

Major trends in socio-economic development of the Republic of Tatarstan

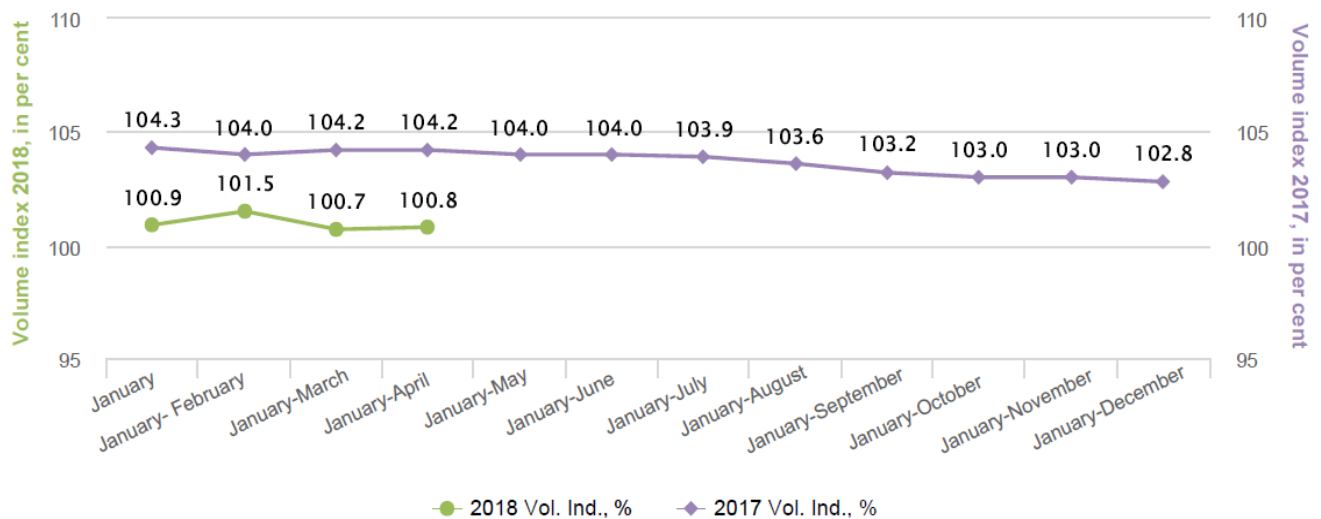
In 2018, according to the **National Rating of Investment Climate in Russian Regions** developed by the Agency for Strategic Initiatives to Promote New Projects, the **Republic of Tatarstan was named among top three leaders** ensuring the most favourable investment conditions for business structures.

Tatarstan is traditionally **one of the leading regions** in the Russian Federation in **key macroeconomic indicators**. In terms of **gross regional product**, the republic ranks **7th** among the constituent entities of the Russian Federation.

❖ Gross Regional Product

The Gross Regional Product (estimate) in January to April 2018 totalled **RUB 711,994.8 million**.

Its volume index compared to the period of January to April 2017 is **100.8%**.



❖ Manufacturing industry

The Republic of Tatarstan is one of the most industrially developed Russia's regions. **In the industrial output**, the republic ranks **5th** among all constituent entities of the Russian Federation. The industrial profile of the republic is determined by crude oil production, petrochemical sector, mechanical engineering, electric power industry, food processing, light industry, and woodworking industry. Tatarstan is a home for large enterprises, which manufacture commodities known far outside of Russia.

The basic budget-forming industry of Tatarstan economy is its petrochemical (oil-gas-chemical) sector. Tatarstan enterprises are engaged in crude oil extraction, production of a wide range of oil refinery products, synthetic rubbers, and plastics. The positive trends in the socio-economic development are primarily due to large-scale investment in key sectors of the economy.

A number of large-scale industrial investment projects are expected to be implemented within the period until 2020, such as the commissioning of several units at the TANECO Oil Refining and Petrochemical Complex, the construction of the Olefin Facility at Nizhnekamskneftekhim and an industrial import-substituting facility for the

