

2018

SPIEFF



A BREAKTHROUGH IN INVESTMENT

Setting the economy
on a path of accelerated
growth

GLOBAL BUSINESS LEADERS

On innovation, the future
of the economy,
and the meaning of life

MADE IN RUSSIA

Trusting
the national
brand



**TO PARTICIPANTS,
ORGANIZERS,
AND GUESTS OF THE
ST. PETERSBURG
INTERNATIONAL
ECONOMIC
FORUM 2018**

I would like to offer a warm welcome to all participants and guests of the St. Petersburg International Economic Forum, which is once again being hosted in Russia's hospitable northern capital.

During open discussions at the Forum, leading Russian and foreign politicians, academics, experts, corporate executives and business association leaders, and representatives from the media and civil society will discuss key questions on the global agenda, and the current state and future prospects of the world economy. Together, they will consider how to steer the world economy towards steady growth. By harnessing the wealth of scientific and technological potential which is rapidly expanding in digital and other areas today, we can improve quality of life and boost stable and harmonious development in all nations and across the world as a whole.

A 21st-century economy that is effective, built on forward-thinking business models, and socially responsible, and one that adheres to strict environmental standards and takes account of people's real needs is something that is in all of our interests. If we are to meet these challenges, it is important that we do not allow artificial limitations to curb multilateral trade, finance, manufacturing, or investment. We need to correct the imbalances that exist in global markets. And it is crucial that we strive towards increasing mutual trust, promoting wide-ranging integration processes, and realizing large-scale and promising projects. Russia is always open to this kind of partnership and cooperation.

I am confident that this Forum will see the development of worthwhile ideas and initiatives that will facilitate the recovery and growth of the world economy, as well as the signature of mutually beneficial agreements and contracts.

I wish you all a productive, rewarding, and successful Forum.

Vladimir Putin



**DEAR PARTICIPANTS OF
THE ST. PETERSBURG
INTERNATIONAL
ECONOMIC FORUM**

I would like to offer my congratulations that the 22nd St. Petersburg International Economic Forum is being held on a grand scale here in St. Petersburg, one of the most beautiful cities in the world. It is my great pleasure to participate in the Forum for the first time as Japan's Prime Minister.

This Forum attracts considerable attention as a venue where a large number of government and corporate leaders hold candid discussions on the challenges facing the global economy, not just Russia. At the same time, for corporate participants it is also a place that generates new business opportunities through vigorous exchanges. I feel greatly honored that Japan participates in this Forum as a Guest Country this year.

Exactly two years ago in May, I proposed the Eight-point Cooperation Plan for Japan—Russia cooperation centering on the field of the economy to President of Russia Vladimir Putin. The Plan aims to promote bilateral cooperation through successfully combining Russia's economic and social needs with Japan's expertise, and we have been achieving solid outcomes. The plan has been producing tangible results that Russian citizens can realize in their day-to-day lives, such as the remote diagnosis of children with cancer and the easing of traffic congestion with a smart traffic signal system. Furthermore, the scope of cooperation is expanding to digital economy, which is a new driving force for growth of industry. I hope that this Forum will serve as an opportunity to further cooperation in the economic field.

Additionally, the Japan Year in Russia and Russia Year in Japan are being held this year. A large number of events are scheduled to take place in both Japan and Russia. It is my hope that they will lead to broader exchanges between the two countries in a wide range of fields, including the economy, politics and culture. Various events are scheduled to be held here in St. Petersburg as well. It is my sincere hope that as many people as possible will make a visit to such events and increase their familiarity with Japan through it.

Prime Minister of Japan
Shinzo Abe



**TO PARTICIPANTS,
ORGANIZERS,
AND GUESTS OF THE
ST. PETERSBURG
INTERNATIONAL
ECONOMIC FORUM 2018**

It is my sincere pleasure to welcome all participants and guests of the St. Petersburg International Economic Forum.

This year in St. Petersburg, we will discuss current issues in the global economy, ways of overcoming differences and building confidence, as well as means of interaction in new, difficult geopolitical circumstances.

As in previous years, the Forum programme will feature a wide range of interesting events, business meetings, thought-provoking debates, and opportunities for international networking.

We expect that the work carried out on the sidelines of the Forum will help all participants to form and strengthen relationships based on openness and mutual respect, resulting in new agreements and projects.

We hope that our cultural and artistic events and the beauty of this city on the Neva will be a source of enjoyment for all Forum guests, and will facilitate effective and trustful communication.

On behalf of the Organizing Committee, I would like to wish all participants and guests of the St. Petersburg International Economic Forum a successful, interesting, and enjoyable stay.

Chairman of the Organizing Committee
of the St. Petersburg International
Economic Forum
Sergei Prikhodko

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ROAMING-FREE MOBILE COMMUNICATIONS WORLDWIDE
YOUR GLOBAL PRIVILEGE!



ROAMING FREE NETWORKS ACROSS THE GLOBE

MULTIPLE COUNTRY PHONE NUMBERS ON A SINGLE SIM CARD

THOSE YOU CALL WILL ALWAYS SEE YOUR LOCAL PHONE NUMBER OF THEIR COUNTRY DISPLAYED

ONE GLOBAL RATE

V-Tell subscribers may use communication services in any part of the world¹, while paying a fixed monthly rate for their preferred bundle.

EXCELLENT MOBILE INTERNET

You no longer need to limit your high speed Internet usage while traveling abroad or worry about different rates and limited access to internet resources. You will have the ability to watch movies, listen to music and chat using any social network!

V-TELL PHONE NUMBERS OF DIFFERENT COUNTRIES ALL ON ONE SIM CARD

You do not need to have several mobile devices or switch SIM cards for each country. A V-Tell Subscriber will really feel like a Citizen of the World: You can choose additional foreign phone numbers from all over the world¹ and add them to your SIM card at any time. One single SIM card allows you to have an unlimited amount of V-Tell phone numbers of most countries.²

YOU CAN BE REACHED WORLDWIDE WITH NO OVERSEAS CHARGES TO YOUR HOST

You can be anywhere in the world¹ and your business partners, relatives and friends can call you without worrying about the price of long distance calls. Their outgoing calls will always be considered local calls. Even when using "One-Touch" call back, your business partners, relatives and friends will conveniently only pay their local rates¹

SMART CALLER ID

When receiving your calls, your business partners, relatives and friends will always see their local countries phone number that you have been assigned by V-Tell. They may also use "One-Touch" call back, paying his/her local rate.

YOU'RE LOCAL NO MATTER WHERE YOU ARE

V-Tell Subscribers will always be considered "local" to residents and businesses when visiting any country whose phone number has been assigned to their SIM card.

V-TELL DOES NOT UTILIZE IP TELEPHONY

Being an operator in several countries of the world¹, V-Tell offers its Subscribers the opportunity to stay connected with their local network while traveling around the world. That is why we do not need to utilize IP telephony².

1. From the list of countries, specified on V-TELL.COM
2. Subject to availability.
3. The number must already be assigned to the SIM card.

To become a V-TELL Subscriber you can download the V-TELL App from the App Store on your Apple Device or Google Play on your Android Device, as well as, by visiting V-TELL.COM or by calling +7-958-900-90-90.



INTERNATIONAL MOBILE OPERATOR
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104 David Yang, Co-founder and Chairman of the Board of Directors of ABBYY: **"We will find a common language with robots"**. Whether humanity faces the threat of a machine uprising and when the line between people and technical devices will be erased



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142 IN PETER, YOU DRINK. BUT THAT'S NOT ALL Actual trends set by Russia's gastronomic capital right now, and best worth visiting restaurants of St. Petersburg



114 A DOCTOR FOR YOUR BODY Anti-ageing technologies are making their way from the laboratory to the market British gerontologist **Aubrey de Grey** promised that people would be able to live for a thousand years if they were 'repaired' in time. And he intends to fulfil his promise



152 SOCIAL PARTNERSHIP: CREATING A SPACE FOR TRUST The Roscongress Foundation's social platform was created in order to provide a working environment for this social ecosystem



The issue used photos from: TASS, RIA Novosti, Lori, East News, AKG, Shutterstock, Roscongress Photo Bank



YOUR GLOBAL PRIVILEGE!

V-TELL IS AN INTERNATIONAL MOBILE AND INTERNET NETWORK OPERATOR PROVIDING A SERVICE TO SUBSCRIBERS WHICH ALLOWS USAGE OF THE SAME TARIFF ANYWHERE IN THE WORLD.

THIS IS NOT THE ONLY ADVANTAGE THAT SETS V-TELLS' SERVICE APART. THERE IS ONE FEATURE WHICH MAKES THIS SERVICE TRULY UNIQUE: SUBSCRIBERS CAN HAVE SEVERAL INTERNATIONAL NUMBERS ASSOCIATED WITH A SINGLE SIM CARD, CREATING A ROAMING-FREE SPACE, WHICH THE SUBSCRIBER PAYS FOR AS PART OF THEIR CHOSEN PLAN.

V-TELL MAKES COMMUNICATION TRULY BORDERLESS, REMOVING THE BARRIERS BETWEEN COUNTRIES AND CONTINENTS. ROAMING, WITH ITS LIMITED OPPORTUNITIES AND UNPREDICTABLE BILLS, IS NO LONGER AN ISSUE.

JUST IMAGINE USING A SINGLE PHONE TO TRAVEL THE WORLD AND FREELY COMMUNICATING WITH BUSINESS PARTNERS, FRIENDS, AND RELATIVES ABROAD. AT THE SAME TIME, WHEN USING A V-TELL SIM CARD, THE NUMBER THAT THE PERSON YOU ARE CALLING SEES WILL AUTOMATICALLY CORRESPOND TO THE COUNTRY YOU ARE CALLING,* MAKING IT A LOCAL CALL. IT REALLY IS A DREAM COME TRUE!

The St. Petersburg International Economic Forum – an event whose popularity is growing rapidly among the business community worldwide – is fast approaching, so we talked to the President and Chairman of the Board at V-Tell, Felix Vakhovsky, and asked him how he came up with the idea for this service.

FV: You can find a large part of the answer in the short presentation of my product. As the head of an international company, I myself lead an international lifestyle. So I was simply fulfilling my own dreams by making available a service that I couldn't get from other operators.

* – *Could you please explain the phrase, "When using a V-Tell SIM card, the number the person you are calling sees will automatically correspond to the country you are calling"?*

FV: I'll give you an example: Let's say you live in Moscow and have an international business, meaning frequent trips to

Germany and the US. You add a German and an American number to the Russian number already on your SIM card, making these countries part of your home region under a single monthly plan.

Now you no longer have to pay extra for calls and Internet usage when you are in these countries or calling people in them, and it does not cost other people any more to call YOU from those countries either, because they will automatically be given your American number if they're calling from America, or your German one if they're calling from Germany, etc. and be able to call you at local rates. Just think how important it is to be LOCAL in any country these days.

With a foreign number, you won't get a call from the hotel, or a taxi driver, and you won't even be able to order your kids a pizza, because they will always ask for a local number.

With V-Tell, these problems don't exist. That is why V-Tell can be considered a "Privilege", because it allows you to be local in any country of the world.



FELIX VAKHOVSKY
V-Tell President, Chairman of the Board

– It sounds so simple and tempting...

FV: I'd say that "simplicity" is the dream of any traveler and international business professional. To have a reliable phone service – and, equally important nowadays, Internet service – everywhere you go. And not just to post photos on Instagram, which is also very important for the vast majority of our clients, but also to use basic services such as GPS navigation when driving in an unfamiliar city or country.

The dream was that all my clients, partners, friends, and relatives have my number, and preferably one that is local for THEM, so that they can call me easily, and at a local rate.

However it was only when I started to consult with experts, who assured me that it was technically impossible to create such a network, that my dream slowly began to turn into a business plan.

– So you like a challenge? Most people would take that as a reason to abandon their ideas...

FV: Most people, perhaps. But any business school graduate will tell you that if someone says something is "practically impossible", this is generally an almost cast-iron guarantee that there's a new niche to be found in this area.

This turned out to be the case. I won't deny that it's been difficult, but on the plus side, there's virtually no competition. What we're offering today is truly unique – there's nothing else like it in the telecommunications and international mobile communications markets.

Roscongress Magazine
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WELCOME

TO THE ST. PETERSBURG
INTERNATIONAL
ECONOMIC FORUM





JUNE 1-3
1-3 ИЮНЯ

INTERNATIONAL ECONOMIC FORUM
ПЕТЕРБУРГСКИЙ МЕЖДУНАРОДНЫЙ ЭКОНОМИЧЕСКИЙ ФОРУМ
OPERATOR OF THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM
ROSCONGRESS

Pathways for the medicine of the future: who will treat people in 30 years' time?

Discoveries in genomics, new bio- and nanotechnologies, and artificial intelligence will fundamentally change the methods for diagnosing and treating diseases. How can these discoveries be delivered to the masses and what kind of healthcare system can we expect in 30 years? Who will treat patients: computers or people? What diseases will mankind conquer, and what new threats will it face? What is the composition of the global market in the medical industry, and what role can Russia play in it?

Photo: Stanislav Krasnikov / TASS



ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM 2018

The future of journalism

Media Summit
The rapid development of digital technology, social networks, and new media has presented professional journalism with a fresh set of challenges. Is there a future for traditional journalism amid so much rapid global change? How might artificial intelligence transform journalism in the area of newsgathering? How can modern journalism rise to these challenges?

Moving from the knowledge economy to the trust economy

The 'trust economy' is a dialogue aimed at resolving the contradictions impeding global growth, potentially addressing issues from inequality to resurgent protectionism, and seeking solutions to common challenges in technology, demographics, energy, and other areas. What is the correlation between trust and economic wellbeing and civic and cultural development?

FORUM: BUSINESS PROGRAMME



Uncovering the potential of the Arctic through the Northern Sea Route

The establishment of the Northern Sea Route is a key factor in the development of the Arctic and a major infrastructure project of global importance. How will the infrastructure and communications management system of the Northern Sea Route develop? What are the new legal and regulatory challenges posed by navigation in the polar seas?

A Eurasian community of women leaders: cooperation in the name of change

While there are a number of initiatives aimed at strengthening women's rights and their role in the global social and economic agendas, Eurasia offers a different perspective. What opportunities and roles can be considered to be unique for women in the Eurasian region? In which areas of business, public administration, and social development is female participation most prominent?

THE GLOBAL ECONOMY IN AN ERA OF CHANGE

From the Atlantic to the Pacific: creating a space for trust
RT TV Debates

It is widely believed that Eurasian economies will become the next growth engine for the global economy. In order to facilitate logistics, trade, and related economic processes, Eurasia's size demands the creation of unified regulatory systems for economic activities and the establishment of common digital and logistics platforms. In the present context, how can 'Greater Eurasia', stretching from the Atlantic to the Pacific, become a space for collaboration? What might serve as the key drivers for accelerated Eurasian economic integration and which are the main areas of common interest?

The economics of global oceans

The oceans contain vast reserves of mineral, energy, plant, and animal resources, which – if consumed rationally – can be considered to be inexhaustible. They play an important role in the global economy. Sea transport is a key pillar of globalization and the central component of international transport networks that serve global supply chains and international trade. However, are we effectively exploiting its potential? Which ocean resources will be most in demand during the next decade, and which approaches to harvesting will prove most successful? What are the best approaches to managing the development of oceanic infrastructure?

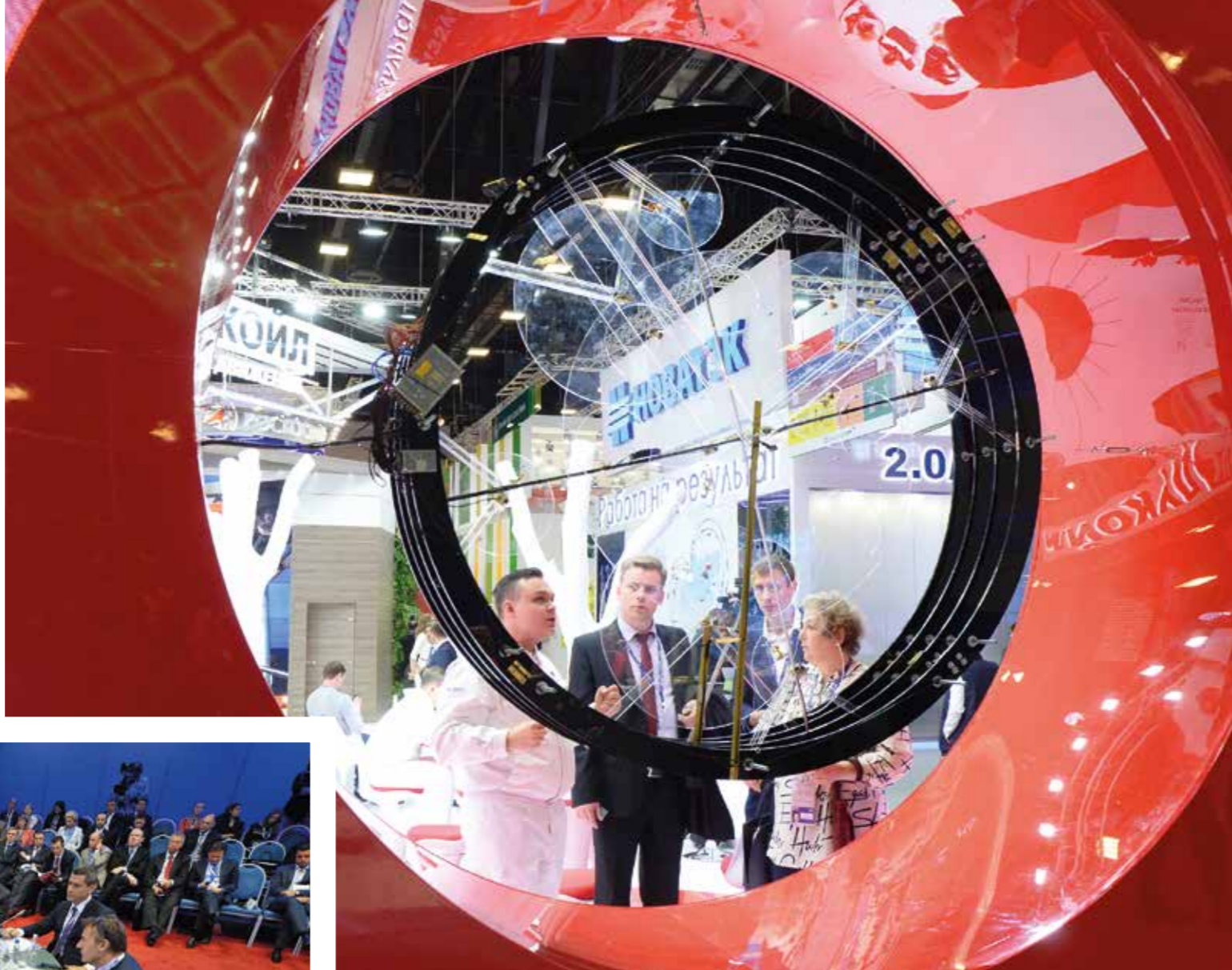
OTHER THEMES OF THE SECTION:

- Forging the New Global Supply Chain Architecture.
- Economic Protectionism and Global Markets.
- Public-Private Collaboration in Disaster Risk Mitigation.
- Energy Panel.
- Business to the Rescue: Addressing Social Inequality on a Global Scale.
- Digitalization and Future Energy Systems.
- The City of the Future (Trianon Dialogue Session).
- Digitalization Unlocking New Opportunities in Agro-Industry.
- The Transformation of Public and Private Sectors in the New Economy.
- The Next Stage of the SCO Business Agenda.
- New Areas of Brics Trade, Economic and Investment Cooperation within Brics under South Africa's Chairmanship.
- Revolutionary Management Approaches Redefining the Organization of the Future.
- Transformations in the Energy Sector.
- How to Win the Trust of Tomorrow's Consumer.
- Finance and Banking Systems in Emerging Economies 2.0.
- Turning Back the Clock: Cold War vs Globalization (Valdai Club Session).
- Information Inequality: How to Rebalance the Information Landscape Globally (TV Debates of Russia 24 and the Valdai Discussion Club).
- Investment Breakthrough: Infrastructure and Technology of the Future.
- Share and Earn: The Sharing Economy.
- A New Philanthropic Ecosystem to Underpin Sustainable Social Development.
- Identifying New Strategies for Education in the Global Market.
- Religion and Finance: New Horizons for Collaboration.
- The Role of Business in Global Development: When Charity Pays Off.
- Global Food Security: Who Will Feed the Planet's Growing Population?
- Smart Environments: A New Level of Urban Development.
- Libya's Reintegration into the International Economy: Opportunities for Cooperation.
- Taking Responsibility for the Future: A Long-Term Investment Strategy for Business.
- The International Cross-Sectoral Balance and Transport Corridors.

HARNESSING RUSSIA'S GROWTH POTENTIAL

Transformations of the competitive landscape: antimonopoly regulation in a digital economy

Most of the world's competition authorities are now faced with the need to re-evaluate their approach to the markets of the new economy as digital giants aggregate enormous pools of data. How can the market situation be assessed, what approaches and mechanisms can be used in this dynamic environment, and how is competition itself being transformed? How is industry reacting to the new trends, and how can a new equilibrium be achieved between innovation in industry and antitrust control?



Circular economy: the Russian model and foreign experience

Most developed countries are striving to pursue development along a sustainable, 'green' path and encourage circular economic models. What are the prospects for introducing a circular economy in Russia? Which companies should spearhead the transition to a circular economy? When might it be possible to legally require that citizens separate their waste? Which recycling industries are the most efficient today?

State support as an effective tool for securing leadership in innovation

The state and its institutions play a decisive role in the process of shaping the innovative economy and securing the position of the economy in the global markets. What are the priority areas of national innovation policy? How can factors constraining the development of the innovative economy be eliminated? How is global competition for technology, talent, and capital shaping demand for state support and funding instruments for innovative initiatives?

Presentation of the results of the Russian regional investment climate index

Since 2014, SPIEF has been the traditional platform for presenting the Russian Regional Investment Climate Index. Since it was first established, the Index has proven its effectiveness as a tool for assessing efforts by the authorities at all levels to improve the conditions for doing business in Russia's regions. The results stimulate competition for investment at the regional level. Which regions have demonstrated progress in the Index? What are the key reasons some regions have maintained their high position in the Index for the past four years?

Increasing Russian life expectancy by 2030

Making a breakthrough in life expectancy by increasing it from today's 73 to 78 by 2024 is a top priority for the Russian healthcare system. This

challenge will require a huge concentration of effort by the whole of society: the state, business, and citizens themselves. Should men and children be the priority focus of healthcare for the Russian population? What funding is required to reach 78 by 2024? Which strategic objectives should additional funding solve? How can the burden of responsibility for the population's health be distributed between the state, employers, and citizens?

Technology for affordable housing

It is anticipated that by 2024, over two million families a year will purchase housing using a mortgage, and mortgage services will become available to over half of Russian families. The example of developed markets shows that it is not so much credit organizations but companies actively making use of innovative technologies that are experiencing an increase in market

OTHER THEMES OF THE SECTION:

- Putting Russian Economy on a Sustained Path of Growth: Challenges and Solutions.
- The Export Potential of Russia's Creative Industries.
- Smart Investments for Smart Infrastructure.
- Regulating the Technological Singularity: How Can We Open Doors to New?
- New Leaders in the Technology Sector: Entering the Global Market.
- The New Energy Agenda and Russia's Global Leadership.
- From Industry 4.0 to Industry X.0: How Russian Enterprises Can Grow a Business or Disrupt the Market with Smart Assets, Products, and Services.
- Tourism Cash Flows: Exporting Tourism.
- Achieving Strategic Objectives.
- The Russian IPO Market 2017–2018.
- Making Environmental Preservation an Economic Asset.
- From Carbon to Oxygen: The Economy of a New Era.
- The Russian Quality Standard: Conforming to the Global Level.
- Coordinating the International Effort Against Illicit Trafficking in Manufactured Goods: Potential Ways Forward.
- Breakthrough in the Far East: How to Become a Leader for Growth in Private Investment.

share. The Russian Federation has already adopted the legal framework required to fully issue digital loans. What will the mortgage service of the future look like? How might digitalization and standardization of the lending process change the economic model in the mortgage business? What are the risks of digital lending, and what measures need to be taken to increase the financial and digital literacy of the population?

How Russia can harness human capital for its competitive advantage

Russia is achieving outstanding results in a number of traditional and new sectors of the economy. How might the collective expertise of Russian professionals be expanded to new fields? Which new sectors of the digital economy could prove fertile ground for Russia's leadership?

BUSINESS DIALOGUES

Russia – Japan

In May 2016, Prime Minister of Japan Shinzo Abe proposed to Russian President Vladimir Putin an Economic Cooperation Plan consisting of eight articles. The Plan covers over 100 joint projects, and many of them have already moved from contract signing to practical implementation. The Cooperation Plan provides both discussion of the current agenda of Russian-Japanese cooperation and prospects for business between the two countries in new segments.

Russia–France

Russia and France have a history of bilateral relations that goes back centuries. How are economic relations between the two countries evolving, and what are the expectations of the 'captains of industry' on both sides? Can restrictions in trade and finance be mutually lifted, or have the parties adapted to the sanctions? What are the prospects for bilateral cooperation as part of digital transformation?

Russia–Finland

Bioeconomics is the economy of the regeneration of natural resources in the production of food, energy, goods, and services. In Finland, a bioeconomics programme is part of the state development strategy for various sectors of the economy. In Russia, the development of bioeconomics holds the promise of new jobs, investment, and stable economic growth. What opportunities do the circular economy and bioeconomics open up for Russian and Finnish companies?

OTHER DIALOGUES:

- Russia – Africa.
- Russia – India.
- Russia – Italy.
- Russia – USA.
- Russia – Sweden.



TECHNOLOGY FOR LEADERSHIP

Are virtual service providers engines of growth or destruction?

The telecoms industry, which for a long time was one of the most profitable sectors of the Russian economy, is stagnating. Currently, many believe that the creation of mobile virtual network operators (MVNO) represents a promising direction of development. In Russia, where the share of MVNOs is only 2.6%, the mass launch of virtual network operators could transform not only telecoms, but also other sectors of the economy, including banking, industry, the public sector, transport, retail, and other areas.

Cybersport: global trends in sport and business

The eSports industry has become a big business, and it continues to gain momentum. In 2016, eSports was included in the All-Russian Register of Sports, and was awarded the right to be called an official sport. How is this industry organized, and what has caused it to grow so rapidly? How is the eSports market becoming an attractive area for investment?

A recent history of blockchain and the impact on government and business

Blockchain development has caused a sensation in Russia and the world. It has so far been no more than a 'pilot' technology, but its implementation in business processes and public administration could potentially radically change how these processes work and increase efficiency. The current lack of established practices and a full under-

OTHER THEMES OF THE SECTION:

- Transitional World: What Will Tomorrow Bring? (Sberbank Plenary Session).
- Breakthrough Technologies: Who Gets Invited to the Future.
- Artificial Intelligence Enters the Real Economy.
- Responding to Major Challenges with Nature-Like Technologies.
- Addressing New Dilemmas in Gene Therapy.
- The Digital Future of Finance: Leaders of Tomorrow.
- Challenges and Opportunities in Delivering Digital Infrastructure.
- Exporting Trust: Building Safe Global Digital Infrastructure.
- Breakthrough Technologies in Medicine: Evolution, Revolution, Organization.

standing of which areas could really benefit from the use of blockchain are slowing down this process. How can we best differentiate where application of blockchain technology is simply paying deference to a fad, and where it is a vital necessity? What measures can the state use to streamline the use of the technology? Where and how are successful projects being implemented in business and public administration, and how can they be scaled?

- The Eco-System of Innovative and Creative Entrepreneurship: From Education to Successful Startups.
- Life Sciences in 2030: A New Era for Biotechnology.
- Infrastructure of the Future: How should Business and the Authorities Adapt to the New Environment?
- Mathematics in the Digital Age.
- Forecast-2100: Technologies of the Future?
- Betting on E-Commerce: The Winner Takes it All.
- The Digital Agenda as a Factor in increasing the Competitiveness of the EAEU.
- Copyright Protection in the Internet age: The role of Internet Regulation in Encouraging Legal Usage.

HUMAN CAPITAL IN THE DIGITAL ECONOMY

Media in the artificial intelligence era: a survival guide

The media and entertainment stand at the very epicentre of this digital revolution, being both its driving force and the industry most susceptible to technological change. Speech-to-text programmes and text-writing programmes make it possible to automate many of the functions of a journalist – a creative profession until now. Is the end in sight for professional journalism or will machine learning lead to a shift towards editorial journalism reflecting the

author's original views and approaches? Which key trends will affect the structure of media consumption?

OTHER THEMES OF THE SECTION:

- Transformation of the International Labour Market: Meeting the Challenges
- The Digital Economy vs Education: Changing the Paradigm
- The Role of Creative Spaces in Today's Business Environment
- New Urban Environments as a Catalyst for Investment
- Business, Science, and Practice: Securing Next Generation Healthcare

BUSINESS BREAKFASTS

The stress on Europe's gas markets caused by the unexpected cold snaps this past winter has shown that Europe needs substantial and reliable natural gas supplies. Europe's increasing import gap will be filled by a combination of LNG and Russian gas. What is the strategic advantage of Russian gas for Europe? How will Russian gas and LNG compete to ensure European secu-

rity of supply? How does Nord Stream 2 fit into the EU's energy strategy?

OTHER THEMES OF THE SECTION:

- Digital Transformation of Business: International Experience and Russian Practice.
- The New Economic Povestka (NEP): the What, the How, the Who (Sberbank Business Breakfast).
- Providing Medications to the Russian Population.



THE B20 REGIONAL CONSULTATION FORUM

Digitalization – an engine for growth and inclusive development

The B20 is a partner group of the G20. It represents the interests of the business community and works to develop concrete proposals for G20 leaders on a consensus basis, with the objective of forming global policy to overcome key challenges. One of the key issues to be addressed is ensuring that the digital transformation becomes a driving force behind growth that is global, innovative, inclusive, and sustainable. The results of the discussion will be taken into consideration during development of the B20's recommendations which are to be presented at the G20 summit.

OTHER THEMES OF THE SECTION:

- The Future of Labour Markets.

FORESIGHT SERIES

- **The future of the mind. Michio Kaku.**
- **Technological entrepreneurship in Russia. Oleg Tinkov.**
- **From ambition to vision. Sadhguru.**
- **Russia And Mexico. Partnership through the best ideas: Mexican silver peso and the silver Russian ruble in the conditions of globalization. Don Hugo Salinas Price.**
- **Social entrepreneurship: a new global trend. Igor Rybakov.**



FORUM: NAVIGATOR

LOCATION AND DATE*

ExpoForum Convention and Exhibition Centre

64/1, Peterburgskoye Shosse, St. Petersburg

Events held at SPIEF

📅 23 May

🕒 08:00–20:00

SPIEF main events

📅 24–26 May

🕒 08:00–20:00

Participants are kindly requested to arrive at the Forum venue 30–40 minutes before the start of an event. The journey time from the city centre to the Forum venue is approximately one hour (depending on traffic).

* This information is valid as at 7 May 2018

INFORMATION CENTRE

Tel.: +7 (812) 680 0000

(24 hours)

Email: info@forumspb.com

FORUMSPB.COM

INFORMATION AND SERVICES POINTS

At information and services points you can obtain information on the Forum programme, available services, and directions around the SPIEF venue and other sites.

SPIEF information and services points are located:

- In Pulkovo Airport (the Pulkovo main passenger terminal, the Pulkovo VIP Lounge, the Pulkovo 3 Business Aviation Centre, and A-Group Business Aviation Centre).
- At Moskovsky Rail Terminal.
- In Accreditation Centres 1 and 2.
- At the Forum venue (in the Passage, Congress Centre, pavilions F, G and H, and in the access control point H).

The information and services points also offer the following services:

- Copying, scanning, and printing of documents.

- Copying and writing information to electronic media.
- Distribution of SPIEF 2018 information materials.
- Subscription to or cancellation of the Viber or text notification service for SPIEF 2018 participants.

PARTICIPANT ACCREDITATION

The main events on the St. Petersburg International Economic Forum business programme and a number of cultural and sporting programme events may only be accessed with an accreditation badge. Participants must carry their accreditation badge and their passport (or another identity document) with them at all times during their stay in St. Petersburg.

Accreditation badges are personalized and may not be transferred to third parties.

If an accreditation badge is lost, stolen, or damaged, the partici-

pant should go to any accreditation stand or Help Desk, or call +7 (812) 680 0000.

Badges may be collected from an accreditation point in Moscow or St. Petersburg, either in person (upon presentation of a passport) or by power of attorney.

If the badge is being released to a third party acting on a power of attorney, the third party must present:

- Authorized third party's passport
- Original standard power of attorney*
- List of participants
- Copies of participants' passports**

* A power of attorney form and a completed example can be found in the Participant accreditation section at forumspb.com.

** Without a list and copies of the passports of all participants to be accredited, the power of attorney will not be valid. Copies of passports will be returned once badges have been issued.

PARTICIPANT BAG

Participant bags can be collected in the ExpoForum Convention and Exhibition Centre Passage (stands 40–51), either in person (upon presentation of a participant badge) or by power of attorney.

To collect participant bags by power of attorney, the third party must present:

- Authorized third party's passport.
- Original standard power of attorney*
- Badges or electronic tickets for all participants whose bags the third party is collecting.

* A power of attorney form and a completed example can be found in the Par-

ticipant bag section at forumspb.com.

The participant bag distribution point is located in the blue zone. Bags may be collected only by those with access to the blue zone.

PARTICIPANT BAG DISTRIBUTION POINT OPERATING HOURS

Date	Time
23 May	09:00–20:00
24–25 May	08:00–20:00
26 May	08:00–18:00

ACCREDITATION POINTS OPERATING HOURS

	Address	Date	Time
MOSCOW			
Roscongress Foundation Accreditation Centre at the World Trade Center Moscow	Entrance No. 7, ground floor, 12, Krasnopresnenskaya Nab.	10 May	11:00–20:00
		11–23 May*	09:00–20:00
		24 May	09:00–13:00
			* business days only
ST. PETERSBURG			
		14–20 May	10:00–20:00
		21 May	10:00–23:59
Accreditation Centre 1. Outlet Village Pulkovo	60/1, Pulkovskoye Shosse	22–23 May	24 hours
		24 May	00:00–22:30
		25 May	07:30–22:30
		26 May	07:30–19:30
Pulkovo Airport	41ZA, Pulkovskoye Shosse	21 May	11:00–23:59
		22–25 May	24 hours
		26 May	00:00–12:00
Pulkovo VIP Lounge	41ZA, Pulkovskoye Shosse	21 May	11:00–23:00
		22–25 May	08:00–23:00
		26 May	08:00–12:00
Moskovsky Rail Terminal	85, Nevsky Prospekt	21 May	11:00–23:59
		22–25 May	06:30–23:59
		26 May	06:30–12:00

ST. PETERSBURG HOTELS

Belmond Grand Hotel Europe	1/7, Mikhailovskaya Ulitsa		
Kempinski Hotel Moika 22 St. Petersburg	22, Nab. Reki Moiki	21 May	11:00–23:00
Corinthia Hotel St. Petersburg	57, Nevsky Prospekt	22–23 May	08:00–23:00
Park Inn by Radisson Pulkovskaya	1, Ploshchad Pobedy	24–25 May	07:30–23:00
Angleterre Hotel	24, Malaya Morskaya Ulitsa		
Lotte Hotel St. Petersburg	2, Antonenko Pereulok		

Please note that accreditation officers will check registration details to ensure that they are accurate and up-to-date before issuing badges. In the event of any discrepancies, it will not be possible to issue badges on that day.



FINANCIAL SERVICES

Payment for participation and services at SPIEF:

• Financial services stand at Accreditation Centre 1, Outlet Village Pulkovo.

Payment for services (for participants who have received their badges):

• Financial services stands at the Forum venue.

Cash and bank cards are accepted for payment.

A 5.5% commission fee is charged when paying for participation and services at Forum financial services stands.

Issue of closing documents:

• Financial services stand at Accreditation Centre 1, Outlet Village Pulkovo.

• Financial services stands at the Forum venue.

Forum financial services stands operating hours

Accreditation Centre 1	
Outlet Village Pulkovo (60/1, Pulkovskoye Shosse)	
21–22 May:	10:00–19:00
23–25 May:	08:00–20:00
26 May:	08:00–17:00
Forum venue (Passage, stands 32–36)	
23–25 May:	08:00–20:00
26 May:	08:00–16:00

INTERNET

Internet access is available free of charge at the Forum venue.

Network name: **Roscongress**

Password: **spief2018**

VIBER OR TEXT NOTIFICATIONS

A free Viber or text notification service allows participants to receive short messages providing information on Forum events, participant services, and changes to the programme.

The service may be activated or deactivated in the personal web office at **forumspb.com**, by contacting the Forum information centre on +7 (812) 680 0000, or at the Forum information and services points.



STARTUP LOUNGE

- 📍 Passage between Pavilion H
- 📅 23–26 May
- 🕒 08:00–20:00
- ➔ Access: Premium Package participants; by invitation (special pass)

A new zone which will be introduced at SPIEF 2018. Throughout the Forum, the zone will feature a special programme and an exhibition of high-tech Russian startups. This will be a great networking opportunity for young companies, who will be able to demonstrate their investment potential to government officials, major corporations, investment funds, and business angels. It will be a chance to expand the reach of Russian high-tech products – including abroad, thanks to the high number of foreign guests at SPIEF.

SPIEF 2018 MOBILE APP



The St. Petersburg International Economic Forum mobile app is the best way to get the latest information about SPIEF and learn about the services offered at the Forum. The mobile app can be downloaded in the App Store and Google Play (search term: 'spief'). All of the app's functions and features are fully available after you enter your personal web office login and password.

KEY APP FUNCTIONS:

- Get information about the Forum programme.
- View video broadcasts of business events.
- Exchange messages with other participants.
- Schedule meetings.
- Create a personal schedule to attend Forum events.
- Get information on transport services.
- Navigate the Forum venue.

SOCIAL MEDIA



Official hashtag of the Forum: **#SPIEF**

SPIEF PRESENTATION AREA SUPPORTED BY EY AND FIAC

The SPIEF Presentation Area supported by EY and FIAC is located in pavilion H and is open to participants of all categories.

The SPIEF Presentation Area supported by EY and the Foreign Investment Advisory Council will bring together investors, business people, and government authorities for a frank discussion of projects and practical solutions aimed at improving the economic situation in the country, considering the outlook for their implementation, and identifying suitable partners.

Participants may expect presentations of projects and research by companies that are market leaders in Russia, and business sessions in the format of talk shows.

The SPIEF Presentation Area supported by EY and the Foreign Investment Advisory Council will be managed by the Russian news agency, TASS.

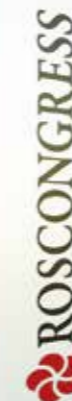
GOVERNORS' CLUB

The Governors' Club is a venue where the heads of Russia's regions can meet and network, and provides a space for presentations on the economic, tourism, and cultural potential of the regions.

- 📅 23–26 May
- 🕒 08:00–20:00
- 📍 Passage between Pavilion H.
- ➔ Access to the Governors' Club is open to the heads of Russian regions and their invited guests (with special pass).

SOCIAL PARTNERSHIP: NPO LAB

- 🕒 08:00–20:00
 - 📍 Pavilion G.
- The NPO LAB is a single space which brings together non-profits, business, and government. The stand programme includes presentations of successful examples of triangular cooperation with high social impact, the announcement of the launch of a social communications institute, and discussions and workshops featuring leading experts.



THE ROSCONGRESS CLUB

- 📍 Passage between Pavilions G and H.
- 📅 23–26 May
- 🕒 08:00–20:00

The Roscongress Foundation is pleased to present the Roscongress Club – a new communication space at the St. Petersburg International Economic Forum. It is specially equipped to provide the best possible environment for business communication, and is open to Premium Package participants.

Roscongress club areas at SPIEF 2018:

- **The coffee break and rest area** is a place where you can talk to partners in an informal environment. With its superior catering service, you can combine work and leisure, and discuss important matters over a cup of coffee. Guests of the

Roscongress Club will be able to watch live broadcasts of business programme events in a relaxed atmosphere.

- **The discussion platform** is a multifunctional space for top-level events for up to 50 people, such as round tables, talks by opinion leaders, award ceremonies, and entertainment or charity events. The Roscongress Club boasts an impressive and modern service infrastructure.

- **The VIP lounge** is an all-new exclusive business area for negotiations at any level. It is also a place where you can get a moment of peace and quiet in your busy event programme. Guests of the VIP Lounge can make use of the Congress Attaché service to help them deal with any work related issues or organize an unforgettable leisure activity.

DINING AT THE FORUM VENUE

DINING AT THE FORUM VENUE			
Jardin & Greenfield business networking area	Congress Centre, ground floor (by conference halls D3 and D4)	23–26 May	08:00–19:00
Business networking area			
Media Village	Pavilion F	24–26 May	
SPIEF Presentation Area supported by EY and FIAC	Pavilion H		
St. Petersburg exposition and networking area	Pavilion G		

RESTAURANTS AT THE FORUM VENUE

	Cuisine: Russian, Italian, Pan-Asian Capacity: 550 Congress Centre, ground floor (entrance from Passage)	24–26 May 11:30–17:00
	Cuisine: European, Kuban region Capacity: 100 Courtyard 3	24–26 May 09:00–20:00
	Cuisine: European Capacity: 170 Hilton Hotel, ground floor	23–26 May 10:30–21:00 +7 (812) 647 7484
	Cuisine: Modern European Capacity: 80 Hilton Hotel, ground floor	23–26 May from 12:00 to last customer +7 (812) 647 7484
RAPPOPORT RESTAURANT GROUP		
	Cuisine: Russian, local, original, meat dishes Capacity: 158. Courtyard 1. Summer terrace available	23–26 May 09:00–20:00 +7 (911) 743 1887 www.blok.restaurant
	Cuisine: Russian Capacity: 210. Summer terrace available Courtyard 1	23–26 May 09:00–20:00 +7 (911) 743 1887 www.drzhivago.ru
	Cuisine: Chinese Capacity: 256 Congress Centre, sixth floor	23–26 May 09:00–20:00 +7 (985) 530 3456 www.chinagramota.ru

Diners at Forum venue restaurants will be charged according to the prices listed on the menu.

You can find a list of recommended St. Petersburg restaurants in the St. Petersburg Restaurants section at the official website website, forumspb.com.



PICKING UP TRANSPORT PASSES AND DRIVERS' BADGES

Accredited cars are issued with transport passes; drivers must also be accredited.

Transport passes and drivers' badges are issued at Accreditation Centre 1, Outlet Village Pulkovo.

SCHEDULE FOR THE ISSUE OF TRANSPORT PASSES AND DRIVERS' BADGES

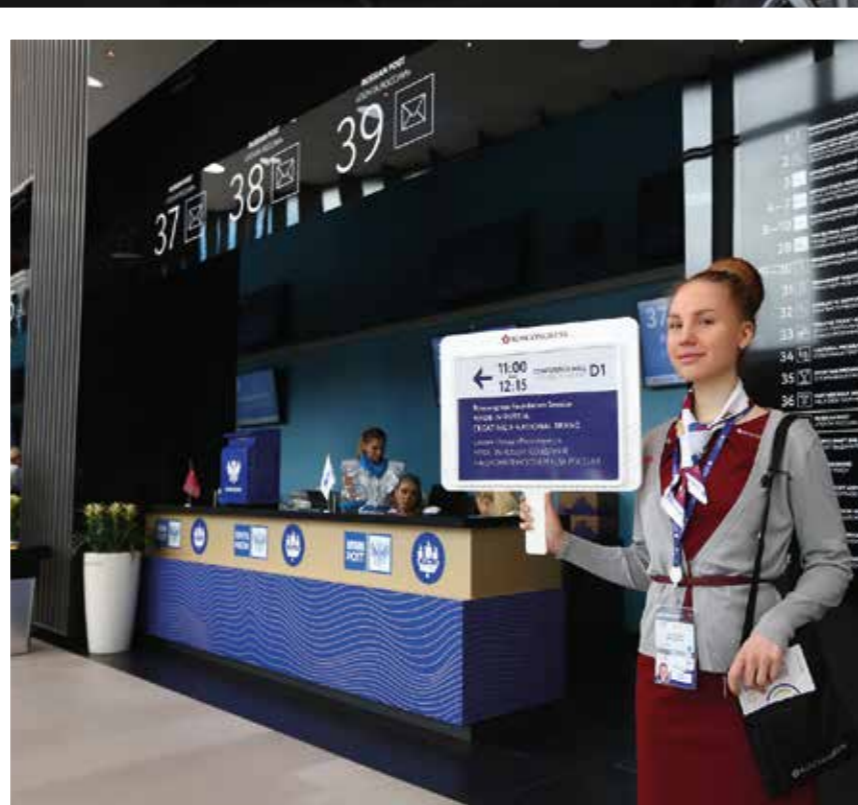
Accreditation Centre 1, Outlet Village Pulkovo (60/1, Pulkovskoye Shosse)

7–20 May	10:00–20:00
21 May	10:00–23:59
22–23 May	24 hours
24 May	00:00–22:30
25 May	07:30–22:30
26 May	07:30–19:30

To pick up transport passes and drivers' badges by power of attorney, the third party must present:

- Authorized third party's passport.
- Original standard power of attorney*.
- Copies of drivers' passports.

