

ESTIMATION OF INVESTMENT ATTRACTIVENESS OF THE MARI EL REPUBLIC

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Abstract

This article assesses the investment attractiveness of the Republic of Mari El in comparison with other regions of the Volga Federal District and the Russian Federation. The list of organizations providing active support to investors in the region is presented. The investment attractiveness of the key economic sectors of the region is grounded: agriculture, fuel and energy complex, small and medium business, education, foreign trade and other industries.

Keywords: investments, estimation of investment attractiveness, branch of economy, small business, region, Republic of Mariy El.

1. INTRODUCTION

Today, the question of assessing the investment attractiveness of individual constituent entities of the Russian Federation is becoming more and more important. Since before investing money an investor needs to evaluate all the advantages and disadvantages of a project so that it turns out to be really cost-effective. Only after a qualitative and comprehensive analysis of all factors, investors can be sure that the investment will be really effective. In this regard, there is a need for a whole system of methods that will enable us to assess the investment climate in the region, identify its strengths and weaknesses, make a forecast for future development and, most importantly, give investors confidence in the outcome. Carrying out such qualitative assessments will help increase not only the level of investor confidence, but also affect the future development of the subject of the Russian Federation and the country as a whole.

2. RESULTS AND DISCUSSIONS

For development of the economy and social sphere of the Republic Mari El in 2015, enterprises and organizations of all forms of ownership are invested in fixed assets in the amount of 38.9 billion rubles, which in comparable prices is 76% to the level of 2014 (Figure 1) . The reduction in investment in fixed assets is

primarily due to negative external economic conditions for 2015. The limited availability of credit resources, the high level of inflation, along with the rise in the cost of imported component products, the drop in consumer demand for goods and services, adversely affected the investment policy of enterprises and organizations of the Republic of all forms of ownership.

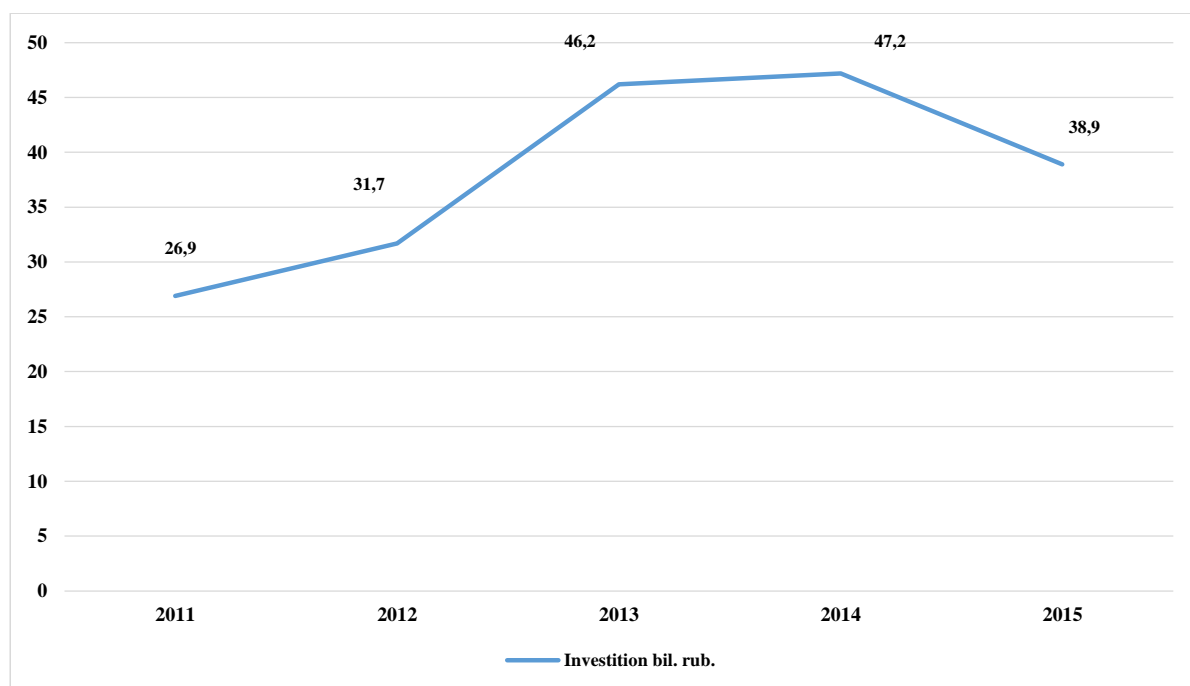


Figure 1- Dynamics of investment in the Republic Mari El for 2011-2015, billion rubles.

The structure of investments in the main activities in the Republic of Mari El is presented in Table 1.

Table 1 - Structure of investments by main activities in the Republic of Mari El for 2011-2015.