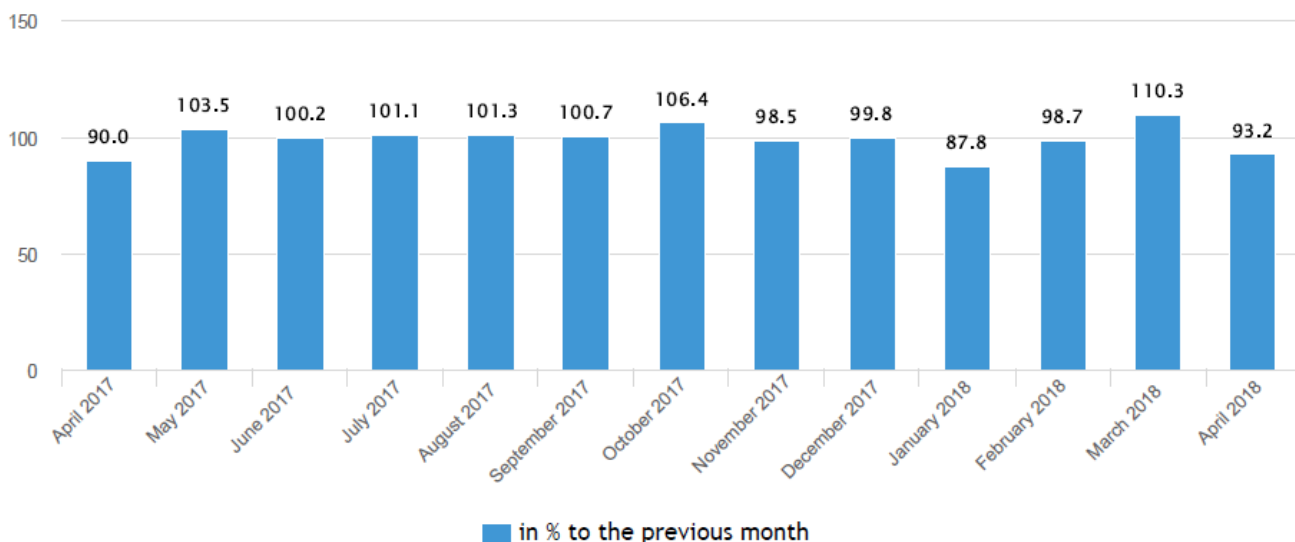
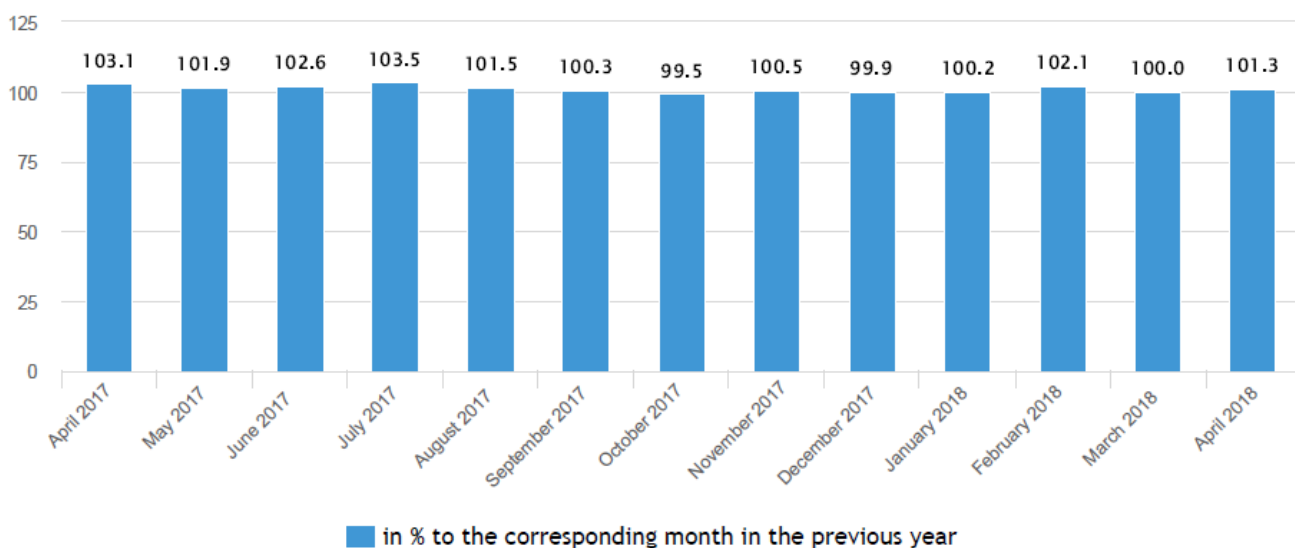
production of methylchlorosilanes and their derivatives at KZSK-Silicon. The number of residents in the territory of the Special Economic Zone of Industrial Production Type Alabuga is currently 56 companies as of April 1, 2018 (expected to grow up to 120 companies by 2023).

