

ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM

SPIEEF

 **ROSCONGRESS**
Building Trust

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**CREATING A SUSTAINABLE
DEVELOPMENT AGENDA**

International Forums
as a Place of Power

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PROFESSIONS OF THE FUTURE

Personnel for the New Economy

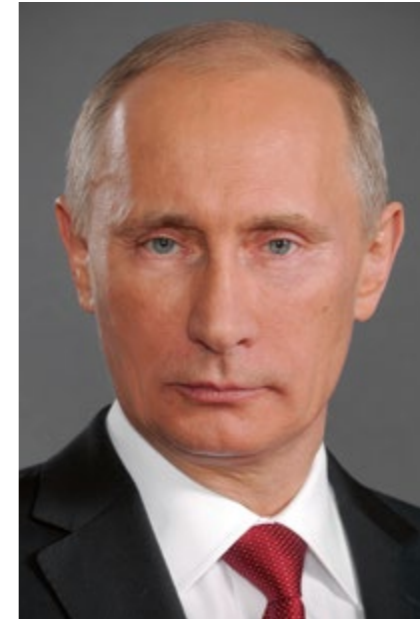
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SERGEY SHNUROV:

I feel great in any
economic situation

2019





To the participants, organizers and guests of the St. Petersburg International Economic Forum 2019

I extend warm greetings to all the Forum participants and guests.

For more than two decades now, the Forum has been contributing in significant ways to finding answers to the key questions the world is facing today, and shaping a meaningful and constructive agenda for far-reaching international cooperation in the interests of sustainable and balanced development. This year government officials, prominent politicians and experts, as well as business leaders and researchers, will come together to discuss the future of the Russian and global economy and exchange views on various matters related to digitalisation and the technological challenges, as well as such urgent problems as climate change and growing social inequality.

We are all, undoubtedly, committed to promoting peace and security in the world, preserving and multiplying the cultural heritage of humankind so that people from across the world can fulfil their potential, get an education and work in dignity,

confident in the future of their children. In order to deliver on these objectives, we need an economy that is strong and effective, honest and transparent global trade rules, free exchange in investment and technologies, and competition that is healthy and fair. Russia is open to proactive and equitable cooperation with all countries, regional and international organisations for achieving overall economic growth, developing transport, energy and telecommunications infrastructures, and promoting integration processes, including in Eurasia and the Asia-Pacific Region.

I strongly believe that the recommendations developed at the Forum and the agreements signed on its sidelines will serve the cause of enhancing international partnerships and building a prosperous future for our countries and peoples.

I hope you enjoy fruitful communication and wish you all the best.

Vladimir Putin

ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM IN FIGURES*

> **17,000** participants from

 **143** countries worldwide

> **150** business events and

 > **1,000** speakers and moderators

 **4,081** journalists

 from **45** countries

593 agreements signed, worth a total of RUB

 **2.625** trillion**

> **40** international investors managing capital totalling over 20% of global GDP

* Figures for 2018

** Figure only includes agreements whose value has been announced publicly



Dear friends,

It gives me great pleasure to welcome all guests and participants of the St. Petersburg International Economic Forum.

The event will once again bring together heads of state, senior executives from leading corporations, representatives of international non-profit associations, and members of the expert community. Together, they will discuss the most important issues facing the world today and outline areas of focus in order to achieve sustainable development as we move forward.

The Forum's business programme is invariably substantive and thought-provoking, and this year promises to be no exception, encompassing as it does a range of discussions, business dialogues, and meetings at the very highest level. I have no doubt that the Forum will see a great number of

agreements being signed, which will in turn translate into major projects being implemented in the near future, to the benefit of all involved.

It is also our hope that participants and guests of the Forum will take full advantage of its wide-ranging cultural and sporting programmes, and of course, enjoy the hospitality on offer in St. Petersburg — one of the most beautiful cities in the world.

On behalf of the Organizing Committee, allow me to wish you a productive, successful, and rewarding Forum!

Deputy Prime Minister
of the Russian Federation –
Chief of the Government Staff,
Chairman of the St. Petersburg International
Economic Forum Organizing Committee
Konstantin Chuychenko

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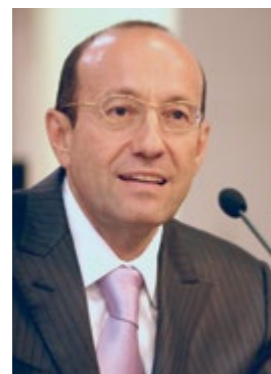
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FELIX VAKHOVSKY
V-Tell President, Chairman of the Board

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.

– *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.

St. Petersburg International Economic Forum • 2019 • The Roscongress Foundation magazine and catalogue

Project Manager Andrey Reut • Editor-in-Chief Dmitry Kryukov • Director Camilla Spence
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FORUM

Business Programme*

Creating a Sustainable Development Agenda



The key SPIEF event is the plenary session with the participation of Russian President Vladimir Putin

St. Petersburg International Economic Forum Programme

B20

Regional Consultation Forum

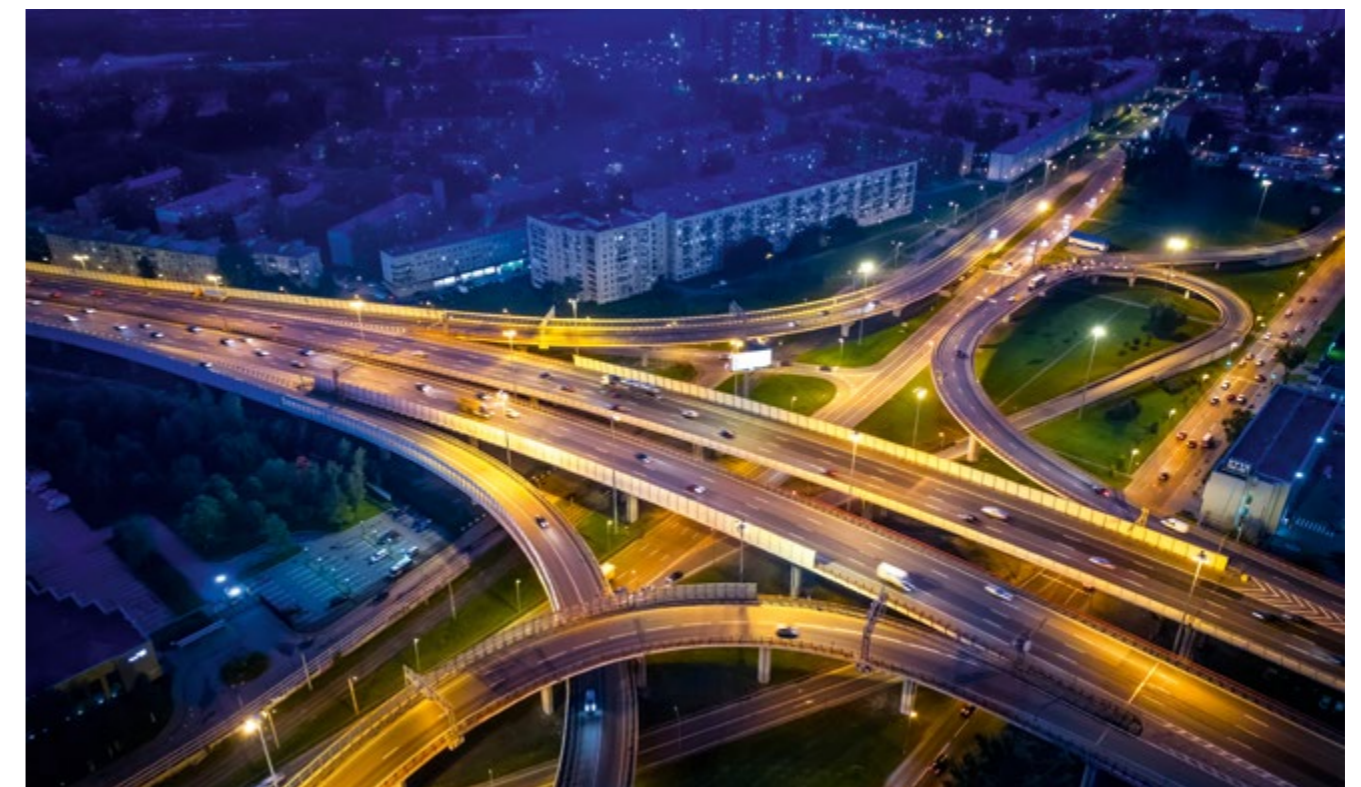
- Co-Creating the Future. Business Solutions for Realizing Sustainable Development Goals

The Global Economy in Search of a Balance

- SCO Without Borders: Integration of Transport Infrastructure
- Innovative Activity in BRICS Countries: Main Focuses and Prospects for Developing Cooperation
- Energy Panel. (In partnership with Rosneft)
- Digital Retail: Technology and Leadership
- Sberbank Plenary Session: Transformation in the Rapidly Changing World: States, Companies, People
- Strategies for the Future of the Eurasian Economic Union
- Banking or Financial Ecosystem: Which Will Outlive the Other?
- Global Trends in Ecotourism – Discovering Harmony with the Planet

- RT TV Debates: Are we Witnessing a Paradigm Shift in the Global Economic Order?
- Identifying Effective Strategies for the Chinese Consumer Market
- Is Modern Business Capable of Implementing Successful Long-Term Strategies? (In partnership with PwC)
- Valdai Discussion Club Session. A New Europe: What Is Russia to Expect?
- The Evolution of Anti-Monopoly Regulation in the Digital Era
- The Power of Youth and the Next Generation of Global Business
- Online Censorship: Global Practices in Internet Regulation
- Are Global Climate Challenges Restricting or Driving Development?
- Corporate Social Responsibility as a Driver of Sustainable Development
- “Made in” – Addressing Reputational Risk in Global Food Markets
- The Natural Gas Boom in Asia: Sustainable Economic Growth and Clean Air
- The Sustainability of the International Trade System and the Future of Globalisation

- Sport for Everyone: Global Trends and a Businesslike Approach
- The World Ocean: New Approaches to Management, Research, and Protection
- Media Summit. Is the Media a Participant or an Observer in Global Conflicts?
- A Strategic Pathway for Energy Companies in the Platform Economy. (In partnership with Rosseti)
- A Substantive Dialogue between Global Pharmaceutical Players and BRICS Economies on the Rules of Fair and Equitable Competition
- Unconditional Basic Income: Utopia or Reality?
- Integration vs. Protectionism: The Role of Development Institutions in the Creation of a Common Economic Space in Greater Eurasia
- Business Strategies for Sustainable Development
- ‘Smart Regulation’ of the Consumer Market
- Self-Regulation vs. State Control. How to Stimulate the Consumption of Legal Content?



Russia is an important link in the SCO transport infrastructure

* Information is presented as of 30 April 2019. You can find the updated business programme at forumspb.com

- Race for ESG: Who Will Get USD 30 Trillion in Investment?
- The Search for Middle Class Stability in a Changing World

The Russian Economy: Achieving National Development Goals

- Economic Growth as the Foundation for Achieving National Development Goals
- Partnerships between the State and Society to Provide Social Guarantees
- The Russian Energy Sector: Where Opportunities Abound
- Global Competitive Position and Export Potential for Russian Education
- ‘Regulatory guillotine’: a New Look at Old Requirements
- A Proactive Immigration Policy as a Tool for Development and Attracting Investment
- Ways for Business to Succeed in National Development Projects
- Presentation of the Results of the Russian Regional Investment Climate Index
- The Architecture of Public Health: International Experience and National Priorities
- Russia’s Construction, Housing, and Utilities Industry: Transformation
- Development Pathways for Young Entrepreneurship
- The Potential and Prospects for Developing the Digital Economy in the Russian Regions
- Creative Economy: Strategies for Promoting High-Tech Exports. (In partnership with the Russian Export Center)

- The Effect of the Film Industry on Regional Economies
- An Innovation Economy: Opportunities for Smart Specialization in the Regions
- The Future of the Natural Gas Engine and its Impact on the Economy and Climate
- Investing in Russia’s Future: How can National Projects Become Attractive to Investors? (In partnership with Russian Direct Investment Fund (RDIF))
- Legislation as a Catalyst for Economic Development: Protecting the Rights of Investors
- Defeating Trash: Russian Reform and International Practices
- Retail Investor: The Driver of the Russian Stock Market. (In partnership with Tinkoff Bank)
- Communal Infrastructure — Business or Social Responsibility?

People First

- Trianon Dialogue: Education of the Future
- Human Resources for the Transition to the Economy of the Future
- 21st Century Leader. (In partnership with PepsiCo)
- Exporting Culture: Ways to Present the Country’s Heritage in the International Arena
- Social Communications: Business as a Driving Force for Positive Social Change. Interaction between NPOs and the State
- The Future of Charity: From Tactics to Strategy
- Corporate Healthcare Programmes: Fashion Trend or Basic Need?
- Equal Opportunities in the Digital Economy

Technologies Shaping the Future

- Who Stands to Win in the Global Competition for Supremacy in Artificial Intelligence?
- The Role of Digital Technology in Creating Future Manufacturing
- International Cooperation in Science: Mega-Science Projects
- Digital Innovation in Subsoil Resource Management
- Digital Borders: Does Limiting Cyberspace Mean Limiting Opportunities?
- Identifying the Industrial Leaders of the Future
- Staying Ahead of the Curve in the Digital Transformation
- Football within a Big City
- Nothing Personal: How to Protect Personal Data Against Cyber Attacks



SPIEF provides an excellent opportunity for seeing many technological innovations

- Human or Machine: Business in the Era of Artificial Intelligence. (In partnership with Accenture)
- Healthcare Transformation: How Will Modern Technologies Change Lives?
- Artificial Intelligence without Mathematics — Is it Possible?

Business Dialogues

- Russia–Austria
- Russia–Africa
- Russia–Germany
- Russia–India
- Russia–Italy
- Russia–China
- Russia–USA
- Russia–Finland
- Russia–France. From Industry 4.0 to Industry X.0: Digital Transformation in Production for the Economy and Society
- Russia–Switzerland
- Russia–Sweden
- EAEU–ASEAN
- Innovative Collaboration in the CIS
- Challenges and Opportunities for Business in Russian-European Relations Today — and in the Future

Business Breakfasts

- Sberbank Business Breakfast
- Breakfast for Pharmaceutical Companies
- Digital Transformation of the Economy: International and Russian Experience in Digitizing the Transport Sector

UNIDO Round Table

- Role of Women Executives in Building Successful Business Models



Women Executives. From left to right: Tatyana Gvilava, President of the All Russia Organization for Women in Business; Chiara Corazza, Managing Director of Women’s Forum for the Economy & Society; and Klaske de Jonge of Coca-Cola HBC



THE YOUNGEST FLEET IN THE WORLD*

**Among airlines with an active fleet of more than 100 aircraft (excluding aircraft out of operation), according to Flight Global data, as of October 2018.*



NAVIGATOR

This information is valid as of 30 April 2019.

The latest information about the Forum can be found on the official website forumspb.com

ExpoForum Convention and Exhibition Centre

64/1, Peterburgskoye Shosse, St. Petersburg

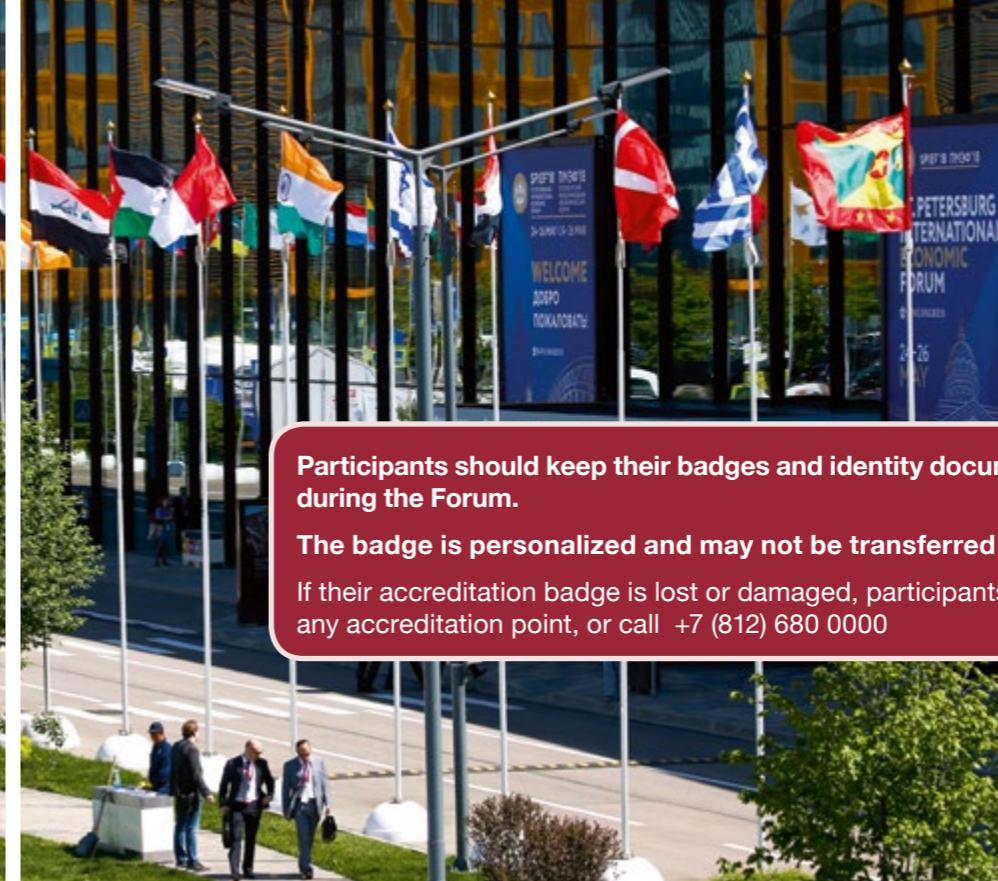
5 June	Events on the sidelines of the Forum	08:00–20:00
6–7 June	Forum main events	08:00–20:00
8 June		08:00–18:00

You 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 ExpoForum Convention and Exhibition Centre is approximately one hour (depending on the traffic).

INFORMATION CENTRE

+7 (812) 680 0000 info@forumspb.com

FORUMSPB.COM



Participants should keep their badges and identity documents with them at all times during the Forum.

The badge is personalized and may not be transferred to third parties.

If their accreditation badge is lost or damaged, participants should go to the Help Desk or any accreditation point, or call +7 (812) 680 0000

ACCESS TO THE FORUM VENUE

The main events on the SPIEF business programme and a number of cultural and sporting programme events may only be accessed with an **accreditation badge**.

We kindly ask that you collect your accreditation badge in advance in order to ensure easy access to the Forum venue. Badges may be collected in one of the accreditation points in Moscow or St. Petersburg. Participant badges can be collected either in person (upon presentation of the identity document specified in the application form) or by power of attorney.

If a participant's badge is collected by a third party using a power of attorney, the authorized person must present the following:

- The authorized person's passport
- The original copy of the standard power of attorney*
- List of participants (The power of attorney is not valid without the list of all participants to be accredited)
- Copies of participants' passports (copies of passports will be returned once badges have been issued)

* A power of attorney form can be found in the 'Collecting a badge' section at forumspb.com

To simplify collection of the participant badge a participant can present an electronic ticket at an accreditation stand.

The electronic ticket which can be printed out from the personal web office at forumspb.com contains participant information (full name, organization, and country), accreditation point locations and operating hours, and other essential information.

The electronic ticket is not a prerequisite for obtaining accreditation; it does not serve as a replacement for ID and does not grant access to the Forum venue or events on the cultural and sporting programmes

INTERNET

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

Network name: **SPIEF-2019**

Password: **roscongress**

For access to the SPIEF-2019 network, please follow the instructions on the authorization web page which is displayed when connecting to the network.

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)
- At Moskovsky Rail Terminal
- In Accreditation Centre 1 (Ulmart shopping centre)
- At the Forum venue (in the Passage, the Congress Centre, pavilions F, G and H)

The information and services points at the Forum venue offer the following services:

- Copying and printing of documents
- Copying and recording information to electronic media
- Distribution of Forum information materials
- Subscription to or cancellation of the Viber or text notification service

VIBER OR TEXT NOTIFICATONS

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, by contacting the Forum information centre on

+7 (812) 680 0000

or at the Forum information and services points.

SPIEF online community



[forumspb](https://www.facebook.com/forumspb)



[TheSpbForum](https://www.youtube.com/TheSpbForum)



[forumspb](https://twitter.com/forumspb)



[forumspb](https://www.instagram.com/forumspb)

Official Forum hashtags:
#SPIEF #SPIEF2019

ACCREDITATION POINT OPERATING HOURS AND LOCATIONS

Point	Address	Date	Operating hours
Moscow			
Roscongress Foundation Accreditation Centre at the World Trade Center Moscow	Entrance No.7, ground floor, 12, Krasnopresnenskaya Nab., Moscow	23 May 24 May – 5 June* 6 June	11:00–20:00 09:00–20:00 09:00–13:00
St. Petersburg			
Accreditation Centre 1 (Ulmart shopping centre)	43/2, Pulkovskoye Shosse	27 May – 2 June 3 June 4–5 June 6 June 7 June 8 June	10:00–20:00 10:00–23:59 24 hours 00:00–22:30 07:30–22:30 07:30–19:30
Pulkovo Airport	41ZA, Pulkovskoye Shosse	3 June 4–7 June 8 June	11:00–23:59 24 hours 00:00–12:00
Pulkovo VIP lounge	41ZA, Pulkovskoye Shosse	3 June 4–7 June 8 June	11:00–23:00 08:00–23:00 08:00–12:00
Moskovsky Rail Terminal	85, Nevsky Prospekt	3 June 4–7 June 8 June	11:00–23:59 06:30–23:59 06:30–12:00
Hotels in St. Petersburg			
Belmond Grand Hotel Europe	1/7, Mikhailovskaya Ulitsa	3 June 4–5 June 6–7 June	11:00–23:00 08:00–23:00 07:00–23:00
Kempinski Hotel Moika 22	22, Nab. Reki Moiki		
Corinthia Hotel St. Petersburg	57, Nevsky Prospekt		
Lotte Hotel St. Petersburg	2, Antonenko Pereulok		
Angleterre Hotel	24, Malaya Morskaya Ulitsa		
Park Inn by Radisson Pulkovskaya	1, Ploshchad Pobedy		

* Only on working days



Before issuing a badge, an accreditation point attendant will make sure that the data specified in the application form corresponds to the ID document. In the event of any discrepancies, it will not be possible to issue a badge the same day

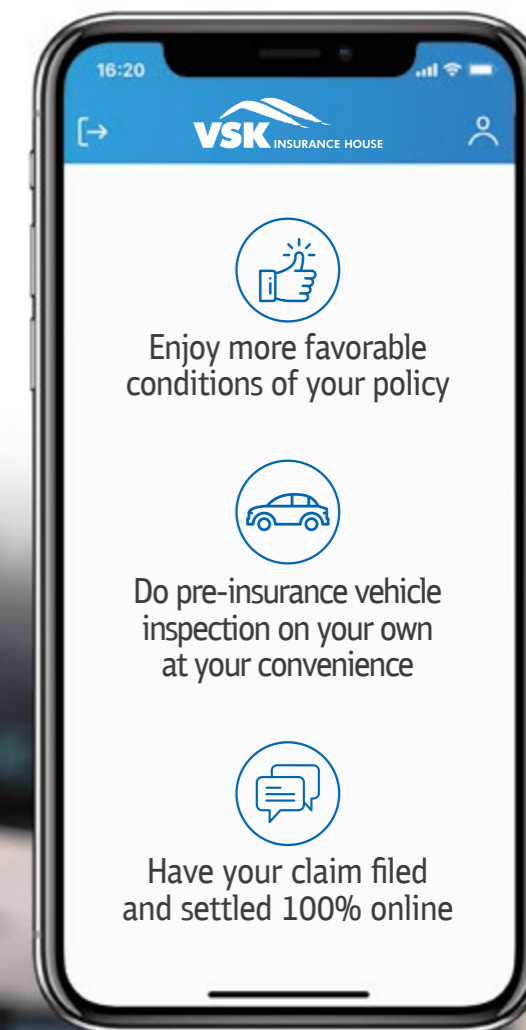


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ACCREDITATION OF PERSONAL VEHICLES

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. Accreditation requests for personal vehicles and drivers **will not be accepted after 31 May 2019**.

Accredited vehicles have right of access to the following locations (depending on the type of transport pass and the parking index assigned to them):

- The ExpoForum Convention and Exhibition Centre territory
- Off-site parking areas*
- Pulkovo Airport pick-up/drop-off zone and parking area
- Moskovsky Rail Terminal pick-up/drop-off zone and parking area
- Pick-up/drop-off zones at official Forum hotels
- Pick-up/drop-off zones and parkings at cultural programme event locations

* Free shuttle buses will run between off-site parking areas and the Forum venue.

Collection times for transport passes and driver badges

	Location	Date	Operating hours
Accreditation Centre 1 (Ulmart shopping centre)	43/2, Pulkovskoye Shosse	20 May – 2 June	10:00–20:00
		3 June	10:00–23:59
		4–5 June	00:00–23:59
		6 June	00:00–22:30
		7 June	07:30–22:30
		8 June	07:30–19:30

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

- The passport of the third party (authorized person)
- The original power of attorney using the prescribed form*
- Copies of the drivers' passports

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

Accredited cars are issued with transport passes; drivers must also be accredited. Transport passes and drivers' accreditation badges are issued at Accreditation Centre 1 (Ulmart shopping centre, 43/2, Pulkovskoye Shosse).



MINIMUM CONDITIONS – MAXIMUM OPPORTUNITIES

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PARTICIPANT AND MEDIA BAGS

Bags will only be issued to participants who have received their accreditation badges.

Bags are issued to Premium and Standard Package participants, as well as to media representatives only upon presentation of a participant badge or an electronic ticket at the participant and media bag distribution point.

The electronic ticket is an A4-sized document printed from a participant's personal web office (in colour or black and white) displaying their personal information (country, full name, and organization), a barcode, and other essential information.

If a bag is collected **by power of attorney**, an authorized person must present:

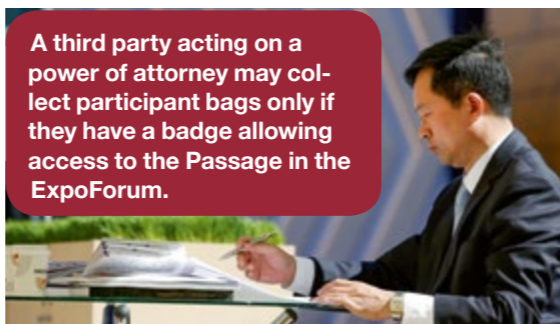
- An original standard power of attorney*
- An authorized person's passport
- Badges or electronic tickets for all participants whose bags an authorized person is collecting

* A power of attorney form and an example of how to fill it out can be found in the 'Participant bag' section at forumspb.com

PARTICIPANT AND MEDIA BAG DISTRIBUTION POINT OPERATING HOURS

Location	Date	Operating hours
ExpoForum, Passage in Pavilion F, stands 43-51	5 June	10:00-20:00
	6-7 June	08:00-20:00
	8 June	08:00-18:00

A third party acting on a power of attorney may collect participant bags only if they have a badge allowing access to the Passage in the ExpoForum.



PAYMENT FOR PARTICIPATION AND SERVICES

A 5.5% commission fee is charged when paying for participation and services at Forum financial services stands. Cash and bank cards are accepted for payment.

FORUM FINANCIAL SERVICES STANDS OPERATING HOURS

Location	Date	Operating hours
Accreditation Centre 1 (Ulmart shopping centre, 43/2, Pulkovskoye Shosse) • Payment for participation and services at the Forum • Issue of closing documents	4-5 June	10:00-19:00
	6-7 June	08:00-20:00
	8 June	08:00-16:00
Forum venue * (Passage in zone F, stands 32-36) • Payment for participation and services at the Forum • Issue of closing documents	5-7 June	08:00-20:00
	8 June	08:00-16:00

* For participants who have received their badges

MOBILE APP

The SPIEF 2019 mobile app is the best way to get the latest information 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 the app's functions and features are fully available after entering the personal web office login and password which were specified in the participant's invitation to the Forum.

KEY APP FUNCTIONS

- Get information about the Forum programme
- View video broadcasts of business events
- Exchange messages with other participants
- Schedule meetings (under 'Day Planner')
- Create a personal schedule of business, cultural, sporting and other programme events
- Get information on transport services
- Navigate the Forum venue



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ROSCONGRESS CLUB

Passage in Pavilion H

5 June, 09:00–20:00
6–7 June, 08:00–20:00
8 June, 08:00–18:00

The **Roscongress Club** is a private club for the intellectual, business, and political elite.

The involvement of Russian and global opinion leaders, together with a wide circle of representatives drawn from the worlds of business and government, makes the Roscongress Club a meaningful platform that is of strategic interest to all who wish to influence the political and economic landscape in Russia and worldwide. The Roscongress Club is a specially equipped communications space, created to offer the best possible environment for business networking, and is accessible only to Roscongress Club card holders or by special invitation.

Roscongress Club space at SPIEF 2019:

- The Main Lounge is an area for relaxation and networking in an informal atmosphere, with a superb catering service and live streaming of Forum business programme events.
- The Presentation Area is a multifunctional space for holding presentations at the highest level, as well as awards ceremonies and entertainment and charity events.
- The meeting areas are a great option for unofficial discussions among guests and for business meetings for 6–10 people.
- The VIP Lounge is an exclusive, restricted-access business area ideal for holding meetings at any level, or simply for taking some time out from a busy day at the Forum. Visitors to the VIP Lounge can take advantage of the concierge service, whose specialists will help you to solve work-related issues and make the most of your leisure time.

More information on Roscongress Club cards is available at forumspb.com

GOVERNORS' CLUB

Pavilion H

5 June, 09:00–20:00
6–7 June, 08:00–20:00
8 June, 08:00–18:00

The **Governors' Club** offers an area for relaxation and informal communication between the heads of Russia's regions. It also provides a space for presentations on the economic, tourism, and cultural potential of the regions. Its visitors include governors and plenipotentiary representatives of the President of the Russian Federation. Regional officials, business executives, and experts can visit the Governors' Club if they are invited by regional heads.

Access: via SPIEF 2019 badge and special pass.

Special passes will be issued at the Governors' Club administrator stand starting from 5 June.

SPIEF PRESENTATION AREA SUPPORTED BY EY AND FIAC

Centre of Pavilion H

5 June, 09:00–20:00
6–7 June, 08:00–20:00
8 June, 08:00–18:00

The SPIEF Presentation Area supported by EY and FIAC 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 a talk show format. The Russian news agency TASS is the operator of the SPIEF Presentation Area supported by EY and FIAC.

The programme of the Presentation Area events can be found in the Programme section at forumspb.com



FESTIVAL

FREE ADMISSION

From classic to rock

Palace Square

Tinkoff

7 june, 20:00

Andrea Bocelli

Guest soprano
Aida Garifullina





8 june, 20:00

BI-2
with a symphony orchestra



INNOVATION SPACE



 Pavilion G
 5 June, 09:00–20:00
 6–7 June, 08:00–20:00
 8 June, 08:00–18:00

The Innovation Space is Roscongress Foundation's project — a platform for dialogue with experts in innovation projects, artificial intelligence and the digital economy. The Innovation Space brings together federal authorities,

international technology companies, investors, development corporations, young entrepreneurs, innovators, and media representatives. The project is also designed to support young researchers, inventors and developers. In the exhibition area of the Innovation Space young experts will be able to present their projects and take part in the following events: an open international competition of innovative solutions, pitch sessions for promising startups, demonstration of cases for practical application of digital technologies, presentations of high-tech solutions in e-commerce, smart city, heavy industry and other areas.

The programme of Innovation Space events can be found in the Programme section at forums.spb.com

SOCIAL IMPACT LOUNGE

 Pavilion G
 5 June, 09:00–20:00
 6–7 June, 08:00–20:00
 8 June, 08:00–18:00

The Social Impact Lounge is a traditional platform for socially oriented events and discussions in partnership with key social development institutions, which has become a pivotal project of the Roscongress Foundation for highlighting the best social practices that have been amassed in the Russian regions. The Social Impact Lounge's goal is to consolidate social issues on the agenda of Russian business forums and propel the relationship between the government, business, and NPOs to a new positive level of trust.



Vice Prime Minister of Russian Federation Tatyana Golikova at the opening of the Social Impact Lounge



2-5 October
 Moscow, Manege

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HOTELS

Should you have any questions about booking hotel rooms, please contact the hotel accommodation services at the Roscongress Foundation:

+7 (812) 406 7475
booking@roscongress.org

**SPIEF 2019
 RECOMMENDED HOTELS:**

- Four Seasons Hotel Lion Palace St. Petersburg 5*** (1A, Voznesensky Prospekt)
- SO Sofitel St. Petersburg 5*** (6, Voznesensky Prospekt)
- Tsar Palace Luxury & SPA Hotel 5*** (32, Sofiysky Bulvar, Pushkin)
- Hotel Astoria 5*** (32, Sofiysky Bulvar, Pushkin)
- Belmond Grand Hotel Europe 5*** (1/7, Mikhailovskaya Ulitsa)
- Grand Hotel Emerald 5*** (18, Suvorovsky Prospekt)
- 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 5*** (14, Malaya Morskaya Ulitsa)
- Hilton St. Petersburg ExpoForum 4*** (64/1, Peterburgskoye Shosse)
- Ambassador Hotel 4*** (5–7, Prospekt Rimskogo-Korsakova)
- Angleterre Hotel 4*** (24, Malaya Morskaya Ulitsa)
- Crowne Plaza St. Petersburg Airport 4*** (6A, Startovaya Ulitsa)
- Aston Hotel 4*** (5, Vladimirsky Prospekt)
- Helvetia Deluxe Hotel 4*** (11, Ulitsa Marata)
- Hotel Indigo St. Petersburg – Tchaikovskogo 4*** (17, Tchaikovskogo Ulitsa)
- Park Inn by Radisson Nevsky 4*** (4A, Goncharnaya Ulitsa / 89, Nevsky Prospekt)
- Park Inn by Radisson Pulkovskaya 4*** (1, Ploshchad Pobedy)
- Radisson Sonya Hotel 4*** (5/19, Liteyny Prospekt)
- Original Sokos Hotel Olympia Garden 4*** (3A, Bataisky Pereulok)
- Holiday Inn Express St. Petersburg – Sadovaya 4*** (62, Sadovaya Ulitsa)
- Hampton by Hilton St. Petersburg ExpoForum 3*** (64/2A, Peterburgskoye Shosse)
- Meininger Hotel Saint Petersburg 3*** (62, Sadovaya Ulitsa)
- Art Hotel Fort Kolesnik 3*** (66, Kuzminskoye Shosse)
- Nevsky Hotel Aster 3*** (25, Bolshaya Konushennaya Ulitsa)
- Nevsky Breeze Hotel 3*** (12, Galernaya Ulitsa)
- Nevsky Grand Hotel 3*** (10, Bolshaya Konyushennaya Ulitsa)
- VOX Hotel 3*** (29A, Ligovsky Prospekt)
- Aglaya Hotel & Courtyard 3*** (38, Razezhaya Ulitsa)
- Nevsky Bereg 93 3*** (93, Nevsky Prospekt)
- Dashkova Residence 3*** (15, Galernaya Ulitsa)
- Harbor Club Hotel 3*** (3, 9-ya Sovetskaya Ulitsa)

SHUTTLE BUSES SCHEDULE

Route 1. Recommended hotels			
Date	Route	Time	Frequency
5–8 June	Recommended hotels – ExpoForum – recommended hotels	07:00–12:00	20 minutes
		12:00–15:00	60 minutes
		15:00–22:00	20 minutes

Route 1.1 St. Isaac's Square: Four Seasons Hotel Lion Palace St. Petersburg, Hotel Astoria, Angleterre Hotel, Lotte Hotel St. Petersburg
Route 1.2 Nevsky Prospekt: Belmond Grand Hotel Europe, Kempinski Hotel Moika 22 St. Petersburg
Route 1.3 Sadovaya Ulitsa: Ambassador Hotel, Meininger Hotel Saint Petersburg
Route 1.4 Ligovsky Prospekt: Corinthia Hotel St. Petersburg, Original Sokos Hotel Olympia Garden, Aglaya Hotel & Courtyard
Route 1.5 Liteyny Prospekt: Radisson Sonya Hotel, Grand Hotel Emerald
Route 1.6 Moskovsky Prospekt: Park Inn by Radisson Pulkovskaya, Crowne Plaza St. Petersburg Airport
Route 1.7 Pushkin: Art Hotel Fort Kolesnik, Tsar Palace Luxury & SPA Hotel

Route 2. Arrival and departure points			
Date	Route	Time	Frequency
5–8 June	2.1 Pulkovo Airport – Accreditation Centre 1 – ExpoForum – Pulkovo Airport	08:00–22:00	30 minutes
5 June	2.2 Moskovsky Rail Terminal – Accreditation Centre 1 – ExpoForum – Moskovsky Rail Terminal	08:00–22:00	30 minutes
6–8 June		07:00–12:00 12:00–15:00 15:00–21:00	15 minutes 30 minutes 15 minutes

Route 3. Accreditation Centre			
Date	Route	Time	Frequency
5–7 June	Accreditation Centre 1 – ExpoForum – Accreditation Centre 1	07:30–20:00	30 minutes
8 June		07:30–16:00	

Route 4. Off-site parking areas			
Date	Route	Time	Frequency
5–7 June	4.1 Off-site parking areas A2, A3, A5 – ExpoForum – off-site parking areas A2, A3, A5	07:30–21:00	30 minutes
8 June		07:30–18:00	
5–7 June	4.2 Off-site parking area B – ExpoForum – off-site parking area B	07:30–21:00	30 minutes
8 June		07:30–18:00	

Shuttle buses only stop at hotels indicated in the timetable. Guests staying at other hotels can use shuttle buses that run from one of the nearest hotels.

RESTAURANTS AT THE FORUM VENUE (PAYMENT REQUIRED)



FORUM restaurant

Cuisine: Russian, Italian, Pan-Asian
Number of seats: 550

Congress Centre, ground floor (entrance from the Passage)
6-8 June (11:30-17:30)



Investment restaurant 'Kuban'

Cuisine: European, Kuban region
Number of seats: 140
Courtyard H
5-8 June (09:00-20:00)
+7 (800) 505 0223



GRIL' restaurant

Cuisine: European
Number of seats: 80
Hilton St. Petersburg ExpoForum, ground floor
5-8 June (11:30-23:30)
+7 (812) 647 7484



Blok Meat restaurant

Cuisine: meat, Russian, signature, local
Number of seats: 158.
Summer terrace available.
Courtyard F
5-8 June (09:00-20:00)
+7 (981) 740 8216
www.blok.restaurant



Grand Café Dr. Zhivago

Cuisine: Russian
Number of seats: 210.
Summer terrace available.
Courtyard F
5-8 June (09:00-20:00)
+7 (981) 740 8216
www.drzhivago.ru



China Gramota restaurant

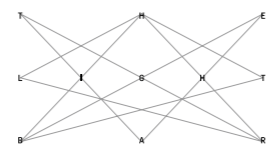
Cuisine: Chinese
Number of seats: 256
Congress Centre, sixth floor
5-8 June (09:00-20:00)
+7 (965) 405 8236
www.chinagramota.ru

COFFEE AND LIGHT REFRESHMENTS (free)		
Name	Location	Time
Media Village	Pavilion F	5-8 June 08:00-20:00
Business networking area	Congress Centre, ground floor (near conference halls D3 and D4)	5-8 June 08:00-19:00
Jardin & Greenfield		5-8 June 08:00-18:00
SPIEF Presentation Area supported by EY and FIAC	Pavilion H	5-8 June 08:00-18:00
St. Petersburg exposition and networking area	Pavilion G	



PARC restaurant

Cuisine: European
Number of seats: 170
Hilton St. Petersburg ExpoForum, ground floor
6-8 June (12:00-16:00)
+7 (812) 647 7484



The Light Bar

Cuisine: European
Number of seats: 50
Hilton St. Petersburg ExpoForum, ground floor
5-8 June (10:00-23:30)

Service at restaurants at the Forum venue is paid for separately. A list of recommended St. Petersburg restaurants can be found in the 'St. Petersburg restaurants' section at forumspb.com

A DEEPER INSIGHT How the ROSCONGRESS.ORG Information and Analytical System works

The Roscongress knowledge base provides quick and convenient access to materials from the country's largest business events organized by the Roscongress Foundation

The ROSCONGRESS.ORG Information and Analytical System offers

- Over **1,500** sessions
- More than **173** topics
- More than **6,000** speakers
- Summaries of sessions of major forums
- Research studies, articles, and analytical digests
- Speeches, interviews and comments
- Massive data source that is regularly updated
- Innovative navigation system enabling information search within video broadcasts
- All information is available in Russian and English

If you wanted to research the events of the last year's St. Petersburg Economic Forum, it would take nearly nine days to watch all 216 sessions!