* A power of attorney form and a completed example can be found in the Accreditation of personal vehicles section at forumspb.com.



Each transport pass is issued to a single specific vehicle and is linked to the vehicle's data (car model and registration number). Transport passes and drivers' badges may not be transferred to third parties. Should this occur, the pass and/or badge will be withdrawn and annulled. The transport pass must be

placed in the upper right-hand corner of the windscreen. All vehicles entering the ExpoForum Convention and Exhibition Centre shall be subject to inspection, and the driver and all passengers in the vehicle must present their accreditation badges for inspection by the Forum security service.

ACCREDITATION OF PERSONAL VEHICLES

Forum participants may obtain accreditation for a personal vehicle. More information on terms and conditions can be viewed in the personal web office at forumspb.com, where applications for vehicle accreditation and drivers' badges can also be submitted. Accredited vehicles have right of access to the following locations (depending on the type of transport pass and the parking index assigned to it):

- The ExpoForum Convention and Exhibition Centre site.
- Off-site car parks*.
- Pick-up/drop-off zone and car park at Pulkovo Airport.
- Moskovsky Railway Station car park.
- Car parks at official Forum hotels.
- Pick-up/drop-off zones and car parks at cultural and sporting programme event locations.

* Free shuttles will run from car parks on Pulkovskoye Shosse to the Forum venue and back.

 23-26 MAY

1. OFFICIAL HOTELS

- **Route 1.1 NEVSKY PROSPEKT**
Corinthia Hotel St. Petersburg, Radisson Royal Hotel, Belmond Grand Hotel Europe, Kempinski Hotel Moika 22 St. Petersburg.
- **Route 1.2 ISAAKIEVSKAYA PLOSHCHAD**
Hotel Astoria, Angleterre Hotel, SO Sofitel St. Petersburg, Four Seasons Hotel Lion Palace St. Petersburg, Petro Palace Hotel, Lotte Hotel St. Petersburg.
- **Route 1.3 SADOVAYA**
Original Sokos Hotel Olympia Garden, Ambassador Hotel, Domina St. Petersburg, Dashkova Residence.
- **Route 1.4 LIGOVSKY PROSPEKT**
Ibis St. Petersburg Centre, Park Inn by Radisson Nevsky, Grand Hotel Emerald.
- **Route 1.5 MOSKOVSKY PROSPEKT**
Park Inn by Radisson Pulkovskaya.
- **Route 1.6 PULKOVSKOYE SHOSSE**
Park Inn by Radisson Pulkovo Airport St. Petersburg, Crowne Plaza St. Petersburg Airport.
- **Route 1.7 VASILIEVSKY OSTROV**
Park Inn by Radisson Pribaltiyskaya.

TIME	INTERVAL	
07:30-12:00	20 minutes	⊛ On 23 May service will terminate at 21:00
12:00-15:00	60 minutes	
15:00-22:00 [⊛]	20 minutes	

2. ARRIVAL AND DEPARTURE POINTS

- **Route 2.1 PULKOVO AIRPORT**

TIME	INTERVAL
08:00-22:00	30 minutes
- **Route 2.2 MOSKOVSKY RAIL TERMINAL**

TIME	INTERVAL
07:30-22:00	30 minutes

3. ACCREDITATION CENTRES

- **Route 3.1 ACCREDITATION CENTRE 1.**
Outlet Village Pulkovo.

TIME	INTERVAL
07:30-20:00	10 minutes
- **Route 3.2 ACCREDITATION CENTRE 2**

TIME	INTERVAL
07:30-22:00	10 minutes

4. CAR PARKS ON PULKOVSKOYE SHOSSE

- **Route 4.2 CAR PARKS ON PULKOVSKOYE SHOSSE**
Car parks A2, A4, A6, A8

TIME	INTERVAL
07:30-21:00	10 minutes

FORUM SHUTTLES

During the Forum, regular free shuttle buses will run on the following routes:

- Between Pulkovo Airport and the SPIEF venue
- Between Moskovsky Rail Terminal and the SPIEF venue
- Between the official hotels and the SPIEF venue
- Between Accreditation Centres 1 and 2 and the SPIEF venue
- Between car parks A2, A4, A6, and A8 on Pulkovskoye Shosse and the SPIEF venue

The free shuttle bus timetable may be subject to change. For exact shuttle departure times and locations, please ask Forum staff at official Forum hotels and Forum event sites. Please plan your trip in advance.

ACCOMMODATION

For any queries regarding accommodation, participants may contact the Roscongress Foundation Hotel Booking Team:

Tel.: **+7 (812) 406 7475**
Email: **booking@roscongress.org**

SPIEF 2018 OFFICIAL HOTELS:

- 🏨 Four Seasons Hotel Lion Palace St. Petersburg 5* (1, Voznesensky Prospekt).
- 🏨 SO Sofitel St. Petersburg 5* (6, Voznesensky Prospekt).
- 🏨 Angleterre Hotel 5* (24, Malaya Morskaya Ulitsa).
- 🏨 Hotel Astoria 5* (39, Bolshaya Morskaya Ulitsa).
- 🏨 Belmond Grand Hotel Europe 5* (1/7, Mikhailovskaya Ulitsa).
- 🏨 Grand Hotel Emerald 5* (18, Suvorovskiy Prospekt).
- 🏨 Domina St. Petersburg 5* (99, Nab. Reki Moiki).
- 🏨 Kempinski Hotel Moika 22 St. Petersburg 5* (22, Nab. Reki Moiki).



- 🏨 Corinthia Hotel St. Petersburg 5* (57, Nevsky Prospekt).
- 🏨 Lotte Hotel St. Petersburg 5* (2, Antonenko Pereulok).
- 🏨 Petro Palace Hotel 4* (14, Malaya Morskaya Ulitsa)

- 🏨 Radisson Royal Hotel 5* (49/2, Nevsky Prospekt).
- 🏨 Hilton Hotel St. Petersburg ExpoForum 4* (64/1, Peterburgskoye Shosse).
- 🏨 Ambassador Hotel 4* (5-7, Prospekt Rimskovo-Korsakova).
- 🏨 Crowne Plaza St. Petersburg Airport 4* (6A, Startovaya Ulitsa).
- 🏨 Park Inn by Radisson Pulkovo Airport St. Petersburg 4* (41ZD, Pulkovskoye Shosse).
- 🏨 Park Inn by Radisson Nevsky 4* (4A, Goncharnaya Ulitsa / 89, Nevsky Prospekt).
- 🏨 Park Inn by Radisson Pulkovskaya 4* (1, Ploshchad Pobedy).
- 🏨 Original Sokos Hotel Olympia Garden 4* (3A, Bataiskiy Pereulok).
- 🏨 Hampton by Hilton St. Petersburg ExpoForum 3* (64/2, Peterburgskoye Shosse).
- 🏨 Ibis St. Petersburg Centre 3* (54, Ligovskiy Prospekt).
- 🏨 Dashkova Residence 3* (15, Galernaya Ulitsa).





FORUM: CULTURAL PROGRAMME

There are over 50 events planned in line with the SPIEF 2018 cultural program including ballet, opera and theatre performances and concerts of classical and jazz music that will take place in Mariinsky, Alexandrinsky and Mikhailovsky theatres, St. Petersburg Philharmonic of Jazz and the State Academic Capella of St. Petersburg.

The list of events, as well as the access and the ticket purchase procedure can be found in the participant personal web office at the official Forum website forumspb.com.

Charity gala concert: The Music of Love. A Tribute to St. Petersburg

- 📅 May 25
- 🕒 19:00–20:30
- 📍 Presidential Library. B.N. Yeltsin (Senate Square, 3).
- ➔ Access: an independent purchase of tickets through the Personal Area.

Concert by the Chorus Teatro Regio Torino (Turin, Italy)

- 📅 May 25
- 🕒 19:00–20:30
- 📍 Mariinsky Theatre Concert Hall (20, Ul. Pisareva, entrance from 37, Ul. Dekabristov)
- ➔ Access: Premium Package participants (by invitation)

Exciting sightseeing programs are prepared for SPIEF participants. One can get acquainted with St. Petersburg's history and the most beautiful places and collections of the leading museums of the city and its suburbs – the Russian Museum, Hermitage, Kunstkamera, Tsarskoye Selo, Peterhof, Isaakiy and other cathedrals.

More information about the museums and exhibitions is provided in the Cultural programme section at the Forum official website forumspb.com.

Apart from that, the dates of the Forum coincide with the 315th anniversary of St. Petersburg, so on May 26-27 participants of the Forum can take part in the city's celebrations.



Event hosted by the Governor of St. Petersburg in celebration of the 22nd St. Petersburg International Economic Forum

- 📅 May 26
- 🕒 19:00–23:00
- 📍 Dvortsovaya Ploshchad
- ➔ Access: Premium and Standard Package participants (by invitation)

This event will take place on Palace Square, in the very heart of St. Petersburg. Marquees will be set up outside the Winter Palace, including a luxury buffet area and a space for business meetings. The Governor of St. Petersburg, Georgy Poltavchenko, will give a welcome address.

In this, St. Petersburg's 315th year, guests will be able to witness the unique musical show Classics at the Palace Square, a major city event. The concert will feature world opera stars, including the spectacular duo Roberto Alagna and Aleksandra Kurzak, the magnificent soprano Valentina Nafornita, and the crème de la crème of the Russian opera school. Please note that due to the live transmission of the gala concert, entry to the parterre will close at 21:00. Detailed information is available in your personal web office.

A charity concert at the Fabergé Museum

- 📅 May 23
- 🕒 18:00–19:30
- 📍 The Fabergé Museum (21, Fontanka River Embankment)
- ➔ Access: Entry to the event is by invitation from the organizers only

Gala concert at the Mikhailovsky Theatre

- 📅 May 23
- 🕒 19:30–22:00
- 📍 Mikhailovsky Theatre (1, Pl. Iskusstv)
- ➔ Access: Premium Package participants (by invitation)

Indian Reception

- 📅 May 24
- 🕒 19:00–21:00
- 📍 'ROOF' HALL, Belmond Grand Hotel Europe (1/7, Mikhailovskaya Ulitsa)
- ➔ Access: Premium Package participants (by invitation)

The grand opening of the 'Space. The Human Story' exhibition

- 📅 May 24
- 🕒 20:00–23:00
- 📍 KGallery ART GALLERY (24, Nab. Reki Fontanki)
- ➔ Access: Premium Package participants (by invitation)

Concert by AUN J CLASSIC ORCHESTRA, a Japanese group that plays traditional instruments

- 📅 May 24
- 🕒 18:00–19:15
- 📍 Mariinsky Theatre Concert Hall (20, Ulitsa Pisareva, entrance from 37, Ulitsa Dekabristov)
- ➔ Access: Premium and Standard Package participants (by invitation)

Issue of invitations: ExpoForum Convention and Exhibition Centre, cultural programme stands in the Congress Centre and Passage (stands 28 and 78).

The Intellectual Gameshow 'What? Where? When?'

- 📅 May 24
- 🕒 20:00–22:30
- 📍 Metropole Restaurant (22/2, Ulitsa Sadovaya)
- ➔ Access: Premium Package participants (by invitation)

M-1 Challenge International Mixed Martial Arts (MMA) Tournament

- 📅 May 24
- 🕒 19:00–00:00
- 📍 M-1 Arena (80/1, Primorsky Pr.)
- ➔ Access: Premium Package participants (by invitation)

Concert by the group Neschastny Sluchai and multimedia light show

- 📅 May 25
- 🕒 19:00–23:00
- 📍 St. Anna Lutheran Cathedral (8, Kirochnaya Ul.)
- ➔ Access: Premium and Standard Package participants (by invitation)

Invitation from Russian Seasons: concert by Boris Berezovsky

- 📅 May 24
- 🕒 21:00–23:59
- 📍 Mikhailovsky Theatre (1, Pl. Iskusstv)
- ➔ Access: Premium Package participants (by invitation)



FORUM: SPORTING PROGRAMME

ROSCONGRESS CUP. Gala hockey match 'Forum Team – St. Petersburg Government Team'

📅 May 23rd
🕒 17:00 – 19:00
📍 Yubileyny Sports Palace (18, pr. Dobrolyubova)

Access to the event as a participant in the Premium package is by invitation only

ROSCONGRESS CUP. Gala basketball match 'Forum Team – St. Petersburg Government Team'

📅 May 24th
🕒 18:00-20:00
📍 Nova Arena Sports Centre (100, Grazhdansky pr.)

Access to the event as a participant in the Premium package is by invitation only

Friendly match between the women's national teams of Russia and France on sabre fencing

📅 May 24th
🕒 19:00 – 21:00
📍 Russian Museum of Ethnography (4/1, Inzhenernaya Ulitsa)

Access to the event as a Premium Package participant is by invitation only

ROSCONGRESS CUP. White Nights tennis tournament

📅 May 26th
🕒 09:00 – 21:00
📍 Razliv Sports Complex tennis courts (1, ul. Akademiya Vernova, Sestroretsk)

Access to the event as a participant in the Premium package is by invitation only



ROSCONGRESS SPORT GAMES. St. Petersburg Corporate Games

📅 May 26th
🕒 09:00 – 18:00
📍 Vasily Alexeyev Sports Centre (16, pr. Rayevskovo)

SPIEF participants may attend the games as spectators by presenting their badges

ROSCONGRESS CUP. SPIEF 2018 International Golf Tournament

📅 May 26th
🕒 08:30-21:30
📍 Peterhof Golf Club (1, Gofmeysterskaya ul., Peterhof)

You must complete e-registration in the personal web office to take part in the tournament. Registration for the tournament will be open until 16:00 (Moscow time) on May 14th. Detailed information is available in the personal web office



Ladoga Trophy Raid start ceremony

📅 May 26th,
🕒 10:30–12:00
📍 St. Isaac's Square
Free entrance

«Peace Rally»

📅 May 26th,
🕒 10:00
📍 St. Isaac's Square
Free entrance.

RUSSIA

open to the world

>7500
professional companies
of the meetings industry

>12500
meetings

>3500
venues

An effective tool of attraction
of international meetings
and events to the country



Sergey Lavrov:

"RUSSIA WANTS TO CARRY ON ITS DIALOGUE"

In view of the uneasy geopolitical situation, the key subject of the St. Petersburg International Economic Forum, 'Building a Trust Economy', is especially important. Russia's efforts are aimed at improving global and regional safety and stability, contribution to political and diplomatic solution of many of today's problems based on international law and mutually respectful dialogue, promotion of positive agenda in the world's issues, which is reflected in the words of Russian Foreign Minister Sergey Lavrov.

"We will never bow to ultimatums. This is not the language to speak with the Russian Federation. We will always do everything we can to protect the security and dignity of our citizens and the sovereignty and national interests of the Russian Federation in full conformity with international law".

Foreign Minister Sergey Lavrov's remarks at a meeting with Russian diplomats expelled from a number of countries on forged accusations in connection with Britain's Skripal case, Moscow, 9 April 2018

"Washington, London and other Western capitals have not drawn proper conclusions from the tragedies of Yugoslavia, Iraq, Libya, Syria and Ukraine. The latest US National Security Strategy and National Defence Strategy openly look at the world through the prism of military-political rivalry and the friend-foe or with-us-or-against-us logic. <...> Growing confrontational trends and mutual mistrust are compounding strategic uncertainty, provoking an arms race and, most alarming, contributing to the militarization of public mentality. Ultimately, they are eroding the post-WWII security architecture that is based on the primacy of the UN Charter. <...> In this context, Russia as

an independent centre of political power will continue to promote a positive international agenda in the interests of global stability. We are not forcing anything on anyone, we are not claiming national exceptionalism, or, worse still, the right to act as we please. Our relations with our partners are based on international law, the central role of the UN, as well as on respect for the interests, traditions and distinctive character of all nations".

Foreign Minister Sergey Lavrov's remarks at the 7th Moscow Conference on International Security, Moscow, 5 April 2018

"[Russian] economy has sustained quite a lot beginning from World War II. And I can assure you that the Government and the President are very much keen to make sure that the necessary reforms are taken through. And this was the essence of the first half of the Presidential message to the Parliament. And his second part, when he informed his audience about the new weapons delivered in Russia, he ended by saying we always are ready to talk, provided the talk is respectful and based on the looking for balance of interests".

Foreign Minister Sergey Lavrov's interview with BBC HardTalk, Moscow, 16 April 2018

"The forcible 'export' of pseudo-liberal values in conjunction with flirting with radicals and dividing terrorists into 'good' and 'bad' has led to chaos and anarchy in the vast expanses of the Middle East which is the cradle of Christianity. Clearly, it is impossible to reliably protect Christians, or representatives of other religions, for that matter, without defeating terrorist groups and achieving a lasting political settlement of numerous conflicts and crises".

Foreign Minister Sergey Lavrov's remarks at a gala reception on the occasion of the Orthodox Easter, Moscow, 17 April 2018

"Russia is always in favour of discussing any issues directly between the interested parties. We have never avoided a discussion of allegations made against us: about interference in the US presidential election, other interference in internal matters of Western states and many other things. It is our US partners who avoid concrete discussions".

Foreign Minister Sergey Lavrov's remarks during a joint news conference following talks with Member of the State Council and Foreign Minister of China Wang Yi, Moscow, 5 April 2018

"Russia wants to carry on its dialogue with the EU. We have common interests in the fight against terrorism, illegal migration and drug trafficking. We told our European colleagues, again, that we are ready for this work inasmuch as they are ready for it".

Foreign Minister Sergey Lavrov's remarks and answers to media questions at a joint news conference following talks with Minister of Foreign Affairs of the Kingdom of the Netherlands Stef Blok, Moscow, 13 April 2018

Sergey Gorkov:

“PROMOTING INVESTMENT IN THE REAL ECONOMY”

VEB Chairman Sergey Gorkov talks to the St. Petersburg International Economic Forum magazine about Vnesheconombank’s contribution to Russia’s economic development.



In Russia, several development institutions have been established at both the federal and regional levels. But what role does Vnesheconombank play? What do you see as your main task?

Vnesheconombank is a unique development institution. We know how to structure large, complex projects in the high-tech and infrastructure sectors. Last year, for example, Vnesheconombank financed projects worth RUB 188 billion, and more than RUB 98 billion were allocated for the development of strategic industries. We are also actively engaged in the development of breakthrough technologies, and we are going to use these solutions in the economy and public administration. These combined competencies help us to play a dynamic role in the digital transformation of the Russian economy. We ourselves are changing rapidly, and we are helping to transform sectors of the real economy.

We have adjusted our approaches to working with the regions. We have set up a new team of regional managers who are proactively searching for investment projects.

Our work is guided by the state’s priorities and the objectives that the Russian President and Government assign to us. One of our key tasks is to facilitate investment in the real economy and to help create new, highly skilled jobs.

VEB has traditionally been widely represented at the St. Petersburg International Economic Forum. What messages would you like to convey at this Forum?

VEB is an active participant in all of the Forum programmes, including the business, exhibition, cultural, and youth programmes. We are organizing an exhibition together with the Hermitage that will demonstrate the partnership between contemporary artists and technology companies. These collaborations are built into the technological agenda promoted by the bank, including quantum technologies, technological convergence,

and blockchain. We believe that innovation is born at the intersection of technology and art. And the artist’s perspective helps us to look beyond the horizon and glimpse the outlines of the future.

We are planning to discuss this topic (innovation as art) at our panel discussion with leading experts from the worlds of science, art, and technological entrepreneurship. I am confident that we will have an insightful and productive dialogue.

We are planning to present the Million-Rouble Idea, which we are producing together with NTV, on the Forum Youth Day. One of the objectives of the programme is to popularize technical creativity and bring the boldest ideas to life. The people behind breakthrough developments, regardless of which stage they have reached, are invited to participate in this project.

In addition, VEB’s stand at the Forum will give a broad overview of our current projects, ranging from digital transformation to concrete case studies in the regions.

How is the Project Finance Factory programme being promoted? Does it already include a lot of projects? Do you sense that there is interest from potential participants?

At present, key agreements have been signed for the first project pool, representing a total of RUB 180 billion. We signed agreements with eight banks to co-finance projects within the Factory programme: Sberbank, VTB, Gazprombank, Eurasian Development Bank, Russian Regional Development Bank, Sovcombank, International Investment Bank, and ZENIT. I am confident that our circle of partners will continue to expand.

And it is not just Russian banks that have expressed an interest in the Factory: major foreign financial institutions that are active on the Russian financial market are also keen to participate. Project initiators have also paid a great deal of attention to the Factory. The main idea behind it is to provide syndicated lending for projects by raising state subsidies and offering state guarantees on bonds. This mechanism will minimize risks for investors at all stages. VEB expects that each rouble invested will attract three or four roubles in additional investment in the country’s economy. We already see great potential for launching a fully-fledged investment pipeline.

The winners of the the Million-Rouble Idea show were the Agrobot project, which received RUB 25 million to continue development; UnaWheel, which took second place with a RUB 20 million prize; and Motorika, which took bronze and a RUB 15 million prize.





Sergey Gorkov and Ethereum founder Vitalik Buterin discuss the future of blockchain technologies. Vnesheconombank Blockchain Competence Centre.

programme has the potential to cover a large number of areas. One promising proposal is to use this mechanism to finance socially significant facilities within the framework of a public-private partnership.

The strategy of the renewed VEB pays a lot of attention to supporting innovation, including blockchain technology. Which of Vnesheconombank's initiatives are helping to develop this area in Russia?

Last year, we set up the Blockchain Competence Centre or 'Blockchain Commune'. This is an ecosystem for companies that are implementing developments based on distributed ledger technology. The VEB Centre provides them with guidance and other expertise. We also finance those pilot projects that others may be interested in replicating on a national scale.

Vnesheconombank does not have its own staff of developers. We connect resident companies of the Commune, which today number more than 30, with various projects. The Centre is currently de-

veloping solutions for oil trading companies, utilities and communal services, energy sales, insurance, and other areas.

For example, in April, together with the Government of Novgorod Region, we launched a project to monitor the circulation of subsidized medicines using blockchain technology. This is one of the first such projects in the world.

Recently, a new initiative has emerged at the Blockchain Commune: the Legal Lab, which provides a space to explore legal practice. Cooperation agreements have been signed with partners from Switzerland, Kazakhstan, and Belarus, which are actively seeking to develop cryptoeconomy regulations. We expect that the Legal Lab will become a platform for discussing strategic approaches to the regulation of the digital economy as well as a centre for developing a number of specific projects. These projects include, for example, the creation of an interstate regulatory sandbox in the blockchain as a service field, a tokenization project to facilitate trade between the

member countries of the EAEU, and models for the digitalization of the customs system. The Blockchain Competence Centre plans to expand cooperation with expert groups at international organizations, including the OSCE, BRICS, APEC, and ASEAN.

In your speeches, you have noted that other areas, including technological convergence and quantum technologies, are strategically important for the country. What is VEB's role in the development of these technologies?

As a development institution, we believe that it is important for Russia to determine a technological priority and to establish niches where it can become a leader. Quantum technologies, technological convergence, artificial intelligence, and blockchain are very promising directions. There is no clear leader yet, and the countries that will win this race will be those able to effectively translate their technology leadership into their own economic growth. For example, quantum technologies today

204 projects currently receive funding from VEB, and 150 of them are being carried out in Russia.

RUB 2.3 trillion – the amount of funding provided by VEB over the course of 10 years (366 projects).

Currently, we have set our sights on projects that are worth hundreds of billions of roubles in such sectors as infrastructure (roads), chemicals, and municipal solid waste processing.

The government has approved a road map for infrastructure loans. Does VEB plan to take part? Has some progress already been made?
The road map itself was approved by the Government in March, and work is only just beginning. This is a mechanism that is used to actually build an infrastructure facility

using borrowed funds raised from private investors. The users of the facility gradually repay the loan over time. This approach can help to raise additional capital for infrastructure construction right now. Thus, it stimulates additional economic growth.

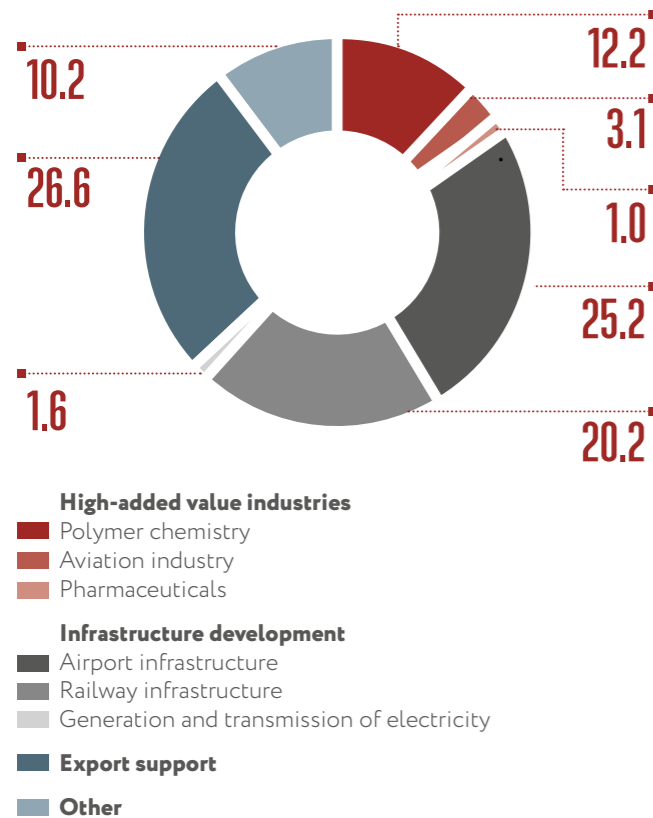
According to the road map, Vnesheconombank is the associate contractor for a number of parts of the project. We will help to prepare the relevant regulations and guidance documents, and we will be involved in implementing pilot projects. In our opinion, this pro-

Vnesheconombank: The Age of Blockchain

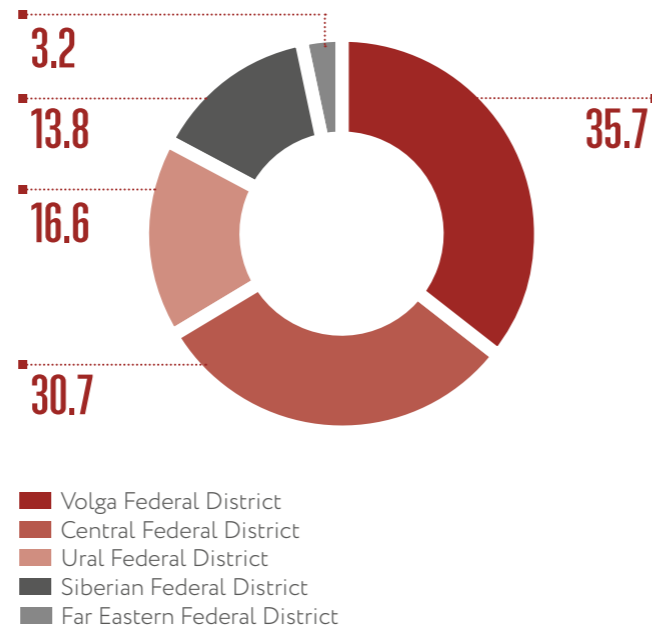
<p>Opening</p> <p>01.12.17</p> <p>Opening of VEB Blockchain Competence Centre</p> <p>World-class expertise, encouragement of international cooperation, and an environment conducive to introducing innovations on a national scale.</p> <p>The Centre's residents include some of the world's largest platform developers: Corda, Bitfury, and Hyperledger, as well as the offices of more than 20 companies, among which are Ethereum, Bitfury, Waves, EY, and PwC.</p> <p>The connecting link between business and the state, as a platform for the development of the blockchain environment.</p>	<p>Priority projects</p> <p>29.01.18 Launch</p> <p>Equity partnership agreement / Russian Federal Service for State Registration, Cadastre, and Cartography</p> <p>The establishment of a partnership between the key participants in the process of registering equity partnership agreements in the construction industry using blockchain technology. The technology makes it possible to maintain a ledger of interactions between parties and to register information that precedes changes made to participant information systems. The pilot project is being developed by VEB in cooperation with the Russian Federal Service for State Registration, Cadastre, and Cartography and the Russia Housing and Urban Development Corporation.</p>	<p>International partnership</p> <p>01.03.18</p> <p>Switzerland</p> <p>Signing of a framework cooperation agreement with the Canton of Zug.</p> <p>Belarus</p> <p>Signing of a framework cooperation agreement with the Belarus Hi-Tech Park.</p> 	<p>Educational activity</p> <p>12.03.18</p> <p>Department of Teenagers</p> <p>Blockchain Academy programme at the Sirius Centre for Gifted Education in Sochi for children aged 14 to 17.</p> <p>Corporate training</p> <p>Introduction to Distributed Ledger Technology (Blockchain): federal educational project for civil servants. The ministers of Kaliningrad Region, the heads of government agencies, and Governor Anton Alikhanov all attended the training.</p>	<p>International partnership</p> <p>04.04.18</p> <p>Russia</p> <p>Signing of a framework cooperation agreement with the Moscow State Institute of International Relations (MGIMO).</p> <p>Legal Lab</p> <p>International project. The project aims to establish a global expert community to develop a unified approach to the regulation of new financial technologies, including blockchain technology, and also to offer a consolidated position on a number of issues of global digital law. Another important area of Legal Lab's activity will be providing legal advice to Russian companies that use blockchain technology as the technology becomes accepted in the jurisdictions with the most developed legal practices.</p>	<p>International partnership</p> <p>11.04.18</p> <p>The first meeting of the Cryptosreda expert discussion club.</p> <p>Extended meeting of the club with representatives from Switzerland on the topic 'ICOs in Switzerland'.</p> 	<p>Priority projects</p> <p>13.04.18 Launch</p> <p>Registration of priority right / Rospatent</p> <p>Rospatent plans to create a blockchain solution together with the Russian Society of Inventors and Innovators (VOIR). Such a solution would make it possible to register patent claims and simplify the process of resolving disputes in this field.</p> <p>Monitoring allocation of subsidized medicines</p> <p>The system, which is based on blockchain technology, facilitates cooperation between key participants responsible for the allocation of subsidized medicines in Novgorod Region.</p>	<p>International partnership</p> <p>20.04.18</p> <p>China</p> <p>Signing of a framework cooperation agreement with Diginex and Blockchain Global Limited.</p> 	<p>Educational activity</p> <p>23.03.18</p> <p>Open seminars</p> <p>Public lectures and open discussions on highly topical issues related to the development of the blockchain industry. Also broadcast online.</p>
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GLOBAL ECONOMY

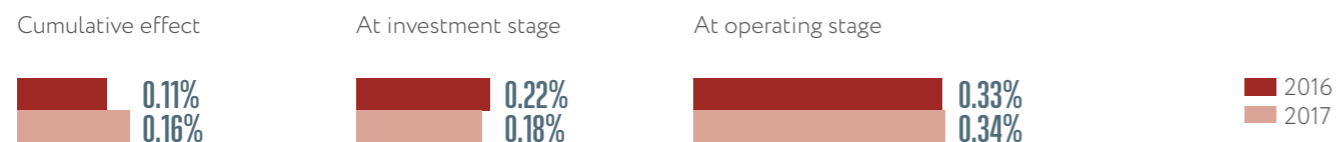
Breakdown by sector of projects that VEB approved for funding in 2017 (percentage equity participation by VEB)



Regional breakdown of VEB's projects in the Russian Federation that received funding approval in 2017 (percentage equity participation by VEB)



Impact of VEB investment projects: contribution to GDP



are the focus of attention of many nations, including China and the United States.

VEB supports several projects in this area. We partner with the Kurchatov Institute, with which we are preparing joint initiatives to develop infrastructure, and we are seeking ways to provide systematic support for young scientists. This year we will launch a fund to support technological convergence. The goal of this project will be to commercialize the developments of the national research centre.

Another of our initiatives in this field is our consortium with Moscow State University, the Russian Foundation for Advanced Research Projects in the Defense Industry, and Tsifrovaya Ekonomika to create a 50-qubit quantum computer. The goal of the consortium is not only to create equipment, but also to find a practical application for this equipment, primarily in materials science.

This year we plan to open world-class competence centres to support technological convergence and

quantum technologies. VEB will actively cooperate with the executive and legislative branches of the government, as well as with market participants, to improve the regulatory environment. After all, a new technological breakthrough cannot be achieved without transforming the regulatory framework that will allow these technologies to be used. We understand this from the experience of our own pilot projects, and we see great potential for a breakthrough. Russia has everything in place to achieve this. 🌱

TADASHI MAEDA,

CEO and Executive Managing Director, Japan Bank for International Cooperation (JBIC)



EXCLUSIVELY FOR SPIEF

MISSILE ATTACKS ARE VERY BAD FOR BUSINESS

Which innovations are a priority for the world today?

Today, everyone wants to know about innovations connected to the so-called Fourth Industrial Revolution. By this we mean developments in artificial intelligence and the Internet of Things. The most important role is played by startups offering new solutions, and by education.

On what should world leaders agree?

What they need to agree on is peace, because when one group of countries launches missile attacks against another, this is very bad for business.

The global economy today is in need of stability and independence from political decisions.

What is your economic outlook for 2030?

The global economy is currently stable, but protectionism does give cause for concern. The WTO, for instance, is a good platform for enforcing the rules, but it has its drawbacks. We need broader global trade channels involving a larger number of entrepreneurs. If we can achieve this, then we will see a much improved economy by 2030.

What advice do you have for entrepreneurs today?

We are living in a new era of intelligent control and automation. The most important thing now is to join forces and work together. New solutions and innovations should be open, clear, and accessible.

What is the purpose of life?

I have two daughters and a granddaughter. My task is to be confident that she will have a better life than we do. For me, the meaning of life is to make the world better for future generations. 🌱

and exciting, although we must not turn a blind eye to the significant external risks present.

Do you share the opinion that sanctions imposed by the West do not so much harm the Russian economy as stimulate it?

I would not be so categorical as to call the sanctions a stimulus for growth, although this suggestion is more or less confirmed in reality. There are a lot of subtleties at play here. For example, the current sanctions have been a boon for Russian agriculture, with the farming sector experiencing rapid growth even back in 2015 when the overall decline in GDP was at its most serious. Successes have been more modest in other areas: in what you call import substitution, for example. So I



“TRADE WAR HAUNTS THE GLOBAL ECONOMY”

As the St. Petersburg International Economic Forum approaches, Chairman of the Board at Banca Intesa and President of the Conoscere Eurasia Association Antonio Fallico talks about areas of Russian–Italian economic cooperation, the spectre of a trade war, and his views on cryptocurrencies.

25
countries

attended the Eurasian
Economic Forum
in Verona in 2017

The interest in the Russian economy is still there, and it is set to grow

How much interest is there among European businesses in the Russian economy today, given the difficulties of the current political situation and continuing sanctions?

The interest is still there, and it is set to grow. There are several explanations for this. First of all, the Russian economy has returned to a growth trajectory, which will lead to an increase in demand in various sectors. Second, it's not all plain sailing in the global economy today. We are now haunted by the spectre of a trade war manifest in the most acute forms of economic confrontation, a far cry from market competition. If you think about it, the various sanctions applied are also a kind of extra-economic force, a form of extra-market pressure on business. Despite all this, Russia and its economy remain attractive

would avoid any overly straightforward assessments. Sanctions can indeed create conditions conducive to economic development, but it is vital that the country is able to take proper advantage of these conditions. We must also consider that many production cycles – in the machine-building industry, for example – can be quite long when creating and implementing new technologies.

How are sanctions affecting the business of European companies?

There are no two ways about it: the sanctions have had a negative impact on business for European companies. I'm just talking about the financial and economic component here. Doing business is difficult since many profitable or high-potential sectors now fall under the ban. Eu-

rope is losing its share in the extensive Russian market to competitors. But this is not the main issue. The worst thing is the loss of trust. When signing deals or choosing a foreign partner, Russian executives now have to consider the possible political risks of dealing with Europe. This has led to problems even in sectors unaffected by the sanctions, like the fashion industry.

Earlier you noted that trade between Russia and Italy showed signs of growth in 2017 – Italian exports to Russia reached almost EUR 8 billion, 19.3% higher than in the previous year. Should we expect this trend to continue?

Absolutely. Trade has continued to grow into 2018, although it is still far below previous levels. This is primarily due to the adjustments business has made to adapt to these difficult conditions, learning to work under

the sanctions and exploiting new niches and modern work methods. Italian companies are now moving away from Made in Italy branding towards a new model of cooperation which we call 'Made with Italy'.

Which Russian industries garner the most interest from Italian business?

The energy sector has traditionally and understandably always been of great interest to both Italy and Russia. Energy supplies from Russia increase energy security in Italy and the European Union as a whole. This is an objective factor for a variety of reasons. The sanctions have unfortunately made it impossible to work in certain areas of the energy industry, causing great harm to Italian business. Aside from energy, Italy has an interest in infrastructure projects, transport, the machine-building industry, and the agricultural industry. The current geopolitical situation forces us to look for areas where no artificial bans are in place. I would like to draw particular attention to our cooperation in the fields of innovation and high-tech. I think that this sector also attracts interest from the Russian side. They find Italian innovations exciting and have many of their own forward-looking ideas to offer. This year at SPIEF, we are bringing with us Italian companies, including startups, which have innovations to offer, and which are looking for partners and vast new markets. Our goal is to bring them together with our Russian colleagues, who also have things to show and offer.

How do you feel about innovative financial technologies such as blockchain and cryptocurrencies? Are they really the future of the financial sector, or are they overrated?

Banca Intesa's parent company Intesa Sanpaolo, the largest financial group in Italy, is active in many internation-



RUSSIAN-STYLE MOZZARELLA

Cheese making is one of the industries that has the most benefited from import substitution. According to BusinessStat, in 2013–2017, cheese production in Russia increased by 36.7% to 471k tonnes. The best developing dairies are those producing homemade cheese, including cheese from Italian cuisine. Mozzarella that is rather simple to make is one of the most popular cheese types. Russian cheese makers also produce Gorgonzola, Parmesan and other kinds of cheese.



al programmes which are studying and promoting these new technologies. The idea is to choose the ones that can really be used, agree on the rules of the game at the very start, and establish a commonly accepted regulatory system. Under such conditions, these technologies could really speed up and improve the efficiency of many processes, including those in the banking sector. Other technological solutions, like cryptocurrencies, should be treated with more caution. They are unregulated, which means they carry very high risks.

The association you head helps countries within Eurasia combine their economic potential. Does China's Belt and Road initiative have an impact on the Eurasian integration process?

Can we expect similar large-scale projects from Europe?

The European Union is implementing its own programme of transport projects. Of course, it would be beneficial for business if the various projects in Greater Eurasia were somehow integrated with one another. This would be a powerful multiplier for all the economies in this super-region.

How do you assess the role of Conoscere Eurasia in building relations between Russian and European businesses?

I will be modest and not exaggerate the role of our non-profit organization! However, it does make its own contribution towards strengthening sociopolitical, economic, and cultural relations between Italy and Russia. The Conoscere Eur-

At SPIEF, we are bringing with us Italian companies, including startups, which have innovations to offer, and which are looking for partners

A direct impact. China is very determined to carry out its ambitious project. But other countries and groups of countries shouldn't just sit and wait. They will need to develop their own transport infrastructure, find points of contact with China's initiative, and defend their priorities. Incidentally, the overland route to Europe via Kazakhstan, Russia, and Belarus is the least politically challenging of the transport routes that the Chinese are developing as part of their new Silk Road; it passes through stable and safe territories. This must also be taken into account.

asia Association holds seminars for businesspeople in Italy and, more recently, in some other European countries. Over the past ten years, these seminars have become a platform for communication, networking, and business discussions focused on specific issues and projects, free from politics. But the main event is the Eurasian Economic Forum in Verona, which will convene for the eleventh time on 25 and 26 October 2018. The Forum is aimed at big business. Last year, it was attended by more than 1,200 people representing 850 major companies from 25 countries. 🌐

Kirill Dmitriev:

“INVESTMENTS FOR ACCELERATED GROWTH”

The St. Petersburg International Economic Forum will be attended by representatives of sovereign wealth funds and institutional investors from many countries. Their joint projects with Russian capital are an integral part of an economy of trust that will be discussed in line with the Forum’s business programme. Kirill Dmitriev, CEO of Russian Direct Investments Fund, tells why it is worth investing in Russia now.



current context, sovereign funds play an important role in building relations between countries. We see it through our relationship with the sovereign funds of the Middle East, where the level of trust is already so high that our partners automatically invest in the projects we have reviewed and selected. For our international partners, we act as an “investment filter”, through which only first-class, thoroughly prepared projects with minimal risks can pass. As an illustration of this trust, the sovereign fund of the United Arab Emirates has already joined us in more than 40 such projects.

The level of trust is already so high that the sovereign funds of the Middle East automatically invest in the projects we have reviewed and selected

Which questions do you plan to discuss at the St. Petersburg International Economic Forum?

The St. Petersburg International Economic Forum has become one of the main global platforms to discuss issues of major importance for the global and Russian economy. This year, as in previous years, we have invited our partners from the leading sovereign funds and institutional investors from China, Japan, Saudi Arabia, the United Arab Emirates and other countries to take part in the Forum. The Forum is a platform for us to discuss opportunities that will arise in the Russian economy over the next few years for our partners and how to prepare for an “investment breakthrough”, an essential condition for the country to transition from

sustainable economic growth to an accelerated development trajectory. We also want to present new investment ideas to our partners, specifically high-tech projects that will soon account for about a quarter of our portfolio. We will also speak about opportunities in infrastructure construction and healthcare.

Following the Forum, we plan to sign new investment agreements with partners from Asia, Europe and the Middle East. For the first time RDIF will hold an exhibition of its portfolio companies and we invite all guests of the Forum to visit RDIF House to see how the 1.2 trillion roubles of investment from the Fund and its partners has helped to create new production facilities and jobs.

How would you estimate the current level of mutual trust between different countries and business partners in the world?

Unfortunately, the level of trust between Russia and other key players, such as the United States and many European Union countries, is at historic lows. This significantly reduces the opportunities for business and trade development. However, thanks to Russia’s consistent and open policy, overall, its standing in the world is growing. This standing helps create new partnerships and achieve impressive results. An example of such cooperation, in which Russia played a leading role, is an agreement to cut oil production between the OPEC and other oil producing countries. This agreement helped stabilize global markets and preserve oil pri-

ces at levels suitable for the entire global economy.

Another example of building relations based on trust was the visit by the King of Saudi Arabia to Moscow, during which RDIF signed agreements for the creation of investment platforms worth over 2 billion US dollars.

During its six years of existence, RDIF has created more than 20 strategic long-term partnerships with foreign sovereign and investment funds and leading companies. The cumulative value of investments by the Fund and its partners has exceeded 1.2 trillion roubles. Today, investments by RDIF and its partners account for over 90% of the total direct investment market in Russia and for over 50% of the venture investment market. The Fund’s

portfolio has achieved an average annual return of 15%. Our successful income-generating transactions serve to strengthen Russia’s positive investment image, its international standing, and the trust that defines its relations with other countries.

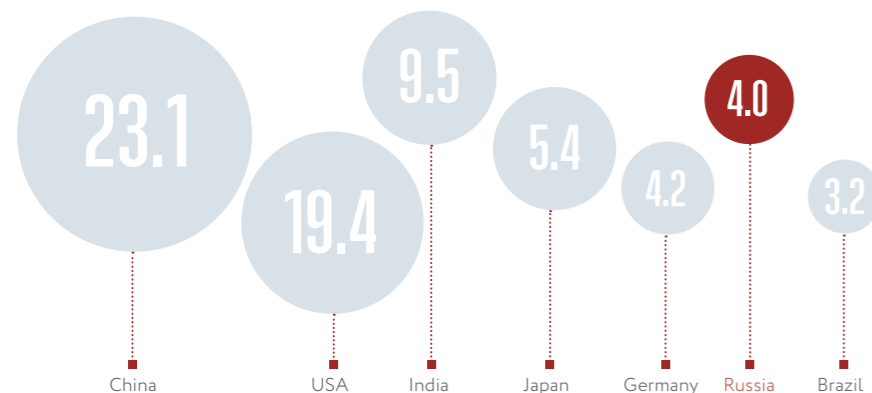
How significant is the impact of political risks on the strategy of sovereign investment funds?

In a rapidly changing environment, it is impossible not to consider the geopolitical factor while building investment strategies. At present, geopolitics is certainly creating new risks. However, you need to identify areas of common interest, irrespective of the geopolitical situation, and focus on the implementation of quality projects capable of yielding high returns. In the

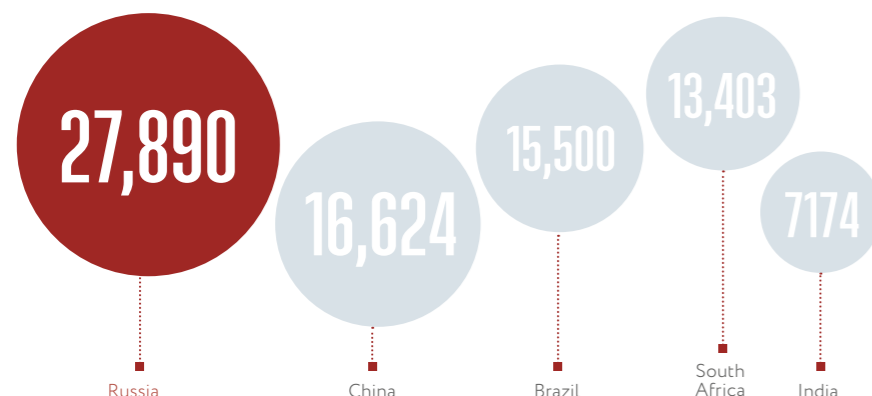
Over the last year, which factors have increased Russia’s attractiveness to potential investors?