At present, the Republic of Tatarstan has several government programmes aimed at ensuring the innovative development of the economy and reducing the technological and market dependence on foreign countries. A number of measures are being implemented to mitigate the negative impact of the existing socio-economic situation on the industrial development of the Republic of Tatarstan.

Leading branches of mechanical engineering in Tatarstan are automotive and aircraft industries. Tatarstan enterprises manufacture helicopters, airplanes, tractors, cars and trucks, compressors, vacuum and refrigeration equipment, as well as equipment for fuel and petrochemical industries. The republic is a home for unique enterprises engaged in shipbuilding, electric and radio instrument making, defence industry, and many other spheres.

Changes in the industrial production index in 2017-2018

The **industrial production index** in April 2018 was 101.3% as compared to April 2017; in the period of January to April 2018, it was 100.5% y-o-y.



**Domestically manufactured goods, performed jobs and rendered services in
January to April 2018, RUB million**

In January to April 2018, enterprises (organisations) **shipped** goods of their **own production**, performed jobs and rendered services to the total amount of **RUB 844,548.9 million**, of which amount **RUB 747,511.7 million** was accounted for by large and medium-sized businesses.

The main contributors to the total industrial output were production of crude oil and natural gas (21.0%); production of coke and petroleum products (22.3%); production of chemicals and chemical products (12.5%); production of motor vehicles, trailers, and semitrailers (9.3%); and food production (5.8%).

Name	Goods, jobs, and services
Industrial production	747,511.7
Mining and quarrying	197,701.4
Manufacturing activities	492,342.7
Foodstuffs	42,464.4
Beverages	8,466.8
Textiles	623.8
Clothing	225.8
Leather, leather goods	165.4
Woodworking, wood and cork products, except for furniture, straw products and plaiting materials	4,511.9
Paper and paper products	6,196.9
Printing activities and copying of information carriers	2,011.3
Coke and oil products	164,889.5
Chemical substances and chemical products	97,250.6
Medications and materials used for medical purposes	829.0
Rubber and plastic products	26,389.6
Other non-metal mineral products	6,961.6
Basic metals	11,282.2
Fabricated metal products, except for machines and equipment	9,644.8
Computers, electronic and optical products	10,204.7
Electrical equipment	8,724.9
Machines and equipment not elsewhere included	5,796.7
Motor vehicles, trailers and semitrailers	73,212.5
Other vehicles and equipment	7,751.5
Furniture	383.3
Other finished products	380.2
Equipment repairs and installation	3,975.2
Provision of electric energy, gas and steam; air conditioning	51,384.6
Water supply; water disposal, waste collection and disposal, pollution control activities	6,082.9

**Industrial production index since the start of the year,
in % to the corresponding period in the previous year**

Name	Industrial production index
Total	100.5
Mining and quarrying	99.0
Manufacturing activities	100.7
Foodstuffs	111.4
Beverages	97.6
Textiles	122.2
Clothing	81.0
Leather, leather goods	81.5
Woodworking, wood and cork products, except for furniture, straw products and plaiting materials	109.2
Paper and paper products	152.2
Coke and oil products	109.0
Chemical substances and chemical products	97.9
Medications and materials used for medical purposes	79.1
Rubber and plastic products	97.5
Other non-metal mineral products	99.0
Basic metals	108.0
Fabricated metal products, except for machines and equipment	95.4
Computers, electronic and optical products	91.3
Electrical equipment	91.0
Machines and equipment not elsewhere included	107.1
Motor vehicles, trailers and semitrailers	112.0
Other vehicles and equipment	75.6
Furniture	122.5
Other finished products	91.9
Provision of electric energy, gas and steam; air conditioning	111.9
Water supply; water disposal, waste collection and disposal, pollution control activities	96.3

Major Industrial Companies

<i>Name</i>	<i>Products</i>
PAO Tatneft	Crude oil, natural and associated gas
OAO TAIF-NK	Oil products
AO TANECO	Oil products
PAO Kazanorgsintez	Polyethylene, polycarbonate, acetone, bisphenol, liquid pyrolysis products, ethanolamines
PAO Nizhnekamskneftekhim	Synthetic rubber, polystyrene, ABS plastic, polyethylene, polypropylene, other organic products
AO Ammoni	Mineral or chemical nitrogen fertilisers
AO Tatkhimfarmpreparaty	Medications, surgical suture materials
Tyre complex of OAO Tatneft	Carbon black, car tyres of different diameters (for cars, vans, trucks, all-metal truck tyres, agricultural machinery tyres, and special tyres)
AO Karpov Chemical Plant	More than 40 inorganic chemical products: for technical

