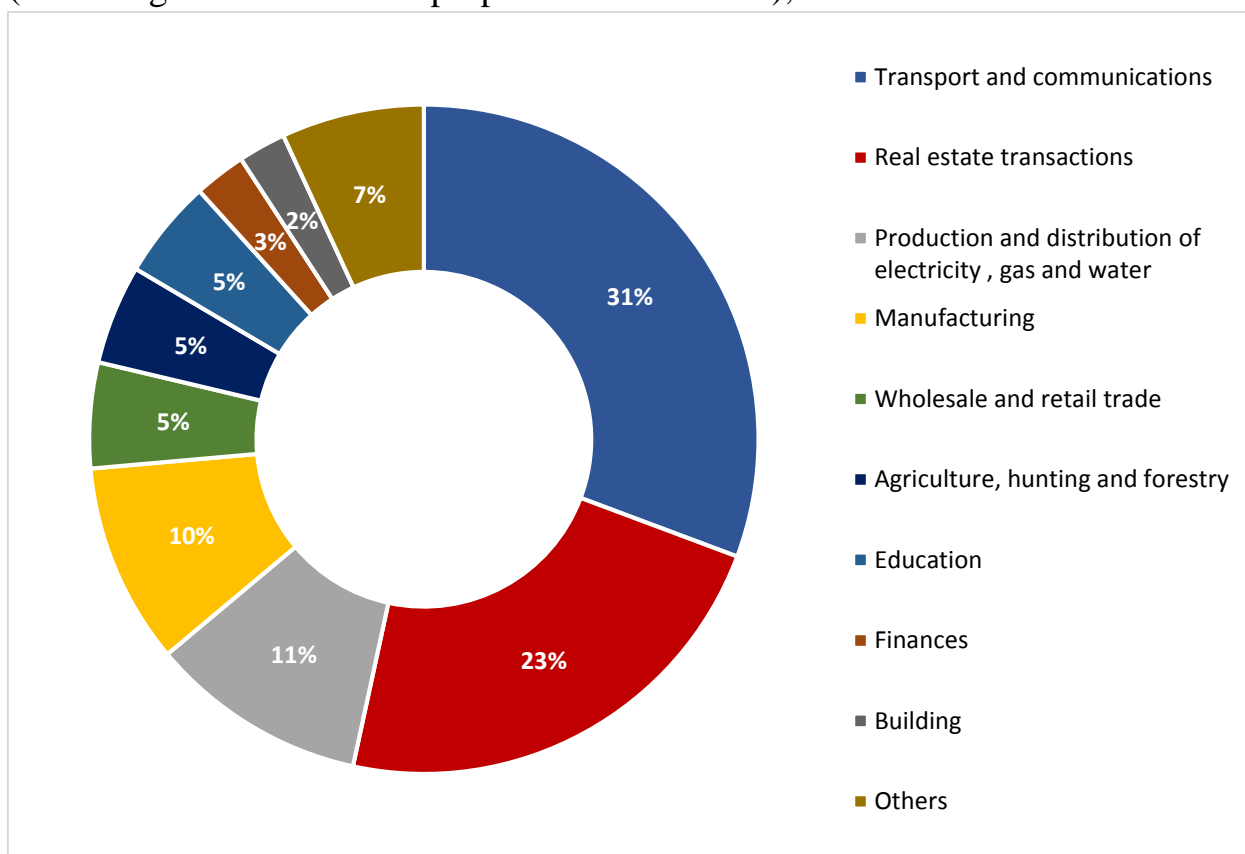
43.8% (RUB 78.8 billion) of investments in machinery, equipment, vehicles, production and business stock;

38.1% (RUB 68.6 billion) of investments in buildings (other than residential ones) and structures;

14.8% (RUB 26.6 billion) of investments in housing; and

3.3% (RUB 6.0 billion) of other investments in fixed capital.

Composition of investments in fixed capital of the Novosibirsk Region in 2014 (according to the functional purpose of fixed assets), %



1.5. Taxes

The Novosibirsk Region applies the taxes and levies system and special tax regimes established by the laws of the Russian Federation and, in specific cases, by the laws of the Novosibirsk Region and the regulatory legal acts of municipal entities.