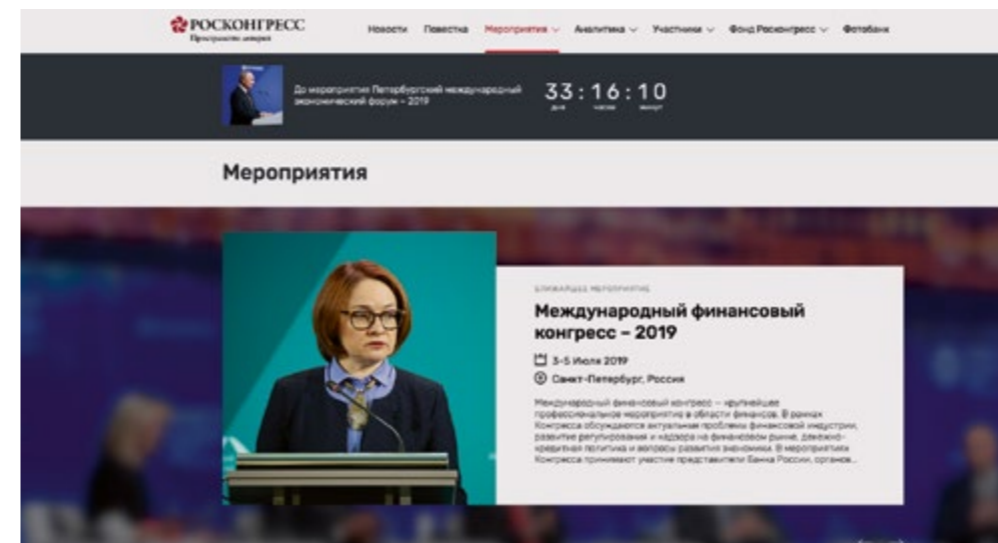
Instead, you can use the Summary, a product by the Roscongress Foundation and TASS News Agency. Brief excerpts from each session of major business events become available in the Roscongress knowledge base within a few hours after they finish. The texts are represented in a convenient format: highlights and key quotes from each speaker. This provides a comfortable reading experience and will take less than two minutes.

The information search at the portal offers an exclusive feature: it will find your query even within the speeches in video broadcasts. This is a revolutionary approach to information search. It takes three easy steps: type a query into the search box at the portal, filter the results to show only videos and choose the event of interest. The system will open the broadcast at the relevant place.

Each of 153 topics of the Roscongress Information and Analytical System has a synopsis: a range of relevant materials arranged by key agenda topics discussed at Roscongress Foundation events. 'Synopsis by topic' is formed automatically and includes information on latest analytical materials, discussion summaries, speakers covering the topic, and related subjects published on the website.

For each major business event the base has current research and reports by leading Russian and international companies on topics related to the business programme discussions.

The ROSCONGRESS.ORG Information and Analytical System is a large-scale and growing project. Since early 2018 the number of its users has doubled. We welcome you to join the largest knowledge base on convention and exhibition events!



The St. Petersburg International Economic Forum 2019 Festival of Culture*



Denis Matsuev and Valery Gergiev will give a night-time concert for SPIEF guests

The Stradivarius Violin at the Mikhailovsky Castle

5 June 19:00-21:30

Mikhailovsky Castle, Georgievsky Hall (2, Sadovaya Ulitsa)

One of the brightest young performers on the world stage, the virtuoso violinist Kevin Zhu (US), will perform at this evening event. He will play a Paganini concerto on a unique Stradivarius vintage violin.

Soprano Olga Pudova, Mariinsky Theatre soloist and winner of the Gold-



Lorenzo Tazzeri

en Sofit theatre prize, will also perform at the event.

The concert will be held in the Georgievsky Hall, one of the largest and most luxurious ceremonial halls in the Mikhailovsky Castle. Lorenzo Tazzeri will be conducting the Taurida Orchestra.

A ticket is required to attend this event; tickets can be purchased via your personal web office. The price of these tickets is not included in the package.

BIOCAD Gala Concert

5 June 19:30-22:30

The Mikhailovsky Theatre (1, Ploshchad Isskustv)

A special gala concert featuring ballet stars will launch the BIOCAD global information campaign in support of the fight against rheumatic diseases. The event is an opportunity to talk about the importance and relevance of this issue. Dance is a universal instrument for conveying this message, international and accessible to everyone, regardless of personal qualities and possible limitations.

Premium package holders can attend the event by invitation. You can find detailed information in your personal web office.



Institute of Oriental Manuscripts of the Russian Academy of Sciences

Handwritten treasures on the banks of the Neva

6-7 June 16:00-20:00

8 June 10:00-18:00

Institute of Oriental Manuscripts of the Russian Academy of Sciences (18, Palace Embankment)

This exhibition presents outstanding examples of handwritten books of the countries of the East. The Institute's handwritten collection is one of the largest in the world and in Russia, with more than 115,000 exhibits in 65 dead and living languages. This unique collection is located in the luxurious interiors of the Novo-Mikhailovsky Palace, a vivid example of 19th century palace architecture.

Please present your SPIEF 2019 badge to gain access to the exhibition.

Faceless: an immersive show

6-8 June 18:30-21:15

2, Moshkov Pereulok

Faceless is an immersive theatrical performance in an alternate reality, where there is no stage and backstage, and the main character is the audience.

The show is located on 4 floors of an old mansion, suffused with more than 300 years of history, in the heart of the city. Spectators will meet 16 characters and more than 50 locations within these ancient interiors, and, most importantly, will be able to witness 3 unique simultaneous finales to the show.

The story was inspired by Henrik Ibsen's play *Ghosts*. Directed by Migel and Mia Zanette.

A ticket is required to attend this event; tickets can be purchased via your personal web office. The price of these tickets is not included in the package.

Russian Seasons international cultural project evening reception

6 June 19:30-22:00

The Maxim Gorky House of Scientists of the Russian Academy of Sciences, 26, Palace Embankment

The ambassadors of the Russian Seasons project, all prominent Russian artists, will be announced at this event.

The event's programme includes a concert featuring Askar Abdrazakov, People's Artist of Bashkortostan and Mariinsky Theatre soloist, and artists from the Russo-German Academy of Music.

Premium package holders can attend the event by invitation. You can find detailed information in your personal web office.



Faceless: an immersive show

* Information is presented as of 30 April 2019. You can find the updated cultural programme at forumspb.com



Performance of Don Quixote

Don Quixote

6 June 19:30-22:30
8 June 13:00-16:00, 19:30-22:30

The Mikhailovsky Theatre
(1, Ploshchad Isskustv)

Colourful, vibrant, direct, spontaneous: all these epithets can be applied to Don Quixote, but none of them can fully convey the sense of joy that this phenomenal popular ballet invariably arouses in the audience.

A ticket is required to attend this event; tickets can be purchased via your personal web office.

The price of these tickets is not included in the package.

Late-night concert: Denis Matsuev and Valery Gergiev

6 June 22:00-00:00

Mariinsky Theatre Concert Hall
(20, Ulitsa Pisareva – entry from 37, Ulitsa Dekabristov)

Soloist – Denis Matsuev (piano). The Mariinsky Orchestra. Conductor – Valery Gergiev. Programme: Claude Debussy – Prélude à l’après-midi d’un

faune; Sergei Rachmaninoff – Piano Concerto No. 4 in G minor, Op. 40; Maurice Ravel – Boléro.

A ticket is required to attend the event and can be ordered via the personal web office. Participants are responsible for covering the price of attendance

Teatro Carlo Felice Symphony Orchestra (Genoa, Italy)

7 June 19:00-20:30

Concert Hall of the Mariinsky Theatre
(20, Ulitsa Pisareva, entrance from 37, Ulitsa Dekabristov)

The Teatro Carlo Felice Symphony Orchestra, one of Italy’s oldest and most distinguished performing ensembles, will perform works by Giuseppe Verdi and Giacomo Puccini.

Musical: The Great Gatsby

7 June 19:00-22:00

St. Petersburg Music Hall Theatre
(4, Alexandrovsky Park)

The musical The Great Gatsby premiered in October 2018. The St. Petersburg Music Hall was the first theatre in

Russia and the world to stage a musical based on F. Scott Fitzgerald’s masterpiece. This tale of an unhappy love unfolds in the Jazz Age against a backdrop of magnificent decorations, phenomenal video installations, stylish costumes, and original stage directions.

A ticket is required to attend the event and can be ordered via the personal web office. Participants are responsible for covering the price of attendance

EpiCENTRE of the World

8 June 15:00-18:00, 19:00-22:00

The Bolshoi State St. Petersburg Circus
(3, Fontanka Embankment, Building A)

Epicentre of the World is a unique circus show by the Zapashny brothers. The plot is based on adventures that take place in the midst of the FIFA World Cup. The show is full of innovative ideas, based on good old Russian circus traditions and the unshakeable principles of respect for our four-legged friends. In the ring will be animals under the leadership of famous trainers, trapeze artists, acrobats, jugglers, and lively clowns, who will play the part of international fans at the World Cup. The show will be enhanced by Alisa Vox’s incomparable vocals and rock music from the group Teo Sound.

A ticket is required to attend this event; tickets can be purchased via your personal web office. The price of these tickets is not included in the package.

Some of St. Petersburg museums can be visited for free upon presenting the SPIEF participant badge. For more information please see forumspb.com/en



Musical: The Great Gatsby

SPECIAL EVENT:

SPIEF MUSIC FEST: FROM CLASSICAL TO ROCK

7-8 June 20:00-22:00

Palace Square, St. Petersburg

The unique city of St. Petersburg brings together various genres of musical art in its history and cultural heritage. During the St. Petersburg International Economic Forum, the Government of St. Petersburg and the Roscongress Foundation will present From Classical to Rock, a festival in a new format for residents and guests of the city. This creative concept will enable music of different genres to be combined on the same stage.

On 7 June at the festival, the classical genre will be brought to you by Andrea Bocelli and Aida Garifullina of the Vienna

State Opera, while 8 June will undoubtedly be a highlight in the cultural life of the Forum, as legendary rock band Bi-2, accompanied by a symphony orchestra conducted by the Honoured Artist of Russia Felix Aranovsky, play their well-known hits.

The festival’s aim is to create a unique brand, a show-piece of contemporary music in St. Petersburg, and to launch a new musical event on the map of Russia.



Andrea Bocelli and Aida Garifullina will present the classical side of the SPIEF Music Fest, while Shura and Leva from Bi-2 will add some rock notes

PLACE OF POWER

Russia has developed an entire system of significant international conventions and exhibitions attended by influential politicians, business people and opinion leaders from more than 190 countries. Forums are a great opportunity to get acquainted and establish business contacts, a good chance for young executives to prove themselves at their best. In turn, the regions that host the events get a boost to their economic development

Text by Dmitry KRYUKOV

Every year, hundreds of agreements worth billions and trillions of roubles are signed at major economic forums. For example, at last year's St. Petersburg International Economic Forum, 593 agreements were signed worth a total of 2.625 trillion roubles. This year, the figures are likely to be even higher. The Russian Investment Forum, which took place in Sochi in February 2019, produced 567 agreements worth almost 1 trillion roubles. The Eastern Economic Forum 2018 resulted in 220 agreements estimated at 3.108 trillion roubles. And this does not include agreements sums that are a commercial secret.

Russia has developed an entire system of significant international conventions and exhibitions attended by influential politicians, businessmen and opinion leaders from more than 190 countries. Forums are a great opportunity to get acquainted and establish business contacts, a good chance for young executives to prove themselves at their best. In turn, the regions that host the events get a boost to their economic development.

NEW FORMATS

"I was really impressed with the scale of this event, as well as the importance and relevance of the issues discussed at it," said Klaus Martin Schwab after attending the St. Petersburg International Economic Forum in 2017.

The founder and president of the World Economic Forum in Davos is probably the most influential person in



the event industry. He is worth listening to. He spoke about the fact that "in this new economic situation and taking into account the latest technical achievements, there is a need for new cooperation formats," that Russia, as a country "belonging to the list of responsible global regulation leaders, must play a central role in the process of defining the new norms of existence in the age of the Fourth Industrial Revolution."

government officials, business people, thinkers, or visionaries.

When thousands of smart, goal-oriented people whose decisions define the future of global politics and economics come together, they create a special kind of space. The territory of the forum becomes a place of power, where the most important objectives for future development are determined. This phenomenon has been noted by prac-

When thousands of smart, goal-oriented people whose decisions define the future of global politics and economics come together, they create a special kind of space. The territory of the forum becomes a place of power, where the most important objectives for future development are determined

Russia has proven that it plays this role successfully. In 2018, the Russia House in Davos, which traditionally opens its doors during the World Economic Forum, was granted the status of the official Russian residence. It was visited by over a thousand guests from 60 countries. The following year, the number of Russia House guests was over 1,500 people from 70 countries.

It's important to note that, in this age of the Fourth Industrial Revolution, digitization, and fantastic technological achievements, people still require real human contact. Despite social networks and messengers, face-to-face contact remains valuable. Forums are becoming wonderful communication platforms, where participants can find new partners, investors, and clients. Where they can finally, really meet with people who are hard to come by in the day to day, whether they are important

tically all participants of Roscongress events, approximately 70 thousand people from 190 countries annually. Notably, the real audience of the forums is significantly larger.

AN EXECUTIVE LIFT

Sessions from the Roscongress foundation's key forums are broadcast by the world's leading television channels. Recordings thereof can always be accessed at the ROSCONGRESS.ORG Information and Analytical System. In this way, they are viewed by millions of people. Forum events are actively discussed on television and social networks. The forums have become a school and a lift for young politicians and business people.

One of the recent examples is the assignment of regional heads in March 2019. Five regions were assigned five



The events of the Roscongress Foundation bring together leaders of both East and West. Russian President Vladimir Putin, French President Emmanuel Macron and Japanese Prime Minister Shinzo Abe at the St. Petersburg International Economic Forum

young heads, each of whom had their own unique life and management experiences. Andrey Chibis and Alexey Texler, heading Murmansk and Chelyabinsk Regions respectively, previously held high-level positions in federal ministries. The Acting Head of the Altai Republic Oleg Khorokhordin and the new Acting Governor of the Orenburg Region Denis Pasler came from the business community. Batu Khasikov, appointed Acting Head of the Republic of Kalmykia, is a professional athlete and had recently been involved in addressing youth issues.

Despite their clearly different backgrounds, these new regional heads face a common and complex personal challenge — they must turn from established managers to real regional leaders. This is the only way to understand the population's issues, establish relations with local elites, and find a balance between regional abilities and federal demands, which, as

is known, include technological and economic breakthroughs and a significant improvement in Russians' standards of living.

It is worth noting that these and many other regional leaders made themselves known specifically at large economic forums. This is now an option available in Russia. In just a few years, Russia has seen the creation of a whole system of important events organized at the highest level. SPIEF, the Eastern Economic Forum, the Russian Investment Forum, Russian Energy Week, and the Healthy Life Forum: Towards 80+.

The list continues to grow. In 2019, our country will host the first ever Russia — Africa Summit, which will include an economic forum with the same name. In July, Ekaterinburg will host the Global Manufacturing & Industrialisation Summit (GMIS). And in 2020, Chelyabinsk will host the Shanghai Cooperation Organisation (SCO) and BRICS summits.

REGIONAL DRIVERS

A renovated airport with an international terminal and a new domestic flight building, well-kept embankments and building façades, excellent roads, and two modern congress halls are just part of what Chelyabinsk will receive in the run-up to the SCO and BRICS summits.

Forums are becoming drivers of development in the regions hosting them. Proof enough is the transformation of Pulkovo Heights in St. Petersburg or Russky Island in Vladivostok, or the way that the heritage of the Sochi Olympic Games is being used. Today, the Olympic infrastructure hosts over 300 different events a year, which means that the resort town has plenty of visitors not just during the high season, but at other times as well.

According to estimates by the Russian Convention Bureau (which aims to promote Russia as a location for event tourism), each rouble invested in event

Secrets to effective work at forums

Economic forums — a party or work?



Alexander SVININ,
First Deputy Prime Minister of the
Udmurt Republic

(from a social media post)

I saw several posts in my feed following the Sochi forum on the topic of “why do we need economic forums — everyone just hangs out and nobody does anything” and decided to describe the experience of the #UdmurtiaTeam at such events.

How and why we took part in the forum in Sochi:

1. We always clearly split up the audience at all economic venues by occupation and possible client groups for us. At the Sochi forum, 70% of the participants are representatives of the regional and national authorities and development institutions. A client group for B2G sales by #MadeinUdmurtia companies. So our portfolio at the forum this year only includes those who can offer something to our colleagues from other regions or solutions that need to be promoted at the national level.

2. Our KPIs are born at each venue based on the target audience. For Sochi this year, the first key indicator was RUB 5 billion in preliminary contracts for the supply of products from the republic to other regions, while the second was the presentation of Udmurtia's experience in reforming the economy in key segments for us (tourism, export, infrastructure, and the development of municipalities) at sessions and also at the stand.

3. Based on the KPIs, we build a list of meetings/agreements/sessions/negotiations — a kind of sales plan in which one part consists of a specific list of sales, and the second is comprised of potential buyers and markets. The KPIs are cascaded to each member of our delegation from the head to the stand operator. This year we held 126 sales meetings

with potential buyers of our enterprises' products, and 12 deputy governors on economics visited the republic's stand. Our enterprises essentially set the specifications for the sales plan.

4. The stand must attract and retain the audience and convey the republic's basic values. This year, 2,500 forum participants visited our stand and 983 of them took part in interactive sessions dedicated to the 100th anniversary of Mikhail Kalashnikov's birthday. The idea of the stand is to show off our enterprises and their products through people who are the primary capital of the Republic. So two-thirds of the space is for the presentation of companies and their employees. #BusinessPeople is the stand's main hashtag.

I will share some areas that we need to develop in the future so that you don't get the feeling that everything is perfect:

1. Further support of leads acquired at the Forum. Each of the 126 meetings should lead to a more detailed meeting following the Forum. In previous years, we did not systematize leads and, as a result, we missed out on some opportunities. This year we are finally launching a business CRM system in the republic. Since 1 March, the entire scope of our work, starting with the Russian Investment Forum in Sochi, has gone there and will be monitored.

2. “Agreements here and now”. This year, we immediately tried to reach agreements on business missions to the regions where our enterprises have great sales potential and agree on dates right away. The first visit is to the Belgorod Region, and then to the Irkutsk Region and Khanty-Mansiysk by the end of March. We have to move very fast to keep up and make sure interest in us does not fade.

3. Even deeper sales targeting. Studying the markets of other regions, current suppliers, our competitors, and our advantages over them. There should be

For the Sochi forum this year, the first key indicator was RUB 5 billion in preliminary contracts for the supply of products from the republic to other regions

a presentation for each sales meeting with a clear focus on the exact person with whom we are meeting. The St. Petersburg forum is coming up, but it will be a completely different story, once again, based on the target audience at the platform.



The main theme of the Udmurt Republic's stand at the Russian Investment Forum 2019 was the 100th anniversary of Mikhail Kalashnikov's birth

industry infrastructure brings cities and the regions 5–7 roubles.

Up to 48% of income comes in form of tax payments from the events themselves and related businesses (hotels, restaurants, retail, etc.) during the event. The rest comes from the delayed effects of the event: forum participant spending stimulates the local economy. The quality of service improves, new jobs and services are created. Consequently, they are used by city residents and tourists visiting the area for reasons unrelated to business.

According to global standards one delegate spends an average of USD 700 a day, or 3 to 4 times more than the average tourist. Of course, the majority of the profit goes to hotels and restaurants. Sociocultural services (museums, theatres, cinemas), retail stores, and transport are also positively affected

Speaking of spending, according to global standards one delegate spends an average of USD 700 a day, or 3 to 4 times more than the average tourist. Of course, the majority of the profit goes to hotels and restaurants. Sociocultural services (museums, theatres, cinemas), retail stores, and transport are also positively affected.

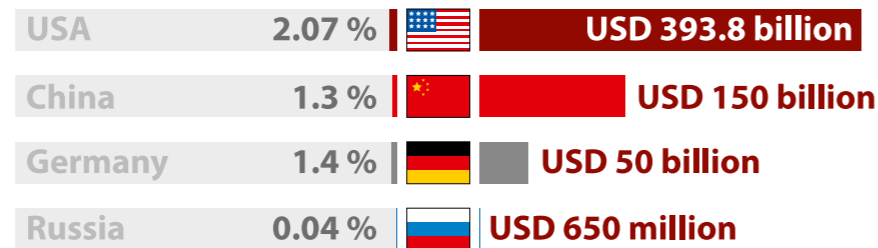
Interestingly enough, having visited a city during a forum, many business people return there for a vacation, simply for fun. “It’s an experience economy,” said Chief Executive Officer of the Far East Development Fund Aleksey Chekynkov. “I watched the reaction of well-travelled Asian colleagues, when they first arrived at Russky Island in Vladivostok.” The reaction was extremely positive, because there are no places like the Russian Far East in Asia: beautiful and simultaneously European in spirit.

Russia’s geopolitical position and economic, human, and cultural potential make it a very attractive location for organizing large convention and exhibition events. Their contribution to the country’s economy is currently far smaller than in the event industry’s leading countries. Which means that, despite the fact that much work has already been done, there is still much to do. 🌱



Business forums are a springboard for young executives and investment attraction centres for the regions

ECONOMIC EFFECT OF THE EVENT INDUSTRY (IN % GDP / BILLIONS OF USD)



Source: VNITS R&C

FORUM DELEGATE EXPENSES (%)



Source: Russian Convention Bureau

RUSSIA'S LEADING CONVENTION AND EXHIBITION VENUES

The geography of promising Russian sites is expanding, largely with the support of the Roscongress Foundation



Expocentre Fairgrounds (Moscow)

Total exhibition space: 165,000 sq. m
Indoor exhibition space: 105,000 sq. m
One of the capital's oldest exhibition spaces, with 60 years of experience. Each year, it hosts over 100 international exhibitions featuring approximately 30,000 companies and over million specialists from more than 100 countries.



Olympic Park Main Media Centre (Sochi)

Total Area: 158,000 sq. m
The MMC opened on 7 January 2014, a month before the start of the XXII Olympic Winter games in Sochi. This is currently the largest congress and exhibition complex in Krasnodar Territory, home to the Russian Investment Forum and the Forum of Innovative Financial Technologies FINOPOLIS.



Ekaterinburg-Expo IEC (Ekaterinburg)

Total exhibition space: 110,000 sq. m
Indoor exhibition space: 50,000 sq. m
The largest exhibition complex in the Urals, located on the border of Europe and Asia. A modern congress centre with a main hall seating 4,000 and over 40 congress halls will open its doors in June 2019. A month later, from 9 to 11 July, it will host the Global Manufacturing and Industrialization Summit (GMIS) as part of the INNOPROM International Industrial Fair.



ExpoForum Convention and Exhibition Centre (St. Petersburg)

Total exhibition space: 90,000 sq. m
Indoor exhibition space: 50,000 sq. m
The largest specialized venue in St. Petersburg, 56 ha located a five-minute drive from Pulkovo Airport. It includes three exhibition pavilions, a congress centre composed of 35 conference halls with a total of 10,000 seats, a business centre, and Hilton brand hotels. This is the location where SPIEF, the Global Fishery Forum, and, starting in 2019, the International Arctic Forum are held.



VDNH (Moscow)

Total exhibition space: 88,300 sq. m
Indoor exhibition space: 23,300 sq. m
The largest exposition, museum, and recreational complex in the world celebrates its 80th anniversary in 2019. Each year, it hosts over 100 industry exhibitions and 350 congress events, attended by over 25,000 companies from 70 countries, as well as dozens of festivals and celebrations. VDNH Expo is visited by over 1.5 million people annually.



Toratau Congress Hall (Ufa)

Total area: 36 thousand sq. m.
Indoor exhibition area: 3,000 sq. m.
The political and cultural arena of the Republic of Bashkortostan hosted key meetings of the SCO and BRICS summits in 2015. Today, it boasts 12 multifunctional conference halls, first-class restaurants and meeting rooms.

Source: Russian Convention Bureau

ALL-WHEEL DRIVE
SEDAN.
GENESIS G80



SPORTING Programme*



Starting ceremony of the Ladoga Trophy Raid from St. Isaac's Square

Events related to 12 athletic disciplines will take place during SPIEF 2019. The Forum's extensive sports programme, initiated in 2016, has already gained regular participants and partners, and has thus become a significant sporting event. Join up for energy recharge and informal interaction. The venue provides new opportunities for industrial leaders to present their sporting and economic projects.

Event	Place	Time
6 June		
ROSCONGRESS SPIEF RACE 2019 Start of 5 km race	St. Isaac's Square, St. Petersburg	05:50–08:00
Roscongress Cup. Hockey Gala Match 'Forum Team – St. Petersburg Government Team'	Tavrichesky Garden Multifunctional Entertainment Complex, 4A, Potemkinskaya Ulitsa, St. Petersburg	17:00–21:00
7 June		
Roscongress Cup. Chess tournament	ExpoForum, Chess Lounge, 64/1, Peterburgskoye Shosse, St. Petersburg	
Roscongress Cup. Squash tournament	RS CLUB squash club, Propaganda Business Centre, Building 4, 35, Ulitsa Marshala Govorova, St. Petersburg	18:00–22:00
Roscongress Kalashnikov Cup. Sporting and Practice Shooting Tournament	Nevsky sports and shooting club, 88, Pionerskaya Ulitsa, Pesochny, St. Petersburg	18:00–22:00
Euro 2020 Football Park. Match with the participation of the Forum guests and football legends	Peter and Paul Fortress, Zayachy Island, St. Petersburg	
8 June		
Roscongress Cup. Hurdle Racing Tournament	Derby horse club, 19, Shosseynaya Ulitsa, Enkolovo, Vsevolozhsky District, Leningrad Region	11:00–20:00
ROSCONGRESS CUP. SPIEF 2019 International Golf Cup	Peterhof golf club, 1, Gofmeisterskaya Ulitsa, Peterhof	10:00–22:00
ROSCONGRESS CUP. The White Nights tennis tournament	Razliv sports club, 1, Ulitsa Akademika Vernova, Sestroretsk, St. Petersburg	12:00–18:00
SPIEF DRIVE 2019. Peace Rally	St. Isaac's Square, St. Petersburg	Start at 10:00
SPIEF DRIVE 2019. Ladoga Trophy Raid	St. Isaac's Square, St. Petersburg	Start at 10:30
Leningrad Retro Rally	St. Isaac's Square, St. Petersburg	Start at 17:00
6–12 June		
Euro 2020 Football Park	Peter and Paul Fortress, Zayachy Island, St. Petersburg	

* Information is presented as of 30 April 2019. You can find the updated sporting programme at forumspb.com



Forum participants will be able to toe the starting line of the Roscongress SPIEF Race at the historical centre of St. Petersburg, play traditional gala matches and compete in golf, hockey, football, tennis, chess and squash tournaments. "The Roscongress Sports Club is a new chapter of the sporting programme. It is a year-round club aimed at bringing together successful and athletic people. We are on it," Roscongress Foundation Deputy CEO Georgy Bryusov said of the new project.

"The SPIEF tournament has become a milestone for the development of golf in Russia. At that, it is thoroughly consistent with the Forum's mission creating a networking environment for business, sports and culture," said Viktor Khristenko, President of the Russian Golf Association. The tournament is now a permanent resident at the Peterhof Golf Club with the first 18-hole course in St. Petersburg. At the competition, the head coach of the Russian national golf team Igor Ivashin will give master classes.

The sporting programme promotes much more than sports projects. With the support of the Kalashnikov Concern, a sporting and practice shooting tournament will kick off at SPIEF. Participants and guests of the tournament will have a unique opportunity to try weapons produced by Kalashnikov Group. The event provides an opportunity not only to take part in an exciting competition but also accords a great outdoor experience and exposure to the firearms culture.

Residents of St. Petersburg, along with the SPIEF participants will also be able to visit Euro 2020 Football Park, a unique entertainment venue dedicated to the anniversary European Championship. St. Petersburg is to host its football matches next summer. World and European champion David Trezeguet from France and Dutch champion Ruud Gullit will be at the Park on 7 June and will also take part in the Forum business programme. 🌟

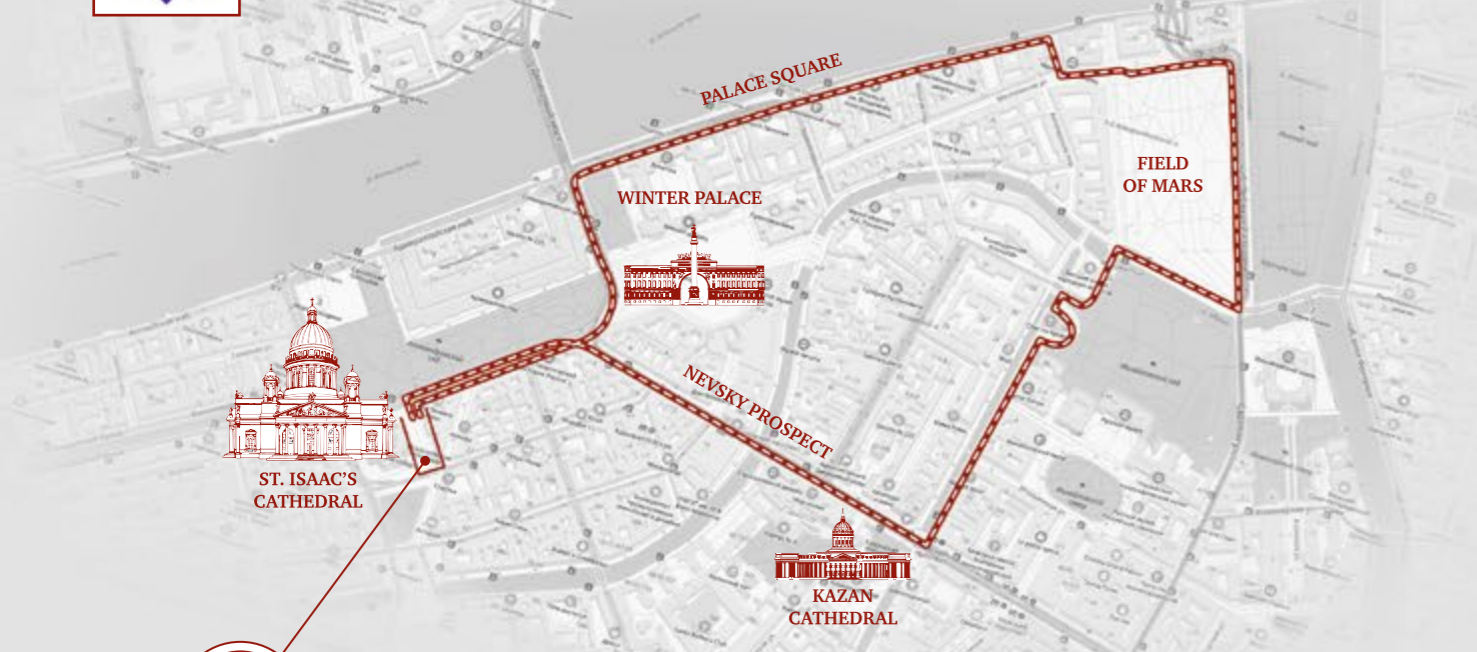
In the photo from top to bottom:
 President of the Russian Golf Association Viktor Khristenko at SPIEF 2018
 Zenit President Alexander Medvedev plays hockey at SPIEF 2018
 Ruud Gullit will participate in SPIEF 2019
 Roscongress Kalashnikov Cup pilot tournament at the 'Arctic: Territory of Dialogue' International Arctic Forum 2019

#SPIEFRACE2019

RACE ALONG NEVSKY



The first day of the St. Petersburg International Economic Forum will kick off with the ROSCONGRESS SPIEF RACE through the historical centre of the Northern capital. The Admiralty, the Winter Palace, the Kazan Cathedral ... when else will you have an opportunity to run while taking in such beautiful sites. The sporting event will bring together Forum participants, guests of the city, and the citizens of St. Petersburg.



START
FINISH
5 km



The ROSCONGRESS SPIEF RACE is scheduled to start at 7:00 on 6 June at St. Isaac's Cathedral.



Sberbank CEO Herman Gref (during the SPIEF 2016 race)
"It's virtually impossible to run anywhere with such views and without any cars".



Russian Presidential Press Secretary Dmitry Peskov (during the SPIEF 2016 race)
"Sports help you to work and get your juices flowing. When you walk around in a suit all day long, it's a dream for the most of the participants to change their outfit and dress shoes to sportswear".



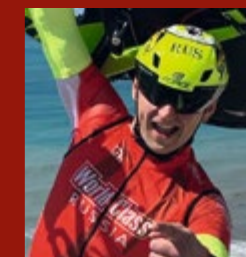
Roscongress Foundation Deputy CEO Georgy Bryusov

"The race that was a sensational success at the SPIEF 2016 has returned to the programme based on numerous requests from the Forum participants. During this time, the enormous passion for running has turned into an example of how sport is truly becoming the norm. And the array of races has already become a tradition at the largest forums held by the Roscongress Foundation".



World Class Fitness Club Chain President Olga Slutsker

"It's amazing when business leaders and politicians show by example that career growth and success are impossible without sports".



VEB Innovations CEO Oleg Teplov

"For me personally, sport is an essential part of effective work. It teaches you to set goals and work hard to achieve them, not only in training, but also in business. So we are pleased to be co-organizers of the race in St. Petersburg and we will maintain and develop this tradition at the SPIEF site, among others".



WORLDWIDE TRANSIT

ON THE RIGHT TRACK



Asia's goods factories are looking for new opportunities to connect with Europe. By opening up new and expanding old transport corridors, Russia is playing an increasingly important role in the Eurasian Economic Space. The country is approaching the St. Petersburg International Economic Forum with a new Spatial Development Strategy, envisaging progress in high-speed communication lines and growing capacity of many important railways.

Text by Andrey LENKO

In the beginning of 2019 the Strategy for Spatial Development of the Russian Federation up to 2025 was approved. The explanatory note to this crucial document specifies that the Strategy's goals are to ensure sustainable and balanced spatial devel-

opment of the Russian Federation. Similar words are heard in the main topic of SPIEF 2019: 'Creating a Sustainable Development Agenda'. The coincidence is not by chance. In today's world, it is the infrastructure – transport, energy, digital – that determines the rate of economic growth and effectiveness of inter-country cooperation. As early as March, the backbone Russian trans-

port companies responded to the state strategy with their own ones. Russia's air carrier number one adopted the new '100 by 100' strategy targeting 100 million passengers by the 100th anniversary of Aeroflot in 2023. In turn, Russian Railways prepared a long-term development programme (LDP) up to 2025. The goals stated in both documents are more than ambitious.

TO AVOID A BOTTLENECK

Although sea shipping remains the cheapest way to get goods from point A to point B, railways allow for much faster delivery. And the difference in the price of a single unit of goods is not too great. So, according to estimates by RMA Logistics transport and logistics company, delivery of, for example, a pair of shoes by plane will cost about USD 5, by sea – about 30 cents, and by rail – only 5 cents more.

As a result, there is a growing demand for Russian land routes from Japan, Korea and China, as evidenced in particular by the growing volume of container traffic (in 2018, it rose by almost 15%, to 4.44 TEU) and the outstanding performance of transcontinental operators (the two biggest carriers, Federal Freight Company and

Freight One, saw their profits go up by more than 30%).

Of all the possible options proposed by China, the One Belt, One Road initiative fully exploits only the route through Russia. It can and should be improved and accelerated, which depends directly on the condition of Russian railways and their long-term development programme. The visible prospect is 2025: this is the period for which reliable forecasts can be made with regard to global economic situation.

The main trends in transport are quantitative growth of Russian exports and an increase in transit. The global task of RZD in this case is to ensure that it is growing faster than other sectors of the economy in order to avoid becoming a 'bottleneck' hindering the growth of the Russian economy. The latter, by the way, should be among the world's five biggest in

terms of purchasing power parity. By 2025, Russian railways are expected to generate 10% of annual GDP growth, thus helping it to increase by 50% per capita.

The long-term development programme envisages two scenarios – basic and optimistic ones, corresponding to growth rates based on the forecast by the Ministry for Economic Development. The baseline scenario assumes a total public investment of RUB 4.7 trn. At all stages, the opportunities for public-private partnership are taken into account. Considering the external RUB 4 trn, investments will total RUB 8.7 trn by 2025.

If the economy switches to the optimistic scenario, which implies growth of 3–3.5% a year, the state will allocate RUB 5.8 trn for developing the railways. So the programme as a whole will cost RUB 9.8 trn.

Construction of the Trans-Siberian Railway cost the Russian Empire RUB 1.5 bln
An ancient postcard depicts the bridge over the Yenisei River



GEOGRAPHY OF THE FUTURE

The biggest and most high-profile project is the reconstruction of the Baikal-Amur Mainline and the Trans-Siberian Railway. It not only provides export opportunities for East Siberian companies. The Baikal-Amur Mainline and the Trans-Siberian Railway clamp the Russian state together with steel threads. Fast and convenient transport accessibility makes the nation unified and indivisible. Big and small businesses in this area number in the hundreds. They provide employment and financial stability for dozens of Russian regions.

The second but no less important trend is development of the infrastructure in the direction of the ports of the North-West, the Azov and Black Seas. A real example is the Caspian Sea direction. Special economic areas will appear at the ports of Olya (Astrakhan Region) and Kaspiysk (Republic of Dagestan) to provide the basis for major logistics hubs receiving cargo from India, Iran, China, South-East Asia, Africa and the Middle East. Such a route will be 20-30% cheaper than transporting through the Suez Canal. As a result, the annual cargo turnover of Russian ports on the Caspian Sea will grow up to 30 million tonnes in the first stages. About RUB 30 bn will be invested by the state simultaneously, while another RUB 90 bn will come from private investors.

Ports – ‘windows to Europe and the Mediterranean’ – are in private hands. The task of RZD is to prevent cargoes from getting stuck on the approaches to transshipment points. The state monopoly’s investment will provide higher profit margins for companies investing in developing ports and infrastructure.

A separate clause in the long-term development programme is devoted to construction of the Northern Latitudinal Railway. This is not just a railway project: it involves the Northern Sea Route and Arctic ports. So far, the cargo capacity is set at 80 million tonnes but Rosatom Head Alexey Likhachev has already made an increased commitment of 92 million tonnes. The Northern Sea Route is to be provided with an appropriate cargo base, which is impossible that without railways.

Apart from long routes, problems related to the comprehensive development of the Moscow, Perm and Saratov transport hubs need to be addressed. They may become ‘bottlenecks’ slowing down the global modernization process.

Finally, the long-term development programme approves construction of high-speed railways, an area in which Russia will need to play catch-up. The high-speed railway between Moscow and St. Petersburg will be first according to the plan. This means more than just cutting travel time to two hours between the capitals. It also implies technology trial runs, construction of new infrastructure and development

of Russian machine-building enterprises, which will become the main suppliers for domestic high-speed railways. In this respect, Tatarstan’s President Rustam Minnikhanov has rightly noted that the postponed Moscow–Kazan railway would, sooner or later, be built. The rapidly developing Eurasia corridor will provide this route with the requisite numbers of passengers and quantities of freight.

Russia unites Eurasian space not only by transport corridors. The summits set a new line of development for bilateral ties. Russian President Vladimir Putin and North Korean leader Kim Jong-Un during an official meeting, 25 April 2019, Vladivostok



GOING DIGITAL

Development of the railways is directly linked to an increase in labour productivity (according to the programme, by at least 5% a year), with a significant expansion of digital technologies and automation of processes. Digitalization is not just about shipping wagons and containers, which speeds up customs clearance and cargo tracking, but also about mobile applications that en-

able thousands of wagons to be managed online. Big steps have been made in this direction by domestic IT developers, who will be given preference.

Yet the long-term development programme is more than merely a ‘bunch of plans’. Megaprojects in no way cancel out the daily work on the reduction of kilometres, on conducting overdue overhaul and renewing the fleet with advanced locomotives.



David Bowie discovered Russian transit back in the 1970s



AVIATION WILL SUPPORT FROM THE AIR

Aeroflot transported 50.1 million passengers in 2017 (at time of going to press, the data for 2018 had not yet been made public). So, over the next five years, passenger traffic should double. What is behind this?

The key drivers will be Pobeda Airlines (its share in the group's transport structure will grow to almost a third), transit passenger traffic and creation of regional bases in Sochi, Ekaterinburg and Novosibirsk, as well as an international hub in Krasnoyarsk, which will provide conditions for boosting regional traffic.

Sochi airport will be one of Aeroflot's regional bases

Among the listed tasks, the most interesting in terms of developing transport corridors in the vast Eurasian space is to scale up the number of transit passengers from today's 5 million to 10–15 million a year. Aeroflot has already learned how to make convenient connecting flights with China and the Asian region as a whole. Its flights are up to three hours shorter than those of its rivals and, in the number of destinations, the airline occupies the first place in terms of traffic volume between China and major European cities.

Inbound tourism also contributes. According to the World without Borders Association, the number of Chinese tourists arriving in Russia on a visa-free basis (for group travel) has doubled since 2015,

reaching 1.1 million. Chinese citizens travel to Moscow and St. Petersburg both specifically and as part of a longer journey, such as on their way to Europe.

