

INVEST IN RUSSIA

**INTERNATIONAL AND RUSSIAN
INVESTMENT PROMOTION AGENCIES
PRACTICES IMPLEMENTED IN THE
CONTEXT OF THE COVID-19 PANDEMIC**

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INTRODUCTION

Spreading of COVID-19 made adjustments to the working conditions and development of investment promotion agencies (IPA). Most of the working areas have been shifted from everyday investment attraction to participating in crisis management, informing of investors about emergency measures and measures to provide economic assistance to the government, re-profiling industries to overcome COVID-19 economic effects.

National Association of Investment and Development Agencies (NAIDA) prepared an overview of IPAs practices implemented in the context of the COVID-19 pandemic based on data from international development institutions together with Russian IPAs.

ISSUES AND GENERAL ACTIVITIES OF INTERNATIONAL IPAS ACCORDING TO THE UNCTAD STRATEGIC SESSION WITH IPA'S LEADERS¹



- 2.1. IPAs faced a significant reduction of new investor's requests and lead generation.
- 2.2. IPA's ongoing work on investment promotion requires attention to rapid political and economic changes, as well as to changing for investor needs.
- 2.3. Due to the lack of medicines to deal with the pandemic and the growing food security problems in many countries IPAs are shifting their focus to the health and agribusiness sectors.
- 2.4. Foreign and domestic investors are faced with great uncertainty, they are requesting information on a number of topics, including access to government business support measures, logistics, plant closures, supply of basic goods and services, customs issues and others.
- 2.5. IPAs provide relevant information online via specialized 24/7 online channels.
- 2.6. Digital services: online guides to business continuity, crisis management action plans, virtual market analysis platforms and webinars are part of the IPAs response to the pandemic.
- 2.7. During the pandemic crisis the role of some IPAs in the area of informing on business conditions and support measures has been strengthened.
- 2.8. IPAs have become key players in national efforts to supply equipment and materials to support the fight against COVID-19.
- 2.9. IPAs took part in re-profiling production lines of existing investors towards the production of medical equipment and materials. Hand sanitizers, medical masks, ventilators, etc.
- 2.10. IPAs are beginning to analyze the needs of investors during the post-pandemic recovery period, overestimating the main areas of activity, including participation in major investment forums.
- 2.11. The picture is unclear as to what the post-pandemic global investment climate will look like and how it will affect development-related sectors and sustainable development goals.
- 2.12. IPAs further emphasize the importance of collaboration and global sharing of best practices and projects.

¹ — UNCTAD Data Source

ACTIONS TAKEN BY INTERNATIONAL IPAS IN RESPONSE TO THE PANDEMIC COVID-19²



Australia

As part of the Team Australia project IPA Austrade works closely with government departments. The Austrade website contains detailed information on measures to support the business, as well as market analysis. The IPA organized a series of targeted webinars, including on the effects of coronavirus in Australia and China, as well as impacts on specific sectors, such as healthcare and mining.



Austria

ABA Invest in Austria has a special section that regularly publishes the latest COVID-19 news relevant to the business community and investors. It includes an explanation of measures taken by the Government, including “short-term work”. IPA also organized online events such as Corporate Online Day and Virtual Business Conference, offering free investment advisory services to foreign companies and private investors.



Brazil

APEX is a Brazilian trade and investment promotion agency. It has developed a comprehensive platform with tools to support exporters and investors. For example an online market analysis tool that updates economic and trade information by sectors. Other useful tools include a generic crisis management plan for businesses, supplier support guidelines and exporter check-lists.



Dominican Republic

The Dominican Republic Export and Investment Center (CEI-RD) has prepared documents to facilitate the exchange of information with business and exporters including specific measures taken in the main exporting countries.



Estonia

An emergency contact dialog box can be found on the Estonian IPA's website. IPA regularly publishes pandemic news relevant to the investor community and plans online events through social networks, including Facebook Live Q&A to tackle the crisis.



Germany

Germany Trade and Invest has developed a dedicated website to guarantee the investment community that it “will continue to provide its full portfolio of virtual services during the current crisis.” The website provides regular updates of information, as well as industry documents and analytics.