The macroeconomic stability of the Russian economy became the key driver behind the country’s growing investment appeal. International investors appreciated record low inflation rates in 2017, accompanied by the consistent decrease of the key interest rate by the Bank of Russia and a stable currency exchange rate. This opinion is supported by the increase in Russia’s sovereign rating — which enabled opportunities to implement dozens of new projects — as well as Russia’s leading positions in several established rankings. For instance, last year Russia outperformed China in the Bank of America Merrill Lynch rating of emerging

World's largest economies in terms of GDP (Dollars, trillion)



Per capita GDP at purchasing power parity in BRICS countries (Dollars)



economies, placing second after South Korea. In 2018, the country also joined the top ten most attractive countries for investments based on PwC's annual global CEO survey. Our partners mention the efficiency of the economic policy implemented by the Government and Bank of Russia, and consider it both reliable and consistent.

What goals has the Fund set for 2018–2019?

In his Address to the Federal Assembly, the President mentioned the importance of investments to establish a trajectory of accelerated economic growth, increase the quality of life for the country's citizens,

and achieve a technological breakthrough. Within the next six years, the Fund intends to focus on the implementation of the missions set out in the Address by attracting our foreign partners' 'smart' capital into the country. The return on investment always remains an essential factor for us.

The Fund has defined six priority investment areas. These are infrastructure, technological development, efficiency growth, import substitution, regional development, and improved quality of life for Russia's citizens. In the area of technology, RDIF has already announced investments in several exciting projects, e.g. in Doctis, the Russian lead-

40 billion
dollars of long-term capital investments in Russia attracted via Russian Direct Investments Fund

15%
annual average income of the portfolio

65
thousand of new working places

er in telemedicine, together with our partners from Japan. We will announce several new agreements at the Forum in St. Petersburg. We believe that the Russian healthcare industry will also become an area of growth. The Government budget for investments in healthcare alone will double and reach 4–5% of GDP. Projects based on public-private partnerships in healthcare will become common and will be highly attractive for private investors.

We believe that within the next few years Russia will turn into one of the fastest-developing and exciting markets in the world, and we invite international investors to share this success story with us. 🌱

RUSSIAN SEASONS
Italy 2018



PARTICIPANTS OF THE PROJECT:

- State Academic Mariinsky Theater
- Bolshoi State Academic Theater
- State Hermitage
- State Russian Museum
- Bolshoi Moscow State Circus on Prospekt Vernadskogo
- Saint Petersburg State Academic Leonid Yacobson Ballet Theater
- Yury Bashmet & Moscow Soloists Chamber Orchestra
- Ice Spectacle created by Ilya Averbukh's production company
- Vaganova Academy of Russian Ballet
- State Tretyakov Gallery
- Academic Vakhtangov Theater
- Multimedia Art Museum, Moscow
- Mossovet Theater
- National Film Actors' Theatre

See more details on russianseasons.org



Ads 0+

Alexis Rodzianko:

“BUSINESS IS THE LAST CONSTRUCTIVE RELATIONSHIP BETWEEN US”

The US–Russia relationship is experiencing a tough period. In this context, the role of business, which is almost the only constructive channel for communication, is especially important, believes Alexis Rodzianko, President and CEO of the American Chamber of Commerce in Russia. Despite the geopolitical games, US companies invest tens of billions of dollars in the Russian economy every year.



THREE FACTS ABOUT ALEXIS RODZIANKO

1. The President and CEO of the American Chamber of Commerce in Russia, Alexis Rodzianko, is the great-grandson of Mikhail Rodzianko, who was Chairman of the Third and Fourth State Dumas of the Russian Empire and one of the leaders of the February Revolution of 1917.
2. Alexis Rodzianko speaks fluent Russian. In the 1970s, he worked as an interpreter at the Strategic Arms Limitation Talks (SALT). He has worked in Russia since 1995.
3. He heads the Russian Federation of Polo Players and is President of the Moscow Polo Club.

At the St. Petersburg International Economic Forum last year, President Vladimir Putin appealed to American business leaders to help restore normal political dialogue between our countries. Is there any hope for a thaw in relations?

It would seem that the political situation has not improved, but we are seeing positive developments. The new US administration has changed its tone with regard to American business in Russia. For the first time in my four and a half years at the American Chamber of Commerce, we have heard from US officials that we need to be more proactive in developing business with Russia, since this is, in fact, the last constructive relationship that remains between our two countries. And on this basis, the relationship as a whole must be improved. This is the message from the new administration.

Last year, for the first time in the history of the American Chamber of Commerce in Russia, President Vladimir Putin took part in the Russia–US Business Dialogue panel discussion, which is held every year at SPIEF. He said, literally: “Only strong trade and investment ties can provide a reliable safety net against fluctuations in the political

situation.” And this is very much in tune with what we hear, for example, from the US Ambassador to Russia, Jon Huntsman, who was appointed to this position in the autumn of 2017.

In which sectors is economic cooperation most feasible?

Light industry and consumer goods. These areas are not affected by sanctions or other external factors. But the dynamic development of business is constrained by low purchasing power. After the significant collapse in oil prices, Russia’s state budget did in fact recover. State investment in major infrastructure projects is also getting back on track. But the slowest element of the recovery is getting money back into Russians’ pockets, and we are constantly hearing this from our member companies working in the FMCG sector.

Another area is healthcare and pharmaceuticals. But here we rather see pressure from the Russian side, which wants to hedge against the hypothetical closure of markets and is promoting the idea of compulsory drug licensing, in other words, the synthesis and production of drugs without the consent of the rights holder. This is of great concern to the leading pharmaceutical companies, since they invest tremendous resources in research and development and make their living from intellectual property.

How much has American business lost as a result of counter-sanctions and the import substitution policy?

By and large, all this has had very little impact on American business. Exports of meat and poultry from the United States to Russia were in fact stopped before the introduction of sanctions and counter-sanctions. As for our industrial companies, they are ‘the holders of many passports’ and work all over the world. If it is easier and more convenient for them to work with Russia from China or from the Netherlands, then that’s what they do.

And the import substitution policy entails, among other things, the localization of foreign companies' production in Russia. Those who have been in the Russian market for a long time understand very well that successful work here largely depends on the degree of localization. In addition, following the significant devaluation of the rouble, it has truly become cheaper to work here.

It is unlikely that any of the leading IT equipment suppliers can boast that they have localized production in Russia.

Business for our IT companies in Russia is no worse than it was previously. However, companies are often forced to replace orders that previously came from the public sector with those from the corporate sector. It's possible that their business in Russia could grow even faster without migration to equipment manufacturers from Asia. Especially considering the attention given to the digitalization of the Russian economy, in which a fair amount of money has been invested. It's hard to say that IT companies have suffered, but they could be in better shape if it weren't for politics.

Last year at SPIEF, the American Chamber of Commerce presented the results of a survey of US companies on doing business in Russia. Do you plan to release new data at SPIEF 2018?

Yes, we will present new research. We have carried out this survey for the third year running. Why did we launch the survey? Official statistics show that the volume of trade between our countries is small and that the level of investment by US companies in the Russian economy is very low. But, in fact, the presence of American business here is far more substantial, because most investments are made from Europe and Asia, plus companies reinvest what they earn here.

As last year's study showed, total investment in Russia by just 90 US companies came to about 82.44 billion dollars. Official statistics report between 9 billion dollars and 11 billion dollars in investment, which is substantially lower. In addition, the study tells us that about 68% of the imports of the companies surveyed came from outside the US, i.e. the volume of trade between the US and Russia is underestimated approx-

imately threefold. The most obvious example is Apple products, which are considered to be Chinese exports to Russia.

It turns out that the official statistics only partially reflect the trade and economic ties between the two countries. But this is what both sides rely on when political decisions are being made.

What kind of issues do companies come to the American Chamber of Commerce about?

Absolutely all kinds. Most often, it's about new Russian laws which, initially, are insufficiently supported by regulatory documents, and for that reason, raise a number of questions. Some people, it may be said, lost some sleep after studying the Yarovaya law or the law on the protection of personal data, when they tried to assess their expenses. We try to create a space for discussion: we collect questions from companies, summarize them, and pass them on to the regulatory bodies, then we receive answers from them, and come back with comments. And so, as a result, gradual understanding on both sides and more balanced solutions emerge. 🌱



MARC ALLEN,
President,
Boeing International

EXCLUSIVELY FOR SPIEF

POLITICS IS TRANSFORMED in the face of the vast frontiers of space

Which innovations are a priority for the world today?

Naturally, we focus on aerospace when it comes to innovation. There is a convergence of several key enabling technologies (autonomous flight, digitalization, electrification, artificial intelligence), which when integrated together in new ways will unlock the next several steps our industry takes forward. We are investing aggressively in these technologies so as to harness the good they offer for our customers – last year, we launched our Horizon X division. There is an ever greater likelihood of disruption in related fields such as urban mobility. For example, Google, Uber and Amazon help fuel all the talk about the future of flying cars and the like. It is also impossible to ignore the reignited energy and anticipation around space exploration – NASA, which just recently saw its programme funding renewed and expanded for the first time since 2010.

On what should world leaders agree?

Space is a critical area for global leaders to agree on for the future of humanity. The historic collaboration of our nations and companies on the ISS

remains a gold standard. The amazing men and women who have crewed the ISS day after day for all these decades, have proven that boundaries and politics are transformed in the face of the vast frontiers of space. We have achieved breakthrough discoveries. Working together, we'll help humankind explore ever deeper into space and play a leadership role on the journey to Mars.

What is your economic outlook for 2030?

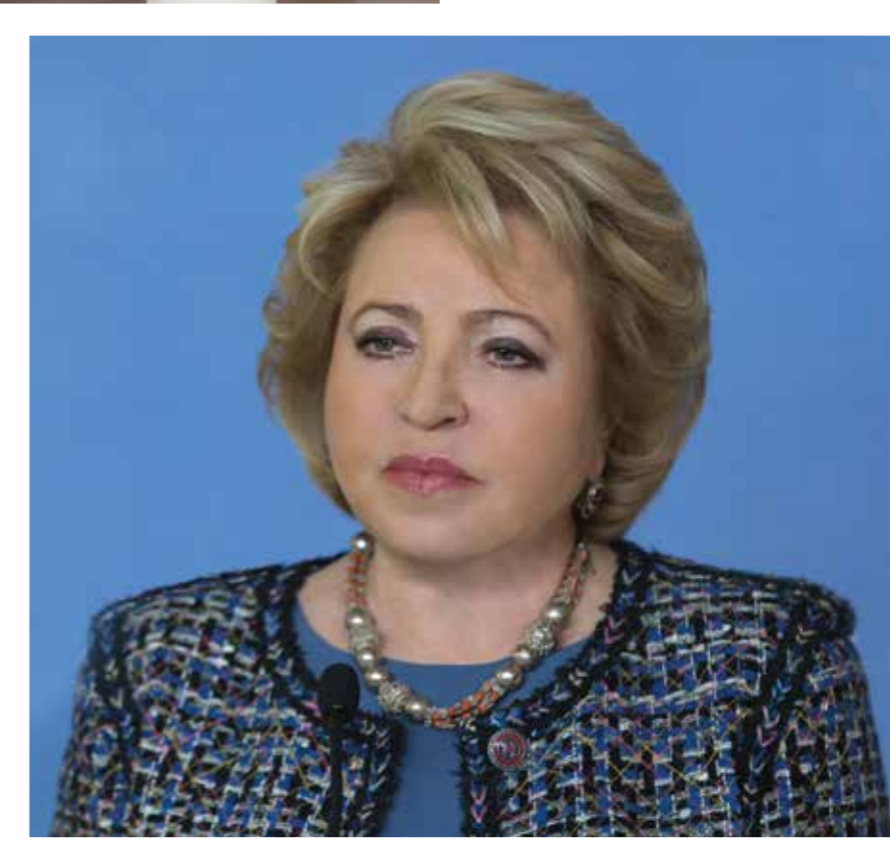
In commercial aviation, Boeing projects a 6.1 trillion dollars market for nearly 41,030 new airplanes over next 20 years. Year-over-year passenger travel growth for the past five years has averaged 6.2%. Less than 20% of the world's population has ever taken a single flight, so passenger growth still has a lot of headroom. At the same time we are seeing strengthening in the freight cargo market with growth of 7.7% so far this year. That's another encouraging sign for the industry and the global economy, and we see long-term strength in that market with projected growth in trade and transport across all regions of the world.

What advice do you have for entrepreneurs today?

No matter what type of company you are starting – or indeed what size – it's crucial to strive for continuous improvement and to always listen closely to your customers. Today, business excellence requires continuous redesign. No business finds an end point to this journey of continuous improvement and product innovation. If you do, that's likely the day you shut down your company! Even as a 100-year-old company in the aerospace industry with all the experience that brings, Boeing is evolving and innovating every day. Our aspiration is to be the best in aerospace and an enduring global industrial champion. Every entrepreneur should have similarly lofty goals.

What does "an economy of trust" mean to you?

Technology has created an impressive level of connectivity. But trust remains still more important. Trust is the lubricant that enables partnerships, talent networks, customer acquisition and global market participation. Simply put, trust remains synonymous with success. 🌱



Valentina Matviyenko:

«WITHOUT WOMEN, THE ECONOMY WOULD GRIND TO A HALT»

On 20–21 September 2018, the Second Eurasian Women’s Forum will take place in St. Petersburg, organized by the Russian Federation Council and the Interparliamentary Assembly of Member Nations of the Commonwealth of Independent States, and operated by the Roscongress Foundation. Speaker of the Federation Council Valentina Matviyenko talks about the events being planned, women’s role in business, and gender equality.

For Russian women, the road to any sphere of life in the country is wide open, and they have access to any profession

Ms. Matviyenko, three years ago the Eurasian Women’s Forum was held for the first time right here in St. Petersburg. What are your expectations for the second Forum?
The First Eurasian Women’s Forum demonstrated that we women are a vital component of global development. Our role is only going to grow – in all spheres of life. In 2015, women came to St. Petersburg from 80 countries, and in 2018 we expect a great many more nations to be represented. No longer a one-time event, the Eurasian Women’s Forum has become a systemic, active institution, bringing together pro-

grammes and initiatives from very different countries.
This is reflected in the way we are organizing our work and in the agenda for the upcoming second Forum. The search will continue for new solutions that will expand women’s empowerment, with a focus on new technological, economic, and social realities, along with both the positive opportunities and the challenges and dangers associated with them.
Of course, in the current tense international circumstances, we also must keep in mind the events and processes arising from glo-

bal politics. We count on directing the discussion of those issues towards the development of concrete proposals aimed at achieving more active and effective participation by female politicians and by women’s movements and organizations in all areas. This will help establish equal rights and mutually beneficial cooperation between states.
The Forum’s central themes will be the role and capabilities of women in global security, sustainable development, politics, economics, business, and science. The world’s female elite – government officials, politicians, academics, entrepreneurs, and figures from the arts and culture – will take part in 35 discussion platforms. There will be a Women 20 (W20) session, a meeting of the BRICS Women’s Business Club, an APEC seminar on ‘Women and the Technology of the Fourth Industrial Revolution’, BRICS public-

private and business dialogues, and talks between Russia and France and Russia and Kazakhstan. There will be UNIDO and UNESCO panel discussions, and reports by the World Health Organization (WHO), the International Labour Organization (ILO), and the World Bank.
We still have proposals for new formats and new discussion topics coming in. We are trying to consider all of these ideas and include them in the Forum’s format and agenda.
What is women’s place in business and the economy today? How is Russia doing in this regard?



Valentina Matviyenko hands over the Tree of Life international award to Deng Ying, Vice-Chairperson of Chinese Association of Friendship with Foreign Countries.

In the global economy, women hold almost half the jobs and create 37% of total GDP. The ILO says that a third of the world's entrepreneurs are women. If all women suddenly left the economy, it would grind to a halt.

For Russian women, the road to any sphere of life in the country is wide open, and they have access to any profession and any type of activity. That includes entrepreneurship. Twenty-five years ago women accounted for 15% of this sector, but today that figure has risen to one third. We are now seeing successful examples of women's entrepreneurship not just in retail and the service sector, the areas most traditionally associated with women, but also in the agricultural industry, construction, high-tech sectors, and banking.

The state, including the Federation Council, is working to develop female-owned businesses. The topic was discussed at the First Eurasian Women's Forum, and that was when the permanent discussion platform, Developing Women's Entrepreneurship in Russia, was created and many other practical measures adopted. I am confident that thanks to those initiatives, and thanks to the realization of the ideas

put forth in the Address from the President of Russia, women's entrepreneurship will become a chief factor in economic growth in the very near future.

Is it useful, in principle, to talk about gender differences, for example to pinpoint concepts of 'female' and 'male' management? Doesn't this just help to reinforce gender inequality?

When you consider the problem, as you said, 'in principle', then of course there is no basis for talking about 'male' versus 'female' management. Efficiency and success are not connected with the entrepreneur's sex, but rather with his or her intellect, professionalism, and experience.

At the same time, naturally, it would be a mistake not to take note of the actual differences between men and women in what we usually call management style. It would be foolish to deny or ignore those. But they are not the deciding factor in terms of management effectiveness.

I believe that the world, as a whole, has come to a point when an ever-growing number of countries are working to uphold equality between men and women. But they are doing that work at different

Russia is number one

in share of women at top business positions (47%) according to Grand Thornton's

tempos in different spheres. I believe, and I have said this more than once, that Russia, which achieved full legal equality between women and men earlier than other countries, is now lagging behind several other nations in terms of female representation in leadership positions in politics, government, and certain other areas. And this is not a flaw in our policies. It is more an aspect of the Russian mentality, not yet fully expunged, a type of cultural atavism. The state and society are aware of this problem and are working to solve it. We can see progress. It won't be long before we stand as equals alongside the countries who are leading the way in this regard. 🌸

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LOOKING INTO THE FUTURE

«With a planning horizon of only three to five years, no serious change is possible. That requires setting goals for decades ahead. It also requires action», says Mars President Valery Shchapov.

Mars is a company that four generations of consumers around the world know well. We can be proud of that, but for us, it's also a reason to consider our responsibility to future generations. Never before has this industry been faced with so much responsibility. If we want to help achieve the UN Sustainable Development Goals, significant change is unavoidable. The time has come to rethink our role in a changing world.

In responding to global challenges, we have set ourselves

three chief goals: Healthy Planet, Thriving People, and Nourishing Wellbeing. Together, they form the foundation of our new global plan, 'Sustainable in a Generation'. Mars, Inc. will spend 1 billion dollars on that plan around the world over the next three years. This is not a one-time initiative. It's an expansion of our ongoing sustainable development goals. Mars has been operating along these lines for the past 10 years.

Our objective is to be an example to other companies of how to

take a wider view of the situation, not just in terms of the company's direct impact, but also at all points along the supply chain. No country, agglomeration, or company can respond to these global challenges on its own. What exactly are these goals all about?

Healthy Planet is a set of long-term steps aimed at reducing our impact on the natural environment. For instance, in 2017, Mars opened its own wind farm in Moy, in the Scottish Highlands. It generates enough renewable energy to

power all of the company's operations in the United Kingdom. All M&M production in the US has already transitioned completely to wind power sources. Every similar step we take moves us closer to one of our key goals: reducing greenhouse gas emissions in the Mars value chain by 67% by the year 2050 (compared with the 2015 figure). The company's operations must pose absolutely no threat to the atmosphere by 2040 (zero greenhouse gas emissions). Similar principles with respect to land and water resources are also very important to us.

Sometimes it might seem that we're talking about our priorities abroad, but not in Russia. This is not the case. For example, by 2015, all of our factories in Russia had completed the transition to 100% recycling of waste products, becoming the pioneers among Mars factories. At present, there are 10 Mars pet feed, confectionery, chewing gum, and condiment factories operating in Russia.

Thriving People, for Mars, means working with millions of farmers in all of our production chains. They don't interact directly with us, but we are the end user of the crops they harvest. Clearly, if we don't tackle the problem of low farmer incomes today, then tomorrow their children will be left without jobs, and the rest of us will have no cocoa beans, rice, or mint. So at Mars we've begun searching for solutions, including working with non-profits and professional associations, to help farms operate more efficiently. Another area of activity concentrates on research by university scientists who are helping us strike a balance between suppliers' and purchasers' business interests. And along with other big firms, we are teaching smaller co-operatives and family farms how to develop sustainable production.

At Mars, we are striving to help our scientists and nutritionists make changes and improve products as quickly as possible, so that people and pets can enjoy

The new Sustainable in a Generation Plan from Mars features:

Healthy planet



Climate Action



Water Stewardship



Land Management

Thriving people



Increasing Income



Respecting Human Rights



Unlocking Opportunities for Women

Nourishing wellbeing



Food Safety



Product Renovation



Responsible Marketing

high-quality, balanced food. Today there are a number of regions on the planet where people need to improve and expand their diets. For that to happen, we need technologies that result in bigger harvests at current levels of energy expenditure, without harming the environment. And then in places where consumers have unlimited resources to spend on food, the problem of a balanced diet comes to the foreground. That means we need to devote more attention to information about nutritional value on product packaging, and work on portion sizes.

Concern about the wellbeing of future generations can also take the form of banning the advertising of certain products targeted at children under 12. It also plays a role in how we use our world-famous brands to draw attention to important social issues. These include social inclusion for people with Down syndrome (as in Pedigree's project, 'Sunshine for My Best Friend'), or for children with facial deformities (Orbit's 'Two Smiles in a Pack' campaign).

Our goal is to make life better for future generations, and we can only do that by relying on consistent, trusting interaction with young people. They are the ones who will be shaping our tomorrows. So it's a great honour for us to support the work of the volunteers at the St. Petersburg International Economic Forum. Over 1,000 young people will be participating, some of them as part of a joint Roscongress Foundation-Mars initiative. They'll be able to apply the knowledge they gain here immediately, and SPIEF will prove to be one of the most important and meaningful events of their lives so far.

It won't be long before these young people are asked to find answers to all these various challenges, and our goal today is to provide them with the best expertise and arm them with the best experience, drawn from all the generations who have already lived and worked with Mars. 🌱



Philip Morris International Research & Development headquarters in Neuchâtel, Switzerland, is the birthplace of the company's innovations.

Ashok Rammohan: “SMOKE-FREE PRODUCTS ARE THE FUTURE”

Ashok Rammohan, President of Philip Morris International in Russia and Belarus, tells about innovations that can significantly reduce the harm caused by cigarettes.

You became the President of PMI in Russia relatively not long ago – in the autumn of 2017. What tasks are you facing?

Our company is undergoing a transformation, as we want to design a smoke-free future. Further activities in Russia and around the globe will be driven by innovative products, with potential to reduce risk compared to cigarettes. In Russia, there are about 35 million smokers, and our mission is to switch those of them who would otherwise continue using nicotine-containing products, to a better alternative. One of such products is IQOS tobacco heating system, already

available in 38 countries of the world, including Russia.

Previously, you were responsible for launching IQOS in Japan. Why did you choose this market to be the first for IQOS?

We chose this country because the Japanese are open to everything new, especially, when it is related to technology and innovations. In Japan, they actually care about not disturbing people around them. So for them, it is of extreme value that when using IQOS, there is no combustion in tobacco, instead it is heated to the temperature up to 350°C maximum, which is signifi-

cantly below combustion temperature, and this means that there is no ash or smoke. According to our studies, IQOS also doesn't negatively impact the indoor air quality, which is a major benefit for the people around the smoker. The new product is very popular in Japan, the share of IQOS heatsticks has already reached 15.8 % (according to PMI Financials and Tobacco Institute of Japan, Q1 2018,) and it is still going up.

When it comes to openness to innovations, are Russian people different from the Japanese or other developed nations?



Russian consumers like innovative products and follow the main global trends. Russia was one of the first markets where we launched the tobacco-heating system in 2015. We are convinced that switching smokers to IQOS may complement the government's efforts aimed at reducing harm from smoking. Because the main cause of tobacco-related diseases are the harmful substances produced as a result of combustion. The levels of harmful substances in the aerosol generated by IQOS are on average 90–95% lower, compared with a cigarette smoke.

According to PMI's report, by 2025, smoke-free products should account for at least 30% of your business. How is the new product doing in the Russian market?

We see great potential in innovative products, and we are committed to the idea that smoke-free products are the future, and one day they

will fully replace conventional cigarettes. Today, IQOS is available in seven cities of Russia, including Saint Petersburg, and one can buy it online all over the country. Heatsticks' market share is steadily increasing, and today in Moscow it amounts to 2.6% (according to PMI Financials, AC Nielsen, Q1 2018) of the market. Switching rates are quite high – more than 70% adult smokers who purchase IQOS, end up switching to it fully or predominantly, consequently giving up on cigarettes.

The new product is becoming increasingly popular among smokers in Russia and all around the world, and by our information, almost 5 million smokers have already switched to it, quitting smoking.

The next important step in further promotion of our innovative product in Russia will be localisation of manufacturing at Philip Morris Izhora factory, where this

year we will already start manufacturing IQOS heatsticks alongside conventional cigarettes.

The key topic of the Saint Petersburg Forum this year is “Building a Trust Economy”. How do you understand this concept? Which principles of trust are implemented in PMI's corporate practices?

I believe that business is an essential part of the society and must play a key role to contribute to sustainable development of the economy.

Improving transparency is one of the key factors of competitive strength. In the end of 2017, our company published a report on sustainable development in Russia. It looks into the company's key activities in corporate social responsibility, human rights, cooperation aimed at fighting illicit tobacco products trade, environmental conservation, and local community development. We believe it is important to help the society address major issues in Russia. These issues are in line with the UN Sustainable Development Goals adopted in 2015 and target some critical problems affecting people's well-being across the company's geography.

As I have already mentioned, today the company is focused on the new business strategy, based on smoke-free products with potentially reduced health risks for smokers. We believe that when it comes to corporate social responsibility, the main contribution we can make is reducing the impact of smoking on public health.

For more than 30 years of operating in Russia, we have always followed a long-term strategy underpinned by our trust in the country's economic potential. We continue investing into the modernization of the production facilities, the regional infrastructure, our employees, innovations, and charity initiatives. Our business in Russia is going strong, and our success became possible owing to an honest and efficient dialogue with government authorities of all levels. 🌱

Tatsuo Yasunaga:

"WE HAVE ACHIEVED MUCH, BUT WE CAN DO MORE"



Among the investments of Mitsui & Co. in Russia are oil and natural gas production, dealer service and car assembly, production of sawn timber and steel industry.



Mitsui has a long and storied history with Russia. I am grateful to have this opportunity to express my thanks for everything Russia has done as a host country to support Mitsui & Co.'s endeavours. I would like to discuss our history with Russia in a bit more detail, and explain why I think Mitsui's relationship with Russia has such high potential.

Last year marked the 50th anniversary of Mitsui & Co.'s Moscow office, which was opened in 1967. Many high-ranking government officials and managers from Mitsui clients across all industries attended the commemorative ceremony. But actually our history with Russia stretches back even farther. Although technically Mitsui & Co. was a different corporate entity at the time, the original company first established a representative office in Vladivostok in November of 1907, and another office in Petrograd in February of 1915. (they were closed in June 1914 and November 1917, respectively).

Mitsui & Co. has been working to create new business opportunities

In the run-up to SPIEF, Tatsuo Yasunaga, President and CEO of Mitsui & Co, one of the largest investment companies in Japan and the oldest in the Russian market, tells about the terms of business development between the countries.

across Russia for more than a century, and in addition to our Moscow LLC (which we incorporated locally in 2004), the Mitsui & Co. of today currently has 16 affiliated companies operating within the country. We've created a cumulative total of 9,000 jobs in Russia.

Underpinning all this history is the real driving force of Mitsui & Co.'s business with Russia: an abundance of high quality human resources. Although many Japanese businesses send trainees to Russia, our company has dispatched 3-6 people to Russia every year since 1979, where they study at universities in St. Petersburg, Moscow and Siberia.

In addition to studying the Russian language, our trainees study Russian culture and history, receive valuable on-the-job training, and experience the courage it takes to live alone in a foreign environment. There are currently 220 people at Mitsui who speak Russian, more than any other Japanese firm.

We are also working more generally to increase the number of

young Russians who know and understand Japan. Mitsui & Co. operates a short-term exchange programme, so that Russian students studying Japan get a chance to see and experience the country first hand.

Our Russian staff also play an active role in the operations of our Moscow LLC and affiliated companies. I have had the pleasure of participating in several different businesses in Russia since my younger days, including many large projects. The Sakhalin-II integrated oil & gas project, the Blue Stream natural gas pipeline beneath the Black Sea, modernizing Russia's Yaroslavl's oil refinery to Euro 4 standards to support the motorization of the capital city... all of these huge endeavours that Mitsui & Co. participated in were completed successfully. And none of them would have been possible without the trust and integrity of our local partners and the government officials involved.

sons why there are so many Japanese companies active in China is that it's an easy place to target for small and mid-size Japanese companies with high technological strength. Moreover, there are many people in China familiar with Japanese business.

I think the presence of Japanese natives or people with a deep understanding of Japanese language and culture has a big influence on the smooth transfer of Japanese technology overseas. Of course, there are very few people in Japan who have experience doing business with Russia, and our main challenge is increasing this number.

To increase bilateral economic cooperation, future generations must have an even greater understanding of foreign countries and cultures. This is what I want to emphasize to my Russian friends and Japanese colleagues.

Recently, Russian and Japanese leaders have cooperated closely to resolve diplomatic issues and international problems bilaterally, and

To increase economic cooperation, future generations must have an even greater understanding of foreign cultures

Last year, we invested in R-Pharm, and this year we are eager to continue with one or two further investments.

I am convinced that Russia still has immense untapped potential, and that there are still many ways in which Japanese business can contribute. I am certainly not satisfied with what we've achieved so far. There are between 200 - 300 Japanese businesses currently operating in Russia. In China, there are nearly 32,000 Japanese businesses. While private companies will expand anywhere with opportunities to make a profit, one of the rea-

I hope we can increase economic cooperation as well with our new Cooperation plan for Japanese and Russian businesses, focusing on eight core issues.

In addition to the opportunities provided by FIAC and SPIEF, I want to continue Mitsui & Co.'s progress in Russia, entering into new business agreements and contributing to the growth of both countries. I can assure you of our continued goodwill as good neighbors, and I look forward to helping bring our countries even closer together. 🌸

RUSSIA AND JAPAN:

Neighbours for three centuries



1701

First contact

A Japanese ship was wrecked off the coast of Kamchatka. Only one member of the crew survived – the merchant Dembei of Osaka. He was sent to Moscow where he met Peter the Great in 1702.

The Tsar was so excited by the prospect of cooperating with Japan that he even ordered a Japanese language school to be founded.

1792

First Embassy

Lieutenant Adam Laxman was sent to the shores of Japan. He was authorized to establish official relations with the Land of the Rising Sun, but his mission failed.

Adam Laxman, with his long pipe, found his place in the memories of Japanese people.



1875

Agreement

After ten years of negotiations, a new agreement was signed in St. Petersburg. Russia received Sakhalin, and Japan was given the Kurile Islands.

In 1875, Minister of Foreign Affairs Alexander Gorchakov represented Russia's interests in negotiations with Japan.

1855

Diplomatic relations

For the first time, diplomatic relations were established between Russia and Japan. As a result of the negotiations, the boundary between the two countries was confirmed, and Sakhalin was held under shared sovereignty.



Japanese artists recorded the arrival of the Russian delegation in meticulous detail.

1739

First trade

The ships of the Second Kamchatka Expedition (under the command of William Walton and Martin Spangberg) moored off the Japanese coast. The Russians engaged in improvised trade with the locals.

The brigantine Arkhangel Gavriil and double-sloop Nadezhda lost each other in the fog and had to explore the coastline of Japan separately in 1739.

The Russian coins sailors used in payments were brought to the capital city of Japan. Russia, a country previously unknown to the Japanese, was called Oroshiya.



1990

In space

In the late 1980s, Russia and Japan enjoyed a very warm relationship. The first Japanese astronaut, Toyohiro Akiyama, went into space in 1990 on a Soviet spaceship.

Professional journalist Toyohiro Akiyama broadcast a series of live reports from a Soyuz TM-11 spaceship.



1956

Thaw

The Soviet-Japanese Joint Declaration was signed. It was essentially a call to end the state of war and restore diplomatic relations between the USSR and Japan.



Photo: РТАКФДЦ

1973

Meeting

The Prime Minister of Japan, Kakuei Tanaka, visited Moscow to meet Soviet leader Leonid Brezhnev. This was the first top-level meeting between the two countries.



Photo: Mikhail Metzger / TASS

1925

Recognition

Diplomatic relations between Japan and USSR start.



Photo: Victor Koshevoi, Vladimir Musatyan / TASS

2016

Cooperation

Shinzo Abe, Prime Minister of Japan, during his meeting with the Russian President Vladimir Putin in Sochi proposed to sign an economic cooperation plan between the two countries. The Eight-point Cooperation Plan articles in it provides for cooperation in medical services, urban construction, development of small and middle business, energy, and other segments.



Photo: Semenov Alexander, Chumichev Alexander / TASS

1993

Negotiations

Visit of Russian President Boris Yeltsin to Japan. As the result, 18 documents have been signed including the Tokyo Declaration underlining the necessity to continue negotiations aimed at signing a Peace Agreement as soon as possible.

The most recognizable JAPANESE BRAND

According to polls, the first association that comes to mind when Europeans think of Japan is samurai.



In the second half of the fifteenth century, Japan plunged into the chaos of an endless civil war. Dominating this conflict were the samurai and the daimyō – feudal lords. Their bright armour and headgear remain impressive to this day.



Many samurai decorated their helmets with stylized horns, with some of them even managing to attach real horns. This was evidently intended to further intimidate the enemy.

Figures of medieval war heroes and famous commanders are very popular in Japan. These are not children's toys however, they are designed for adults. They are sold with a lot of accessories and extras so that the owner can dress the figure to their liking.



The richest samurai would order special adornments for their helmets from the most skilful craftsmen. As time went by, these decorations became true works of art.



Collectable, finely detailed, and skilfully painted samurai figurines can sometimes fetch prices of up to 10,000 optimize.



Even the helmet's protective mask was not limited to its primary function, but was also used to reflect its owner's intentions before facing the enemy.



Japanese katana swords are world-famous. As a sacred symbol, the short tantō sword can sometimes be much more significant to the samurai. It was tantō swords that were used for seppuku (ritual suicide) and to cut off a defeated enemy's head. Naturally, these very important swords and sheaths were ordered for them from the most talented craftsmen.

Japan has hundreds of monuments to famous samurai. The most significant of these is undoubtedly the one dedicated to the legendary Oda Nobunaga, who initiated the unification of the country through his will, talent, and charisma.



FRENCH ST. PETERSBURG

FRANCE'S NATIVE SONS AND DAUGHTERS HAVE PLAYED A MAJOR ROLE IN THE HISTORY OF RUSSIA'S NORTHERN CAPITAL

1

Jean-Baptiste Alexandre Le Blond (1679-1719)

The architect **Jean-Baptiste Alexandre Le Blond** was personally invited to the new capital by **Peter the Great** in 1716. The Tzar had so much confidence in the Frenchman that he immediately appointed him to the position of architect-general. Le Blond was thus directly responsible for making many of the most important urban design decisions in the early stages of St. Petersburg's development.

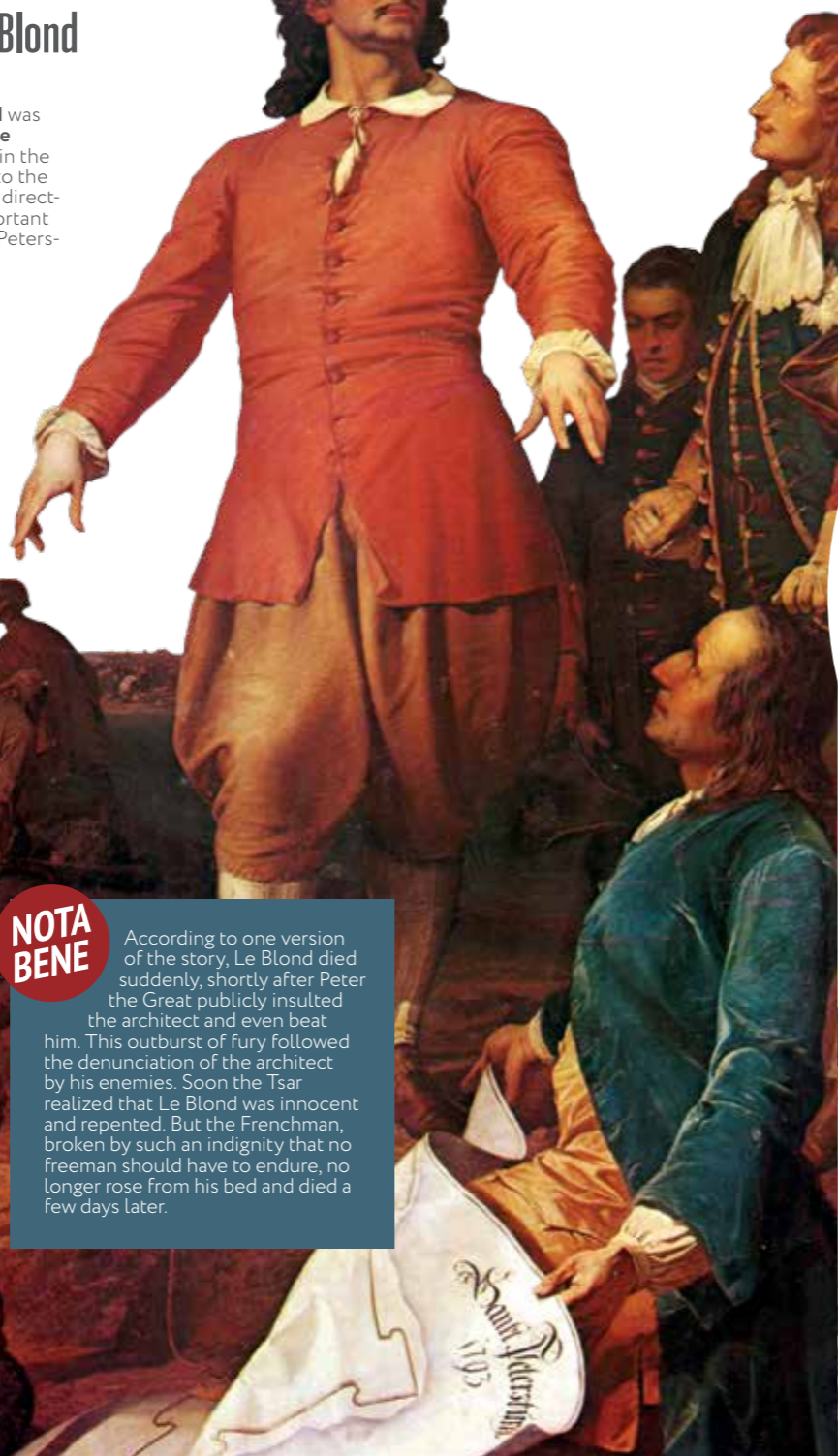
Le Blond developed the plans for the typical urban homes that nobles typically lived in. A few of these buildings are still standing in St. Petersburg.



According to the French architect's plan St. Petersburg was to become a huge fortress centred on Vasilievsky Island. This plan was not realized due to its high cost and the huge amount of work that would have been required.

NOTA BENE

According to one version of the story, Le Blond died suddenly, shortly after Peter the Great publicly insulted the architect and even beat him. This outburst of fury followed the denunciation of the architect by his enemies. Soon the Tzar realized that Le Blond was innocent and repented. But the Frenchman, broken by such an indignity that no freeman should have to endure, no longer rose from his bed and died a few days later.



2

Jean-Baptiste Vallin de la Mothe (1729-1800)

The Russian Academy of Arts was established in St. Petersburg during the reign of **Elizaveta Petrovna**. In 1759 **Jean-Baptiste Vallin de la Mothe** was invited to teach architecture at the new institution. Soon the Empress **Catherine the Great** ascended the throne. Her ambitious plans to transform St. Petersburg into one of the main cultural centres of Europe caught the fancy of Vallin de la Mothe. And the young French architect enthusiastically joined the project to transform the Russian capital.

The Church of St. Catherine on Nevsky Prospekt became the only Catholic church in Russia, and was awarded the honorary status of a small basilica.



The Academy of Arts building which was constructed with the active involvement of Vallin de la Mothe, became one of the main adornments of the northern bank of the Neva.

NOTA BENE

Not all of Vallin de la Mothe's contemporaries were delighted with his projects. In particular, the famous adventurer Giacomo Casanova called the Frenchman's architecture "barbarous" and wrote that an Italian architect should be given preference. As a result, in 1775 Vallin de la Mothe left Petersburg and returned to France, where he died in poverty and obscurity in his native Angoulême.

The impressive arch on New Holland Island, designed by the French architect, transformed the Admiralty warehouses into an architectural masterpiece.

St. Petersburg's main shopping centre (Bolshoy Gostiny Dvor on Nevsky Prospekt), which housed hundreds of market stalls and shops, was built according to the design by Vallin de la Mothe.



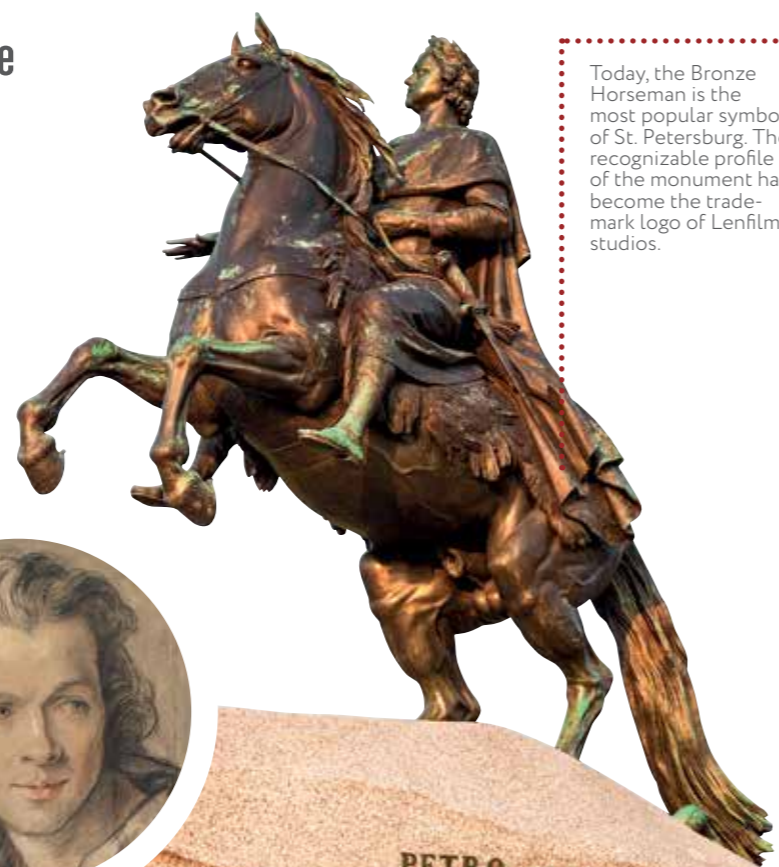
Étienne Maurice Falconet (1716–1791)

The Parisian sculptor **Étienne Maurice Falconet** for many years dreamed of proving himself with a monumental work. The Frenchman's chance to shine finally came when he received an order from St. Petersburg. The Empress **Catherine the Great** had decided to immortalize the memory of the city's founder, **Peter the Great**. Falconet worked for more than ten years on the equestrian statue that she commissioned. This complex sculpture ensured Falconet's fame not only as a sculptor, but also as a talented engineer. And the monument to the first Russian emperor became the Parisian's main creative success.

NOTA BENE

For various reasons, it took a prolonged period of time to take a very long time complete work on the monument. Having grown tired of the palace intrigues, Falconet left Petersburg, not waiting for the monument to be finally unveiled. He took all of his drawings and calculations with him. The installation of the statue on its pedestal was handled by **Yury Felten**, who received all of the glory. Falconet himself was not even invited to the unveiling of the Bronze Horseman.

The sculptor saw to it that his own name would be immortalized. He left the following inscription on one of the folds of Peter the Great's cloak: "Moulded and cast by Etienne Falconet, a Parisian, in 1778."



Today, the Bronze Horseman is the most popular symbol of St. Petersburg. The recognizable profile of the monument has become the trademark logo of Lenfilm studios.



Auguste de Montferrand (1786–1858)

The life of the retired officer **Auguste de Montferrand** took a radically different turn after he met with the Russian Tzar. While he was in Paris **Alexander I** was so taken with the Parisian's drawings that he invited him to serve in Russia. In 1818, Montferrand started work on the construction of the main cathedral of the Russian Empire. The work on St. Isaac's Cathedral dragged on for 40 years and was only completed after the architect's death. But even during his lifetime he managed to build the famous Alexander Column on Palace Square in St. Petersburg.