Below is a brief description of the tax environment for organisations and individuals in the Novosibirsk Region.

Corporate Profit Tax

Taxpayers	Russian organisations, foreign organisations operating in the Russian Federation via permanent representative offices and/or earning income from sources in the Russian Federation Subject to Article 246 of the RF Tax Code
Taxable item	Profit obtained by the taxpayer Subject to Article 247 of the RF Tax Code
Tax base	Taxable profit in monetary terms Subject to Article 274 of the RF Tax Code
Tax period	Calendar year
Tax rates	20% Subject to Article 284 of the RF Tax Code
Important notice	Chapter 25 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the corporate profit tax

Value Added Tax

Taxpayers	Organisations and individual entrepreneurs (subject to Article 143 of the RF Tax Code)
Taxable item	Sale of goods (works or services) in the Russian Federation; transfer of goods (performance of works or provision of services) in the Russian Federation for own requirements, expenses for which shall not be accepted for deduction (including deduction via depreciation allowances) for assessment of the corporate profit tax; performance of construction and installation works for own use, importation of goods into the Russian Federation (subject to Article 146 of the RF Tax Code)
Tax period	Quarter
Tax rates	18% Unless a different rate applies: 10% for the sale of certain food products, certain goods for children, certain print periodicals, certain medical goods, and other goods (subject to Section 2 of Article 164 of the RF Tax Code) 0% for certain cases provided by Section 1 of Article 164 of the RF Tax Code
Important notice	Chapter 21 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the value added tax

Insurance Contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, and Federal Compulsory Medical Insurance Fund

Insurance contribution payers	Organisations, individual entrepreneurs, and other payers subject to Article 5 of Federal Law No. 212-Φ3 On Insurance Contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, and Federal Compulsory Medical Insurance Fund, dated 24 July 2009
Chargeable item	Payments and other remunerations added by insurance contribution payers in favour of individuals under labour relations and civil law contracts subject to Article 7 of Federal Law No. 212-Φ3 On Insurance Contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, and Federal Compulsory Medical Insurance Fund, dated 24 July 2009
Settlement period	Calendar year
Insurance contribution rates	26% to the Pension Fund of the Russian Federation 2.9% to the Social Insurance Fund of the Russian Federation 5.1% to the Federal Compulsory Medical Insurance Fund
Important notice	Federal Law No. 212-Φ3 On Insurance Contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, and Federal Compulsory Medical Insurance Fund, dated 24 July 2009, contains a detailed description of the conditions and procedure for the calculation and payment of insurance contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation, and Federal Compulsory Medical Insurance Fund

Corporate Property Tax

Taxpayers	Organisations having property deemed a taxable item subject to Article 373 of the RF Tax Code
Taxable item	<ol style="list-style-type: none"> 1) For Russian organisations—movable and real property listed on the books as fixed assets 2) For foreign organisations operating in the Russian Federation via permanent representative offices—movable and real property relating to fixed assets, property received under a concession agreement 3) For foreign organisations other than those operating in the Russian Federation via permanent representative offices—real property located in the Russian Federation and fully owned by the aforesaid foreign organisations and real property received under a concession agreement <p>Subject to provisions of Article 374 of the RF Tax Code</p>
Tax period	Calendar year
Tax rates	<ol style="list-style-type: none"> 1) 2.2% for property deemed to be a taxable item with the average annual value taken as the tax base 2) For administrative business centres and malls with the total area exceeding 3,000 m² and premises therein, non-residential premises

	<p>designed for offices, retail facilities, food service facilities and consumer service facilities with the total area exceeding 3,000 m² or in apartment houses with non-residential premises having the total area which exceeds 3,000 m²; residential houses and residential premises that are not listed on the books as fixed assets, the tax base of which is determined as a cadastral value:</p> <ul style="list-style-type: none"> - in 2015: 1.0% of the cadastral value - in 2016: 1.5% of the cadastral value - in 2017 and subsequent years: 2.0% of the cadastral value <p>3) For real property of foreign organisations other than those operating in the Russian Federation via permanent representative offices as well as foreign organisations' real property unrelated to operations of these organisations in the Russian Federation via permanent representative offices:</p> <ul style="list-style-type: none"> - in 2015: 1.5% of the cadastral value - in 2016 and subsequent years: 2.0% of the cadastral value
Important notice	<p>Chapter 30 of the RF Tax Code and Chapter 4 of Law No. 142-O3 of the Novosibirsk Region On Taxes and Tax Treatment of Individual Categories of Taxpayers in the Novosibirsk Region, dated 16 October 2003, contain a detailed description of the conditions and procedure for the calculation and payment of the corporate property tax</p>