² — UNCTAD Data Source



India

Invest India has created the Business Immunity Platform which offers a wide range of services including 24/7 help, market reports and daily updates on events, including at the state level. The platform is a comprehensive portal dedicated to the news and tools related to COVID-19, intended for the investment community and developed by the Indian Invest IPA. The platform has dedicated communication lines for investor requests related to COVID-19, a COVID-19 dashboard, a portal for monitoring the number and nature of requests received by the IPA, as well as analytical data and market reports. The IPA has established ad hoc information groups, including a “business recovery team”, a “stakeholder engagement team” and a “vendor engagement team», and will organize targeted webinars and information sessions for each target group.



Italy

Italian IPA is responsible for managing the #CuraitaliaIncentivi initiative, which provides incentives for companies to temporarily transform or expand their production into medical equipment and personal protective equipment to combat the pandemic. All incentive applications are submitted online.



Kazakhstan

The IPA Kazakh Invest website has an “emergency” section that provides the latest information on measures and news related to COVID-19. Service support for investors, as well as advice on investment activities, is carried out by the IPA 24/7 on a dedicated telephone line and an online consultation request form.



Netherlands

The Netherlands Foreign Investment Agency has developed updated information and a COVID-19 guide for enterprises, available through its website, which provides an overview of key programs and resources that support the investment and business community crisis time, including a roadmap for businesses which directs companies through Dutch national organizations providing information and advice.



Saudi Arabia

The Ministry of Investment of the Kingdom of Saudi Arabia has established the COVID-19 Response Center. A website has a section on “ensuring business continuity” aimed to support investors during a pandemic. This resource includes information on initiatives and services offered by the Government to support business as well as a guide to ensuring business continuity and a list of frequently asked questions for investors.



Switzerland

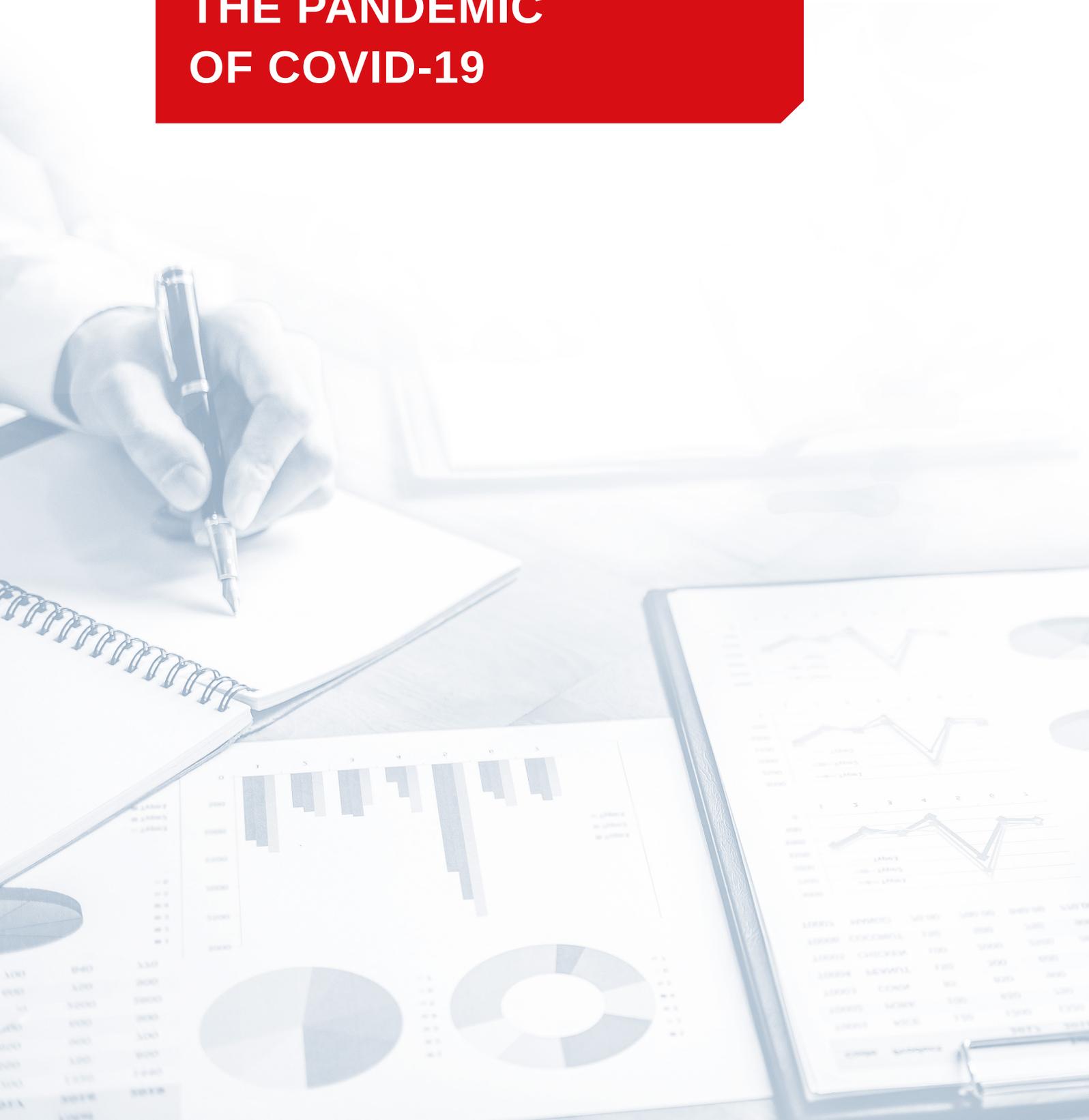
Switzerland Global Enterprise: a special website, COVID-19 Information for SMEs, has been developed to provide detailed information on financial support for business, logistics and healthcare, as well as a section on general legal issues and useful strategic resources. There is a chat window that says that the experts of the internationalization agency “are on your side at this difficult time.”