Type of economic activity	Years				
	2011 г.	2012 г.	2013 г.	2014 г.	2015 г.
Agriculture, hunting and forestry	15,8	17,5	40,4	44,7	37,6
Manufacturing processes	13,2	16,4	17,6	16,5	19,6
Production and distribution of electricity, gas, water	9,7	20,2	18,8	3,7	4,3
Wholesale and retail trade; repair of motor vehicles, motorcycles, household goods and personal items	1,4	2	1,5	3,9	1,8
Transport and connection	25,4	17	6,9	8,4	11,5
Operations with non-monetary property, rental and provision of services	7,8	6,8	4,7	8	11,6
Public administration and military security; compulsory social security	5,3	3,4	1,4	2,4	2,9
Education	4,2	6,3	3,1	1,8	2,6
Healthcare and providing social services	2,5	4,3	1,8	3,8	2,3
Providing of other communal, social and personal services	12,4	5,2	2,8	5,7	5

As it is clear from Table 1, the greatest volume of investments in 2015 was in agriculture (Ryzhova L. I.1, Nikolaeva L. V., Kurochkina N. V., Lebedeva M. E., 2015, pp. 119-127) should be noted that there were structural shifts in investment. In 2015, compared to 2014, there was a significant increase in investment in manufacturing, in transportation and communications - by 3.1% and a significant decrease in investment in agriculture, hunting and forestry - by 7.1%.

The largest part of investments in these sectors in 2015 accounted for raised funds (67.8%), including budgetary funds (19.8%), the smallest - for own funds (32.2%), in 2014. The opposite picture was observed (Figure 2).

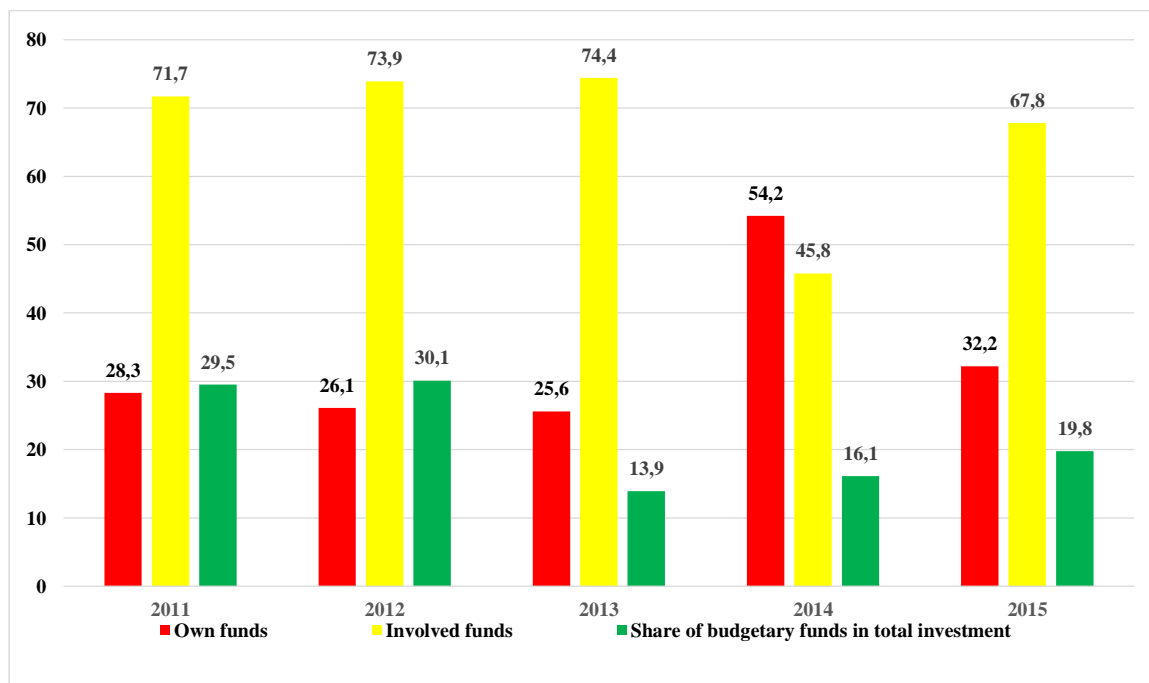


Figure 2 - Structure of investments by sources of financing in the Republic of Mari El for 2011-2015 %

ANO "The Agency for Investment Development of the Republic Mari El" is a specialized organization for supporting investment projects in the territory of the Republic and working with investors. ANO "The Agency for Investment Development of the Republic Mari El has been working since the end of 2013,

A number of projects with the participation of foreign investors are already being implemented or planned for implementation in the region (Shakirova R. K.; Kurochkina N. V.; Nikolayeva L. V., 2016, pp. 261-265)

Japanese company Mitsuba in city Volzhsk organized production of windshield wipers (cost of the project is 60 million rubles).

JSC Scientific and Production Association "Tavrida Electric" is building a production building in city of Yoshkar-Ola, an area of about 15 thousand square meters. At present, the installation of the production building has been completed and internal premises are being decorated and internal plumbing systems are being installed. The cost of the project is about 500 million rubles. The enterprise also carries out the further modernization of manufacture, development and release of new kinds of production (Shakirova R. K.; Kurochkina N. V.; Nikolayeva L. V., 2016, pp. 228-233).

LLC "Potential", a member of Schneider Electric Corporation, carries out the technical re-equipment of production; the amount of investments is about 170 million rubles.