Land Tax

Taxpayers	Organisations and individuals having land plots deemed to be taxable items subject to Article 388 of the RF Tax Code
Taxable item	Land plots within the municipal entity where the tax is imposed shall be deemed taxable items, except as otherwise provided by Article 389 of the RF Tax Code
Tax period	Calendar year
Tax rates	<p>Tax rates shall be established by the regulatory legal acts of the representative bodies of municipal entities</p> <p>No more than 1.5% of the land plot's cadastral value, except as otherwise provided by Article 394 of the RF Tax Code</p>
Important notice	Chapter 31 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the land tax

Transport Tax

Taxpayers	Persons whose vehicles are registered in accordance with the laws of the Russian Federation and are deemed to be taxable items subject to Article 357 of the RF Tax Code
Taxable item	Motor cars, motorcycles, scooters, buses, and other self-propelled vehicles, and pneumatic and tracked mechanisms; airplanes and

	helicopters; motor vessels, yachts, sailing vessels, boats, snowmobiles, motor sledges, motor boats, jet skis, non-propelled (towed) vessels, and other waterborne and airborne vehicles under Article 358 of the RF Tax Code
Tax period	Calendar year
Tax rates	Tax rates are established in Article 2.2 of Law No. 142-O3 of the Novosibirsk Region On Taxes and Tax Treatment of Individual Categories of Taxpayers in the Novosibirsk Region, dated 16 October 2003
Important notice	Chapter 28 of the RF Tax Code and Chapter 2 of Law No. 142-O3 of the Novosibirsk Region On Taxes and Tax Treatment of Individual Categories of Taxpayers in the Novosibirsk Region, dated 16 October 2003, contain a detailed description of the conditions and procedure for the calculation and payment of the transport tax

Excise Taxes

Taxpayers	Organisations, individual entrepreneurs, and other persons subject to Article 179 of the RF Tax Code
Excisable goods	Ethanol produced from food or non-food raw materials, alcohol-containing products with more than 9% ethanol by volume, alcoholic products, tobacco products, passenger motor cars, motorcycles, motor petrol, diesel fuel, motor oils, benzene, paraxylene, orthoxylene, jet fuel, and natural gas subject to Article 181 of the RF Tax Code
Taxable item	Operations subject to Article 182 of the RF Tax Code shall be deemed taxable items
Tax period	Calendar month
Tax rates	Tax rates for excisable goods shall be established subject to Article 192 of the RF Tax Code
Important notice	Chapter 22 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of excise taxes

Personal Income Tax

Taxpayers	Individuals subject to Article 207 of the RF Tax Code
Taxable item	Income earned by taxpayers: 1) From sources in the Russian Federation and/or from sources outside the Russian Federation—for individuals who are tax residents of the Russian Federation 2) From sources in the Russian Federation—for individuals other than tax residents of the Russian Federation
Tax base	All income of the taxpayer, both in monetary form and in kind, or the taxpayer's right of income disposal. Other income subject to Article 210 of the RF Tax Code.