WHAT CHANGES HAVE TAKEN PLACE IN THE WORLD REGULATORY FRAMEWORK ON INVESTMENT ISSUES IN RECENT MONTHS?³



- 4.1. The United States of America has specified a tax break program in the so-called “opportunity zones”.
- 4.2. China, France, Greece, India, Indonesia, Italy, Japan, Romania, the United Arab Emirates, the United States of America and Vietnam have adopted new political measures regarding the entry of foreign investors and their activities during the establishment of the legal entity.
- 4.3. China has allowed Chinese individuals to create new enterprises with foreign participation directly.
- 4.4. The United Arab Emirates has expanded the definition of “qualified investors”.
- 4.5. China has introduced detailed regulations regarding the new foreign investment law.
- 4.6. Ukraine has simplified and reduced the costs of registration of representative offices of foreign economic entities.
- 4.7. Uzbekistan has introduced a new multi-level dispute resolution mechanism between the investor and the state.
- 4.8. Azerbaijan has expanded tax incentives for industrial and high-tech parks.
- 4.9. China has published a series of pilot measures to attract foreign investment in the Yangtze River Delta.
- 4.10. Oman has created a nationwide investment portal designed to enable local companies to attract foreign investors around the world.

PROJECT IMPLEMENTED BY RUSSIAN IPAS IN RESPONSE TO THE PANDEMIC OF COVID-19



RUSSIAN DIRECT INVESTMENT FUND

5.1.1. Launch of a project to diagnose and detect pneumonia, including that caused by the Sars-Cov-2 coronavirus



Executive summary: Russian Direct Investment Fund (RDIF) has announced the launch of a project to diagnose and detect pneumonia, including that caused by the SARS-COV-2 coronavirus, using CT-images using Russian-Emirati artificial intelligence technologies developed by the leading technology company of the UAE Group 42 (G42) in partnership with RDIF government company «Medscan» and Russian network of medical centers.

RDIF role: implementation of the project, RDIF has created a joint venture with the «Medscan» network of medical centers, which specializes in expert radiodiagnostics and laboratory diagnostics, and in the cancer treatment with using radiation and drug therapy. All-Russian competence center for remote analysis and recognition of CT-images will be created as part of the partnership between RDIF and «Medscan».

[LINK](#)

5.2. ULYANOVSK REGION (ULYANOVSK REGION DEVELOPMENT CORPORATION)



5.2.1. Production of medical masks in special economic zone «Ulyanovsk»



Executive summary: three production lines allow to produce up to 600.000 units per day. The company received the corresponding registration certificate of Roszdravnadzor for the production of disposable masks.