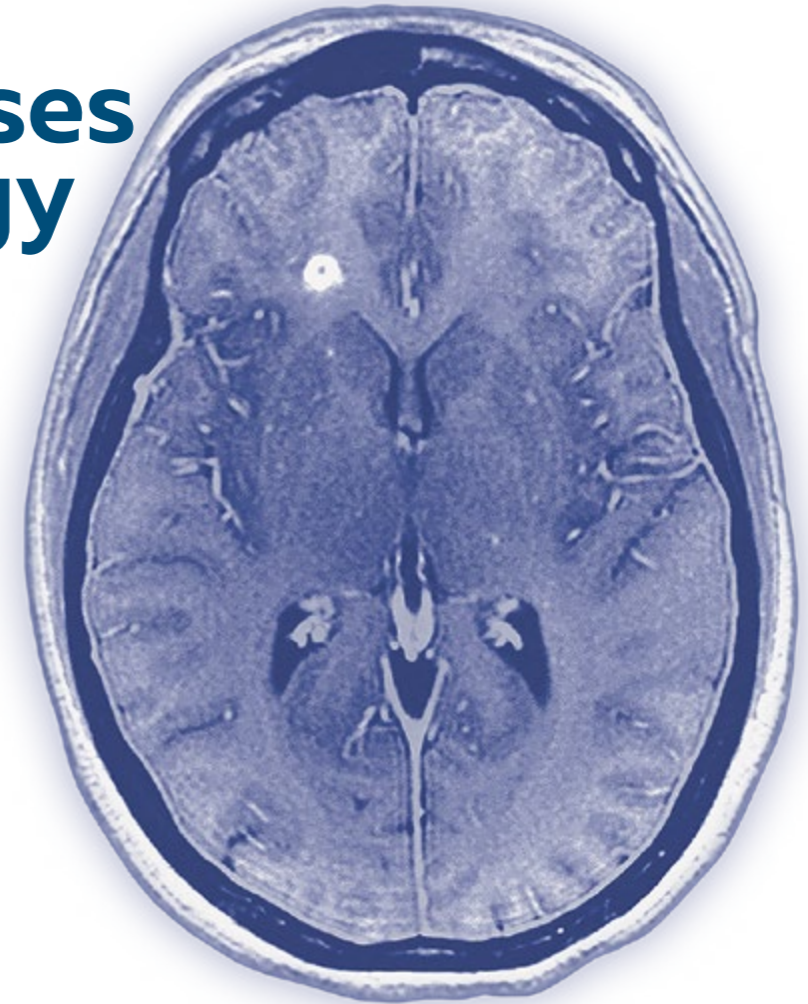
Big data analysis systems and automation of many processes have already allowed Aeroflot to reduce the route turnaround of an aircraft at the airport from one and a half hours to 40–45 minutes, and to boost the quality of customer service. As part of Aeroflot's strategy, 200 Russian Superjet 100 and MC-21 aircraft are to be put into service.

Combining strategic and tactical goals, Russian transport companies will become drivers and 'guarantors' of national economic development, leading players in global transport logistics. 🌱



INVESTING IN BREAKTHROUGH TECHNOLOGIES:

Roche Focuses on Neurology



Imagine that one of your colleagues, still in his prime, all of a sudden starts to behave in an unusual way. He has trouble with sleeping, suffers from dizziness and fatigue, loses his sight; at a meeting, you see him trying to hold onto a pen while writing; and his handshake is not that firm anymore. These may be the first signs of a serious neurological disease, multiple sclerosis (MS), which will lead a young promising professional to a wheelchair.

The course and symptoms of the disease may vary, but there is no way to prevent its progression; the future worsening is just a matter of time. It happens because of the immune system that for some reason starts to attack the myelin sheath of brain and spinal cord neurons.

In Russia, around 150,000 people suffer from multiple sclerosis that turns out to be the main reason of non-traumatic neurological disability and working capacity loss among young people. Usually, the disease is diagnosed in the age of 20–40 years.

Science still has no answer to what exactly causes MS. It is not also known how it can be stopped. Fortunately, the last 20 years of scientific research helped to understand better the MS pathogenesis and discover new therapeutic opportunities to slow down its progression.

This is important especially for patients with primary progressive multiple sclerosis (PPMS) associated with the fastest disability progression. However, as soon as the diagnosis is reached, it takes only about 10 years for a person to become confined to a wheelchair, which is still nearly twice fast as in patients with relapsing-remitting multiple sclerosis (RRMS), the most common disease type. In Russia, about 5–6% of patients have PPMS and there had

been no effective therapy for them until recently. Hence, it had been the issue of PPMS patients that remained unaddressed for a long time despite government's achievements in providing treatment for patients with multiple sclerosis, what became possible due to the Seven Nosologies Federal programme establishment (also referred to as the 7 EDP programme – 7 Expensive Diseases programme).

Today, these innovative technologies are also available in Russia but only regions are responsible for PPMS patients because the 7 EDP programme provides therapy for RRMS patients only.

Over the half century of its successful performance, Roche pharmaceutical company has become a world leader in the diagnostics and treatment of malignant diseases. Today Roche invests actively in the development of neuroscience as well. Apart from MS therapy,

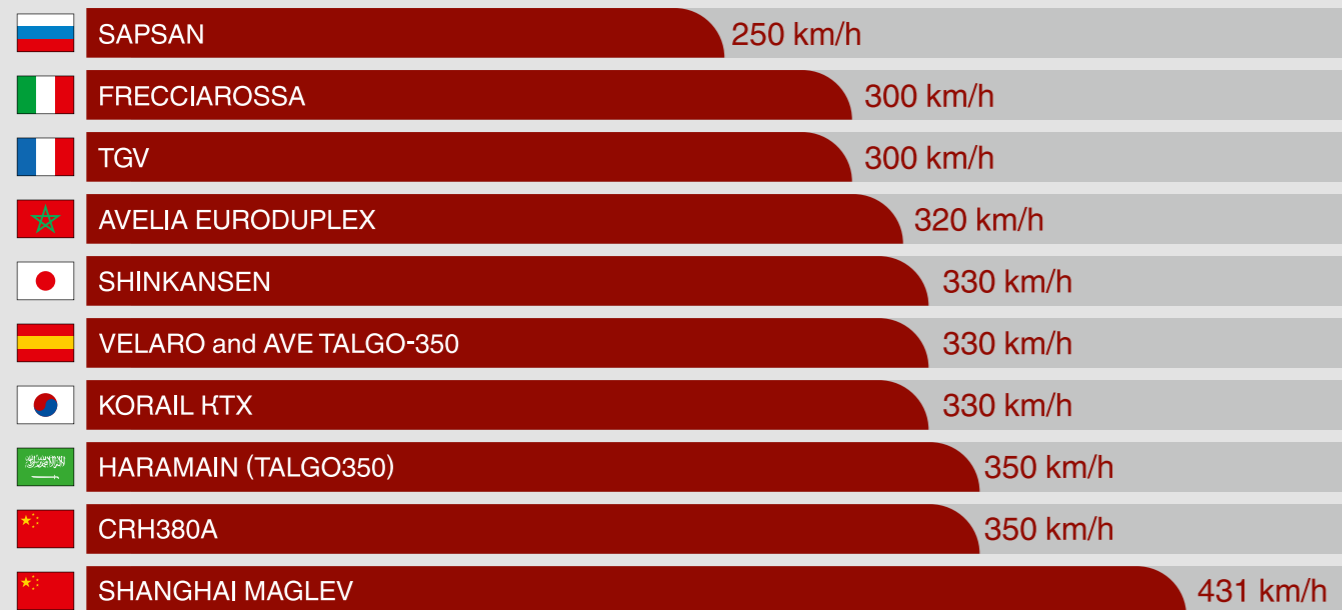
in its pipeline, the company has over 10 promising molecules to treat such severe neurological disorders as neuromyelitis optica, Alzheimer's disease, autism, Huntington's disease, spinal muscular atrophy or Parkinson's disease.

The company experts carry on studying the nature of multiple sclerosis. Relying on the experience in diagnostics, Roche comes up with personalized solutions that help clinicians recognize disease earlier, respond to its progression in time, facilitate the search and development of new drugs.

These investments in medicine and pharmaceuticals are aimed to provide help to patients as fast as possible, because each patient has just a narrow window of opportunity for an innovative cure to change the disease prognosis, especially with such a galloping disorder as primary progressive multiple sclerosis.

FAST TRACK

In April 2019, Russian President Vladimir Putin expressed his support for the construction of a high-speed railway line (HSR) from Moscow to St. Petersburg. This means that in future, it will become even easier for many SPIEF participants to reach the venue. In the meantime, we would like to tell you about the 10 fastest trains on the planet.



! Fast trains on the Russian Railways network are officially defined as those that travel at a speed of 140–200 km/h. If this figure exceeds 200 km/h, the train is defined as high-speed.



★ AVELIA EURODUPLEX

Morocco

Maximum speed: 320 km/h
The Tangier–Casablanca train is Africa's first high-speed line. It was opened with the financial support of France, which provided a loan of 625 million euros for the construction of the track. So far, one dedicated Tangier-Kenitra branch has been built. The high-speed train was named Al-Boraq, in honour of the creature on which the prophet Muhammad made a trip to Jerusalem. The Moroccan rail network's development plan envisages the construction of 1,500 kilometres of high-speed rail lines, which will connect all the major cities in the country.

🇯🇵 SHINKANSEN

Japan

Maximum speed: 320–330 km/h
There are seven high-speed rail lines in Japan. The Tokyo-Shin-Ōsaka (Tōkaidō Shinkansen) route is the leader in terms of passenger traffic. Ticket prices start at 19,000 yen (USD 168). Engineers from the Land of the Rising Sun are rightly considered the leading magicians in matters of speed. Japan's maglev trains (hovertrains) are currently the world's most renowned. In 2015, during testing, the train developed a speed of 603 km/h.

🇪🇸 VELARO and AVE TALGO-350

Spain

Maximum speed: 330 km/h
The Spaniards are constantly improving their rail infrastructure. It's no surprise that in 2017, the country ranked second in the world in terms of the length of its high-speed rail links. Nine high-speed branches go from Madrid to the largest cities in Spain and to other countries. The first carriage of the Velaro, with its elongated front section, looks like a beak, which is why the train is often called a 'platypus' or simply a 'duck'. Tickets for this 'bird' are not cheap. Getting from Madrid to Barcelona costs 85 euros.

🇰🇷 KORAIL KTX

South Korea

Maximum speed: 330 km/h
The country's high-speed network is not new; high-speed projects have been operating here for 15 years. At the same time, the infrastructure is one of the most modern and speedy in the world. The last route was opened in time for the 2018 Winter Olympics in Pyeongchang. It connected Incheon International Airport in the west with the coastal city of Gangneung in the east, with a stop in Seoul.

🇷🇺 SAPSAN

Russia

Maximum speed: up to 250 km/h
In the high-speed rail segment, Russia is represented by the Velaro family of trains produced by the German company Siemens and commissioned by Russian Railways. They connect Moscow, St. Petersburg, and Nizhny Novgorod. Russian Railways is constantly increasing its fleet of Sapsan trains, including with the participation of Ural Locomotives, a joint venture between Siemens AG and Sinara Group, which is already ready to make Russian-modified Velaro trains from phase 0 to deployment on the route.

🇮🇹 FRECCIAROSSA

Italy

Maximum speed: 200–300 km/h depending on infrastructure
In Italy, there are two rail carriers: the national operator, Trenitalia, and the privately owned Italo. The constant competition between them only benefits the development of rail links in the country. The names of Italian high-speed trains begin with the prefix Frecci (arrow). After that, a colour usually follows. So white 'arrows' connect Lombardy and the Adriatic (at a speed of 200 km/h), silver arrows connect Rome, Verona, and Bari (250 km/h), and the fastest are the red arrows, which link the capital to Milan, Bologna, and Naples (up to 300 km/h).

🇫🇷 TGV

France

Maximum speed: 300 km/h
France has been developing high-speed rail links since 2006, when the local railway monopoly launched a route connecting Paris with the Duchy of Luxembourg. Today, high-speed trains from France can take you to Germany, Switzerland, Spain, and even the UK, separated by the English Channel. French trains are not the fastest, but very popular, partly thanks to their capacity of up to 1,000 people. However, TGV managed to get a mention during filming of the popular TV show 'Top Gear', where it competed with an Aston Martin. The TGV POS train used during the experiment showed an impressive speed of 575 km/h.

🇸🇦 HARAMAIN (TALGO350)

Saudi Arabia

Maximum speed: 350 km/h
Saudi Arabia joined the high-speed family not very long ago, when the Kingdom launched a high-speed route from Mecca to Medina. The train, called 'The Train of Two Shrines', covers a distance of 450 km in 2 hours 30 minutes. The project cost USD 6.7 billion; the Chinese CRCC helped to implement it. Tests were carried out in extreme weather conditions, in 50-degree heat and in sand and dust storms. This is the first railway track of its type in the world, laid in the desert.

🇨🇳 CRH380A

China

Maximum speed: 350 km/h
China has long been the absolute leader in international high-speed rail traffic. Which means trillions of dollars, tens of thousands of rail track, and, of course, the fastest trains. The CRH380A is constructed from a modern aluminium alloy that gives the body the shape of a fish head, greatly improving its aerodynamic qualities. The train can accommodate up to 500 passengers, and the boarding process is organized according to the principles of an aeroplane.

🇨🇳 SHANGHAI MAGLEV

China

Maximum speed: 431 km/h
The fastest (travelling on regular routes) train in the world is by no means the most modern and, of course, not the most expensive. This express train transports passengers from Shanghai airport to the nearest metro station, covering a distance of 30 km. During tests, it showed a speed of 501 km/h. The result was achieved on the same steel tracks, but without the usual rails. The way it works is by moving with the help of magnetic levitation.

RUSSIA'S BIGGEST SEAPORTS



NOVOROSSIYSK SEAPORT 1



Cargo turnover in 2018: **154.9 mln tons**

Location: TSEMES BAY

Navigation: INTERRUPTED DURING WINTER TIME. One of the busiest ports on the Black Sea. Russia's record-setting maritime hub in terms of quayage length: 8.3 km.

UST-LUGA SEAPORT 2



Cargo turnover in 2018: **98.73 mln tons**

Location: LUGA BAY (Gulf of Finland)

Navigation: YEAR-ROUND (with a short period of ice escort). The seaport was put into operation in December 2001 with the launch of the coal terminal. As of today, it counts 13 terminals. Ust-Luga is among Russia's most rapidly developing seaports.

VOSTOCHNY SEAPORT 3



Cargo turnover in 2018: **63.7 mln tons**

Location: VRANGEL BAY (Nakhodka Bay)

Navigation: YEAR-ROUND. Russia's largest coal-oriented seaport. 20% of all Russian coal transported by sea is channeled through Vostochny. Main cargo recipients are South Korea, Japan and China.

MURMANSK SEAPORT 4



Cargo turnover in 2018: **60.7 mln tons**

Location: KOLA BAY

Navigation: YEAR-ROUND (with a season of ice escort). The second largest seaport in the North-West of Russia. The port is comprised of three parts: Fishery Terminal, Commercial Terminal and Passenger Terminal. Currently, a coal terminal is under construction.

BIG PORT ST. PETERSBURG 5



Cargo turnover in 2018: **59.3 mln tons**

Location: NEVA BAY (Gulf of Finland)

Navigation: YEAR-ROUND (with a season of ice escort). This large transport hub offers several terminals in St. Petersburg, as well as quays in Kronstadt and Lomonosov.

PRIMORSK SEAPORT 6



Cargo turnover in 2018: **53.5 mln tons**

Location: STRAIT OF BJÖRKÖSUND (Gulf of Finland)

Navigation: YEAR-ROUND (with a season of ice escort). Russia's largest oil-loading seaport in the Baltic region. End point of the Baltic Pipeline System. The port owns 18 storage tanks for oil, storage tanks for light petroleum products and several tanks for emergency release.

NAKHODKA SEAPORT 10



Cargo turnover in 2018: **24.3 mln tons**

Location: NAKHODKA BAY

Navigation: YEAR-ROUND. Part of Vostochny-Nakhodka seaport, Russia's biggest Pacific transport hub. Operates marine multifunctional and oil terminals in Nakhodka Bay, as well as fishery terminals.

TUAPSE SEAPORT 9



Cargo turnover in 2018: **25.6 mln tons**

Location: TUAPSE BAY

Navigation: YEAR-ROUND. Multifunctional seaport operating hazardous cargo, overseas shipments of oil and petroleum products, and bulk cargo.

VANINO 8



Cargo turnover in 2018: **29.5 mln tons**

Location: VANINA BAY (Strait of Tatar)

Navigation: YEAR-ROUND (with a season of ice escort). The largest transport hub in Khabarovsk Krai that brings together railway, highways and a seaport. The seaport's top location opens maritime routes for cargo delivery from the west through the Baikal-Amur Mainline and the Trans-Siberian Railway.

KAVKAZ SEAPORT 7



Cargo turnover in 2018: **49.3 mln tons**

Location: CHUSHKA SPIT (Kerch Strait)

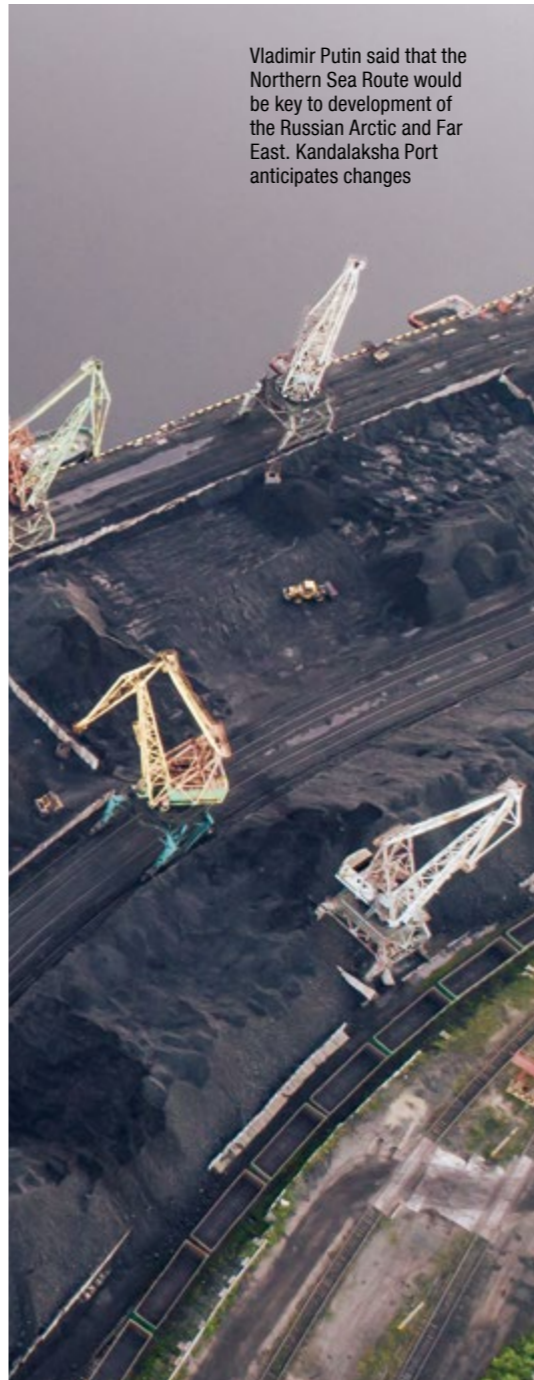
Navigation: YEAR-ROUND. One of Russia's largest passenger seaports that operates ferries to Crimea (capacity: 400,000 people annually).

A SEA OF OPPORTUNITY

Ports: Russia's economic and geopolitical outposts

Development of the railway infrastructure stimulates an increase in port capacity. It is obvious that ports are capable of changing the architecture of world trade routes over the next decade.

Text by Ksenia VITVITSKAYA



Vladimir Putin said that the Northern Sea Route would be key to development of the Russian Arctic and Far East. Kandalaksha Port anticipates changes

HERITAGE

Approximately 90% of the world's trade is carried by sea. Taking into account the fact that the volume of trade is increasing each year, the presence of modern, functioning ports plays a large part in determining a country's geopolitical position. Contemporary Russia has essentially had to build their port infrastructure from the ground up. The Soviet Union did not develop its ports. At all. Why? They simply had no need to.

Soviet leaders were not interested in upholding trade relations with the world. Back then there were only four more or less functional ports: St. Petersburg, Murmansk, Vladivostok, and Novorossiysk. Plummeting maritime trade was the first sign of the impending fall of the Soviet Union. The figures speak for themselves: in 1984, the cargo throughput of Soviet ports amounted to 456 million tonnes. By 1990, during the 'empire's' sunset years, ports were already handling fewer than 400 mil-

lion tonnes. In 1992, Communism collapsed, and 110 million tonnes of cargo were turned over. By the end of the century, these ports had become dinosaur skeletons, monuments to years of disuse and indifference.

In the early 2000s, the country's dockyards finally started showing new signs of life. Tankers carrying petroleum and oils, barges loaded with grain, sugar, and cement, and ships transporting timber and metals started appearing in ports once again. The annual cargo

Primorsk (2001), Ust-Luga (2001), Vysotsk (2002), Baltiysk (2002), Taman (2008), Sabetta (2012) — ports started sprouting up everywhere. At the same time, new trade routes were developing: the Northern Sea Route, the New Silk Road, shipping lanes from the Baltic to the Middle East. A few years ago, the Russian government realized that ports needed to become drivers of trade, capacities needed to increase, and access routes needed to be built, so they turned their eyes to the sea.

GIVE AND TAKE

Five years ago, Russia's port system grew through the addition of five new ports from the Crimean Peninsula. This brought the number of Russian maritime ports to 67. Together, they transport over 60% of the country's petroleum exports. They also send and receive raw materials, timber, grain, fish...

On 7 May 2018, Vladimir Putin signed an executive order establishing the national goals and development objectives up to 2024. Included in those goals was squaring away the nation's transport infrastructure: expanding rail and automobile access to ports, growing the throughput of sea hubs, and increasing the transit capacity of the Northern Sea Route.

For their own part, the government created a plan for implementing the head of state's transport and port objectives, which included 11 federal projects. Nine of them were directly related to port development. This included increasing the throughput of port access roads from their current level of 84 million tonnes to 125 million tonnes and increasing the general throughput of domestic ports to 1.3 billion tonnes. For comparison, combined port throughput in 2018 amounted to 816.5 million tonnes.

tonnes. Second, there is the construction of new ports: Dikson in the Yenisei Gulf and the modernized Taman in the Black Sea will add 72 million tonnes to the total port throughput. Particular attention is being paid to the development of the Vostochny-Nakhodka transport complex. After infrastructure improvements, its throughput will increase by 31 million tonnes.

Of course, these changes require corresponding levels of investment. Early estimates suggest that the modernization of existing ports up to 2024 will cost RUB 927 billion. A separate budget item, the Northern Sea Route, will require approximately another RUB

Yuriy Tsvetkov, Deputy Minister of Transport of the Russian Federation; Head, Federal Agency for Maritime and River Transport:

The colossal amounts of funding for these federally owned facilities will come from non-budgetary sources, who will then be conceded use of the constructed infrastructure.

588 billion. These are certainly sizeable figures, especially considering the fact that the government originally planned to spend no more than RUB 60 billion a year on modernizing harbour infrastructure.

Of course, port infrastructure development would be impossible without business participation, concession agreements, and public-private partnerships. At least two projects funded with private capital are expected to be launched as early as this year. The first is the construction of the dry cargo zone in the Port of Taman. RUB 114 billion of the project's total cost of RUB 171 billion may come from concession agreements related to port infrastructure. OTEKO will fund the construction of railroad facilities, an access canal, and operational waters.

An analogous situation is already being implemented in the Lavna Port in Murmansk Region. In accordance with a 20-year contract, Lavna Sea Trading Port will invest RUB 26.7 billion in the construction of a coal terminal and the development of existing rail infrastructure.

From 1992 to 2015, USD 1 trillion was invested in global port infrastructure. And even this was not enough to completely satisfy demand and maintain a sufficiently high port construction and modernization rate

throughput started to grow, doubling that of the average figures for all Soviet terminals combined. Moreover, now they didn't just need shipments, they needed modern infrastructure.

The country had to act fast to meet the demands of the time. Svetly (2000),

And the nation's leaders aren't planning to stop there. What is already being done today? First of all, new terminals are being built: Murmansk's Lavna Terminal will process 18 million tonnes and the Muchke Bay Terminal in Khabarovsk Territory will handle another 24 million



The Big Port of St. Petersburg is one of Russia's top five biggest ports by cargo turnover

**Irina Olkhovskaya,
First Deputy General
Director, Commercial
Director of the Port
Management Company:**

Today, ports are modern pieces of infrastructure, utilizing the newest technologies, massively implementing the latest digital solutions, and nearing complete automation.

Access infrastructure remains a critical issue for maritime harbours. It doesn't just need to be adapted to new conditions, it needs to be restructured entirely. Especially in the Far Eastern region, where 90% of cargo throughput is exported, with over 30% heading to China.

HEADING EAST

More attention than ever is being paid to Far Eastern ports. After all, they are the foundation of the nation's economic strategies and vital geographic points in the flow of goods between Russia and Asia. The majority of the cargo making its way through

Far Eastern ports will be coal (around 50%) and petroleum and petroleum products (25%). Asia-Pacific countries are one of the primary consumers and partners in the transport of part of this cargo. Moreover, the throughput of shipping containers is also growing. China is the source of these new container flows in local ports. For example, in 2018, the cargo throughput from China, along sea routes and across the border, amounted to 72.5 million tonnes – 1 million tonnes more than in 2017.

The maritime sector is not the only one benefiting from work with Chinese companies. Given that the ma-

majority of the end-users of Asian goods are located in Western Russia and in Europe, rail and automobile transport companies are also benefiting. Speaking of which, there's plenty of room for growth in transport.

After all, the current state of Eastern polygon (the Baikal-Amur Mainline and Trans-Siberian Railway) infra-

**Sergey Grinyaev,
General Director,
Centre for Strategic
Estimations and
Forecasts:**

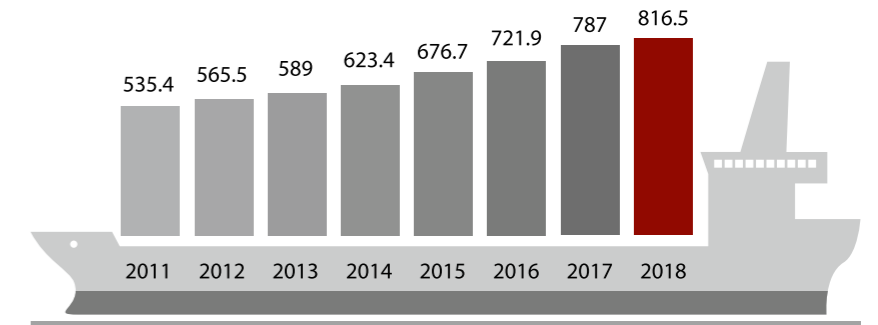
China currently receives up to 60% of its energy and extractive resources by sea. Beijing's access to a northern corridor would open up absolutely new opportunities for their global strategies, providing them with steady footing and allowing them to concentrate their efforts on promoting their interests in the South-East and on other continents (primarily in Africa).

structure slows down coal shipments by more than 20 million tonnes annually. Experts conclude that by 2020 that deficit could amount to 30 million tonnes.

In order to avoid this fate, Russia is actively developing new transport routes. Russian Railways has already announced that it will invest RUB 700 billion in coal transport infrastructure in Siberia and the Russian Far East. But there are even larger projects in play. For example, the international One Belt, One Road initiative. The project, proposed by China, involves the modernization of existing and creation of new trade routes (both by sea and by land), transport, and economic corridors which will unite over 60 countries in the future. The Moscow-Kazan high-speed railway will be part of this project and will later be connected to Beijing.

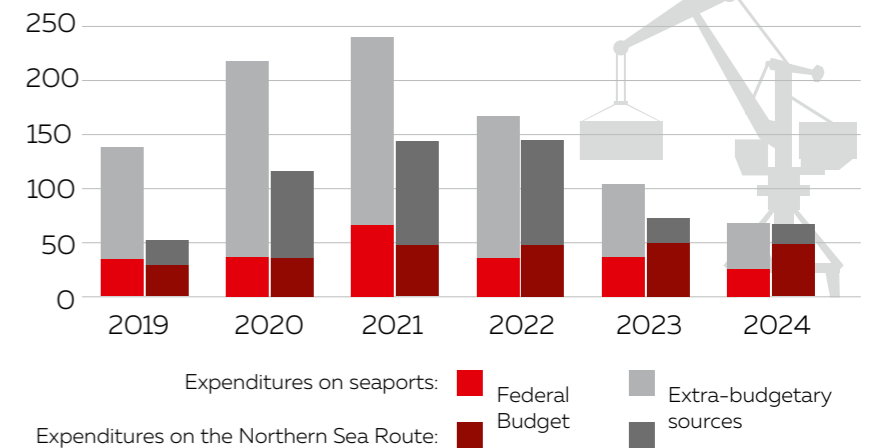
Another promising large joint project, and simultaneously a measure to increase ports' coal transport capacities, is the construction of the Port Vera Coal Terminal. Currently, Rostec is its only investor, but China, as the primary consumer of Amur region coal, is not against joining the endeavour.

Cargo turnover of Russian seaports, million tonnes



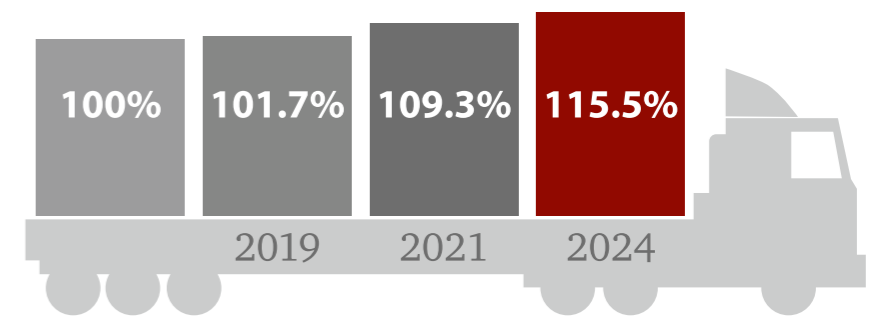
Source: InfraONE, Roscongress Foundation

Investments in Russia's marine port infrastructure, billion roubles



Source: InfraONE, Roscongress Foundation

Russian transport infrastructure quality index over the 2017 level, %



Source: Government of the Russian Federation

LEADING WITH COAL

Multimillion rouble investments in coal terminals are a good idea, but it requires some foresight and some thorough risk analysis. What if this investment can't be recouped? Currently, due to a lack of port capacity, the cost of coal transport is high, from USD 18-25 per tonne, when just four years ago, it never topped USD 5. Notably, current returns on investment in

of environmental protection. This begs a question that stevedores are afraid to ask. What if China's 'coal bubble' bursts and the country just stops needing that much fuel? The result won't be as simple as sluggish return on investment. China has already significantly reduced coal consumption. The first warning sign for domestic companies was China's freeze of thermal power station projects.

At the same time, new coal complexes are being built, taking new environmental safety requirements into account. The release of harmful coal dust during seaport transport has been reduced. Just three years ago, 45 tonnes of coal dust were released per port per year. In 2019, thanks to the implementation of new technologies, this figure has been reduced to 18 tonnes. The plan is to reduce coal dust emissions to below 10 tonnes a year.

Port efficiency will also increase thanks to digitalization. In the near future, the delivery, transport, and processing of cargo will go digital. In other words, Russia is implementing a Smart Port system. What does that mean? Let's say that a company buys raw materials through a trade portal. Immediately after payment is received, a ship is chartered and loaded automatically. At the same time, also on 'autopilot,' is the preparation of all required documents, including customs permits.

In this way, a radically new approach to logistics is born, minus the human factor, bureaucracy, and red tape. The system has already proven itself in the West. In Russia, the Port of Ust-Luga already transitioned to automation last year. And now the delivery, unloading, and departure of train cars at the terminal is 98% digital. Port Management Company, which manages the Vostochny Port and Rosterminalugol coal terminals, has already expressed interest in implementing technology at the Nakhodka-Vostochnaya station.

All in all, we can confidently say that, today, Russia's ports are facing, if not their best years (we hope that they're still ahead), then, at the very least, good years. Is this the chance to strengthen Russia's position in the region and the world by leveraging 67 resource and financial 'magnets'? 🌱

This is, by the way, a global trend. The United Kingdom, with its wealth of coal mines, will close all electrical power stations powered by coal by 2025. In Germany, who is the largest consumer of Russian coal, there is talk of completely stopping all use of coal by 2030. Even in the United States, certain states plan to get all of their power from renewable resources by 2045. There are plenty of reasons for this sudden freeze. One of the more obvious is probably the environment.



LNG sales have quadrupled over the last two decades. Deloitte estimates that LNG sales will double in the next twenty years. The Northern Sea Route will be actively used for exports

coal are also high. The creation of new terminals will be a corrective measure: once the deficit is dealt with, the cost of transport will fall. Which means that it will take business people longer to recoup what they spent on coal ports.

But this is also survivable. As long as we can find a market for this much raw material. China has halted the construction of new coal thermal power stations with a total installed capacity of 150 GW until 2020. This has been done to address the oversupply of electrical energy and in the interest

The majority (57%) of the financing for public-private partnership port infrastructure projects will come from private shareholders. Another 23% will come from development banks, 15% will come from the government, and just 6% will be sourced from commercial banks

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Qatar Airways announces the launch of corporate rewards programme "Beyond Business by Qatar Airways". This reward program shall be especially appealing to everyone, whose life is closely connected with business travels, especially to representatives of Small and Medium Enterprises, who value comfort and business agility.

Quick application and convenient account portal allow you to start earning valuable Qrewards from the very first purchase with Qatar Airways.

Qrewards is the new currency for the Beyond Business by Qatar Airways, which can be redeemed on flights to any of Qatar Airways' 160+ destinations and also on cabin upgrade.

Unlike many other corporate rewards programmes, which allow redemption only on selected flights or routes, Beyond Business enables its participants redeem Qrewards against the cost of any flight, at any time — no matter how close to the day of departure.

You can also take advantage of exclusive benefits, including fast track Gold status and lounge access as the company progresses through three new rewarding tiers — Elevate, Accelerate, and Ascent.

"As a carrier-of-choice for businesses around the world, we recognize the importance of a top-tier corporate rewards programme. We are proud to introduce 'Beyond Business by Qatar Airways' as it allows small and medium-sized enterprises to be rewarded for their business and enjoy industry-leading benefits."

Qatar Airways Group Chief Executive, His Excellency, Mr. Akbar Al Baker

A multiple award-winning airline, Qatar Airways was named 'World's Best Business Class' by the 2018 World Airline Awards, managed by international air transport rating organisation Skytrax. It was also named 'Best Airline in the Middle East', 'World's Best First Class Airline Lounge' and 'Best Business Class Seat', in recognition of its ground-breaking Business Class experience, Qsuite. Qatar Airways has been

awarded the coveted "Skytrax Airline of the Year" title, which is recognised as the pinnacle of excellence in the airline industry, four times.

Qatar Airways, the national carrier of the State of Qatar, is the world's fastest growing airline, with a network of 160 destinations and a modern fleet of more than 250 aircraft.

Qatar Airways proudly supports a range of exciting international and lo-

cal initiatives dedicated to enriching the global community that it serves. Qatar Airways, the official FIFA partner, is the official sponsor of many top-level sporting events, including the FIFA 2022 World Cup, reflecting the values of sports as a means of bringing people together, something at the core of the airline's own brand message — Going Places Together.

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RUSSIAN VECTOR

“Fighting Cybercrime is Impossible without International Cooperation”

Eugene Kaspersky, cybercrime expert and General Director of Kaspersky Lab, on the most important phenomenon of Industrial Revolution 4.0, the ‘sovereign internet’ and transparency centres.

Text by Ksenia BOEVA

What are the greatest cyberthreats, today and in the future?

I believe one of the greatest cyberthreats today is the threat to the security of industrial infrastructure. Enterprises are digitalised, plants need fewer workers and are using more computer systems and robots. This has become the norm, as has remote internet access to industrial control systems. But it is this modernisation that is making enterprises more vulnerable to cyberattacks. We are already aware of the existence of several specialised cybercrime groups who target enterprises in the energy, instrumentation and industry sectors.

Remaining analogue in a digital economy is impossible as you won't withstand the competition. This is the main phenomenon of Industrial Revolution 4.0. You either keep your business safe by staying offline, and fall hopelessly behind your competition, or respond to the changing times and put your enterprise at risk by making it vulnerable to all sorts of cyberthreats. I believe that it is our collective objective, in an age of increasing digitalisation, to realise how vulnerable we all are. Denial can be very dangerous.

What is your opinion on the ‘sovereign internet’? Could it make our life safer?

Unfortunately, we are living through a restless time of geopolitical conflict and

rising internet protectionism and balkanisation. These international trends, in my opinion, won't lead to anything good. Our experience in cybersecurity in particular has shown this to be true. Fighting cybercrime is impossible without international cooperation. It has no nationality and knows no borders. Creating an artificial ‘wall’ won't make our life safer, but will certainly slow down the digital economy.

Many Russian IT companies suffered a reputational blow because of geopolitical conflict. How are you handling these negative consequences?

We move forward, try not to focus on the consequences and carry on with our work. Luckily, our partners can read between the lines and understand the whole underpinning for ‘geopolitical conflict’ and unfounded accusations aimed at us. How else would you explain the growth in our international sales revenue and the increase in US online sales in 2018? We have earned the loyalty of our partners and clients with our long track record of making the most reliable security solutions on the market.

But we also realised there is a demand for more business transparency among regulators and officials. This is especially true for data processing. Our business is based on trust. We have nothing to hide. This is why we have moved one of our data centres to Switzerland as part of our global information transparency initiative. We have al-

so opened our first transparency centre in Zurich where experts and partners can look at our source code and its updates and make inquiries. We will soon be opening two more centres in Europe and Asia. We are the first cybersecurity company to take that step.

What future do you foresee for Kaspersky Lab?

The challenges we are facing today would have been unimaginable five or seven years ago. We collect over 380,000 unique malicious files every day. The Internet of Things market is growing, and changing, as it does so, every sector of the economy: manufacturing, agriculture, urban infrastructure, trade, transport and many more. All these changes have led us to fundamentally rethink the principles of protecting information systems. Security needs to be integrated into the system architecture at the early stages, as opposed to introducing it as a superstructure, which is how it is done now. We call it the ‘cyberimmunity’ principle. As I understand it, this term should replace ‘cybersecurity’. We already know how to apply this principle to protect IoT products using our Kaspersky OS. Our plan is to develop and scale these achievements. 🌱

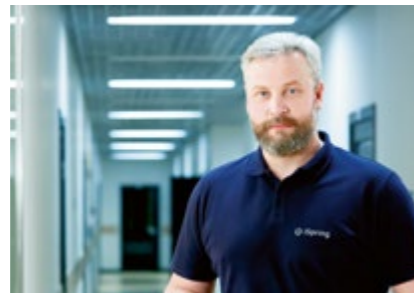
Text by Vlad MOISEEV, Dmitry PISARENKO, Yulia CHAIKINA

Stop Moaning

Why being pessimistic in Russia is no longer cool

What makes the difference between a successful country and an unsuccessful one? One thing – ingrained faith in the effectiveness of reform. For a very long time, Russia had been a chronically sad country. But things are beginning to change, especially in the world of business. We talked to three entrepreneurs, who are working to build a ‘culture of optimism’ in Russia, each in their own way. Sometimes even without knowing it.

THE GEOGRAPHICAL METHOD



Yuri Uskov, iSpring: “Just stop trying to leave Yoshkar-Ola”

There are several hotspots of IT entrepreneurship in the world. Why do they appear in certain places and not others? No reason. Only because one positive-minded and stubborn person decided: I want to build my business right here. And the whole world will have to adapt.

Yuri Uskov is one of these stubborn locals. His love for his town of Yoshkar-Ola did not stop him from creating iSpring, an IT company with a turnover of more than USD 10 million, 80% of which is from international markets.

Uskov’s ancestors have lived here for 300 years. Yuri was born to a family

of workers; his mother and father dedicated their lives to working at the local military plant. During World War II, strategic industries were evacuated to Yoshkar-Ola, turning the backwater Tsaryovokokshaysk into an industrial city. In 60 years, the USSR was gone, leaving behind some factories and a dead-end railway. But Uskov’s idea is not just about living in Yoshkar-Ola, it’s about creating a thriving centre of internet-entrepreneurship. And he’s already done it.

“Proctor & Gamble are in Cincinnati, it’s the same size as Yoshkar-Ola. Ford’s head office is in Dearborn. Ever heard of such a town? Founder of Walmart Sam Walton started his empire from Bentonville, Arkansas,” Uskov enthusiastically names companies that have picked a decentralised way of life. “Everyone is asking the same stupid question: why not Moscow? Like there are no other ways to develop. It’s the 21st century, geography is hardly a factor for modern industry.”