NOTA BENE

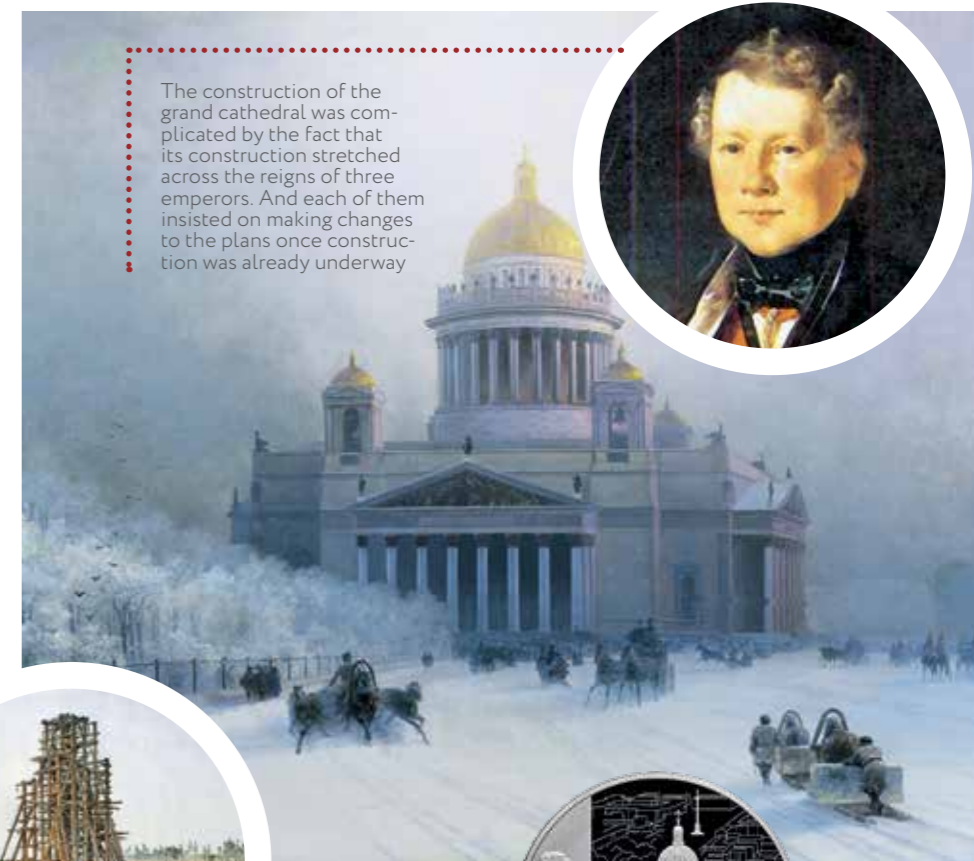
Montferrand dreamed of being buried in St. Isaac's Cathedral, which he considered to be the main achievement of his life. But because of the architect's Catholic faith, his request was not honoured after his death.



The installation of the Alexander Column was made possible by a number of unique engineering solutions devised by Montferrand.



Commemorative coin honouring the architect



The construction of the grand cathedral was complicated by the fact that its construction stretched across the reigns of three emperors. And each of them insisted on making changes to the plans once construction was already underway.

Marius Petipa (1818–1910)

The legendary ballet master and teacher made Russian ballet world-famous. A native of Marseilles, **Marius Petipa** arrived in St. Petersburg in 1847, and for the rest of his life he was associated with the imperial theatres. He staged more than a hundred ballets and trained dozens of famous dancers.



For more than 30 years Petipa served as chief ballet master at the Bolshoi and Mariinsky Theatres in St. Petersburg.

Leon Benois (1856–1928)

Benois, a member of the famous family of artists and architects, became known for the dozens of buildings that were built to his designs. The grandson of a French peasant, **Leon Benois** was born in St. Petersburg and spent his entire life in the city. His most famous works can be found here.



A wing at the Russian Museum that was built according to the designs of Benois was named after the famous architect.



Marie-Anne Collot (1748–1821)

The young Frenchwoman **Marie-Anne Collot** started down her path to glory by posing as a model for experienced sculptors. However, it quickly became clear that the girl was not only slim and beautiful, but also very capable. Her drawings were so good that the Russian envoy in Paris praised her as a talented portrait painter. Collot arrived in St. Petersburg as a pupil of **Etienne Falconet**, but she soon embarked on her own independent career. She received commissions from the most distinguished nobles. And even the Empress **Catherine the Great** ordered a bust from Collot.



Empress Catherine the Great was so delighted with Collot's work that she granted her a lifetime pension of RUB 10,000.



In St. Petersburg the gifted artist enjoyed wide public acclaim. The most influential people in the Empire dreamed of befriending the beautiful and talented Frenchwoman.

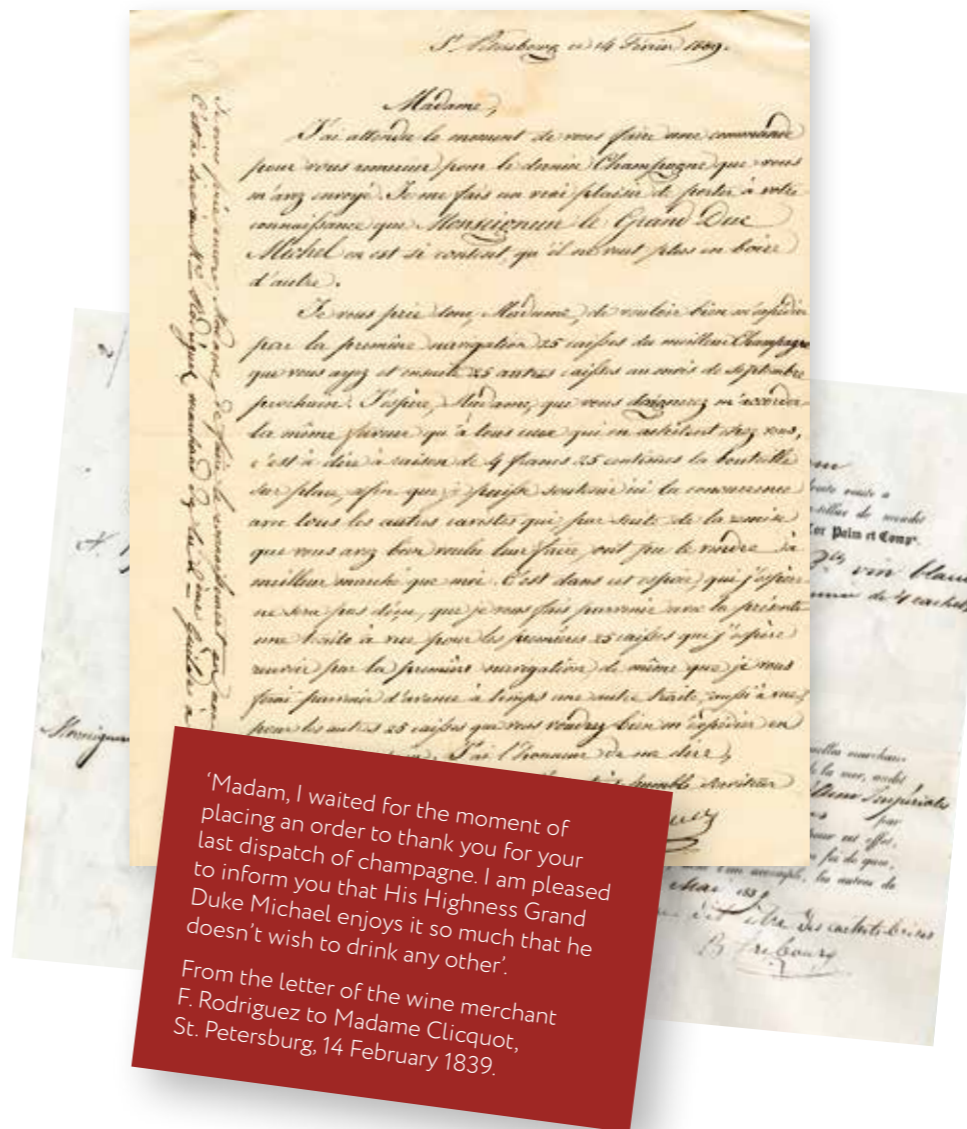
NOTA BENE

After leaving Russia, Marie Collot, for some unknown reason, abandoned her studies in sculpture. She eventually died alone in the remote French countryside.

VEUVE CLICQUOT: THE SUCCESS STORY OF THE MOST IMPORTANT BUSINESSWOMAN OF THE 19TH CENTURY



Maison Veuve Clicquot has a close historical connection with Russia: the famous champagne arrived in the country in 1780 and the house owes much of its subsequent prosperity to Russia.



'Madam, I waited for the moment of placing an order to thank you for your last dispatch of champagne. I am pleased to inform you that His Highness Grand Duke Michael enjoys it so much that he doesn't wish to drink any other'.
From the letter of the wine merchant F. Rodriguez to Madame Clicquot, St. Petersburg, 14 February 1839.

champagne, produced from the harvest of a year when the weather conditions were ideal for grape ripening and harvesting.

One of Madame Clicquot's greatest inventions was a riddling rack, a special rack which keeps champagne bottles facing downwards at an angle of 45 degrees. This means that any sediment which forms in the wine collects on the cork and doesn't harden on the sides of the bottle, making it easier to remove. This device was a real revolution for the wine-making business!

Once, Madame Clicquot decided to mix brut and red wine, producing a new kind of champagne – rosé.

Breaking through the blockade

Madame Clicquot's character can be described in two words: intellect and courage. She used every opportunity – often risking all – in her efforts to expand her business to the every corner of the Earth, and would constantly

The champagne house, named after its founder Philippe Clicquot-Muiron, was established in 1772. Eight years later, the enterprising Frenchman started looking to export his products to other countries, and the Russian Empire was at the top of his list. The family business was inherited by Philippe Clicquot's son François, who in 1798 married Barbe-Nicole Ponsardin, the daughter of Baron Nicolas Ponsardin.

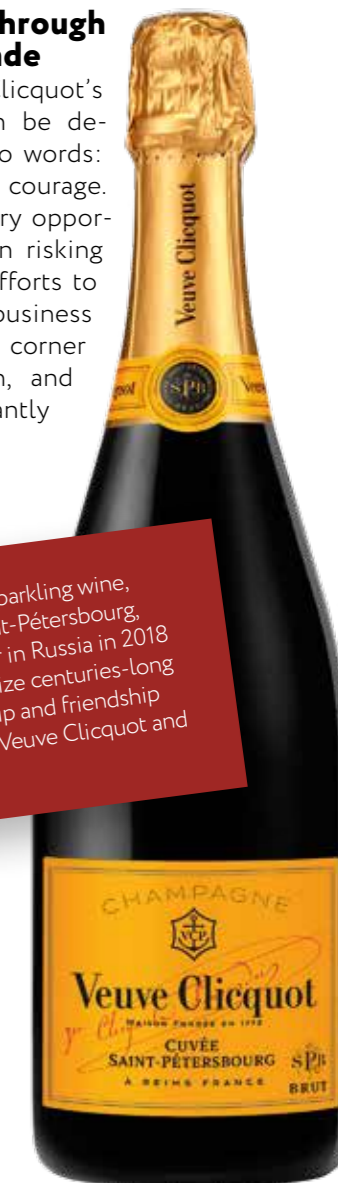
Barbe-Nicole's high social standing meant that she received an excellent education, and this enabled her to take an active role in her husband's business. After his death, his 27-year-old widow inherited a company engaged in banking, wool trading, and champagne production. At that time, when a woman couldn't even open a bank

account without the approval of her father or husband, the young widow ventured to take control of the family enterprise.

Her vision was enviable: Madame Clicquot realized that the best solution would be to focus on a single area. She sold the majority of the company's assets and devoted her life to the production of champagne. In 1810, she renamed the company Veuve Clicquot Ponsardin and turned it into a symbol of prestige, luxury, and progress. Every day, she went down into the house's cellars where the valuable champagne was aged, walked the vineyards, personally reviewed all the financial reports, and negotiated with representatives from new markets.

It was Madame Clicquot who gave the world its first vintage

Exclusive sparkling wine, Cuvée Saint-Pétersbourg, will appear in Russia in 2018 to symbolize centuries-long partnership and friendship between Veuve Clicquot and Russia.



GUEST COUNTRY

repeat "I want my brand to be number one everywhere, from New York to St. Petersburg." And she did it. This highly driven and resourceful widow turned a small family business into a large, successful international company.

The Russian market was always a priority for Maison Veuve Clicquot. During the Napoleonic Wars, however, there was an embargo on the export of French wines, with Russia falling under the ban. After the peace agreement in 1814, she was one of the first to break through the economic blockade, sending 10,500 bottles to Russia. These high-risk practices paid off: champagne remained popular during the war years, and it was bought up immediately at record prices of 12 roubles a bottle (in the early nineteenth century, this was a month's rent for a three-bedroom flat with a stable). The successful venture earned the French entrepreneur the nickname of the 'Grande Dame of Champagne', and years later, a special

cuvée – Cuvée Saint-Petersbourg – was issued to commemorate the long-term relations with Russia.

Clicquot's champagne was extremely popular among the Russian aristocracy, and featured at every lavish ball and grand reception. The renowned nineteenth-century French writer Prosper Mérimée even wrote: "Madame Clicquot is quenching Russia's thirst. There, her wine is known as klikofskoé and they will drink no other." His words are confirmed by the numbers: in certain years in the nineteenth century, as much as 70% of the champagne produced at Maison Veuve Clicquot was sent to Russia. Its popularity is also illustrated by the many mentions of this brand made by classic Russian writers like Gogol, Chekhov, and Pushkin. Pushkin's *Eugene Onegin* features the following lines about the vintage of 1811, when a large comet could be seen from the earth with the naked eye:

*he arrives – the cork goes flying up,
wine of the Comet fills the cup;*

*before him roast beef, red and gory,
and truffles, which have ever been
youth's choice,
the flower of French cuisine...*

The wide recognition Clicquot champagne received is understandable, as the house's motto from the day it was founded until the present day has always been 'Only one quality, the finest'.

The Veuve Clicquot Business Woman Award was established in 1972 in honour of the champagne house's bicentenary. This is how the company pays tribute to the Grande Dame of Champagne, the first businesswoman of her time, and at the same time encourages female entrepreneurs with exceptional drive, creativity, and leadership qualities. The award, like Veuve Clicquot itself, has achieved international status. It has now been presented to 300 women from 27 countries. In 2018, the award ceremony will be held in Russia for the first time. 🌸



EMMANUEL FABER,

Chairman of the Board
& Chief Executive Officer,
Danone

EXCLUSIVELY FOR SPIEF

DON'T ALLOW SUCCESS TO TRAP you into no longer taking risks

Which innovations are a priority for the world today?

There are so many. For me, a critical area for innovative thinking is how we find ways to secure greater biodiversity. The way the food industry has developed has caused the world a problem. Only 15 species of plants today nourish 75% of human needs. That is not sustainable. So, we need to find innovative ways to diversify our approach to food. We need to do this fast for the new 3 billion human beings that will be in our world in the next 50 years.

On what should world leaders agree?

One of the great things about such a big business meeting is that it is a forum to talk, and yet not always to agree. So, my wish is that leaders agree to listen and agree to look

to connect and reconnect. I would also add that we must all take our own personal responsibility, and especially so as business leaders. For me, the world starts to change when we each change our minds and our commitment.

What is your economic outlook for 2030?

I am not a macro-economist. Any outlook I have is best seen through the lens of Danone and what we aim for as a company. We must assume that we will continue to expect market volatility because that is a day-to-day reality. However, for Danone, our longer terms goals would be in line with those of United Nations and the 2030 Sustainable Development Goals agenda. Through our vision of 'One Planet. One Health' and our mission to bring health through food

to as many people, our ambition is to create and share sustainable value for all.

What advice do you have for entrepreneurs today?

Find your own way but keep your freedom; the freedom that made you take the risk and sparked the passion to create something new. Also, don't allow success and growth to trap you into silo thinking, into not hiring people smarter than you or better than yourself; into no longer taking risks and just being happy with the status quo; and into not being true to yourself.

What is the purpose of life?

I think the purpose of life is often the journey you take to seek that purpose. How you travel is as important as to where you travel. 🌸



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ON-THE-GROUND INITIATIVES

How regional leaders plan to develop business



There are many potential investors among participants at the St. Petersburg International Economic Forum. The heads of four completely different Russian regions discuss their expectations for the event and what they have to offer business.

Alexander Drozdenko,
Governor of Leningrad Region



What do you expect from SPIEF 2018?

SPIEF is certainly a key event for the Russian economy, and for the global economy as well. Every year, Leningrad Region has its own stand at the regional exhibition, showcasing its investment potential. For us, the signing of investment agreements is an important part of the SPIEF business programme. We sign dozens of big deals with leading Russian and foreign companies every year. The 'harvest' the region gathers at the Forum can reach tens of billions of roubles. But that's certainly not our only goal. Much more important, for us, is the informal environment in which we can network with our partners, hear about their pressing concerns, work out new formats for cooperation, and discuss and resolve pain points.

How can the region's economy be diversified?

The answer is quite simple: we need to create a climate which favours business growth. Leningrad Region has a stable legislative foundation in place to support entrepreneurship. We offer tax breaks (down to 13% profit tax and 0% property tax) to a fairly large number of companies. Incentives are available to anyone investing 300 million roubles or more. The region uses a transparent 'single window' system to interact with investors.

We focus particularly on supporting small and medium-sized businesses. We spend over 500 million roubles annually on direct financial support for startups and social entrepreneurship projects. And

we're seeing genuine results. Today, more than 63,000 SMEs are operating in the region, with a yearly turnover of over 500 billion roubles.

There are three single-industry towns in Leningrad Region: Pikalyovo, Slantsy, and Syasstroy. The economies in those municipalities are in desperate need of diversification. We understand that, and so in 2016 and 2017, we developed promising development projects for each of those towns. In March 2018, the Russian Government issued a decree recognizing Pikalyovo as an advanced special economic zone (ASEZ). The status allows the region to offer unprecedented tax breaks to investors who locate production there.

What is more important: meeting current obligations, or working towards the future?

Both are important. We must provide jobs to the residents of

Leningrad Region, along with a comfortable, safe urban environment, affordable medical care, and high-quality education. And that needs to be done today, not in the distant future. That is exactly why our regional budget focuses on social needs. However, if we forget to support the economy, then we will have trouble meeting our social obligations in the future. Leningrad Region's Strategy 2030 has been developed with that in mind. The central features of that strategy are industrial leadership and the development of transport and logistics. Today, we are also talking about building the digital economy and reforming local governance. Over 20 key projects are underway in the region, all related to improving the investment climate, removing administrative barriers, developing exports, and supporting industry as well as small and medium-sized businesses.



Alexander Brechalov,
Head of the Udmurt Republic

What do you expect from SPIEF 2018?

New opportunities for the republic, and new contracts for businesses. We will have a joint stand for the first time at SPIEF, where we will showcase the republic's investment potential and the products made by local businesses.

How can the region's economy be diversified?

Diversification is an especially urgent issue for the Udmurt Republic, because the defence industry accounts for the lion's share of production in manufacturing, and Russian President Vladimir Putin has set the challenge of gradual-

ly converting these companies to focus on alternative markets.

It is undoubtedly a plus that defence industry enterprises have superlative competencies and human resources, and can produce high-tech and competitive civilian products. For example, Aksion-Holding manufactures a wide array of medical equipment. The Government's job is to help businesses find market niches and new orders.

Another opportunity to diversify the economy involves creating advanced special economic zones in cities where a single industry holds sway. In 2017, Sarapul was designated an ASEZ, and this year we are submitting applications for Votkinsk and Glazov.

Lastly, we need to expand the types and amount of support available to small businesses. Last year, we created the Udmurt Republic Development Corporation, a single window for all entrepreneurs and investors. It provides businesses support services, assistance, and

advice on a variety of issues. We are also putting a significant focus on developing exports. The Russian Export Center now has a presence in the region, which has already yielded results: 286 small businesses have taken advantage of its services and signed 40 export contracts worth a total of 560 million roubles.

What is more important: meeting current obligations, or working towards the future?

That is a provocative question. My first impulse is to answer that, of course, working towards the future is more important. But, no. Both tasks are equally important. That is because current obligations are mainly in the social sphere: education, healthcare. Housing and utilities. And the Government has done and continues to do everything it can to ensure the best possible quality of life for the republic's residents. It's simply vital to work things out so that there are no emergencies, no breakdowns, no catastrophes in our current activities, so that everything runs like clockwork. Then there will be much more time to work towards the future.

Attracting investors, creating new production facilities and jobs, modernizing existing enterprises, promoting Udmurtian manufacturers' products in external markets – we are constantly engaged in this work for the future, as well. Businesses in the republic take part in trade and economic missions to foreign countries. We have created and are promoting 'Made in Udmurtia' as a brand. In 2017, several large-scale events were held in the republic, including forums entitled 'Made in Udmurtia' and 'Invest in Udmurtia'. The results of that effort have been new orders, an increase in industrial capacity, higher salaries, and more tax revenues, which makes additional funding available for social services. In the end, this means increased prosperity for our citizens.

Anatoly Artamonov,
Governor of Kaluga Region

What do you expect from SPIEF 2018?

Kaluga Region has been participating in the Forum since 2007. For our region, this is not only an opportunity to get involved in discussions about current issues. It is also a mechanism for expanding business cooperation. This year, we have a series of meetings planned, each of which is vitally important for the future development of industries in the region. But, of course, my chief expectation is that we will reach agreements to implement new projects. In various years, agreements have been signed at the Forum with Samsung, Volvo, Novo Nordisk, Nestlé, and more. Today those are all going concerns, bringing in revenue for the region. They have created well-paid jobs.

We believe that SPIEF 2018 will be no less productive. We plan to sign an agreement with the Russian company Centre-Trade to build a plant to manufacture construction and engineering products at Borsino Industrial Park. Negotiations are underway with another Russian company planning to construct a processing facility at the K-Agro Agricultural Park, and for a series of other projects.

How can the region's economy be diversified?

Our experience in Kaluga Region has proven that the most effective approach is the cluster approach. The region's high degree of competitiveness resides precisely in the strong positions enjoyed by individual clusters. If difficulties arise in one industry, they are compensated for by growth in other sectors. That is how we maintain balance in the budget and social stability.

For example, after sanctions were introduced in 2014, people bought fewer cars and major appliances. If Kaluga Region had depended on those products alone, we would have experienced serious problems. Manufacturing food products, medicines, construction materials, and metals gave us a safety net.

Today we are building up ten industrial clusters which are the main drivers of development. Within these clusters, hundreds of serious investment projects are being carried out, research centres are opening, scientific organizations are developing, and all businesses are becoming more competitive.

Kaluga Region will continue the policy of having the cluster approach serve as the basis for

economic development. The key areas are pharmaceuticals, the car industry, logistics, agriculture, construction, IT, nuclear technologies, and tourism. In the future, building networked clusters will facilitate cooperation between science and industry, and make scientific developments profitable, allowing us to make the economic transition from an industrial economy to an innovative economy.

What is more important: meeting current obligations, or working towards the future?

Working towards the future is one of the main responsibilities of any regional head, so it's impossible to separate those two concepts, or choose which is more important. One assumes the other.



Anton Alikhanov,
Governor of
Kaliningrad Region



What do you expect from SPIEF 2018?

First and foremost, we are counting on successful, productive meetings and negotiations. This is the first time in several years that we will have a stand at the Forum. We have plans to sign a whole array of agreements. We find that announcing new partnerships and introducing projects at the SPIEF venue is prestigious and meaningful.

We are expecting good news. We had some at SPIEF last year: our region moved up 32 places in the Agency for Strategic Initiatives National Investment Climate Ranking to take thirty-ninth place. I hope that we will maintain our position in the top half of the list this year, because we were inspired by the 2017 leap and worked very hard on mechanisms to support business.

As always, the Forum's business programme is top notch. I'm pleased to see more discussions on digitalization. For example, this year, for the first time, the EAEU's digital agenda is being discussed. That is a topic of all-around relevance for the Kaliningrad Region exclave.

Kaliningrad Region is the western-most region of Russia and an enclave. What advantages does that provide?

Kaliningrad Region can act as a sort of 'open window' for both Russian and foreign business. We do not discriminate among investors by nationality or geography; we work with everyone according to the very same rules. Currently we are offering terms that are unprecedented in terms of taxation. Over the first few months of this year, 23 companies became new residents of the Kaliningrad Region Special Economic Zone, compared to 27 in the whole of the previous year.

The region has unique infrastructure options to offer. Having both Russian and European-gauge railroad tracks on our territory opens up opportunities to export goods made here. And our transit potential is already being realized within the New Silk Road project.

We are making a concerted effort to position Kaliningrad Region as the ideal location for developing different kinds of national innovation. In our small, compact region, the cycle from planning to launching a project moves quickly. It's more mobile. That's what happened with the multifunctional business centre and the introduction of digital control, with the Internet of Things, as part of the oversight and monitoring reforms. Recently, during discussions with the Federal Antimonopoly Service at IP-Quorum, it was suggested we protest parallel imports.

What can be done to counter the threat of isolation?

At the regional level, by using a policy of smaller-scale deals and

being a good neighbour. Nearly all the municipalities in Kaliningrad Region cooperate with border regions of Poland and Lithuania, visiting each other on public holidays, hosting children's camps, launching tourism projects, and holding festivals.

Grant programmes for cross-border cooperation are also in high demand in the region. For example, the budget for the Poland-Russia programme through to the year 2020 is 62 million euros. Projects are being financed in areas such as preserving culture heritage, environmental protection, transport accessibility, and communications. Starting in 2019, we expect to introduce electronic visas for foreign citizens wishing to visit Kaliningrad Region. The President has approved the required law. That will be a genuine contribution towards making Kaliningrad Region a venue for international meetings and negotiations and developing conference tourism. We are ready.

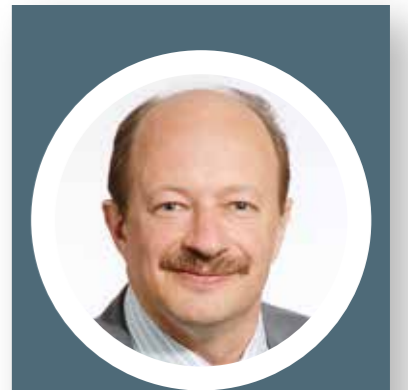
General heading for texts and table:
Ranking of Russian regions by socioeconomic status, 2017

Position in 2017	Region	Integral rating based on 2017 results	Position in 2016
1	Moscow	78,490	1
2	St. Petersburg	71,197	2
3	Khanty-Mansi Autonomous Area – Yugra	67,676	3
4	Republic of Tatarstan	67,531	5
5	Yamalo-Nenets Autonomous Area	66,620	6
6	Moscow Region	65,856	4
7	Tyumen Region	59,678	10
8	Sverdlovsk Region	58,911	11
9	Leningrad Region	58,494	7
10	Krasnodar Territory	58,330	13
11	Republic of Bashkortostan	57,651	8
12	Samara Region	57,388	12
13	Belgorod Region	55,629	19
14	Krasnoyarsk Territory	55,338	14
14	Perm Territory	55,338	15
16	Voronezh Region	55,027	17
17	Sakhalin Region	54,777	9
18	Nizhny Novgorod Region	53,912	16
19	Lipetsk Region	53,833	22
20	Rostov Region	52,554	18
21	Sakha Republic (Yakutia)	51,966	21
22	Chelyabinsk Region	51,459	20
23	Kaluga Region	49,578	35
24	Kemerovo Region	49,200	42
25	Komi Republic	48,813	32
26	Primorsky Territory	48,753	26
27	Vologda Region	48,725	29
28	Novosibirsk Region	48,668	27
29	Irkutsk Region	48,467	23
30	Kursk Region	47,410	37

Source: RIA Rating

The method used to compile the ranking is based on the aggregate of various criteria across four groups: size of the economy, economic performance, regional budget, and social issues. In the

listing, Russia's regions are ranked in descending order according to the value of the integral rating point. The integral ranking of a region was determined as the average geometrical rat-



VALERY TRET'YAKOV,
General Director, RIA Rating Agency (Rossiya Segodnya Media Group)

As in previous years, the top three places in the ranking are occupied by Moscow, St. Petersburg, and the Khanty-Mansi Autonomous Area – Yugra. These regions consistently achieve high marks for most of the criteria taken into account when compiling the ranking, showing that they have the solid fundamental prerequisites in place for socioeconomic development. The top ten, which is largely made up of financial centres, oil and gas producing regions, and developed industrial regions, has not substantially changed. That said, it should be noted that the current top ten includes Krasnodar Territory and Sverdlovsk Region, which have replaced the Republic of Bashkortostan and Sakhalin Region in the latest ranking. In all, 35 regions have improved their positions, 38 have dropped down the ranking, and the rest have maintained their previous standing.

ing of a group of criteria. The ranking of a region according to each group of criteria was determined as the average arithmetical rating of all the criteria in that group. 🌸



Prosveshcheniye Group President Vladimir Uzun talks about the impact of digital technologies on the quality of education, why professional training attracts investment, and what should be taught in schools of the future.

Vladimir Uzun:

“EDUCATION

MEANS INVESTMENTS IN THE COUNTRY’S ECONOMIC BREAKTHROUGH”

At SPIEF 2017, Prosveshcheniye signed an agreement with Yandex to create a joint company aiming to develop an educational platform for schools. How is the project going?
The platform is at the testing stage. We are conducting an experiment covering 100 classes from different schools in a number of Russian regions; the

initial results of the project were presented in April at the Moscow International Education Fair (MIEF 2018). Our intention is that all schools should have access to the platform by September 2018. The platform will help to develop a unique educational path for each child and improve their academic performance.

It is designed for primary school pupils. We also have some collaborative projects between Prosveshcheniye and Yandex that aim to help older students prepare for their Unified State Exams. We have created a freely available mini course designed to teach students how to avoid typical exam pitfalls, and help

them understand the assessment criteria on the basis of past papers.

Education is seen as quite a conservative area. How are digital technologies being integrated into educational processes?

A modern educational system without digital technology is now inconceivable. This is proved in the 12 Solutions for New Education report recently published by the Higher School of Economics in cooperation with the Centre for Strategic Development, which also used the recommendations of Prosveshcheniye experts. The digitalization of schools is truly underway, and we can see this through various projects in this area. Digitalization helps to personalise and optimize the educational process, improve students’ results, and make teachers’ day-to-day work easier.

The sooner we start embracing new technologies, digital technologies in particular, the more successful the school pupils of today – that is, the students of tomorrow and the workforce of the not-too-distant future – will be. This is one of the key driving forces of the digital economy.

Do you see a future without paper textbooks?

There is no clear-cut answer to this one. I believe that paper books will co-exist with electronic ones for a long time, and that’s not just by force of tradition – they perform different functions. This doesn’t just concern textbooks, but other education and teaching materials, too. Maths tests and 3D modelling tasks are great online, while other subjects require paper exercise books, especially in primary schools

The need for investment is so high across all areas of education today that it’s easier to say where it won’t go. We’re working on many different projects at the moment, and some of them require more funding than others, since they will lay the basis for long-term plans. Here I’m talking particularly about the modern digital school and infrastructure for educational organizations.

With the former, we’re planning to focus on secondary school since around 3.5 million children in Russia are now in their last four years of school. They will soon be students at universities and vocational schools, and these are the future professionals whose job it will be to ensure that our country takes an economic leap forward. This is why it is so important to start creating pre-vocational courses in engineering, medicine, IT, and other areas. Over the past three years, we have seen medical courses appear in a few Moscow schools, and these have helped the students involved achieve an almost 100% success rate for admission to the leading medical universities. Secondary school is therefore an attractive area for investment.

When we are building new schools, it’s not just about four walls and a roof. It’s more about creating a new educational space which can deliver education at a completely new level. According to the Higher School of Economics and the Centre for Strategic Development, Government investment outside of public-private partnerships will amount to about 2 trillion roubles between 2019 and 2025, and about 1.2 trillion roubles within public-private partnerships. We are willing to work for zero profit.

We believe that there is enormous potential in providing a modern educational environment, such as proper class and lab equipment, Internet channels, and Wi-Fi access. We need educational products and services for high-achieving students and for children with disabilities.

The sooner we start embracing new technologies the more successful the school pupils of today will be

Online education is a rapidly developing field. Experts predict that funding for online education in comprehensive schools will reach 15–20 billion roubles by 2022. Along with electronic textbooks and e-planners, we are also seeing the emergence of new platforms, products, and services such as SkyEng, Netology, and Uchi.ru.

Besides the joint project it is carrying out with Yandex, Prosveshcheniye also has partnerships with other large information and communications companies, contributes content for the Moscow Online School, and is creating its own online school.

where children need to develop their fine motor skills.

Developments in digital technology inevitably raise questions of cybersecurity. Digitization opens up new opportunities, but there is another side to it. The influence of digital technologies and the Internet on children’s minds hasn’t been sufficiently researched yet. This is why we can see certain behavioural issues in schools, both among children and in interactions with adults.

Prosveshcheniye plans to initiate an IPO in 2018–2019, issuing 25–30% of the Company’s shares. Where will this money go?



What has been done so far to develop school infrastructure?

Several years ago, our publishing house wrote a letter to the President of Russia, putting forward a draft programme for building new schools, in which we specifically highlighted the issues of the existing school infrastructure and the shortage of school places. As a result, the School 2025 programme was launched in 2016, aiming to build and equip new schools.

We're now equipping these new schools, and this requires only 40% of our investment. We have identified two major pilot projects, one in the Central, Northwestern, and Far Eastern federal districts (for 25 billion roubles), and the other in the North Caucasus Federal District (for 33 billion roubles), where we are considering making a contribution to building and equipping schools.

How is regional cooperation helping to improve the quality of education?

We work with all 85 regions of Russia, and almost 3,000 municipalities. Prosveshcheniye products can be found in almost every educational organization in the country, and two

The mission of Prosveshcheniye as a national educational integrator is to create necessary conditions for learning at any age, inspiring people for continuous improvement. This is an investment in future education, meaning an investment in children's future and a better future of Russia.

thirds of them have direct contracts with our publishing house.

Every partnership starts by working with the teachers at a given school. Unfortunately, in many regions, financing for methodological services and vocational training for teachers has been cut, but we try our best to compensate for this.

We also perform assessments of the regions, examine how the education system works, and identify discrepancies between performance and targets for the country's economic development. For these problem areas, we offer task-specific solutions and programmes.

All of the above is why taking part in SPIEF means so much to us: when regional authorities do not rank education among their top five priorities, we are here to explain to them why they should. Funding education is not just about allocating money, it is an investment that will

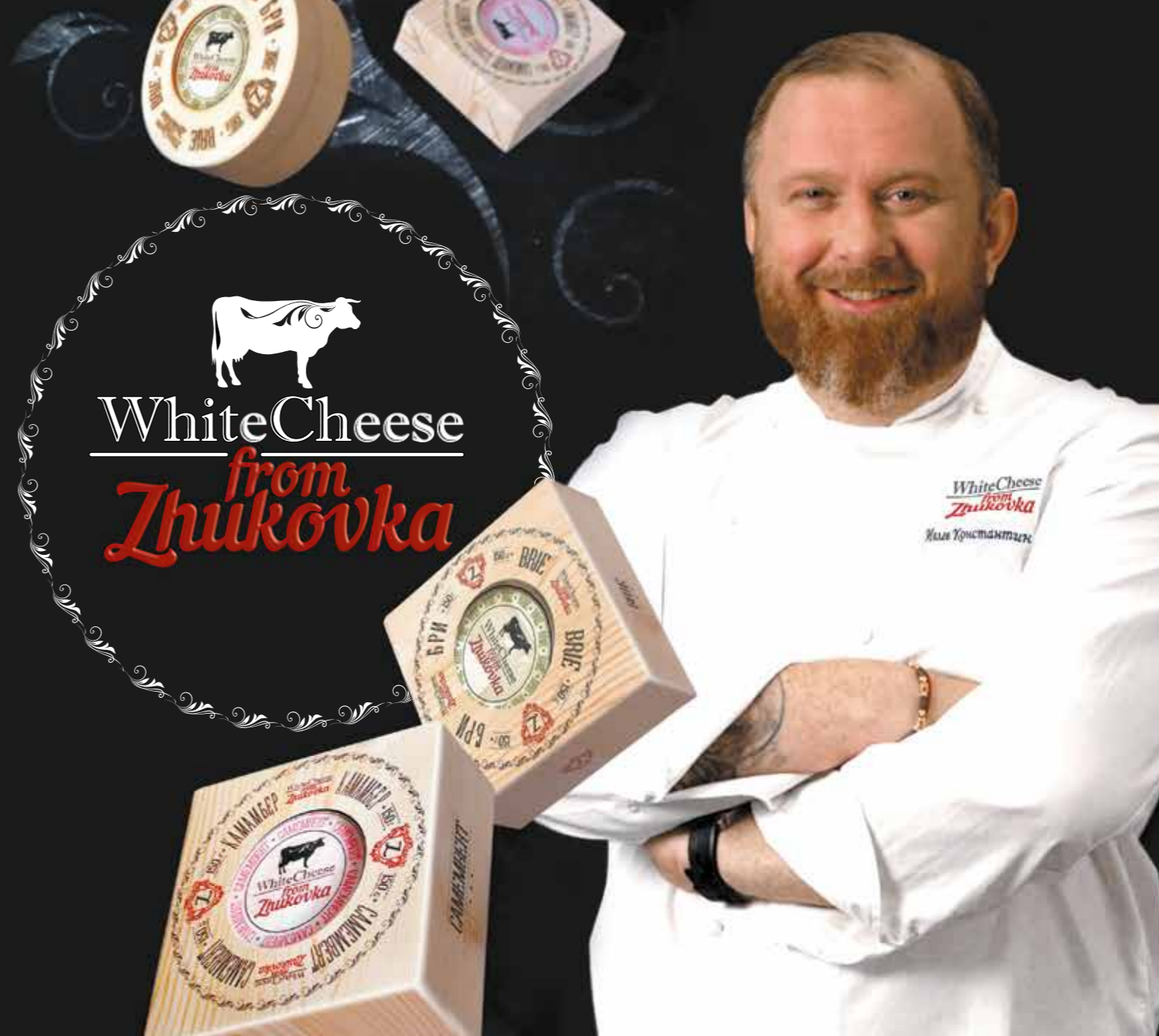
certainly bring results and pay off at both the regional and national levels. One of our main priorities is promoting this new approach to education in the Russian regions. I can say that we do already have mutually beneficial partnerships and joint projects with most heads of regions, and we have achieved real results. We should note that we cooperate successfully both with state authorities and non-governmental organizations.

In one of your interviews, you mentioned a new type of school class containing between 40 and 75 children. How can teachers effectively teach all students in a class of so many children?

If you're working in the seventeenth century school of Jan Amos Komenský, then of course the fewer students there are in a class, the easier it is to teach each child. But can you imagine how new technologies are accelerating human development and our lives in general?

Recently, somebody asked me how I imagine the teacher of the future. Remember Steve Jobs walking across the stage in his jeans and black turtleneck, presenting his new gadgets? Remember how many people were eager to listen to his every word? This is how I imagine the new generation of teacher – mentors and managers confidently using new technologies. When Steve Jobs came out with his iPod, he didn't ask you to listen to specific tracks, but he presented the opportunity, the tool.

Similarly, the teacher of the future will explain to their students that there is a tool which will help them master any profession. I strongly disagree with people who say that schools simply prepare children for adult life. Schools are where children live. Our task is to use a set of modern technologies to make life at school easy and exciting for children, but also prepare them for professions of the future that neither of us can even imagine right now. 🌱



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Yury Isaev, General Director of the Deposit Insurance Agency, talks about how to satisfy creditors' claims and return to the economy assets previously taken out of circulation.



WHAT IS THE AGENCY AUCTIONING?

- A bank building in Bolshoy Drovyanoy Pereulok in Moscow, with a total area of 2,310 square metres.
- Rozovy Sad – a modern greenhouse complex in Kaluga Region which grows various types of flowers, including exclusive varieties of roses.
- Skilfully made models of the sailing ships Amerigo Vespucci and Sovereign of the Seas.1637 as office adornments.

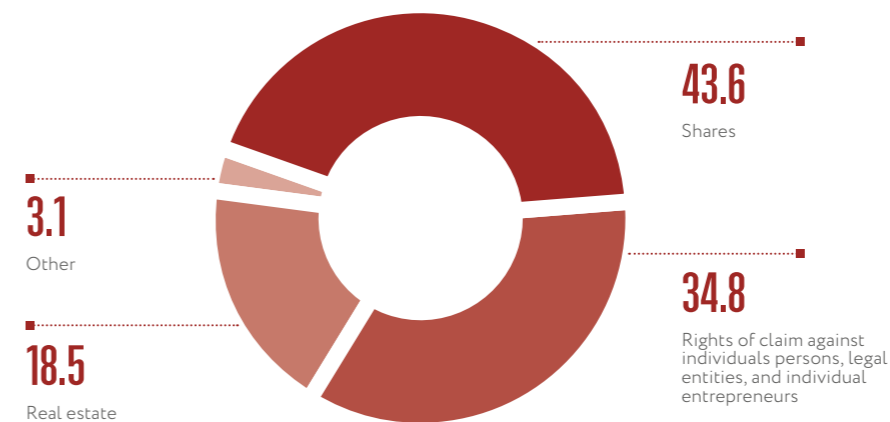
SMART LIQUIDATION

Why did you decide to discuss the issue of liquidated banks' assets at the St. Petersburg International Economic Forum?
The authority of insolvency administrator was first conferred on the Deposit Insurance Agency by legislation in 2004. The Agency is now the insolvency administrator for over 300 banks and, as part of this work, sells assets with a net value of around 4 trillion roubles. The Agency also sells the property of

a number of banks which were acquired as part of measures taken to ensure their financial rehabilitation. The main aim of the Agency's work with assets is to create the largest possible insolvency estate as a source for settlements to creditors. Currently, an average of 41% of creditors' claims are satisfied, whereas in the Agency's early days it was just over 4%. Our efforts have not gone unnoticed: the Agency was acknowledged as the leading

insurer of deposits at the Annual General Meeting of the International Association of Deposit Insurers (IADI). We studied international experience of working with assets and drew up our own proposals for improving the system. These were fully supported by the government and by the Bank of Russia. At the Forum, we plan to discuss these proposals with the business community and with our foreign partners and colleagues.

Structure of Funds Income from Assets Sale, %



Source: ACB

How do the Agency's figures compare with world experience?

The figures vary greatly in different countries. In the USA, taking into account the transfer of assets and liabilities, the satisfaction rate is nearly 90%; in Mexico and Indonesia it is about 30%; and in Hungary, 18%.

Of course, we are not settling for the average claim satisfaction rate we have achieved so far, and are using every opportunity to increase it in the future.

How does the Agency actually sell assets?

The Agency sells the property of liquidated banks, non-state pension funds, and insurance companies, as well as assets acquired during the rehabilitation of Russian banks. Information concerning all saleable assets is in the public domain and can be accessed by any Internet user. All property being sold by the Agency – over 50,000 items – is displayed on the portal www.torgiasv.ru and on the Agency's website. Anyone can take part in an auction – all you have to do is to complete a straightforward registration procedure and obtain a digital signature.

The most numerous category of bank assets sold by the Agency is the rights of claims against natural individuals, legal entities, and individual entrepreneurs. But the most popular category is equipment and real estate

needed by banks throughout Russia to conduct their principal activity (ATMs, currency detectors, banknote counters, cars, office equipment, furniture, and so on). Buying them from the Agency is profitable: the purchaser receives high-quality goods at a discount.

The Agency also has more than 7,000 hectares of land under its control. There is currently farmland for sale in Tver, Pskov, Moscow, and Sverdlovsk regions, as well as in Moscow itself.

The current situation in the market is quite difficult. Will you be able to sell some of this land?

Yes, we will. Last year a major Russian agricultural holding company purchased several dozen hectares in Bryansk Region. A project to develop livestock farming and cheesemaking has been launched on land in Sverdlovsk Region acquired by the Agency (this is exceptionally important in the context of the import substitution programme in Russia) and a modern housing estate has been built on a plot in Novaya Moscow. So we can see that assets which were taken out of circulation are gradually returning to the economy.

When we organize auctions, we start from the premise that this is an important step towards attracting private investment into the economy of a specific region, creating new jobs, and increasing that region's tax

revenue. We work with regional authorities to find long-term investors to develop modern business projects. The Agency's staff are always open to dialogue and ready to help with the selection of suitable premises.

What other major assets is the Agency selling?

We are selling agricultural production equipment (elevators, greenhouse complexes, etc.), controlling stakes in four oil and gas companies with licences for subsoil development, chemical and brick manufacturing facilities, and modern business centres in Yekaterinburg and Perm.

Do ordinary buyers – private individuals – get involved in the Agency's sales?

We sell flats, residential buildings, garages, parking spaces, and unfinished construction sites in almost every region in Russia and, of course, in Moscow and St. Petersburg. Individuals buy mainly vehicles, as well as gold coins and ingots. They are also interested in furniture and office equipment. The advantages of buying from the Agency are the legality and transparency of the transaction and the gradual reduction in the price of the asset during the sales procedure.

And what are the results of your sales in monetary terms?