IPA's role: initiated negotiations with the resident of the Ulyanovsk Special Economic Zone - the Chinese company «NTM Group» on the creation of mask production. Together with the management company of the port zone and the resident (manufacturer of medical equipment) redesigned the product line and agreed to produce medical masks. Currently negotiations are underway for the production of FFP3 class respirators with a production capacity of 100.000 units per day as well as insulating suits.

[LINK](#)



5.2.2.

Production of a prototype test system for rapid diagnosis of coronavirus



Executive summary: specialists of the project company of the Ulyanovsk nanotechnology center (part of the Corporation) in the Zavolzhye Industrial Park have developed a prototype test system for rapid diagnosis of coronavirus. Currently the resident is waiting for the issuance of a registration certificate for a medical device.

It will be able to get results using the new molecular genetic test of the company «Testgen» within 2 hours. The advantage is the use of modern highly productive enzymes, which can significantly reduce the time of analysis and make it more accurate than 96% - provided that it is performed correctly at all stages. The system is able to detect a minimal amount of virus, and is suitable for earlier diagnostics. «Testgen» initially laid the possibility of automating the process using robotic systems. For example, one of them can perform up to 800 analyses per day, i.e. 2 analyses per minute. The use of robotic solutions will increase the productivity of laboratories by 8 times.

IPA's role: the prototype of the test system was developed by the project office of the Ulyanovsk nanotechnology center, a subsidiary of the Ulyanovsk region development Corporation on the territory of the industrial Park managed by the Development Corporation

[НОВОСТЬ](#)

NOVOSIBIRSK REGION (INVESTMENT DEVELOPMENT AGENCY OF THE NOVOSIBIRSK REGION)



5.3.1. Providing social and governmental organisations with disinfectants



Executive summary: Development, production and certification of a line of antiseptics for hand disinfection and surface treatment at the area of the Biotechnopark in Novosibirsk region. Product form: gel, spray and solution. Currently, Biotechnopark is developing an alcohol-free antiseptic recipe for surface treatment in medical and social institutions.

IPA's role: ordered the first batch of antiseptics with a volume of 5 thousand liters, which was donated to veterans' homes, mercy homes, gerontology center, employees of the regional Government, Novosibirsk city hall and law enforcement agencies.

[LINK](#)

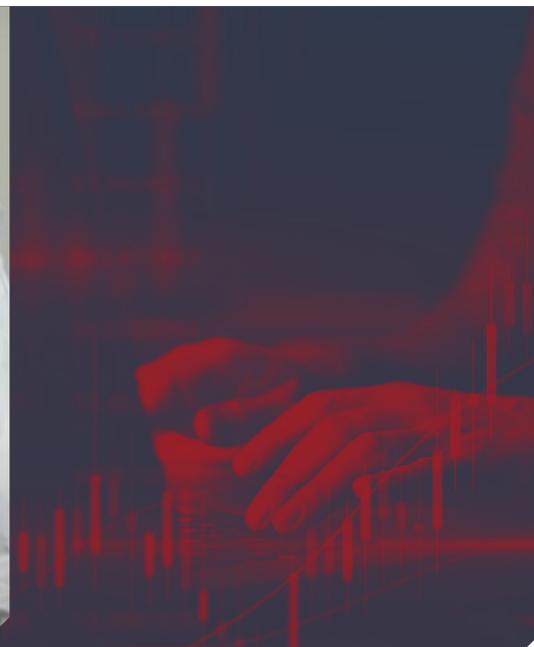
5.3.2. Organisational support for the provision of humanitarian aid to medical institutions in the Novosibirsk region

IPA's role: organized interaction of the «Obuv Rossii» (Russian Shoes) company with medical institutions in the region (clinics, ambulance stations), including those that were repurposed to fight COVID-19 in order to provide humanitarian aid in the form of special shoes for medical workers.



5.3.3.

Organization of laboratory diagnostics of coronavirus infection on the basis of the biotechnopark of the Novosibirsk region



Executive summary: On the basis of the biotechnopark's clinical and diagnostic laboratory tests from public and private medical institutions in the Novosibirsk region conducted for the presence of coronavirus infection. Analysis in the laboratory are using the test system of the Novosibirsk production. Initially, the Biotechnopark will analyse up to 100 samples per day, and the load will gradually increase – by June, the number of tests is planned to reach 700.