	The tax base shall be determined separately for each income type being subject to different tax rates
Tax period	Calendar year
Tax rates	13% Except for individual taxes subject to Article 224 of the RF Tax Code
Important notice	Chapter 23 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the personal income tax

Levies for the Use of Items of Fauna and Aquatic Biological Resources

Levy payers	Organisations and individuals, including individual entrepreneurs duly obtaining permits for: - Procurement of items of fauna in the Russian Federation - Procurement (fishing) of aquatic biological resources in inland waters, territorial waters, on the continental shelf of the Russian Federation, and in the exclusive economic zone of the Russian Federation as well as in the Sea of Azov, Caspian Sea, Barents Sea, and the area of the Svalbard archipelago Other organisations subject to Article 333.1 of the RF Tax Code
Chargeable items	Items of fauna and aquatic biological resources subject to Article 333.2 of the RF Tax Code
Rates of levies	Rates of levy for each item of fauna and each item of aquatic biological resources shall be established in the amounts prescribed by Article 333.3 of the RF Tax Code
Important notice	Chapter 25.1 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of levies for the use of items of fauna and aquatic biological resources

Water Tax

Taxpayers	Organisations and individuals, including individual entrepreneurs conducting the licensed use of water bodies subject to the laws of the Russian Federation, except as otherwise provided by Article 333.8 of the RF Tax Code
Taxable items	Types of water body use subject to Article 333.9 of the RF Tax Code
Tax period	Quarter
Tax rates	1) For withdrawal of water from the Ob river: - From surface water bodies, RUB 270 per 1 thousand m ³ of water withdrawn - From groundwater bodies, RUB 330 per 1 thousand m ³ of water withdrawn 2) For withdrawal of water from other rivers and lakes:

	<ul style="list-style-type: none"> - From surface water bodies, RUB 276 per 1 thousand m³ of water withdrawn - From groundwater bodies, RUB 342 per 1 thousand m³ of water withdrawn 3) For use of the offshore area of surface water bodies, except for timber rafting and bagging: RUB 30.24 thousand per year per 1 km² of the offshore area used 4) For use of water bodies without water withdrawal for hydraulic power engineering purposes: RUB 12.3 per 1 thousand kWh of electric power <p>Other rates subject to Article 333.12 of the RF Tax Code</p>
Important notice	Chapter 25.2 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the water tax

State Duty

Payers	<p>Organisations and individuals in case they:</p> <ol style="list-style-type: none"> 1) Apply for performance of legally significant actions 2) Act as defendants at regular courts, at the Supreme Court of the Russian Federation, at arbitration courts or on trials examined by magistrates if the court resolves in favour of the plaintiff and releases the plaintiff from payment of the state duty
Important notice	Chapter 25.3 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the state duty

Mineral Extraction Tax

Taxpayers	Organisations and individual entrepreneurs deemed to be subsurface mineral resource users subject to the laws of the Russian Federation
Taxable item	Subsurface mineral resources extracted in the Russian Federation or recovered from mining waste (losses) subject to Article 336 of the RF Tax Code
Tax period	Calendar month
Tax rates	Tax rates shall be established subject to Article 342 of the RF Tax Code
Important notice	Chapter 26 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the mineral extraction tax

Gambling Tax

Taxpayers	Organisations doing business in the gambling industry
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Taxable item	Gambling table, gambling machine, betting house processing centre, betting office processing centre, betting shop, and betting office outlet subject to Article 365 of the RF Tax Code
Tax period	Calendar month
Tax rates	RUB 125,000 per betting house processing centre RUB 125,000 per betting office processing centre RUB 7,000 per betting shop RUB 7,000 per betting office outlet
Important notice	Chapter 29 of the RF Tax Code and Chapter 3 of Law No. 142-O3 of the Novosibirsk Region On Taxes and Tax Treatment of Individual Categories of Taxpayers in the Novosibirsk Region, dated 16 October 2003, contain a detailed description of the conditions and procedure for the calculation and payment of the gambling tax

Personal Property Tax

Taxpayers	Individuals having a title to property deemed to be a taxable item
Taxable item	Residential house, residential premise (apartment or room), garage, parking space, single portfolio of real property, construction in progress, other buildings, structures, facilities, or premises subject to Article 401 of the RF Tax Code
Tax base	Subject to Article 402 of the RF Tax Code
Tax period	Calendar year
Tax rates	Subject to Article 406 of the RF Tax Code
Important notice	Chapter 32 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the personal property tax