The case of iSpring really is proof that a good team can work in any geographical setting. iSpring’s product knows no language barriers or administrative borders. In 2000, Uskov, together with friend and business partner Sasha Galochkin, created a range of instruments for online education and became one of the market leaders in the Learning Management System (LMS) segment. This product is like a customised corporate online university and iSpring has a wide range of solutions in the area. The solutions, created and supported by the 250-strong staff of iSpring in Yoshkar-Ola, are used by 53,000 people around the world. Among iSpring’s clients are Microsoft, Proctor & Gamble, Oracle, IBM, Tesla Motors, Siemens, Pfizer, Lego and other major companies.



Yuri Uskov has managed to create a thriving atmosphere for the ‘post-industrial peasantry’ in Yoshkar-Ola

place where he was born and where he chose to stay. The law of conservation of energy dictates that if energy is wasted somewhere, it must go into something. Uskov is trying to give this energy back to Yoshkar-Ola.

Recklessness is inspiring. Following iSpring, several other entrepreneurs with similar turnovers have established them-

and within a few years became a true patriot of Yoshkar-Ola. “Fresh air, a minute’s walk to the office, this place has it all and not one thing too many. A real heaven for a workaholic,” he says.

The unusually high concentration of programmers in Yoshkar-Ola is now obvious to any casual observer in any local café with WiFi. Bearded introverted programmers are appearing in the neighbouring villages. iSpring, too, is successfully colonising the village of Ivanovka, 23 km from Yoshkar-Ola. These ‘post-industrial peasants’ are perfectly sorted here; the company helps young specialists buy land and build a house. This ecosystem is further perfected with courses in programming, robot technology and design for school children, and a private school based on the Soviet model of a ‘Physics and Mathematics school’. Uskov is pumping singularity into Yoshkar-Ola, making it into ‘a point for infinite density where no laws of physics apply and where the future is uncertain’. Science tells us that this is how new universes are born.

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Uskov believes that business is like big sport. But for him it’s not all about targets and records. Twenty years ago, he was driven by a competitive thrill to develop something interesting and new, and to beat everyone to it. Later Yuri realized that the energy he has to move forward comes from the very

selves in Yoshkar-Ola’s region Mari El. Yuri has recently become head of the local IT company organization formed from 10 resident companies. Yoshkar-Ola is even headhunting valuable personnel from Moscow, iSpring’s Director for Business Development Vladimir Khrypun came here from Moscow



250 iSpring employees create products used by Microsoft, Oracle, IBM, Tesla Motors, Siemens and other giants



Thinking about their children's upbringing, Viktoria and Alexey Shimansky created the Academy for Monsiks, followed by the Skillfolio project for teenagers and adults

THE PSYCHOLOGICAL METHOD

Viktoria Shimanskaya, Skillfolio:
 "Turning a moaner into an optimist is down to technology"

Many children dislike school. Vika was a very good student, but she hated the formality of school, its oppressive tendencies and the lack of creative approach. Once, her essay for a literature competition was returned to her by her teachers with the verdict "A 12-year-old could not have written a text of this level." Vika demanded another test to prove herself, but her teachers refused.

"When I get older, I will create a school where children will study out in nature instead of classrooms," Vika told her mother at the age of 8. "And it won't all be about grades. It's so easy to just ask a child what they are interested in and help them get better!"

Vika's childhood dream grew with her and turned into a business. Today Viktoria Shimanskaya is a Doctor of Psychology, leading expert in emotional intelligence (EQ) and soft-skills development, and a lecturer at Moscow State Institute of International Relations (MGIMO), Graduate School of Public Administration (at RANEPa) and Moscow Institute of Psychoanalysis. Shimanskaya believes that EQ is as important for the education system as it is for work, and she has created the first methodology for developing EQ in children patented in Russia. First, the Shimansky family created the Monsik Academy, where funny creatures called Monsiks teach children what they are not taught at school. The project turned into a business, with half a million copies of published books. The Monsiks were bought by investors and Viktoria and Alexey went on to create a project for adults.

Any business must begin with two questions: what do people need and what can I do better than others? Viktoria had been doing research in psychology and methodology for over 20 years, and Alexey managed the development of complex technologies. This is how they ended up on the #EdTech (Educational technology) market, which conveniently combines technology and education.

Nothing is more demoralising than the knowledge that your work is useless, even if it pays. It has been proven that people who hate their job become cynical and lose enthusiasm and self-esteem. Those who are unable to find use for their talent will gradually turn into miserable moaners. Personal fulfilment is a vital element of an optimist culture.

According to NAFI research centre, 53% of Russians are not satisfied with their jobs. To Viktoria and Alexey Shimansky, this number is inspiring rather than shocking. It means the country has an enormous untapped resource of creative energy, that simply needs to be activated. And they know exactly how to do it.

"You can spend your whole life developing your emotional intellect," says Shimanskaya. "We know that EQ influences both a person's psychological wellbeing and their success. 90% of good managers are people with a highly developed emotional intelligence."

Many companies today are working to make their staff happier. In this philosophy of 'teal organizations' or 'organizations of the future', every worker is considered an autonomous individual.

Employers in the 21st century are becoming less and less interested in traditional CVs. They want to see a combination of your experience and skills, both personal and professional. For this, employers need a service that would compile a digital profile of a person's abilities and give recommendations for development. This is precisely what the Shimansky couple have created.

They called it Skillfolio, a portmanteau of skills and portfolio. The programme identifies employees' behavioural role models and calculates their EQ. In marketing, for instance, some people will have analytical role models and others creative. These are very different marketing experts. Skillfolio is a complex HR-system that enables employees to build a digital profile for their staff and create individual development paths bearing in mind the aims and objectives of the company. These paths are not just vertical, but also horizontal.

Skillfolio helps both businesses and government bodies go teal. Moscow Small Businesses, a state office created to support entrepreneurs in the capital, will soon enable entrepreneurs to programme individual development paths, choosing from 40,000 free educational programmes and services.

"This method applies to any management system, including government bodies," says Alexey Shimansky. "By the way, the idea features in the 'Digital Economy of the Russian Federation' state programme."

The Shimansky believe you don't have to spend years to find your true calling. Their Skillfolio is already being tested in schools in Moscow, Novgorod, Altay and the Far East. Hundreds of teachers are doing courses and thousands of students are creating digital profiles of their talents and abilities. The technology was adopted by Artek International Children's Camp, where, for several years, the Shimansky have been partners in the 'Digital Generation' and 'School of the Future' programmes.

"I believe that Russia can become a country of happy and positive-minded people, instead of the gloomy people we are reputed to be," says Viktoria. "The most important thing is to help people uncover their potential. We are even better prepared for the new digital economy than many countries in the West. Our people are used to frequent change, they are generically adapted to it. This is what makes Russian optimism special: whatever happens, we believe everything is going to be OK."

THE LITERARY METHOD



Dmitry Sokolov-Mitrich, Odnazhdy Lab:
 "Optimists must speak up"

The word 'text' in Latin means literally 'fabric, interweaving'. Words and letters may be empty signs, but can serve as software for the brain, the makeup of great cultures. We all live and think within one narrative, either destructive or creative. 'We' are individuals, large teams, entire peoples and civilizations.

This is a brief summary of the unbearably intellectual conversation with Dmitry Sokolov-Mitrich, journalist and creator of Odnazhdy Lab (or Once-Upon-a-Time Lab), a company that creates and sells success stories.

"Not necessarily success stories," Dmitry corrects me. "We have just published a book where entrepreneurs share

their failures. People read it and still find it inspiring."

Sokolov-Mitrich is a big name in Russian journalism. Winner of the highest journalistic award in Russia, the Golden Feather, during his 25-year career Dmitry published thousands of reports, travelled the whole country and half the world, wrote 11 books and helped create the Russian Reporter magazine. But then he got bored. He realized that the next 20 years would be exactly the same: great stories, interesting trips and endless imperfect reality.

"And then I was offered to write a book about Yandex," says Dmitry. "When I agreed, I never thought it would change my entire world view."

Yandex.Book became the company's gospel and Dmitry realized what he wanted to do for the rest of his working life: study the weirdos that call themselves entrepreneurs, tell their stories and create something Russia has never had, a culture of optimism.

"I can hardly remember when exactly this idea formed in my head," Dmitry says. "I was interviewing Esther Dyson, a major American investor. I asked her a question I didn't think was stupid at the time: what is Russia's biggest problem? Esther frowned like she had a toothache and said: Russia's greatest problem is that there are too many people who constantly ask about Russia's greatest problem."

Odnazhdy is also a new business model for the media market. Dmitry Sokolov-Mitrich calls it 'dependent jour-

nalism'. According to him, this model differs from both from traditional PR and traditional journalism, with high quality texts yet complete loyalty to the client. The company and their client play on one team, but they play fair, and on equal terms.

After Yandex, Odnazhdy worked with the famous investor Leonid Boguslavsky, then the Moscow Administration. After that, word of mouth brought success to the company, and a growth of at least 50% in the last four years. The team was joined by people from the best business publications and their customer base expanded to include companies such as State Atomic Energy Corporation Rosatom, Gazprom Neft, Novolipetsk Steel, LSR Group, Transneft, Faberlic, Group IB, Moscow café chain AnderSon and dozens of other major clients.

"A story told masterfully and at the right time is a very powerful resource," says Dmitry. "Large companies use them to spread knowledge and values among their staff and engage them with the common goals. Medium enterprises need to tell their story in order to grow, all companies are scaled in proportion to how many people know and care about them. People, including those in the Forbes list, come to us, because they realize that money and business size are not constants. One day they are there, next day they are gone. But you cannot change time. All you have is your story, and you need to share it with people. Optimists should speak up, that's the secret of an optimist culture." 🌱



Times change but the ability to put words into interesting stories has always been valued

The market is waiting for competition to grow and niche products to develop



Food security is one of the main components of sustainable development. It must be ensured by introducing the principles of Industry 4.0, regulating the activities of private subsidiary farms, and the overall trend towards healthy nutrition, Cherkizovo Group CEO Sergey Mikhailov says.



The Cherkizovo Group strategy is based on high biosafety standards and a focus on marginal products



There is a lot of talk about innovation in production right now. The Cherkizovo Group was the only company from Russia and CIS countries to win the prestigious SAP Innovation Awards 2019 for a robotic sausage factory project in Kashira. Is fully automated production the future of the meat industry? Or will similar projects remain one-of-a-kind?

We aren't expecting the wide-scale launch of similar projects in the industry. But each plant of this kind is capable of fundamentally changing the balance of power in the market. And we are very proud that we were the only company in Russia and the CIS to receive the SAP award. The robotic plant outside Kashira is truly a unique enterprise. The group has invested about RUB 7 billion in the project. According to our calculations, it will pay off in 7 years. In terms of labour productivity, the plant outside Kashira exceeds normal production capacity by about four times. It's also crucial that the new plant surpasses traditional production in terms of biosafety indicators: introducing the principles of Industry 4.0 fundamentally reduces the influence of the human factor. This year Cherkizovo plans to begin implementing the second phase of the project. Kashira-2 will specialize in the production of boiled sausage.

How is biosafety monitored at Cherkizovo enterprises?

All our hog-raising enterprises have the fourth and highest compartment [of epizootic safety standards]. This means that everything possible has been done to protect the sites — the most modern techniques, equipment, medicines, and biological drugs are used. There is no compartmentalization in the poultry industry for now. The Ministry of Agriculture and the Federal Service for Veterinary and Phytosanitary Surveillance are developing standards in this area. But we have already carried out work to prepare for obtaining the fourth compartment for our poultry farms. However, the risks associated with African swine fever and avian flu remain critically high. We believe that the country needs to develop national programmes to combat especially dangerous diseases, and the federal agencies, the Ministry of Agriculture, and the Federal Service for Veterinary and Phytosanitary Surveillance could serve as curators.

Why did you need the national programmes?

First of all, we need to switch to other types of activities [private subsidiary farms] that raise hogs and poultry and are located near major enterprises. Without this, any protective mea-

asures at the level of individual companies may not be sufficient.

Whereas in the past the Cherkizovo Group primarily invested in the development of production, now processing has become a priority. Are you planning on rolling out new product categories?

The meat market, like any other, goes through the stages of the life cycle: growth, maturity, and decline. According to certain signs — a slowdown in consumption growth rates and a downward trend in real retail prices — we are at the point of a transition from growth to maturity. During the new stage, the market is waiting for growth in competition and the commercialization of products that were previously considered 'niche' (for example, chicken cuts). Cherkizovo's answer is to focus on marginal products (including marinated meat and ready-made products for reheating and consumption) as well as the development of new alternative channels, primarily HoReCa and HRI [hotels, restaurants, institutions]. Cherkizovo is already a leading supplier to all the largest fast-food chains and plans to become one of the largest suppliers to government structures.

Healthy living is becoming more and more popular today. Do you take this trend into account?

Of course. Taking care of your health and healthy nutrition are a trend for the development of our society, which we fully support. We want to be involved in creating a proper understanding of what it means to lead a healthy lifestyle and how to eat in order to be a healthy and efficient member of society. Cherkizovo is the largest producer of broiler meat, which is traditionally considered a healthy product.

In addition, we are actively developing such segments as turkey production, and by the end of 2019 we plan to rank second in Russia in terms of [turkey production] volume. As part of Pava-pava brand, we offer Russians a unique kind of turkey that is smaller and has a lower fat content. Consumption of this wholesome meat is gradually increasing — about 2 kg of turkey is consumed per capita per year today, but it has prospects to grow to 4–6 kg.

We shouldn't forget about pork, either. Even though at first glance, healthy living and pork don't really go hand in hand, from our point of view, work needs to be done to rehabilitate this type of meat. More and more studies show that animal fats are essential for the body to function normally. After frying bacon, don't drain the fat — it is more stable than most vegetable fats and more suitable for frying than, say, sunflower oil. Finally, pork is an excel-

lent source of vitamin B, zinc, phosphorus, magnesium, potassium, and other valuable microelements.

Your company was one of the first to support the introduction in Russia of targeted food assistance to the needy such as the SNAP programme used in America. Have you assessed this well-intended initiative from an economic point of view?

Today in Russia roughly 19 million people (13% of the population) have incomes below the minimum subsistence level. So the Russian equivalent of SNAP will require serious public spending of around RUB 100 billion. But, as we can see from the U.S. example, this will lead to GDP growth and the creation of new jobs. In addition, the programme would help enhance the competitiveness of food exporters through increased production (economies of scale) and curb the stratification of society in terms of the level of per capita income.

The Ministry of Industry and Trade has been promoting the idea of issuing food stamps since 2016. What do you think is preventing this project from being implemented?

One could assume that the implementation of the project in Russia is being hampered by a somewhat one-sided

understanding of the programme's objectives. The beneficiaries are not only the poor and food producers, but society as a whole. The priority objectives of the food aid programme are to stimulate economic growth and strengthen national security.

In terms of production growth, what are the priority development regions for you?

The Cherkizovo Group's products are sold throughout the country. In terms of individual regions, one of the priority goals is to develop distribution in the north-western part of the country, primarily in St. Petersburg and the Leningrad Region. We also plan to develop distribution in Western Siberia, and the acquisition of the major poultry farm Altai Broiler in this region in 2018 greatly facilitates this objective.

As for exports, we view the opening of the Chinese market to Russian poultry farms at the start of this year as a very positive event. Exporting the Chinese' favourite items (legs and wings) has become very profitable, and our company plans to increase shipments. According to our calculations, this year the group's enterprises will supply 30,000 tonnes of products to China for around USD 60 million. ❁

SETTING new standards for the INDUSTRY



Dr Alexander Machkevitch, Chairman of the Board of Directors of Eurasian Resources Group (ERG), talks about smart mines, digital and entrepreneurial ecosystems and the elimination of child labour from the metals & mining industry

Dr Machkevitch, what are your expectations for SPIEF 2019?

ERG has very high expectations for SPIEF, an event that has consistently put forward an exciting and extensive programme and facilitates our own agenda for meetings with partners. Eurasian Resources Group regularly and actively participates in leading economic forums, including the World Economic Forum in Davos, the Boao Forum for Asia and the Astana Economic Forum. Every year in Saint Petersburg the Group uses the summit as an opportunity to liaise with partners and negotiate new agreements. Russia is strategically important for our business as it accounts for 20% to 30% of ERG's product sales, which is a very significant

amount. We enjoy a long-standing, productive cooperation with the country's leading banking institutions. This year, we celebrate 25 years to the Group's business in Kazakhstan and 5 years since the incorporation of ERG's main office in Luxembourg. We are pleased to be part of a business delegation representing Kazakhstan at SPIEF and to be able to present our extensive international expertise at the Forum, drawing on our strong business experience across Europe, Africa and Brazil, our commitment to Eurasian integration and the New Silk Road.

ERG is undergoing a transition to Industry 4.0. What do you expect from this move?

The Fourth Industrial Revolution has a tremendous impact on the manufacturing industry. In this context, the metals and mining sector is a bright example. Digital technologies accelerate economic processes, while artificial intelligence (AI) makes it possible to analyse thousands of potential scenarios. Companies that hold 'Big Data' gain a competitive edge on their peers. For that reason, we closely monitor Industry 4.0 trends and are implementing a number of digital initiatives. We are confident that they will provide a strong impetus to enhance the Group's business and support the development of our regions of operation.

Are there any examples of this effect?

ERG's Smart Mine is a very good example. Launched at the Kacharsky open-pit mine at JSC SSGPO, in our iron ore division, the Smart Mine involves the use of special equipment across its mining and transport activities. This enables the collection and analysis of performance data in real time. We have already improved the

productivity of mining equipment by more than 10% and plan to roll out the technology across all of ERG's mining sites.

Another example is the development of a Manufacturing Execution System, or MES, an integrated system for production process management based on the use of Big Data and machine learning.

What risks are associated with the transition to Industry 4.0?

Naturally, the transition to Industry 4.0 poses a challenge for many companies. First and foremost, the digitisation of production processes may result in redundancies, unless employees receive systematic retraining in advance. In addition, the introduction of new technology is an iterative and risky process and it is important that adequate preparations are made. Finally, large-scale business transformation also implies a cultural one which is focused on people, our main asset.

Speaking about people, what is the Ecosystem for the Population of the Republic of Kazakhstan?

This is our new and exciting project. We have been working on it for a substantial time, in particular, during a visit of our senior executives to Silicon Valley. The project involves the development of relevant digital tools to drive the development of small and medium-sized businesses and new business models and contribute to job creation.

We are also working to build an Industrial Data Laboratory that will make production data available to the participants of the Astana Hub, an IT start-up centre. We believe that access to real-life production data is very important for the testing of digital products and, to that end, we create development opportunities for an entire cluster of start-ups in the mining and metals industry, which will also contribute to the country's vibrant export sector.

In March 2017, ERG also launched a Student Entrepreneurship Ecosystem that aims to promote education and improve the business climate in our regions of operations in Kazakhstan. Last year, more than 5,000 university students took part in the project, and in total we expect to see 50,000 participants. Together with our partners, Almaty Management University and the Tel Aviv University Friends Association in Kazakhstan, we hold business case competitions and engage leading en-

trepreneurs to host training sessions and workshops.

We will teach students entrepreneurial skills with a view to promoting the development of agriculture, social and tech-focussed entrepreneurship as well as medical innovations, domestic tourism, the Internet of Things and EdTech. We believe that in a few years the ecosystem will have a positive and multiplied effect on the entrepreneurial climate in Kazakhstan.

The development of local communities is also a key priority for ERG. For instance, in Kazakhstan, over 450,000 people are connected to our regions of operations including in Aksu, Rudny, Khromtau and Ekibastuz. These are our native towns.

The Global Battery Alliance initiative was recognized as a Top 10 achievement of the World Economic Forum's meeting in Davos. How will this project contribute to the goal of 'building a better world' set in the Manifesto of the Alliance?

The advancement of responsible and ethical standards across the mining and metals industry is our primary focus. Together with our partners, ERG embraces its responsibility for developing new standards for the sector.

Eurasian Resources Group is a prominent producer of cobalt, a material that is used for the production of lithium-ion batteries for booming sectors of the economy including electric vehicles and gadgets. At the same time, in the Democratic Republic of the Congo, which is home to our operations, the use of child labour is quite widespread in artisanal communities. This is a 19th-century practice and one that we find absolutely unacceptable. ERG is committed to helping eradicate child labour from the industry. To this end, we have initiated the development of the Global Battery Alliance under the auspices of the World Economic Forum. The Alliance comprises more than 50 major businesses from various sectors of the economy, international organizations and NGOs.

What is your vision of ERG in the future?

The company is demonstrating growth in many areas and, in particular, we see a lot of potential in the supply of ferrochrome, cobalt and copper, and aluminium. These metals are the 'materials of the future', which experience accelerating demand in a con-

sumption-driven economy. In this context, ERG has interesting development projects, along with an ambitious investment programme, across all key regions of its operations including Kazakhstan, Africa and Brazil. At the same time, we take a very prudent approach to considering joint initiatives with our partners.

Highly professional, skilled, and motivated personnel is an important driver of sustainable development. In this vein, we have created our own ERG Academy and hold an Innovators' Forum on an annual basis.

ERG spends almost 3% of its revenues on Corporate Social Responsibility, which is three to four times more than the industry average. In Kazakhstan, through investing in our regions of operation, providing affordable housing for our employees and encouraging cultural projects and entrepreneurship, ERG helps support the development of the country. As Kazakhstan is our homeland, we fully embrace that level of responsibility. For us it's just as natural as looking after our parents.



Student Entrepreneurship Ecosystem: participants from Aktobe-based universities



New technologies implemented at ERG's Smart Mine in Kazakhstan



Children go to one of the schools supported by ERG in the DRC



„Покорение космоса.“

WORLD MAP

China's Economic Reserves Evoke Optimism



In 2018, Chinese leader Xi Jinping accepted Vladimir Putin's invitation to attend the Eastern Economic Forum and, in 2019, – SPIEF. To boost ties between Russia and China is particularly important given the size of their economies and their geopolitical weight. Over the past three decades, China's economic growth has been a priority. Experts tend to react dramatically to any slowdowns. But the Chinese realities are quite unique and require a unique approach. It is impossible to standardize estimates for a country with a population of 1.4 billion, living in another historical dimension, that has, in the past 30 years, broken through to become an industrial and technological leader.

Text by Dmitry BORISOV

FIRST RESERVE RESERVE – POPULATION

The proportions of the urban and rural populations in China have practically stabilized. For many years now, official data showed that 73% of the population resides in cities, while 27% lives in rural areas. The official statistics have changed their evaluation criteria, but in general this ratio is a good



Today, most of China's labour force is concentrated in cities

sign. It means that China has a large reserve of manpower. With levels of education in the country continuing to rise, we can also conclude that the skill levels of that manpower, their average competencies and knowledge are continuously increasing.

Another important factor is the country's demographic dividend of 36%. In other words, two thirds of the population is of working age, while children and pensioners only make up one third. The breakdown of that 36% is even more optimistic. Pensioners make up 12%, while children

make up 24%. The pension burden is currently small, and the younger generations will steadily enter into the labour market.

A large population does not just mean more workers, it means more consumers. Current data from international organizations suggests that 400 million people in China are middle-class. This is a huge domestic market. But China's population is constantly becoming wealthier and levels of consumption are increasing.

Four hundred million is not even the final figure. In 2017, the average standard of living in China was not as disappointing as specialists used to European or American data would conclude. A report from the Asian Development Bank titled 'The Rise of the Middle Class in the People's Republic of China' suggests that the concept of middle class in China is somewhat different from the traditional understanding of the term. China's middle class is composed of people who have a purchasing power parity of USD 20 a day. This conclusion was reached based on the results of a survey of urban and rural settlements. They analysed the prices of agricultural products, land use data, labour productivity, households' financial investment choices, sales figures, and goods consumption. Another factor used to identify the middle class was purchases of durable consumer goods: vehicles, computers, large household appliances, pianos, mobile telephones. If it turned out that the family did not have a single one of the above items, they were considered poor. However, it is worth taking into consideration the rather significant range. For example, a rural worker has to earn USD 100 a month to be considered middle class by residents of the region, while a person in Beijing must earn a minimum of USD 1,000 to do the same. According



Robots cannot always compete with Chinese workers

to these criteria, a billion people in China are already middle-class.

In any case, accounting for the difference between more and less wealthy regions, the idea that China has an enormous domestic market is incontestable. And this domestic market significantly reduces risks for the export-oriented parts of the economy.

SECOND RESERVE – EXTRACTIVE RESOURCES

Few people know that the People's Republic of China is currently third in the world with respect to the size of its extractive resource reserves (approximately 12% of the global total). Geologists have confirmed that deposits of ten types of energy resources, 46 types of ferrous and nonferrous metals, over 90 types of non-metallic ores, and eight

types of precious and rare metals are located within China.

Of particular importance for the country are its enormous coal reserves (primarily bituminous). China is a global leader in this respect with an estimated one trillion tonnes of proven deposits. Moreover, China is currently the world's largest producer of gold (approximately 430 tonnes annually).

What's more, China has significant shale deposits and therefore plans to become a global leader in production of shale oil in the near future (production by 2020 is expected to reach 100 million cubic metres annually).

China has approximately 300 petroleum fields. It boasts large reserves of iron ore and nonferrous metal ore. It has significant tungsten, manganese, and copper reserves. Ferroalloy shipments have long since been measured in the hundreds of thousands of tonnes. Also,





Strategic partnership is confirmed at the highest level: Vladimir Putin and Xi Jinping at the Eastern Economic Forum

of note are rare-earth metals, demand for which has increased due to new technologies. In 2010, China even started a trade war, forbidding the export of rare-earth metals. This caused the prices for these metals to increase by a factor of several dozens. That growth

synchronized with the increase in consumption of, for example, lithium, which is used to produce batteries.

It is no accident that, in 2019, Tesla opened a factory in China. This is tied to more than a promising Chinese market and cheaper production. China has large

reserves of this metal, helping renewable energy storage become a reality.

Of course, a large population and strong manufacturing means that China will remain a net importer, but China's potential in individual economic sectors should not be underestimated.

THIRD RESERVE – GOVERNMENT POLICY

In 2019, Beijing launched stimulus measures described by economists as a 'cocktail.' It includes an increase in government spending, reduced taxes, and making it easier to get a loan. In a public address in early March, Chinese Premier Li Keqiang announced that the government will reduce business taxes, including VAT and company contributions to pension funds by a total of CNY 2 trillion (USD 298 billion), which is 2% of the country's USD 13 trillion economy.

In spring of 2018, China lowered the VAT in the secondary sector from 17 to 16% and from 11 to 10% in the transport, shipping, construction, and extractives sectors. This is all while small businesses (making up the lion's share of the service sector) pay a 3% VAT in China.

Starting on 1 April 2019, the VAT in the secondary sector, including on the sale and import of goods, dropped from 16 to 13% and from 10 to 9% in all other sectors. Commenting on such a significant reduction in the tax burden, Li Keqiang said that "this is an important step in the fight against downward pressure on the economy."

The scale of these reductions exceeded market expectations. Li also announced a large spending programme aimed at infrastructure projects, including investments totalling CNY 800 billion in rail construction and water transport development.

These stimuli should add CNY 4.6 trillion to the Chinese economy. The increase in labour productivity will allow for the launch of socially oriented policies.

The aforementioned types of reserves are by far not the only ones available. China's colossal trump card is its potential unification with Taiwan following the Hong Kong model. Chinese investments in the purchase of extractive resource fields in Asia and Africa are starting to pay off. Meanwhile, Chinese loans to neighbouring and distant countries are hooking whole governments on Chinese money and technologies. Beijing is developing a new Silk Road programme, creating transcontinental overland corridors for the export of Chinese goods. The synergy of private initiatives and colossal government resources is strengthening China's expansion to all countries of the world. 🌸



China sets the fairway for the world economy



A SET OF LOCK PICKS

How Russian medium-sized businesses enter international markets



Very recently, ‘demand for Russian products abroad’ sounded like the set up for a joke on a national comedy show. But now it is a reality that is becoming more and more common. In 2018, Russia’s non-commodity exports reached a record-breaking USD 150 billion, compared to USD 134 billion the previous year. SPIEF Magazine has decided to present several examples of the kinds of products that Russian companies are selling on international markets and what ‘lock picks’ they used to find their place in the sun.

Text by Anna TITOVA, Vlad MOISEEV, and Odnazhdy Lab, exclusively for SPIEF Magazine

PLAYING WITH FIRE BY THEIR OWN RULES

Company and product:

Innovative Fire Safety Systems (ISP), a complete suite of services related to fire safety

Markets: Russia, Kazakhstan, Belarus, Armenia, Moldova, Turkey, Kyrgyzstan, Vietnam, Denmark, Cyprus

Method: go against the trend, you always find 10% of consumers who don’t want what the market is trying to sell them

“At the Open Innovations Forum in 2015, someone asked us:

‘Where do you buy the valves for your fire suppression cylinders?’

‘We make them ourselves in Tolyatti.’

‘Well yes, you assemble the cylinders in Tolyatti, where are your valves from?’

‘We make them ourselves in Tolyatti.’

‘That’s impossible.’

‘Why?’

‘The quality is too high.’”

Sergey Lektorovich, the founder and general director of Innovative Fire Safety Systems (ISP) Group describes a situation that caused him to first consider the possibility of expanding internationally. His incredulous companion was a manager for Rotarex, the leading European company producing fire suppression valves in Europe. “That’s when I thought, ‘Well, if you think our stuff is “too high quality,” then you’ll hear of us yet,’” laughs Sergey.

Lektorovich has a complicated history. In his teens, he was the leader of well-known youth street gang in Tolyatti. When he got older, he made his way into politics and even headed the local chapter of the Rodina political party. Finally, he found the place where he could work to his full potential — in business.

He founded Innovative Fire Safety Systems (ISP) Group in 2009 to distribute national and international fire suppression devices. But in just a few years, he thought: why are we wasting money on marketing someone else’s product when can we promote our own? No one in Russia had been making gaseous fire suppression systems. Lektorovich opened a factory in the Zhigulevskaya Dolina technopark in his own native Tolyatti and gathered a team of ex-AvtoVAZ engineers.

“Where are fire suppression devices usually produced in Russia? In the defence industry. Now, before us, no one was interested in leveraging the potential of the automotive cluster. Even though it’s very strong. In Tolyatti we have unique specialists that are capable of not just making a fire suppression valve, they can make a rocket,” says Lektorovich.

The national fire suppression system market was always conservative, to put it mildly. Its key players were ex-inspectors, who either keep their business running by leveraging their connections or worked for hire. As a result, real fire safety in Russia had long since become fiction. If you spend too much time talking to Lektorovich, you start to get paranoid. When he walks into any space, the first thing he does is start to convincingly explain why, if anything were to happen, no one would leave the place alive.

But when it comes to their strategy for taking a bite out of first the national, and then international markets, ISP goes stubbornly against the trend. “We operate on the same principles as Apple,” explains Sergey, “we

may have a small share of the market, but our profit margins are the biggest. Yes, our systems are expensive. This is despite the fact that the world is tending towards the minimization of production costs, often by sacrificing quality. This is true of food, clothing, automotive construction — everything. But this trend is why we have a chance to expand. We, on the other hand, come up with ways to make our product more expensive. Because you’ll always find a part of the customer base, I’d approximate about 10%, that will prioritize reliability and quality and look at price second.”

ISP’s main product is the Zarya gas module, a cylinder with liquefied gas capable of holding 22.5 L. To a dilettante, this thing looks like a container for the intergalactic transport of an alien intellect. On the outside, it’s coated with an Italian paint made by the



Sergey Lektorovich, Founder and General Director of ISP Group

same producers who supply Lamborghini. On the inside, it’s coated with a special anti-corrosive substance. But ISP’s primary competitive advantage is its IT platform, which not only allows the customer to efficiently purchase items and submit service requests, but to perform quality control on the product in real time. Imagine Apple’s ecosystem with an electronic ID for each product, except replace the iPhones with the Zarya, and you’ll get what Lektorovich’s team has created. This is the kind of stuff that is particularly impressive to foreign partners,

because no one in the West has even done anything like this yet.

In the mid 2010s, the company quickly entered the regional and then federal markets. Today its clients include Sberbank, Gazprom, Mezhdregiontransgaz, the FSB, Rosneft, and Russian Railways. And in 2017 they started expanding abroad.

In the CIS, the company first started making cold calls to try to break into a market, with middling success.

came knocking at the company's door themselves. The conclusion: don't expect quick results in each new country. Now, Lektorovich plans for at least a year of fruitless efforts before expecting to see first sales.

However, in more distant international markets, ISP uses a different strategy: it's more profitable to sell fire suppression systems through large partners, who then take the complex responsibility of certification on them-

year's IFSEC International in London. This is a key international platform for the entire industry, it brings together manufacturers and consumers of safety systems from around the world. As a result, the Zarya was able to enter the markets in Denmark, Vietnam, Kenya, and Cyprus. Until recently, 10% of the company's orders were for export, but now the figure is creeping closer to 30%. The entire ISP team is now actively learning English.



From Togliatti with love: Russian firefighting systems winning the market from Kazakhstan and Armenia, to Vietnam and Cyprus

What really made a difference was the unexpected effect of an instrument which the majority of entrepreneurs look down on — official government support. The company was finding it impossible to break into the market in Belarus until the Samara Region Ministry of Economic Development helped them reach out to the country's emergency response service and solve many problems. At the very least, a testament to the Zarya's trustworthiness is the fact that the Belarusian Nuclear Power Plant is equipped with this system.

A pilot project in Kazakhstan was originally less successful: the company started actively selling for a few months, but could not get results. That branch was closed and suddenly, a few months later, Kazakhstani clients

selfes. Here, they were driven by a simple idea — don't try to blaze your own path, leverage the official state support available to any entrepreneur. For example, work with the Russian Export Center. With its support, ISP is now forming their own pool of potential Western clients.

"In order to receive the 'Made in Russia' mark, we spent a long time getting certified by the REC, but it was worth it," explains Lektorovich. "The centre subsidizes up to 80% of expenses related to participating in foreign exhibitions and, until recently, subsidized the funds spent on certification. It's a shame that they cancelled that measure, but I hope they'll bring it back."

The company's breakthrough moment was their participation in last

AFTER THE HYPE

Company and product:

Bitfury, a complete suite of blockchain technology services

Markets: Russia, the USA, Hong Kong, the UK, the Netherlands, Georgia, Iceland

Method: First all over the world, then everywhere

Bitfury was created in the early 2010s as 'Team USSR': it was created by young IT developers from the post-Soviet space. First, they were only involved in mining and operated in those places where politicians aren't afraid of the word 'bitcoin.' A Russian office was completely illogical, because mining still currently exists in a sort of grey area. But this kind of 'awkwardness' is what pushed the company out on the international market, where it immediately became one of the leaders in a new industry.

Since 2011, the founders of Bitfury have become bitcoin millionaires, but they also understood that it was time to diversify their business. That's how they created a new product: technological blockchain solutions for those who want to increase the transparency of traditional bureaucracy. They went to the world's largest companies, the ones that suffer from a lack of monitoring. For example, they helped Coca-Cola clean up their global housekeeping. But even from the start, it was clear that another important group of clients were government institutions. The ones that were strongly in need of blockchain technologies, though they didn't always know it. Despite the fact that every government body is unhappy

in its own way, their ills can be cured using more or less universal remedies. You just need to create them and offer them to the market.

"When we started thinking about where to sell blockchain, we immediately thought of Russia," explains Bitfury's Head of Russian Operations Dmitry Ufaev. "We saw that the technologization trend was growing strongly among the political elite and large businesses. I worked in the Moscow government for four years myself and no how important IT is to a modern state."

Which is why in early 2018, Bitfury opened an office in Moscow, an outpost to work with geographically and culturally similar countries. Bitfury's primary product became Exonum, a framework for creating blockchain projects. It was created as a result of work with the Georgian government, or, more accurately, with its cadastre.

"We can start with the fact that states are essentially registers and lists of rules. The most important things that any government apparatus does is support regulation and establish the work order," continues Ufaev. "In many countries, these registers are stored either in vulnerable centralized databases or simply in paper form. A few years ago, one of the Caribbean states experienced a disaster. A hurricane came through and destroyed the land archive, blew the pages about, and no digital copies were available. Chaos and panic struck the country: it was unclear what belonged to whom."

There is also another obvious problem, since each power shift brings new people to key positions. Suddenly you've got the tempting option of altering something somewhere. For example, in Georgia, peoples' register entries sometimes disappeared. The new head might just say, "What you mean? This land has always belonged to Vakhtang." And there would be nothing you could do about it. Unless you have blockchain. It allows this information to stay protected, to make sure it cannot be deleted.

Blockchain's gradual penetration into all industries is both logical and unique: this is the kind of case where the technology dictates the logic by which its market develops. Take Synergy University for example: it has transitioned completely to issuing diplomas by blockchain, and now it's possible to precisely ascertain whether a diploma was bought on the streets or fairly earned. Currently Synergy is alone in its forward thinking. But another 10 to 20 universities will follow its footsteps, and then it will be clear who can be trusted. And the rest will have to explain themselves: if they're not doing anything, that means they're covering something up.

Another example: SETAM, the Ukrainian System of Electronic Trading in Seized Property, once received 3,000 cases that were filed with respect to 5,000 transactions. The auction's participants doubted the veracity of these cases. In order to open 3,000 cases, you need a whole army of lawyers. So Setam turned to Bitfury,



Dmitry Ufaev, CEO of Bitfury Russia

and they moved everything to blockchain. And when a new case comes up, specialists have it covered: blockchain makes manipulating the results of an auction impossible. After that, there were no cases filed with SETAM at all. What a clear-cut performance example — from three thousand cases to none.

Bitfury's market strategy is simple. Each new business case is a new language with its own particular pronunciation. But, having learned this language, you can speak with any businessmen in the industry, regardless of whether they're from Zimbabwe or Sweden. For example, recently Bitfury studied the language of Russian Railways. "Together we developed a pilot version of blockchain integration. It was made taking the Russian context into account, but we've already sold it to railways in Kazakhstan, and now we are in negotiations with Canada," says Ufaev. "Because almost all of the world's railroads have the same problems: the rails belong to one organization, the cars to another, the movement of the cars is scheduled by a third, and they are serviced by a fourth. Blockchain boils all of this down to a common denominator. We've already learned over forty languages used in various businesses. And now we just broadcast them around the world." 🌐



Blockchain Technologies: Real Economic and Business Assistance or a New Matrix?



SOCIAL PACKAGE

MONEY FROM TRASH

Waste reform in Russia: how waste management is changing and who has already learned to make money from it

Text by Svetlana FOMINA

IN THE LANDFILL OF HISTORY

Global experiences would suggest that it's normal not to think about trash. This approach to waste is present even in the most industrially developed countries. The alternative — the thorough sorting of waste by material, the removal of, for example, labels and corks from bottles, etc. — is currently a rarity and is likely an exception to the rule, practiced by maybe a dozen countries around the globe. But the world continues to change. China has also joined the environmental fight, having for several decades now accepted almost half of the world's waste for recycling. Meanwhile, in March, the European Union passed a law banning the manufacture and use of single-use plastic items such as plates, cutlery, straws, and cotton buds. In a word, the process has begun. How involved is Russia in this global trend?

There is a hill in southwest Rome. The city's ninth, if you count the seven historical hills plus the Vatican. But this hill is unique because it is artificial. It was made from the remains of broken clay vessels called amphorae back during the days of the Roman Empire. It even has its own name, the Testaccio. To archaeologists and historians, this is a significant place, but to the people of ancient Rome, it was a trash heap and far from a prestigious residential location. But thousands of years ago, the problem was not as pressing as it is today. At the very least because the volumes of post-consumer materials are simply incomparable.

Russia produces five billion tonnes of trash a year — a figure that includes both industrial and municipal solid waste. However, for a long time, these billions of tonnes of trash remained outside of executives' field of vision, despite the Testaccio analogues rising up along the Moscow Ring Road and the horrible clouds of

stench coming from the municipal solid waste facilities that would sometimes envelop nearby cities. In modern Russia, you don't need to remember that trash exists, you have the opposite problem. What was forgotten were the established practices from the country's Soviet past, such as the collection of paper and metal recyclables. From the mid-1990s, Russia didn't recycle its own paper, sending it instead to Europe.

Experts estimate the size of Russia's waste recycling market at 100–120 billion roubles annually. At the same time, to develop further, this industry needs far larger investments in the construction of processing plants, facilities, and sorting centres. Early estimates place that figure at approximately 350 billion roubles. The cost-effectiveness of this type of business isn't too bad — somewhere from 50 to 70%, though the investment is recouped slowly, over a period of no less than 10 years.

Currently the most interest is being shown in the collection and processing of ferrous and nonferrous metals and waste, high-grade waste paper, clean textile waste, and some polymer and metallurgical waste. And as soon as authorities acknowledged that there was a problem and promised to help, businesses started to act...

Take, for example, Daria Alekseeva. A few years ago, this young Muscovite came up with a way to make old clothes useful again. She founded a textile recycling company, which she then turned into a charitable foundation. Today, Vtoroe Dy-



Businessman Roman Sebekin invented a way to turn plastic waste into comfortable homes

hanie (Second Breath) accepts, sorts, processes, and sells old clothing and new items made from some of the accepted waste.