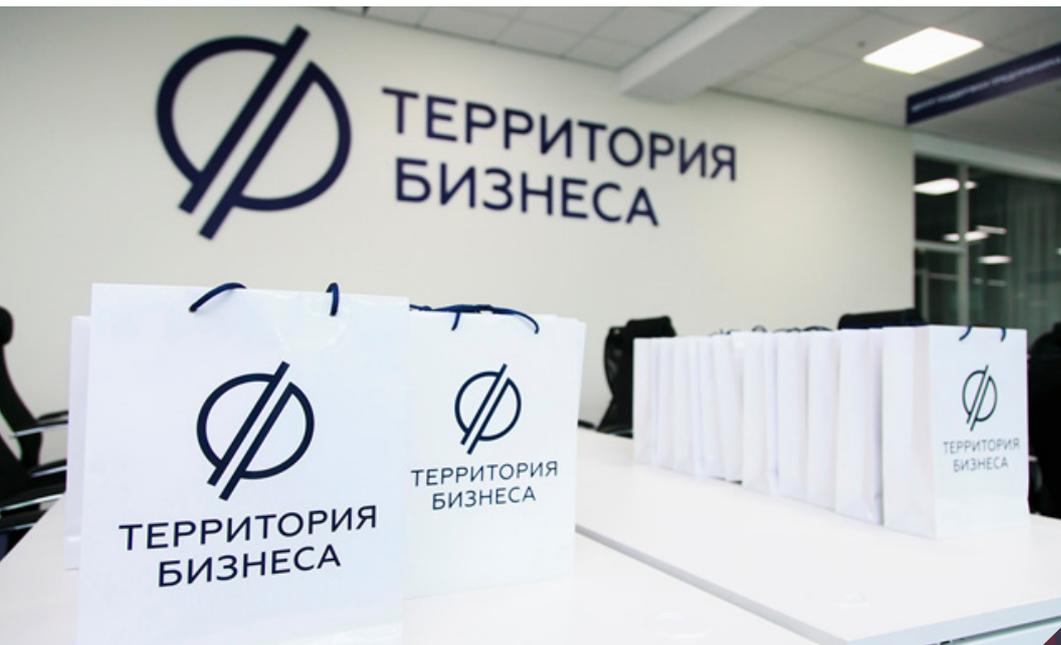
IPA's role: financial support for the development of a laboratory (purchase of necessary equipment and protective equipment).

[LINK](#)

CHELYABINSK REGION (FUND FOR BUSINESS DEVELOPMENT OF CHELYABINSK REGION – TERRITORY OF BUSINESS)



5.4.1. Introducing a set of measures to boost business development in the field of online commerce



Executive summary: Fund has launched four new non-financial products to support SME: [«I want to deliver goods»](#) и [«I need delivery»](#), [«I want to sell on the largest marketplaces»](#), [«I want to sell online»](#). Fund has facilitated cooperation with Russian federal marketplaces. IPA has provided financial support for the competition to connect SMEs to the Wildberries and OZON marketing platforms as well as launched an educational program for doing business on these platforms. The project «I want to sell online» allows enterprises to organize their operation online. That includes developing an app together with our partners, «Napoleon IT» company, creating an online store using the services of the «Xpage» digital agency. IPA has also developed a financial product — the «ONLINE START» microloan which intends to fund the development of a mobile application or an online store.

IPA's role: Creating infrastructure and related services to put businesses online, facilitating agreements with major federal marketplaces.

[LINK](#)

ТЕРРИТОРИЯ
БИЗНЕСА

5.4.2. Operation changes of «My business» centres to 24/7



Executive summary: Fund has switched to Bitrix24, Zoom, Telegram, WhatsApp, Google Docs, which allowed to transfer 95 out of 100 IPA's employees to teleworking. In 2 days Fund has established a hotline that has already helped accept and process more than 10.000 requests from SME. Fund has made possible the launch of anti-crisis products for the business such as the "Antivirus" loan, reduced rate on bank loan guarantees, restructuring of existing microloans and guarantees, chat-bot for Telegram channel, support measures under TIN, 4 new non-financial anti-crisis support measures aimed at bringing businesses online.