In 2015, a number of investment projects were implemented on the territory of the Republic by the following enterprises of the Republic: LLC "Medvedev Concrete Plant" - the project "Construction of a factory for the production of ready-mixed concrete produced by the Turkish company ELKON" costing 40 million rubles; CJSC "Ariada" - the project "Construction of a laboratory and an exhibition hall" worth 25 million rubles; LLC "NPF" Geniks - the project "New production building in Myshino, production and logistics building on the street. Krylova" costing 100 million rubles and etc.

The largest project that is being implemented in the region is development Akashevo agro holding. The development of the agricultural holding is carried out in stages. The total amount of investments under the Akashevo agro holding project (the first of the eighth stage of the project) is 33 billion rubles. As a result of the implementation of the enterprise development projects, the meat production will be 215 thousand tons in live weight and 160 million pieces of incubatory eggs of chicken meat. The project created about 5 thousand new jobs, and the proceeds from the sale of products will amount to more than 15 billion rubles each year.

In addition, in the CJSC "Yoshkar-Ola Meat Processing Plant" a project is carried out to update the equipment of production workshops and develop the brand trade. The volume of investments under the project is 162.5 million rubles.

A project to build a pig complex with a full cycle for 1250 sows is being implemented in CJSC Plemzavod Shoybulaksky. The volume of investments is 1.5 billion rubles.

Totally in 2015, 27 new and directed to modernization and technical re-equipment of investment projects were realized, over 13.5 billion rubles were invested in the implementation of these projects, and 1112 new jobs were created.

To form and develop territory investments in late 2013, the Government of the Republic Mari El decided to establish the Southern Industrial District (YPR). A project for planning and surveying the territory of the YPR, with area of 150 hectares, was developed. The project includes land plots that are part of the city Yoshkar-Ola and the municipal entity "Medvedevsky Municipal District".

This project provides the allocation of up to 36 land plots for the implementation of various investment projects in the field of manufacturing industries.

The Government of the Republic Mari El decided to establish an industrial (industrial) park "Yuzhny" on the territory of the YUP with an area of 5 hectares. At the moment, the Concept for the development of the industrial park "Yuzhny" has been approved, as well as the plan of priority measures for its creation.

Two private business-parks "Senkino" with an area of 6 hectares and "Orekhovka" with an area of 4 hectares operate in the territory of the Medvedevsky district of the Mari El Republic, providing both industrial and warehouse space for rent.

Trainings and retraining of specialists according to the needs of investors and the promising implementation of new projects on the territory of the Republic were carried out in 2015,

In 2015 the federal retailer "IKS 5 Retail Group" opened 23 supermarkets "Pyaterochka" and 2 supermarkets "Perekrestok" in Yoshkar-Ola as well as 2 supermarkets "Spar", "Family Magnet" in the shopping center "Planet". In addition, in 2015 the following major investment projects in the sphere of trade of the Republic were implemented: 4 shopping centers were built along the streets: Baumana Str. Mira Str. Krasnoarmeyskaya Str. B-Internationalists Str. and car dealerships Nissan, Gili, "Datsun" were opened.

In 2015, manufacturers of the Republic actively participated in Russian and an international exhibitions, fairs, contests, festivals, forums, shows: Prodexpo 2015, Chaikoff Festival, From Field to Counter, VIV Russia 2015 / Meat industry, Chicken King, Cold Industry for the AIC ", " 100 best goods of Russia ", " Privolzhsky Field Day 2015 ", " Golden Autumn 2015 ". High awards were given to the products of CJSC "Sernursky Cheese Factory", LLC "Vkusnoteev", LLC "Poultry Factory Akashevskaya", LLC "Yandar".

Providing territorial access to goods, development of competition for January-December 2015, 107 new retail facilities with a total area of about 11.8 thousand square meters were put into operation, 23 objects are under construction and reconstruction. The actual provision of the population of the Republic with the area of trade objects for 2015 amounted to 925.2 square meters per 1 thousand people, which is 12.8% higher than the level of the previous year. According to the estimation, 606 new workplaces have been created in existing and newly detached enterprises of the consumer market.

In 2015, 46 trade sites were operated in the Republic. 4700 fairs for the sale of food and non-food products were held there. Among them, the festive fairs "Maslenitsa-2015", "Miracle Pancake!", Easter Fair, "Honey Spas", "New Year's Eve", Pokrovskaya Fair "Golden Autumn 2015", a fair timed to celebrate the 95th anniversary of the Republic were held in the territory of Tsarevokokshaisky Kremlin. The festival "Kuzminki. Chicken's Name Day", weekly honey fairs and beekeeping products. Enterprises of the agro-industrial complex of the Republic Mari El participated in the fair trade of agricultural products in Moscow, Moscow Region, and in the Fair of the Volga Federal District in Perm.

In the short term, the achievement of further positive dynamics in the growth of investment in fixed assets and the development of the Republic of Mari El is associated with the implementation of new projects, the development of cooperative ties with other regions of the Russian Federation and foreign countries and companies.

3. ACKNOWLEDGEMENT

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