Sales Tax

Taxpayers	Organisations and individual entrepreneurs conducting business activities in a municipal entity using movable and/or real property and being subject to the aforesaid tax by virtue of a regulatory legal act of this municipal entity subject to Article 411 of the RF Tax Code
Chargeable item	Use of movable or real property by the taxpayer for conducting a taxable business activity at least once during the quarter The tax shall be imposed on sales activities conducted at shopping facilities: 1) Sales through stationary sales network facilities without shopping spaces (except for stationary sales network facilities without shopping spaces that are fuelling stations) 2) Sales through nonstationary sales network facilities

	3) Sales through stationary sales network facilities with shopping spaces 4) Sales through the issue of goods from the warehouse
Imposition period	Quarter
Tax rates	Tax rates shall be established by the regulatory legal acts of municipal entities in RUB for the quarter per sales facility or per its square area
Important notice	Chapter 33 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the sales tax

Special Tax Regimes

Single Agricultural Tax

Taxpayers	Organisations and individual entrepreneurs that produce agricultural goods and have shifted to paying the single agricultural tax subject to Article 346.2 of the RF Tax Code
Taxable item	Income minus expenses
Taxation period	Calendar year
Tax rate	6% of income minus expenses in monetary terms
Important notice	Chapter 26.1 of the RF Tax Code contains a detailed description of the conditions and procedure for the calculation and payment of the single agricultural tax

Simplified Tax System

Taxpayers	Organisations and individual entrepreneurs that have shifted to the simplified tax system and have been using the same
Taxable item	Income or income minus expenses
Tax period	Calendar year
Tax rate	6% if income is the taxable item 15% if income minus expenses is the taxable item
Important notice	Chapter 26.2 of the RF Tax Code contains a detailed description of the conditions and procedure for the application of the simplified tax system

Single Tax on Imputed Income for Specific Activities

Taxpayers	Organisations and individual entrepreneurs conducting a business activity subject to the single tax in the municipal or city district where the single tax is imposed and have shifted to paying the single tax
Taxable item	Taxpayer's imputed income

Tax period	Quarter
Tax rate	15% of imputed income calculated as the product of the basic rate of return under a specific business activity assessed for a tax period by the physical indicator characterising this activity subject to Article 346.29 of the RF Tax Code
Important notice	Chapter 26.3 of the RF Tax Code contains a detailed description of the conditions and procedure for the application of the single tax on imputed income

Tax System for Implementation of Production Sharing Agreements

Taxpayers	Organisations acting as agreement investors subject to Federal Law No. 225-Ф3 On Production Sharing Agreements, dated 30 December 1995
Tax period	Throughout the term of the agreement
General provisions on the tax system	The tax regime shall be applied throughout the term of the agreement Subject to the tax regime, the payment of a group of taxes and levies established by the tax and levy laws of the Russian Federation shall be replaced with the sharing of extracted production in accordance with the agreement
Important notice	Chapter 26.4 of the RF Tax Code and Federal Law No. 225-Ф3 On Production Sharing Agreements, dated 30 December 1995, contain a detailed description of the conditions and procedure for the application of the tax system for implementation of production sharing agreements

Patent Tax System

Taxpayers	Individual entrepreneurs that shifted to the patent tax system
Taxable item	Potential annual income of an individual entrepreneur under the relevant business activity
Tax period	Calendar year Or specific cases subject to Article 346.49 of the RF Tax Code
Tax rate	6%
Important notice	Chapter 26.5 of the RF Tax Code contains a detailed description of the conditions and procedure for the application of the patent tax system

1.6. State Authorities

The Novosibirsk Region is a constituent entity of the Russian Federation.

The Russian Federation is a democratic federal constitutional state with a republican government. The governing power in the Russian Federation is divided among the

legislative, executive, and judicial branches of the government. The legislative, executive, and judicial authorities are independent.

The governing power in the Russian Federation is exercised by the President of the Russian Federation, the Federal Assembly (the Federation Council and State Duma), the Government of the Russian Federation, and courts of the Russian Federation.

Local self-government is recognised and guaranteed in the Russian Federation. Local self-government is independent within the scope of its powers. Local self-government bodies shall not be a part of the system of state authorities.

The area of the Novosibirsk Region is under the sovereignty of the Russian Federation.