"The processed textiles can be used for different purposes, because they differ by composition and characteristics. For example, hygroscopic materi-

als can be made into cleaning rags that are then sold to printing companies and other manufacturers. Synthetic fibres are not readily absorbent, so they can be broken down and made into regenerated fibre, a product that looks like a multi-coloured wool. This raw material can then be used as a filler for soft furniture," said Daria.

Or take Plastica CEO Roman Sebekin, who got involved in the production of building materials from plastic waste (polystyrene) by chance: "After a long series of experiments I created a block made of polystyrene concrete and saw that it cost 50% less than products made of raw materials, while not compromising in quality." Though, according to Sebekin, Russia may be facing a new issue in the near future. "As the 'trash reform' takes hold, regional operations will lose interest in and find it unprofitable to collect and sort secondary waste. After all, that would mean spending more time and money! Which means that, sooner or later, a single company will form, either as part of a regional operation or independently, which will be responsible for collecting and processing secondary waste. And sooner or later this monopoly will start to set their own terms," predicts Sebekin.

THE ORDER HAS BEEN ISSUED

Businesses' interest in harnessing the country's secondary waste processing potential is just a third of the picture. The other two factors crucial to success are political executive will and the public's readiness to change their approach to waste sorting.

The will has made itself known. "Yes, we have probably neglected the waste disposal problems [...] we have never paid attention to them. Many landfills are overfilled [...] turn[ing] into real mountains of garbage near residential areas. I urge the representatives of the authorities at all levels: pretending that nothing is happening, turning away, brushing aside people's needs is absolutely unacceptable," announced President Vladimir Putin in his address to the Federal Assembly in February 2019. "This year, the regions began adopting a new system of solid municipal waste management. However, if the only change is a rise in rubbish clearance prices — well, this is not real work; it is a sham," said the head of state. He added that in the near future, the country needed to eliminate shady garbage companies and close 30 of the largest problem landfills within city boundaries.

The reform was launched on 1 January 2019 and affected almost all Russians (with the exclusion of those living in federal cities): the garbage collecting fee was moved from the 'housing maintenance and renovation' section of the utilities bill to a line of its own. Moreover, this payment is no longer calculated by a property's square footage, but by its number of registered residents.

The approach to waste in Russia is changing globally, but gradually. Over the past two years, regions have already begun independently selecting companies on a competitive basis to be

People's Front's Generalnaya Uborka (General Clean-up) environmental project, this organization must help support and back regional specialists.

"Currently regions have neither the intellectual competencies nor the specialists to organize this industry and system the way it needs to be organized. These competencies can only be found on the federal level. Each region needs to develop its own team. A public company will need to monitor reforms, what's going on with the organization of infrastructure for segregated waste collection, and any current

the government's actions — it's purely the result of habit and a lack of resources. Russia has plenty of enterprises that have never paid for waste collection, preferring to burn it or bury it in the woods. No one knows how many such businesses exist in the country. There is no data. Therein lies the problem for companies ready to get involved in the collection and processing of waste: they have no way to calculate how many containers are needed in any given area. They always end up with fewer than necessary. Meanwhile, an accurate estimate is crucial to making sure that municipal solid waste collection payments remain stable from month to month.

Organizing measures to increase waste literacy among the public is an even more complex problem. The USA hasn't even managed to address this issue fully, and they've been grappling with this issue since the late 1980s!

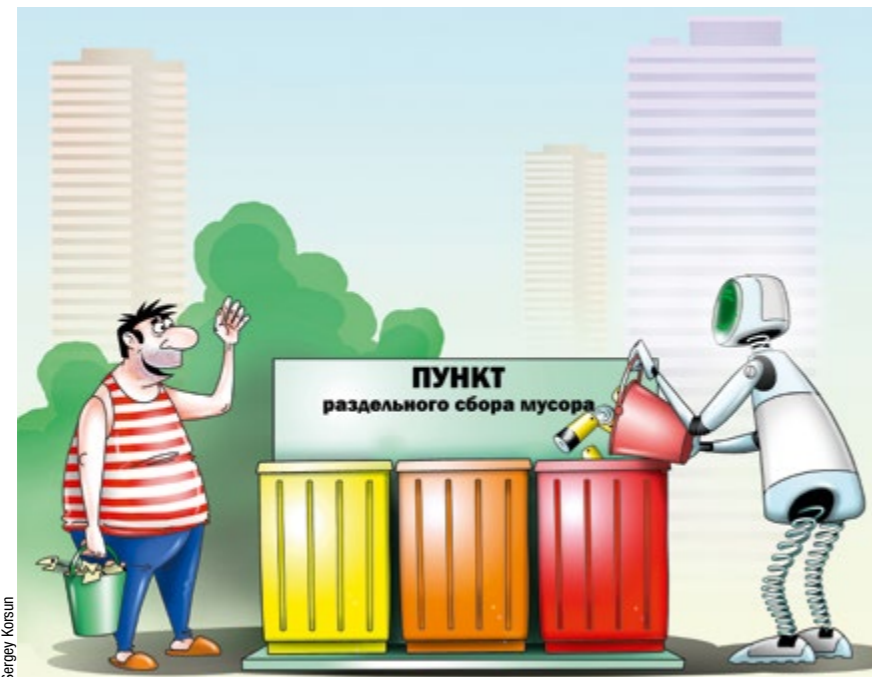
American trash reform was precipitated by a New York State barge carrying 3,000 tonnes of garbage, which could not offload its cargo in any of the nine US ports it visited. It was eventually forced to return to America's financial capital and process (burn) the garbage there. The story of the garbage barge caused a media scandal, authorities noticed the problem, passed legislation, and even allocated funds towards campaigns to encourage the public to recycle. Americans now had the opportunity to sort their trash and separate away recyclable materials such as plastic bottles, aluminium cans, other metals, glass, etc. But in the mid-1990s, the American researcher Stevenson Svensson showed that this policy was ineffective: Americans continued to, without a care, consume tonnes of food and mountains of paper. Afterwards, this paper and packaging would often make its way to landfills, where it was mixed in with the rest of the waste. Today, the situation is far better, but it is still far from Japanese or Swedish levels of waste consciousness. It's unclear how many years this process will take for Russia. But Russians will have to learn a new, complex science. The alternative is too unattractive. ❀

problems. It will make sure that rates are set and calculated properly," explained an expert.

It is expected that the company will develop a unified municipal solid waste management plan in the near future. It will include data on current capacities, storage locations, transport routes, and plans to create new facilities.

GARBAGE BARGE

But all of these grand plans can shatter the face of today's realities. They are as follows: on the one hand, the population has yet to acknowledge the importance of their involvement in the waste management process, on the other hand, the recently developed shadow sector of the economy is unwilling to get involved in solving the waste problem. This has nothing to do with a lack of understanding or a desire to oppose



Sergey Koisun

responsible for the collection and recycling of waste in the next 10 years. Now they must also shut down illegal dumps and organize segregated waste collection points. This reform should encourage society to create an entire industry, facilities, and thousands of jobs.

By 2030, municipal solid waste recycling in Russia must grow by almost tenfold: from today's 9% to 80%. At the very least, this figure is part of the Strategy for Development of the Industry for Sorting, Recycling and Treatment of Waste for the period up to 2030. The plans also include the construction of 220 waste management plants over the next 11 years.

A 'Russian Ecological Operator' has been created as part of the Ministry of Natural Resources and Environment. It has been tasked with standardizing the reform process. According to Dmitry Mironov, coordinator of the All-Russian

ONE MAN'S TRASH

Russia's only Muzei Musora (Art Museum of Garbage), or MU MU for short, is located in Kaluga Region, an hour's drive from the capital. Here, fantasies become real objects and things take on new meaning.



Italian artist Dario Tironi's self-portrait contemplates the ephemeral nature of the universe

Text by Irina KHRYAEVA

Italian artist Dario Tironi created his self-portrait out of rubbish, a technique he employs in the majority of his works. You could spend many hours standing and making out a screwdriver or a part of a bike pump in the outline of the beard, gazing into the eyes fashioned from assorted Lego pieces and the detached plastic legs of an unidentified toy animal.

Staff of the museum where the portrait is being exhibited have said that it has a regular visitor in the form of Filipp. Visitors to the museum often mistake him for a tour guide because Filipp comes up with and tells stories about the museum's exhibitions. He insists that the word 'Odd' is tacked onto his name, and for some reason this comes as no surprise. The museum it-

self is odd, and everything in it is made of rubbish.

The MU MU Art Museum of Garbage is a successful project from Moscow art group BURO. According to its representative, Stanislav Gavrilenko, any object made from recyclables and consisting of identifiable parts can become part of the collection, so anyone with an interest can recreate the artistic experience at home. In 'A Messy Flat', an enormous pile of rubbish, this is easy to achieve. But making an elephant out of derelict tyres or a dress from condoms is much harder without practice.

The entire collection consists of 300 works from 23 countries, and it's constantly expanding. The museum was envisaged not only for deep contemplation, but also for active relaxation. Taking 'A Messy Flat' as an example, is a puzzle quest, and to escape into the fresh air you have to rack your brain to solve the conundrums and head-scratchers.

You really feel like a part of the fight for the environment. You have to bring plastic lids with you that won't decompose for 150 years in the wild (in case you were wondering). Museum staff help you to grind them into multicoloured dust. Then, with the help of 3D-pens and some imagination, the most amazing objects appear, from heat mats to elegant bracelets. In this way, children are able to give second life to these objects.

An attraction has been organized for adults too: The Emotions Stabiliser. All you have to do is throw a bottle at a wall to understand that life is beautiful in all its manifestations. The fragments scatter, and a picturesque tile appears before your eyes, like the decorations in the museum bar and on the wall of the café.

It goes without saying that you can't just bin a museum like this. Separate waste collection containers also serve as brainfood. ❀



Old saws invigorate American artist Cindy Chinn. These works cost a few kopecks to make, but they're for sale starting from USD 65.

A DIRTY MATTER

The West is in the process of undergoing a second trash reform, thanks to China

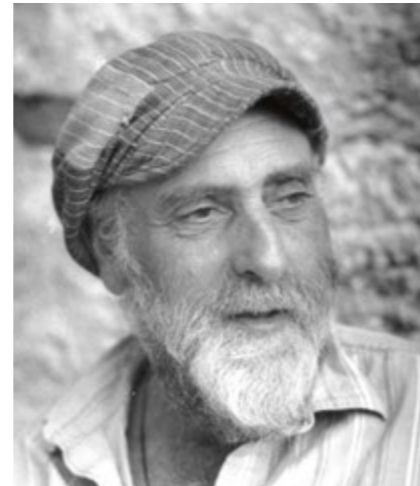
Text by Filipp GRINEV

In the year since Beijing cracked down on the policy that practically made China the world's leading landfill, not all Western countries have been able to patch the gaps in their own waste processing infrastructure. As a reminder, China closed its door to the import of 24 types of municipal solid waste, including plastics, unsorted paper products, textiles, and metal slag containing vanadium. This caused a genuine panic, especially in the USA, Japan, and Australia. It turns out that the unreal success of these countries in terms of recycling is partially a myth. At the very least, this statement is justified with respect to the United States and Australia. Japan, of course, has achieved much itself with its postconsumer processing, use, and production, but the Chinese ban has turned out to be an unpleasant surprise for its leaders as well.

And all because Tokyo exported a large amount of trash to China. More accurately, they exported 50% of plastic and 70% of paper products thrown away by the Japanese. That's 840,000 tonnes of the former and 280,000 tonnes of the latter. Meanwhile, Japan was fully capable of processing the majority of this volume, though it would be more expensive. It's no surprise that not everyone in Japan is unhappy with China's decision: recycling enterprises are expecting to operate at full capacity. But who is going to pay for this? That's a rhetorical question, of course: as it is everywhere and always, the public will be the ones to pay.

Beijing had already reduced the import of Japanese post-consumer materials after the 2008 crisis. Then, Japan ended up accumulating entire mountains of plastic bottles because their domestic recycling plant capacities had shrunk significantly in response to an unprofitable market as waste was exported to China. Yes, Japan has the most advanced waste processing system in the world, but this is an expensive luxury.

Speaking of which, Australians are also wary of financial problems, just of a different sort. They are concerned that the spike in the supply of recycled materials will be so great that prices will plummet. Australia exported less waste to China than Japan (approximately 619,000 tonnes of trash), but these were significant volumes when taking the ecological security of the continent into account. Changing Australians' relations to waste will be an expensive and arduous process. After all, while post-consumer waste was being shipped off to China, Australians approached the trash situation in the same



way that Russians and Americans did: they didn't notice the problem. Developing a different approach will require years and billions of dollars.

The hardest hit by the Chinese crackdown on waste import was, of course, the United States. The United States is the largest producer of trash in the world, exporting a third of all of its post-consumer waste, with at least a sixth definitely going to China. Or, more accurately, a sixth definitely went to China. In 2016, the USA shipped USD 36.2 billion worth of trash overseas (13 million tonnes of paper waste alone and half of all American metal waste).

Now this luxurious approach to trash is impossible. Americans have already noticed a significant drop in paper recycling prices (by almost half). And there's more to come! China has promised to close its doors to the import of 32 other types of waste by the summer of 2020. When it comes to the types of waste that the Chinese are still accepting, their sorting demands have



The famous Austrian architect Friedensreich Hundertwasser (on the left page) was a strong advocate of nature. By designing waste incinerators in Vienna (left) and Osaka (right), he made it a condition for the city authorities to use state-of-the-art equipment to minimize emissions

become stricter. For context: Americans, much like Russians, are for the most part unused to pedantic trash sorting and are completely capable of throwing cardboard, food, and metal cans into the same bag. Earlier, the Chinese sorted this trash themselves. Now, if they see, for example, a pizza box in a batch of paper products slated for recycling, they'll reject the entire lot, because the oils from the box will ruin the cardboard.

Americans have already calculated that, with these new rules and in order to avoid being swamped with garbage, they will need to reduce the share of unrecyclable materials to 0.5%. This

is terrible news because, according to experts, the United States recycling industry is not yet up to the task. After all, the United States produces 66 million tonnes of trash a year! And if only the issue was simply one of volume...

The problem is that recycling trash at these volumes is economically unprofitable. The United States has already undergone what Australians are just wary of, the prices of recycled materials have fallen. If earlier a tonne of recycled paper products cost USD 100, now it costs USD 5. It turns out that plastic bottles are completely unprofitable to recycle, it's cheaper to make new ones. As a result, companies and

landfills in Massachusetts, Seattle, and Phoenix have gone bankrupt.

The American government still plans to foster a scrupulous approach to sorting trash among the population, akin to the attitudes in Japan and certain European countries, but not in the near future. Only one solution is left: to find a new landfill outside of the country. But this is an impossibility. Following China's decision, the majority of developing countries announced their own bans on processing and storing imported waste. Even those countries that are still willing to accept waste from abroad are not capable of handling anything on the level of what China could. ♻️



Space of Trust of the Roscongress Foundation: Creating the Basis for Positive Change

Elena Marinina, Deputy CEO of the Roscongress Foundation, Director for the Socio-Economic Agenda, and Director of the Innosocium Foundation, talks about working at SPIEF, new projects and how what is happening is helping the state and society find solutions to socially significant issues.



Elena Marinina advocates a platform approach in addressing social agenda issues

Text by Dmitry BUTRIN,
Kommersant newspaper

What programme are you preparing for SPIEF 2019?

The Forum's key slogan, 'Creating a Sustainable Development Agenda', fits perfectly into our own agenda. So we expect to work at SPIEF even more actively than in previous years. This year, SPIEF 2019 will be hosting the Space of Trust platform by integrating the Innovation Space and the Social Impact Lounge into a single thematic space. The new platform has decided to take a fresh look at the future, forming an agenda and promoting dialogue and cooperation among participants in the innovation and social ecosystem.

Interaction between different social groups provides the basis for political relations and is an important factor in the economy. What causes instability in global political and trade relations? The unevenness and specifics of social development, in particular.

Many of the sustainable development issues are simply 'ours'. These include public processes related to environmental preservation and rational use of natural resources; the balance between urban development and ecology; development of innovations, programmes in education, culture, demography, and investment in human capital.

Many of our activities will be integrated into the SPIEF programme. Even visually, we will be present literally everywhere in the form of our unique exhibitions, which will allow Forum delegates to realize constantly the 'social dimension' of their projects and discussions.

What do you put into the concept of 'Space of Trust'?

Space of Trust is a unique platform of the Roscongress Foundation, which will

combine innovation, the social agenda and education. As an example, take the Russian Investment Forum in Sochi this year. We held four sessions as part of our core business programme and ten more at the Social Impact Lounge site. The platform approach allowed us to involve dozens of structures and people who could not otherwise be linked in the discussions. This is what federal and international forums are all about. In a vertical structure, all this would require a huge amount of work and incredibly complex planning.

At SPIEF 2019 in St. Petersburg, we will present ourselves even more broadly and we want to demonstrate all the platform's advantages.

Space of Trust will feature big and small discussion platforms organized in the form of roundtables and sessions, but also using more interactive methods. This format implies partici-

pation by government, business and NPO representatives, an interview zone in partnership with RBC, an exhibition of artworks as part of a project to develop an inclusive society through art, and a lounge and co-working area that will include a trust space library on three key topics, as well as activities related to augmented reality and revealing social themes through new technologies.

In addition, our site will host a Project

Innosocium's goals include implementing socially significant and charitable initiatives, promoting development and efficiency of NPOs and CSR, as well as international cooperation within the framework of the sustainable development agenda and strengthening the positive image of Russia

Fair organized jointly with the Presidential Grants Foundation. It will present the 100 best non-profit organizations from the Russian regions operating in socially important areas and help them find ways and opportunities for collaboration with socially responsible businesses. The Space of Trust project will also embrace three contests: the Innosocium Nationwide Social Project Competition, the Business Priority contest and the Innovative Development Contest of Skolkovo and VEB Innovation. At SPIEF, we will announce a new stage of the Innosocium National Social Projects Contest.

The Innosocium project has already attracted public attention. Why does Roscongress need a contest of student initiatives?

The first Innosocium Social Project Contest is being implemented in partnership with the Art, Science and Sport Charity Foundation, Memory of Generations Foundation and Russian Copper Company. The project's key objective is to find new ideas for resolving social problems, to identify and eNPOourage talented students. One criterion for success of the competition is dissemination of effective social design experience among students.

The contest kicked off in September 2018 at the Eastern Economic Forum. It was suggested to students that they develop projects in the categories of single quotes. About 100 applications from 25 regions of Russia were submitted in three months. The awards were handed out at the Sochi forum by Russian Minister of Science and Higher Education Mikhail Kotyukov. The initiative was officially supported by the Ministry, which intends to replicate the best practices in the field of education.

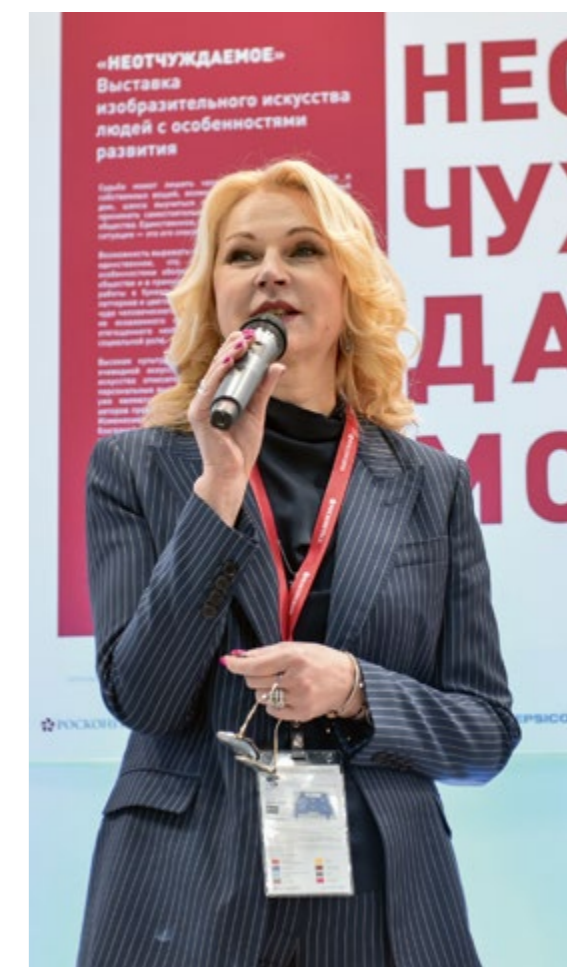
In general, it is important for us that the winners understand the importance of their projects for the state. With our help, they will be able to present their projects at SPIEF 2019. Victory in the contest should not be an end but a beginning!

This year, the Roscongress Foundation announced creation of a new foundation, Innosocium. What is the purpose?

The Innosocium Foundation for Promotion of Social Development was set up in February as a tool for implementing programmes in the fields of education, culture, ecology, demography and women's equality. Innosocium has integrated all our lines of activity and will develop new ones. It is a stable structure within the big Roscongress Foundation, with its own budget, management, goals and objectives. For Roscongress, it is the stability of this structure that matters: it is no longer a development project; it is a stable structure.

Innosocium's key objectives cover practical support for priority areas of social development, formation and promotion of the social agenda at Roscongress communication platforms. Other goals include implementing socially significant and charitable initiatives, promoting development and efficiency of NPOs and CSR, as well as international cooperation within the framework of the sustainable development agenda and strengthening the positive image of Russia.

The priority areas for Innosocium, where we should concentrate our efforts, have been identified. These are the issues of the social sphere, culture, education and training, ecology, social communications and women's leadership. I think this is a very good set of topics and the platform approach we talked about earlier will be the most suitable in this case.



Tatyana Golikova, Deputy Prime Minister of the Russian Federation

This platform has given us the opportunity to exchange opinions not just within the country, but with our foreign partners as well. It gives us the opportunity to engage businesses, it works very well in engaging non-profit organizations and the public in those social initiatives that are supported by Roscongress, the government, and Roscongress partners. The formation of the INNOSOCIUM Foundation will create new opportunities and potential for this work. Essentially, this means that social issues have become an integral part of the work of the Roscongress Foundation. And that these issues will unite a large portion of the participants and partners, said Deputy Prime Minister of the Russian Federation Tatyana Golikova.



**Mikhail Kotyukov,
Minister of Science and
Higher Education of the
Russian Federation**

Innosocium Social Projects Competition is being implemented with the support of the Russian Ministry of Science and Higher Education. We supported the Competition to drive the attention of young people – our students – to acute socially important issues, such as building an inclusive society and social responsibility, as well as preserving cultural values. I am confident that the Innosocium Nationwide Social Projects Competition will keep developing. I sincerely hope that those students who receive initial support today will not stop at what has been achieved; they will keep expanding their activities, move forward and lead other kids.

Are there any specific projects already under way?

Relatively new projects feature support and development of the long-term care (LTC) system in Russia. Our first initiative was to participate in the work of the Trusteeship Council in the social sphere of the Pskov Region. The Council includes representatives of the local administration, public and religious organizations, regional branches of the Chamber of Commerce and Industry and the Russian Union of Industrialists and Entrepreneurs, and business leaders.

The project is at the scale-up stage now. It is being implemented jointly with the Ministry of Labour and Social Protection, the Ministry of Health, regional administrations, and the Agency for Strategic Initiatives. The methods for implementing the set of measures is prescribed by the Enjoyable Ageing Charity Foundation for assistance to the elderly and the disabled and its subsidiary, the Elders Foundation. Such regional councils, initiated by Deputy Prime Minister Tatyana Golikova, will be established in many regions of the country where support from public and businesses is needed to boost the social sphere and NPOs.

The LTC project is primarily designed to provide people in need of long-term care with a decent standard of living and maximum rehabilitation, while also supporting their families. This is a

major, long-term project. What can we put into it? A lot of things. Promotion at forums, ‘platform’ expertise, partners from among the participants in our events, image scale, and synergy with other structures of society, from NPOs up to the authorities.

I am also a member of the Council on Guardianship in the Social Sphere under the Government of the Russian Federation. This vital advisory body is headed by Deputy Prime Minister Tatyana Golikova and is engaged at the highest level in working out proposals for improving state policy in the field of public health protection and social protection of people in difficulties, including children left without parental care and the disabled.

The SPIEF 2019 events include a whole group dedicated to women’s leadership. You almost always associate it with the international aspects of the Roscongress Foundation’s work — why?

The Foundation’s involvement in Women 20 (W20) is a continuation of our efforts to develop the women’s agenda, promote women’s leadership and strengthen cooperation with international women’s communities. This cooperation was initiated as part of the Women’s Forum for the Economy and Society, held in Paris last year. The Women 20 Summit and the World As-

sembly for Women in Japan discussed, among other things, creation of innovative women’s groups and active involvement of women in the digital economy.

It is important that we talk not so much about the supposedly intractable problems related to gender inequality as about how the process is actually going. Russia has unique experience in addressing gender issues: here, the huge scale of women’s employment and most of the problems caused by discrimination against women are different from in the rest of the world. So our experience can be very useful.

Are you claiming direct participation in the formation of the national social agenda?

Any structure that uses platform solutions in its work is aware of the opportunities they offer. In the long run, we can create a multidimensional map of the interrelations between different social problems and trends. The natural purpose of such experience is to use it in developing social policy. And not only state policy. We expect our methods to be in demand by NPOs, which often experience problems in formulating long-term objectives. They will also be useful for charitable foundations and corporate structures interested in having institutional influence in this form on social policy and social practices in Russia. 🌱



Roscongress Foundation CEO Alexander Stuglev and Director of the Innosocium Foundation Elena Marinina (fourth and third from the right) handed the awards to the winners of the charity contest. Five social projects received grants worth a total of 2.5 million roubles

Why the Innosocium Contest is important

The Innosocium National Social Projects Contest is being implemented in partnership with the Art, Science, and Sport Charitable Foundation, the Memory of Generations Foundation, and the Russian Copper Company.



Katerina Kruglova
Executive Director, Memory of Generations Foundation

“The goal that we have set for ourselves as part of the Innosocium contest is to search for new communications solutions to draw attention to the ‘Active Longevity’ programme, which solves problems as regards improving the living standards of the elderly population in Russia. We believe that the involvement of young people in this socially significant project is an important step in achieving this goal”.



Maria Melnichenko
Programme Director, the Art, Science, and Sport Charity Foundation

“One of the key reasons for us to support the Innosocium contest is to involve young people in socially significant initiatives. Today, this is an extremely important audience that is already impacting our future today. Social initiatives will not only help young people form a responsible civic stance, but also better understand the important problems

faced in our modern society, and for charitable organizations this will provide a new impetus to the development and implementation of new initiatives and innovations. The project ‘Audio Productions of Chuvash Folk Tales and Legends for Blind Children’ won in the category ‘Inclusive Society’ since it aims to help preserve the architectural and cultural values, identity, culture, languages, and traditions of the peoples of the Russian Federation. The Innosocium contest will help attract new fresh ideas in communications that will help solve social problems and provide the experience of implementing social projects in the student environment. We expect the contest to be actively developed and attract new participants and areas of focus”.



Anna Shabarova
Vice President for Human Resources and Social Responsibility, Russian Copper Company

“We always strive to start with the urgent needs of the territories where our companies operate and listen to the wishes of the local residents. Our experience shows that what local residents and communities create with their hands, efforts, and enthusiasm not only has a special value for citizens, but also triggers a chain of small but continuous improvements in the quality of life. The residents themselves,

business people, and the authorities of different levels are all involved in the process of improving the urban environment. We are certain that the Innosocium project will help young people believe that positive changes are in their hands and that their ideas are valuable and can be implemented”.

The winners speak

The Heroes of the Innosocium National Social Projects Contest talk about their projects



Olga Molostvova

Project: Nearby Home Educational Landscape Design Course

Category: Active Longevity

Nomination partner: the Memory of Generations Foundation

“Our project is aimed at overcoming the social isolation of older people through involving them in the educational process. For us, the Innosocium contest is a great opportunity to implement our ideas and make the world a little better and kinder. Thanks to the grant awarded to us, we have an opportunity to invite professional landscape designers from the leading agencies of Ekaterinburg and to purchase the nec-

essary materials for our audience to fulfil creative project tasks. Now I am finishing my training in the area of ‘State and municipal management’ and plan to work in a government agency in the future. For me, the civil service is primarily a story about people and just for people. And Innosocium allows us to understand people, to be closer to them, to know their needs. This is very important.”

Irina Svyatskova

Project: Audio performances based on Chuvash folk tales and legends for blind children

Category: Inclusive Society

Nomination partner: the Art, Science, and Sport Charitable Foundation

“I worked at the Chuvash Republic Library for Children and Youth and was involved in the inclusive contest ‘A Touch of Mastery’. After talking to the parents of one participant, I realized that, unfortunately, blind children have no opportunity to receive information about Chuvash national heroes in an accessible form. This is how the idea was born for my project. When I found out that Diana Gurtskaya was going to be on the jury of the Innosocium contest, I thought maybe this would be a way

to get to the opinion leaders on this particular social problem. I want to use the grant entirely for the project, which also includes a contest for the best Chuvash fairy tale, where children with disabilities can participate on an equal footing with healthy children. Participation in the Innosocium competition has already changed my life and I look at the world differently now. This year, I’m going to enroll in a Master’s degree programme in Sociology in order to continue helping people.”



Svetlana Panyukova

Project: Beyond the bounds of severity

Category: Territorial Development

Nomination partner: Russian Copper Company

“We’ve been cherishing the idea for the project for years. The Faculty of Journalism at Chelyabinsk State University gradually formed a group of active journalism students who wanted to create their own project on the city scale. We love the South Urals, we know it well, we have something to say about it. We are ready to create a portal that as the region’s hallmark for tourists and an entertainment platform for Urals residents themselves. Winning the Innosocium

Contest gave our team a lot. Including undreamt-of financial support. Now we will be able to create the necessary platform for content, purchase equipment, organize the necessary trips around the region, hold educational meetings and much more. And then there’s moral support: Wow, our project was noted, so it’s really worth it. I don’t know how things will work out but now I’m happy that our dream has been given a chance. And we are ready to create and work!”

Society has business in its sights

Until recently, every entrepreneur decided for themselves whether or not to be socially responsible. Yet the situation has changed dramatically over the past couple of years, with Russian businesses expected to be actively involved in the country’s social and public agenda. And businesses are ready to meet these expectations.



Text by Tatiana ENDEKO, author of *Enthusiasts’ March*, Russia’s first book about personnel engagement, exclusively for SPIEF Magazine

What is the main benefit produced by a small provincial city in the heart of rural Russia? It is an unusual question, one you can’t really answer off the top of your head. Once, in one of these one-factory towns, the aforementioned ‘one factory’ realized that this main benefit was their residents’ free time. They sensed that free time ‘wasted’ was the arch enemy of efficacy, efficiency, and engagement — a person comes to work and just becomes a faceless employee. Having looked at the problem from this point of view, the company came to a unique solution: it launched a town festival dedicated to modern art, where residents were the most active participants.

Is this a social project? Is it cost-intensive? The answer to both those questions is, unequivocally, ‘yes.’ But at the same time, this project is an inextricable part of the company’s business agenda. Foreign research (unfortunately, none has yet been conducted in Russia) has long since shown that employees care about the social mission of their employers. They are far more interested in working for companies with such a mission, proud to call themselves a part of that team, and are more engaged and, in the long

run, productive in their work. Modern businesses can no longer afford to ignore this fact.

The Art Ovrage modern art festival made the little town of Vyksa a major centre of modern art. The project won numerous awards. Most importantly, it proved that, today, leading Russian businesses do not see social responsibility as a chore, fashion statement, or PR opportunity. They use social responsibility as a smart and advantageous business decision. But the path leading to this conclusion was far from straightforward.

BUSINESS EVOLUTION

The end of the last century was marked by globalization and radical market transformations. Since then, change has continued to accelerate, becoming a new form of stability. The companies that are able to adapt, radically transforming their relationships with consumers and employees, are the ones that survive. They move from selling goods to selling a way of life, from selling services to building long-term relationships. From selling relationships, to selling values. And the consumer answers in kind.

In a survey of 10,000 consumers in the world’s ten largest countries by GDP, Allegis Group found that 94% of consumers prefer goods from socially responsible brands that, for example, help develop small businesses in African villages, plant forests, or combat global warming. Employees are no longer

considered a mere ‘resource’ that produce results in return for a pay check.

The share of team and individual contributions to overall results has more than doubled in the last 10 years, while managerial input has fallen by more than a third. According to the CEO of the Russian branch of a large global company, 15 years ago, he simply pinned orders to corkboards and had not even considered that employees could be talked to, that you could build relationships with them, and so on. Today, maintaining a dialogue with employees is an executive priority. Both consumers and employees are stake-

Elena Feoktistova,
Managing Director of
Corporate Responsibility,
Sustainable Development
and Social Entrepreneurship
Directorate, Russian
Union of Industrialists and
Entrepreneurs (RSPP)

If a business is a major player, influencing all parts of national life, it is crucial to know how stable it is, what its strategies are, and what the associated costs to society are. A public nonfinancial report forces companies to systematically interact with involved parties, take their expectations into consideration, and support balanced interests. Today many of the largest corporations use this instrument.

holders that a business depends on in a direct and obvious way. In the last decade, the number of stakeholders that businesses must build relationships with has multiplied.

This issue was added to the global agenda in 1999, when the UN launched an unprecedented initiative, a corporate sustainability framework known as the Global Compact. It became clear that, in return for being granted the right to earn money, society expected businesses to reign in their rapacious tendencies. Anyone who did not get with the programme quickly figured out that irresponsible behaviour could end in pain. One international petroleum company became telling proof thereof when it started mistreating the environment in a certain African country. Their losses were in the billions of dollars.

The company quickly learned their lesson and has since then become the model of responsible behaviour. This lesson was proof that nonfinancial risks are not just theoretical flights of fancy. Ignoring them could hit where it really hurt, resulting in significant financial losses. The far cheaper alternative is prevention.

In this way, the conversation turned to mutual benefit, essentially boiling down to sustainable business development. Which is of primary interest to

investors. In the eyes of investors, historical financial success was old news. It meant nothing in the face of new, nonfinancial risks. Investors wanted to be certain that nothing like that would happen in the future. One of the Global Compact requirements was transparency: companies must share nonfinancial information in accordance with special standards: The Global Reporting Initiative and the AA1000, data verification standards.

This is where society and business could intersect. Society got what it wanted, and so did business. By focusing on sustainable development, identifying and controlling for nonfinancial risks, and releasing honest reports, businesses present valuable information to investors and convince them of their sustainability. The movement also included numerous international stock exchanges, which gradually required issuers to publish reports on sustainable development. In the future, the movement would be joined by many European governments, who passed relevant legislation.

In this way, the movement started to take on a new, mandatory shape and the characteristics of a large industry, with its ever-present consultants for the preparation and verification of reports, the rating thereof, and so on and so forth.



Last year, volunteers collected 56 tonnes of goods for the needy as part of the Products to Help project



The provincial Vyksa has become one of the centres of contemporary art thanks to the Art-Ovrag Festival under the auspices of the United Metallurgical Company. A factory mural by artist Misha Most covering an area of 10,000 square metres is recognized as the largest monumental wall painting in the world

A NEW PLAYER

In Russia, the first members of the movement were public companies trading abroad. However, anything that was legally required but did not seem to be advantageous to the business itself was done superficially, or just imitated. Companies signed the UN Global Compact, published social reports, but did not really consider the concept of sustainable development. Which is far more than just a report. First of all, it requires establishing sustainable development goals (SDGs) and managing the company in accordance with these goals, identifying key stakeholders (interested parties influencing or being influenced by the business) and the risks associated with them, and establishing a legitimate dialogue.

A report is just the tip of the iceberg. Moreover, for the longest time, companies simply equated social re-

sponsibility to philanthropy, a type of 'tax,' which 'bought' you the right to do business. However, on the sustainable development scale, philanthropy ranks far lower than building new water treatment plants, and philanthropy can in no way excuse the poisoning of rivers or the dumping of unprocessed waste.

Now, Russia is ready to start legislatively regulating this sphere. But the state took quite a lot of convincing before finally took a stand. For years, supporters, including the Russian Union of Industrialists and Entrepreneurs, had led the push for this agenda, convincing businesses that the SDG lifestyle and nonfinancial risk management are advantageous. For almost 15 years, within the Ministry of Economic Development, an interagency working group composed of 36 experts toiled over a unified framework for the development of corporate non-

financial reporting and corresponding draft legislation.

And now, their work is done. Last April, Vladimir Putin pronounced these historic words at a State Council meeting: “It is clear that profit is the main priority for a business, but it should not be gained at any price. You know why I am talking about this today and why responsibility of business to the people and society is so important. [...] They should not be timeservers that are only worried about their own prosperity. [...] I believe the business community understands just how important its contribution to a breakthrough in national development is. We cannot afford to waste any time.”

From this moment, it became clear that businesses are expected to become a genuine part of the country’s social agenda. Nonfinancial reporting will gradually become mandatory, starting in 2019 and 2020. Increasing transparency is an effective way to motivate businesses to become more responsible. What is more, all of this is happening at the right time. We have already seen the appearance of leaders in capitalist labour who have acknowledged the direct link between social investment and employee engagement and efficacy, between establishing harmonious relations with local communities and authorities and

risk management. It is worth noting that the situation has not homogenized yet. There are those who structure their social agenda according to the principle: if the government asks for it, will give it to them. Certainly, a proactive position is far more advantageous: one where businesses systematically structure their activity and social policies based on key corporate values, closely cooperate with executive bodies, local communities, and other interested parties, and act as a leader or a full partner in these interactions.

THE VOLUNTEER IS A COMPANY’S SOUL

One respectable factory was preparing to celebrate its centennial. During preparations, managers argued most of all over what gifts to give employees, what ads to run, and who to invite to their concert. After all, you can’t do without gifts and a concert. They crunched the numbers and teared up. And then they got an idea that, at first, sounded fanciful. What if employee volunteers were responsible for coming up with and organizing the main activities in the factory and across the city? What if, instead

of waiting for gifts, the employees were able to hand them out? To their colleagues, to the city. That is how that centennial year started off with the 100 Years — 100 Good Deeds volunteer marathon. These acts were so impactful and unusual that advertising was practically unnecessary.

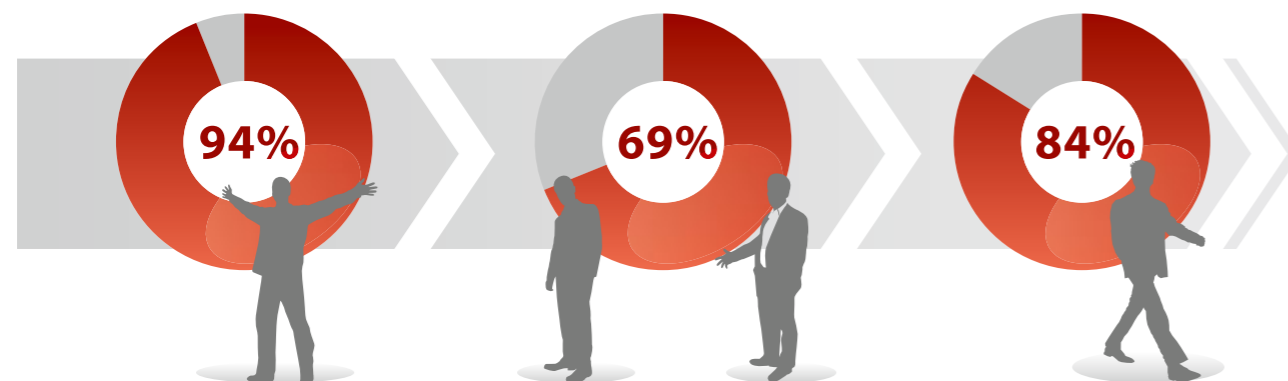
Activists named the heretofore unnamed streets of the factory (the Native Streets Project), organized a Healthy Cycling festival, composed a new anthem, recorded a rap version of it, and organized a flash mob to the anthem in the city. The most important thing was that the employees were happy. By sharing part of themselves, they then infected their colleagues with this emotion. All because values were an important part of employees’ lives, especially for the younger generation.

It is no accident that corporate volunteerism has become a major type of social investment. This is that human energy, that expenditure of time and effort, that commonly resonates with the people being helped far more than just material goods. Moreover, the volunteers become brand ambassadors, replacing entire advertising campaigns. The most forward-thinking employers develop ‘internal volunteerism,’ when volunteers have the right to organize their own teams, independently come up with ideas and



The health route – 10,000 steps – is the number recommended by the World Health Organization per day

REPUTATION AND BUSINESS



94% of people have greater trust in socially and environmentally responsible companies. 93% would give preference to products and services provided by these companies.

69% of consumers would not accept a job offer from a company with a bad reputation, even if they are currently employed.

84% said they would leave their current job if they received a job offer from companies with an excellent corporate reputation, even if it would not mean an increase in salary.