In 2017 the insolvency estate made about 14 billion roubles from the sale of property, which is two and a half times more than in the previous year. And 799 million roubles came from the sale of assets acquired by the Agency during the bailout of banks.

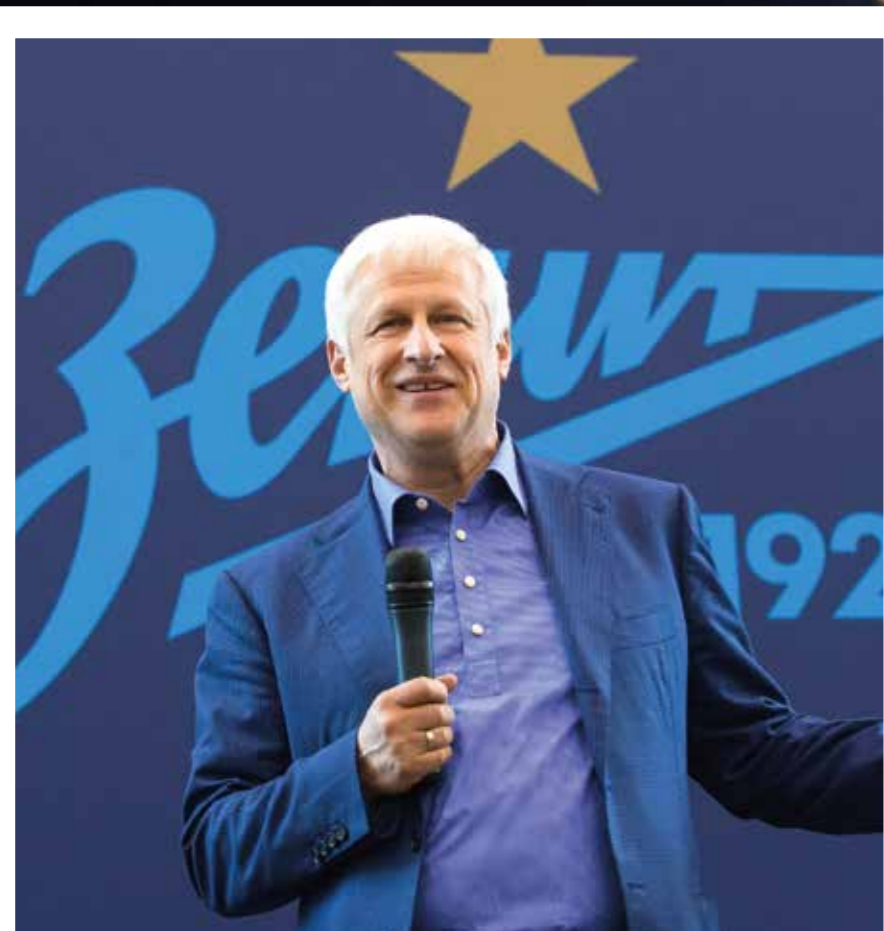
I repeat that the aim of the Agency as liquidator is the timely satisfaction of bank creditors' claims in the largest possible sums. And that is where we will be concentrating all our efforts in the future. Cooperation with the Agency opens up a wealth of advantages for buyers: convenience of purchasing assets, buying at a discount and, most importantly, the opportunity to invest their money profitably. 🌸

Sergey Fursenko:

“RUSSIAN FOOTBALL NEEDS TO LEARN HOW TO MAKE MONEY”



President of Zenit St. Petersburg Sergey Fursenko discusses the legacy of the upcoming World Cup, what fans want, and how to reform the way professional teams are funded.



110 metres

together with the pylons – this makes the stadium one of the five tallest buildings of St. Petersburg

of kids coming to the new arena, and this is an investment in the future of the club – these are the fans who will be coming to see the team in 10 or 20 years and bringing along their own kids.

We know that St. Petersburg loves Zenit, but what about TV audiences?

The TV ratings for Zenit matches in the Russian Premier League and European tournaments comfortably exceed those for games featuring other Russian clubs. Outside Russia, income from the sale of television rights constitutes more than 50% of all club revenues in the five leading European leagues. Unfortunately, the Russian TV rights are worth a hundred times less than those of the English Premier League, and twenty times less than those of France's Ligue 1.

Why is there such a difference in earnings?

Until recently, Russia's football infrastructure was relatively weak.

It's not all about the quality of the stadiums and pitches in Russia, however. There are methodological issues, too. Most clubs are not concerned with the entertainment value of their football. This means that pitches which are not suited for high-speed play are certified. It also affects schedules and refereeing methods. Funnily enough, it's now easier for a strong team to play in European tournaments than at home.

Our government has invested around 200 billion roubles in preparations for this championship. As a result, the country has gained a unique sporting infrastructure with modern stadiums and training centres.

Upkeep costs for facilities of this complexity could exceed hundreds of millions a year, and this is serious money for clubs outside our main cities. Arenas can only be cost-effective if they are transferred to football clubs which can fill the stands 20–25 times a season. Professional football needs to take on this responsibility. This means we need to stop focusing so much on the results on the scoreboard, and instead concentrate on the interests and needs of those watching the game. What do spectators need? Comfort, good service, and, of course, a great show. Football should feature beautiful, exciting combination play with plenty of goals. Fans are a club's most valuable asset. Having a large, loyal fan base is the only way for a club to present itself as an attractive and commercial partner.

Your stadium on Krestovsky Island regularly records attendance figures approaching 50,000 fans.

Yes. Our experience shows that by engaging in extensive work with fans across the board, we can ensure maximum attendance. Compared with last year and our previous home ground at the Petrovsky Stadium, we now have two and a half times more people attending our games.

In 2018, football clubs are broad and expensive business structures. It's vital that matches offer genuine quality which meets the highest standards of the modern entertainment industry.

Zenit now invites fans to the stadium two hours before the match starts, giving them an opportunity to take part in a range of games and cultural activities as part of our Fan Promenade. We are particularly pleased that football matches have become a family affair. We see a lot

ST. PETERSBURG STADIUM
is built at the place of the old Sergey Kirov Stadium and is designed by a Japanese architect Kisho Kurokawa. The first match officially took place on 22 April 2017. Sliding roof and retractable football field make it possible to arrange football matches at any weather and to use the stadium for concerts without damaging the lawn.

Long before the start of the competition, there was already a lot of discussion about making the most of the legacy of the World Cup. Is this feasible in Russia today?



**STRUCTURE OF FUNDS
INCOME FROM ASSETS SALE**

Zenit St. Petersburg is Russia's most popular club and the top Russian club in Europe, occupying sixteenth place in the UEFA rankings. These rankings determine how many Russian clubs can enter the Champions League and Europa League. Over the last ten years, Zenit has earned 145 ranking points. This is one and a half times more than CSKA, three times more than Spartak, and five times more than Lokomotiv.

Russian football needs to learn how to make money, not just spend money from sponsors. Zenit achieved the highest profit margins among football clubs in 2016, coming out in front of highly successful clubs like Tottenham Hotspur, Manchester United, Bayern Munich, and Real Madrid. It should be noted that we ranked 21st out of 30 teams in terms of overall revenue for that year.

A review of the current system for state financing of professional teams is also needed. If we shut down this system completely, of course, it would be tough on a lot of clubs. But it would be entirely possible to allocate the funds based on a club's performance in various areas – most importantly the number of fans they bring to the stands. Under this system, clubs wouldn't be given money to purchase new players, but to create services for their fans.

You mentioned that a football club today is an expensive business structure. Many regional clubs simply cannot make this kind of investment.

Of course, you can only put on entertaining football if you have the appropriate level of funding.

In our view, the football stadiums which have been built and upgraded for the World Cup have the potential to attract interest from investors.

At SPIEF, Zenit will present an investment project for the development of our Krestovsky Stadium. The idea is to create a commercially successful entertainment space based on the existing infrastructure, which will be used all year round.

The stadium, its historic pavilions, and the area around it will be the centrepiece of a recreational area on Krestovsky Island. The complex will include a cultural and entertainment centre, street theatre, a museum on the history of the club, a café, a restaurant, a conference centre and co-working space, souvenir shops, an official club store, and the club's client services office.

We also hope to develop the match-day corporate facilities (business clubs, lounges, skyboxes) and technologies for hosting concerts. Our stadium's capabilities are

unprecedented for Russia – we can accommodate up to 80,000 spectators in a warm, heated space. It is a venue which can attract the world's biggest stars.

What does Zenit hope to achieve from its participation in SPIEF?

First of all, we want to present our new stadium as a business project and find partners to help us implement our plans.

Secondly, we'd like to use the forum to present Zenit as an effective marketing platform for potential sponsors and advertisers. Sponsorship of a sports club is a great tool for managing loyalty.

Thirdly, we plan to talk about our understanding of how modern trends in marketing and digital technologies can be applied to sport, and to discuss the role of football as a driver of the experience economy.

We are open to communication and we would like to share our developments with others. Zenit aims to achieve sell-out matches throughout the Russian Premier League. It's always more exciting to play to a full house. 🌸



**MARCO TRONCHETTI
PROVERA,**
CEO Pirelli & C SpA

EXCLUSIVELY FOR SPIEF

IT'S UP TO EACH PERSON TO FIND something that all humanity has in its soul

Which innovations are a priority for the world today?

The one most needed would be the application of integrated Artificial Intelligence to the most advanced health research centres. Such a connected health system would maximize the outcomes in favour of all people suffering from major illnesses.

On what should world leaders agree?

They should all back the empowerment of multi-lateral bodies to guarantee balanced global growth.

What is your economic outlook for 2030?

That forecast is linked to the decisions of the global leadership who, more and more, hold the future of the world in their hands.

What advice do you have for entrepreneurs today?

Do your job! Be passionate! And stimulate the main decision makers to support actions for balanced global growth.

What is the purpose of life?

That is something that all humanity has in its soul. And it's up to each person to find it. 🌸

BUSINESS SIGHTSEEING

At the start of 2018, there were almost 5,500 restaurants and catering establishments in St. Petersburg. According to the popular service TripAdvisor, five of Russia's ten best restaurants are found in St. Petersburg. You can read more about the latest trends in the St. Petersburg gastronomic scene on page 142.

People come to St. Petersburg to enjoy its beautiful architecture, world-famous museums, canals, panoramic views of the Neva and... business meetings. The number of conferences and exhibitions hosted by the city grows with each passing year. And the St. Petersburg International Economic Forum plays a vital role here.

38%

events take place outside Moscow and St. Petersburg, which shows the country's enormous untapped potential

Internationally, the meetings industry is one of the most profitable revenue sources for regional budgets. On average, visitors attending business events spend four times as much money as other travellers, according to International Congress and Convention Association (ICCA) statistics.

Every rouble invested in conferences and exhibitions brings in five to seven roubles in profit, says Alexey Kalachev, Director of Russian Convention Bureau, one of whose tasks is to develop the country's events industry. These figures don't just take into account the revenue earned by the Forum organizers, but the contribution to the city's economy as a whole. The St. Petersburg International Economic Forum fits perfectly into this model.

"In the short term, tax revenues from organizations providing services to guests in St. Petersburg help to fund the budget," says Irina Babyuk, Chair of the St. Petersburg Investments Committee. "In the long term, revenue comes from implementation of investment projects initiated through agreements signed at SPIEF. Another effect is the development of the city's infrastructure and industrial enterprises, and the building of social, cultural, tourism, and sporting facilities," she continues. This increases the city's attractiveness to tourists and improves the overall quality of life for St. Petersburg residents.

"Given the scale of the Forum and the kind of participants

it attracts, the event benefits all sectors of the city's economy," agrees Andrey Mushkarev, Chair of the St. Petersburg Committee for Tourism Development. "Our priority is to increase tourist flows during the Forum, giving both a short- and long-term boost to the St. Petersburg hotel and catering industry. The income we receive also helps us to improve the city's infrastructure."

According to Andrey Mushkarev, occupancy rates at the city's hotels reach record levels of 80–85% during SPIEF. In 2016, for example, 88% of hotel rooms were occupied. These levels are otherwise only seen at the height of the summer holiday season in July and August. In May and September, there is an 8–10% drop in hotel occupancy rates, and in winter, they drop to almost half.

Aside from this, SPIEF is instrumental in attracting other conferences and exhibitions to the city, says Mushkarev. "The Forum's participants

Every rouble invested in conferences and exhibitions brings the city in five to seven roubles in profit

900 billion

dollars is the size of the global international business events market according to

are business people, heads of international organizations, officials, and experts from around the world. These are people who make decisions, including about the organization of major business events." Each of them has an opportunity to get a first-hand look at ExpoForum, the SPIEF venue and the city's largest exhibition space, experience the quality of services provided, assess security and logistics, and of course, see the main sights of Russia's cultural capital. Incidentally, according to the popular service TripAdvisor, St. Petersburg was the only Russian city to make the top 25 tourist destinations in the world in 2017, taking fourteenth spot. It appeared in the list alongside Rome, Paris, and New York.

According to the exhibition research and development centre R&C, business tourism in St. Petersburg is worth approximately RUB 3.6 billion, which is 25–30%

of the entire Russian market. In 2017, the city hosted 31 major congresses – that's just counting rotating events that are recognized by the ICCA. The year before, 29 such events were held here. In total, according to various estimates, the city hosts between 2,000 and 4,000 business events annually.

Last year, the Administration of St. Petersburg approved a state programme for the development of tourism in the city over the period 2018–2023. This aims to increase tourism's share of the city's GRP from 2.2% to 6% in the next five years, or from 72.2 billion roubles to 196.9 billion roubles. 4.3 billion roubles will be allocated to finance the programme, the majority of which (2.7 billion roubles) will be focused on measures to diversify the options available to tourists in order to reduce seasonal fluctuations in tourist numbers. Developing business and events tourism is a priority. For example, St. Petersburg will be the first city in Russia to offer subsidies on a competitive basis to conferences and exhibitions, especially in the low season. The subsidies may cover up to 30% of the total cost of the event, but will be capped at 20 million roubles. Similar support mechanisms have already demonstrated their effectiveness in Japan, Australia, Canada, and Europe. St. Petersburg therefore has every chance of becoming one of the world's top business tourism destinations. 🌐



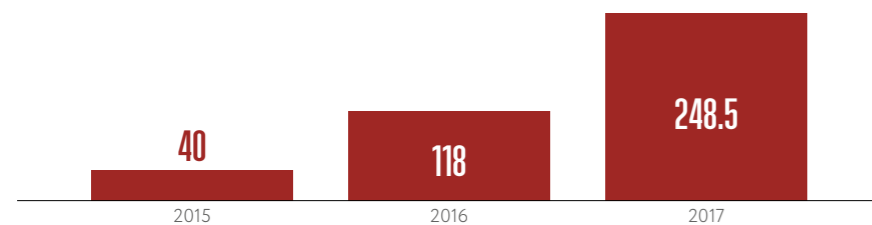
ALEXEY KALACHEV,

Director, Russian Convention Bureau:

The Russian Convention Bureau, which was co-founded by the Roscongress Foundation, was established in 2017 to promote a positive image of Russia as a country with a favourable business and investment climate, and to attract new international business and cultural events. The association acts as a one-stop shop for international event organizers in search of a venue. This year, the Russian Convention Bureau became a member of the International Congress and Convention Association (ICCA).

One of the Convention Bureau's priorities is to bring together professionals in the meetings industry. Twenty-four organizations from seven Russian regions have already joined the association. These include regional convention bureaus, conference and exhibition venues, hotels, and service and transport companies. The association partners with Russia Tourism and the Visit Russia national marketing centre. This provides additional opportunities to attract new events, especially outside of the main cities. During SPIEF, the association plans to sign cooperation agreements with the Russian Chamber of Commerce and Industry, Delovaya Rossiya (Business Russia), the Agency for Strategic Initiatives, and several regional authorities.

Total value of investment agreements, billion roubles



Source: St. Petersburg Investments Committee



The Roscongress Foundation is a major organizer of congress and exhibition events

“ In the 20 years since its founding, the St. Petersburg International Economic Forum has grown into a platform for the discussion of strategic issues and challenges. This conversation is all the more important today in a world going through a major transformation, where profound changes are affecting practically every sphere of life. ”

Vladimir Putin

The Foundation has organized more than

450 events from Montevideo to Vladivostok

with participants from

188 countries

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10–12 October 2018,
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FINOPOLIS.RU



25–26 October 2018,
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21–25 January 2019,
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FORUMARCTICA.RU



2019, Sochi
RUSINVESTFORUM.ORG



SOFT POWER

How the national Made in Russia brand is influencing state economic development

Text: **Mikhail Sadchenkov, General Director, Made in Russia**

The challenges facing the Russian economy over the next few years are complex and multifaceted. Defining the national identity and the information agenda with respect to our contribution to human development will be key tools in international competition across all spheres, from business to culture.

Much has been said recently about the dangers of the policy of isolating Russia. That is partly true, but the phenomenon also has another, positive side. People are talking about us more than ever before. The number of queries directly or indi-

rectly related to the Made in Russia brand is growing exponentially, and despite all expectations, these questions are being asked in the context of people searching for information about culture, history, business, and social issues in general.

Given the new approaches to assessing the effectiveness and results of developing national brands, conducting endless image campaigns is no longer sufficient. Today, national branding means, first and foremost, a systematic approach, strategic planning, and results leading to structural changes in all areas.

Despite the public funds allocated, we have not yet managed to achieve these changes. According to 2017 research by the Institute of Applied Political Research on behalf of Made in Russia, state spending on direct and indirect marketing today is more than RUB 110 billion, not counting resources allocated to the Russia Today media corporation and regional marketing budgets.

Due to a lack of strategic planning and professional assessment, we are falling into an endless cycle of duplicating costs and redistributing functions. As a result, the budget



Mikhail Sadchenkov, General Director, Made in Russia

Photo: Andrei Makhonin / TASS

loses billions of roubles every year, and the state is incapable of building a long-term strategy able to improve efficiency in marketing expenditure and secure growing returns for every rouble spent.

What 'Made in Russia' means

The best practices, ideas, and projects, those that go beyond traditional assumptions, always suffer from stereotypical thinking. It is vital to comprehend that the Made in Russia brand ought to be understood not as a logo on a product package, but as the for-

mation of a system that brings together all the factors for creating demand for the goods and services produced by Russian businesses. These include data aggregation, and providing services that combine the efforts of business and the state, intended to increase consumer patriotism and shape a national self-image. The brand logo, in this case, simply serves as one tool for contact with consumers and partners.

Within the national communications strategy, the brand's role is to shape higher level values capable of unifying efforts by the Russian regions to build and promote their own



YULIANA SLASHCHEVA,

Chairman of the Board, Soyuzmultfilm Film Studio

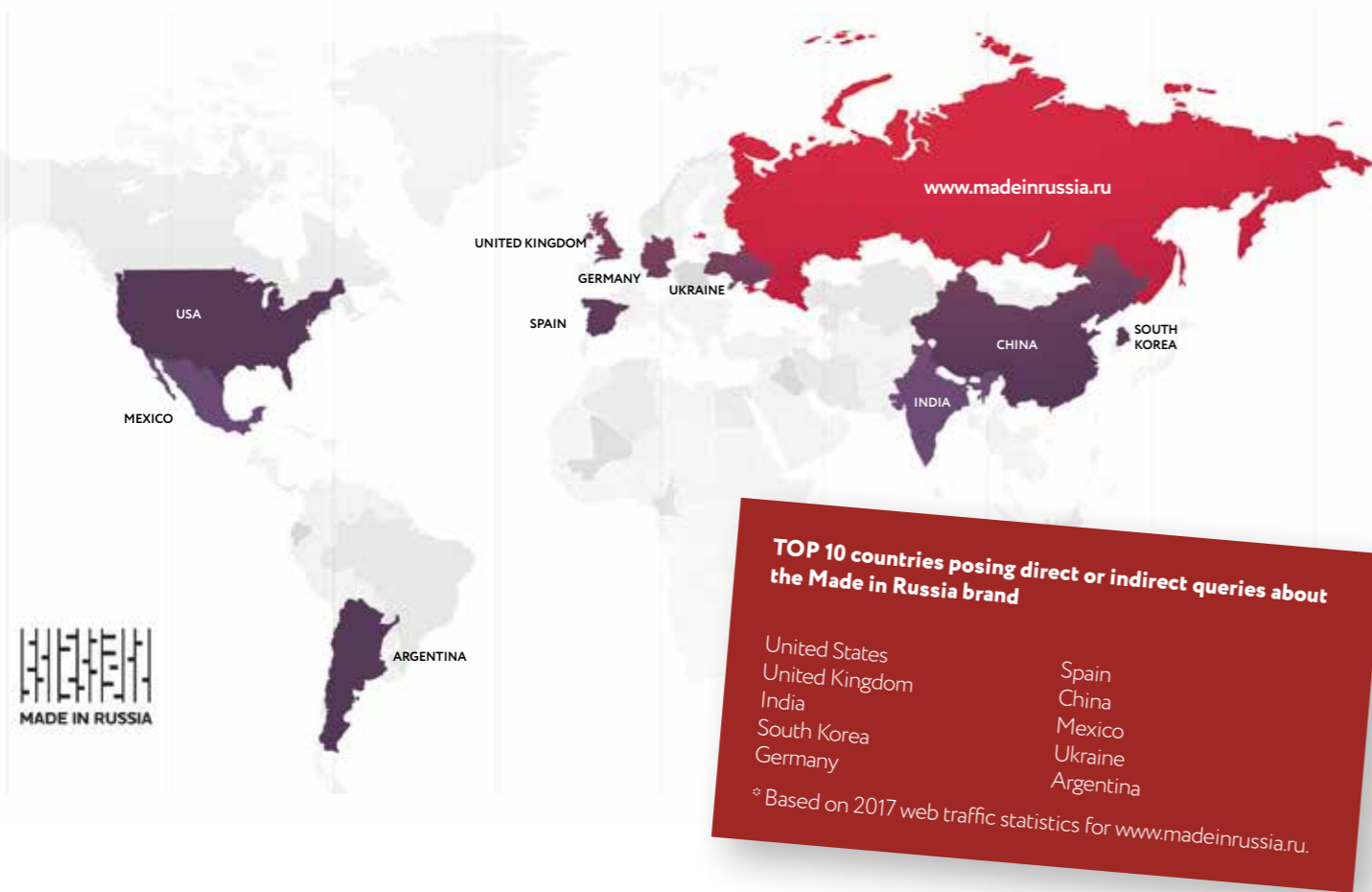
Russian animation is highly valued abroad. That is an undisputed fact. In the last five years alone, Russian animated films have won about 30 prizes at different international competitions. Popular culture, and the spell it casts, is an important soft power tool that can be used in synergy with different sectors. I am confident that this resource, the domestic animation industry, will increase the visibility of Russian products and their popularity. One example here is the initiative by the Russian Ministry of Industry and Trade to subsidize a portion of the licensing costs for manufacturers who want to use images from Russian animation. The percentage of products produced for export will be an important factor. And, I would point out, this kind of cooperation is beneficial to all sides: manufacturers' products become more attractive, and studios benefit from the visibility of their characters.

identities, as well as work by federal executive agencies, state-owned corporations, and public organizations. That is the only way we can guarantee competitiveness within global information flows.

Export marketing

One important component of boosting the national Made in Russia brand is the consolidation of efforts by

Photo: Artem Geodakyan / TASS



the state and business to formulate a single policy for export promotion. A strategy based on supporting a limited number of successful companies would be a mistake. Similarly mistaken would be any policies that force a limitation based on quality criteria, extent of localization, or success in domestic and foreign markets. Those sorts of measures are dictated by a rush to quickly achieve a result and meet key performance indicators, rather than shaping a fully functioning environment. That requires significantly more time.

The result of such strategic miscalculations is duplication of costs. The creation of catalogues of goods for export is one example. Websites, absolutely identical in content, made by both government bodies and corporations waste tens of millions in federal money. To solve this problem, it is important to consider export marketing as a government function, in order to guarantee a transparent system for management and monitoring.

Culture, tourism, and sport

Culture, tourism, and sport are closely interrelated and provide exclusive opportunities for government marketing both inside the country and abroad. Like other sectors, they suffer from a lack of coordination in government marketing. One example is the brilliantly organized competition to create and develop a tourism brand for Russia, which, nevertheless, has still not reached a logical conclusion. The final version of the logo, though it was created to meet high professional standards, has still not been approved. We must eliminate the subjective factor. The market for branding and design in Russia has been developing at a rapid pace for years now, and Russian experts are producing world-class products. The government ought to put more trust in their expert opinion, in their work, and in the depth of their understanding.

Human capital

The staffing problem continues to be one of Russia's most pressing issues.

Systemic work to develop human capital is not yet running smoothly. That requires building an institution of speakers and creating tools to promote Russian experts in particular sectors who are able to discuss and promote the interests and image of the country both at home and on the international stage. In our constant efforts to catch up, we are not paying enough attention to protecting, developing, and shaping the values that could build a national brand that we could call 'Russian Experts'.

Regional development

Regional development is directly linked to human potential and local industries, and it is the foundation for building strong regional brands. Changing people's way of thinking and attitude towards the region where they live is only possible when there are effective, working tools for communication between the region's population, the government, and the business world.

The job of the national brand is to supply the regions with expertise



XENIA FRANK,

Chairman of the Supervisory Board at Elena and Gennady Timchenko Charity Foundation

There are quite a lot of brands in Russia, but do we really know and value them? While aiming to produce and promote national goods and services abroad, it is also important to pay attention to regional brands – both traditional brands and newcomers. These can be centuries-old handicrafts, tourist attractions, local food specialties, festivals, landscapes, and city points of interest. Quite often all this can be found in the outlands, reflecting values of local people and unique local culture. It is important to support development of such brands, as they contribute to the rich and integral image of Russia. This means, it is necessary to create good conditions for people and communities that strive to embody the unique character of their locations in the most comprehensive and attractive way. At the Foundation, we do this by providing grants, as well as educational and expert support. Having launched the Cultural Puzzle of Small Towns and Settlements Contest four years ago, we can see how the appearance of local brands improves the quality of people's life, contributes to economic and cultural development, improving relations inside the community. As usual, this also contributes to growing interest from tourists, mass media, and expert society.

in registering, protecting, and capitalizing on regional brands, which, in turn, will facilitate the preservation of cultural self-sufficiency and the development of internal competition.

Photo: Alexander Natruskin / RIA Novosti

National quality system

Work to develop a national communications strategy must actively involve all responsible organizations and experts who are participating in building a national quality system. Tools created by the state must share a single goal, taking into account the need to develop business's sense of responsibility towards consumers, employees' responsibility towards employers, and the state's responsibility towards its partners and those who use its products.

The role of the national Made in Russia brand is to serve as a tool for promoting the national quality system and its constituent parts in order to shape a new perception of both the workforce and the products (goods and services) it produces.

Cooperation and intergovernmental development

Communication, in the broad sense of the word, is 'soft power', advancing the interests of the state. Initiatives and projects that require interagency cooperation, or cooperation between the government and the business world, often go unfinished due to a chronic inability to reach agreement and find the correct approach to one problem or another. Equally, the division of power between federal executive agencies and state-owned corporations is not always effective or logical.



One possible solution to this problem could be to create a separate structure responsible for government marketing that would be a management and supervisory body in charge of the national communications strategy. Another option would be to bring in already existing structures which are neutral with respect to federal executive agencies and state organizations, structures which would be able to serve as an expert forum and a communications platform.

The creation of a national communications strategy and the "Made in Russia" brand is a unique opportunity to do work in a sector where systematic steps have never been taken before, where there are no complex, long-standing contradictions, and where there is a unique opportunity to build a working system from scratch. We can hope that success in this area will enable us to build effective tools that can work for the good of the Russian economy. 🌸



Made In Russia national brand is aimed at creating trust to Russian products, which is especially important in highly competitive technological segments.

A TASTE OF DESTINY

How a long-time Swiss winemaker created a premium Russian wine

While the Ministry of Agriculture develops a concept for the Russian wine industry, vowing to make it world-class, Renaud Burnier, who comes from a long line of Swiss winemakers, and his Russian wife Marina have for over a decade been producing wine in Krasnodar Territory that has earned genuine praise from European experts.

The Burnier family have cultivated grapes and produced wine in Switzerland for more than four centuries. Their viticulture operation expanded to Russia in 2001. Renaud had often heard professors at the College of Oenology at Changins, from which he graduated, describe the south of Russia as an ideal location for growing grapes. He became convinced of that himself in 1998, when he first travelled with his wife to Krasnodar Territory.

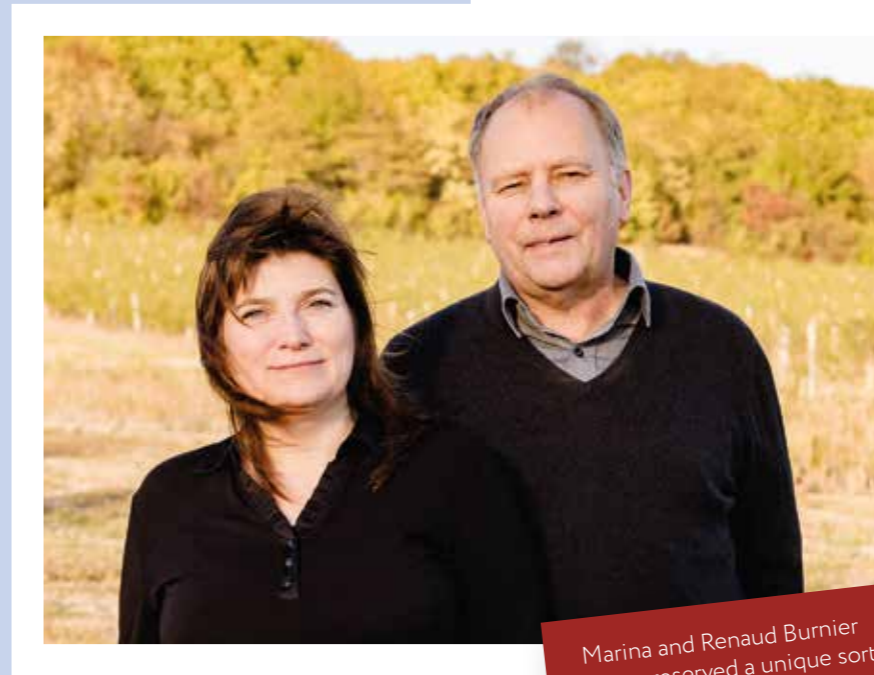
The first grape Renaud sampled in Russia was a Krasnostop. It was a taste of his destiny. Experienced winemakers can determine the potential of a wine by

the flavour of the grapes. Renaud was so impressed by the uniqueness of the variety and the possibilities it offered that he immediately decided to find land where he could plant a vineyard, including, of course, the Krasnostop Zolotovskiy variety.

It took three years to find the perfect plot. The BURNIER vineyard is located in Natukhayevskaya, outside Novorossiysk. Bordeaux and Piedmont are at the same latitude. The vines grow on a sunny southwestern slope which is well ventilated, helping to prevent disease. "The land itself tells us that the wine that can be made here is comparable to the best

in the world," Marina Burnier says. "Renaud and I want the whole world to know that excellent wines can be made in Russia."

However, finding Krasnostop seedlings proved to be a problem. They were able to purchase several thousand plants in Rostov Region, but not all of them were of a good enough quality. So the Burniers started their own nursery and began working on selection. Over the course of several years, expert Swiss ampelographers came to select the best vines according to more than 20 criteria. This lengthy and painstaking process helped to preserve the Krasnostop Zolotovskiy variety of



Marina and Renaud Burnier have preserved a unique sort of grapes, Krasnostop.

grape as part of Russia's natural heritage.

Burnier also used high-quality cloned seedlings brought from Italy and France to establish his vineyard: both white (Chardonnay, Pinot Blanc, Pinot Gris, Yellow Muscat, and Viognier) and red (Merlot, Cabernet Sauvignon, Cabernet Franc, Malbec, and Syrah).

Establishing a distribution system was even more difficult. "In Russia, there is no way to freely store, move, and sell wine, as is customary, for instance, in Switzerland. Those activities are strictly regulated by the state. Small producers

cannot afford their own licensed warehouses in different cities around the country, so they end up wholly dependent on distributors and importers, who have no interest in promoting Russian wine due to low margins," explains Marina. She believes that developing high-quality domestic wine production in Russia will require making it possible for producers to sell their own products regardless of where they are licensed. And for that to happen, businesses producing wine from their own grapes will need to be regulated as a separate class.

The Burniers' first 17 hectares of grapes were harvested in 2005. Over the decades, the Burnier family had collected a circle of dedicated clients in Switzerland, and those customers were excited to sample the wine Renaud was making in Russia. The results delighted everyone. The success of that first vintage led them to expand the vineyard to 50 hectares by 2008. And

in 2009, the first deliveries were sent to Europe. Today, the operation exports 15–20% of what it produces, and not only to Switzerland, but also to the United Kingdom, Germany, France, and even China.

"We frequently hold tastings for our Russian wines in various European capitals," says Marina. "The first response is always surprise: Russia is not all snow. You can have a vineyard there, too. That surprise gives rise to an even greater curiosity. Renaud likes to tell people at these tastings to 'taste the Russian land'. And when they try our wine, they're amazed by the potential and structure the Russian terroir gives it."

International experts say wine from Krasnodar Territory is comparable to the top varieties from Bordeaux and Tuscany. And it is much less expensive. The Burniers run a full-cycle enterprise. Cultivating and processing the grapes, producing and ageing the wine, bottling – all of these steps happen in one place. Renaud is opposed to high-tech methods of wine production, and he uses only traditional, environmentally sound techniques. That means the BURNIER line contains no simple or young wines, only wines that are well aged, and as high-quality and natural as possible, delivering the full taste of the grapes and the terroir. In Russia, connoisseurs can enjoy them in the best restaurants of Moscow, Sochi, and, of course, St. Petersburg. 🍷



INDEPENDENT WINEMAKERS

Today, Domaines Burnier is the only winemaking enterprise in Russia that meets all the standards of the European Confederation of Independent Winegrowers (CEVI). This authoritative organization, headquartered in Paris, brings together small, independent European winemaking enterprises. Burnier hopes to create a similar organization in Russia, which would be an important step in giving the country a voice in the international winemaking community.

A NEW GENERATION OF IRREPRESSIBLE ENTREPRENEURS

Four guests from the future Russian economy

TEXT: Ivan Prosvetov, Laboratoriya Odnazhdy, special article for SPIEF MAGAZINE

They don't have MBAs, and they are brimming with ideas. Their actions may appear to be haphazard, but they are learning every day. They assess risks, but only in order to learn which risks are the smart ones. While businesses run by older adults have struggled to acquire market share and position, an entrepreneurial generation Y has grown up in the country. Millennials are doing business in Russia because they believe in the opportunities here, but they also think on a global scale.



KAIZEN IN THE GARAGE



Denis Dobryakov
can think globally



Denis Dobryakov jokingly calls his business development model "tormented entrepreneurship": the business grows every time it faces a new problem that must be overcome. Everything started with a problem. As a college student, Denis wanted to surprise his girlfriend, but he didn't have any money. So he found an empty box from an iron, pasted rose petals on it, and put a beautiful candle inside it. He succeeded in making an impression (the girl later became his wife). Dobryakov realized that people value the impression a gift makes over what it cost. And so he decided to go into the business of creating emotions. This is now the mission of his company, which can be read as you enter the Artskills office.

His father said: "Don't waste your time with this nonsense. Find a normal job." Denis locked himself in the

garage where he printed labels for wedding champagne and collected wall clocks with original faces. Together with his friend Sasha Tunikov, he launched a website promising to create unique gifts that could not be found anywhere else. Where they were not able to fulfil a customer's request by making something themselves, they looked for suppliers. One day, they received an order for a gift for the Vice President of Rosneft: the solution was to present him with a bottle of whisky featuring a special gold engraved label.

Dobryakov managed to earn up to 20,000 roubles per month, providing a noticeable boost to his student grant. Finally, he graduated from Moscow Technological University (MIREA). He was now faced with the question: what next?

One day, Dobryakov shared his fascinating idea with his classmate,

DENIS DOBRYAKOV,
28 years old.

WHAT: Artskills. A service that provides personalized gifts and souvenirs.

SCALE: Annual revenue: 100 million roubles. Average profit margin: 60%. Order volume: up to 4,000 gifts per day.

STARTUP: A garage, a laptop, and a second-hand photo printer.

CREDO: "In order to achieve something, you first need to learn something."

Artem Kudinov, over a beer. As a result, he recruited Kudinov as marketing director, and the company then brought in a small amount of development money for the first time. Vladimir Tunikov joined the team as its third member. He was not just Sasha's brother, but also a talented developer in his own right.

"Money and resources are always scarce, but they can be secured one way or another," reasons the founder of Artskills as he runs his hand over a digital printer that costs as much as a Moscow apartment. When the company started receiving more than 20 orders per day, the partners realized that it was time to automate the creative process. In particular, it was time to buy online editing software that would allow customers to produce a personal design for their chosen gift option in just 60 seconds. They found a German company that developed such software, but it cost an insane amount of money: 100,000 euro.

Without a euro cent to their name, Denis and his team flew to Berlin to negotiate in August 2012. The Germans liked the four upstarts from Russia. They offered a 50% discount, but they got the following answer: "No, we'd rather pay the full price, but in instalments over time, as interest on the profits of Artskills." Do-



bryakov had proposed the same kind of business deal (help us earn money, and you will earn money too) when he decided to acquire a printing machine and a laser engraving machine. The business was able to enter a period of rapid growth as soon as it freed itself from being dependent on eternally unreliable suppliers.

The next problem for the tormented entrepreneurs to overcome was a crisis of their own incompetence. It turned out that Artskills was receiving more orders than its employees were able to fulfil. Time to overturn the existing operating model. Dobryakov and Tunikov began to delve into the science of production management. They bought all of the books on the Japanese Kaizen system that were available on Ozon.ru, and they began to implement lean manufacturing principles in their business. As a result, 'Mikhalych', a program for calculating production operations that is able to issue clear instructions about where to get certain items and where to send them down the entire production chain, from the warehouse to the packing table, became the latest addition to the Artskills team. As Dobryakov explains, "Lean production, in fact, is a never-ending process. I myself am committed to continuous development. If I go through a day without learning anything new, then I feel very uncomfortable."

He now has everything he needs: equipment, 'Mikhalych', and ener-

getic employees that represent a new historical phenomenon: part hipsters and part technologists. But there was just one more hiccup: the company's production capacity could handle up to a billion roubles' worth of orders per year, but current sales accounted for only 100 million roubles. In search of new knowledge, Dobryakov last year enrolled in the Moscow School of Management SKOLKOVO. There he got an idea: increase sales by turning personal souvenirs into business tools. He christened his idea 'Gifts for Business'.

Denis describes how it works by way of an example. Representatives of a large bank recently paid a visit to Artskills. They wanted to sell a payroll service, but by the time they left they had signed a contract for gifts. As Denis explains, "We told them how it was possible to increase sales by strengthening loyalty through positive emotions. For example, you can present a personalized calendar, a pen featuring the client's name and surname, or a board game during negotiations."

Does Dobryakov have any big goals? He points to a plush unicorn sitting on the shelf. The unicorn is a business symbol. It stands for a company with capitalization of 1 billion dollars. When Denis raised capital during his first investment round at Skolkovo, his company was valued at 600 million roubles. That's when his pursuit of unicorn status began.

FIRST A BILLION, THEN THE WORLD

German Gavrillov notes, "I get angry when I see inefficiency." Just then I hear a chaotic racket coming from behind the door of his office: the Roistat employees are playing table football. They can allow themselves this bit of fun because the company has a system for tracking task completion. If you get everything done on time or before the deadline, then you can relax.

Efficiency is made possible, first and foremost, by calculation and analysis. However, at first, German developed his career haphazardly. After finishing school in his native Veliky Novgorod, he enrolled at a local university to study computer programming. However, a year later he transferred to St. Petersburg Polytechnic University where he enrolled in a distance learning course with the Faculty of Cybernetics, working as a system administrator and in web design while he continued to study.

In 2011, he bolted for the capital together with a friend. This time he launched a service that made canvas prints of photos. German had to create and roll out a website to receive and process orders. At first the business partners lived where they had to, but then a thought dawned on German: "How about that! I came to Moscow to do business!"

They launched the ProCanvas website, and it met with great success. But instead of focusing on the main mission of their business, they soon opened an online gift store for men. They quickly burned through their advertising budget, the stream of orders increased, and it was apparent that their process management was woefully inadequate. Then German proposed dividing the company with his partner so that they could each focus on a separate line of business. German took over ProCanvas, and began to make it more efficient.

Sales shot up, and online advertising costs also rose, but German could not shake the feeling that half



GERMAN GAVRILOV,
28 years old.

WHAT: Roistat. A system offering end-to-end analytics of advertising costs and Internet sales.

SCALE: The company has been able to grow to 4,000 paid projects in the space of four years. It raised more than 1 billion roubles in the current investment round. Growth rate is 15% per month.

STARTUP: Programming skills, a system administrator's salary, and a Veliky Novgorod residence permit.

CREDO: "Make decisions, even when your level of certainty is almost zero."

of the budget was being wasted. He was not satisfied with existing analytics services for evaluating advertising costs. So he wrote a piece of software to satisfy his own needs. It allowed him to evaluate the ROI (return on investment) of the advertising channel while taking current impressions, clicks, orders, and bounces into account. The software helped the business reduce its marketing costs from 1.5 million roubles to 300,000 roubles without cutting into its profits. ProCanvas revenue grew to 5 million roubles per month between 2013 and 2016, and the number of employees expanded from 10 to 100 people. It would seem that it was time to celebrate success. But then... German Gavrillov decided to sell the company. He explains, "It was because I realized that I finally found my life's work: Roistat." On the night of 25 February 2014, the owner of ProCanvas could not get to sleep. He had realized that the analytics software he had created should be turned into a marketable produce. It had enormous potential to be scaled. The next morning he called a programmer friend, Evgeniy Udodov, who worked as a development





German Gavrilov is building his business on the fundamental need of informational age – search for efficiency.

engineer at Tutu.ru. They struck a deal that same day. Three months later, at Ecom EXPO, the partners presented a pilot version of Roistat. At that time, it was compatible only with the two most popular CRM systems collecting data for analysis. Now it works with more than 50. Every month the company adds three to four new ones. The income and revenue ProCanvas was already bringing in were sufficient to improve

and promote the product, so German rejected all other offers to invest in Roistat. He wasn't impressed with the price.

He agreed to sell a small stake in Roistat in autumn 2016, when a private investor offered what he thought was a fair valuation of the project. The exact figure offered by the investor has not been disclosed. All we know is that the amount falls in the range of 10 to 15 million dol-

lars. The injection of cash allowed the company to jump ahead. In autumn 2017, Roistat's revenue exceeded 20 million roubles per month.

The company was now being propelled forward by the minds and efforts of a young energetic team of 150 people. The hallways of the company's office are decorated with posters of superheroes, whose faces have been pasted over with head shots of the employees and founders of Roistat. Due to his obsessiveness, the leader of the company resembles if not Batman, then certainly Rakhmetov from Chernyshevsky's novel *What Is to Be Done?* He listens to audiobooks and ponders new tasks even during his daily laps in the pool.

Calm and confident, German says: "We will become an international company. There's no stopping us! Roistat's goal is to radically improve the effectiveness of marketing. And my life's goal is to make companies from all over the world more efficient. Take Zuckerberg, Musk, and Brin. They are great. I admire them. But aren't they basically made of the same stuff as you and me? I also have a chance to change something in the world. At the very least, I can strive to do so."

THE FORCE OF ATTRACTION

What someone might go on to remember as being four days of recharging on the Côte d'Azur in France requires weeks of intensive preparation by Evgenia Ronjina. She is sorting out the final details for the Business Fusion business meeting during a break between two working meetings with the team of the VEB Innovations Blockchain Commune and the owners of the Wilgood franchised chain of car care centres. What these all have in common is the development of communities. This is a new marketing tool that is just emerging in Russia, and Evgenia is the country's first specialist in this field.

However, Ronjina warns, a group on a social network or a business forum with a set of regular participants is not yet a community. How can a system of long-term relationships be established with a client? During the first stage, a regular event is launched involving certain people. During the second stage, a social organism is established with its own language and traditions. Finally, at the third stage, the community assumes its final form with its own ideology and mission.

Evgenia came up with the idea for her first project, 'Celebration Academy', after her wedding, which she

had organized herself. She worked as an event organizer while she was a student at the Higher School of Economics. In 2010, she joined her husband's business, a company that cleaned apartments and offices and installed air conditioning systems.

Perhaps Evgenia would still be fighting for her share of the HVAC market if her Higher School of Economics classmate Mikhail Dashkiev had not asked her to participate in a 'Youth Business' training, part of his academic project. She remembers the impression that the first day of classes made on her: there were 400 people in the room, and they were



EVGENIA RONJINA,
30 years old.

WHAT: MyBusiness.Community. Creating and developing communities for business.

SCALE: MyBusiness.Community has 300 member entrepreneurs. Its corporate clients include major Russian banks, companies, and state agencies.

STARTUP: Ambition, summer camp, and the experience of organizing her own wedding.

CREDO: "I believe that there are skills that people must acquire before they can start thinking about the meaning of life."

all eager to change something in their lives. They all believed that the future depended on them.