The governing power in the Novosibirsk Region is exercised by the Novosibirsk Region Governor, the Legislative Assembly of the Novosibirsk Region, the Government of the Novosibirsk Region, other executive authorities, the Charter Court of the Novosibirsk Region, and magistrates of the Novosibirsk Region.

Local self-government is exercised throughout the Novosibirsk Region by the population, directly and via local self-government bodies.

Novosibirsk Region Governor

The Novosibirsk Region Governor is the senior official of the Novosibirsk Region. Vladimir Gorodetsky has been the Novosibirsk Region Governor since 24 September 2014. His term of office is five years.

Novosibirsk Region Legislative Assembly

The Novosibirsk Region Legislative Assembly is a permanent and sole legislative (representative) authority of the Novosibirsk Region. It consists of 76 deputies. The recent election of deputies was held on 13 September 2015. The term of office of deputies is five years.

Executive Authorities of the Novosibirsk Region

The Government of the Novosibirsk Region is the supreme executive authority of the Novosibirsk Region. The Government of the Novosibirsk Region heads the system of executive authorities of the Novosibirsk Region and manages their operations in general.

Vladimir Gorodetsky is the Chairman of the Novosibirsk Region Government.

Vladimir Znatkov is the First Deputy Chairman of the Novosibirsk Region Government.

The system of regional executive authorities includes 14 ministries, seven departments, nine administrations, three inspectorates, and one permanent representative office in Moscow.

1.7. Infrastructure

The Novosibirsk Region has been developing its infrastructure facilities in order to promote economic growth and attract investments in the region.

Transport Infrastructure

Thanks to its favourable geopolitical location, the Novosibirsk Region has been acting as the largest transport distribution and transit hub in eastern Russia.

Railways

According to the Novosibirsk Region Ministry of Transport, railway transport is the main means of cargo transportation in the region. Major railways run across the Novosibirsk Region:

1. The Trans-Siberian Railway (Transsib) runs throughout Russia connecting the European portion of the continent (railway outlets to Europe), Ural, Siberia, and the Far East (the largest Russian seaports). In addition, Transsib connects the Novosibirsk Region with the railway lines leading to the Republic of Kazakhstan and Middle Asia.
2. The Turkestan-Siberian railway (Turksib) connects Siberia with states of Middle Asia. The Novosibirsk Region (Novosibirsk City) is the starting point of Turksib.
3. The Mid-Siberian Railway connects regions of Western Siberia with the Republic of Kazakhstan.

The Novosibirsk Main Railway Station is the largest railway station in eastern Russia. Moreover, the region is provided with the Inskaya and Kleshchikha major rail yards as well as other transport facilities, the areas of influence of which reach far beyond the Novosibirsk Region.

Motor Roads

Motor transport is the fastest growing means of transportation in the Novosibirsk Region. The Novosibirsk Region is covered by federal highways leading to foreign states:

1. Irtysh R-254 federal highway (the former Baikal M-51) crosses the Chelyabinsk and Kurgan Regions, the Republic of Kazakhstan, the Omsk and the Novosibirsk Regions and may be considered as a part of the E30 European route and a part of the AH6 Asian Highway International Network.
2. Siberia R-255 federal highway (the former Siberia M-53) crosses the Novosibirsk Region, the Tomsk Region, the Kemerovo Region, the Irkutsk Region, and the Krasnoyarsk Territory.

3. Chuysky Trakt R-256 federal highway (the former M-52) crosses the Novosibirsk Region, the Altai Territory, and the Altai Republic up to the border with Mongolia. In addition, the Novosibirsk Region has a network of regional motor roads leading to the Northern Latitude Highway (Tomsk), Northeastern Kazakhstan, Southern Kuzbass, the Altai Territory, and the Altai Republic.

The total length of the Novosibirsk Region road network is 14,759 km, including 755 km of federal highways; 12,772 km of regional motor roads; 1,232 km of intra-organisational motor roads (*Source: Territorial Road Board of the Novosibirsk Region*).

Air Transport

The Novosibirsk Tolmachevo International Airport is one of the most rapidly developing airports of federal significance and the largest transit hub beyond the Urals along the critical routes between Europe and Asia. Thanks to its geographic location, the Novosibirsk airport is able to operate advanced polar routes connecting North America and Asia.

