



**InvestYakutia**



**DIAMOND CUTTING AND JEWELRY INDUSTRY  
OF THE SAKHA REPUBLIC (YAKUTIA)**

## SAKHA REPUBLIC (YAKUTIA) – LEADER IN DIAMOND MINING IN RUSSIA

### THE WORLD'S LARGEST MINERAL RESOURCE BASE OF DIAMONDS

54 diamond deposits:

- 17 in primary deposits
- 37 alluvial reserves

Reserves of C1+C2 category fields

**1 171,9**

Mil ct.



### SAKHA REPUBLIC (YAKUTIA)

Reserves – **79%**

Mining – **83%**

#### RUSSIA

GLOBAL LEADER  
IN DIAMOND MINING

#### DIAMOND RESERVES

1,184  
MIL CT

#### 94%

RESERVES IN  
PRIMARY DEPOSITS

#### 79

DEPOSITS

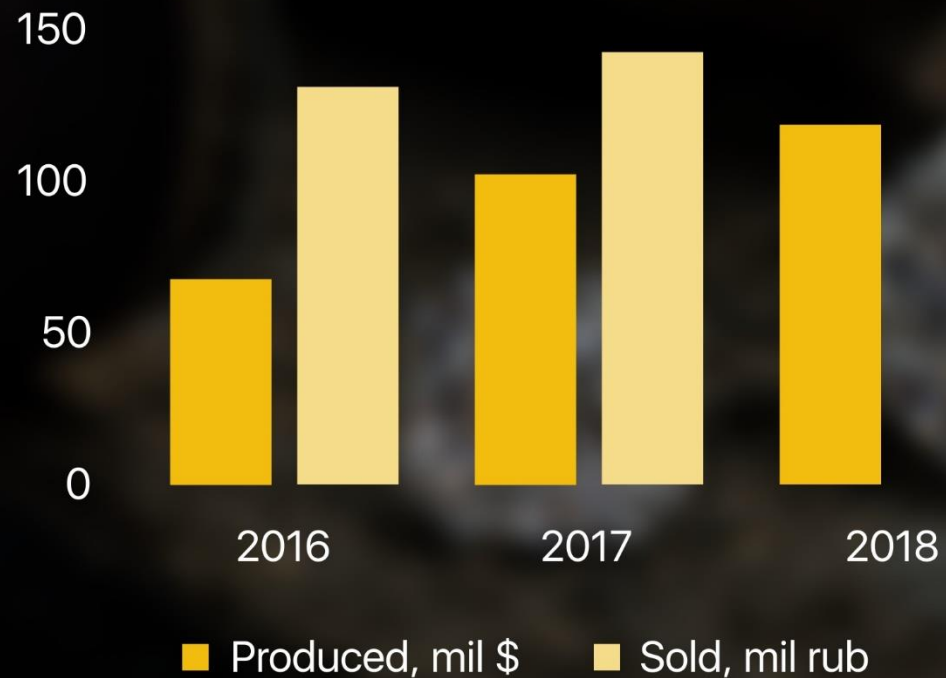
#### 6%

ALLUVIAL  
RESERVES

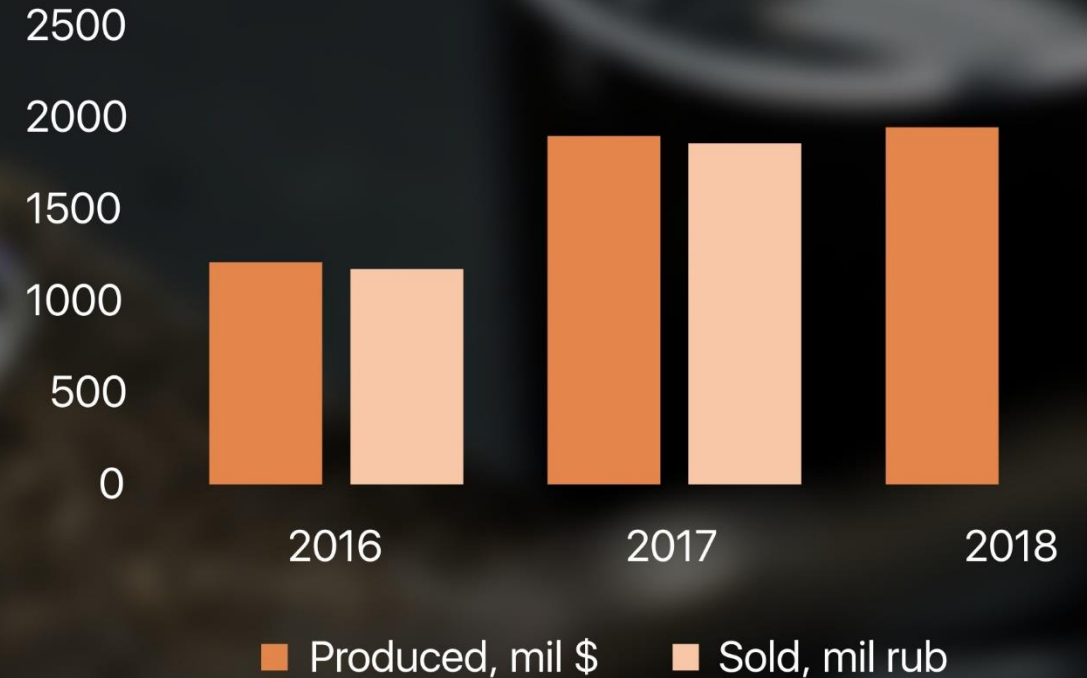
#### MINING

40  
MIL CT

## Diamond cutting production



## Jewelry production



Year on year diamond cutting and jewelry production have nearly doubled since 2016 and poised for future many-fold growth.



## INDIA – FOREIGN TRADE PARTNER OF YAKUTIA #2

The Republic of India consistently ranks second in the export structure of the Sakha Republic (Yakutia)

In 2018, exports of raw diamonds to India amounted to USD 677 million, about 15% of total exports

### Sakha Republic (Yakutia) exports by country, 2018



Belgium  
2,14 billion \$



India  
0,66 billion \$

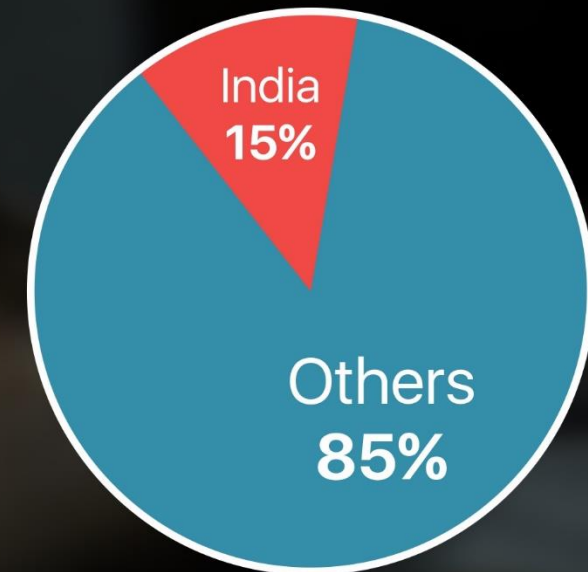


Israel  
0,48 billion \$



United Arab Emirates  
0,42 billion \$

### Export structure





# DDK

## #1

diamond  
cutting company  
in Yakutia

## 22

years  
in the  
market

- Limited Liability Company DDK in 2009 joined the group of companies KGK, which has a huge production capacity of jewelry factories and its own retail network.
- Over the period 2009-2019, foreign investors of Prime International invested more than \$20 million to purchase the latest equipment, making DDK LLC the most technically equipped diamond cutting company in Yakutia.
- In 2018, the company carried out a complete reconstruction of the acquired building, which now meets all modern international quality and performance standards.