IPA's role: rapid deployment of infrastructure for teleworking, launch of new non-financial anti-crisis support measures.

[LINK](#)

IRKUTSK REGION (AGENCY FOR INVESTMENT DEVELOPMENT OF IRKUTSK REGION)



5.5.1. Manufacturing of high precision Covid-19 igm and igg antibody tests



Executive summary: The establishment of a joint Swiss-Chinese-Russian scientific and technological laboratory which focuses on the technology that allows to bring high precision tests for IgM and IgG antibodies to the new coronavirus to the Russian market in the shortest time possible. The test helps determine whether a person has previously been infected with the SARS-CoV-2 virus (the infectious agent of COVID-19) and other types of coronaviruses. The laboratory is expected to receive investments of 3.5 million euro. The Swiss partners are in charge of the basic test technology, the Chinese deal with communication and partial investments, and the Russians tackle improvement of the development process and adaptation for domestic production. The Tripartite Agreement was signed on April 29, 2020. The pilot production in Irkutsk is due to start in the next few months, after which a large-scale production of tests will begin in Russia.

IPA's role: we were the integrator of the project, a platform for interaction.

[LINK](#)

SVERDLOVSK REGION (DEVELOPMENT CORPORATION OF THE MIDDLE URALS)



5.6.1. Development of new artificial lung ventilation production facilities



Executive summary: A new production complex will be created for the “Triton-Electronics” plant. In 2019, the company manufactured 45 artificial pulmonary ventilation units per month. Over the course of the COVID-19 pandemic, the monthly output was 153 units, as of April 2020. Some of “Triton-Electronics” products are exported: artificial lung ventilation devices are in demand in Austria, Germany and the Czech Republic. The distinguishing characteristic of the units is that they can work in high mountainous terrain. Today three out of four Russian companies in the Sverdlovsk Region manufacture artificial pulmonary ventilation units: Ural instrument-making plant, Ural Optical and Mechanical Plant and Triton-Electronics.

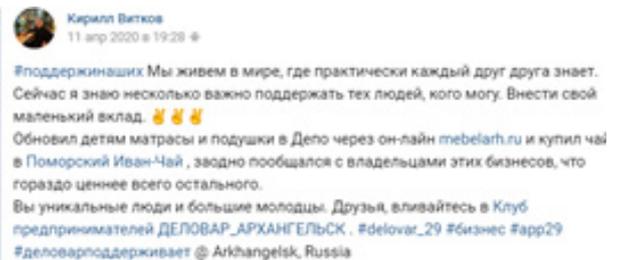
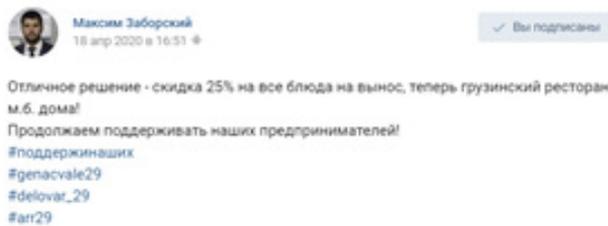
IPA's role: integrator of the project, a platform for interaction.

[LINK](#)

ARKHANGELSK REGION (AGENCY FOR REGIONAL DEVELOPMENT)



5.7.1. #SUPPORTLOCALCHALLENGE to help sme in arkhangelnsk region



Executive summary: This challenge is a two-way street. Today, local entrepreneurs support the poor, families in need of help and support. The idea was picked up in many municipalities of the region. Businessmen can offer the bread, cakes, baked goods, dairy products they produce. The information about a particular product is quickly disseminated through social media; this, in turn, is an additional tool to support SMEs. The idea has spread beyond the region and is already being put into use in the Perm Region.

