

ICT Group Building New Fertilizer Factory in Ust-Luga

By [The Moscow Times](#)

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Billionaire Alexander Nesis's ICT Group plans to spend 53 billion rubles (\$1.6 billion) to build a fertilizer plant in the Ust-Luga industrial zone by 2017.

The proposed plant will be able to produce 1.2 million tons of granulated carbamide and 350,000 tons of ammonia per year, Vedomosti reported.

Thirty percent of the money for the project will come from the investment holding's own reserves, Alexei Aleshin, director of the company's Baltysky carbamide plant, said.

On Tuesday the new plant's director signed an agreement with Leningrad region's governor Alexander Drozdenko outlining a set of economic incentives for the project. The profit tax rate will be reduced to 13.5 percent and the plant will be exempt from property tax for the duration of the payoff period plus two additional tax-free years.

The incentives will allow the new plant to cut its tax expenditures in half during the 13-year payoff period, Aleshin said.

The project's implementation also depended on the possibility of supplying necessary quantities of natural gas, which constitutes 70 percent of all production costs. Last spring Gazprom approved delivery quotas for the new factory and will modernize its Kokhtla Yarvye-Leningrad pipeline to supply the plant with gas.

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