	applications, foodstuffs, reagents, drugs and substances, building materials
PAO Nefis Cosmetics	Household chemicals and products for technical purposes. The company owns such famous brands and trademarks as AOS, BiMax, Sorti, Biolan, Love, Lesnaya Polyanka, Tselebnye Travy. More than 300 chemical products.
OOO Tekhstroy	Plastic pipes and fittings
OOO iPlast	Industrial plastic packaging
AO Almetyevsk Pipe Plant	Steel pipes
PAO KAMAZ	Internal combustion engines for motor vehicles, trucks (including chassis), parts and accessories for motor vehicles and their engines
OOO Ford Sollers Yelabuga	Cars, buses, trucks (including chassis), engines for cars
OAD PO Yelaz	Agricultural and special machinery (tractors, road-building and municipal vehicles), special machinery for oil and gas industry
OAD Kazankompressormash	Gas pumping units, centrifugal compressor units, multiplier centrifugal-type compressors, screw compressor units
OAD ALNAS	Complete submersible installations (centrifugal pump, gas separator, hydro protection, electrical motor, ground electrical equipment)
AO POZIS	Large household appliances and high-tech medical refrigeration equipment
OAD Gorky Zelenodolsk Plant	Military and commercial shipbuilding, petroleum and marine engineering products, ferrous and non-ferrous metal products, titanium castings. The enterprise is also engaged in the customised repair, upgrading, and refurbishment of vessels.
Gorbunov Kazan Aviation Plant, Branch of PAO Tupolev	Production of civil aircraft, repairs and maintenance of aircraft
OAD Kazan Motor-Building Production Association	Full-scale production of gas turbine engines and relevant equipment for pumping and distribution of natural gas
PAO Kazan Helicopters	Family of Mi-8/17, Mi-38, and Ansat helicopters. Wide range of helicopter modifications: transport, passenger, rescue, airborne transport, and many others. The national industry's only company that is certified and licensed for a complete range of operations, from development and production to repairs of rotorcraft.
ZAO NP Naberezhnye Chelny Cardboard and Paper Plant	Box board, including corrugating paper, rolls of toilet paper, paper tissue, corrugated packaging
PAO Zelenodolsk Plywood Plant	Plywood
OOO Kastamonu Integrate Wood Industries	Uncoated MDF, MDF with melamine coating, floor coverings, laminated panels
OOO Volga Plywood and Furniture Works	Plywood, frames, and latoflex
OOO Plant Elastic	Non-woven fabric
ZAO Polimatiz	Polyspan® non-woven polypropylene fabric (Profi, Agro, Medi), Polyspan®Stroi construction materials
OOO Kamskie Polyany Industrial Park	Polypropylene yarn
AO Tatenergo	Electricity, thermal energy
OAD Tatspirtprom	Vodka and other spirits, ethyl alcohol, sparkling wines and champagne, wine
Kazan Branch of ZAO Moscow-Efes Brewery	Beer

❖ Employment market

The **economically active population aged 15-72** totalled (in February to April 2018 on the average, as based on a sample survey of population employment) some **2,023,400 people** (or **52%** of the total population in the republic). Of the total workforce, some 1,955,300 people (or 96.6% of the economically active population) were employed in the economy, and 68,100 people (or 3.4) were without work but actively seeking employment (according to the methodology of the International Labour Organisation they are treated as unemployed).

The **economic activity rate** (percentage of employed population in the total population aged 15-72 years) was **67.5%**.

❖ Living standards

In January to March 2018, **average wages** payable to employees of enterprises and organisations, including small businesses, was **preliminary estimated at RUB 32,441.6**, recording a 8.2% increase y-o-y.

❖ Unemployment

As of late April 2018, the offices of the Government Employment Services **registered 12,200 unemployed persons or 0.6% of the economically active population** (compared to 0.73% at late April 2017).

The job seeking allowances were granted to 10,400 unemployed persons. In April 2018, a total of 3,900 unemployed citizens applied for employment assistance to the offices of the Government Employment Services, of which 2,900 people were granted the status of an unemployed person (drop by 117 people or 3.9% compared to April 2017). During the month, 1671 unemployed persons were given employment, which is 6.1% less than in April 2017. A total of 828 unemployed persons started their vocational training or supplementary vocational education by assignment from employment service agencies (746 persons in April 2017). In April 2018, **stress index** (the number of people officially registered with the offices of the Government Employment Services as not working per job vacancy) **was estimated at 0.4 persons per job vacancy** announced (against 0.5 in April 2017).