### Pridnestrovia in Brief

<table>
<thead>
<tr>
<th><strong>AREA</strong></th>
<th>4,163.0 km²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL</strong></td>
<td>Tiraspol</td>
</tr>
<tr>
<td><strong>POPULATION</strong></td>
<td>468.9 thousand people</td>
</tr>
<tr>
<td><strong>OFFICIAL LANGUAGES</strong></td>
<td>Russian, Ukrainian, Moldavian</td>
</tr>
<tr>
<td><strong>GOVERNMENT</strong></td>
<td>Presidential Republic</td>
</tr>
<tr>
<td><strong>ADMINISTRATIVE CENTRES</strong></td>
<td>Tiraspol, Bendery, Grigoriopol, Dubossary, Kamenka, Rybnitsa, Slobodzeya</td>
</tr>
</tbody>
</table>
Structure of the Pridnestrovo GDP

27.47% • Non-Market Services

8.46% • Other Market Services

2.93% • Housing and Utility

13.85% • Trade

30.80% • Industry

8.52% • Agriculture

2.35% • Construction

5.62% • Transport and Communication

GDP USD 919.2 mln.
Main Export Destinations from Pridnestrovie

- Germany: 5.6%
- Poland: 3.7%
- Slovakia: 1.9%
- Romania: 15.9%
- Moldova: 30.4%
- Russia: 10.2%
- Ukraine: 19.0%
- Turkey: 0.4%
- France: 0.4%
- Italy: 6.0%
- Belarus: 0.8%
## Export to Russia and EU in 2017*

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Russia</th>
<th>EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Commodities and Ingredients</td>
<td>9,079.8</td>
<td>6,587.2</td>
</tr>
<tr>
<td>Chemical Products</td>
<td>6,006.1</td>
<td>1,918.5</td>
</tr>
<tr>
<td>Rawhide and Peltry Wares</td>
<td>0</td>
<td>453.9</td>
</tr>
<tr>
<td>Wood, Pulp and Paper</td>
<td>319.4</td>
<td>53.5</td>
</tr>
<tr>
<td>Textiles</td>
<td>7,059.2</td>
<td>37,938.5</td>
</tr>
<tr>
<td>Clothes</td>
<td>3,834.5</td>
<td>12,552.9</td>
</tr>
<tr>
<td>Footwear</td>
<td>4,800.6</td>
<td>32,529.8</td>
</tr>
<tr>
<td>Metals and Metal Wares</td>
<td>13,043.7</td>
<td>137,540.1</td>
</tr>
<tr>
<td>Mechanic Engineering</td>
<td>21,913.3</td>
<td>3,076.2</td>
</tr>
<tr>
<td>Other Goods</td>
<td>211.6</td>
<td>6,802.0</td>
</tr>
</tbody>
</table>

* USD thousand
Advantages of Pridnestrovia

Logistics

Available

- 2 international trunk routes
- 3 main gas pipelines
- 2 international railways

Potential

- Tiraspol Airport
- Bendery River Port

Bryansk (RF):
- 1,000 km
- 11:30 h
- $1,600-2,000

Bucharest:
- 517 km
- 7:30 h
- $900-1,000
Advantages of Pridnestrovie

High agro-climatic and soil potential for the agricultural development

Optimal conditions for agriculture: ample fertile lands, favourable climatic conditions, sufficient water resources (the Dniester River) for land reclamation

Local supply of raw materials: metal, cement, brick, limestone, sand, lime, gravel
Advantages of Pridnestrovie

**Gas**
(USD per 1 m³)

- Ukraine: 0.41
- Moldova: 0.31
- Belarus: 0.24
- PMR: 0.17
- Russia: 0.11

**Electricity**
(USD per 1 kW)

- Moldova: 0.19
- Belarus: 0.15
- Ukraine: 0.10
- Russia: 0.09
- PMR: 0.08
Advantages of Pridnestrovie

### Heat (USD per 1 Gcal)

- Moldova: 72.17
- Ukraine: 65.28
- Belarus: 54.31
- PMR: 46.97
- Russia: 45.18

### Water Supply (USD per 1 m³)

- Moldova: 2.90
- Russia: 1.24
- Belarus: 1.03
- PMR: 0.65
- Ukraine: 0.60
Advantages of Pridnestrovie