Source: Allegys Group

focal points for their creative efforts, including within the workplace. Here, there are no limitations, aside from a common ideology, on the nature of the good deeds, expert support in training volunteers, or creative support for their projects. This approach is also incredible for HR, since now employees are revealing qualities that neither they nor their managers imagined they had — they become active, start taking initiative, pose ideas, and lead, becoming the foundation for serious changes within the company. In this way, one of the teams decided to encourage green thinking among their co-workers. They did this boldly and merrily, painting sidewalks within the enterprise with calls to environmental action, organizing environmental lessons in schools, and holding events to support the recycling of plastic lids. Enthusiasts’ ideas can turn into an entire movement, as, for example, the Healthy Cycling festival did. A different volunteer team focused on corporate values and became the driving force behind the values’ promotion.

Sometimes, companies offer their employees the opportunity to become part of a general programme that helps both them and others. Currently popular are sports marathons or sports programmes, when employees run or get active, earning miles or points, which the company then converts into philanthropy. The job of engagement professionals is to ‘invisibly’ shepherd employees in the right direction, improving the quality of their ideas, projects, and skills. After all, in some sense, ‘volunteer’ is a type of profession.

The results of corporate volunteerism are so convincing that some companies are already providing their employees with several paid days for volunteer activities. Research has shown that volunteerism is a far more effective replacement for team building sessions and significantly reduces the costs associated with reaching these goals. Today, when many companies are being forced to shrink internal programmes, volunteerism is a great solution: you have got minimal expenses, but noticeable effects.

THOSE MISSING THE PICTURE

It is clear that this new legislation mandating companies to share nonfinancial information and motivating them to foster social responsibility is coming into effect in an already fertile environment. Essentially, the state policy is just establishing best practices. And everyone who has not gotten the picture yet will be forced to get with the programme quickly. 🌱

HEALTH

is created not only in hospitals and clinics

Julie Gerberding, Executive VP at MSD, an acknowledged international expert and professional who is responsible for population health programmes, strategic communication and regulation issues, shares her vision of future healthcare



countries, the population is ageing, and aging people are vulnerable to infections associated with waning immunity, neurodegenerative diseases, musculoskeletal problems, and cancer. The rising prevalence of cancers illustrates this challenge. The probability of almost all cancers increases with age. Although new approaches like immune-oncology treatments and gene therapy are emerging and giving hope to patients and their families, the incidence of cancer is expected to increase dramatically over the next 10–20 years.

A second underlying source of health threats are attributable to our highly connected world — through national and international transportation, communications, and social networks. In addition, wars, conflicts, and natural disasters have resulted in more than 60 million displaced people in the world, and many lack sanitation services in temporary refuges or have poor healthcare as they move from place to place. Global connectivity allows good ideas

result in 10 million annual deaths and a cumulative global cost of USD 100 trillion by 2050. A few companies, like MSD, are making research investments to speed discovery of antimicrobials, vaccines, and alternatives, but progress is slow and may not keep pace with the growing need. In the meantime, we have to cherish the antibiotics that still work and use them only when necessary. That is why MSD and others are also strong advocates for policies and practices that monitor resistance, promote appropriate use of antibiotics, and encourage incentives to invest in new solutions.

Finally, we are living in an era when the global economy is not growing as fast as we have seen in the past. As a result, many governments are challenged to secure the revenues necessary to pay for social services that support health security. Though some governments are finding innovative ways to create headroom for new medicines and vaccines that provide high

As we live we can see that many diseases are defeated, and the lifespan and the quality of life are on the rise as never before. According to your point of view, what risks threaten mankind in the future? What are the reasons of their emergence?

We are fortunate to live during an era of unprecedented advances in life sciences and can enjoy the longer and more productive lives new medicines and vaccines help create. But we are also experiencing unprecedented health challenges, like antibiotic resistance, global infectious diseases outbreaks and even pandemics, cancer, and other non-communicable diseases. Unless we take collective actions to protect our global health security, we risk slowing or even reversing the momentum in global health improvement that we have enjoyed in recent decades.

Factors contributing to the increase in health threats are myriad, but some are especially powerful. First, in most

The rapid global spread of resistant bacteria has led to untreatable infections among humans and animals and is a major health threat. If left unchecked, antimicrobial resistance could result in 10 million annual deaths and a cumulative global cost of USD 100 trillion by 2050

and new innovations to rapidly disseminate, but also rapidly disseminates threats to health, including human, animal, and plant infectious diseases, misinformation that discourages appropriate health decisions like good nutrition and vaccinations, and mass social marketing that legitimizes unproven or even dangerous interventions. Rising antibiotic resistance illustrates this challenge. The rapid global spread of resistant bacteria has led to untreatable infections among humans and animals and is a major health threat. In 2016, a review initiated by the government of the United Kingdom found that, if left unchecked, antimicrobial resistance could

long-term value for patients and payers, all too often the short-term pressures of balancing a fiscal budget deter these investments. As a result, people don't have timely access to improved standards of preventive services and appropriate healthcare.

Could you provide us with the trends of modern pharmacology?

Drug development now functions in a growing eco-system of innovation that includes academic research institutes, small biotechnology companies, large pharmaceutical companies, and entrepreneurial disrupters. By approaching health challenges with a diverse set

of players, the probability that one or more truly valuable solution to an important health challenge will emerge is increased. However, it is also true that the probability that any one group will be successful continues to decline over time, and the investment required to achieve that success is increasing. The good news is that the pace of bio-scientific discovery is accelerating, and we are beginning to unravel some of the most vexing population health challenges, like cancer, Parkinson's disease, chronic pain, and others. Once we understand the physiology, the prospects for finding new therapeutic targets and drugs or biologics are good. At MSD, we use this strategy to “follow the science”, wherever it takes us, instead of limiting ourselves to a few specific therapeutic areas or targets. Over our 128-year history, this has consistently been a winning strategy. For example, we learned that one of our drugs restored the ability of the immune system to recognize and attack certain cancers. Following that lead, we now have the largest immuno-oncology clinical development programme in the industry with more than 1,000 trials across more than 30 tumor types. We're also working through large and small partnerships and collaborations and have broadened our portfolio and pipeline to include more than 20 new investigational oncology candidates.

The Russian authorities have set a task — to increase the average lifespan

Over our 128-year history, at MSD, we use this strategy to “follow the science”. For example, we learned that one of our drugs restored the ability of the immune system to recognize and attack certain cancers

to 80+ years. In your opinion, what requirements should be met in order to achieve it? What factors depend on the government and what factors depend on business? How does MSD participate in this process?

As a population health goal, the government's aspiration to increase the average lifespan to 80+ years is commendable. Cardiovascular disease, diabetes, and cancer are the leading causes of premature death in Russia. Full deployment and uptake of established medicines and standards of care for these conditions is critical to maximizing population health and reducing mortality and morbidity. However,



A timely vaccination helps prevent many infectious diseases

protecting health and assuring longevity begins long before the need for disease treatments is evident. Health is created not only in hospitals and clinics. It is created at home, in schools, and in communities where safe environments encourages physical activity, where infants and children get a healthy start in life with good prenatal care, proper nutrition, and the security of a loving home, where people are protected from infectious diseases through adherence to the lifelong schedule of recommended vaccines, where tobacco, excessive alcohol, and other substance use is discouraged, where social supports nurture and support mental health, and where the health system

What is special about work in the Russian market?

The Russian healthcare system is evolving and expanding to take on several health initiatives, including expanding national immunization programmes and the 80+ average lifespan club. The government's visible leadership commitment is key and will help generate the community engagement necessary for success. But community engagement will take effort, given the diverse population and its broad geographic distribution, and that requires collaboration across many stakeholders. For our part, MSD is committed to working with the Russian Ministry of Health and the other stakeholders to achieve their health goals. Our medicines and vaccines, as well as our scientific expertise, will help ensure success. We look forward to doing our part!

Can you share the importance of the patient and their voice and their role in the drug development process?

We view patients as our most important partners across the entire drug development cycle, from discovery to manufacturing to delivery. We develop strong partnerships with both patients and their advocacy groups to gain insights into what patients and their caregivers value and need from their medicines and vaccines. They help us shape clinical trials, prioritize policies, and improve timely and affordable access to therapies that address their priorities, not just ours.

encourages prevention and early detection of disease risks.

MSD is committed to supporting the health goals of the Government of Russia and leveraging our portfolio of products and expertise to help catalyze success. Our vaccines are a key pillar of infectious disease preventive care across all life stages, and our portfolio also includes medicines that address HIV, HCV, CMV, as well as serious bacterial and fungal infections. Also, many of our medicines address cardiovascular diseases, diabetes, and cancer, which as I mentioned already, are the three most important causes of premature death in Russia.



LIFESTYLE



Every Shade of Black

Besides being a major business event, the St. Petersburg International Economic Forum is also a very beautiful one, in large part due to its participants' sense of style. A uniform dress code for government employees has existed in Russia for four years. What does the perfect outfit look like?

Text by Svetlana KAMOLOVA



Representatives of creative professions and members of the Forbes list can afford to depart from the strict dress code, as proven by TV presenter Vladimir Pozner (left) and banker Oleg Tinkov

The dress code, like other clothing restrictions, was invented a couple of centuries ago by the British. (The dress code, which simply standardizes what is to be worn, should not be confused with the uniform, which introduces drab uniformity to work clothing). All across the world, the rule is: the higher the rank of a civil servant, the stricter, more conservative, and better and more expensive the clothes, shoes, and accessories worn, and the tidier and more refined the person's appearance. However, the system fails there as well: one need only recall the dishevelled hair of former British Foreign Minister Boris Johnson or Donald Trump's provocative ties. In Russia, an attempt was made in 2015 to control the appearance-related whims

of officials by adopting an appropriate dress code. As it turns out, however, not everything is strictly observed at all times and everywhere.

EACH TO HIS OWN

Civil servants are obliged to observe discretion, elegance, and stylishness in clothing, shoes, and accessories. There should be nothing wild. Colours need to be combined smartly (no more than two), classic suit colours should be used (dark blue, grey, beige, dark brown, olive, cream, ivory), with dark colours in the winter and light colours in the summer. An official's clothing must be, first and foremost, neat, restrained, and tidy: the suit must be ironed, the shirt must be fresh, and the shoes must be polished. A male civil servant should have at least three suits in his wardrobe, one for days off, one for work, and one for summer. The dress code focuses on jackets in detail, on which buttons to fasten and how to choose a tie. Next comes the shirt: long sleeve, preferably cotton, with cuffs peeking out 2 centimetres from under the jacket sleeves. A lot of attention must be paid to the shoes as well (for example, shiny shoes only work for tuxedo and dress suits).

It was decided not to provide such detailed explanations to the ladies, relying on the innate feminine flair for fashion and beauty. Some restrictions have been mentioned, however: there should be no bare shoulders, low necklines, transparent or tight dresses, mini-skirts or skirts with cuts, flounces, ruffs, or excessively large jewellery, as well as, of course, excessive variety in colours, bright make-up, or strong perfumes.

Everything was recorded in black and white in clear detail, though it would appear that not all officials were pleased.

"It often seems that male civil servants choose suits to grow into or think that a jacket should provide them with shoulders. Among the ladies, one has to observe the other extreme — a blouse or dress of too small a size, which, of course, does not make them look any slimmer. You can always find a well-fitting suit or dress of the right size for any budget and taste", Director of the RANPEA International Protocol Centre Gilana Mikhailova explained to SPIEF Magazine. "Of course, people's tastes and means may differ. But a sense of proportion can serve like a magic wand. If you look in the mirror and see a person who looks competent in your profession, someone you yourself would entrust all your money and secrets to, you're ready for work. If not, however, you need to find a professional to give you a hand. Or copy the style of someone famous. In this case, two things are important: is that person engaged in activities similar to yours (it would be strange to dress like a rock star if you were a senior specialist in the regional government) and to keep that sense of proportion. Because Christine Lagarde's style may not suit a lady with Angela Merkel's figure, though we can easily see that they are both involved in politics."

At the same time, Ms. Mikhailova would urge civil servants not to rush off to the other extreme and become a walking billboard. Bags from Louis Vuitton, suits from Brioni, dresses from Chanel, accessories from Rolex: "it's bad if you can count them too easily".

They certainly won't go unnoticed by the media.

THE RICH WEAR DRESSES TOO

In order to make it easier for domestic officials to pick out their business wardrobes, the National Association of Protocol Specialists has developed special recommendations to be published this fall on the dress code for civil servants. A draft of this work with whole page pictures of how to choose the right accessories and match colours was given to the editorial board.

Russia is by no means a pioneer in this endeavour: attempts are being made all over the world to teach civil servants to dress in accordance with their position and duties.

In the Chinese city of Zhengzhou, in Henan Province, civil servants are not allowed to wear bright clothes or dye their hair unusual colours (red, green, blue). In addition, they are required to wear clothing produced in China.

In the United States, strict dress codes are violated daily only on the way to and from work: officials prefer to wear more comfortable and less expensive shoes while commuting. In Australia, you won't catch civil servants in the workplace in flip-flops, Uggs, T-shirts, jeans, or 'animal pyjamas'. The business suits worn by Japanese officials are as multi-coloured as the rich palette of shades between dark blue and black.

There is no global consensus on what makes a business suit. An ex-



Head of the International Monetary Fund Christine Lagarde is a business style icon

cellent example is the way the media reacted to an appearance by Brigitte Macron, the wife of the new French president. Representatives of different countries each pointed to something different, with some focusing on how thin the first lady was, some noting her well-chosen style, others singling out her ability to match herself to her husband, and yet others making a point of the length of her skirt. But the French were out of step: if a lady has slender legs, let her choose the dress length that suits her.

And all because there is not and never will be consensus on what makes for beauty.

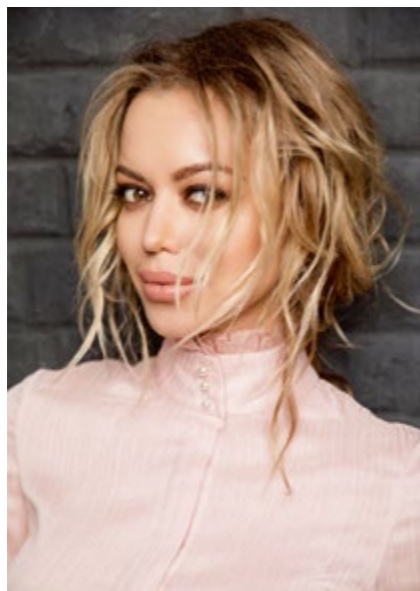
And even so, the business suit remains a kind of identifying feature of that tribe known as civil servants and businessmen. Therefore, the demands made of it will always be strict. After all, the way employees look inspire trust in a company, corporation, or government structure. And it will continue to be so in the future, unless Providence intervenes... The anti-looking movement, which could put an end to the centuries-old history of business dress code, is gaining momentum world-wide. 'Looking' is, in the broadest sense of the word, a requirement to look appropriate. But it gets blown out of all proportion when workers of a particular structure are required... to be beautiful. In the West, this has come to be considered a new kind of discrimination and a fight against it has begun. Time will tell if Russia joins the movement too. 🌸



Herman Gref demonstrates the blue colour fashionable with Russian officials

CLOTHES

for the Palace



Anastasia Romantsova describes the concept of her brand A LA RUSSE as an answer to the question as to what a Russian aristocrat would look like had there been no revolution in 1917. Her vision was to the taste of many celebrities, not only Russian ones. For instance, singer Beyoncé tried out the A LA RUSSE image of a Russian aristocrat. Anastasia Romantsova told us about the difference between shows in Russia and abroad, the principles of investing in the fashion business and the most important time in the life of a designer.

Text by Anna ALEKSANDROVA

What is the fundamental difference between fashion shows in Moscow and Paris?

In Moscow, it is easier to organize a show and get people into work at any time. I remember how, in Paris, when we had a boutique there, we could hardly agree on the installation with the contractors, as it was Sunday. For Europeans, this day means no work at all.

As for the audience and feedback, it is more exciting to stage a show in Moscow. You always want to impress your compatriots, familiar designers, journalists and experts. This is healthy Russian competition requiring you to do everything at its best! And since you have already announced yourself in Moscow, they will write a lot about you the next day, and the criticism can be absolutely different.

Are Russian fashion weeks a springboard for novice designers or just a show for non-professional viewers?

Social media are a real springboard. Their appearance has made it much easier for a designer to communicate with clients and followers. And, of course, the perception of brands has changed. Their world has become closer and their ideas more accessible.

It makes sense to participate in fashion weeks only when the brand has gained some initial audience and has something to say to journalists. The worst mistake is to think that, after the

first brilliant show, you can afford to relax! Unfortunately, this is absolutely not so. Yes, the first show will take all your strength, energy and emotions. But, after it, it's very important to continue working, to order new fabrics, arrange buyers' sessions and press shows, create the next collection. It is necessary to plan a year or two ahead after the first collection. This is the most important time for a young designer and their brand.

Your advice: is it worth investing in the fashion business? Is it a good time now?

Everything depends not on the time but on the concept. But the concept should be coordinated with the time. First of all, we need to decide on start-up capital. For example, capsule clothes may be made in batches and sold on advance orders. Here the pattern is simple: how much you have ordered, how much you will produce and earn depending on the margin and costs.

If you decide to make two to four collections a year on a regular basis, this is a large-scale investment requiring patience and strength. As soon as the first collection begins to pay off with buyers' orders, the money is immediately reinvested in further production and the next collections. Not only a catwalk collection, but also a commercial one need to be created. A vivid example are popular brands, where

Would you please describe the state of the modern fashion industry in one word?

Oversaturation. Nowadays, clients can choose from an immense range of designers, brands, collections and promotions. It is very easy to get lost in all this variety. Take online stores, for example. Such sites are trusted, loved and often visited. And that is why brands increasingly wish to appear there. At the same time, the client sees the collection in bright comparison with others, and this creates a serious competition for each designer: you need to be able to offer something special.

Do you remember when Russian designers became noticed in the world?

Oh, yes, of course! Everything started in about 2012, when Russian designers began to hold some pretty big fashion shows and present their collections abroad, specifically Paris, where there are more foreign clients, buyers and journalists. Miroslava Duma appeared in an A LA RUSSE coat at the New York Fashion Week and then, in France, at the Ralph Lauren jubilee, in our Pavlovo-Posad shawl skirt. And we were literally flooded with requests from foreign buyers. It was the Russian style and fashion that were in focus.





In Paris, the fashion designer showed a collection inspired by Orenburg shawls

customers come over and over again for the same model, which is perfectly cut and fitted. And it becomes a classic.

And yet, financial crises, sanctions, import substitution policies — how has all this affected Russian fashion?

We are lucky because the A LA RUSSE brand became known before the crisis. Our basic models are in demand no matter what the exchange rate, so we do not complain. But, in general, of course, the pressure exerted by financial crises on fashion is high.

We often use Russian production — Pavlovo-Posad and Orenburg down shawls. There remain very few Russian craftswomen I have been inspired by, and there is no-one to whom they could pass on their skills and experience as people do not want to work in this industry owing to the lack of orders. It is a vicious circle!

Sometimes, it is very difficult to find any fabrics, prints or embroidery in Russia. Just as it's hard to sew sophisticated things here. Indeed, many go abroad to sew, where the production is better established, where you are easily understood and where they will

fulfil any of your whims. Yet it is very important for beginners to have their own production in Russia. Otherwise we risk losing our talented Russian production. It is worth talking about this in the press and discussing it at events such as the St. Petersburg International Economic Forum.

So what's going to be fashionable in the coming season?

I think it's any bright colours. We have been wearing pastel shades for so long, nude, all shades of ash rose. When I created the SS19 collection (Spring–Summer 2019 — Editor's note), I dreamed of conveying the sunny warmth of the Krasnodar summer, as I was born and grew up in Krasnodar. I wanted to put my memories of sunny, dusty, sunflower youth into it. This is a great and warm memory of the 90s, the culture of backyards and suburbs. Not only in the interpretation of ugly fashion, which is so popular now, but in my interpretation of youth, hopes and dreams, first kisses and loves. This season you can give vent to your feelings without being vulgar, you can be very succulent and cheerful. After all, fuchsia sets the tone! 🌸



Beyonce wearing a suit from Anastasia Romantsova

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ROSCONGRESS
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Roscongress Club Welcomes SPIEF Guests

The exclusive Roscongress Club for the intellectual, business, and political elite held a presentation for the first time at the St. Petersburg International Economic Forum, after which the unusual format was successfully implemented at other Roscongress Foundation events. A year has passed and the Roscongress Club opens its doors to SPIEF guests once again. Over this time, participation has expanded significantly all the while preserving its original intimacy.



The Roscongress Club is traditionally divided into three zones: the Lounge, the Presentation Area, and the VIP Lounge (in the photo), a special area for top-level guests

The Roscongress Club Lounge, where you can relax and chat in a relaxed atmosphere, is always popular with forum participants

Lively discussions of every kind take place in the Presentation Area



Sports Minister Pavel Kolobkov

Roscongress Club guests include many current and former members of the Russian Government



Transport Minister Yevgeny Ditrikh (on the right)



Minister of Science and Higher Education Mikhail Kotyukov stopped by the Roscongress Club following the Innosocium National Social Projects Contest Award Ceremony

Vladimir Medinsky, Minister of Culture of the Russian Federation (on the right), carefully examined the capabilities of the Sirius Science and Culture Park, where the Russian Investment Forum is taking place





Over its more than 20-year history, Roscongress Foundation events have been visited by many outstanding personalities. Portraits of some of them were presented at the photo exhibition in the VIP Lounge

Some have also been present at the Roscongress Club in person. For example, three-time Olympic champion and State Duma Deputy Alexander Karelin, a living legend (on the left)

The Roscongress Club Card – your pass into high society



Governor of the Penza Region Ivan Belozertsev praised the Russian cheeses presented in Roscongress Club highly



Yury Isaev (centre) – General Director of the Deposit Insurance Agency, which sells assets with a book value of approximately RUR 4.5 trillion



Prominent Russian business leader Viktor Semenov – Chairman of the Supervisory Board of the Belaya Dacha holding company



First Deputy Chairman of the State Duma Alexander Zhukov took advantage of the Roscongress Club as a platform for informal communication

The atmosphere in the Roscongress Club meeting rooms set you up for success. This is where promising business projects are born



The Fine 'First Line'

Russia has developed a cutting-edge system that provides comprehensive preventive medical treatment while on vacation.

Komarovo now boasts the newest system of comprehensive medical prevention and treatment without discontinuing... rest

In Russia, as in the West, it is fashionable to be young and healthy. Today, wealthy Russians do not have to go abroad to achieve this.

Yet, in the West, it's the same situation — the local middle and upper-middle classes prefer treatment abroad. When choosing a destination for treatment, they not only look at the price and the availability of highly trained specialists and equipment, but also the comfort of the accommodation conditions. And nowadays, not only Russians but foreigners as well are increasingly finding similar conditions in Russia.

According to the Russian Medical Tourism Association (RMTA), 110,000 foreign citizens visited Russia for such purposes last year. The World Tourism Organization says Russia is the fifth most attractive country in the world in terms of medical tourism.

One of the projects that granted Russia this status is the First Line Health Care Resort, which opened this year.

SUPER STAR

An area of 4.5 hectares on the shores of the Gulf of Finland: white Baltic sand, pines, wind, sun, and silence. The 'PreventAge' concept of the First Line Health Care Resort combines innovative medicine with comfortable relaxation and premium service and offers each guest a personalized approach. And these aren't just words: multi-stage diagnostics are used to level out the risks of diseases, create a comprehensive health programme that aims to prevent diseases from developing, and come up with an individual plan for nutrition, physical exercise, and so on.

On the very first day, each guest is visited by a personal physician, who, after an hour and a half of conversation and diagnostic tests, determines what needs to be done and how to help the guest. Fortunately, everything needed for this is on hand — 160 highly trained specialists and more than 100 pieces of the latest diagnostic and therapeutic equipment for comprehensive diagnostics, treatment, recovery, and rejuvenation.

And we haven't even mentioned the resort has living conditions of a five-star hotel! Each guest has a spa, sig-



nature dietetic dishes, a gym, a beauty salon, a herbal bar, an eco-pharmacy, and much more at his or her disposal, which is an integral part of the premium resort. And it's all just 60 km from downtown St. Petersburg.

HEALTH PASSPORT

Maria Grudina, the visionary of the First Line project, makes no secret of her ambitious plans to increase the life expectancy of her guests to 90–100 years while maintaining a high quality of life at this age. And this isn't something out of a fantasy world: according to the latest research, the optimal human life span is 120 years. Moreover, genes only predetermine 20% of this lifespan, while access to high-quality medicine and a person's lifestyle are responsible for the remaining 80%.

An integrated approach is what makes the First Line resort unique. The resort subscribes to the 'Four P method': Prediction (predicting the onset of diseases), Prevention (a set of methods and measures for recovery), Personalization (preparation of a recovery plan based on a person's individual characteristics), and, finally, Participation (engaging in a healthy lifestyle — balancing physical activity, selecting the right vitamins, minerals, and nutrients, and adjustments to sleep and nutrition patterns).

For example, you may be prescribed fasting in different intervals, which triggers autophagy — a mechanism of cell regeneration in which cells get rid of defective proteins. It's not just a diet, but an anti-ageing technique that is highly popular in the West today. It includes

genetic testing methods, the subsequent interpretation of the results by a council of physicians, and even genome correction.

Cosmetology is also a part of treatment: the compilation of a skin report, treatment with fibroblasts, and all the latest achievements in face and body aesthetics correction. First Line cosmetologists work in conjunction with other specialists, so that all the procedures are selected in a comprehensive manner with the aim of not only improving appearance, but also correcting processes in the body that affect aesthetics (hormonal status, gastrointestinal status, etc.).

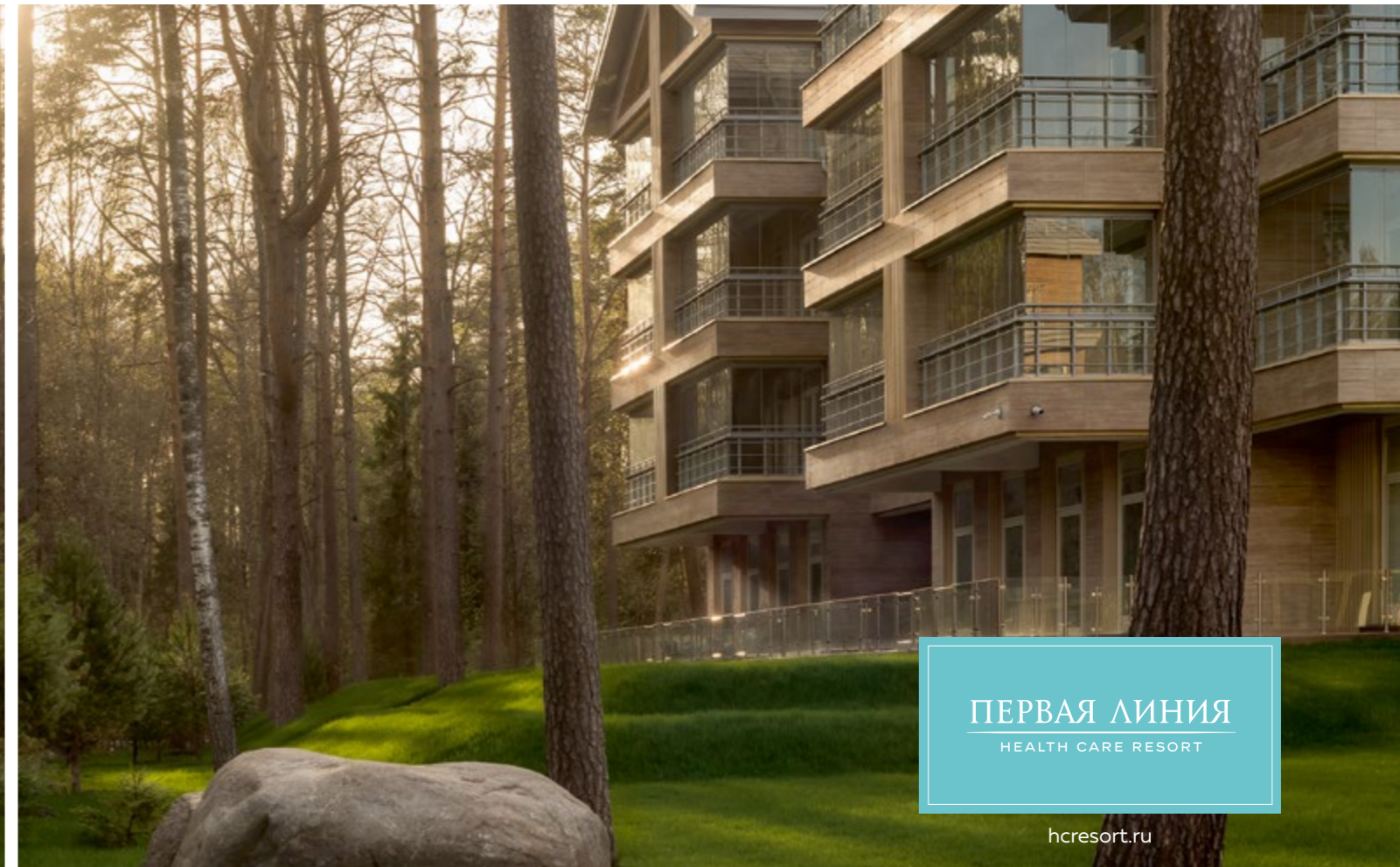
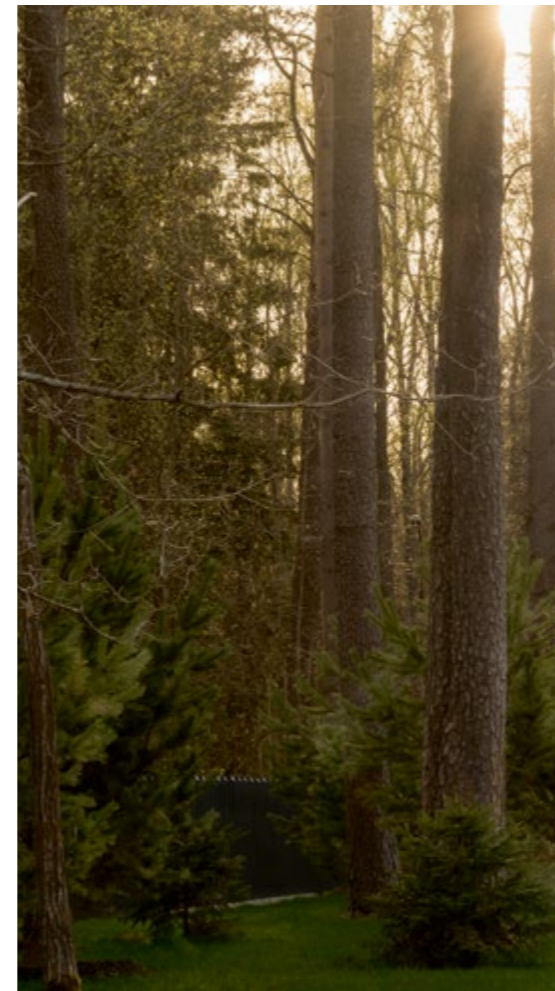
There are five main programmes: Detox, De-stress, Biohacking, Wellness, and Beauty Genome. Each includes a specialized check-up with a coun-

cil of physicians, which results in the preparation of a unique 'health passport' with a personal recovery plan, medical and beauty procedures, nutrient intake, and dietetic nutrition based on a VIP programme developed by the restaurant's chef.

Guests are provided with personal 'health books' that contain recommendations from doctors, cosmetologists, and trainers. Few foreign resort clinics can boast of such a luxury service! But the developers of the Russian concept firmly believe that it isn't as important to diagnose and correct the health and well-being of their guests as it is to change their way of life in order to continue what they started at First Line as they move forward. And then there will be long-term results. 🌸



Maria Grudina, ideologist for the First Line project



ПЕРВАЯ ЛИНИЯ
HEALTH CARE RESORT

hcoresort.ru

Professions of the Future

Personnel for the new economy

A workforce for the new economy is one of the main themes of SPIEF. From interactive teachers to human body designers, what professions will be needed in the future, and how can we avoid selecting a disappearing profession for ourselves?

Surveys in Russia indicate that most parents would like their children to grow up to be doctors, businesspeople, or civil servants. However, the fact is that 65% of today's schoolchildren will not end up working in one particular profession. At the very least, they will have to retrain.

Automated digital substations have already become a reality, as have deposits where methods of extracting and transporting resources are fully determined by computer programs. The da Vinci Surgical System is used in hundreds of clinics around the world, and the Watson supercomputer employs artificial intelligence to diagnose patients with 40% greater accuracy than its human counterparts. More and more people are doing their banking online, and shops are beginning to become fully automated, doing away with the need for cashiers, sales assistants, and security guards. Headphones are available which can provide instant translations in 40 languages. And none of this was even imaginable a mere 10 years ago.

Scientists predict that two billion jobs will disappear by 2035, taking with them a great number of professions which are familiar to us today. Humanity will bid farewell to low-skilled jobs and work on conveyor lines – the modern worker will model their own working day based on their tasks at hand. Augmented reality will become a regular feature of our lives, along with virtual reality workplaces. What's more, each process will involve a creative element.

Experts involved in the creation of Skolkovo School of Management's Atlas of Emerging Jobs have cited some of the key skills required by the successful job candidate of the future. These include project and process management abilities, creativity, communication skills, and a mindset that prioritizes sustainability and the environment. It will be taken as a given that a candidate will know several foreign languages and be proficient in the latest programming languages. Sectors which will see most new jobs appearing include medicine, transport, and IT.

Text by Ksenia VITVITSKAYA
Illustrations by Katerina BALAKINA



Foreman watcher – rather than a calculator and strong words, the foreman watcher employs image recognition systems and digital drafts of various structures to organize the construction progress.



Universities and other higher education institutions around the world are reacting to these changes in the labour market, and are now offering programmes which can set up graduates for a successful future career. Degrees in subjects related to biotechnology and genetic engineering are currently in demand. And there are plenty of people wanting to become developers of virtual and augmented reality technologies, as well as mobile apps.

Esports management faculties are enjoying particular popularity. These institutions train specialists who advise, manage, and train esports players. In Europe, demand among young people for skills in all areas connected with esports and computer games is high. Not only is it a hobby which can be monetized, the rewards are there too. In Austria and Germany, for instance, annual earnings for a manager in this field are almost 30% higher than the average salary of a young professional. It is a fast-growing market, with serious amounts being invested. A telling example is the International Dota 2 Championships, which has a prize pool of USD 20 million.

Opportunities to learn about the ins and outs of esports also exist in Russia. Students can enrol on a bachelor or master degree programme, retrain at a higher education institution, or take a course offering a management diploma after 6–7 months of study. A large number of students in Russia alternatively choose to study robotics, mechatronics, conflict resolution, bioengineering, and bioinformatics. And a deeper search reveals some truly exotic-sounding professions to study, such as 'augmented and virtual reality specialist for print materials'.

Of course, many of these so-called 'professions of the future' involve much the same work done by today's lawyers, programmers, and accountants, albeit



Clothes recycling specialist – a job heralding the end of second-hand stores. A clothes recycling specialist uses their knowledge of ecology and material science to determine the best way to reuse old clothes.

Tissue engineer – the right-hand man/woman of a transplantology surgeon (either a person or robot). The tissue engineer develops the technological process and selects materials for the formation of tissues or organs by custom order.



Creative state trainer – as the name implies, this trainer helps people in the creative professions achieve the state required to find their muse.



Igor Sergeev,
Chief Researcher at the centre for vocational education and qualification systems, Federal Institute for the Development of Education, RANEP

"For artificial intelligence specialists, an academic article which came out the previous year is ancient history."
"An interesting trend emerged as far back as the late '90s, whereby young people do not choose new professions so much as new lifestyles. This has led to them being interested in jobs which fit their vision of a specific lifestyle."

Dmitry Sudakov,
Head of Project, Atlas of Emerging Jobs

“Unfortunately, the business sector rarely talks about the kinds of people it will require in 5–10 years’ time. That is why we need to train school and university students in entrepreneurial thinking. Some institutions already take this proactive line, but not enough of them across the country.”



Emotion designer – someone who knows exactly what word to use to get people laughing, or what scent to use to get them spending. This is a professional who specializes in creating a particular environment by pressing the right emotional buttons at the right time.

Virtual reality architect – a specialist in creating beauty and comfort, designing bespoke virtual environments for work, study, and leisure.



Children's future lifestyle specialist – a person who helps parents determine what to teach their children, and what developmental path they should follow. They fulfil a similar role to today's grandparents.

Ecopreacher – someone who teaches individuals and company workers to love and care for nature.



Trend watcher/foresighter – a specialist in seeing the wood from the trees. These people track trends in the economy, politics, and society, providing recommendations to providers of goods and services.

Urban farmer – a person working in large cities who cultivates gardens and vegetable plots inside and on the rooftops of skyscrapers. USD 2 trillion is projected to be invested in vertical farms in the coming decades, leading to enormous demand for specialists of this kind.



adapted for a new world. Take the fashionable-sounding job title of bioethicist, for example. According to the Atlas of Emerging Jobs, a bioethicist specializes in legal and ethical matters to do with transplantology and genetic modelling. Essentially therefore it's just a lawyer, who in today's world mediates between patients and hospitals. That would hardly sound quite so innovative though, would it?

In terms of what will be needed in 20 years' time, it's hard not to place an emphasis on soft skills. And a basic education and strong motivation will always enable an enquiring mind to find a way to learn the skills they need. The people who will enjoy career success in the future will be those who make sure that opportunities to learn are not squandered. They will be those who set clear goals, and persevere in their attempts to achieve them. Much like the successful people of today. 🌟

Irina Svyatitskaya,
Head of Youth Policy,
HeadHunter (hh.ru)

“Even today, employers often pay more attention to candidates who have successfully completed an online course in IT development, web design, or marketing communications than to those with a degree from a prestigious university.”

Galina Rezapkina,
Expert for the Education
National Project

“A survey of the most successful people in the 21st century revealed that they shared the same characteristics, including a love for their work, dedication, industriousness, and a willingness to help others.”



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SCHOOL vs LIFE

How to get the most out of education



Oksana DEMIANENKO,
Director, The International
Gymnasium of Skolkovo

Today, school leavers write codes for smart robots, know more about cyber security and Big Data than many of us, are familiar with modern technologies and solve practical business cases. It would seem they enjoy endless freedom of choice and options for development. Many of them are able to easily master new hard skills after leaving school. But is that enough to build your development pathway successfully? If the university you enrolled at has not met your expectations, dare to change your educational route. If you lack communication skills and confidence, look for social practices and projects where you can be useful. Don't dwell on yourself, help others, share what you know. Even mature people often cannot boast such determination, thoughtfulness and criticality, and our children need it here and now.

The professional choice of today's school leaver is likely to change over the course of their life but the core of their personality must be strong in the face of uncertainty and change.

What can a school do to prepare its smart and promising graduate for the realities of life? Apart from academic success, the necessary and important result of education is an ability to make choices, take decisions, assess oneself and the situation properly, and think broadly, creatively and dynamically. For successful self-realization in adult life, the key factors are personal resources accumulated at school, including value, intellectual, creative, emotional and physical skills. And, of course, the ability to collaborate effectively, work on a team and achieve results. The pedagogical mission of the school is fulfilled if these competencies are shaped in parallel with such values as respect for other people, for opinions and the space in which you live, from the local to the global, including development of empathy.

But that's not all. A young person today knows, for example, that the scientist's destiny is not unknown laboratories covered with dust but a public career and projects that can be commercialized. This requires not only research but also entrepreneurial competencies. A top manager of a leading IT corporation comes to your school: don't be afraid, come and ask questions, make arrangements for an internship, get hired for a project, run a blog at the same time, participate in competitions and Olympiads, show up at conferences and meetings.

To think 'outside the box', a young person needs perspective. The modern school has no right to stew in its own

A young person today knows that the scientist's destiny is not unknown laboratories covered with dust but a public career and projects that can be commercialized. This requires not only research but also entrepreneurial competencies

juices, since so many external impulses affect it. Moreover, it generates them itself. And the result of education at school does not come down merely to exam results or victories in Olympiads. The school is especially important for its students when it is motivated itself and has an opportunity to expand its competencies, to cooperate not only with universities but also with research insti-



The school should motivate students to try themselves out on new projects



Today's students are better versed in technology than many adults

tutions, enterprises, projects that create new practices and new knowledge. The essence and meaning of profiling is not only in the number of hours spent studying profile subjects and interacting with the profile university. Personal, meaningful contacts and mentorship by professional practitioners are invaluable for adolescents. Yet the effectiveness of such communication depends on a very important condition: it must be in the language of teenagers, meaningful, inspiring and understandable.

You will ask, why would a professional bother to do that? The motivation is not obvious but the professional community is aware that the type of personality and interest in the professional sphere are shaped precisely at school. There are projects, enterprises and corporations that, playing for the long term, begin to form human and personnel potential from the school desk. In the educational environment, more and more research and industrial communities are establishing their own schools or educational practices. The school has a great demand for such practices because, for us, it is an opportunity to develop dynamically, to have relevant content and to be truly effective. 🌱

Reference

The International Gymnasium of Skolkovo

The International Gymnasium of Skolkovo was founded in 2015 by the Skolkovo Foundation in order to develop the infrastructure of the Skolkovo Innovation Center. The educational programmes and educational environment are developed on the basis of the unique Skolkovo community, its startups and partners, knowledge, competencies, and research practices.

