

MOSCOW INDUSTRIALIZATION AND INNOVATIVE RAPID DEVELOPMENT

Governmental and local support has enhanced industrial development in Moscow in the last years. The capital's production facilities create unique developments that are in demand not only in Russia, but as well around the World.

According to the *Moscow Mayor Office*, there are more than 3000 industrial enterprises operating in the city and they produce almost everything – from sweets to space engines. There are not only new, modern enterprises, but as well those established decades ago, that have modernized their production. As main indicator of modern and innovative development, there is the fact that enterprises are constantly introducing new technologies and developing new products.

Speaking of the size of the enterprise, there are of course big, leading enterprises that have been on a market for a long period of time, but as well remarkable number of small and microenterprises that are developing innovative products and solutions in the capital.

„Moscow has created all the necessary conditions for the industry development, and it shows positive dynamics from year to year. Thus, from January to August 2021, the volume of industrial production in Moscow was almost a quarter higher than for the same period last year. This became possible primarily due to the dynamic development of the manufacturing sector. The capital's enterprises have shown good growth in many industries: telecommunications, pharmaceutical, light, food.’’ *Deputy Moscow Mayor for Economic Policy and Property and Land Relations Vladimir Efimov*

Known as city where business never sleeps, Moscow is authentic example of a megapolis where small enterprises are

successfully developing together with bigger industry leaders being present on the market for more than a century. Among these innovative and fast developing companies we should mention enterprises producing IOT products, robots, smart chips, 3d printers, mechanical equipment and solutions, food processing enterprises etc. Impact of the supportive strategy of local and governmental level has been seen since 2010, when we have seen first results of strategic approach to support and encourage development of innovative industries.

What is being produced in Moscow until today?

According to the data from Moscow Mayor Office, 20.5% of enterprises are developing their business in the sphere of radio electronics and instruments. 9% of enterprises is engaged in printing industry; 8% in mechanical engineering such as agricultural machinery, cars, road constructions etc. Furthermore, 8% of the companies are in the consumer goods business, chemicals, construction goods. The food & beverage industry employs 7.8%.

Adding to the industry development, there are unique Made in Moscow products worth mentioning. They are produced and sold to local and international markets, which indicates that capita's enterprises are encouraged to produce for export.

Moscow's high-tech companies shipped 30billion dollars' worth of products.

Development of high-tech enterprises

Zelenograd – administrative okrug of Moscow is well known since 2005 as it became special economic zone (SEZ) called Moskva Technopolis. Structured as the platform with favourable conditions for high-tech enterprises, the project is

considered as very successful now – 10+ years after. In this special economic zone, there is active entrepreneurial activity with approximately 200 companies operating and employing more than 13500 people.

Moskva Technopolis is today recognized as the centre of Moscow high-tech development. In the SEZ zone there are seats of innovative companies, their laboratories and scientific centres. Companies not only provide high number of employments and labour development, but as well create their products and developments, new technologies and enhance further investments in the industry. Circularly developing, they at the end successfully sell their products to national and international markets.

Companies based in Moskva Technopolis area and SEZ, enjoy as well structural support for their innovative development. And this reflects as well to their taxation structure. Having different tax reliefs such as reduction of income tax, free customer zone regime, preferential land lease regime etc.

As conclusion, there would be much more high-tech developments and enterprises in the future, as Moscow seems to be the city with infrastructure for development, what makes businesses more motivated and encouraging.

If you are aiming to start or develop further high-tech business in Russia, than we recommend Moscow as your office location. However, as mentioned above, various structural supports and infrastructures are already existing and can help your high-tech business develop faster.

To find out about all opportunities that might be available for your high-tech business in Russia, schedule consultation with our business and legal expert, and find out how to structure your business the best way. Schedule consultation [here](#).

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