And then everything fell into place. Evgenia asked why Youth Business didn't have its own alumni club. And she got the following response: "Would you be willing to create one?" Soon the club was set up, and it began to gain momentum. It soon became apparent that running the organization was not compatible with overseeing the air conditioning business. Ronjina had to make a choice.

Many successful projects are created to satisfy the needs of their founders, and that was indeed the case here. Evgenia simply created a community where she herself would be comfortable. This is an environment in which it is impossible not to grow your business. And for business, such a community is designed to help entrepreneurs improve produce recognition, boost customer engagement, and kick start organic growth.

Evgenia launched MyBusiness.Community in September 2017 to function as an international bridge between the business worlds of

Russia and the West that would help them to share best practices. Community members can assemble their own programme from the calendar of events consisting of forums, conferences, hackathons, business tours, and field trips. In just six months, 300 entrepreneurs became MBC members. The screening process is tough: only company executives and graduates of certain educational institutions are eligible to join on the basis of a member recommendation. To date, more than 2,100 people have attended field events organized or promoted by MBC.

Evgenia Ronjina is sure that the community market is just beginning to wake up. Major companies have already started to turn to her. She helped Delovaya Sreda, a subsidiary of Sberbank, create a training platform. She has cooperated with Vnesheconombank on the development of its Blockchain Commune. The Ministry of Economic Development recruited her to develop a certification for small business entrepreneurs. Several franchising networks have pondered the question of how their communities should be established. Requests even came in from unexpected quarters: ICO organizers. They were experiencing problems selling their cryptocurrencies.

They needed to find ways of keeping investors in their own orbit, and it was impossible to reach token buyers through the usual PR channels.

Evgenia's personal mission is to make sure that all 6 million Russian entrepreneurs have a common business community to call their own. And what about her personal income? It is currently more than 1 million roubles per month. She considers her financial success as confirmation that her experience and competencies are in demand.

She is constantly studying abroad, where community building practices are much more developed. Instead of utilizing an archaic approach to managing public opinion, the MBC team works at the intersection between this space and modern technologies: participation marketing, gamification, edutainment, and conversational marketing. So far there are more unsolved problems than solved ones, but for Evgenia this has been the formula that has fuelled her organization's development. As she explains with obvious pleasure: "It's very cool when you are working in a fundamentally new business space that has not yet been systematized. It adds a spring to your step. And it means that no one will be able to copy it."



Evgenia Ronjina has already settled up at the promising market of communities development for business needs.

IN SEARCH OF IMMORTALITY



Georgi Soloviev does not have his own office room, but he has a company worth 100 million dollars.

None of the Skyeng managers are professional educators. Georgi Soloviev does not believe that this is a requirement for managing an educational project. The goal of the service is to connect students and teachers, to bring teacher training experts into the process, and to ensure a successful learning outcome. Georgi himself graduated from the Department of Applied Physics at the Moscow Institute of Physics and Technology (MIPT), and he originally wanted to become a scientist. He was no less interested in the problems of ageing and prolonging life. But one day he found that he urgently needed to improve his English for an internship in Europe. Where should he look to find a decent teacher? There was no convenient online platform. The only options were Skype and mounting his own random Internet search for a teacher. Georgi improved his English, and the idea of an effective

educational platform started to take shape in his mind during this time. But before it assumed its final form, Soloviev decided to abandon his scientific career and try his hand at finance.

He set his sights on the Russian office of Goldman Sachs. He bombarded the company with letters until a senior manager agreed to a meeting during a coffee break. The willingness of the physics grad to disrupt the existing system made an impression. Soloviev was sent to work at the microfinance startup Kassa365. He happily agreed to take the post of assistant director, which only came with a salary of 15,000 roubles, because he didn't consider it to be a job, but a program of study that came with a stipend.

During this time Georgi lost any sense of extreme reverence for the world of great opportunities. However, unlike the hero of the movie

The Wolf from Wall Street, he resisted many temptations. He even turned down a job offer to become executive director with a good salary. He already knew where he wanted to apply the experience he had gained.

In 2012, Georgi became infected with the idea of founding an online school with three friends at MIPT and Bauman Moscow State Technical University (BMSTU). Together they received a grant of 400,000 roubles from the State Fund for the Promotion of Innovation. This was enough to develop the basic algorithms. After preparing the platform for launch, in the spring of 2013 Soloviev decided that it was time to part company with Kassa365. But they did not just let him go. His former boss, having learned why Soloviev was leaving, agreed to invest 30,000 dollars in his project. Soloviev was able to use this money to develop a pilot version of Skyeng.



GEORGI SOLOVIEV,
28 years old.

WHAT: Skyeng. The largest online English-language school in Russia.

SCALE: 100 million, the value of the company following its latest investment round.

STARTUP: A degree in physics and experience of working for a microfinance startup.

CREDO: "If you have a problem, then there is a solution."

He also left with the preference, so characteristic of investment bankers, of building out the company himself: if you build a company, then it should be worth a billion dollars. In October 2013, the Skyeng founders received 300,000 dollars from Alexander Laryanovsky, Yandex Director for International Development. At that time, the service had 30 teachers and 200 students. In January 2014, Laryanovsky joined Skyeng as Director of Business Development.

As Alexander recalled: "Operational profitability was already visible on the radar. But the first thing that I appreciated was the fact that four active young people, who thought in a systematic way, wanted to radically transform modern education by founding this school."

The investment allowed them to launch the new Vimbox education platform, which would allow each student to access a virtual classroom with an online textbook, a video link, homework assignments, and an archive of completed lessons. In 2014, Skyeng's revenue reached almost 40 million roubles. Two years later, the company was earning the same amount in the space of a month. The company invested the profit in improving the platform and creating mobile applications.

"We tend to keep our voices down around here," Soloviev says as he shows us a room where three dozen engineers and programmers are busily working (there are special booths for those who need a private area). Nearby is the teacher training department, which is responsible for training the teachers themselves in online teaching techniques and how to properly communicate with students. Now the school has 3,050 teachers. The Vimbox platform uses markers to monitor the quality of their work, such as, for example, time spent on explanations and exercises.

Skyeng's revenue in 2018 is expected to exceed 1 billion roubles. How does the company's founder feel? Soloviev shrugs his shoulders: only that everything is going as it should. He tells us frankly: "We became nervous only when someone made us an offer to buy the company for a lot of money. They brought in the special effects to try to persuade us. But we eventually turned down the offer."

For Georgi and his partners, this project is the ticket that will secure them entry into the big leagues of global business. They are convinced

that they will achieve their goal. The company took its next step in January 2018. The school entered into a deal with Baring Vostok, the largest group of private equity funds investing in Russian assets. The most immediate objectives include introducing their teaching methods in the classical system of school education and setting up a platform for teaching mathematics. And in the future, Skyeng infrastructure will be able to work with any subject, up to and including entomology and the study of Esperanto.

But what about the dream of immortality? It hasn't gone anywhere. As Soloviev says: "I stay abreast of developments on the topic. In the scientific world, the discussion no longer focuses on whether a radical extension of life is possible. The only question is when it will happen. For me, Skyeng is only a stepping stone to the next level of opportunity that will allow me to solve problems of such magnitude. So, what do we need to reach the next level? Authority, experience, a team, and money. In my opinion, all of the items on this list are achievable." 🌸



Skyeng is a platform for distant English courses. In future it can be used for any educational content.

David Yang:

“WE WILL FIND A COMMON LANGUAGE WITH ROBOTS”



THREE FACTS ABOUT DAVID YANG

1. In 1998–1999, he created the world's first pocket communication device for teenagers, the Cybiko.
2. He developed his own diet that was based on reduced intake of salt, refined sugar, products containing flour, and animal fats. He published the book *Now I Can Eat Anything I Want! The David Yang Diet [Teper' ya em vsyo, chto khochu! Sistema pitaniya Davida Yana]*.
3. He is one of the owners of the Moscow clubs Ferrein (formerly FAQ Cafe) and DeFAQto.

Text: Irina Li

Co-founder and Chairman of the Board of Directors of ABBYY David Yang is one of Russia's most prominent IT entrepreneurs. He has now focused his attention on studying artificial intelligence and its use in business. On the eve of the St. Petersburg International Economic Forum, Yang talks to us about whether humanity faces the threat of a machine uprising and when the line between people and technical devices will be erased.

Is it too early to talk about artificial intelligence (AI) when we don't even understand how our own brains work?

No, on the contrary. Initially, such systems were conceived as an attempt to create a simple model of our understanding of how a natural neural network operates. But now, as neural networks have become more complex, we are observing phenomena that we never even imagined before. Some processes in artificial

neural networks can be compared with intuition, some with subconsciousness, and others with dreams. And this, in my opinion, is helping us to get closer to understanding how our brain works.

When will we be able say that AI has started to catch up with human intelligence? When will it be able to recognize and understand human speech?

It can already recognise speech fairly well, sometimes even better than people. And it can also synthesize speech, too. In some cases it can pass the Turing Test (an empirical test whose goal is to determine whether a machine can think – Ed.). If you are asking about AGI (artificial general intelligence, also called 'strong' artificial intelligence, which is capable of successfully carrying out mental tasks like a human – Ed.), then such systems may appear in the second half of this century, around 2050. At a minimum, this will require the creation of artificial neural networks that are comparable in their complexity to the biological neural networks in the human body. That is, they will contain about 100 billion neurons. And even if we create artificial neural networks on this scale, it will not mean that we have created artificial general intelligence.

But the development of AI also entails problems. For example, a Tesla self-driving car has already been involved in a fatal accident, and an Uber self-driving car ran over a cyclist. These events have raised questions: who is responsible for these tragedies?

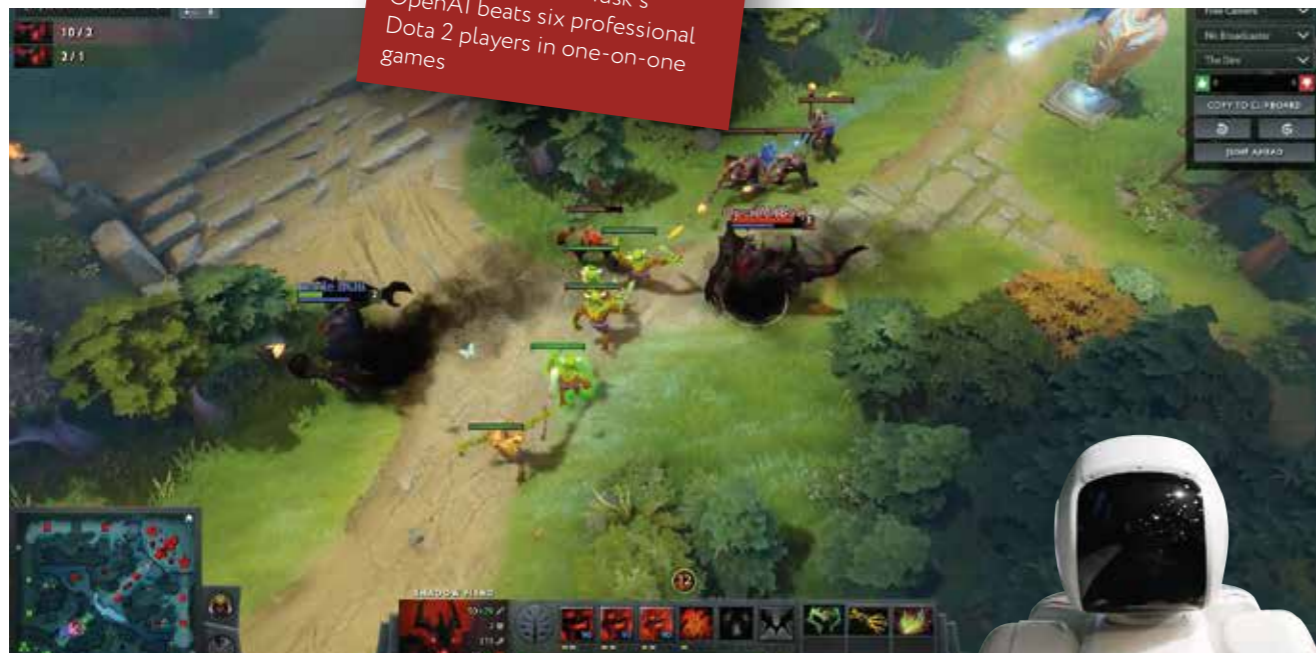
At the moment, these systems are being treated like pets from a legal perspective. Who is liable for damages if a dog bites a neighbour? The dog owner is. One approach is to assign legal liability for damages to the owner of the device, regardless of whether or not he or she was physically in the car. It is the owner's decision to operate the car in self-driving mode. But this is current practice, and is likely to change.

In general, there is an opinion that at some point the line between biological beings and technical entities will be erased. Most biological people will have artificial components, including organs, chips, and built-in devices that will help us to cope with diseases and will improve our abilities. Conversely, technical devices will incorporate parts that have been built using natural DNA and natural cells with mitochondria, etc. It is possible that the law will determine the percentage of living cells in a being that endows that person with rights and responsibilities. For example, a person with 80% natural cells or artificial beings incorporating a small number of living cells will not be considered subject to the law. Accordingly, other biological beings will be responsible for them. There is an opinion that holds that these major shifts in the world may happen after 2045–2055.

The creation of a truly intelligent AI may lead to the death of mankind. This is what Stephen Hawking, one of the world's most respected scientists, believed. He said that “the development of full artificial intelligence could spell the end of the human race.” Do you agree? How can this be avoided?

This is an inevitable process. By creating antibiotics, we have also created bacteria that are very resistant to medication. By creating more sophisticated neural networks, we may also be creating neural networks that may become hostile to humans. It is believed that if the singularity is reached, neural networks will evolve at an even faster rate. This means that people will, in principle, be defenceless against the capabilities of more perfect beings. Many believe that the answer to this problem is the creation of more sophisticated neural networks that will observe and predict the hostile behaviour of their 'brethren'. Let's say a neural network begins to control a nuclear power plant or it creates conditions where the plant can be operated without human oversight.

On 11 August 2017 a bot produced by Elon Musk's OpenAI beats six professional Dota 2 players in one-on-one games



The latest version of Asimo, produced in 2014, has the height of 130 cm, weight of 50 kg and speed of up to 7 km p.h.

A separate neural network can be used to monitor the first network's behaviour. The former will be able to provide timely warning and prevent malicious behaviour.

What are some of the projects or technologies that have interested you lately?

One idea is EVRYTHNG, which is a project to develop a system of radio tags. These allow us to connect our lives and the behaviour of items of clothing, food, and beverages with the online world. Previously manufacturers had no idea how consumers

used their products once they left the factory. And companies didn't understand how they could improve their products. Now, any object can have a digital life, and this turns the entire process of production, marketing, and sales on its head. This is where the future lies. To get there, companies will have to learn how to work with big data.

I generally believe that if a company, whether it be a laundry or a hairdresser or even a multinational company, does not learn how to harness big data, then it will no longer be in business in another 10 years.

How AI is taking over the planet

1956

At the Dartmouth workshop, held at Dartmouth College in New Hampshire, the term 'artificial intelligence' is first used to mean 'a system that perceives its environment and reacts to it'

1966

The Massachusetts Institute of Technology tests ELIZA, the first working AI program with the ability to formulate questions based on the sentences fed to it



1997 The Deep Blue supercomputer beats world chess champion Garry Kasparov in six matches

2005

Honda presents its two-legged humanoid robot ASIMO

2012

Google's self-driving car is approved for use in its first state, Nevada



2017

Robot reporter Hellograf writes short news stories on the 2016 Olympics and the US presidential race for The Washington Post



2029

According to Moore's Law, the capacity of computers to process information will reach that of the human brain



2016

AlphaGo by Google DeepMind beats Lee Sedol, a Korean professional of Dan 4 (the highest rank) in Go game



2020

Automation systems and AI will replace over 5 million employees all around the world

2045

Futurist Raymond Kurzweil predicts that this will be the year of the onset of technological singularity: machines will surpass humans in intelligence and begin to develop independently



The only way to survive is to generate, take into account, and understand big data, including through the use of AI. And companies must make the right decisions on the basis of the data.

For example, ABBYY's smart technologies help banks to automatically assess the risks of issuing loans, choose the best supplier during a tender, and process customer requests for support. Artificial intelligence can do in a few hours what many companies spend days, weeks, and months of their employees' time performing.

At Findo, we are trying to analyse the behaviour of employees. After all, they are the main asset of any organization. All employees communicate with each other through communication channels, including email and messengers. The entire brain and heart of the company lies in these communications. But previously no one knew how to properly make use of this data, which consists of billions of messages, likes, and reactions. We have created the Yva Pulse (yva.ai) system, which connects to the company's messages and functions, if

you like, as the company's electronic brain: it understands what employees think, and allows you to predict dismissals and conflicts, analyse why some sellers sell well, and gives you insights into how you can teach the rest.

But then there arises the question of privacy: are employees ready to have their correspondence and behaviour monitored 24/7?

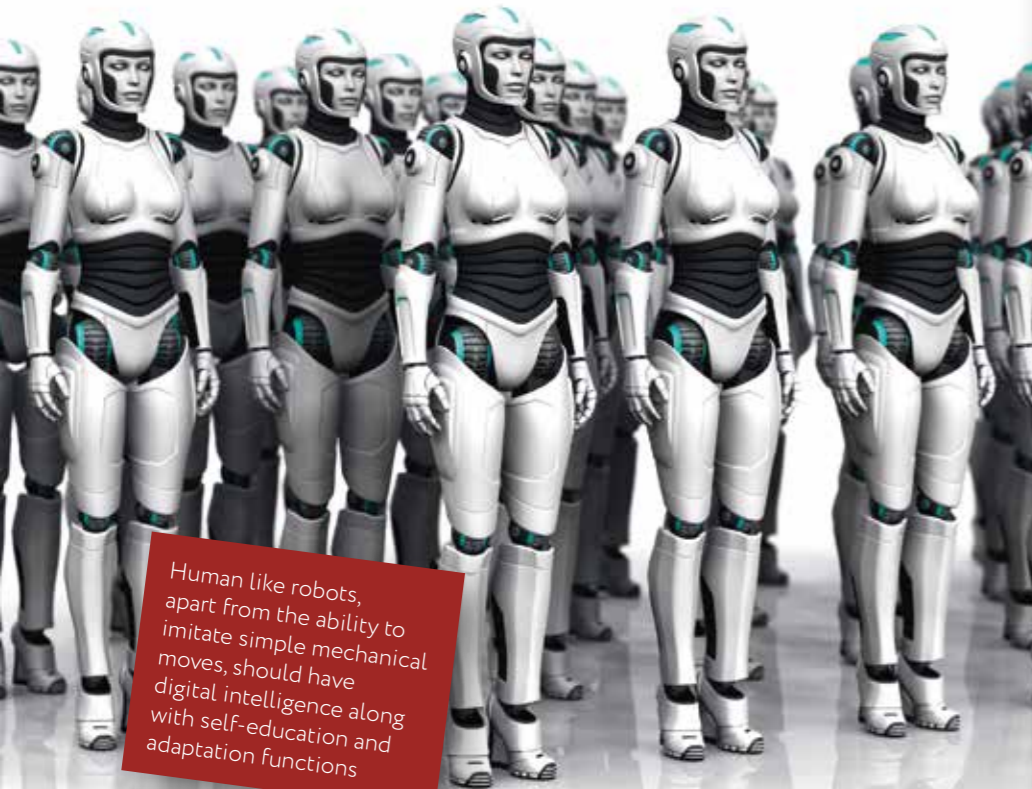
Of course, the issue of confidentiality is pressing. Therefore in our case, for example, the system and servers are located inside the company. In other words, there should be no data leaks. Every company enters into an agreement with each of its employees, which states that all intellectual property created during working hours belongs to the company, and this includes official correspondence and messages. And employees agree to this by signing a contract with the employer.

As a follow-up: do you consider Facebook and Google to be media companies, though they may refute this in every possible way? Can cor-

porations with audiences numbering in the many millions influence people's offline lives?

Any company that delivers content is a media company, and these companies influence readers. Previously, the sources of content were newspapers, radio, and television. And our opinion, whether we liked it or not, was formed in part through them. If 80% of our attention is now focused on Instagram, Facebook, and so on, then, accordingly, we are affected by what is published in our feeds from these services. The main question is: what's in a feed? Posts by other people. Being social animals, people have a vital need for communication. While we previously exchanged opinions in the kitchen and lounges, now our discussions take place in social media feeds. But the people online are the same people who are around us. And it is important for us to decide how our news feed should be constructed and what should be included in it.

I believe that technological progress cannot be stopped. It represents our desire to improve



Human like robots, apart from the ability to imitate simple mechanical moves, should have digital intelligence along with self-education and adaptation functions



REPLICA

Can a clone replace a real person? The first episode of *Black Mirror* second season describes how artificial intelligence could help people cope with the death of loved ones. Martha's boyfriend Ash dies in a car accident and friends advise her to create a replica that looks just like the real Ash. The episode inspired several startups, in particular the Replika app, with which users can make a digital copy of a human being. The app was created by former Afisha restaurant critic Eugenia Kuyda.

the quality of our lives. There are constantly going to be problems, and it is vital that society openly discusses them and arrives at quality solutions.

You live half of your life in Silicon Valley in the US and the other half in Russia. What is the difference between the lifestyle of an entrepreneur in the Valley and one in Moscow?

The lives of entrepreneurs are the same everywhere: you think about your product and your team 24 hours a day. But I can say that people in Silicon Valley communicate more. They exchange opinions more intensively. Here the culture of accelerators, like Y Combinator and 500 startups, has taught everyone that if you have an idea, you need to talk about it as much as possible. The sooner that you get your product out to buyers, even if it is just a prototype, then the sooner that you will be able to understand whether anyone really needs what you have come up with. When I am in Russia I often hear: "I came up with something brilliant,

but I'm not going to tell you what it is." The value of an idea is zero. Anything that you can think of has already been thought up by others. It will take two to three years to bring your idea to life, and during that time everything will change on the market. You should therefore do as much as you can to attract customers for your product and to learn the true pain points of your user. Ideally, your business should be structured in accordance with the following priorities: first the buyer, then the team, and next the idea. The product is last.

Have you watched the TV series Black Mirror, which tackles the growing influence of information technology on our lives?

I've heard a lot about it, but I only recently saw a few episodes. The series is very well done. However, in my opinion, it is pretty depressing. The function of technology should be to help people, and not the other way around. I once participated in a project whose goal was to connect two strangers who might be interested in each other.

We called it the Club of Interesting People. Insofar as you are a member of the club, the system will get to know you better, and then it will connect you with an interesting conversation partner via an anonymous call. This is not just about dating. The goal of the communication can be anything. For people, the function of communication is as vital as eating and sleeping. And we were wondering whether AI could connect us with people we might find interesting, but whom we do not know. Similar technologies are coming. The Black Mirror series has even mentioned some of them. I'm sure that in the future technology will be able to help us meet our soulmates.

For the last 100,000 years technology has helped people. It's now hard to imagine what life would be like without electricity, radio, aircraft, and mobile phones. I am optimistic. I'm sure that technologies will continue to improve the quality of our lives. We are people. We will find a common language with robots and with AI in general. And we will be able to live amicably together. 🌱

OPERATOR OF THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM:

DR. KLAUS MANGOLD,
Chairman of the Supervisory Board, TUI



EXCLUSIVELY FOR SPIEF

GLOBAL ECONOMIES REQUIRE LESS PROTECTIONISM

Which innovations are a priority for the world today?

Never before has there been such rapid technological progress and innovation as we have seen in the last 100 years. But we must not forget about people. Innovations are needed to improve quality of life. This applies to the most fundamental sectors: agriculture and food, energy conservation, and the further development of renewable energy sources.

On what should world leaders agree?

We need to reach an agreement on arms control and creating a safe society. Another important goal for politicians should be achieving general prosperity for everyone.

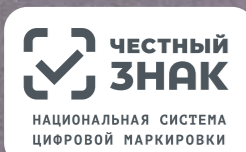
What is your economic outlook for 2030?

Global economies require more predictability, greater flexibility, and less protectionism. Here I'm talking mainly about the USA and China. Despite the uniform nature of their political decision-making, European leaders also have to reckon with national affairs. I think that we will achieve economic

growth in the coming years, which will be accompanied by the expansion of the digital economy and the creation of a large number of jobs.

What advice do you have for entrepreneurs today?

There's no fixed set of rules, but companies that monitor the funds they have available are able to weather crises. It's important to see the risks which are present early enough to take appropriate measures to counter them. We have occasionally been observing the opposite trends in recent years. 🌱



EFFECTIVE TRANSPARENCY

The global market for track and trace, which entails the tagging and monitoring of goods, is expected to see rapid growth over the next 8–10 years. This tool makes the market for goods transparent, creating a digital platform for businesses and consumers and helping to build a trust economy.

International track and trace projects were first introduced over a decade ago. Among the pioneers of track and trace solutions at the state level are China, Brazil, Turkey, the USA, and the EU. According to a report produced by global consulting agency The Boston Consulting Group, 100% of countries implementing large-scale track and trace projects have compulsory programmes for pharmaceuticals; 80% enforce track and trace on tobacco products and beverages; and 10% use a voluntary tracking system for tobacco. Through the implementation of tracking projects,

countries have reduced the volume of the 'grey' market several times over, with a concordant increase in tax collection, while businesses are seeing the return of revenues lost due to counterfeiting.

Governments usually bring in a private operator to launch tracking projects. In China, this operator is AliHealth, a subsidiary of Alibaba. In Brazil it is the Swedish company SICPA. These operators invest their own funds, and so do not place any extra burden on the state budget – they receive payment for their services from manufacturers.

At the end of 2017, Russian President Vladimir Putin approved a government decision taken in November to create a unified national digital track and trace system for goods by 2024, using the services of a sole operator, the Prospective Technologies Development Center. The Honest Seal system, created by the Center as a public-private partnership, will allow government, business, and end users to monitor the journey of goods from the production line to the shop till. This guarantees the authenticity of the product, ensuring the protection of public health.



MIKHAIL DUBIN,
Chairman of the Board, Prospective Technologies Development Center

When the question of naming a national track and trace system was raised, the answer came almost immediately: Honest Seal. Our system is being implemented in the interests of creating an environment amenable to honest business and to ensuring a high quality of life for consumers. For many years, citizens in our country saw a seal of authenticity and safety as a seal of quality. Now, the cryptographically protected digital Data Matrix barcode will act as a new seal of quality, guaranteeing the legal and honest provenance of goods. Honest Seal is a platform for building a real trust economy, designed to meet the needs of the market.

It follows that active citizens will become key players in the Honest Seal digital system. Consumers will be able to check the legality of products and report any identified instances of counterfeiting using a mobile app. Thousands of checks will be conducted across Russia every minute, and thanks to civic monitoring the market will become genuinely transparent.

In April 2018, Russian Prime Minister Dmitry Medvedev signed an action plan to combat illegal trade in goods. A tracking project occupies a central place in the plan. "Traceability will significant-



DENIS MANTUROV,
Minister of Industry and Trade of the Russian Federation

To make the best possible use of domestic demand, we have stepped up the fight against the illegal trade in manufactured goods. A system is being established that will provide for end-to-end traceability of goods on the journey from producer to consumer. Product tracking will prove a key tool in this effort. It is already being used in a number of sectors and, on the instruction of the Prime Minister, is set to be extended to all major product types by 2024.

ly improve the work of the single market, increase tax collection, and bring entire sectors of the retail market out of the shadows", he said, citing the advantages of a tracking system. The Prime Minister believes that it is important at the present stage to gradually extend tracking to new categories of goods "until all commodities are covered."

By 3 May the government had confirmed a list of 10 categories of goods which will be subject to mandatory tracking. Manufacturers will be required to track tobacco products from March 2019 and



MIKHAIL MISHUSTIN,
Head of Federal Tax Service

The marking is required to prevent fake, counterfeit and poor quality goods from getting to legal market, which is important both for the state and for end customers. And this is essential when it comes to medicine.

Photo: Sergey Savostyanov / TASS

In turn, legitimate manufacturers, with whom the Center is developing the implementation mechanism for each product category, will achieve a significant breakthrough in digitalization and cost reduction with minimal investment and practically no interference with operational processes, as well as a new share of the market and protection of their brands and reputation.

No other country in the world has yet developed an end-to-end track and trace system. There are only fragmentary solutions across separate categories. In this sense Russia will be a pioneer, creating a system with no global counterparts.

In a February 2018 address to the Federal Assembly, the President paid special attention to the importance of technology and digital projects: "We must develop our own digital platforms. Naturally, these platforms should be compatible with the global information space."

The Center's track and trace system for goods makes use of domestically developed crypto technologies. Furthermore, it reveals the potential for online cash registers: sellers will simply be unable to sell counterfeit goods.

The Center's solution will be integrated with the standardized sales receipt of the Federal Tax Service's automated monitoring system, customs databases, and the standardized catalogue of goods. This will allow the Russian Government to analyze the majority of goods purchased in the country in real time. Today, only the tax authorities in South Korea and, to a lesser extent, Singapore come close to the capabilities of Russia's Federal Tax Service.

Digital tracking will protect legitimate manufacturers and importers, allowing them to increase productivity, improve logistics chains, grow their market share and, ultimately, increase revenues, all with minimal investment. Special applications for business will emerge, enabling companies to use cumulative analytics to support their own development.

According to The Boston Consulting Group's figures, the revenues of pharmaceutical market players may jump by RUB 39–61 billion following the introduction of tracking, with a rise in revenue of RUB 57–93 billion for the tobacco sector.

The Prospective Technologies Development Center's project has ambitions beyond Russia. The company is creating a tracking concept for the EAEU – a platform for business development and cooperation between nations. The Honest Seal system makes it possible to monitor current information about goods markets in real time, increasing the speed of operations, the accuracy of operational processes and, as a consequence, leading to growth in trust between market players. 🌱



ALEXEY REPIK,
President, Delovaya Rossiya (Business Russia), Chairman of the Board, R-Pharm

A system that tracks the entire lifecycle of goods means only one future, and that future is inescapable for all of us. Once entered into the system, the goods remain in it forever. This means that once it arrives at the customer it doesn't disappear, but simply changes status. This is, as I see it, a key element in how the system operates. And it is this opportunity to monitor product quality and give consumers a way of feeding back to manufacturers that we believe is of critical importance.

Photo: Sergey Savostyanov / TASS



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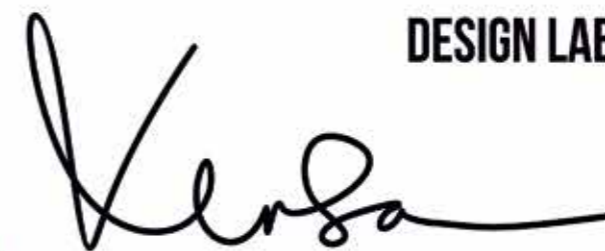
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A DOCTOR FOR YOUR BODY

Anti-ageing technologies are making their way from the laboratory to the market

Text: **Ariel Fainerman, Immanuel Kant Baltic Federal University, Institute of Physics, Mathematics and Information Technologies, and Natalia Nifantova, especially for SPIEF**

In the next two years, at least two radical rejuvenation technologies developed by British gerontologist Aubrey de Grey are set to enter human clinical trials.

Almost 17 years ago, the doctor promised that people would be able to live for a thousand years if they were 'repaired' in time. And he intends to fulfil his promise.

For centuries people have dreamed of inventing an 'anti-ageing pill' that could shut down the ageing process forever. The current scientific consensus leans towards the conclusion that it is simply not possible to turn off ageing. Oddly enough, this is supported by studies of long-lived species of animals and those that hardly age at all. Naked mole rats are resistant to cancer and are able to live for 30 years, which is an unthinkable lifespan for rodents. The longest-lived vertebrates are Greenland sharks, whose life expectancy in nature can reach 300–500 years.

Freshwater polyps are effectively immortal, though they are far from humans in evolutionary terms.

Scientists are discovering increasing numbers of new biochemical and genetic features that allow these creatures to live long lives and avoid ageing. We've managed to gain an insight into some of their life-hacks. For example, scientists have observed that bacteria utilize a CRISPR/Cas genome editing system, and they are now preparing to use this to treat genetic diseases in humans. But all these little secrets do not add up to a universal recipe for longev-



In order to extend the healthy life of a person, it is not necessary to redesign it at the genome level

level, at least in the view of part of the scientific community. Instead of trying to come up with an invincible machine, you need only make timely repairs when there are breakdowns and replace parts.

To appreciate this point, simply compare an old car with a new one and understand that it has deteriorated from the effect of time. Scientists, even without fully understanding the causes of ageing, can describe its main features. The British gerontologist Aubrey de Grey was the first, in 2004, to describe the main kinds of damage that occur in the ageing human body, and, more importantly, to identify potential techniques that could be used to repair them. His concept is called SENS (Strategies for Engineered Negligible Senescence).

De Grey has been promoting his ideas for radical rejuvenation for nearly 17 years. Although he was at first considered an eccentric, it cannot be denied that over the years he has had a significant influence on attitudes towards ageing. In the scientific community and beyond, ageing is increasingly no longer being considered to be a sad inevitability. Rather, scientists are becoming more receptive to the idea that it is a disease that can and should be treated.

But there is good news.

An engineering approach to ageing

In order to radically extend the healthy life of a person, it is not necessary to redesign it at the genome

level. Today, the SENS Research Foundation, founded by Aubrey de Grey, sponsors applied research in the field of rejuvenation wherever possible. The laboratories of many famous universities, including the University of Oxford in Britain, Yale and Harvard

TECHNOLOGY

in America, and the French Pierre and Marie Curie University, collaborate with SENS. Five biotechnology companies are also affiliated with de Grey's foundation. These companies work directly on transforming scientific knowledge into engineering techniques to fight ageing.

Human body repair workshop

The SENS concept includes seven types of damage that occur during the ageing process, and seven programmes to develop therapies

accumulates in the eye's epithelium and causes blindness. When Ichor Therapeutics fully develops the technology, it will be possible to use it to remove intracellular waste throughout the body.

AmyloSENS: the removal of extracellular waste products. One example of the malignancy of extracellular waste is amyloid beta, which forms plaques in the brains of patients with Alzheimer's disease. All of the proteins in the body are long molecules. When considering these proteins, it is important to note not only the atoms that they are made up of, but also the shapes into which they are folded. In-



Photo: Sergey Bobylev/TASS

THE CONQUEROR OF OLD AGE

Aubrey David Nicholas Jasper de Grey was born on 20 April 1963 in London.

He is a British biologist and gerontologist, a fellow at the Institute for Ethics and Emerging Technologies, an advisor to the Singularity University, editor-in-chief of the journal *Rejuvenation Research*, and a visiting professor at the Moscow Institute of Physics and Technology since 2013.

In 2007, de Grey wrote the sensational popular science book *Ending Aging*, which considers the question of achieving a complete victory over ageing in thorough detail. According to the conclusions of the gerontologist, ageing can be defeated through the resources of medicine within the next few decades.

The concept of SENS, or 'Strategies for Engineered Negligible Senescence', developed by de Grey, is designed to achieve this. The SENS Research Foundation, of which Aubrey de Grey is Co-Founder and Chief Science Officer, is developing this concept jointly with many scientific and pharmaceutical organizations.

Scientists have managed to gain an insight into some animals' longevity lifehacks

designed to treat such damage. According to de Grey, four of them have come very close to practical implementation.

LysoSENS: the removal of intracellular waste products. Ageing skin pigmentation, cholesterol plaques in blood vessels, and age-related retinal degeneration (one of the causes of age-related blindness) are just a few consequences of the fact that, over time, cells lose their ability to digest accumulated metabolic products. In cells, this process is controlled by organelles (lysosomes), and they accumulate 'digestive disorders' for the same reasons as humans do: they lack a sufficient number of enzymes to break up complex molecules. The LysoSENS strategy is to supply the lysosomes with enzymes so that they can perform their designated function once again.

Ichor Therapeutics has developed a therapy that removes from cells vitamin A-derived A2E, which

correctly folded proteins clutter the intercellular space, preventing cells from functioning properly and leading them to die.

A potential solution is to incite the immune system to go after them. Introduce antibodies into the body that will bind to harmful proteins, and immune system cells will begin to react to them like enemies: they will cut them up and dispose of them. Better still, catabodies represent a particularly independent subspecies of antibody. They not only mark bad proteins, but also break them down into smaller fragments. Covalent Biosciences is actively developing such catabodies.

ApoptoSENS: victory over the army of 'zombie cells'. 'Zombies' are cells that are affected by senescence and have accumulated a certain amount of damage. For some reason, these cells refuse to voluntarily die as a result of apoptosis, or programmed cell death. A small num-



Freshwater polyps are potentially immortal organisms.



The Greenland shark can live in nature for up to 500 years.



Naked mole rats can live for 30 years, an unthinkable lifespan for a rodent.

ber of zombie cells are useful, since they play a role in healing wounds. But with age, the immune system's ability to kill excess zombies wanes. Cells affected by senescence secrete many chemical inflammation mediators, causing such diseases of old age as arthritis. New cells cannot establish themselves in such an aggressive environment, and this prevents tissue renewal. By contrast, cancerous cells can thrive in an inflammatory environment.

The pharmaceutical company UNITY Biotechnology is developing senolytic drugs, which target the cells affected by senescence, but leave others untouched. Clinical trials will begin in 2018. It is likely that of all the rejuvenating therapies under development, senolytics will be the first to reach the market.

RepleniSENS: cell replacement. Dead cells are replaced by new ones from a certain number of special stem cells. Some tissues do this

quickly, such as the intestinal epithelium or blood, while for others the process is a little slower. And the brain, heart, and muscles replace cells so slowly that for a long time it was thought that they did not renew them at all. Over the course of 80 years the human brain loses a third of its cells. But the rapidly regenerating organs also start to encounter problems as they age. In stem cells DNA mutations, damage, and waste products accumulate in the same way as in normal cells. They become slower to divide, and they start to degrade.

The solution is to replace cells. Ten years ago, the only source of human pluripotent stem cells (meaning ones that are able to turn into any of 230 types of human cell) were early-stage embryos left over from in vitro fertilisation (IVF) procedures. Fortunately, scientists have found a way to reprogram the cells of adults to become induced pluripotent stem cells (iPSCs). Thus, any person can donate their own stem cells to help themselves, since these stem cells can be easily multiplied in the laboratory.

In January 2018, the US Food and Drug Administration (FDA) approved the use of an automated bioreactor-based stem cell production platform developed by experts at the Mayo Clinic. The device is capable of producing billions of stem cells within

In 2018, trials of senolytic drugs that can kill zombie cells will begin



Russian scientists already know how to prolong life of mice with the help of medicine that stops damage of mitochondria



Photo: Vladimir Trefilov / RIA Novosti

THE RUSSIAN ION

Vladimir Skulachev, a Russian scientist and professor at the Moscow State University, is also working on the development of a therapy that can stop free radicals from damaging mitochondria. His invention is SkQ, a molecule that can penetrate through the lipid membrane of mitochondria and specifically deliver the plant antioxidant plastoquinone, which neutralizes free radicals, to the desired location. Skulachev created Visomitin eye drops, which are designed to treat dry eye syndrome, on the basis of this ion. The effect of SkQ when ingested is still being investigated. In experiments it has been shown that when SkQ is added to drinking water, it prolongs the life of mice.

a 'landing pad' for Bxb1 in the right location within the human genome and then to use Bxb1 to insert the selected genes into this location."

Of course, the effectiveness of any of these developments in humans has yet to be confirmed. But if the trials are successful, we will be able to win the war with old age within 20 to 30 years. By the measure of one human life, that is a long time. However, the important take-

a matter of days. This means that experiments and clinical trials that seek to probe the regenerative capabilities of stem cells, from growing skin to restoring the brain, will now be able to proceed at a much faster rate.

The potentially immortal may already be among us

Aubrey de Grey notes: "Most of the proposed technologies associated with stem cells are already at the clinical trial stage. The same is true of efforts to remove amyloids in patients with Alzheimer's disease. The next breakthrough will likely be a technology that can destroy cells affected by senescence – Unity promises to put such a technology into clinical trials this year – along with one to remove intracellular waste to treat macular degeneration (the macula is the area of greatest visual acuity in the retina; the project targeting macular degeneration was developed by Ichor Therapeutics – Ed.). The other three problems are more complicated, but we are making gradual progress there, too!"

De Grey is referring to the GlycoSENS, MitoSENS, and OncoSENS programmes. GlycoSENS proposes solving the problem of protein crosslinks, which form with age in almost all of the body's tissues as a result of interaction with blood glucose. They produce such symp-

toms as wrinkles and the hardening of blood vessels, which is responsible for high blood pressure in the elderly and clouding the eye lens. MitoSENS is a programme to protect mitochondria (the cell's energy stations) from the effects of free radicals. OncoSENS is a gene therapy for cancer. It is not aimed at modifying the immune system's cells (like certain recently marketed therapies), but at changing the genome of the cancer cells themselves.

The problem faced by the latter two programmes is that existing methods of editing DNA are imperfect. But, as de Grey points out, the SENS Research Foundation is already conducting research to solve this problem.

"We combined two technologies: CRISPR, which precisely binds to the chosen location in the genome, but which can insert only a small fragment of the new DNA, and Bxb1, which can insert large DNA fragments, but which cannot grab onto the mammalian genome. The idea is to use CRISPR to create

All applied developments in the anti-ageing field are sponsored by private donations

way is that this period will be a time of even more intense research. By the time the first people who have tried anti-ageing therapies catch up with their biological age, new rejuvenation techniques will have reached the market. If the technology eventually develops faster than the speed at which people who are currently alive age, then they have every chance of living for an indefinitely long period of time. And we're not just talking about today's newborns. There's also a chance for those who have already hit 50. In the race against ageing, the main thing is to be at least one step ahead.

Who will be able to afford youth?

The prospects are exciting. But the question remains: who will be able to afford radical rejuvenation therapy? The first therapies to reach the market will certainly not be cheap. All of them require either high-precision methods of 'targeting' certain types of cells with the medication, or the ability to work individually with the patient's cells in the laboratory. It can be assumed that in terms of price, these therapies will cost at least the same as a recently introduced gene therapy for cancer: starting at 350,000 dollars per course of treatment. Aubrey de Grey, however, has an interesting take on the problem of the affordability of these technologies: "Unlike modern medicine for the elderly, which is also expensive but in fact cannot solve the problem of ageing, the medicine we are talking about will work. It will allow people to retain their youth and health throughout life, which will also become much longer.

And this means that this medicine will pay for itself. It will allow the people who use it to continue to contribute to the welfare of society instead of ageing and retiring. And the young will be more productive. They will not need to look after their sick old parents. Even if one looks very pessimistically at the cost of rejuvenation, it is obvious that any



WHAT CAN THE PHARMACEUTICALS INDUSTRY CONTRIBUTE?

Another direction in the fight against ageing is the study of geroprotectors, which are drugs that are known to affect the lifespans of animals, including mice, rats, and worms. Two of them have become particularly well-known.

The first of these is Metformin, a drug that is used to treat diabetes. In experiments, worms that received Metformin lived 18–36% longer (depending on the dose) and mice lived five percent longer than those in the control group that did not receive the drug. This effect is attributed to the ability of the drug to lower blood glucose levels. However, Metformin causes such side effects as nausea, vomiting, and diarrhoea.

Rapamycin is used to prevent organ rejection during transplantation. At high doses, Rapamycin increases the life expectancy of mice by 23–26%. It has been shown that Rapamycin binds to a specific gene, which has been called mTOR (mammalian target of Rapamycin). Scientists are actively studying the functions of this gene to understand how it relates to ageing.

These studies will help us to better understand the mechanism of ageing. But it would be premature to run to the pharmacy just yet: you won't be able to live for a couple of centuries on Metformin. These drugs do not produce any such effect, not even in mice. Probably, all they will be able to do is add a few years to your life, and even then only if they are constantly administered. In other words, quitting smoking and signing up to your local swimming pool are more effective measures for prolonging your life. What's more, these options won't cause diarrhoea.

country that refuses to provide such therapy to its elderly citizens on affordable terms will face economic collapse.

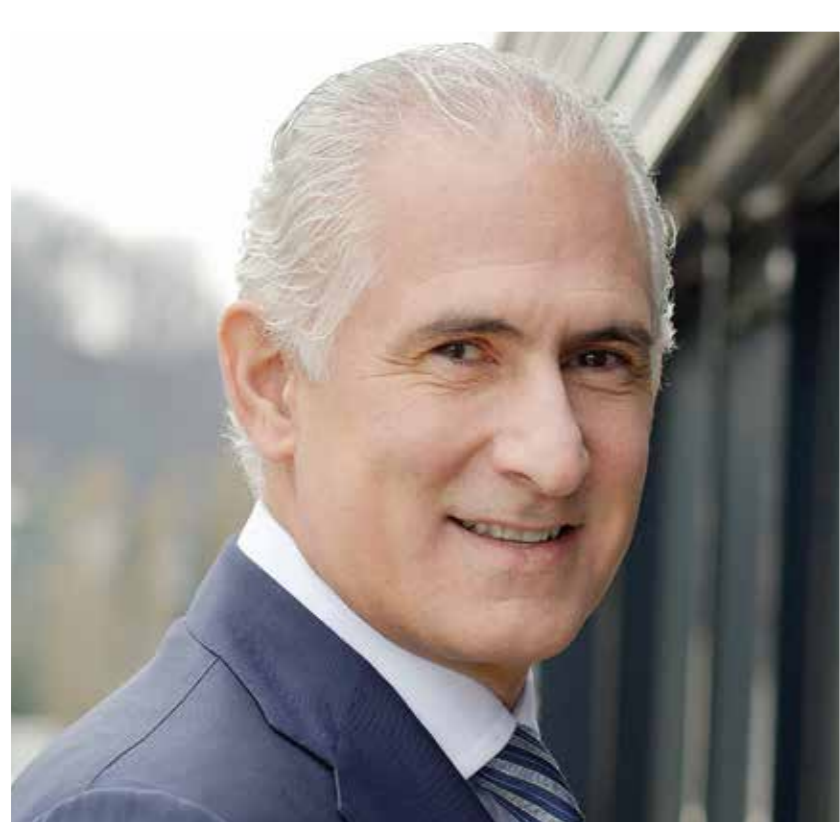
Now this might sound strange. Rejuvenating biotechnology paid for through taxes? But a good point of comparison is free school education. It requires state spending. But if you don't educate your children, then in 20 years you will have a population that cannot find work."