IB World School

The Russian state curriculum is the main curriculum, combined with the International Baccalaureate curriculum. IG Skolkovo is an IB World School and is authorized for the Primary Years Programme, Middle Years Programme, Diploma Programme. IG Skolkovo graduates receive the Russian high school diploma and IB international diploma that is valid for applying to leading international universities.

Teaching staff and enrollment

There are 170 educators currently employed and 530 students aged 2 through 17 enrolled at IG Skolkovo. All educators and students are involved in research. The enrollment will grow by 150 students by the start of the 2019–2020 academic year. Approximately 70% of the students are children of the Skolkovo ecosystem employees. The school is open to external applicants. 550 students aged 15 to 17 are enrolled on 50 programmes of extracurricular activities.

Endowment

IG Skolkovo's endowment was launched in 2018 and is currently the fourth largest school endowment in Russia. The objective of the fund is to provide for stable development of the school and its infrastructure, design of educational programmes, participation of teachers and students in international educational and professional activities.

Magnum Hunt: 25 Years of Executive Search



SPIEF Magazine spoke about the professions of the future and how to get into the portfolio of one of the best companies on the executive search market with Magnum Hunt CEO Olga Selivanova-Shoff, the top specialist in the industry, according to a joint ranking compiled by Profile and Career magazines.



Olga, you and your company are often associated with the executive search market in Russia. The CEOs of almost all the companies participating in SPIEF know who you are. What is the secret to your success?

We came to the Russian market in 1995 after successfully launching our business in London. At that time, there actually was no market yet, and we were one of the first companies that formed the executive search industry in Russia. At first, we worked primarily with international banks and funds. Today, our consultants have unique expertise and, while working from London, Moscow, and St. Petersburg, are competently implementing some of the most complex projects to find professionals in various fields around the world. So, when talking about the secret to our success, I would highlight our tight-knit team, the ability to take a creative approach to solutions, and our loyalty to the Russian market. When you need something exclusive, you come to us.

Who is currently in demand?

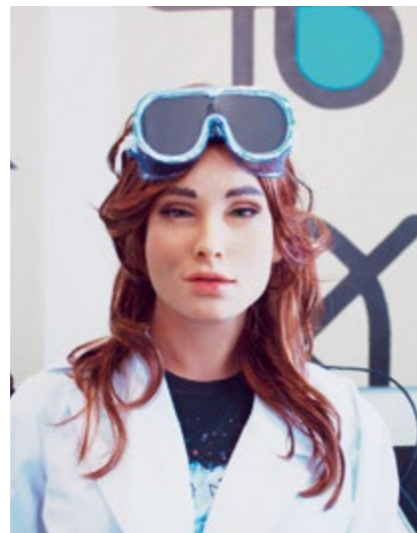
The global financial crisis of 2008 seriously altered the banking sector worldwide. We are still working with the larg-

est Russian banks, which my colleague in London, Maria Yankovskaya, handles quite professionally. But our clients have increasingly become state-owned and private Russian companies in various industries, from the mining industry to engineering, telecommunications and media, construction and real estate. Over 25 years, we have implemented more than 2,000 projects. Right now it's difficult to talk about demand for particular senior executives since all clients have unique objectives. However, they often arise in places where it's difficult to search for them, such as Nigeria, Latin America, or Pakistan.

The trends worth noting, of course, include growth in the technology sector: financial technologies, payment systems, e-commerce – Ozon, Yandex Market, Alibaba, etc. We are proud that we managed to conduct several difficult searches to attract world-class experts to Russian companies.

How exactly does the process of selecting a candidate take place?

I'll give an example. In 2018, we received a request from Ilim Group – they



The robot Nadine is one of the promising projects that will be able to change the recruiting market in the future

needed to find an innovations director to develop businesses that were new and unconventional for the company. Luiza Gubaidulina, a partner in Magnum Hunt's industrial practice, was in charge searching for the candidate. She suggested that the client start out with preliminary market research in order to analyse who is driving innovations in Russia and how, and then select an optimal solution. We focused on the market players who, according to experts, are most actively developing innovations and reached the following conclusions: the role of innovations in an organizational structure depends on the priorities of the business and the personality of the leader in this segment. Innovators want to be first. They burn out quickly if decision-making is delayed due to drawn-out corporate approvals and political games within the company. They are more interested in working on small outsourcing projects as partners. As a result, we not only managed to find the right professional, but also helped the client implement the important business idea of creating the 'Ilim Group Corporate Accelerator'. In January 2019, the best start-ups that were finalists for the accelerator were selected. More than 170 start-ups from around the world were considered.

What professional qualities should a candidate have had in this project?

Any candidate should have most of them. It provides successful experience to introduce new products/services to the market, develop new markets, including international ones, and have advanced skills in managing such functions as R&D/development/strategic marketing, as well as experience in introducing best practices and innovations. In terms of personal qualities, we focused on the ability to see strengths and create additional value, being open to new things, curiosity, strategic thinking, consistency, and a proactive attitude.

A popular theme now is what the executive search of the future will look like and what professions will remain?

That's true. Right now everyone is talking about the professions of the future. Many of them have appeared quite recently, while robotics will lead to the

disappearance of other professions. For instance, the United States is expected to fully automate up to 40% of production processes in the next 20 years. This won't necessarily result in mass unemployment, but people will have to adapt, of course. One of the key skills of the 21st century is the ability to unlearn, forget what you have learned and how it was previously done, and be ready to quickly embrace something new.

Artificial intelligence is infiltrating our industry as well: automated recruitment processes have been around for a long time, but technologies are emerging to assess candidates' motivation through their voice. My colleague, the head of our Moscow office, Yulia Krizhevich, and I were recently at the Executive Program at Singularity University in California. At one of the sessions, we met with the developers of the humanoid robot Nadine, who can replace actual workers in the service industries. They say that this robot may eventually be able to fully replace recruiters.

But we believe that for now the involvement of a professional consultant is essential in executive search. I share the opinion of the authors of a recent publication by Stanford University: artificial intelligence cannot be trusted to select managers. Only an experienced real professional with a wide network of contacts and experience of interacting with C-level executives can assess this.

Morgan Hunt recently changed its name to Magnum Hunt. Why did you need to rebrand?

The founders selected the name Morgan Hunt to be directly associated with the business of our first customers: JP Morgan and Morgan Stanley. But our team has been working with all sectors of the economy for a long time now, so the association with banks is no longer relevant to us. In addition, Morgan Hunt began developing the staff leasing segment since the early 2000s while working with government organizations in the UK and has become one of the largest companies on this market. The logic of such different businesses existing under one roof has disappeared. So we reached an agreement with my former partners to split up the business and for the executive search segment to be spun off from the Mor-

gan Hunt group. The name change has completed this process. The new brand Magnum Hunt positions our business more broadly and establishes our independence while also preserving our history and continuity since the initials are the same!

What do you see as some of the challenges facing Magnum Hunt in the next five years?

The priority is still to promote the development and business success of Magnum Hunt's clients through the best personnel decisions. We implement each project based on the client's individual interests and needs. Our work does not end with filling a vacancy. We support candidates throughout the adaptation period and ensure they successfully integrate into organizations and achieve the maximum synergistic effect from interaction between the employer and the candidates that are hired. The successful business strategy of Magnum Hunt Executive Search is not so much confirmed by the letters of

In brief

Magnum Hunt Executive Search (until recently Morgan Hunt Executive Search) is a leading international company that specializes in searching for senior executives, from the comprehensive assessment of all an organization's needs to the filling of a position with the most worthy candidates.

recommendation as it is by the thanks we have received from our clients and candidates that have been placed over many years and, of course, their success in working together.



Magnum Hunt team: only true professionals can search for true professionals

Oleg Dukhanin, Palekh Artist: We're working with old materials but in new formats

Text by Ksenia VITVITSKAYA



In 2019, SPIEF Magazine's visual branding is designed in the Palekh style. This serves as a great opportunity to talk with two generations of Palekh artists about how they are revitalizing miniature lacquer art, where they get inspiration for their work, and why they're experimenting with the fashion industry.

GENERATIONAL EXPERIENCE

Oleg, please tell us a little bit about your family. Did everyone want to be an artist?

I was born in Tver, but my father was of the Don Cossacks of the Voronezh Region. Many of my family on my father's side painted. Even my uncle, who ended up in a concentration camp

during World War II, continued to paint. There, his work was highly prized, and he was treated accordingly. When my father noticed that I was good at painting, he was ecstatic, and helped me choose an art school. That's when I finally understood who I wanted to be. Today I'm a father of six myself, and they paint as well. My wife is an artist. Her grandfather was an icon painter from Palekh. So, I guess you could say we have a whole dynasty here.

Why did you specifically choose miniature lacquer art as your field of choice?

When I was in art school, I found out that one of my family members had graduated from the Palekh School. I went to visit him, saw a lacquer miniature at his house, and was just dumbstruck. This was such fine work, with such bright gilding, and all of it was done by hand. I was enthralled. And, of course, I loved icon painting. In the 10th grade, I painted my first icon. Of course, then it was just in watercolour, which is why icon painting always seemed like

something special to me. Basically, that was the moment when my desire to study in Palekh really took form.

In one of your interviews, you said that, for 30 years, miniature lacquer art waned. Why did this happen?

We survived a very difficult period. Miniature lacquer art appeared just after the 1917 revolution, when, within the course of an hour, Palekh master icon painters lost their profession and found themselves to be outlaws. They needed to find a new use for their skills. Eventually, they found a way to transition from spiritual art to secular art, while preserving their same artistic traditions. In miniature lacquer art, as in icons, good always triumphs over evil. Today, Palekh preserves a national heritage. Because of the art school, Palekh preserved its traditions. My generation had still been taught by icon painters. And when the Perestroika happened, our artists wrote the textbook on painting icons.

What started the new age of the Palekh school?

Today, people have started to acknowledge that, without a spiritual renaissance, Russia has no future. Palekh has always been known for its fine miniature art: there's the technique and then there's the subject matter, which has always had a national element to it. It appealed to the people. Artists portrayed fairy tales, epics, and even everyday life. There was political art celebrating Gagarin's first space flight and space exploration. But with time, all of this started to disappear. That's when many started to wonder if Palekh would exist for much longer.

And now, we're currently starting a new team, gathering artists, and aiming for new heights. At the same time, we're not bowing to business interests, we're not operating under the principle of 'make it fast to sell it fast,' we're not stamping out work in a day. Moreover, together with the Ivanovo Region Governor Stanislav Voskresensky, we are driving a Palekh renaissance. We're reconstructing, restoring, doing everything we can so that in the future, the village will be able to host large Russian art forums and foreign visitors.

Almost a year ago, you opened your own workshop. Are there a lot of art-

ists seeking to paint in the Palekh School style? Are young artists interested?

Right now, the problem is that young people are focused on earning money fast. But in order to continue our work, we need people who truly love this art. So, there is a staffing problem. That's why we work closely with museums, with schools, to attract young artists and pass on our knowledge to them.

In order to become an artist, you don't just have to be a visual thinker, you have to have skills. Unfortunately, today's students aren't getting enough technical art education. That's why we've reached an agreement with the museum, so that when students visit my workshop, they have the opportunity to work with the museum collection and copy existing miniatures. At the same time, we give them the opportunity to earn a living. Because a good copy is very, very valuable.

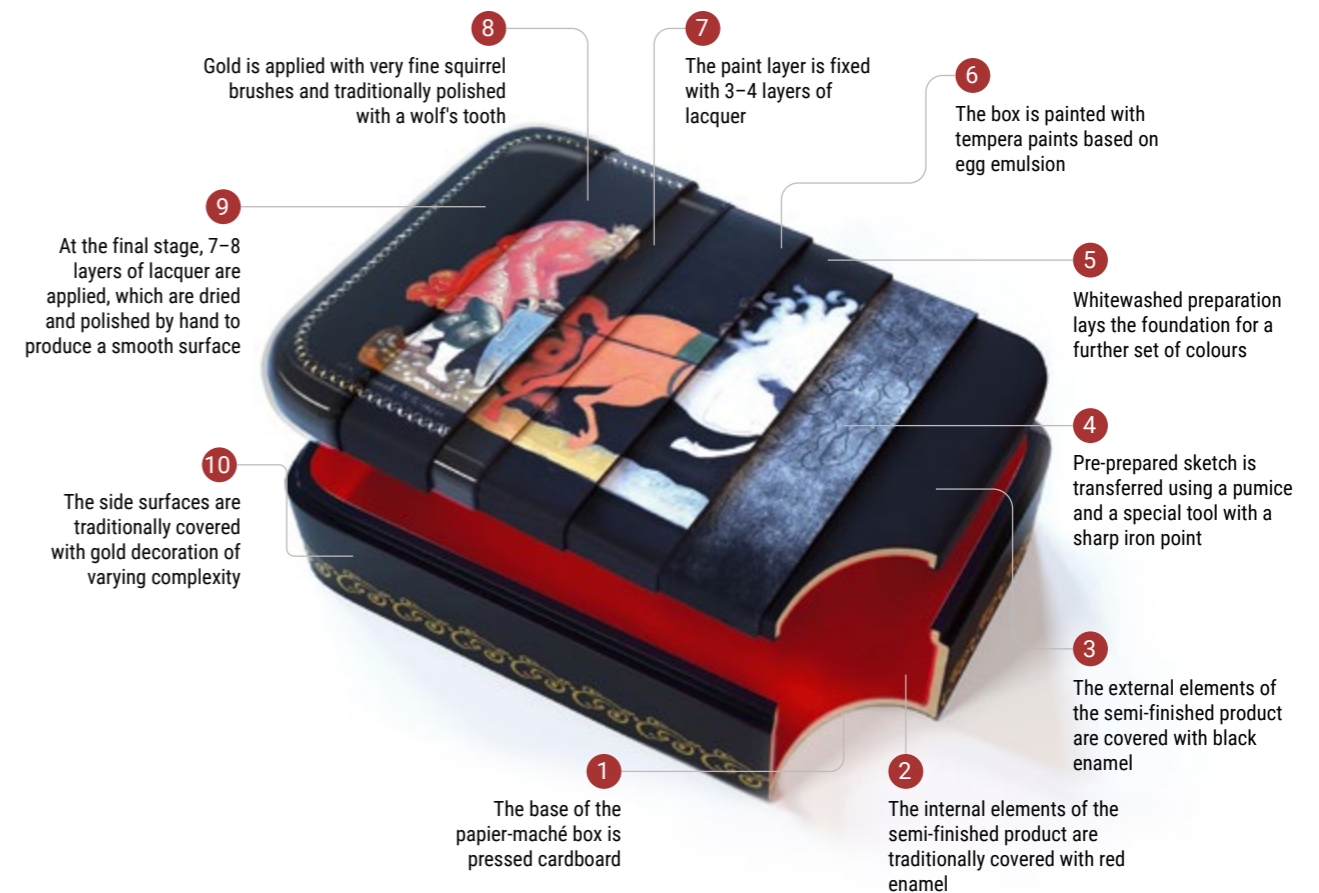
How has the art and its subject matter changed recently?

The Palekh tradition is alive and well. Each generation focuses on its own themes. In its transition from icons to miniature lacquer art, Palekh created new forms and new subject matter. It

was the very definition of avant-garde, even though no one used that word when the style was first developed. Artists painted what they saw: the village, tractors replacing horses. Today's society is changing and, naturally, Palekh is changing with it. We're discovering brand new formats. Recently, the Dukhanin workshop, working with Palekh artists, created a whole new series of works called '12 Months' about the human condition, domestic comfort, and harmony. We're working with old materials but in new formats. Palekh has started becoming an element of interior decoration: the detailing on a piece of furniture or the inspiration for a mural.

Have you made a piece that you found particularly memorable?

Over the years of my work, we've created six collections of 60 works each. One of them was recently shown in the State Kremlin Palace. It was dedicated to the 10-year anniversary of the enthronement of Patriarch Kirill. Icons are the focus of the collection. This was an exhibition where the attending members of the clergy, with their white hair and their long beards, were so moved that they couldn't hold back their tears. ❁



Russian wine

Can it cost up to 7,000 roubles a bottle?



Kacha Valley products prove convincingly that Crimea can provide the world with real premium wines

Text by Fyodor DRANNIKOV

— And why wouldn't it? In fact, it could cost even more, — says wine expert Igor Serdyuk, with a twinge of irony. — The price is not just an indicator of quality and taste. The price tells you how well the producer has marketed the wine and how prepared the consumer is to pay for it. The price reflects the ambitions of the producer and can sometimes ensure it will be enjoyed by an ambitious customer. This is not just the case for wine.

Take the customer's view though. They see a bottle of little-known Russian wine at a price 3–4 times higher than French wine. What can they expect for such a high price?

You mean the 'Phantom' by Vedernikov? — says Serdyukov's Double Magnum agency colleague Andrey Grigoryev. — It's the different proportions of the fashionable Krasnostop and Cabernet Sauvignon. Or is it the Pino Noir by Pavel Shvetz? You see, you can make 300 bottles of good wine on any land and in any weather. How good — is a matter of personal taste. If a producer can sell it for 7,000 roubles, we can only applaud them. And you can certainly feel ripped-off when you buy a 350 euro-bottle of collectable Chambertin and later discover it is still maturing, and instead of a noble velvety flavour, you get a sour taste.

It is easy to pay too much or make a mistake when buying wine made by Russian producers. Andrey Grigoryev shares a helpful tip.

When you're in a shop, take a good look at the producer's range. If they make both cheap and expensive wines, this can suggest a fairly high average quality. Every case is different of course, but generally, it is hard to make vinegar with your left hand and good wine with your right. If a producer's price range is from 400 to 3,000 roubles, then it is likely that the basic 400–500 rouble wine will be fairly good. And this is a fair price for Russian wine. True, it is sometimes more expensive than imported wine, but why should it be cheaper? The prices in winemaking are based on the costs. The only things that are cheaper here compared to Europe are the bottle and the label. Everything else, such as loans, salaries and equipment, is much more expensive. If you see a bottle of Russian wine cheaper than 250 roubles, bear in

mind it is probably only part Russian. Even the largest national producers import lots of foreign wine material, mix it with their own and stick Russian labels onto the bottles. This makes their life easier and provides a higher stable income than messing with vines.

— The craze over local varieties of grape has led to many wines becoming overpriced, — says Igor Serdyuk. — Take, for instance, Rkatsiteli. It used

The only things that are cheaper in Russia compared to Europe are the bottle and the label. Everything else, such as loans, salaries and equipment, is much more expensive. If you see a bottle of Russian wine cheaper than 250 roubles, bear in mind it is probably only part Russian

to be a really popular variety. But now just ferment it in a clay jar called kvevri, say you've done it on the label, and you can double the price.

The 1990s were a hard time for winemaking in Russia. Basic principles were forgotten, traditions and knowledge were lost. In the early 2000s, wine-drinking and, later, winemaking started coming back. It is only in the last ten years, however, that winemaking, while still edgy, has turned into a real business. The sector is growing, attracting large capital and large-scale support from the

government. And suddenly we are realising that we don't have a basis for such an important and responsible business sector.

The state support for viticulture has prompted many entrepreneurs to buy land for grapevines, and they are now making one mistake after another. A winemaking business should start from a careful study of the land you are planning to work. Finding good soil is a

real problem. A big issue in Russian viticulture is variation in soil. In some cases, you have one fertile type of soil in one place, but 50 metres from there the fertile topsoil is only half a metre deep with hard rock beneath it. And even if you manage to stick a vine in there, it won't last long... Why do you think the French wine from the neighbouring vineyards is so expensive? — explains Igor Serdyuk. — Another problem is incorrect choice of seedings, varieties and clones, and incorrect combining of rootstock and scion. One blunder and the vines begin to lose moisture, unable to adjust to the temperature, and the ripening period you were expecting sud-



Russian winemaking was founded by true professionals. French oenologist and champagne specialist Victor Dravigny (in a suit in the centre) at the Abrau-Durso estate

denly shifts. This affects the entire design of your winery. Imagine you have Pinot Noir and Cabernet Sauvignon. And only one fermentation tank. The Pinot Noir you harvested earlier is not ready, and now the Cabernet is on its way. You are forced to speed up the winemaking process, which compromises the quality, and buy more fermentation tanks for the future. There are no quick rewards in winemaking. This is dictated by the vines, which cannot be considered productive for 3 years after they are planted. The principle of winemaking is: if you forgot something, it is cheaper to wait till next time.

— As for wines that are worth the money, — Igor continues. — consumers who are not very discerning about the product should consider traditional varieties that make stable and good quality wine. These are Cabernet, Merlot and Pinot Noir for red wines and Chardonnay, Sauvignon and Riesling

for white. Whatever the trend, these are nice, quality wines.

The producer makes a difference, of course. Russian viticulture has already produced several respectable brands. In Crimea, these are Kacha Valley, Oleg Repin, Alma Valley, Yayla, Pavel Shvets, Perovsky Winery and Belbek. Some producers have mass market ranges too, besides boutique wines. The prices of rare wines remain at 4,000–5,000 roubles a bottle. These wines are indeed very interesting culturally and are great for tourism, but more often than not you will find yourself paying for the opportunity to tell your friends what you have tried, rather than paying for a truly good wine. These wines can successfully exploit consumer curiosity, but they are very far from being truly well-known and popular.

In short, don't expect to enjoy a wine just because it's expensive. A cheap one, on the other hand, can be a pleasant surprise. 🍷

Russian producers present an impressive range of premium wines



Renault and Marina Burnier have revived the Krasnostop grape variety, which is so popular in Russia today



Wine List

Interesting Facts about Wine by sommelier Alexander Kuptsov

Winemaking within the territory of what is now France appeared at the turn of the 6th century BC; the first vineyards were set up near modern-day Marseille. In Russia, the first vineyards appeared at roughly the same time, on the Eastern coast of the Kerch Strait. This coincidence shouldn't be surprising: vines were brought there by Greek settlers who were actively colonising the North of the Mediterranean and the Black Sea coast and introducing their lifestyle to the newly built cities.

European winemakers like to call themselves successors to the century-old mediaeval tradition. This little weakness is most common in French and Italian winemakers and, under close inspection, turns out to be no more than a marketing mix. Winemakers don't like to recall which wines are traditional for the regions they work in and how different their produce is from traditional wines. Saint-Émilion wines, for instance, were 'traditionally' white (up to the mid 15th century), Chablis wines were red (up to the end of the 19th century) and Alsace wines were made using assemblage (up to the early 20th century). Champagne wines did not sparkle (up to the end of the 16th century) and, once invented, sparkling wine remained very sweet until the 1920s.

Russian fairy tales often mention 'zeleno vino' or green wine. Today, it sounds archaic and is hardly used in modern Russian, usually as an ironic euphemism for vodka. Of course, the wine (or vodka) wasn't called green to indicate its colour (Russian fairy tales certainly weren't talking about Chartreuse). Nor was it called green to mean 'young' like the Portu-

guese vinho verde. The colour of the bottle, though often green, had nothing to do with it. A far more credible explanation has been offered by historian William Pokhlyobkin: 'green' in this case means herbal and denotes herb-infused vodka or vodka distilled with 'spicy, aromatic, or bitter' herbs. If we do some more research into Russian etymology, we will find that 'zel'oniy', the Russian for green, is related to "zlak" or cereal crop. This suggests another interesting version, that 'green wine' is the same as 'bread wine', a drink similar to vodka.

Radical changes in Austria's wine-making industry that led to it becoming one of the world's leading wine producers began with a major scandal. In 1985, it was revealed that some Austrian wine producers, mainly of semi-sweet and sweet wines, were using diethylene glycol (C₄H₁₀O₃). This two-atom alcohol is used to make complex ethers and polyurethanes and serves as a plasticiser and a key component of antifreezes and hydraulic fluids. This substance is harmless if ingested in small quantities, but cannot be used in food production nonetheless. It was added to wine to achieve more body and sweetness. The scandal and public outrage that followed spilled out into Germany (where mixing local wines with Austrian wines was common practice) and led to a comprehensive review of wine-related legislation that reorientated the industry towards the production of quality wines.

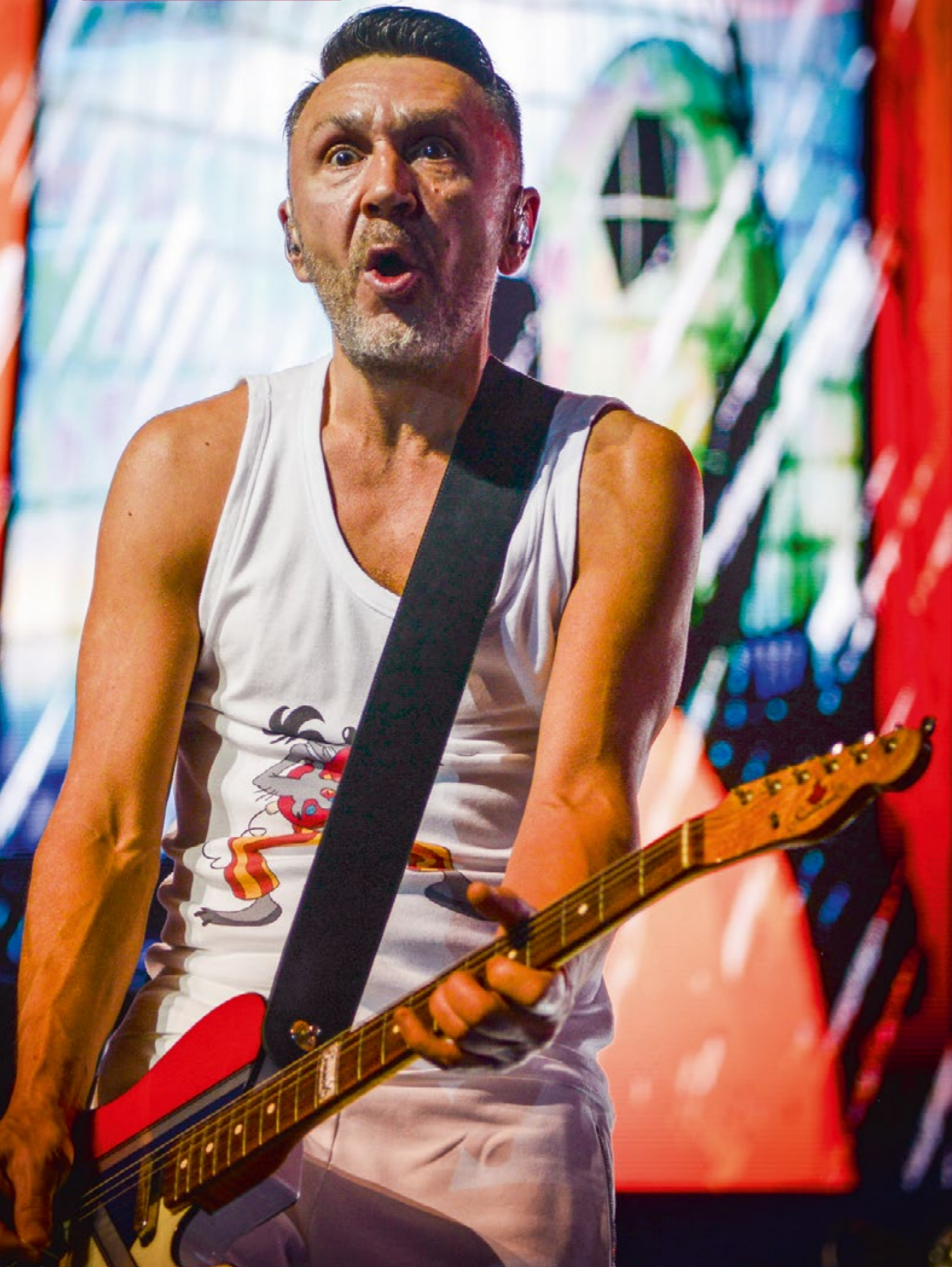
In 1756, Portugal's Prime Minister Marquis de Pombala established the Companhia Geral da Agricultura das Vinhas do Alto Douro (or Main Agricultural company for Alto Douro Wines).



The company had extensive authority over port production and trade. One of the company's primary activities was fighting bad practices that had taken root in port production, often under the influence of merchants (who were mainly English). These bad practices or 'disloyal activities' included choosing overly fertile lands for vineyards, over-using fertilisers and seeking to collect excessive crops, artificial sweetening, using low-quality alcohol for fortification, using materials from other regions or even countries (this referred mostly to Spain) and adding elderberry juice to give the port a deeper colour and red pepper to make it spicier. Indeed, compared with what some modern producers of Russian 'port' are guilty of, the 300 year-old bad practices of Portugal seem positively saintly.



ST. PETERSBURG



“I feel great in any economic situation”

Sergey Shnurov recently announced the breakup of his band Leningrad. However, this will not stop him from performing at an official reception on behalf of the St. Petersburg International Economic Forum Organizing Committee. In the run-up to the concert, he spoke about the mythology of Leningrad, a film about Louboutins that was never made, and his search for the profound on Instagram.

Text by Polina SURNINA
Photo by Igor CHERVYAKOV

Sergey, Leningrad’s song ‘Drink in St. Petersburg’ has rapidly resulted in the rebranding of St. Petersburg...

From the city of suffering to the city of partying.

I’d like to get some detailed recommendations directly from the author: Where should I drink? What should I drink?

Of course, where you drink in St. Petersburg depends on the season, on the company you’re with, on your mood.

We have the forum coming up in June.

From my observations, the forum people drink everywhere. They can be found on the embankments, at dive bars, in restaurants. They literally fill up this city like the flood that Pushkin described. Since this is Peter’s city, which was built as a sort of alternative to Moscow and old Russia, I think that we should always be a little drunk here, but at the same time very judicious as the great Peter instructed us.

What other regional brands do you see potential in? There is already a song about Paris and about Moscow too.

Any place-name has its own stereotypes. I like all these aberrations. I’m interested in the concepts as such. Paris

is a concept. St. Petersburg is a concept. It’s a second linguistic reality that exists independently of the first.

Have people or the city contacted you about writing a song?

They have. But I haven’t written one yet. I’ll leave that for when I retire and I have absolutely nothing to do with

Since this is Peter’s city, which was built as a sort of alternative to Moscow and old Russia, I think that we should always be a little drunk here, but at the same time very judicious as the great Peter instructed us

my time. Just like old ladies do crossword puzzles on trains, I will start writing hymns for cities.

I have a question about the breakup of the band. If you come up with a song, what will you do with it?

I’ll write it the same way.

With the same group?

We aren’t the Rolling Stones, who are tied to a particular genre. Leningrad always wrote with different members. And I am a multi-instrumentalist, as do a couple of other people. With modern capabilities, you can play all alone at the studio.

So the band’s breakup is a rejection of touring.

Yes, it means rejecting big performances, but not the art of writing songs. I plan to write songs and shoot videos. This doesn’t mean that I will perform. But it all depends on how much money I’m offered. Naturally.

What was the most profitable period for Leningrad?

I think it’s right now. We always have positive dynamics just like in the global economy. Since we provide a sort of exclusive service, I feel great in any economic situation. Like the provider of a party that nobody can organize except us.

Do you remember how you earned your first money?

During work-study at school. Soviet schoolchildren went to work at a production facility once a week as part of labour lessons. I assembled valves for gas heaters in St. Petersburg communal apartments, where only cold water was connected to the building and hot water was obtained using a gas heater. There were valves inside. I assembled them with a screwdriver.

Leningrad consists of a lot of people who depend on you financially. When you decided to break up the band, did this responsibility have any effect on you?

It partially did. Why partially? It had a major impact on the fact that our group has been around for more than 20 years.

So, if not for this responsibility, you might have shut things down earlier.

Definitely. To my mind, this is completely understandable: everything that has a beginning has an end. Examples of other groups simply cry out about this. You can wallow around in this swamp for a long time, but it's pointless.

There's no point in simply doing it for the money.

You can't do it just for the money. There are a lot of groups that exist for a hundred years, but money has no smell.

Does producing videos take a lot of money?

A fair amount. In percentages? I haven't calculated it. I see the videos as an advertisement of my own group. Advertising should not produce money.

I still think that it's not only advertising, but a mirror of reality as well. Colta has described your videos as an "Encyclopaedia of Russian modernity".

Leningrad has created its own mythology. This is a certain angle and a certain view. I wouldn't impose this point of view on anyone, nor would I say it's some kind of unique possible reading of modernity. Of course not. It's one of them. Life is much more interesting than Leningrad videos.

Nevertheless, it's a rather complementary description.

Yes, but no more. I try to take a sober look at what's happening. Laying claim to encyclopaedism is too much.

At the very least, you can lay claim to documenting certain processes that take place in people's lives. And the most amazing thing to me is that they like it. Has anyone ever been offended by such a phrase as "all chicks love dough"?

Yes, of course, they got offended. Numerous times. That's inevitable. Resentment permeates the life of any person.

But this should not stop an artist.

If an artist has never upset or hurt someone in his life, then what did he live for?

A question about artists' feelings: Why did you go to the State Duma's Council on Culture?

To stay informed. The law on culture that is being put together there will impact me directly. I have the latest updates. Somehow they will try to drive this beast into the cage, but it's like catching air with nets.

Why did they call you there? Do you know?

I know. To demonstrate that the public council has alternative points of view that we perceive culture a little more broadly than the Hermitage and the Bolshoi Theatre. It would have been strange to call someone younger there. Sergey Shnurov was on the "Voice" programme on Channel One and didn't curse there, so in principle he is probably a person who can be controlled. Then, recently I have been reacting on Instagram using lyrics about the political agenda, when I find it entertaining.

At Leningrad concerts it is very important that the viewer be moving and not just sitting in a chair. Legs are very important, and these ritual dances are important.

If you take this away and only leave a certain narrative with musical accompaniment, the songs will be emasculated and will lose quite a lot

Let's get back to your videos. How did you pitch the idea of the 'Drink in St. Petersburg' video to director Anna Parmas?

A certain anti-system spirit has settled in representatives of different social strata, and they have oddly begun gravitating to each other from different lifestyles and flocking together, literally just like mercury. It was my idea, which Anna personified using characters and mise en scenes she had invented.

And where did you find Ilya Naishuller, who also produced some of Leningrad's videos?

I met him when he invited me to his film "Hardcore". And since I was fascinated by the idea of building up the visual effect and degree of astonishment from our videos, I reached out to Na-

ishuller since at that time he was the most effective director. This didn't result in more views. But the video 'Kolschchik' won all the possible music video prizes at all the possible European and American festivals.

Have you ever wanted to make a feature film?

No. This genre is now a field of experiments for special effects and nothing else. For my liking, cinema as such has already upended itself. And apart from "Transformers-666", we aren't likely to see anything interesting or worthy of attention. As an artistic vehicle, well perhaps "Birdman". But it's one-off and doesn't define the future.

Where did all the psychological depth go? Where can we find it now?

In Instagram. And also the idea that psychological depth is something we need and something that should always exist is erroneous.

So there was a specific period that was appropriate for psychological depth?

Yes, of course. It's a genre. Reflections of a great style, which was called "modern". But what depth is there now and why? I don't chase it because I understand that it's impossible to search for depths in places where there is asphalt.

You, for example, play a role in the opera 'Benvenuto Cellini'. Why are you interested in this?

First of all, I'm used to it. Second, I live near the Mariinsky. It's not very difficult for me to come and play Benvenuto Cellini once every three months. This opera is having more and more success. Tickets are always sold out. Why shouldn't I go?



Has anyone ever suggested making a musical out of a Leningrad song?

Someone suggested that I make a film in the wake of the success of "Louboutins" with the same characters. I thought it was a speculative decision that was not motivated by anything other than the desire to make a box office film. And I was not absolutely sure about it at the time. Perhaps a musical with Leningrad songs would be interesting. However, at Leningrad concerts it is very important that the viewer be moving and not just sitting in a chair. Legs are very important, and these ritual dances are important. If you take this away and only leave a certain narrative with musical accompaniment, the songs will be emasculated and will lose quite a lot. Plus, I don't see any economic tie-in for now. Where would I arrange it?

Do you listen to music for pleasure?

Here's how it is – maybe I should listen to Rachmaninov's second concert? I have a kind of professional deformation. As a film editor, you can't watch a movie – he watches splices. I can't listen to music like a regular person. My nerves are so hardened that they cannot be loosened by any chords or melodic progressions.

Do you also have professional deformation as a writer?

As a person who writes lyrics, yes. I try to delve into the details. For instance, I want to understand how the songs of the band Weekend affect the average chick. I start isolating the inherent mechanisms that cause such a reaction. I look at how a verse is put together, and why it works that way. And I borrow this technique and it becomes mine.

Did you grow up in a word-centred environment? Have you had the habit of linguistically scanning everything around since you were a kid?

No. My parents were technical engineers. They're probably the ones from whom I got the desire to take things apart and figure out how things work.

When did you learn about the word 'alliteration' and fall in love with this technique?

By the seat of my pants initially. I was put in such conditions. I wanted to make music. I even know why. At the time when I was growing up and developing, i.e. in the early 1980s, there wasn't a single politician or writer who approached the social status of the symbolic Boris Grebenshchikov. He was the tsar of Russia in a sociological

sense. More precisely, each fan group had its own tsar (or baron) – Tsoi, Naimenko, and others.

By virtue of the fact that I am a homo sapiens, I follow examples and am in a social swamp. I don't see anything other than what I see. As a teenager, I saw that such a path was possible: when you strum on a guitar, you become a very important "character". However, I moved out of the context of the Leningrad Rock Club very quickly and then found myself in some dense forest. Again, I was trying to figure out the schematics – how do our barons exist and where did they get their weapons. I found sources in The Cure and Led Zeppelin and started picking them apart. Then I realized that you can't get by without words in our latitudes, in our environment, in our social rhizome. And then I began to think about what the chorus would be, why the chorus is wildly important, and that the verse probably isn't as important.

If you could have a rap battle with a person from any time, who would it be?

I think this genre has already died off. It died off suddenly just like rhetorical battles in Rome did back in the day. It's not very interesting as a performance. I don't think a battle is the way to clarify relationships and compare concepts in principle.

What if you think of it as a duel of minds?

Perhaps, due to my age, I have already realized that it's useless to prove something to an antagonist. Especially if the person is already successful. He has a certain immunity and ideas about the world and will not be infected by my notions. If it's not public, there is no point in such a dialogue. If it's public, he has a right to exist because he draws a crowd. But this is entertainment, not about establishing meanings. Meanings are not born there at all.

Was your recent fight with Ksenia Sobchak also for fun?

Absolutely. I was playing to the public and showing her weaknesses.

It wasn't entirely clear how serious both of the participants were or whether they were calling each other

in the evenings to discuss the next steps.

I changed my number. I can't be reached. She, of course, tried to reach out to me and find out what was going on. But I think it's more interesting when a person does not understand what's going on.

So you are an actor in some small way.

It's a public space. Everyone is an actor there.

Are you tired of being in the public eye all the time?

I'm very tired. My Instagram doesn't have anything at all now except for rare publications. This is a conscious strategy. In the modern flickering, when a person has an image that he promotes, I have plenty of opportunities. Even if I don't do anything, the media presence will still not go away. As I see it, it's better to create a deficit than a surplus. The State Duma will hold its next meeting, and reporters will come there. And why do I need Instagram? To talk

about what is happening in my soul? That's funny too.

To share the big ideas that come to your mind?

All the really big ideas that change the world are published in scientific journals. I have nothing to do with science. All the other ideas don't transform the world. There was a leader who opposed seg-

Young people have people who are authorities for them or models of behaviour. People who achieve social weight and status not through business or politics, but by chattering into a microphone

regation in America, Martin Luther King. I fully believe that if there hadn't been a Martin Luther King, there would have been a Martin Luther Fink. Or someone else. It's just a matter of society being ripe for such a figure to appear.

Is there a ripe positive agenda in Russia now?

There always is. Any changes occur precisely when they should occur. Don't think that I believe in a predetermined outcome, but transformations will occur even if nobody wants them to.

You said that you shut down Leningrad because you feel that the era of stagnation is over.

Yes. These are my observations about what is happening, above all else in culture. I see that the situation is pre-perestroika. The Leningrad Rock Club has already been created. New barons already exist. All of this happens in rap, naturally. Young people have people who are authorities for them or models of behaviour. People who achieve social weight and status not through business or politics, but by chattering into a microphone.

Who is the most advanced in Russia now?

New people who are integrated into the virtual world. Rappers, beauty bloggers, Insta-chicks. This is the most interesting thing that is happening. But essentially they are all in the mudflow of a larger movement that can be de-

scribed as follows: man himself is the objet d'art. He exposes himself, he sells himself, he makes himself. We aren't the ones who invented it. This is a planetary movement.

Is it hard for you to be an objet d'art?

I don't know. I'm a doubting man. I waffle: I spent some time as an objet d'art, when it was relevant and new, but

now it seems that I have already served enough in this church. It got stuffy – too many people.