- DDK co-operates with JSC ALROSA since 1998, and since 2001 till today is the constant client under the contract on the organization of deliveries of natural diamonds, having proved as the reliable and stable partner.



## Diamond cutting companies



- In 2001, Komdragmetall State Unitary Enterprise of the Republic of Sakha (Yakutia) launched its own factories producing diamonds and jewelry

- A diamond cutting plant in Yakutsk was prepared and launched, which was later transferred to JSC Nizhne-Lenskiy

- A jewelry factory was put into operation in Nyurba



- JSC Sakha Diamond is the oldest Yakut diamond-cutting enterprise. It has been working since 1992.

- In 2003, the mass production of Excellent round diamonds (Heart and Arrows) was launched in the new specialized building of the diamond cutting plant with the size from 0.18 carats to 5 carats.

- Currently, the company specializes in the production of diamonds, diamond tools, grinding powders and laser cutting services for rough diamonds

## Jewelry companies



- Unique and exclusive jewelry made of precious and semi-precious stones of Yakutia. Company has been producing stone-cutting and jewelry since 1994.

- Over years, Sakha Taas has gained a reputation as one of leading companies in Yakutia. Products of Sakha Taas are designed for people with exquisite taste and ready to emphasize their individuality and success.

- Company's credo is ratio of success, price and quality.



- Today jewelry company Kierge became the only enterprise in Sakha Republic (Yakutia) responsible for the organization and promotion of jewelry tourism in Yakutia.

- Top 100 best jewelry brand in Russia – 2011, 2012, 2014, 2016.

- Grand-Prix of international week of jewelry fashion "Estet Fashion Week" – 2016, 2017, 2018.

- Winner of Karl Faberge international competition of jewelers – 2018

Average production volume:

- 20 million rub.
- Average sales:
- 250 million rub.