De Grey himself is concerned not so much with the future as with the present. Currently all applied developments in the anti-ageing field are sponsored by private donations. For example, in February this year, Vitalik Buterin, the creator of the Ethereum platform and cryptocurrency, donated digital coins worth a total of 2.4 million dollars to the SENS Foundation. This is a huge sum for the organization, whose annual budget is just 5 million dollars. However, these injections of private capital are still not enough. For the sake of comparison, the WHO budget for 2018–2019 is 4.4215 billion dollars. The budget of the US National Institutes of Health for 2019 is 34.7 billion dollars. And their programmes include no projects that are designed to treat ageing. This is because officially, at the organizational and institutional level, ageing is not considered a disease.

But there is good news here, too. In the International Classification of Diseases, 11th edition (ICD-11), which is due to come into force in 2018 and is now available in a draft version on the WHO website, the descriptor 'age-related', that is, 'associated with ageing', is used to define many diseases. And this is not just a symbolic step towards recognizing ageing as a reversible state. This opens up opportunities for funding clinical trials of anti-ageing drugs within the scope of government programmes. It's too early to rejoice just yet but, perhaps, the state will truly take an interest in this vitally important area of research, which until now has been promoted only through the efforts of enthusiasts who were called eccentrics. 🌱

HEALTHY AMBITIONS

Thanks to the development of healthcare, people have managed to overcome many diseases that used to be considered incurable. Yet, new challenges are to be faced: ageing of world population, antibacterial resistance... Kevin Ali, President of MSD International, shares his vision of the future of healthcare: why vaccination is needed, how to win the race with bacteria, and whether it is possible to invent a universal medicine to fight cancer.



There's a concept of 'Health is Wealth' which illustrates an existing link between public health and economic situation. That seems logical as is, but can we prove it with some data?

The data is clear on this. Research covering 13 OECD (The Organisation for Economic Co-operation and Development) countries estimated that a 1% increase in life expectancy results in an average 6% increase in total GDP in the long run, and a 5% increase in GDP per capita.

The negative consequences of poor health on a country's economy

are also clear. Lung cancer, the leading type of cancer among Russian men, costs the country an estimated 0.2% of its gross national product.

So investments in improving health systems result in more productive communities and engaged workforces. To this end, we've seen that Russia has prioritized healthcare, along with education and infrastructural development – all are good investments.

The population is ageing globally, and this trend is stronger in developed countries. How does the mo-

dern biopharmaceutical industry respond to this challenge?

The global population is indeed ageing at an incredibly rapid rate. Only 30 years from now it is estimated that every 4th person in developed countries will be 60 years or older. By 2025, in Russia alone it is estimated that 40 million people will be aged 60+.

Ageing will have the most significant impact on healthcare in coming years and it is a challenge that all of us, not just the biopharmaceutical industry, but governments and other players, need to be better prepared for.

We're in the business of inventing medicines and vaccines that save and improve lives. Our belief is therefore that medicines and vaccines have the potential to ensure that people not only live longer, but that they live more quality and productive lives.

The work that we are doing to develop innovative vaccines and treatments for illnesses such as cancer, diabetes, Alzheimer's and chronic respiratory diseases is because we recognize that these medicines have the potential to help ageing populations – and populations overall.

Using medicines to better manage chronic conditions and prevent diseases helps avoid the costs of more expensive treatment and care in the future.

The President recently stated that disease prevention is the most important task. What can your company offer to the government in this area?

At MSD, we believe that vaccines are one of the greatest public health success stories in history, and we have played a significant part in that story.

As one of the global leaders in vaccines, we believe we can be a strong partner for the Russian government in its goals on prevention of infections and in areas where unmet needs still exist.

To give you a striking example, currently about 7000 Russian women die prematurely because of cervical cancer each year. We know that this disease in the majority of cases is caused by a persisting human papillomavirus (HPV). There's worldwide evidence that HPV can be eliminated with the help of vaccination, just like smallpox and polio in the past.

In Australia, where vaccination against HPV is available for all girls since 2007 and all boys since 2013, the infection rates in young women have dropped from 22.7% to just over 1% between 2005 and 2015. Within the next generations, Australia may no longer have any reported cases of cervical cancer.

TECHNOLOGY

Russia is still in the early stages of adopting this technology, but we are committed to supporting this process, and the adoption of other vaccines such as the rotavirus vaccine – which has recently been prioritised for inclusion into the national immunization program in the next 2–3 years.

Your company invests billions of dollars in research and development. Can you exemplify the outcome of this work with interesting and unique discoveries?

Last year, our company spent close to 10 billion dollars on research and development. We've never wavered in our commitment to R&D to tackle the greatest health challenges.

In oncology, we've learnt how to harness the natural ability of the immune system to selectively attack and kill cancer cells. The medicine is now helping Russian patients with late stage melanoma and lung cancer.

In hepatitis C, which is the leading cause of liver transplants and the increase in liver cancer incidence, we are launching a medicine in Russia that may cure infection in over 99% of patients with only 12 weeks of treatment.

Invention is only part of the story. If a medicine doesn't reach a patient, it doesn't work. So we are working with partners around the world to create programs that facilitate broader access to the benefits of innovative medicines.

Do you think a universal pill against cancer can be invented? Can you suggest when?

The progress already being made in cancer is remarkable. With advancement of science and technology, with better understanding of the biology of disease, we will make even more.

Will it be a universal, magic pill? That remains unlikely, because we know that there are so many different types of cancer, with even more different causes. That's why one of the most exciting areas today is personalized medicine, which tailors treatment to the individual characteristics of a patient.

Chemotherapy still is the standard of care for many cancers. But newer treatments, like immune therapy, focus on highly specific drug targets, and many rely on companion diagnostics which helps select patients who will mostly benefit from this treatment.

This target may be common for many tumor types, but not for all.

As researchers generate and analyse increasingly large volumes of data from clinical studies, we are getting better positioned to identify and develop new drug targets to address individual needs of patients.

We have seen examples in the past – such as with HIV – where diseases that were once deadly have been transformed into chronic illnesses.

Today, doctors know how to cope with diseases that have

been incurable in the past. But as we know, there are new challenges rising. What disease will threaten humanity in the future?

One of the biggest growing health-care challenges is antimicrobial resistance.

It is projected that by 2050 superbugs will cause more deaths than those caused by cancer today. The economic impact will also be unprecedented, with the cumulative loss in GDP projected to reach 100 trillion dollars.

On one the hand, antibiotics have saved millions of lives and are cited as a central factor in the rise of global life expectancy. But on the other hand, those gains are now being jeopardized because of misuse and overuse of antibiotics.

Also, as it is a very complicated area for innovation, there are only a handful of companies still focusing on antibiotic research. We just can't keep pace: bacteria need 20 mins to change generation and it takes 10 years for a new drug to be launched.

Because of the seriousness of this threat, we appreciate Russia taking a bold step in 2017 to address this challenge with a specific strategy.

MSD is a committed partner in this process globally. In 2016, we joined the Davos Declaration on antimicrobial resistance. In Russia, we specifically focus our activity to preserve current therapeutic options through stewardship.

What are your strategic priorities and plans in Russia?

After 27 years of operation in Russia, our priority continues to be people's health, and our strategy is guided by the priorities of the government – oncology, disease prevention, maternal and child health, medical education, and technology transfer.

Russia is an important country for MSD. And for me SPIEF is a unique opportunity to meet our federal and regional stakeholders and reinforce our own commitment to partnering in Russia. Here we can hear specific requests we can address or even adjust our strategy for the next year.

I wish all the participants a fantastic and fruitful forum. 🌸

One of the most exciting areas today is personalized medicine, which tailors treatment to the individual characteristics of a patient

ИМЕЮТСЯ ПРОТИВПОКАЗАНИЯ. НЕОБХОДИМА КОНСУЛЬТАЦИЯ СПЕЦИАЛИСТА



DETOX¹



CHECK UP DIAGNOSTICS²



ANTI AGE³



PLASTIC SURGEY⁴



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THE VACUUM APPROACH

Hyperloop to be tested soon



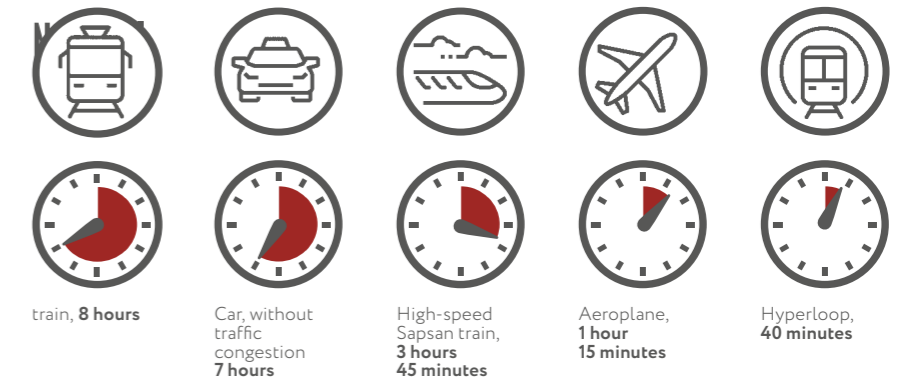
Dirk Ahlborn, CEO of Hyperloop Transportation Technologies, shares the latest news on plans to create an alternative to air transport.



DIRK AHLBORN:

'We look forward to working with the Russian authorities to build a Hyperloop in your country.'

Journey from St. Petersburg to Moscow (680 km)



What scientific discoveries, technologies, and materials are required to build the Hyperloop?

Most of the technical solutions needed to make our project possible already exist and are operating in numerous devices. Advancements in the last decades in vacuum, battery, and solar technology allow us to build a unique transportation system that makes economic sense today. We at Hyperloop understand very well that for every issue, there are several solutions. Our aim is to choose the best solutions and bring them together in one product.

What options for laying down railway tracks will be available to countries that want to implement the project?

The requirements for Hyperloop are similar to those of high-speed rail projects. For example, you can build trenches or underground tunnels. But there is another, more efficient option: mounting tracks on pylons. This allows the system to use solar and wind energy, which cuts the costs of maintaining the equipment and allows us to reduce ticket prices. This approach is also very environmentally friendly. The Hyperloop can be built close to existing transport routes, for example, along an existing motorway or railway line.

How soon will your project pay off, and how affordable will vacuum train tickets be?

All of our feasibility studies so far show that our Hyperloop system has an ROI of 8–12 years. That figure is not precise because the final design specifications will depend on where the tubes are laid and on other factors linked to the location of construction work. When we were in the planning stages, we initially put price restrictions on tickets, at a level that was in line with existing transport tariffs (for example, bus tickets). As a result, we are creating a project that will offer good profitability with relatively affordable ticket prices. And, importantly, this will happen without any subsidies, which governments use to support many transport sys-

tems that are less than fully effective.

How do you intend to combine freight and passenger traffic in this project? To what extent is this solution economically justified?

Freight is an important part of our business model. However, you need to think about people first. Human safety is the most important aspect and needs to be considered from the very beginning. Freight can be sent using Hyperloop technology in between passenger capsules or at night.

How dangerous will it be to use the Hyperloop, considering the high speed of travel and the vacuum in the tubes? Will the passenger capsule be reliable enough for travel under these conditions?

Hyperloop is approximately 10 times safer than flying, since it has 10 times fewer failure points than an aircraft. Munich Re, one of the world's largest reinsurers, has already declared our system not only feasible, but insurable. So, aside from the obvious reasons, passenger safety is also important for us because otherwise the system will not be able to meet the insurance and regulatory requirements established by law.

In order to warn us of possible accidents, we have, for example, developed a new super-durable composite material, Vibranium. This can independently send signals to technical staff about any problems that

may arise in the train. Using a smart composite will give us the opportunity to eliminate possible defects at the earliest stages, which should protect passengers from danger very effectively.

Are Russian companies and experts capable of creating a Hyperloop system in Russia, in your view?

Absolutely! We have already studied the possibility of building a Hyperloop in Russia. And we have a number of talented Russian engineers currently working in our team. We are very satisfied with their skill sets and we would like to work with Russian experts more closely in future.

How will these trains develop? What is the outlook for them in Russia?

The key problem for modern railway and underground systems is that they cannot make a significant profit for their owners. They rely entirely on government subsidies. But we should be using tax money to provide more important things for society, like education or healthcare, for example. Transport issues, in our opinion, should be addressed through the kind of innovative projects that ensure high-speed travel and good profitability, and an excellent level of passenger safety. Many politicians in different countries already understand all the strengths of this approach. We look forward to working with the Russian authorities to build a Hyperloop in your country. 🌸

Martin Lundstedt:

“WE CAN EXTRACT HIGHER UTILIZATION FROM EACH VEHICLE”



MARTIN LUNDSTEDT,
President and CEO, Volvo Group.

Volvo Group is a leading international manufacturer of trucks, buses, construction equipment, and marine and industrial engines. The company focuses on automation and the latest technology, and is a leader in this sector. In 2016, Volvo's fully autonomous truck was the first in the world to be tested in operations deep underground in the Kristineberg Mine. The Swedish company also trialed a self-driving refuse truck in 2017.

DRIVING TOWARDS 2025

The Boston Consulting Group (BCG) predicts that by 2026, the market for self-driving cars could be worth around 42 billion dollars. It is expected that autonomous vehicles will account for as much as 12–13% of global sales: in other words, somewhere in the region of 14 million self-driving vehicles will be produced, 500,000 of which will be fully autonomous. McKinsey Global Institute is even more optimistic, suggesting that driverless cars will achieve a market share of 15–20% by 2025.

Autonomous cars are already driving on our streets. Various forecasts suggest that by 2025, they will make up 20% of the world's vehicle fleet, a figure which is certainly to be reckoned with.

When will drivers behind the wheel become obsolete?

We see automation as a spectrum of different functions, each of which assists the driver or operator to varying degrees. On the far end of the spectrum we have vehicles capable of highly or fully automated driving under the right conditions, which do not require a human operator. We see great potential value in these solutions. But we believe the idea that drivers will become obsolete is a fundamental misconception. The purpose of automation is to maximize productivity and efficiency in the transport mission, and in many cases humans are better at that than machines. What we are really aiming to do, therefore, is find the optimal mix of human and machine control. In most cases, this means systems

that step in and automate certain tasks or parts of the operation.

Where are we likely to see the highest levels of automation in transport?

It is likely that we will see a growing number of highly automated solutions emerging in the commercial transport sector – but in controlled, confined areas, like mines and terminals, since these present less demanding technical and safety challenges. Conventional and auto-

mated vehicles will also co-exist on the roads over the long term.

How will automating transport impact the transport services consumption model?

In the long haul, we are most likely to see continued implementation of automation combined with stepwise electrification of vehicles to meet zero emission aims. In city applications, we expect a more rapid transition to fully electric vehicles, while increased connectivity will improve safety and offer better integration with urban logistics. In urban transport networks, we anticipate a trajectory similar to that seen in the city bus segment: a push to eliminate harmful emissions and increase connectivity.

The main benefit of automation from the point of view of urban

freight transport is the potential that this technology holds for improving efficiency. Urbanization is a very strong trend and demand for transport, including in urban areas, is growing rapidly. Automation is one key to making this growth possible and sustainable. We can extract higher utilization from each vehicle and optimize the flow of goods, people, and traffic in a much more holistic way.

Can you imagine an apocalyptic scenario where self-driving vehicles run outside human control?

No. Contrary to what some opponents of automation believe, we are not talking here about creating an entire fleet of self-governing vehicles. Automated vehicles must be completely capable of performing their assigned tasks on their own. This means that they will be in constant dialogue with all vehicles around them and with all infrastructure. If they run into problems and find they cannot make a decision, they need to be connected to a control centre for support and possibly

even remote assistance. We definitely don't want a scenario where traffic is unpredictable and uncontrolled. These two elements are in fact the very enemies of transport efficiency and productivity.

Will autonomous trucks cost more and are customers prepared for that?

The transport sector is very rational. It is the total cost of ownership which determines the value of our solutions to our customers. This is what makes automation a highly interesting business prospect. Partial automation requires less investment but still yields significant efficiency and productivity gains. We also predict reduced wear and tear, as well as fewer crash-related costs. Highly automated solutions, which may not require a human operator, can generate even greater economic benefits for transport companies. We are already seeing huge demand for the new technologies and we are striving to provide our customers with solutions that will boost their business and transport operations. 🌱

FIVE QUESTIONS ABOUT BLOCKCHAIN TECHNOLOGY

THREE FACTS ABOUT VLADISLAV MARTYNOV

1. Our expert, Vladislav Martynov, an entrepreneur, investor, and the head of Ethereum's competence centre, has 25 years of experience in advanced technologies in the Russian and international markets.
2. Since he first began working with Ethereum founder Vitalik Buterin, Martynov has believed that blockchain is a breakthrough technology.
3. Today, Ethereum is a global platform. It has more than 10,000 programmers and is growing steadily. Martynov believes that blockchain is a breakthrough technology. He is introducing it to everyday life not only through Ether, the second largest cryptocurrency by capitalization after Bitcoin, but also through his investment fund, which finances online startups.

The potential of blockchain technology is far greater than the creation of cryptocurrencies. Its introduction will enable economic and technological advances in a range of different fields. And Russia can lead this process.

What are the primary advantages of blockchain technology?

The information which is entered into the distributed ledger database cannot be changed, and the system created on the platform cannot be hacked. So, transactions are cheaper, simpler and, consequently, quicker.

How will blockchain change the way government agencies operate?

Blockchain is still not widely used at a state level, and most commonly only in pilot projects. Take the UAE, for example, which intends to make Dubai the world capital of blockchain. Georgia and Estonia are trying to introduce this technology. Large countries are still very cautious, they are worried about drawing attention to cryptocurrencies and mining. Of course, political will is also necessary. For example, if you issue a digital rouble using blockchain technology, then every aspect of finance will be implicated, and it will be possible to see the full lifecycle of public money in real time.

For a state and its citizens, the introduction of blockchain technology significantly raises the quality of government services and the performance of government entities. Firstly, by reducing human intervention the provision of public services will be faster. Secondly, blockchain is a system which enables the processing and storage of data on a decentralized public network. This saves money because there is no need to buy, implement, and support centralized IT infrastructure. The role of the state will be to establish ground rules, while automated technology will become a tool through which people will be able to collaborate.

How long will it be before we see large-scale implementation of blockchain?

It will be at least five years, in my opinion, and perhaps even longer, before we see large-scale implementation of blockchain. The development of the technology is at an early stage. That said, few people are aware that blockchain is a distributed ledger technology, and that cryptocurrencies represent just one of many examples of its implementation. However, I believe that the financial sector will be one of the first areas in which the significant impact of blockchain technology will be felt.

Cross-border transfers and attracting investment will be simpler. Blockchain makes it possible to automate and speed up activities without unnecessary fees. I think it will also greatly impact the development and creation of ledgers, and the simplification of personal identification procedures.

Could blockchain minimize the impact of sanctions?

When I want to transfer money abroad, banks often turn a simple transaction into a difficult and tedious process which does not even always end with a good result. Moreover, when sanctions are imposed, restrictions become a means of applying pressure. Blockchain allows us to make the distribution of wealth more equitable, enable equal access to information, and attract capital, all at the same time. At a time when everyone is fed up with so-called middlemen, here is a tool which enables us to minimize their role. In addition, anything can be tokenized in order to attract finance, including real assets, business, knowledge, information, skills, and even a dream.

The only thing is that the ICO market itself is still small. It is difficult to raise one or two billion dollars by this method, but raising several tens of millions is a common occurrence. Blockchain could also be the perfect remedy for restrictions on cross-border payments. Work on a SWIFT counterpart has already begun.

When can we expect a stable cryptocurrency?

A wider application of blockchain would ensure the stability of cryptocurrencies. Over the next few years, even more 'cryptos' will enter our economy. As a result, if an industry's profitability is 10% today, and the volatility of Bitcoin is, say, 1000%, then, sooner or later, the volatility of cryptocurrencies will decrease along with a corresponding decrease in profitability. Right now I keep 10% of my savings in cryptocurrencies. 🌱

1 billion

dollars investment in blockchain startup projects in 2017 (a rise of 50% compared with 2016)

25 million

Bitcoin wallets with a non-zero balance today. Generating a single Bitcoin address without a balance simply requires a quick calculation



WHAT IS ETHEREUM

Ethereum is a platform used to create decentralized online services based on blockchain. Today, it has more than 10,000 programmers and is growing rapidly.

25 million**dollars the prize pool
for the largest Dota 2
World Championship,
held in the US**

E-SPORTS

are just getting started

The date is 18 March 2018, and we're in Haikou (China). It's the final battle of the World Electronic Sports Games. Millions of viewers worldwide watch their favourite e-sports players via live streams. After a fierce three-round Dota 2 match, Team Russia defeated their Brazilian rivals, earning 800000 dollars in prize money. This is Russia's most resounding victory in recent years, giving the team top spot in the overall rankings.

Today, Russia is ranked seventh in terms of total prize money earned: Russian e-sports athletes have collectively brought in 13,7 million dollars, according to data from esportsearnings.com. The top three places were taken by China (70,7 million dollars), the (67 million dollars) and South Korea (59,3 million dollars).

Will Russia be able to come out top in terms of both e-sports achievements and economic standing in the industry? Emin Antonyan, Chairman of the Russian e-Sports Federation Executive Board, thinks the country can do it. "We are already hosting the largest e-sports competitions in Russia and building a fully-fledged infrastructure for mass e-sports: admin (referee) training and certification, venue accreditation, teaching materials, educational projects, and the development of e-sports clubs. All of this requires time and energy, but it creates the necessary

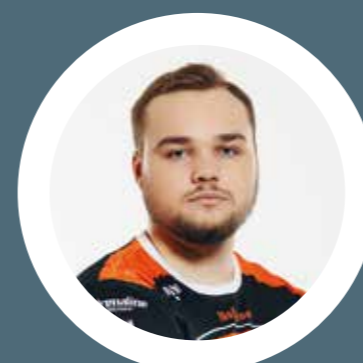


Photo: virtus.pro

VLADIMIR MINENKO,
Player of the Russian
Virtus.pro team
(20 years old, 68% of wins, total
prize money earned
734 456 dollars)

I think that e-sports is attractive for viewers because it is show-like and dynamic, and sometimes even epic (if you understand the game well). Everything here depends on people, e.g. everybody likes it when Ramzik (Roman Kushnarev) or Miracle (Amer Al-Barkawi) do enormous things and kill an entire team of their rivals.

The best thing in e-sports is that it does not matter where you are from and what you look like. It is all about how well you play. For instance, we really work hard, that is why we can show top results.



foundation for Russia to occupy a commanding position in the global e-sports arena."

A study conducted by the online payment system PayPal in conjunction with SuperData suggests that the Russian e-sports market is set to grow by 18% in 2018, surpassing 45 million dollars. This is backed up by last year's performance, which saw Russia become the largest e-sports market in Europe. The audience for e-sports in Russia is also expanding, reaching 3.7 million in 2017. PayPal predicts that this figure will rise by a further

8% this year to 4.1 million and by 20% in 2019, to 4.9 million.

Another indication of the popularity of e-sports in Russia – which for the best players can often become a profession – is the amount of investment in this area. In 2015, USM Holdings, a company owned by billionaire Alisher Usmanov, invested 100 million dollars in Virtus.pro. And this year Mail.Ru Group has announced its acquisition of ESforce for 100 million dollars. The venture capital fund NP Capital was founded this February with the funding of 100 million dollars. One area of investment for the

1.5 billion

views for the most popular streamers (live game commentators)

COMMENTATE ON THE GAME

Gaming live streamers – Internet users and players who give a live commentary on games – have made a substantial contribution to the expansion and growing popularity of e-sports. Young people watch both live and recorded streams. The most popular streamers have over a billion views (MrLoloshka, for instance, has 1.5 billion views).

According to Forbes, some online content streamers earned several million dollars in 2017, including Felix 'PewDiePie' Kjellberg (12 million dollars) and Logan Paul (12.5 million dollars).

fund will be e-sports. Aside from this, the NP Capital office hosted an informal meeting with the e-sports community on 29 March, the main goal of which was to form a community of engaged e-sports experts.

A goldmine for investors

What makes e-sports so attractive to investors? First, e-sports constitute a narrow, targeted audience of consumers of goods and services. Combined with the growth worldwide in the unemployed or flexibly employed population, this factor is resulting in exponential growth in the video games industry and online entertainment in general.

This primarily concerns the marketing opportunities e-sports teams and competitions provide. Advertising can be placed on real-

world objects (such as T-shirts or equipment), or be integrated into games (even down to placing a logo on the game character). The key advantage of this kind of advertising is its broad – almost unparalleled – coverage. If a team performs well, they can also land sponsorship contracts and prize money.

The second target for investors are venues from which competitions are broadcast and online interactions with trainers, as well as various services for players such as the sharing and sale of equipment or services to analyse matches and train players. As Managing Partner at Buran Venture Capital Mihály Szalontay told Forbes, e-sports are a new type of entertainment for humanity, and in five or ten years will involve a large number of players who will require more than just computers.



400

the number of hand movements per minute that e-sports athletes can carry out during play



NOT JUST FOR MEN

Women are also involved with online gaming, but men currently out-earn women in prize money by 718%! The most successful woman in e-sports is Canadian Sasha Hostyn whose net worth is estimated at 200693 dollars. For comparison, the most successful male player, Kuro Takhasomi, is worth 3.5 million dollars. In the world rankings, two Russian female athletes, Ksenia Klyuenkova and Anna Ananikova, have taken sixth and seventh place, respectively. Klyuenkova has earned 42864 dollars in prize money, while Ananikova has made 33,458 dollars. These discrepancies in the figures for men and women are the result of investor marketing strategies. According to a SuperData study, when companies like Intel or Coca-Cola invest in e-sports, they are seeking to build contacts with rich young players, rather than connect with the profession as a whole. The players targeted are men, not women.

The third important area for investment is streaming. Just look at the share prices for the largest video hosting and online streaming services owned by Google (YouTube) and Amazon (Twitch), each of which exceeds the share capital of the entire Russian stock market.

A real sport

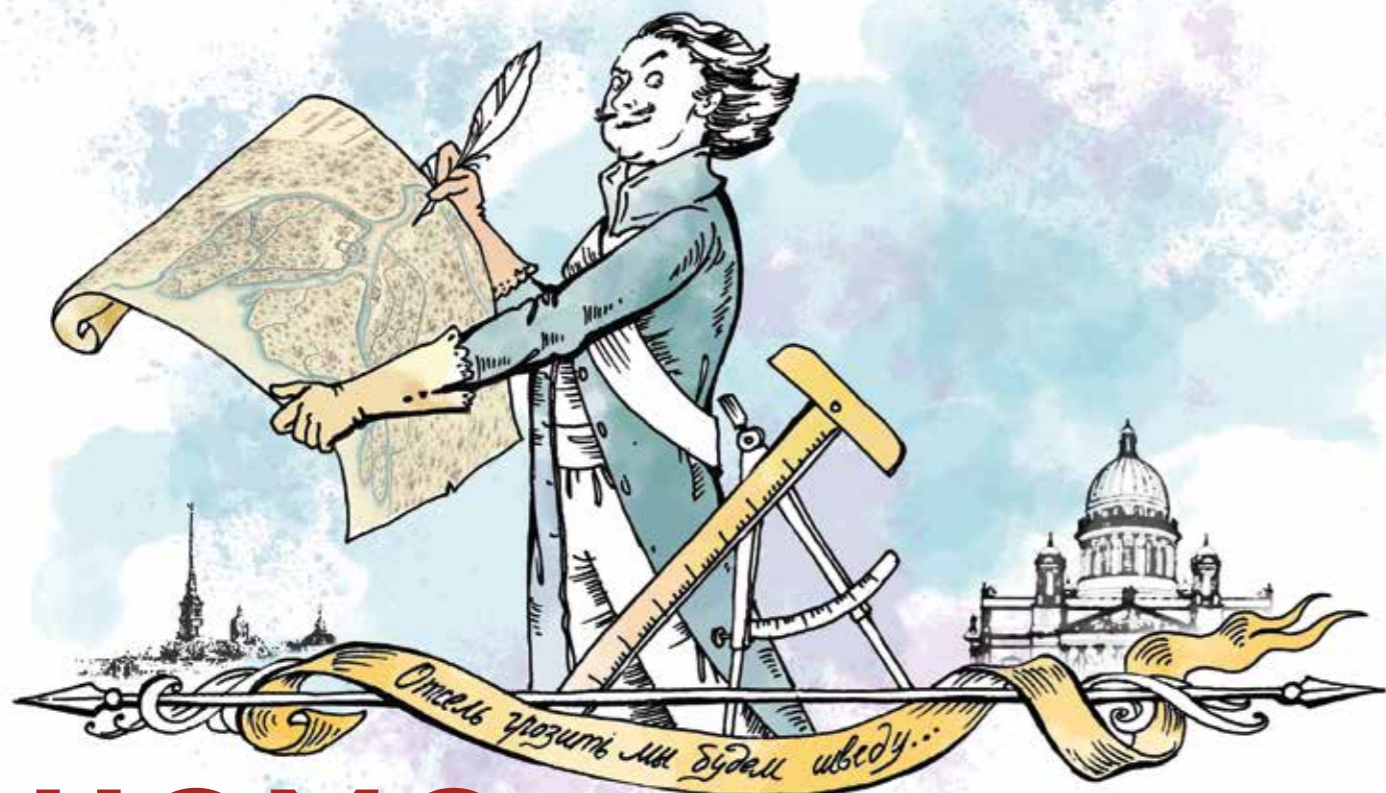
E-sports have been an officially recognized discipline in Russia for two years. In 2016, the Russian Ministry of Sport included e-sports in its national sports register. "E-sports are becoming increasingly popular. People are taking up e-sports for the same reasons as they go into other sports. E-sports are match sports which attract people from a very early age," said Alexey Zhukov, coach and teacher of e-sports theory and techniques at the Russian State University of Physical Education, Sport, Youth and Tourism.

According to Ivan Voznyak, E-Sports Producer at Mail.Ru Group, e-sports competitions are watched by millions in Russia, and played by hundreds of thousands of people. "Both professionals and amateurs are now playing e-sports.

Amateur matches and live streams attract special interest from investors because they are particularly popular with all participants."

"E-sports are real sports and have all the related infrastructure – training sessions, coaches and the cultivation of champions, competitions, and player transfers. Don't believe people who say that e-sports have nothing to do with health and that e-sports athletes are all weak. They have to be able to survive a seven or eight game marathon in a noisy, overcrowded stadium, while staying focused and maintaining their reaction times. Some e-sports players also hold titles and achieve a lot in traditional sports," says Vera Adayeva, Head of the Young Professionals Project Centre at the Agency for Strategic Initiatives.

The recognition of e-sports as an Olympic sport is currently under discussion. "The stresses experienced by e-sports players are similar to those in conventional sports, but video game competitions which feature murder, violence, or discrimination will never have a place at the Olympics," said Thomas Bach, President of the International Olympic Committee, early this February. 🌸



HOMO PETERSBURGIUS

12 THINGS THAT MAKE PETERSBURGERS DIFFERENT FROM EVERYONE ELSE

TEXT: **Laboratoriya Odnazhdy**, special article for SPIEF

A person from St. Petersburg is an odd type of creature. Historically, this has been a city of newcomers, and Peter I, the founder of the city, was himself a Muscovite through and through. But St. Petersburg's culture spreads like a virus. It is unique, highly infectious, and utterly untreatable. Take a person from anywhere in the world – Moscow, New York, or even Paris. Let him live in this city for just a year or two, and he will never be the same again. What is the molecular composition of the Petersburgers' genome, and what is the best way to interact with homo sapiens from this city? It's difficult to come up with a precise answer to these questions, but local journalist and tour guide Tatiana May has resolved to at least make an attempt.

The Islander

One of the signature oddities of people here is our natural sense of separateness, our preference for autonomy. We very much keep our distance. No boisterous conversations, no intimacy or familiarity before the proper time. Part of this might be attributable to Islander Syndrome. St. Petersburg is an archipelago made up of 33 islands, and when you consider that building bridges here was once against the law, it's easier to understand the locals' sense of isolation. It is instilled in us in childhood and carefully cultivated from then on. Some radical thinkers even insist that there are numerous differences between residents of different neighbourhoods within the city, considering those living on Vasilievsky Island, numbered according to the rantings and ravings of some lunatic mathematician, to be completely different from the natives of the Petrograd side, and both of those groups to be absolutely distinct from the people living in quiet Kolomna. That's also the reason that Petersburgers wince at the sight of ubiquitous chain restaurants and love their small, determinedly quirky, family-run cafés. With privacy screens, if possible.



The Educator

Feeling out of place in the wider community paradoxically goes hand in hand with a surprising passion for showing others the way. Ask any Petersburgers, "Excuse me, but could you tell me..." and he will immediately stop in his tracks, and not only tell you, but also lead you there, and then tell you some more, and fight off any



ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM 2018

The European

People from St. Petersburg are convinced that they are Russia's only Europeans. It's hard to disagree, since the city's whole history and its place names argue in favour of this presumptuous idea. The Petersburgers spend his whole life wandering Italian Street, Swedish Alley, and English Embankment. He remembers which neighbourhoods were French and which German. He feels nostalgic about the Greek church they tore down. Finland is his favourite spot for a weekend getaway. Travelling to Moscow is a lot of trouble, a cumbersome and generally strange thing to do. When they arrive in Paris, Amsterdam, Vilnius, Riga, or London, Petersburgers immediately feel at home. competitors who try to get in his way. Elderly women are especially dangerous in this regard. A proper St. Petersburg granny will supply an indecisive traveller with at least three possible routes, including, of course, every major tourist attraction. If you don't manage to escape, she'll become your personal guide, thumping along with her walker and lecturing you in her cracked voice. "Now this building on the left, my dear, was built in 1887 by the architect Pavel Suzor..."

competitors who try to get in his way. Elderly women are especially dangerous in this regard. A proper St. Petersburg granny will supply an indecisive traveller with at least three possible routes, including, of course, every major tourist attraction. If you don't manage to escape, she'll become your personal guide, thumping along with her walker and lecturing you in her cracked voice. "Now this building on the left, my dear, was built in 1887 by the architect Pavel Suzor..."

The Local Patriot

Petersburgers love their city passionately – almost too passionately. This love is reserved less for the classical beauty there to astound tourists, and more for the shabby places hidden behind the lavish vistas. They don't take their visiting friends to see Palace Square or Senate Square. Instead, they show them what their own hearts treasure most: the gloomy, even slightly menacing backstreets and passageways tucked away on Vasilievsky Island. They smile upon the buildings as if they were old friends. They gesture in warm welcome to the odd smells of the well courtyards on Liteyny. The sight of a fireproof wall reminds them of Dobuzhinsky. And there is no quicker way to ruin your friendship with a Petersburgers than to fail to express your own admiration in return. A naive question, such as "Why is everything so shabby?", will earn you an icy, aloof glare. And if you dare propose that those "ruins" should be taken down and something shiny and new built in their place, you might just get a punch in the nose. Recent arrivals in the city are especially prone to react this way. There's nobody more fervent in his beliefs than a new convert.



But send them to Tver, Kostroma, Vyatka (Kirov), or Samara, and they'll be astounded and stupefied at how different everything is. They're always happy to get home.

The Coffee Addict

Two centuries ago, Petersburg's partiality for coffee had already been noted in the annals, and the aroma of roasted coffee beans mingled with the inescapable smell of cats in the dark stairways of the meagre outbuildings. This habit has only intensified with time, and now city residents purposefully plot their course through St. Petersburg so as to pass

GENIUS LOCI

by their favourite coffee shops. Locals have a purely Leningradian term, the 'little double', left over from the 'great coffee revolution' of the Soviet city in the 1960s, when the first automatic coffee machines appeared. Now Petersburgers refer to any strong coffee drink by that name. So it's little wonder that Russia's only coffee museum is here, even though you'll never find a coffee plantation in the Leningrad Region.

The Procrastinator

Strangely enough, if the industrial quantities of coffee that Petersburgers consume give them energy, you'd never know it by looking at them. Outside observers are quick to dismiss the city's residents as lifeless, sluggish, and apathetic. But we prefer the terms unhurried, careful, and restrained. Rushing about is frowned upon here. The atmosphere does not encourage it. Anyone running up the escalator at the metro is immediately recognized as a Muscovite. Petersburgers prefer to look as if they are simply out for a stroll, contemplating the endless nature of time. That means they're often late. Punctuality is not our strong suit. Procrastination is the local religion, and 'mañana, mañana' is the city motto. But when a thing can't be put off any longer, locals force the coffee down, stay up all



night, and deliver as promised in the morning, smiling a proud, tortured smile – and everyone understands how heroic they are.



The Conservationalist

Residents of St. Petersburg have a great deal of reverence for the city's past. The historical cityscape, which survived the tumultuous twentieth century only by a miracle, is our fetish. Any attempt by a business or the government to encroach on any of the typical nineteenth-century buildings provokes a natural phenomenon that is otherwise quite rare here: a storm of emotions. The Finnish-owned Stockmann department store, looming over the intersection of Nevsky Prospect and Vosstaniya, is affectionately called the 'Mannerheim place'. One of the biggest protests in the past 40 years was a demonstration against the demolition of the Angletterre Hotel. They tore it down anyway, though, and built a copy in its place, equipped with a cocky memorial plaque, which reads, "In the former Angletterre Hotel, the poet Sergey Yesenin's life was tragically cut short." Every now and again, you can see an old-timer stopped nearby, grinning evilly and explaining to a visitor what really happened.

The Survivor

Petersburghers of the older generation (more properly called Lenin-graders) have a special relationship with food. They never leave a crumb on their plates. Never. Throwing away uneaten food is a violation of one of the unspoken rules that arose in Leningrad during and after World War II.

The siege is a part of the city's history that shaped the outlook of its residents. Our family memories won't let us forget, and neither will certain places around the city – even though many are not marked with monuments, we all know about them.

The Man for All Seasons

Petersburghers have a special talent for turning deficiencies into something positive. We especially love flirting with our terrible climate. One famous café, popular with tourists, has posted a written notice reading "To be honest, if it weren't for our climate, you'd all move here." City residents treat the rain, which accompanies so much of our lives, like an irritating old relative. The local style is to always carry an umbrella, but to open it only in true emergencies. Outsiders joke that Petersburgers invented the shower because the few times of the year when water wasn't naturally pouring from the sky made us uneasy. Natives try to sunbathe in the gaps between the clouds, even if it's only one shoulder or knee at a time. But we might bare our knees regardless of the season. UV rays are too valuable for us to stay covered up just because of a few snow flurries. A typical picture on a sunny winter day will feature citizens of every sex, age, and degree of undress arranged on snowdrifts in picturesque poses around the ramparts of the Peter and Paul Fortress.

The Bibliophile

Petersburghers love their literature. In this city, the most foolproof way to find someone who thinks like you has always been to pick up a book. We read a lot, we read all kinds of things, and we take reading as a challenge. We clench our jaws stubbornly when we buy our printed materials. Why not carry around a convenient e-reader instead? Because that would mean depriving ourselves of the pleasure of exchanging our understanding glance with the person next to us in the café or on the metro when we see what the other is reading. There's something to the notion that St. Petersburg is not so much a city as it is a secret society, like the freemasons.

We enthusiastically celebrate authors' birthdays. Dovlatov Day stretches out into three, and is becoming a personal holiday for the intelligentsia, concentrated around Rubinstein Street. On Dostoyevsky Day you can see crowds of city dwellers wearing masks to look like Fyodor Mikhailovich himself. It's enough to make you remember what Dostoyevsky wrote about St. Petersburg being a city for the half-mad. The locals are quite flattered by that description, by the way. Complete men-

tal health is considered a bit impolite here, and as odd as rosy-red cheeks.

The Grammar Nazi

The Petersburgers are a zealot for proper speech. He shudders when people mix up their tenses. An emphasis placed on the wrong syllable could make him physically ill. He cannot resist correcting a mistake, even in a handwritten message scribbled on a wall. Local expressions that outsiders might tactlessly call slang are absolutely treasured by those on the inside, in the Leningrad School. The simplest way of identifying a true Petersburgers is to test him with the first part of the childish refrain, *zhadina-govyadina* ('selfish piggie'). The genuine article will immediately complete the rhyme with *pustaya shokoladina*. If you hear *na puze baraban* or *soleniy ogurets*, you know you're dealing with an imposter. We laugh indulgently at the more pompous ways of talking about building entrances, pavements, and chicken that we hear from out-of-towners, but only to ourselves. We prefer simple terms like *podyezd*. But God forbid you should ask for a *ponchik* when you want a fried treat. We'll

never respect you again. It's also misguided to call St. Petersburg 'Peter' or Vasilievsky Island 'Vaska'. Commit a *faux pas* like that, and you'll get a look like Peter I contemplating a bearded *boyar* – amused and furious all at once – and then you'll be run out of town.

The Snob

Here is a real-life message written by hand and taped to a water pipe in one dim well courtyard:

"On Monday evening at 9:45 I was walking to the store for groceries and heard some lovely classical music coming out of a window of this building. Would the resident of the apartment where that music was being played please write the name of the piece on this sheet of paper?"

St. Petersburg residents are automatically very polite. Occasionally, this quality reaches absurd proportions (the absurd, of course, is also highly valued here). A true Petersburgers will apologize if somebody else steps on his foot. If someone is rude to him, he'll probably keep quiet, and not out of meekness. He just won't want to bother making a fuss. Frequently this politeness takes on hypertrophic, baroque forms. A typical Petersburgers prelude to a question goes something like this: "If you would be so kind, could you possibly, if it's not too much trouble..."

But there is one important nuance. If the person you are speaking to becomes especially, emphatically polite, he probably detests you.

Our passionate love for our city, combined with our primness and our signature, hard-to-detect sense of irony, can be irritating to outsiders, and often looks like snobbery. Those accusations are partly justified. No matter how carefully the Petersburgers tries to hide it, he is certain that he lives in the best city on Earth. And other people don't, which means he has to pity them. What could he possibly have to talk about, after all, with people who haven't been breathing the air here since childhood? 🌸



Boris Grebenshchikov:

“IT’S TIME TO REBUILD WHAT WE HAVE”

St. Petersburg is generally considered to be the nation’s cultural capital, and this is largely thanks to such figures as Boris Grebenshchikov. The musician and thinker talks about the relationship between artists and the authorities, the influence of Europe on Russia, and the divine origin.

Last year, the 14th Dalai Lama said that the Russian people could become the world’s leading nation. He acknowledged Russia’s huge potential on a geographical level. Would you agree with this? What has prevented Russia from becoming the leader of the world in the past, and what needs to be done for this to happen?

I’m not sure I understand – is it really necessary for the world to have a leading nation? Isn’t this the same as saying the body should have a ‘leading organ’? Wouldn’t this be harmful to the body? The way I see it, the nations of the world should all mind their own business, live in harmony, and trade with each other. That being said, we have truly enormous potential here in Russia and it’s vital that we capitalize on it. In the nineteenth century, when Russia

was part of Europe, we saw masterpiece after masterpiece in Russian literature, painting, and music, and these works are still considered to be great contributions to world culture. We are no less capable today, but education, culture, production, and medicine have been almost completely destroyed in our country. First of all, it’s time to rebuild what we have. And we don’t just have geographical potential – our main asset is our human potential.

Does it upset you when people find meanings in your songs other than the ones that you put into them? Essentially, do you think artists should educate people and show them the way?

I don’t “put meanings in my songs”. The truth is found in the structure of the song itself. It’s like a mathemati-

cal equation: the listener can ascribe to it whatever individual circumstances he wishes. The song remains true. The song is the confession, the communion with the Creator, and you don’t lie at confession.

A feature in the *Snob* magazine described you as “still learning how to be human.” What does it mean to be human?

There is a divine origin contained in every person. To be human is to make this origin manifest in your life. There are clear signs. The higher man is in his development, the more visible is this origin, the less he takes and the more he gives. There is nothing for God to take, for he is everything. Every one of us was born and received the gift of life in this miraculous world. We have been given so much and it’s quite honestly time we gave something in return.

After the Tbilisi-80 Festival you lost your job and were expelled from the Komsomol. Do you think the government of today is putting a lot of pressure on artists?

By definition, any government is always endeavouring to create a climate favourable to its survival. Since we have a situation in which government is opposed to culture, where those in government are doing everything in their power to show that any culture is alien to them, the current situation is beneficial only to those who are transparent in their intentions to make money. And thank God for that! The blessing of the government has never helped art. A true artist has no concept of power other than the muse’s instruction.