The preferential regime for the Pridnestrovian imports to the European Union and the Russian Federation - zero rate of import customs duty for Pridnestrovian products in the importing country.
Certification of Pridnestrovan Products

- Certificate of Origin (EUR.1, CT-1)
- Confirmation of Compliance
- Veterinary Certificate
- Certificate of Fumigation
Pridnestrovie is one of the first states to implement the legislation in the field of blockchain technologies.
The Law is aimed at:

- Capital raising
- Employment generation
- Revenue increase
- Growth of consumer demand
- Growth of GDP
Law of the Pridnestrovian Moldavian Republic

ON GOVERNMENT SUPPORT OF INVESTMENT ACTIVITIES

Law Targeting:

- Shaping favourable investment climate
- Development of effective industrial sites
- Risk compensation
- Government support to investors
Government Support

Government Guarantees

Investment Preferences

Cooperation with Investor
Government Guarantees

- Legal protection of investors
- Use of income from investment activities
- Maintenance of preferences on change of legislation
- Special treatment with respect to accounting and financial reporting
- Government publicity and transparency
Stability Guarantees

Stability guarantees when changing legislation - the obligation of the government not to worsen the conditions for doing business activities by investors.

Settlement of disputes in the courts of Pridnestrovie, in foreign courts and courts of international jurisdiction determined by the parties to the contract.
Investment Preferences

- Privileges on Taxes, Fees and other Regulatory Charges:
  - relief from income tax, land tax, income tax on dividends, reduction of the unified social tax for a period of 5 to 10 years

- Investment Grant:
  - 10% reimbursement of the investment in fixed assets

- Government Land Grants:
  - granting of free use of state property followed by free conveyance
Investment Preferences

Privileges on Taxes

- Relief from corporate income tax
- Relief from land tax
- Relief from income tax on dividends
- Reduction of the unified social tax rate from 25% to 14%

- 5 years
- 7 years
- 10 years

- EUR 200,000 to 500,000
- EUR 500,000 to 1,000,000
- More than EUR 1,000,000
Investment Preferences

Privileges on Other Regulatory Charges

Relief from import customs duties
Granted if own production run

Relief from surrender of forex proceeds
During the validity of the investment agreement
10% reimbursement of the cost of construction, assembly, and purchase of equipment.

The volume of investment in fixed assets shall exceed EUR 200,000.

The source of investment is not borrowed funds.

Reimbursement in the amount of not more than EUR 100,000.
Investment Preferences

Government Land Grants

- Fixed Asset Investment: Investing and investment commitments
- Government Land Grant: Government granting in the amount of 30% of investments
- Free Property Conveyance: Granting of free use of state property followed by free conveyance*

* land is granted on a lease, short-term or long-term land use
Cooperation with Investor

- **Interaction with Investor**
  - signing of the investment agreement
  - one stop principle:
    - advising
    - assistance in provision of public services
    - project support

- **Public Authorities**
  - Authorized Investment Agency
  - Investment Board under the Government of Pridnestrovie
Cooperation with Investor

Interaction with Investor

Investor
- Filing of an application for investment preferences

Authorized Authority
- Application processing and drafting of legal opinion

Investment Board
- Legal opinion processing and drafting of recommendations

Government of Pridnestrovie
- Consideration of the draft investment agreement

Investment Agreement
- Signing investment agreement
Success Story: Softshoes

**Italy**

- **Founded in**: 1948
- **Products**: Women’s footwear
- **Employees**: 1,200 employees
- **Investments for the last 5 years**: USD 6.5 million
- **Results**
  - **2003**: 2 models per year
  - **2017**: 400 models per year
Success Story: Terri-Pa

Germany

Terri-Па

Founded in 1996

PRODUCTS:
work shoes

RESULTS

2004 564 th. pairs
2017 605 th. pairs

300 employees

Investments for the last years
USD 1.6 million
Success Story: Lender Agroprim

**Italy**

**Founded in 2007**

**PRODUCTS:** oilseeds, grain crops

**RESULTS**

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<th>Year</th>
<th>2014</th>
<th>2017</th>
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<tr>
<td></td>
<td>18,174.57</td>
<td>22,664.25</td>
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**More than 100 employees**

**Investments for the last 5 years**

USD 3.1 million
Invest in Pridnestrovie!