The modern airport terminal of the Novosibirsk Tolmachevo International Airport can handle 1,800 passengers per hour on domestic routes and 750 passengers per hour on international routes. After renovation, the handling capacity of the international terminal will double.

The airport has obtained international safety approvals. IATA Code: OVB. ICAO Code: UNNT.

The airport offers cargo transportation services: a temporary storage warehouse, safe custody, ramp handling, and terminal handling.

Telecommunications

The Novosibirsk Region is provided with high-quality broadband Internet, television, and telephony. All major federal communications service providers operate in the Novosibirsk Region.

Electric Power

The Novosibirsk Region is provided with a centralised power supply system consisting of power grid facilities (500 kV, 220 kV, and 110 kV) and power plants (five thermal power plants and one hydropower plant).

Natural Gas

The Novosibirsk Region is provided with a system of main gas pipelines, gas distribution plants, and gas network pipelines. Commercial gas is shipped to

consumers of the Novosibirsk Region by a designated company—Novosibirsk Line Operations Administration of Main Gas Pipelines OOO Gazprom Transgaz Tomsk.

Customs Office

The Novosibirsk Customs Office operates in the Novosibirsk Region as part of the Siberian Customs Administration of the Federal Customs Service.

The Novosibirsk Customs Office includes six customs points: Berdsk Customs Point, Karasuk Customs Point, Novosibirsk Eastern Customs Point, Novosibirsk Western Customs Point, Novosibirsk Customs Point (electronic declaration centre), and Tolmachevo Airport Customs Point.

Moreover, Novosibirsk is the seat of the Siberian Customs Administration of the Federal Customs Service that controls all the customs offices in the regions of the Siberian Federal District.

1.8. Traffic

Air Traffic through the Novosibirsk Tolmachevo International Airport

Regular Direct International Flight Routes:

Hanover (Germany), Dusseldorf (Germany), Frankfurt (Germany), Prague (Czech Republic), Burgas (Bulgaria), Istanbul (Turkey), Antalya (Turkey), Yerevan (Armenia), Baku (Azerbaijan), Bishkek (Kyrgyz Republic), Shymkent (Republic of Kazakhstan), Tashkent (Uzbekistan), Dushanbe (Tajikistan), Khujand (Tajikistan), Kulob (Tajikistan), Almaty (Kazakhstan), Fergana (Uzbekistan), Dubai (United Arab Emirates), Bangkok (Thailand), Hong Kong (China), Beijing (China), Seoul (Republic of Korea), Harbin (China), Urumqi (China), Astana (Republic of Kazakhstan), Karaganda (Republic of Kazakhstan), Ust-Kamenogorsk (Republic of Kazakhstan).

Regular Direct Domestic Flight Routes:

Moscow, St. Petersburg, Kazan, Ufa, Yekaterinburg, Tyumen, Khanty-Mansiysk, Surgut, Strezhevoy, Salekhard, Noyabrsk, Nizhnevartovsk, Novy Urengoy, Norilsk, Polyarny, Mirny, Talakan, Krasnoyarsk, Bratsk, Yakutsk, Magadan, Neryungri, Petropavlovsk-Kamchatsky, Irkutsk, Ulan-Ude, Chita, Blagoveshchensk, Khabarovsk, Yuzhno-Sakhalinsk, Kyzyl, Vladivostok, Novokuznetsk, Krasnodar, Sochi, Anapa, Simferopol, Rostov-on-Don, Samara, and Chelyabinsk.

The airport's partners include more than 50 foreign and Russian airlines operating cargo flights and passenger flights.

Rail Traffic via the Novosibirsk Main Station

The Novosibirsk Main Railway Station connects the majority of big cities in western Russia with cities in eastern Russia.

The Moscow – Ulan Bator and Moscow – Beijing trains perform international transportation via the Novosibirsk Main Station.

Motor Transportation

Buses perform passenger transportation by road throughout the Novosibirsk Region as well as to cities of neighbouring regions (the Tomsk Region, the Omsk Region, the Kemerovo Region, and the Altai Territory). International bus traffic runs from the Novosibirsk Bus Station to Pavlodar (Republic of Kazakhstan).