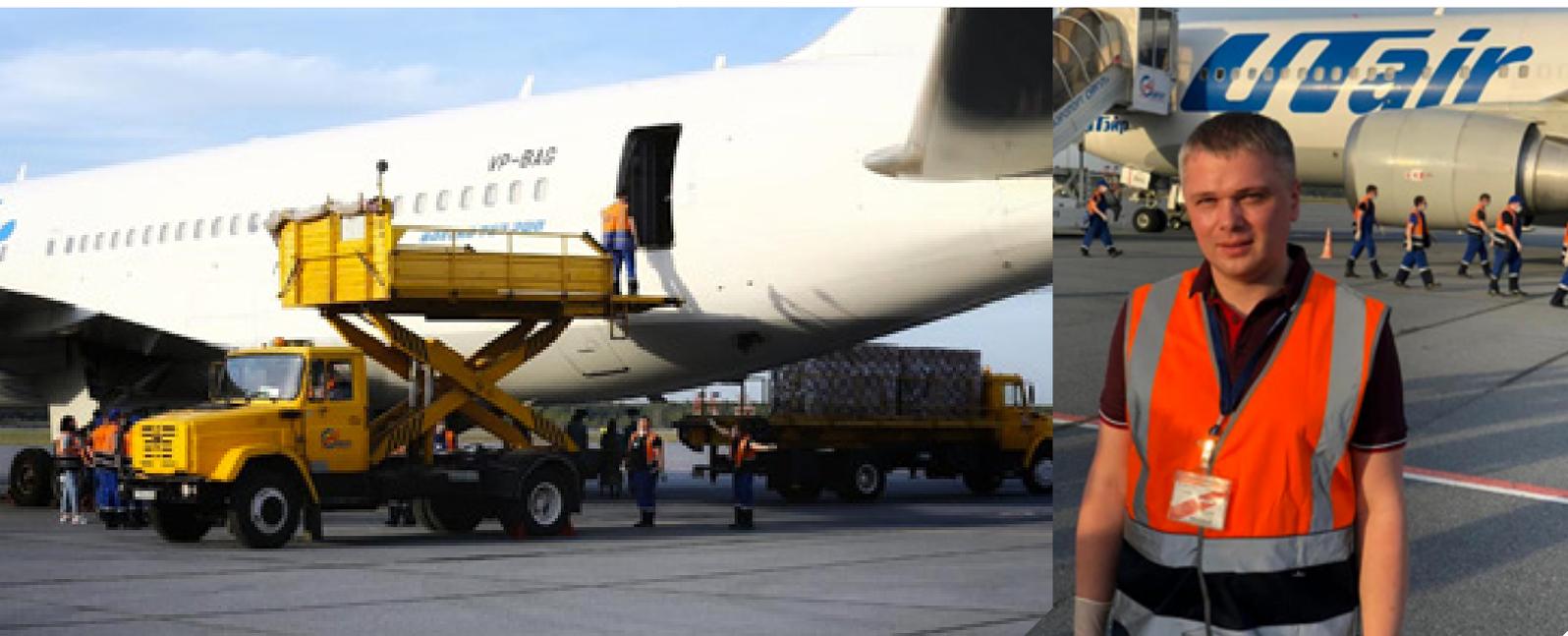
IPA's role: launch of the project together with the Arkhangelsk business club «Delovar».

[LINK](#)

KHANTY-MANSIYSK AUTONOMOUS REGION (UGRA DEVELOPMENT FUND)



5.8.1. Organization of supplies of individual protection means to the region



The project concept: The Ugra Development Fund organized a search and a selection of suppliers of individual protection means. As a result, an agreement for the production and supply of individual protection means for a total weight of 140 tons was signed with the Chinese company CMICS Medical Instrument Co., Ltd. Within the contract for the front-line medical personnel, working with patients with COVID-19, 200.000 filter respirators, 300.000 medical protective suits, 400.000 pairs of disposable waterproof overboots, 40.000 surgical coats were purchased. In total, medical institutions of Ugra will receive 940.000 units of individual protection means. Payment for the supply of individual protection means was made under terms of the agreements about socio-economic cooperation of the oil companies: OOO «LUKOIL-West Siberia», «Transneft Siberia» JSC, OOO «Gaspromneft-Khantos» and «Salym Petroleum Development N.V.» with the Ugra Government at a total value of almost €5 million.

IPA's role: a project coordinator.

[LINK](#)



5.8.2. **New financial support program
of individual protection means producers**

Антикризисные программы
Фонда развития Югры
в условиях пандемии COVID-19



The project concept: The Ugra Development Fund launched a new financial program to create new industrial production of individual protection means, products for diagnosis and detection of epidemic diseases, infection control, products for protection, prevention and treatment of epidemic diseases. Enterprises will be able to use loans in the amount of 5 to 500 million rubles at 1% per annum for up to 2 years with a deferred payment of 1 year.