What impact, if any, is the economic situation having on art?

The economy always has an effect on art, but it’s impossible to predict the results of its influence. Many have tried, and they always came unstuck.

What is your favourite place in St Petersburg? And why?

I’m not telling you. I don’t want to put it in the spotlight (laughs). 🌱

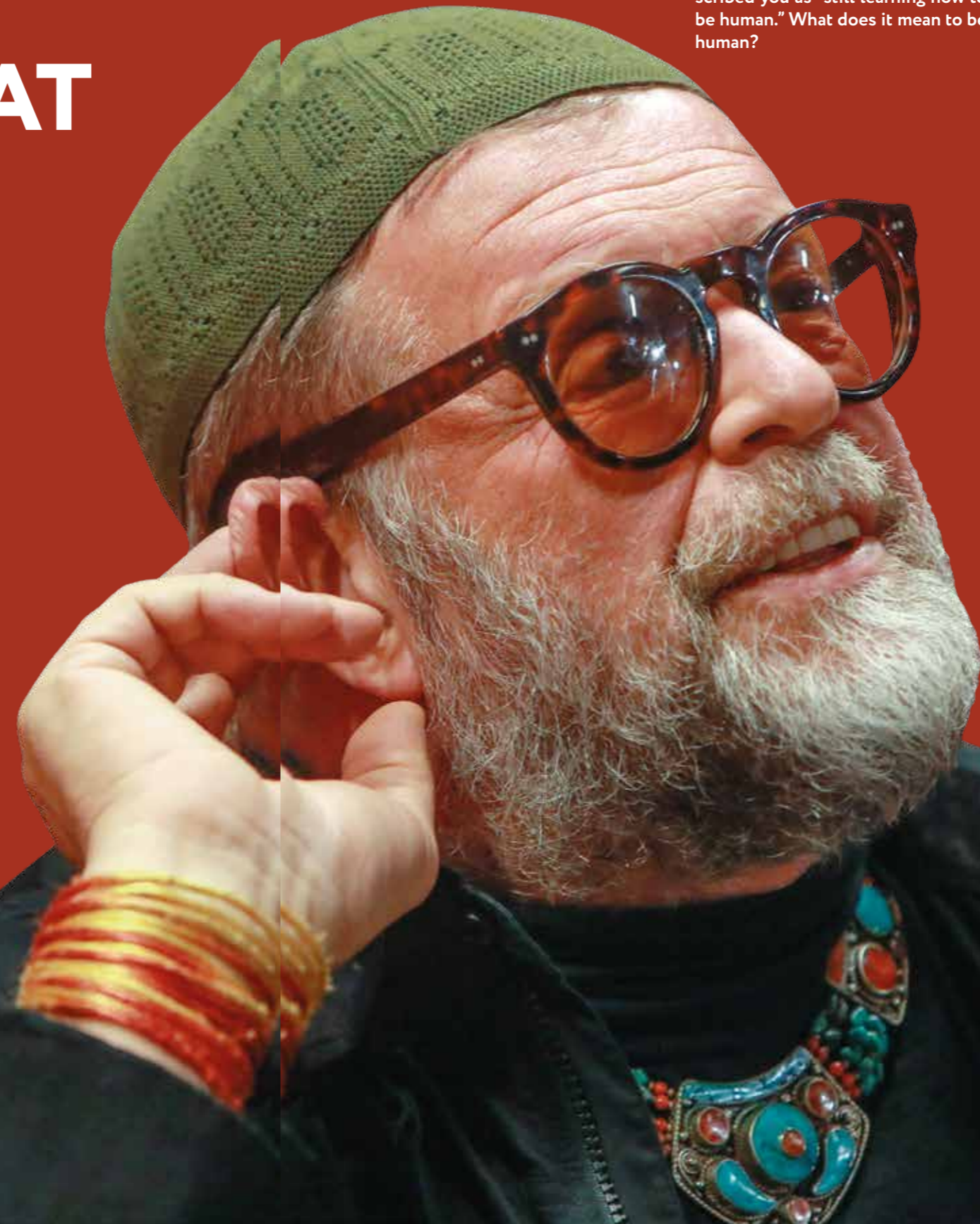


Photo: Sergey Konkov / TASS



Peace Rally is organized with the support of the Government of St. Petersburg, the Future of the Motherland charitable foundation, the Roscongress Foundation, Amitié sans Frontières, a charity chaired by Prince Alber II of Monaco, and French organization Club Rolls Azur.

4000 KM TO SPIEF

'The countries of the West and Russia on a shared road to ensuring peace' is the slogan of the Monaco Saint Petersburg Peace & Culture Rally 2018, which promises to be one of the most exciting events of the St. Petersburg International Economic Forum.

The spectator event is being held for the second time, and is organized with the support of the Government of St. Petersburg, the Future of the Motherland charitable foundation, the Roscongress Foundation, Amitié sans Frontières, a charity chaired by Prince

Alber II of Monaco, and French organization Club Rolls Azur.

Last year, the line-up of rare cars was a source of true delight for Forum participants and guests. This time, the range has expanded noticeably – the 2018 rally will feature not only classic

car owners, but sports cars enthusiasts as well. Behind the wheel, spectators will be able to catch a glimpse of Grand Duke George Mikhailovich of Russia, Emanuele Filiberto of Savoy, Prince of Venice, and Prince Sergius 'Serge' Wladimir Emanuel Maria of Yugoslavia.

On 18 May, a column of 50 cars will begin their journey from Monte-Carlo, finishing in St. Petersburg on the opening day of SPIEF five days and 4000 kilometres later. The influential drivers will take part in the work of the Forum and present a letter of support to Russian President Vladimir Putin. A few days later, on 26 May, the second stage of the Peace & Culture Rally will begin from St. Isaac's Square. Russian business leaders will be among those taking part. The Rally will conclude on 2 June at the palace of Prince Albert II in Monaco. 🌸



Honorary President of Club Rolls Azur Juan Tamenn and the Great Prince George Romanov (2nd and 3rd from the left) at the closing ceremony of Peace Rally 2017.

Prince Emanuele Filiberto of Savoy, Prince of Venice and Piedmont.



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- RUB 39.4 trln Value of assets under custody
- RUB 58.7 bln Central Counterparty's capitalisation

* By number of contracts, World Federation of Exchanges data.
** Compound annual growth rate.



IN PETER, YOU DRINK. BUT THAT'S NOT ALL

Photo: Kirill Chaplinsky / ITASS

Text: **Anastasia Pavlenkova**

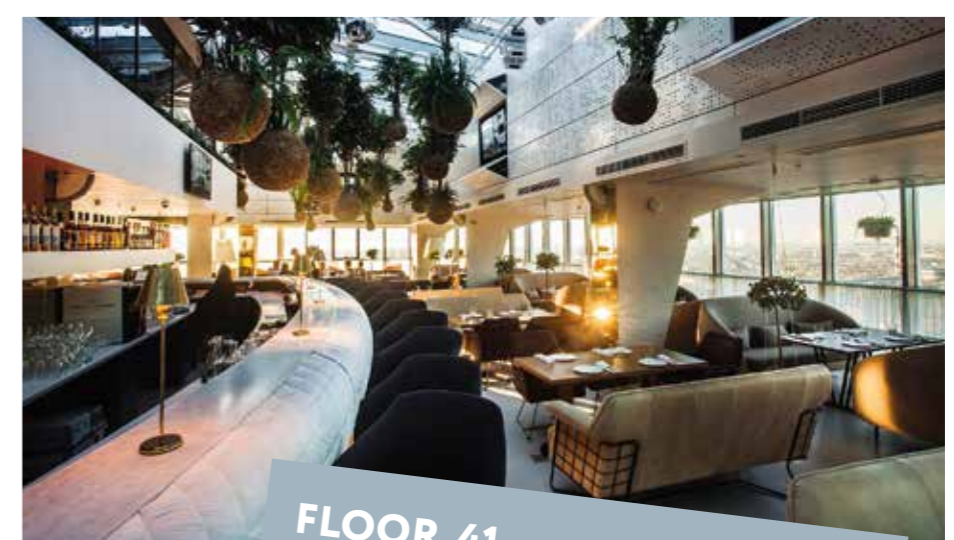
St. Petersburg has rightly earned the title of Russia's gastronomic capital: the city's head chefs represent the country at the top industry festivals, specially curated menus are as sought after as opera and ballet premieres, and visitors prefer gourmet trips to the best restaurants over visits to classic sights like the Hermitage Museum or the Aurora cruiser. The reasons are simple: affordable rents and a low threshold of initial investment mean that any talented foodie can fulfil his or her culinary dream here. As a result, innovative formats for the Russian restaurant industry are emerging in the city, from biodynamic wine shop-cum-bars to Asian-Californian diners. Below, we take a look at the up-to-the-minute trends this city of three revolutions is setting right now.

common are a variety of gourmet tours, where a dinner is prepared by a visiting celebrity chef on his or her own, or together with a local chef. The invited chef may be from abroad, from Russia's regions, or simply from a nearby restaurant, and the special menu they devise may have a specific theme. It may, for example, be based around a particular ingredient, or it may simply be a signature menu demonstrating the chef's particular style. Another format is the Chef's Table. As a rule, these events take place in a separate area of the restaurant, where the head chef prepares a special dinner for a limited number of peo-

ple. Team events are also organized, bringing together up to a dozen chefs, as well as battles in which chefs compete with each other, and even immersive dinners when food service is alternated with performances, giving guests an audio, visual, or other kind of sensual experience.

Natural wine and combined shops and bars

In 2018, almost all restaurants have revised their wine lists: including natural wines is no longer just the province of the brave, but an essen-



FLOOR 41

Address: 3/2, Ploshchad Konstitutsii
Tel.: +7 (812) 937 4141

Website: 41floor.com

Opening hours:

Sun – Wed: 11:30–01:00

Thu – Sat: 11:30–03:00

Cuisine: European, Russian, Pan-Asian

Menu: The restaurant's cuisine is the brainchild of the young, talented and ambitious concept chef Artur Yavorsky. Guided by a desire to bring new experiences and colours to his guests, and delight them with flavour, he has created a range of superb new gastronomic delicacies.

Interior: At a height of 150 metres, this restaurant serving contemporary cuisine offers dining at the highest point in Russia's cultural capital, with a 360-degree panoramic view of the city. Guests will be able to spot the lights on the airport's runway, the Gulf of Finland, St. Isaac's Cathedral, and many other sights of St. Petersburg.

Gastrotainment

No longer can a restaurant or bar afford to just welcome guests for a standard spread: now, they have to offer regular, imaginative gastronomic entertainment. Food has become part of the agenda on city-dwellers' cultural to-do lists: when people are planning their leisure time, a dinner with a famous foreign chef can compete with a charity performance by a seasoned ballet troupe or a rock concert.

There are currently numerous 'gastrotainment' formats. The most

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tial component of good taste. Natural wine means one thing only: that the grapes are grown using organic or biodynamic techniques, by natural means, and that nothing man-made or chemical may be added to them. Kvevri, from Kakheti in Georgia, which are often needed for this kind of production (wine-growers have buried these huge earthenware amphorae without handles in the ground since ancient times), have appeared in the most forward-looking wine estates of Veneto, Chablis, and Tuscany, and every foodie has learned that the colour of the season is orange: many natural wines have this particular hue.

In St. Petersburg, those who have made natural wine popular have created a special kind of venue: the combined shop and bar. Fundamentally, these are shops with an ex-



BARASHKI

Address: Pik Shopping Centre (4th floor), 2, Efimova Ulitsa
 Tel.: +7 (812) 903 6699
 Website: barashkispb.ru
 Opening hours:
 Sun – Thurs: 11:00–1:00
 Fri – Sat: 11:00–5:00
 Cuisine: European, Pan-Asian, Caucasus
 Menu: A range of European, Japanese and Asian dishes alongside traditional Eastern cuisine, specialities from the grill, pizza. Breakfast is served daily from 11:00 to 13:00, business lunch deals are available from 12:00 to 16:00.
 Interior: An industrial New York loft aesthetic and urban elegance are married with refined Eastern elements. A large, comfortable terrace with stunning views of St. Isaac's Cathedral and St. Petersburg's beautiful rooftops.

tensive wine list, from which guests may buy wines to take home or drink in-store, in fairly spartan, though stylish surroundings, and with simple accompaniments such as olives, sun-dried tomatoes, or homemade 'kolbasa' or sausage. And in the glass, on which the buyer's name is written just like in Starbucks, there will be a reasonably priced outstanding Gamay wine, one of the much-hyped pét-nat Champagnes, or a German Spätburgunder, a particularly cutting-edge choice at the moment. Combined shops and bars are not the only proof of the triumphant victory of natural wine: in St. Petersburg, the biggest hypermarket in Russia has opened, where trendy biodynamic wine is sold cash & carry style.



Artisan produce

Local food, much praised by the Russian restaurant industry in the mid-2010s, has reached a new level. There are several reasons for this. Firstly, small businesses in the north-west of Russia have taken advantage of emerging niches in the market following the imposition of sanctions on food products in 2014, and have achieved production volumes that are sufficient to replace imports. Cheese-making in the Leningrad Region, for example, is enjoying a real renaissance: in more than 150 luxury restaurants, including those in five-star hotels, ricotta, mozzarella, and burrata are supplied by just one local cheese factory. It's not just a matter of the more commonplace cheeses: say you want to order rare Caucasian, sheep, or goat's cheeses, from the Georgian *nadugi* cheese dish to Sainte Maure, in St. Petersburg there will be a cheese factory that has already learned how to make them. Cheese isn't the end of it, either: artisan preserves and sauces, tofu and peanut butter, ice cream and chocolate, crisps and cider are all in demand, too.



is something every restaurant and bar is doing. In line with the experience of many Michelin-starred venues, including Noma, many St. Petersburg restaurant owners are starting up their own farms, where they cultivate everything they need, from bullocks to seasonal vegetables. And even if the chefs are not labouring in the fields, you'll definitely find one making his own sausages, another making his own miso sauce in the kitchen, and a third brewing kombucha. For this reason, the cooking at restaurants has become especially popular: a significant percentage of restaurants which opened in St. Peters-

The second reason behind the popularity of artisan food – handcrafted, homemade products – is the global fashion for full customization of raw ingredients, which



IL LAGO DEI CIGNI

Address: 21, Krestovsky Prospekt (Northern road)
 Tel.: +7 (812) 602 07 07
 Website: illago.ru
 Opening hours: daily 12:00–00:00
 Cuisine: Italian
 Menu: Il Lago dei Cigni's menu is based on regional Italian recipes prepared with top-quality, fresh, seasonal ingredients and using the latest techniques.
 Interior: The distinctive interior was created by the world-famous Hirsch Bedner Associates design studio. It features a spacious main hall seating 90 guests, two VIP rooms, and an outdoor terrace in summer. The restaurant is set in incredibly picturesque surroundings, delighting even true connoisseurs of beauty.

burg in 2017–2018 have their own shops where guests can buy ham, cheeses, pickles, and groceries produced on the premises. This is an even bigger trend in St. Petersburg’s bars: in addition to their own liqueurs and bitters, Mexican bars make their own mescal, while Russian bars make *polugar*, a traditional grain spirit.

Asian and fish restaurants

This is a rare example of a clear thematic connection across the major restaurant openings throughout the year. St. Petersburg has finally began to live up to its status as a port city, and gained some restaurants specializing in fish and seafood. The formats vary from seafood bistros to haute cuisine. For example, the oldest fish factory, the irreplaceable



STROGANOFF STEAK HOUSE

Address: 4, Konnogvardeisky Bul.
 Tel.: +7 (812) 314 5514, +7 (931) 314 5538
 Website: stroganoffsteakhouse.ru
 Opening hours:
 Mon – Fri: 08:00–24:00
 Sat – Sun: 10:00–24:00
 Cuisine: Russian and American
 Menu: All our dishes are cooked using the best ingredients only and in accordance with original technologies. Served in generous portions! True meat lovers have a chance to taste dry-aged steaks and, of course, marbled Wagyu beef.
 Interior: The first Russia’s steakhouse which combined all the best components such as impeccable service and an elegant and cosy atmosphere.

Special 10% discount for Forum participants when presenting a badge

champion in terms of oyster sales in the city over the past 20 years, has built several branches, including an oyster bar and a restaurant with a focus on black caviar.

Other newcomers to the restaurant scene include Asian cuisine: until quite recently, Chinese or Japanese cookery was represented only by traditional chains. Now people go to neo-bistros for sushi, where they are served in the Berlin style, with a spread of different salads, whereas for Peking duck they may visit a top-class, giant restaurant, where one can even find shark fins. For cocktails with Korean spirits, people go to a pre-party bar, while for dim sum and noodles, they simply visit the best chef in town.

Healthy living: alcohol-free cocktails and vegetable-based menus

Taking care of your health and wellness is a worldwide trend which permeates everything, from the promotion of responsible consumption to marathon races. The catering sector in St. Petersburg has been very responsive to this, and this is noticeable everywhere. Flagship restaurants have a special menu with dishes suitable for the Russian Orthodox Lenten fast every day of the year. A high-budget boutique restaurant has a separate chef who prepares exclusively molecular and vegan menus. The city’s best meat restaurant has

introduced a custom of preparing dinners featuring vegetables only. The most popular dishes are then added to the menu. In bars you can safely ask for a list of non-alcoholic cocktails and count on a wide range of light aperitifs. The mass market is also undergoing restructuring: chains of confectioneries and coffee shops offering healthy desserts without sugar or flour are expanding rapidly.

Gastro-clusters

Of all Russia’s cities, it is probably only in St. Petersburg where creative spaces for young people have been able to open up in grand buildings of outstanding architectural quality and cultural value, in the heart of the city. The idea is simple: historical properties requiring long-term development and awaiting investment are given to teams of ‘promoters’ who select tenants and help with the reconstruction of the premises. Up to 50% of the space can be used by cafés and restaurants. At Golitsyn Loft, opposite St. Michael’s Castle, for example, Portuguese, Georgian, and Indian cuisine is well represented. Berthold Centre near Sennaya Ploshchad boasts the presence of Portuguese pastelarias, pizzerias, and distilleries. At *Butylka*, a former prison built in 1830 on New Holland Island, Istanbul street food, modern Vietnamese cuisine, and Mexican specialities are prepared, and guests are welcomed at a Russian *rumochnaya* (vodka bar) and in a Japanese diner with a Californian twist.

Bar hopping

Along with smelt fish and doughnuts, the city’s trademark gastro-brand is bar hopping: the tradition of drinking not in one bar, but by walking from one drinking place to another over the course of a night – the tally can reach up to 20 establishments. This is possible due to the fact that the historic centre of St. Petersburg

is compact, everything is a stone’s throw away, and the bars are concentrated on a few streets. The main boozing thoroughfare is Ulitsa Rubinshteina, where it seems there is a bar for every taste, from Russian cocktails to Israeli drinks. However, lately, it has been given a run for its money by Zhukovsky, Belinsky, Sadovaya, and Nekrasov streets. On the latter, for example, in one building there is a tropical-themed bar with dancing, a Nordic bar, the

headquarters of the *intelligentsia*, and a popular craft pub.

Champagne bars, 1930s-style speakeasies, and rave venues: there are fantastic, authentic drinking establishments to suit all tastes, from bohemian to old money. It comes as no surprise that superb bars are seen as St. Petersburg’s stock-in-trade, places where, as popular Russian rock star Sergey Shnurov tells us in his song In Peter, You Drink, you simply have to indulge. 🌸



MZE SUN RESTAURANT

Address: 7/11 Oktyabrsky Bulvar, Pushkin (10 minutes from ExpoForum)
 Tel.: +7 812 904 6900
 Website: mzerest.com
 Opening hours:
 Mon – Thu: 12:00–00:00
 Fri: 12:00–02:00
 Sat: 11:00–02:00
 Sun: 11:00–00:00
 Cuisine: Gourmet modern eastern traditions, including originally served authentic master pilaf, savoury shish kebab cooked on firewood grill, house special khinkali, Ossetian khachapuri, grilled vegetable salads, and own touch of creativity to every dish.
 Interior: The interior is distinguished for its calm, natural shades and straight lines. Natural details like wood and flowers create warm and welcoming atmosphere.

Special 10% discount for Forum participants with password ‘mzeforum’

WALK THE COURTYARDS

Closed courtyards, connecting courtyards, courtyard gardens and light wells are the other side of St. Petersburg's grand facades. They are an attraction which perhaps reveals the city in an even better light than its 'official' scenery.

OCTAGON

1B, Maly Prospekt (Petrograd Side)

The Octagon is the second inner courtyard of a tenement building belonging to the timber merchant Zanin. You can reach it from Maly Prospekt (Petrograd) through another small closed courtyard. Zanin House was built between 1914 and 1916 at a time when the price of land in St. Petersburg was increasing exponentially, and architects had to seek ways to use space more efficiently.

It has been supposed that the perfect octagonal design is an imitation of St. Michael's Castle, which in turn owes its octagonal shape to the Maltese Cross. The famously tragic Emperor Paul I of Russia was Grand Master of the Roman Catholic Knights Hospitaller when he founded St. Michael's Castle.

Photo: Dmitrii Dobrodeev

MOSAIC COURTYARD

2, Ulitsa Chaikovskogo

In a courtyard opposite the Summer Garden on the Fontanka Canal, everything the artists could reach is covered in mosaic – the walls, pavements, benches, and the children's play area. Vladimir Lubenko, who founded the Small Academy of Arts here in 1984, devised and oversaw this transformation (using his own money) with help from his students. Featuring lions, mystical beasts, and angels, this mosaic cross between Gaudi and Hundertwasser is visited by art students from far and wide.

Photo: Gumbao/Shutterstock



SAINT-GERMAIN

46, Liteyny Prospekt

This courtyard on Liteyny Prospekt is a popular meeting place for the St. Petersburg underground scene. It was frequented by writers Joseph Brodsky and Sergei Dovlatov, Russian rock stars Viktor Tsoi and Boris Grebenshchikov, and other Café Saigon regulars. Russian opera legend Feodor Chaliapin once performed here.

The building was rebuilt in the early twentieth century for the oil baron Pavel Gukasov, one of the richest people in Russia. The courtyard was reconstructed in a Renaissance style, with a magnificent garden, which has been partially preserved to this day.

Photo: Viktor Pletenskoi



GUARDS' COURTYARD
4-6, Doinikov Pereulok

Doinikov Pereulok is a tiny alleyway in the region of Semyonovskaya Sloboda – the city district where the Semyonovsky Lifeguard Regiment was billeted – is still known to this day. The Regiment was established in 1683 in the village of Semyonovskoye, outside Moscow, and was stationed in St. Petersburg from 1723.

The present-day courtyard is on the site of the regiment's former hospital, and the walls are adorned with images from the life of the regiment: a soldier resting on a bench, a guard and a lady talking on the balcony, a boy leading a horse by its reins – even some of the windows have been drawn on.

Photo: Aleksandr Rozanov

BAK HOUSE ELEVATED WALKWAYS
24, Kirochnaya Ulitsa

The house of railway engineer and founder of Rech newspaper Yulian Bak was built in 1904-1905, and remains one of St. Petersburg's most stunning pieces of architecture. Pre-revolutionary eyewitness accounts describe Bak House as a real palace with wine cellars, stained-glass windows, marble staircases, and a beautiful lift (sadly lost in the 1960s) with a velvet-covered seat and lift attendant.

Photo: Dmitrii Dobrodeev

GRIFFINS' TOWER
16-18, 7-YA LINIYA, VASILIEVSKY OSTROV

In the late nineteenth century, the apothecary Alexander Pel opened an organotherapeutic institute, a pharmaceutical plant, and a laboratory whose enormous chimney gave birth to a whole host of legends. Petersburgers with mystical inclinations believe that Pel's alchemy experiments produced a flock of griffins (winged lions) who sit in the tower by day, and fly under the pale sky by night, their reflections only visible in the windows of the neighbouring houses.

Photo: Dmitrii Dobrodeev

ANGEL COURTYARD
3, Nevsky Prospekt

The most legendary of the 'spirit courtyards' – which is what St. Petersburgers call the light wells that their kitchen or utility room windows look out onto – Angel Courtyard is a five-sided light well just 100 paces from Palace Square. It is accessible through a low arch at the far end of Merchant Lelyanov's House. According to legend, any wish made under the arch will come true. Romanics believe that the courtyard is home to an angel, whose silhouette can be seen in the five-sided strip of sky above your head.

Photo: Dmitrii Dobrodeev





SOCIAL PARTNERSHIP:

Creating a Space for Trust

In Russia and around the world there is now an understanding that sustainable economic development is attainable only in a steadily developing society. Achieving growth without tackling social problems is impossible. In order to create an ecosystem of socially-oriented projects in Russia, we need funding channels, up-to-date regulations, technological innovations, and an effective information environment. The government cannot be the only actor in this story. Rather, it needs to join forces with business, nonprofit organizations, society, and the media. The Roscongress Foundation's social platform was created in order to provide a working environment for this social ecosystem.

Elena Marinina,
Head of the Roscongress
Foundation Directorate
for the Socio-Economic
Agenda

"The social platform is an initiative that seeks to establish and maintain a stable dialogue between business, government, and civil society. We are creating feedback tools at our existing forums and beyond. We are promoting a social agenda and fostering the development of a culture of philanthropy in Russia.

"During sessions dedicated to this topic at the Russia House in Davos and the Russian Investment Forum in Sochi, several key problems in Russia's social ecosystem were identified. These include the lack of systemic dialogue between the state, business, citizens, and nonprofits; the lack of quality information about the social sector; and the lack of developed mechanisms for replicating successful projects and innovative social practices in the regions.

"Our activities are aimed at overcoming these problems and developing stable and sustainable links between all parts of the ecosystem. Our plan is that the social platform should be a logical continuation of the Roscongress Foundation forums and, in particular, the St. Petersburg International Economic Forum.

"Our NPO LAB stand will continue this work at SPIEF, where the largest charitable foundations and corporate social responsibility (CSR) officers will be able to present their successful social and environmental projects and talk about the factors behind this success. There will be discussions and workshops with experts on how to effectively promote social ideas, realize the full potential of new information technologies in the social sector, and foster cooperation between nonprofits, government, and businesses as a target model for sustainable development. We anticipate that the NPO LAB will become a platform



for encouraging triangular cooperation and attracting investment to high-impact social projects.

"We are seeking to involve leading Russian and foreign experts in the social platform. We want to foster an exchange of views and experiences at the global level and develop a basis for mutually beneficial international cooperation in addressing the social challenges that face Russia and the world as a whole. In Russia, there is great potential for creating effective solutions in the fields of education, environmental protection, and the development of a culture of social inclusion. These are global problems, and Russia is capable of making a strategic contribution to joint international partnership in these areas.

"In order to integrate this issue into the SPIEF business programme, we are holding two discussions with leading Russian and international experts. The first session will be devoted to discussing trends in the development of socially-oriented practices,

and solutions from the point of view of various participants in the social sector. The second session will focus on the role of prominent women in the social and economic development of the Eurasian region. It will form the basis of our initiative to establish an international women's community in support of the ideas of global sustainable development, the strengthening of international social and cultural ties, and cooperation among women to address urgent social problems.

"During SPIEF, we will announce a joint project with the Art, Science and Sport Charity Foundation to develop the practice of social communications in Russia. This project will be carried out in a broad partnership with the state, the nonprofit sector, cultural and educational organizations, and experts in the field of audiovisual and digital communication. The goal of this project is to improve integrated communications mechanisms within the social sector and to establish a culture of social inclusion in society."



Herman Gref,
Chairman of the
Executive Board and
Chief Executive Officer,
Sberbank

"Sberbank rightfully considers itself a socially responsible company. Our commitment goes beyond participating in one-off events, however large they may be. We engage in regular, purposeful work through the charitable foundations that we have established. They help us not only to raise funds for traditional areas of support for those in need, but also to promote various adaptation projects and inclusive initiatives that seek to integrate people in challenging circumstances into a rapidly changing society. By establishing such charitable foundations as Memory of Generations, Investment in the Future, and Teach for Russia, as well as seizing the opportunity to assist those who are the hardest to help, we have done something that is good for our bank, for our employees, and for other members of the community. This creates a powerful and intangible source of motivation, and it further unites the team around tackling important humanitarian problems."



Ilya Chukalin,
CEO, Presidential
Grant Fund

"The Presidential Grant Fund is one of the newest development institutions. During our first year of existence, we received more than 25,000 projects. Of these, we supported 3213 by contributing a total of almost RUB 7 billion. Today, the Fund is creating a knowledge accumulation and management system. This is something that will help to institutionalize the nonprofit sector and increase its role and contribution to the social and economic development of the country. We must learn to identify the best practices and the most effective social technologies, which will enable active people to choose a working model based on their ideas about what they would like to do. The project evaluation methodology that we have developed will also help them to make this decision. For us, this is a priority topic that we hope will allow us to strengthen our level of cooperation with private and corporate foundations."



Elena Topoleva-Soldunova,
Director, Agency for Social
Information; member of
the Civic Chamber of the
Russian Federation

"In our current era, given the rapidly increasing information overload, it is becoming ever more difficult to win and retain the attention of audiences. There is growing interest in social information. Society is increasingly becoming aware of and concerned about social issues. Journalists have learned how to cover social topics in an engaging way, and those involved in the sector want to know more about each other in order to learn, communicate, and create together. Today, nonprofits are becoming more and more prominent public players. In this regard, the fact that the nonprofit sector has become increasingly visible at SPIEF represents a natural development, and one to which I hope that Forum participants will not remain indifferent."



Valerie Rockefeller,
Chair of the Rockefeller
Brothers Fund; member
of the Managing Board of
Rockefeller Philanthropy
Advisors

"Transparency and strong partnerships are, in my view, the main components that allow people to have confidence in nonprofits. Given the general low level of trust in public organizations, we understand that it is important today to make the necessary efforts to ensure that others trust us again, and the best way to do this is to publicize our mission and inform people about what we are doing. At the Rockefeller Brothers Fund, we openly publish information about our strategies and objectives, as well as the investments we are making, and we regularly evaluate our effectiveness because we need to make sure that we are doing important work that will inspire new partners to want to join us."



Alexandra Boldyreva,
Executive Director,
Donors' Forum
Association

"The Roscongress Foundation and the Donors' Forum Association are initiating a series of foresight sessions devoted to the development prospects of the Russian charity sector. Our goal is to create a picture of the future of Russian charity. We will create a model in which an important role will be assigned to cooperation and effective partnership both within the sector and among all stakeholders. This is a step that, we hope, will allow us to articulate our common vision, understand our objectives and context, and help consolidate the efforts of those who are ready to make the world a better place."



Maria Morozova,
General Director, Elena
& Gennady Timchenko
Foundation

"We can see that as social engagement has developed in Russia, people have developed stronger bonds of trust and connections with each other. There is a belief that the community can come together and change the world for the better. The barriers between different sectors and groups in society are decreasing. There is an increasing awareness that social activity is an important resource for the development of society. It does not replace, but rather complements the state's efforts in the social sphere. Therefore, I am sure that the more people become involved in social activities, the more significant the results that they will achieve."



Svetlana Chupsheva,
Director General, Agency
for Strategic Initiatives

"Support for social entrepreneurship has become one of the key areas of ASI's activity. We believe that social projects can and should be profitable. We recently summed up the results of our first accelerator. More than 600 applications were received, of which 115 projects were selected to participate in the initial intensive phase. At the end of this phase, 35 were granted the opportunity to participate in a two-month accelerator programme, where many managed to increase their revenues and find partners. Some of these projects will receive support from the Fund, and some will receive funding from its partners. We are seeing just how much demand there is for the Fund's products. Therefore, expect new accelerator programmes and projects on the horizon."



Nyuta Federmesser,
Founder, VERA Hospice
Charity Fund; Director,
Centre for Palliative
Medicine in Moscow
“Nonprofit socially-oriented or-
ganizations are playing a huge
role in the development of pal-
liative care, but the problems
need to be addressed system-
ically. The public sector, non-
profit organizations, volunteer
organizations, and the private
services market need to be
involved: it is only by imple-
menting a priority project at
the state level that a palliative
care system can be instituted in
the country.”



Chulpan Khamatova,
Actress and Co-Founder of
the Gift of Life Foundation
“For 12 years now our foundation has
been helping doctors treat the most
complex and expensive disease that
children can face: cancer. Through-
out these years, we have been buy-
ing equipment and consumables for
hospitals and paying for medicines
and operations. All of this is thanks
to the support of hundreds of thou-
sands of people as well as compa-
nies from across the country. We
greatly value the trust that society
and business have placed in us. I
think that all of this has been
made possible as a result of the
principles of the foundation’s
work. These were the principles
that we set ourselves at the outset.
First of all, we cherish complete
openness and transparency. We
account for every rouble that we
spend publicly on our website.
Secondly, we follow the advice
of doctors in everything that we
do, and we solicit their expert
opinion on everything that we
spend money on. And of course,
we constantly come up with and
develop new ways of helping,
making it as easy and convenient
as possible to contribute.”

Anastasia Tsvetkova,
CEO, Lake Baikal
Foundation for
Environmental
Applications and
Research

“The public believes that en-
vironmental issues are a global
challenge that must be solved
by the state and businesses
that impact the environment.
The task of environmental
nonprofit organizations is to
become more open to people,
and as a result to increase not
only the level of trust in their
activities, but also to arouse a
keen interest in the mission of
these organizations and how
it is fulfilled. We should ex-
pand the forms of financial and
non-financial reporting that
nonprofits should be required
to share with the community
via traditional and social me-
dia. Nonprofits should devel-
op projects that allow direct
involvement and explain how
everyone can participate in en-
vironmental initiatives.”



Maria Krasnikova,
Director, Art, Science and
Sport Charity Foundation

“We are confident that this step will
help us not only to consolidate and
build out integrated communica-
tions between government, business,
nonprofit organizations, and society,
but also to find effective solutions to

the most pressing social problems.
In order to achieve such a long-term
constructive relationship, we need
to involve society as much as possi-
ble. And society today is confidently
demonstrating its commitment and
responsibility. In order to increase
the density of social capital, it is not
necessary to invent overly complex
formats and tools to attract attention.
All we really need to do is to commu-
nicate current developments in the
field and replicate best practices in a
way that reaches the most people. We
need to talk about interesting pro-
jects, real people, volunteers, leaders,
and philanthropists. One of the most
effective tools for addressing this task
is social communication. We can see
how well social communication works

from the experience of the Support
Programme for Visually Impaired Chil-
dren. Russia has been actively creating
an accessible environment for visually
impaired people in recent years. Many
facilities are equipped with ramps and
handrails to help those with limited
mobility, as well as systems for sum-
moning assistance, and other tools.
An audio description system is being
developed, and free operations are
being conducted. New technologies
are emerging to ensure that people
with visual impairments are able to
live comfortably. However, informa-
tion about these important develop-
ments is too scattered or presented in
a way that makes it hard to understand.
Social communication is designed to
solve these problems.”

NPO LAB STAND WILL BE A MAJOR ATTRACTION AT SPIEF



This year the St. Petersburg In-
ternational Economic Forum will
feature a broad social agenda that
will be part of the main business

programme and presented at a
separate NPO LAB exhibition
stand. This format was successfull-
ly launched at the Russian Invest-

ment Forum, and it will be inte-
grated into all major Roscongress
Foundation events on a regular
basis. Forum guests can expect to
see successful examples of co-
operation between the nonprofit
sector, business, and government;
discussions and showcases featur-
ing Russian and international ex-
perts; the announcement of pro-
jects to develop the practice of
social communications; and much
more. 🌸



Maria Chertok,
Director, CAF Russia

“CAF Russia’s programme to de-
velop local community founda-
tions in the regions is a striking
example of a successful philan-
thropic initiative based on joint
efforts. Local community founda-
tions build up funds from busi-
nesses, government, individuals,
and nonprofit organizations to
solve urgent social problems. In
general, these foundations con-
tribute to the formation of cul-
tural traditions. They develop so-
cial entrepreneurship, and they
engage the local community. The
formation of local community
foundation is a global trend that
is actively taking root in Russia.”



SOCIAL COMMUNICATION

The Roscongress Foundation is announcing a
joint project with the Art, Science and Sport
Charity Foundation to develop the practice of
social communications in Russia. This is aimed
at creating a culture in which society contributes
to solving social problems. As part of the project
presentation, the stand will be used to launch
an all-Russian competition to find the best
examples of effective social communication in
audio, online, and offline formats. The panel of
experts is expected to include cultural figures,
opinion leaders, and leaders of major nonprofits.
The interim results of the contest will be
presented at the Eastern Economic Forum.

STAND DIAGRAM

During the Forum,
the NPO LAB stand
will be a space where
successful triangular
cooperation practices
will be presented. More
than 100 public and
charitable organizations
submitted projects,
from which the most
interesting stories have
been selected.

PHOTO OF THE INTERACTIVE MAP

Forum guests will not
only learn what is needed
to implement large-scale
nature conservation
projects and how
modern technologies
can be used to preserve
the world’s cultural
heritage, they will also
have an opportunity to
study an interactive map
of projects that have
won funding from the
Presidential Grant Fund.



TALKING ABOUT LANGUAGE

TEXT: **Dmitry Butrin, Kommersant Publishing House, especially for SPIEF MAGAZINE**

At the St. Petersburg International Economic Forum, the Roscongress social platform and the Art, Science and Sport Charity Foundation will present a joint project. The first stage will take place in summer 2018 and conclude at the Eastern Economic Forum in September. The topic: social communication and the mechanisms for making it happen. The first stage of the project will be research-oriented, aimed at discovering how, in what language, and on what topics various players in the social sector can effectively talk to one another. Without resolving those issues, the goal of social inclusion cannot be met.

At the upcoming annual SPIEF session in St. Petersburg, the social platform run by Roscongress, the organizer of major nationwide economic forums, and Alisher Usmanov's Art, Science and Sport Charity Foundation, will be presenting a project that may seem a bit technical. The platform and its partners will present the best Russian and international social communication case studies at SPIEF itself, as well as a workshop on the same topic – one that right now is familiar only to specialists. After the Forum is over, in the period from June to August, a university competition for social communication projects will begin in St. Petersburg. There will also be a series of master classes all across Russia on the mechanics of social communication in big cities, and a series of practical projects in social communication. The results of the competition will be announced at the Eastern Economic Forum in Vladivostok in early September, where there will also be a discussion of the interim results of the first stage of the project. There, the next moves will become clear.

It is no longer news that the Roscongress social platform has been integrating 'third sector' themes into the agendas of national forums since 2017. And it is only natural that it will not just be experts and leaders of socially-focused programmes and foundations that will be operating on the social platform. Business leaders, government managers, and youth organizations will be there, too. The only non-standard aspect could be the choice of topic for 2018. After all, social communication is not an internal technology of the third sector. What could there be to talk about? It would seem that we all know how to talk, to discuss current affairs, to contact each other and our intended audience. Why dedicate at least half a year of research, and an extremely large-scale educational programme and contest to that? Is this really what the social platform plans to devote such a significant effort to in summer 2018?

The topic of social communication, for Russia and other countries, is both problematic and promising. It is important for everyone involved in Russia's emerging third sector. Simplified a bit, the issue looks like this. In the social ecosystem that is developing, four main stakeholders are represented: first, government bodies and development institutes; second, the business community and its more socially-oriented segments; third, the nonprofit sector as such, the nonprofit community; and finally, fourth, people, who are not only the beneficiaries of programmes led by the three 'active' parties, but also participate in their own right in a multitude of more or less well-formed grassroots initiatives. Each of these stakeholders has already learned how to communicate well within its own individual segment. The business world already does a great job of consolidating its efforts within its own social projects, nonprofits know how to interact with each other, and the state is fully capable of coordinating the development of regulatory activities and support programmes internally. Engagement by ordinary citizens in Russia's third sector is also increasing very rapidly.

We've more or less arrived at a point when Russia – just like Europe in the late nineteenth century and the 1950s, the US in the 1980s and 2000s, Japan in the early twentieth century, and India in the 1970s – is set to experience an explosion of voluntary social activity. Later, such periods go down in history, and people remember these

events as the creation of a new country and a new society, although it in fact takes decades of advance development work before they can finally take place. But there's a chance this might not happen in Russia in the coming years. Social inclusion, whereby various communities inside an enormous, complex society suddenly learn to interact productively, translate techniques, share information, and effectively join forces, never happens on its own. It requires work, and that work requires a common language, catalysts for cooperation, a unified information space, and dialogue-based institutions.

The latter, evidently, are critically important. At certain stages of development, neither state agencies, nor nonprofits, nor the business community, nor consumers can take on the role of lead coordinator. But that impossibility has its positive aspects, because the ecosystem, the basic governing, operating principle in the social sector in society today, cannot be built according to hierarchical models. Deciding who in the third sector ought to be the most important and able to dictate the rules of the game is pointless. In this ecosystem, there are no unimportant parts. There is only constant interaction. The language of this interaction is, in fact, the subject of the social communication project being run by the Roscongress social platform and the Art, Science and Sport Foundation.

It could be that summer 2018 will be the time when the work to systematize the language of

We've arrived at a point when Russia is set to experience an explosion of voluntary social activity



Unlike the directorial Soviet approach, the modern social platform is aimed at smooth transformation of a rather piecemeal community into a single ecosystem.

communication, to create an information network on social topics, to establish common criteria for the success of social projects, to develop techniques for replicating success stories, will finally bear fruit. In any case, Roscongress believes that could be the case. The social platform already has a great deal to contribute to that goal. National forums are natural concentrations of the country's management and intellectual assets. Roscongress is already actively engaged in integrating its social platform into the global philanthropic community. In recent months, the social platform has been quite heavily involved in studying new communications technologies, including digital technologies, next-generation marketing, and public relations technologies in this extremely specialized sphere.

Other work is being done to create a women's community bringing together female entrepreneurs, politicians, philanthropists, athletes, scientists, educators, and artists who want to hold a separate discussion on issues regarding women's participation as peacekeepers and leaders in socioeconomic development. The social platform is also studying social communication practices during Soviet times. A significant portion of those are in demand by users and might also be highly effective for them today. Finally, in autumn 2018, the social platform intends to create its own media outlet, tasked with providing substantive analysis of trends in Russia's third sector. Despite how broadly it has developed, the country does not yet have professional media channels devoted to social projects.

The idea of a social platform becoming a catalyst for processes which will push Russia's third sector – today a rather piecemeal community – towards transitioning to a single ecosystem format is at least worthy of consideration from all potential participants. Any success achieved by the project will benefit the whole community. One way or another, the Russian society is already an information-based society, as is the economy, which is quickly mastering the language of digital technologies. The only thing the new digital communications cannot give us is a common understanding of what we need to agree on, and what should be the result of developing social communication. We must come up with our own vision for a 'completely new country' and a 'completely new society'. 🌸

ROAMING-FREE MOBILE COMMUNICATIONS WORLDWIDE YOUR GLOBAL PRIVILEGE!



**ROAMING FREE
NETWORKS ACROSS
THE GLOBE**



**MULTIPLE COUNTRY
PHONE NUMBERS ON
A SINGLE SIM CARD**



**THOSE YOU CALL WILL
ALWAYS SEE YOUR LOCAL
PHONE NUMBER OF THEIR
COUNTRY DISPLAYED**

ONE GLOBAL RATE

V-Tell subscribers may use communication services in any part of the world¹, while paying a fixed monthly rate for their preferred bundle.

EXCELLENT MOBILE INTERNET

You no longer need to limit your high speed Internet usage while traveling abroad or worry about different rates and limited access to internet resources. You will have the ability to watch movies, listen to music and chat using any social network!

V-TELL PHONE NUMBERS OF DIFFERENT COUNTRIES ALL ON ONE SIM CARD

You do not need to have several mobile devices or switch SIM cards for each country. A V-Tell Subscriber will really feel like a Citizen of the World: You can choose additional foreign phone numbers from all over the world¹ and add them to your SIM card at any time. One single SIM card allows you to have an unlimited amount of V-Tell phone numbers of most countries.²

YOU CAN BE REACHED WORLDWIDE WITH NO OVERSEAS CHARGES TO YOUR HOST

You can be anywhere in the world¹ and your business partners, relatives and friends can call you without worrying about the price of long distance calls. Their outgoing calls will always be considered local calls. Even when using "One-Touch" call back, your business partners, relatives and friends will conveniently only pay their local rates³!

SMART CALLER ID

When receiving your calls, your business partners, relatives and friends will always see their local countries phone number that you have been assigned by V-Tell. They may also use "One-Touch" call back, paying his/her local rate.

YOU'RE LOCAL NO MATTER WHERE YOU ARE

V-Tell Subscribers will always be considered "local" to residents and businesses when visiting any country whose phone number has been assigned to their SIM card.

V-TELL DOES NOT UTILIZE IP TELEPHONY

Being an operator in several countries of the world¹, V-Tell offers its Subscribers the opportunity to stay connected with their local network while traveling around the world. That is why we do not need to utilize IP telephony³.

1. From the list of countries, specified on V-TELL.COM
2. Subject to availability.
3. The number must already be assigned to the SIM card.

To become a V-TELL Subscriber you can download the V-TELL App from the App Store on your Apple Device or Google Play on your Android Device, as well as, by visiting V-TELL.COM or by calling +7-958-900-90-90.



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