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Siluanov Sees Tax Benefits for Far East Development

By The Moscow Times

October 15, 2012



The Russian government is talking about setting up economic zones for the processing of timber and fish in areas next to China, Finance Minister Anton Siluanov said after IMF meetings in Tokyo, Interfax reported.

"We are considering the establishment of similar economic zones in areas next to Chinese land to set up processing, especially of timber and fish, to attract investors with beneficial taxation measures," he said.

He spoke of bringing investors to Siberia and the Far East and encouraging the development of these regions.

"The government's task is to consolidate labor resources and establish a production base," he said.

One option under consideration to encourage investment in these regions is tax breaks.

"We will hold a special meeting of the State Council on developing the Far East," Siluanov said. "One issue is giving preference to greenfield projects, that is, those producers that will start from scratch in the Far East."

It could be that various taxes will not have to be paid for the first few years of a project's implementation, such as regional and local taxes, as well as profit tax, he said.

"At the Finance Ministry, we are compiling proposals on how to free these investors from paying profit tax ... determining terms and authorizing parties," the minister said. "It could be the governor, or the ministry itself can approve tax benefits for a specific investor."

Siluanov said more funds are being channeled into financial development institutions like Vneshekonombank and the Russian Direct Investment Fund so that more resources go to the Far East.

More budget funds are being allocated for the creation and development of infrastructure, including airports in the Far East, he added.

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