**AVAILABILITY OF QUALITY RAW MATERIALS**



**EXPORT-ORIENTATION**



**AVAILABILITY OF THE TERRITORY OF ADVANCED DEVELOPMENT  
KANGALASS INDUSTRIAL PARK**



**WORLDWIDE RECOGNIZABLE BRAND OF YAKUT DIAMONDS**



**GOVERNMENT SUPPORT FOR THE DIAMOND CUTTING  
AND JEWELLERY INDUSTRY IN THE SAKHA REPUBLIC (YAKUTIA)**



### DEVELOPMENT OF THE SPECIALIZED ECONOMIC ZONE

- The Republic of Sakha (Yakutia) has created territory of advanced development (TAD), which will help to attract investment into industry, increase the volume and prepare the basis for the export of jewelry
- Thanks to the reduced tax and customs rates in TAD, production becomes more profitable and export-oriented
- One of the anchoring projects of the Kagalassky Industrial Park is the SAYBM Jewelry and Cutting Cluster



### PERSONNEL TRAINING

- The Government of Sakha Republic (Yakutia) supports personnel training at the Yakutsk Industrial College and North-Eastern Federal University
- Yakutsk Industrial College is one of the best schools for diamond cutters in the Far East



### GOVERNMENT SUPPORT

- The companies receive support from development institutions, such as the Export Support Centre of the Sakha Republic (Yakutia)



## ADMINISTRATIVE INCENTIVES

Land plots on preferential terms

Transport, engineering and  
Social infrastructure

Tax free zone

Special regime of control and supervision

Personal support of residents in a  
one- window mode

Possibility of attracting foreign workers  
without quotas

E-viza for foreign citizens\*

## TAX INCENTIVES

7.6% - Total premiums

0% - Income tax

0% - Land tax

0% - Property tax

18% - VAT Expedited refund procedure

\* Electronic visa for foreign citizens will be introduced in 2020.

# TERRITORY OF ADVANCED DEVELOPMENT KANGALASSY INDUSTRIAL PARK |



## General information

**Location area:**  
Yakutsk City District, Sakha Republic (Yakutia)

**Total area**  
210 ha

**Residents:**  
15 residents

## TARGET INDICATORS

INDICATOR	2019	2021
Volume of private investments, bill rubles	1,29	2,26
Number of workplaces	113	345

## INFRASTRUCTURE

INDICATOR	NEED	PROVISION
Water supply, m3/day	200	330
Gas supply, m3/hour	6 017,51	8 180
Power supply, MW	4,42	5,5

## Investments in infrastructure

**160,46 mil rub**  
from federal budget funds

**270,69 mil rub**  
from regional budget funds





- Year of establishment: 2017
- Founder: JSCB ALMAZERGIENBANK JSC
- Share capital: RUB 152 330 000
- The main activities are consulting services, marketing research, brand creation and promotion
- Head of the organization: General Director - Ivanova Anna



**1 820 mil rub**  
**project value**

**1 646 mil rub**  
**required investment**

**6 years**  
**payback period**

Key idea of the project: Creating an integrated infrastructure for jewelry and diamond cutting enterprises and providing favorable conditions for small and medium-sized businesses.

Target market: USA, Israel, Japan, Singapore, Hong Kong, Macau, Moscow and other Russian cities

Parameters: Production capacity - 600 kg of jewelry worth 6 197 million rubles and 84 thousand carats of polished diamonds worth 24 433 million rubles by 2021. There is a 3,3 hectare land plot in the Territory of Advanced Development Kangalassy Industrial Park.

## Stage 1. Commissioning 2H 2019

Planned cost **330** RUB million incl. VAT



**S = 0.8 hectares**

The area is 1,450 square meters, including:  
1st floor Jewelry shop - 725 sq. m.  
2nd floor Diamond cutting shop - 725 sq. m.

The number of jobs created is 255, including:  
Jewelry Shop - 129 units  
Diamond cutting shop - 126 units

## Stage 2. Launch of construction in 2022

Planned cost **1485** RUB million incl. VAT

- Administrative and industrial buildings of jewelry and diamond cutting enterprises
- Gemological Lab
- GIPN branch

Shopping and exhibition center

**S = 3.3 hectares**

- A branch of the Yakut Industrial College
- Branch of the Department of Precious Metals Processing Technology of the North-Eastern Federal University

- Crystal storage for fossil mammoth fauna
- Mammoth Bone Processing Center

Bank Branch

Logistics center

Specialized customs post

Consulting, legal audit insurance and other service agencies

Engineering Unit

The number of jobs created is 765, including:  
Jewelry Shop - 387 units  
Diamond cutting shop - 378 units





**InvestYakutia**

**THANK YOU FOR YOUR ATTENTION!**

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