IPA's role: launching the project.

OTHER PROJECTS, IMPLEMENTED BY RUSSIAN IPAS DURING COVID-19 CRISIS

#	Name	Activity	Reference
1.	Rostov Region	<p>In the context of pandemic the completion of projects accompanied by the Investment Promotion Agency of Rostov Region was provided:</p> <ul style="list-style-type: none"> — PNK Group commissioned the first stage of its new warehouse complex; — the 7th dialysis center was opened in Rostov Region by the German company Fresenius Medical Care; — at the factory of the company «Segezha Packaging» the 3rd line reached its design capacity in Salsk in Rostov Region; — commercial production of «Kamenskaya» – the 2nd wind-power station established in framework of implementation a joint project of the Finnish company Fortum and «RUSNANO Group», JSC began 	LINK
2.	Moscow	A high-quality interaction services was created at the investment portal on doing business in the context of the spread of COVID-19	LINK
3.	Republic of Bashkortostan	Corporate property tax exemption for organizations providing office, retail, warehouse and industrial premises for rent subject to a 50% discount to lessors and deferred payments	LINK
4.	Tyumen Region	The value of an adjusting factor for calculating the single tax on imputed income was set at 0.005 for the entire year for all entrepreneurs paying the tax. Previously, it accounted from 0.3 to 1 depending on the field of work.	LINK
5.	Ulyanovsk Region	<p>The Corporation's working process with investors and investment projects was transformed into the online mode:</p> <ul style="list-style-type: none"> — online meetings with potential investors (for example, a business meeting with the company management AB InBev Efes about implementing a new investment project to launch the famous international brand BUD at the Ulyanovsk factory was held in the form of videoconferencing); — an online tour for investors with the demonstration of sites for implementing projects; — signing online investment agreements (during the time of working in the remote mode 4 investment contracts to the value of more than 500 million rubles were concluded, more than 300.000 new working places will be created for the residents of the region); — a remote registration of legal entities; — a commission for withdrawal of land is getting together in the online mode; — meetings of a commission for assigning a status of an investment project are held online; — a system of online business-missions to the other regions for industrial cooperation and interregional export was created; — participation and conducting of training webinars for employees of the Corporation. 	LINK

6. Khanty-Mansiysk Autonomous Region	<p>In the context of pandemic of a new coronavirus infection the interest rate was reduced (from 5% to 1%), the list of state support programs for industrialists of the region in the form of sort loans was expanded from 2 to 8 areas, including the creation of new industrial facilities (in particular individual protection means) and industrial infrastructure facilities, the development of the food industry and the sphere of MSW management, support for residents of territories with special conditions for conducting economic activity (industrial parks, technological clusters).</p> <p>Enterprises will be able to receive loans in the amount of 5 to 500 million rubles at 1-3% per annum for 1 to 10 years depending on the chosen financial program. Co-financing by the borrower is supposed to be in the amount of 15-30% of the total project budget.</p>	LINK
7. Kamchatka Region	<p>As a part of the property complex owned by the Corporation and used by business, these are preferential lease terms.</p> <p>«Pionerskoye» JSC, a poultry farm - measures are taken to optimize and reduce production costs and expand interaction with farmers in terms of using unused agricultural land for growing grains.</p>	LINK
8. Leningrad Region	<p>Online-meetings with the business of Leningrad Region, headed by the Deputy Chairman of the Committee of Economic Development of the Government of Leningrad Region.</p>	LINK
9. Sverdlovsk Region	<p>A blog «Ural Business Case» was created on Yandex Social » platform. This channel should become an aggregator of the latest news about support measures for business in the region, free resources for education and more.</p>	LINK
10. Kaluga Region	<p>Assistance to enterprises: in the search for partners (currently a part of the working enterprises is malfunctioning with suppliers. The Agency assists in the search for new partners for interaction and a possibility of continuing sustained work) and in terms of purchasing individual protection means, food delivery and organization of conveyance of employees to the production facilities.</p>	LINK
11. Orenburg Region	<p>Teleconference with the business representatives at the site of the Development Corporation of Orenburg Region.</p>	 @investinorenborg