And where do you go now?

I don't know. I need to look around, come up with something, and reinvent. I think that this discourse when a person creates himself is global and long-term. It's a bad thing when you understand the trick. I understand that this is a manipulation and that there is emptiness on the board behind this image. This is difficult, of course.

But don't you fall somewhere in there? You and this work of art – what overlaps are there between you? Between personality and publicity?

These are the communicating vessels. The big question is whether a personality exists as such and what it is. Instagram is probably a personality. Everything else ensures the existence of this personality. Each person is a producer of his own circus.

When there was no Instagram, how did you produce the circus?

With newspapers and magazines. There used to be other media. Other media is a different circus.

So you've fulfilled your dream – you wanted to be a tsar and became one. Yeah. I don't know how much I need it. I understand why I wanted to become one: most likely it wasn't my desire, but social conditions. Now I have to figure out what's next. 🌸



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Exploring Russia's cultural capital with Facebook communities

Facebook is a place where local communities – residents of the same city, neighbourhood or simply those who have similar hobbies or passions – connect in Groups, learn from each other and share tips.

Today over 1.4 billion people on Facebook use Groups every month. When it comes to looking for unique insight on life in cities, Groups offer users an original way to explore new places or have experiences and often present recommendations that can rarely be found in travel agencies.

Those who come to St. Petersburg will no doubt benefit from local advice on where to embrace the vibe, culture and architectural beauty of this unique city. Facebook reached out to several local Groups on Facebook and, based on their knowledge and tips, prepared a city guide that will take you through streets, the most unusual places and routes and must-see cultural sites of St. Petersburg. Such city guides are already available on Bordeaux, Lisbon, Leipzig and Oslo and offer various options on how to spend a few days in a new city – from checking out the city's healthy eating food points to exploring the best views from historical rooftops. Here is a glimpse of what St. Petersburg's communities recommend to visitors who have seen the Hermitage and want to really feel the city's vibe. Find the full guide at <https://cityguides.fb.com> or in the SPIEF 2019 mobile app.



St. Petersburg is beautiful at any time, but fascinating excursions start at exactly 15:15

SEEING THE CITY ON FOOT: 3 SCENIC CITY WALKS BY PETERSBURG 15:15

Tours 15:15 is a community with useful and unusual city tours for savvy travelers, which take place every day at 15:15 in St. Petersburg, as well as in more than 40 European cities.

See what's happening on Malaya Konyushennaya

This is one of the few pedestrian streets that always "lives and breathes".

In summer the street hosts book fairs, various performances and events, and sometimes photo exhibitions and art installations. At the beginning of the street you can find 'the policeman', a little-known monument that guards the street come rain or shine. Don't miss the small horse figures on the lanterns – those little statues remind us that the Stable Yard is very close by.

Peep into the Capella Yards

To get the most enjoyment, you need to focus on the details: have you noticed that all the buildings that form the yard are of different height? This is the right spot to watch St. Petersburg's inhabitants running across the courtyards at a brisk pace, and how the facades of buildings look so pompous compared to the faded neighbouring houses. But the most important thing here is to listen – in spring and summer there is always music as the Capella still functions. Musicians are constantly rehearsing in its different classrooms, and in good weather there are classical music concerts.



Embankment of the Griboyedov Canal



From Kazan Cathedral to St. Nicholas Naval Cathedral, this is the classic St. Petersburg walk for 'healing the soul'. Start at the statue of griffins on Bank Bridge and walk all the way to the Bridge of Four Lions. As you walk along the canal, you gradually pass from imperial St. Petersburg to the Dostoevsky era. By the way, as you walk you will understand why the canal was called Krivusha River, which means curvy. Its many turns make you think about all the turns of life and put you in a philosophic mood.

EXPLORING THE CITY FROM A BIRD'S EYE VIEW WITH PANORAMICROOF

St. Petersburg really shows its face when you see it from its iconic rooftops. Famous cathedrals, ancient courtyards, monuments and ordinary buildings look very different when you look at them from 100 metres above the ground. There is no bustle in the streets, only the sky and the spirit of the city. Staying safe on such trips is key, so make sure to pick a tour that ensures total safety; ask PanoramicRoof for advice.

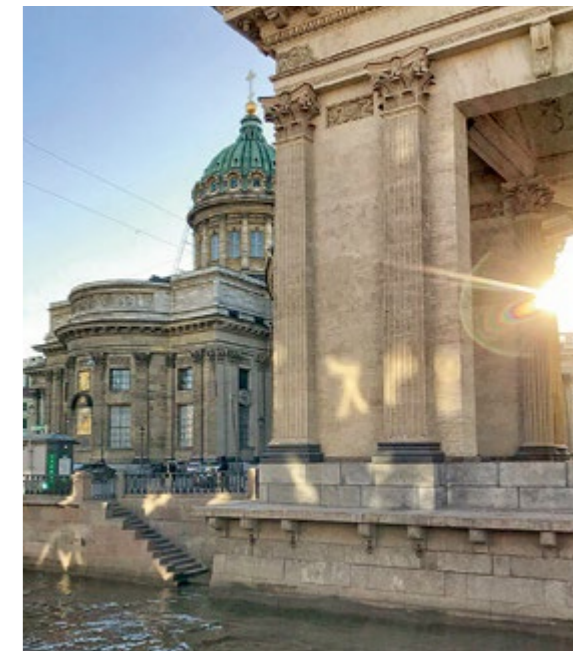
When selecting which high points to see, do not miss the Air Defence

towers built all over St. Petersburg in the late 30s and early 40s; originally there were about 180 of them.

Recently some "street artists" painted towers as works of art, which gives a rather fresh look to the city.

- The first painting of this sort appeared at the beginning of 2014 in the yards off Ligovsky Prospekt.

- The tower was named the TARDIS because it was designed to look like a telephone booth from the TV series Doctor Who.



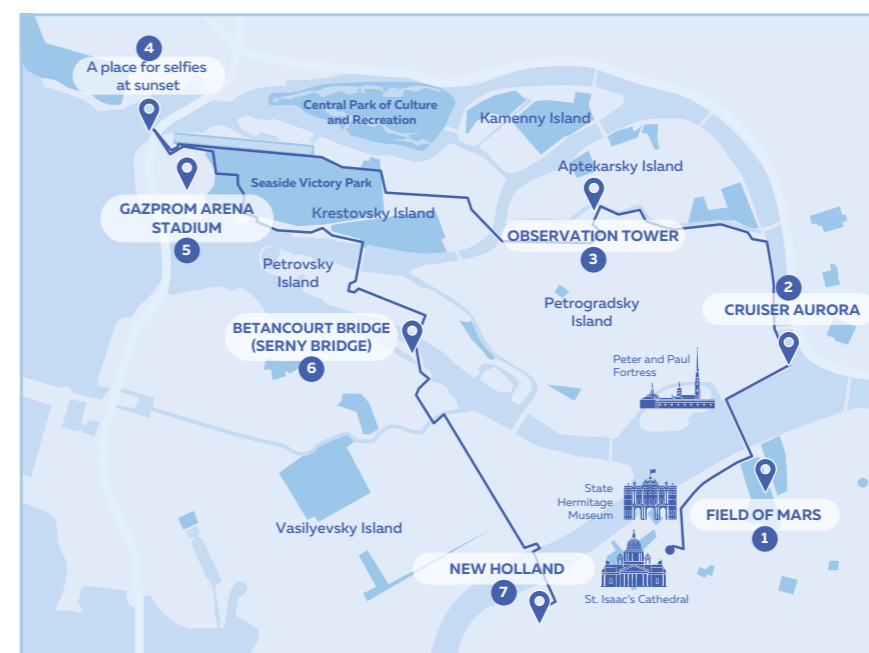
A walk along the Naberezhnaya of Griboyedov Canal, which reveals the Kazan Cathedral from an unexpected angle



facebook

ST. PETERSBURG BY BIKE: ROUTE BY VELOSIPEDIZATION

Walking the streets of St. Petersburg is a classic option, but exploring it by bike is a step up for those who want to stay fit, see more and contribute to the city's environment! Velosipedization knows best where bikes are welcome in the city and has created a special route for those who have a few days to see the city's sights.



The equal, the first, the only

A short story of naval fortune

Text by Mikhail MIKHIN

According to experts, when it was completed in 1902, the Cruiser Aurora was not remarkable for its combat effectiveness or nautical capabilities. In the best case, the ship could be considered 'an equal among equals.' However, it is said that the naval fortune enjoyed by the first rank cruiser could be enough for an entire squadron. In its life, the ship survived several genuinely difficult voyages and travelled more than 120,000 nautical miles, which is more than five trips around the Earth's equator. The Aurora survived friendly fire during the Dogger Bank incident and Japanese projectiles in the Battle of Tsushima. In the latter, despite having been damaged, the cruiser successfully evaded the attacks of torpedo boat destroyers. During World War I, the ship cruised along the Gulf of Bothnia, protecting the minesweeper fleet, studying channels, and providing gunfire support to land forces, successfully avoiding the attacks of enemy seaplanes. It survived three revolutions and the treacherous theft of its red revolutionary flag, which was stolen by the retired chair of the ship commission Korunov, who intended to sew it into a jacket.

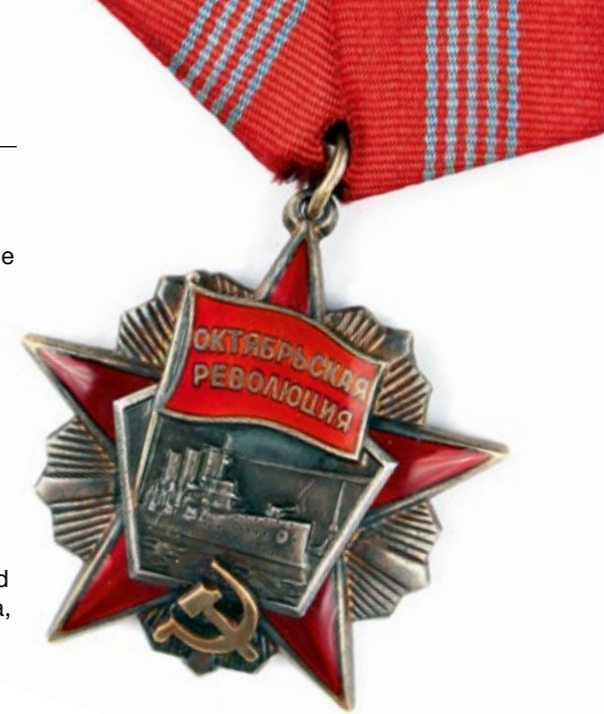
The cruiser's service record also includes a terrorist attack in March 1918, when a time bomb was placed onboard. The 'hellish mechanism' was diffused by Aurora's senior officer Boris Frantsevich Vinter, keeping the ship's after magazine from exploding and averting imminent ruin. Having had almost no time to become a revolutionary legend, in 1919, when Nikolai Yudenich was marching on Petrograd, the cruiser was once again a hair's breadth away from destruction. Preparations were being made to sink it in the Morskoï Kanal. The Aurora sailed out several times to the location where it was planned the ship would open its Kingston valves and block the channel for invading ships. But the deed was never completely done. The cruiser's weapons were removed from and returned onboard the ship, and the sound of its 6-inch guns, set up on improvised floating batteries, echoed across the Volga near Tsaritsyn.

During World War I, the ship cruised along the Gulf of Bothnia, protecting the minesweeper fleet, studying channels, and providing gunfire support to land forces. The last gun taken off of the Aurora fired at the enemy off of the Baltiyets armoured train. The grounded ship continued to fight on land, sea, and by air

Following the end of the Civil War, it was suggested multiple times that the disarmed cruiser be broken down for scrap, but each time reasons were found to keep the ship afloat. Moored at the Kronstadt Naval Port, the Aurora sadly awaited its fate. However, fortune smiled on it once again. On 23 February 1923, the ship was put into service as a specialized training ship within the Baltic fleet, simultaneously becoming the first battle ready cruiser on the Soviet Baltic. Repaired and rearmed, it navigated around the Scandinavian Peninsula and then became a dumb training base for first year students of naval and submarine schools. On the eve of war, the Aurora was once again slated to be retired from the fleet, but fate had other plans for the ship once again. A war had begun...

The same story repeated once again: as Hitler's forces closed in on Leningrad, the guns aboard the cruiser, made part of Kronstadt's air defence system, were gradually removed and transported to Duderhof's Battery A (which was almost completely destroyed by German fire in September 1941). The last gun taken off of the Aurora fired at the enemy off of the Baltiyets armoured train. The grounded ship continued to fight on land, sea, and by air. According to witnesses, during an air raid the Aurora's anti-aircraft gunners took down an enemy plane. German planes and artillery bombed and fired at the cruiser up to the very end of the siege, landing several direct hits. But fate smiled upon the ship once again: it stood its ground and remained intact.

After the war, the Aurora served as a museum and monument to the fleet's history and as a training ship for the naval cadets of Leningrad's



In 1968, the cruiser received the Order of the October Revolution. And became the first in the history of the Soviet Navy to receive two Orders

permanent mooring place. The stern of the renovated Aurora was decorated by an uncommon flag of honour, developed by the Heraldry Service of the Russian Armed Forces: the St Andrews's flag adorned with the Order of the Red Banner and the Order of the October Revolution, symbolizing an unbreakable tie between these ages. It would be curious to look back into the past and track the history of the unusually fortunate Aurora, starting from its early years as a first rank cruiser with three funnels and finally put to rest the arguments over the famous 'first shot' and the underwater concrete postament...

These long years have notably reshaped that fleet of 'equals,' leaving the Aurora to be the 'first among equals.' And history, having for some reason favoured this revolutionary cruiser, has added its final touches to the picture by granting the Aurora the unique distinction of being the oldest national museum ship. By a strange twist of fate, this famous first rank ship remains afloat and is the official flagship of the Russian Navy. And isn't this series of events the best proof of the cruiser's improbable fortune and luck? 🍀

After successfully being repaired, in June 2016, the ship returned to its



Kronstadt. Land of forts

The city will become the world's largest museum island



There will be more than a thousand jobs at Kronstadt

The City of Military Glory and UNESCO World Heritage Site Kronstadt will become north-western Russia's calling card. Vladimir Putin has ordered the development of a tourism and recreational cluster in 'The Cradle of the Russian Fleet.' This is expected to increase the number of guests to the city to five million per year and create hundreds of new jobs. The project will be presented at SPIEF 2019 and will get underway this summer

In future Kronstadt will be the world's largest island-museum dedicated to naval history: its great battles, outstanding leaders, and unique ships. The 80-hectare area will feature a historical park with museum, educational, and tourism zones. It will recreate the atmosphere of entire epochs and describe important events in detail.

The Kronstadt's famous forts will become part of the open-air portion of the island-museum. Peter I will feature a historical reconstruction of an old 18th-century city. It will include taverns with period-appropriate Russian cuisine, fairs, and souvenir booths. Alexander I, which will be accessible to guests

at any time by way of a funicular railway, will house a theatrical stage. Interested guests will be welcome to take an active part in the plays. Constructed in 1704, Kronstadt's first fort, Kronshlot, will feature a reconstructed marina, where yachts and motorboats will be able to dock. The main exhibition will be located on the coastal side of Kotlin Island.

Kronstadt will also be home to the largest oceanarium in Russia, a whole complex with a huge aquarium, research laboratories, a children's technopark, and show areas. Next door will



Fort Emperor Alexander I will become a museum, cultural and entertainment complex



Lighthouses are the symbol of the Kronstadt sea fortress. One of them is depicted on the city's coat of arms

#мемориалкронштадт

The park's coastal zone will include a Memorial to Fallen Sailors. The public is encouraged to submit their ideas for the monument. In order to do so, they should publish a sketch or any graphic representation of the memorial on Instagram, VKontakte, or Facebook with the hashtag #мемориалкронштадт (#kronstadtmemorial) along with a short author bio at any time during the period of 1 June to 1 September 2019. The winner will receive a private tour of the Kronstadt's forts accompanied by a famous resident of St. Petersburg and the memorial project will be brought to life in the city itself!

be a diving centre with an open-air pool. But that's not all.

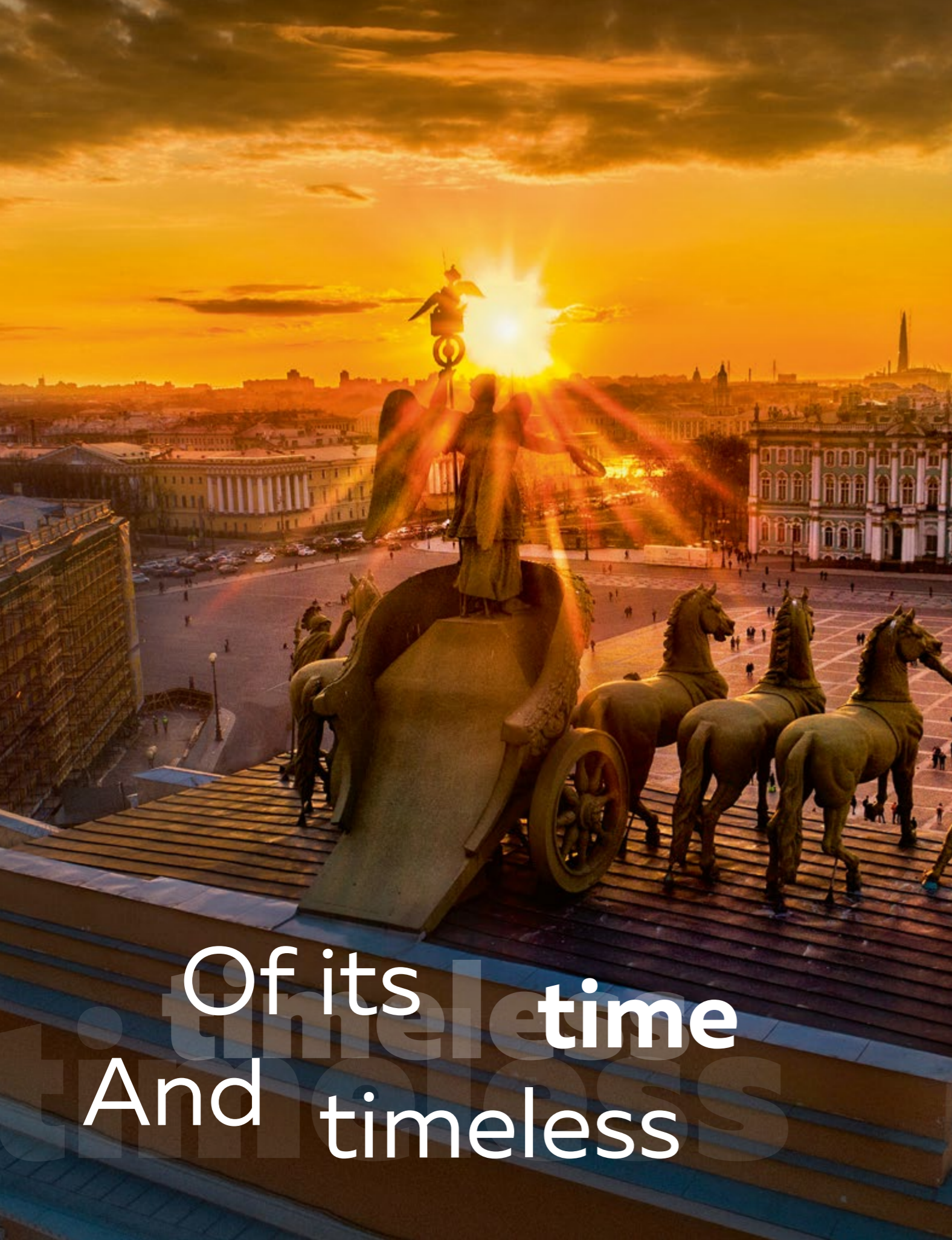
There will be plenty of opportunities to soak up the salty sea air: guests will have the opportunity to see a bird's-eye view of the park and the Gulf of Finland from an airship. On the ground, guests will be able to take their meals at a variety of cafés and restaurants offering naval food from around the world. Guests will be able to stay the night at a hotel complex that meets their taste and budget. True romantics will have the chance to spend the night in the world's only naval ship hotel and greet the sunrise at Fort Kronshlot in a hotel room named after a Russian admiral.

Public matter, private investment

The Ministry of Defense of the Russian Federation and the City of St. Petersburg are expected to serve as the founders of the Autonomous Noncommercial Organization (ANO) for the Transformation of Kronstadt. The Governor's Office of the 'Northern Capital' formed a working group on the tourism and recreational cluster. The project will be included in the Federal Targeted Programme 'Developing Domestic and Inbound Tourism in Russia,' developed by the Ministry of Economic Development of the Russian Federation. The majority of the project is expected to be funded through private investment.

Travel to Kronstadt will become significantly easier and faster. Passenger riverboats will be able to take you there from the centre of St. Petersburg in just half an hour. Meteor (hydrofoil) boats will connect the city on the Neva with Kronstadt and Peterhof in a single tour circuit. It's possible that a high-speed passenger ferry route from Helsinki may also become available. Kronstadt will very soon become Russia's new 'window to Europe!' 🌐





Of its time
And timeless



Joseph Brodsky once wrote that the best view of St. Petersburg was from the seat of a bomber plane, referring to the distinct geometry of the city's avenues and canals. However, it is only from street level that you can gain a true appreciation of the city's architectural details, which have looked on impassively as successive generations of locals and visitors have walked by.

Text by Maria SKRIPNIKOVA

As a relatively young city, St. Petersburg has been blessed with good fortune. The city's heyday came at a time when stunning artistic and architectural styles held sway, from baroque to art nouveau. As a result, decorative elements on buildings became just as big a feature as entire architectural ensembles. A stroll around St. Petersburg provides an opportunity to appreciate the expertise and craftsmanship that went into decorating the buildings in the historic centre.

During the reign of Peter the Great, the fashion for bas-relief, mascarons, depictions of the aegis, and other decorative sculpture had made their way from Western Europe to Russia. In those early years, the city's first great architect began to make his mark on the marshy banks of the Neva. His name was Domenico Andrea Trezzini, and he came to be known as one of the founding fathers of an entire Russian architectural style — Petrine Baroque.

Trezzini's first great creation was the Peter and Paul Fortress. Despite its military purpose, exterior decorative elements were employed throughout. The initial bas-reliefs were wooden, and were later replaced with ones made of stone and plaster.

The work began by Trezzini was continued and developed by Carlo Bartolomeo Rastrelli, and his son, Francesco. Rastrelli the elder was born in Florence to a wealthy and noble family. In 1716, he travelled to St. Petersburg with his son (and future architect), having received an invitation from Franz Lefort — an advisor of Peter the Great. Rastrelli was originally tasked with overseeing architectural and sculptural work to

Photo by Alexander Petrovyan



The figures look down from the roof of the Hermitage at a colourful panorama of the Neva



Photo by Alexander Petrosyan



The suffering of an angel at St. Isaac's Cathedral can only be seen from a drone

decorate the new capital, creating “true-to-life” portraits, building gardens and fountains, creating machines and decorations for theatres, making medals, and providing instruction in all these areas to Russian artists. In practice, though, he focussed almost entirely on sculpture.

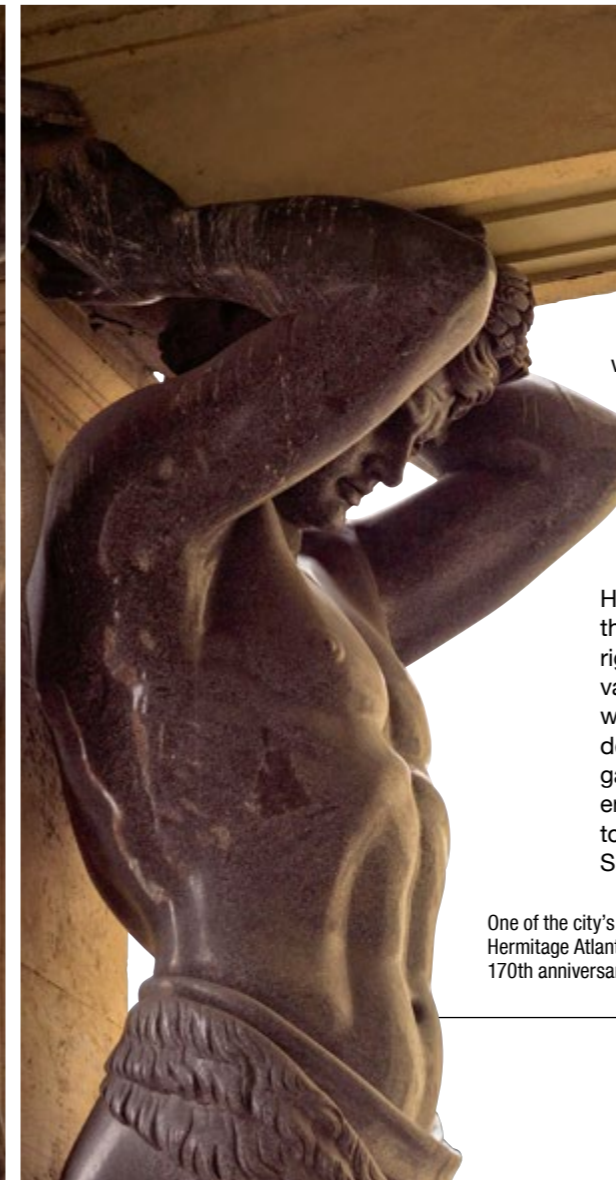
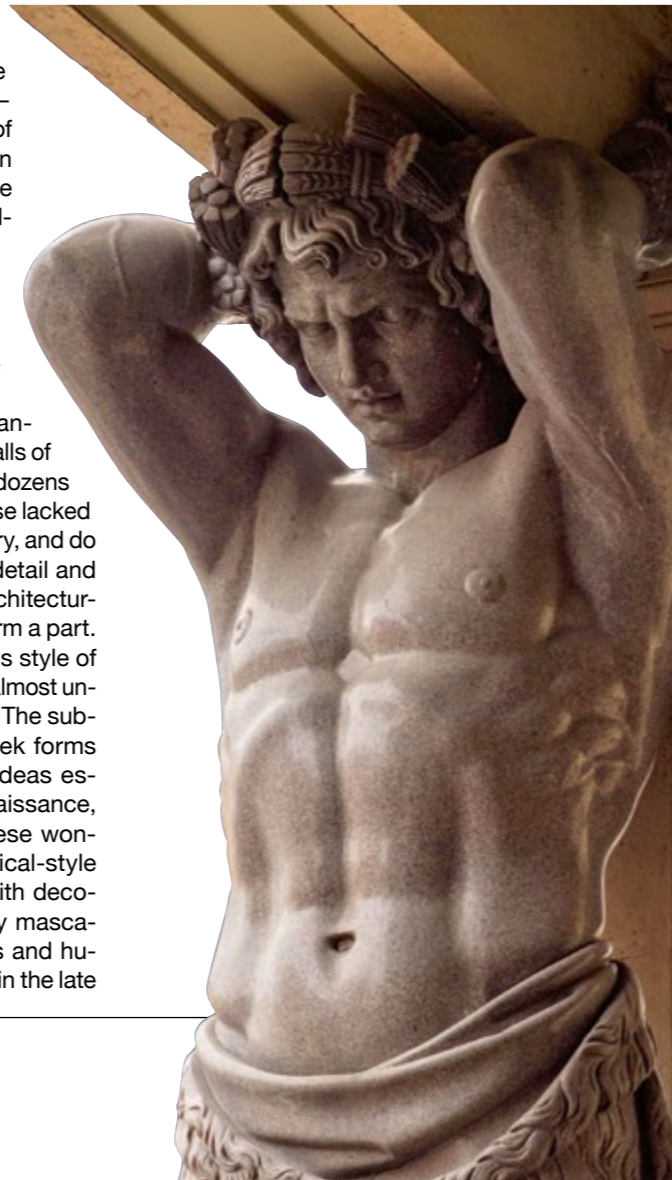
Peter the Great's death ushered in the era of palace revolutions. As a true Florentine, Rastrelli the elder felt right at home in this new atmosphere of intrigue. Here was a figure imbued with all the vice and virtue of his era, and one who reserved particular love for his son. He protected him in every possible way, and clearly understood the talent and aptitude Francesco possessed. It was for this reason that as soon as danger lurked in the air, Rastrelli did everything in his power to send his son abroad to study architecture. Francesco, who had adopted the Russified name Varfolomey Varfolomeevich, went to Europe six times. And perhaps most happily, unlike many Russian children of the gentry who went to France only to come back with nothing more than fashionable coats, wigs, and STDs, he learnt a great deal.

In 1730 he was appointed court architect. His most famous works include several grand palaces, such as the Vorontsov Palace (1749–57), Stroganov Palace (1752–54), Catherine Palace at Tsarskoye Selo (1752–57), and the Win-

ter Palace (1754–62), as well as Smolny Cathedral (1748–54). As an expert sculptor — one in no way inferior to his father — Francesco paid a great deal of attention to sculptural decoration for his constructions. He made detailed drawings for the modellers and carvers who brought his ideas to life. The architect's drawings served as the basis for the figures of Atlas and Caryatid which decorated the majority of his buildings.

Mascarons sculpted by Francesco himself festooned the walls of his buildings. He also created dozens of depictions of cupid, but these lacked the sense of ambiguous mystery, and do not demand to be viewed in detail and separately from Rastrelli's architectural ensembles of which they form a part.

The opulent and sumptuous style of baroque architecture endured almost until the end of the 18th century. The subsequent rise of classical Greek forms in the 1770s, influenced by ideas espoused during the High Renaissance, continued the tradition of these wonderful representations. Classical-style buildings featuring facades with decorative elements — particularly mascarons depicting lions and humans — first began to appear in the late



1760s. These were residential buildings for regular citizens designed by the architect Andrey Kvasov, a contemporary of Ivan Starov (the man behind the Tauride Palace). Kvasov had been helping to develop a general plan for the reconstruction of St. Petersburg. One of his buildings, located at 8, Nevsky Prospekt, still stands to this day. The keystones above the windows on the ground floor are decorated with women's masks. Later, at the turn of the 19th century, women's masks became a regular feature of residential building facades, appearing on the Brullov House at 21, Kadetskaya Liniya (then Sezdovskaya Liniya); Petrov House at 92, Naberezhnaya reki Fontanki; and Dekhterev House at 11, Spassky Pereulok. Indeed, they survived as decorative elements right up until art nouveau came to prevail. Only after the Russian Revolution were complex details and ornaments deemed to be “architectural extravagances”. However, there was no deliberate destruction. They instead fell victim to the effects of poor maintenance, the Siege of Leningrad, and inadequate res-

toration. The rise of Stalinist architecture brought with it new subjects for adorning buildings in St. Petersburg. Classical deities gave way to muscular miners and buxom collective farm workers, as well as state symbols such as the hammer and sickle, and five-pointed star.

Today, bas reliefs have been forgotten. And it is not as if they have a place on the new business centres or high-rises which are springing up in and around the city. Whether facade decorations will return to fashion and be used by the architects of today and tomorrow is anyone's guess. However, mascarons and depictions of the aegis from a bygone era continue to remain a quintessential feature of the city — one that is both mysterious and enigmatic, much like the smiles on their stone faces. ❀

One of the city's landmarks, the Hermitage Atlantes, celebrates its 170th anniversary in 2019



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MZE is a modern country restaurant in the centre of the picturesque town of Pushkin. Here, Eastern and European traditions intertwine. Guests are served not only authentic oriental cuisine, but also modern interpretations of classic dishes. A peaceful but stylish interior, excellent service and a comfortable atmosphere will make you want to return again and again.

Unusual Concept Restaurants in St. Petersburg

Restaurant critic and food journalist Anastasia Pavlenkova on St. Petersburg's food scene, where waiters show magic tricks, bartenders talk about the string theory and visitors can go fishing.



BEEFZAVOD

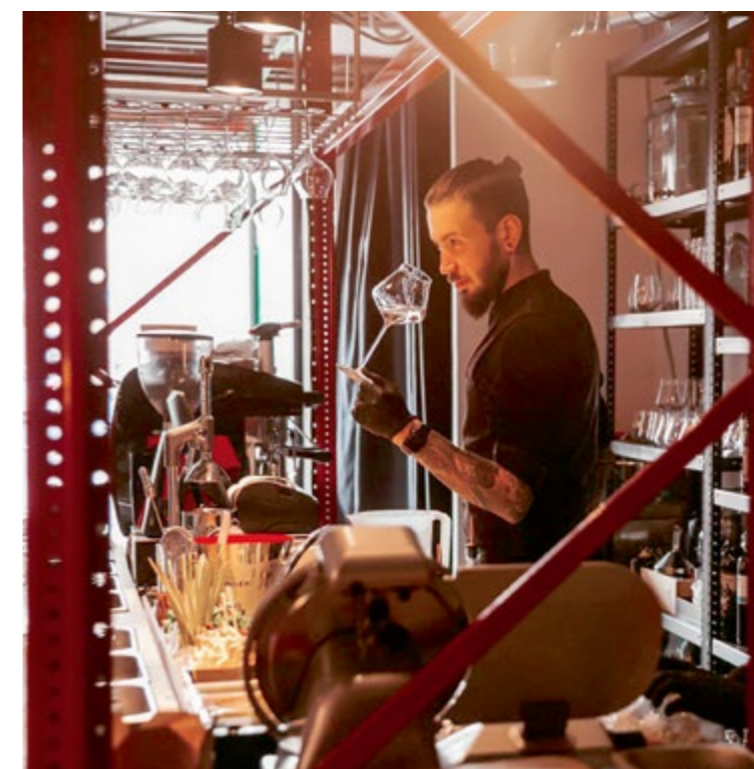
2, Aptekarsky Prospekt

This non-typical steak house, or beef factory ('zavod' means factory in Russian), was created by some of the leading players of St. Petersburg's restaurant industry, the Real Authentic Wine company, who also created Na Vina! and Big Wine Freaks bar. Before opening Beefzavod, they bought their very own herd of bull calves and got trained by the world's best butchers. Sensitive visitors may flinch as they enter the restaurant and see animals' carcasses suspended from the dining room ceiling and being cut-up before their eyes by the cooks. Of course, this is all behind glass, but it is nonetheless very real. Carcasses dry age in glass-fronted cabinets (this gives the meat a more intense flavour) and the meat shop makes various delicacies – sausages, cured meats, ham and beef bacon, all of which can be bought to go. Beefzavod is just like a real beef factory, with an almost complete manufacturing cycle. Even the toilets are designed to look like cooling chambers.

BAKALAVRIAT

10, Ulitsa Mayakovskogo

This 'bar and university', as the creators call it, holds regular lectures, seminars and discussions. The place really has everything an educational institution needs. There is a library, with a collection of the most interesting books St. Petersburg's independent bookshops can offer. There is also a lecture timetable. If one evening is reserved for lawyers to discuss mechanisms for protecting humans in the age of AI, the next is for linguists to work on a dictionary of text messages. The difference is you don't have to take exams, and even if the professor is delivering a lecture on the history of nodes, you can (and must!) be sipping on an Orange Mulled Wine or Honey Sour, the bar has an impressive cocktail list. Wine, craft beer, and bourbons with bitters are served here too, along with bruschettas, sandwiches and noodles. If you think this bar of enlightenment is too formal, don't be fooled: anyone here can come up to the stage and play the piano, for as long as they like.



VINNY SKLAD

3, Instrumentalnaya Ulitsa

Another project by the Real Authentic Wine team is a wine supermarket and bar. The shelves of Vinny Sklad (or wine store) contain over 5,000 product names and up to 50,000 bottles. The choice ranges between timeless classics and avantgarde, biodynamic and natural wines from Europe, the New World and Russia, made by small producers and major companies alike, at prices ranging from 490 to 500,000 roubles. Most of these can be opened for you and served in the small bar, where you can wander in from the shop or from the street. Olives, cheese and home-made meats are served to go with the wine. But that's not all. There is also a special room for rare collectibles, where interested visitors are taken in a lift. The place also sells wine accessories, such as decanters and corkscrews. In summer, raves are held in the backyard, with excellent music, an open grill and, of course, great natural wine.



L'EUROPE
1, Mikhailovskaya Ulitsa

A truly legendary establishment and the oldest working restaurant in Russia, the pride of Grand Hotel Europe. In this hotel, one of the first five-star hotels in St. Petersburg, famous Russian critic Vissarion Belinsky met with the writer Alexander

Herzen, Ivan Turgenev met with Fyodor Dostoyevsky and Sergei Prokofiev with Dmitry Shostakovich. In 1877, Pyotr Tchaikovsky stayed here during his honeymoon. Every Friday restaurant Europa turns into a classical ballet theatre to honour the great composer. While waiters flit around in starched snow-white shirts with game velouté, foie gras crème brûlée and Kamchat-

ka crab in champagne sauce, the Sugar Plum Fairy, Odile, Prince Désiré and other characters from Tchaikovsky's works dance on the stage, to the live music of the chamber orchestra. L'Europe's stage has seen contemporary stars too. Sir Elton John, inspired by the warm welcome he received at a banquet in L'Europe, got on the stage to perform an improvised concert on the grand piano.

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RUSSKAYA RYBALKA

452A, Primorskoe Shosse;
11, Yuzhnaya Doroga

The two fish restaurants are what they call family restaurants, respectable and with a long menu, where, apart from fish and seafood, you can find multicoloured dumplings for the children and more typical dishes like plov and shashlik for the older generation. What sets this restaurant apart from a normal fish-house is that here, you can catch your own lunch or dinner. A distinctive feature of this place is a rare opportunity to get your lunch or dinner with your own hands. Both restaurants have gardens with artificial ponds with rare fish that you can catch. It's absolutely legal, and the staff will supply you with fishing gear. The catch – trout, sterlet, sturgeon or even eel – is handed over to the cooks. On your request, they can smoke it, grill it, steam it in spices, salt or dough, slow cook it with vegetables or in tin foil, or make it into a soup.

PEVCHESKAYA BASHNYA

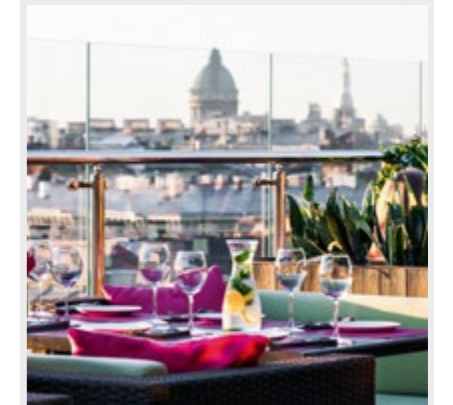
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Pevcheskaya Bashnya is a fusion of two formats: gastronomical and cultural. It brings together restaurants of various international cuisines, a gift shop, karaoke bar, Vodka-bar with several hundred varieties of this traditional alcoholic beverage, unique apartments, and a children's restaurant. The viewing platform with a view of the Catherine Palace and other sights is one of the most popular locations in Pushkin.

BARASHKI

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Working hours:
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A panoramic restaurant with a spacious terrace giving a breathtaking view of St. Isaac's Cathedral and rooftops. The menu features classical dishes of European, Caucasian, and Pan-Asian cuisine. A business lunch with colleagues, karaoke parties on weekends, or dinner to the best sets by the best DJs – there's always a reason to visit BARASHKI.





RIBEYE
3, Ulitsa Kazanskaya

For anyone who loves meat and enjoys a good steak, this is a dream come true. Ginza Project restaurant group has gone further and decided that every visit to their steak house is a cause for celebration. In the evening, the folder with the bill can catch fire in the hands of the waiter, and the staff show card tricks, sing Dalida and dance with their trays like Fred Astaire. This is called the Staff Talent Show. The waiters, bartenders, hosts and even the cloakroom staff can sing, dance and do magic tricks. In 2018, Ribeye customers filmed one of the waiters sing Whitney Houston's 'I have Nothing', from The Bodyguard. The video got over 2 million views. Internet users were amazed, and the waiter, Suzanna Manukyan, became famous. She has worked in the restaurant since she was 16, is a professional singer and has even participated in the Russian Voice on federal TV.

PURGA
11, Naberezhnaya Fontanki

In this alco-trash bar from the noughties, every night is a New Year party. Really? Really! The president's speech, the Kremlin clock, dances around the New Year tree, sparklers and streamers, and best wishes for the year to come, all happen here on a daily basis. And everyone wears bunny costumes. But what is truly impressive, is how long Purga has managed to survive. In the early 2000s, the place was all the rage, but ten years later it was reduced to a second-class establishment. While 6-7 years ago, a local could come here for a shot in a post-ironic gesture, today, most have forgotten that this place exists. Only the rabbits serve as a sign of spring every year. Purga has its own little boat, which sets off as soon as navigation season begins. This is an extension of Purga bar, where drunk passengers wearing rabbit ears dance to cheesy pop music while cruising St. Petersburg's rivers and canals. When in early May you

hear cheesy Russian pop music blaring through the city centre, look for the old Purga boat, swaying on the still-icy

water in a haze of alcohol and smoke. That's how you know that winter is over. Summer is on its way.



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ST. PETERSBURG | KITCHEN

STIRKA 40°C**26, Kazanskaya Ulitsa**

This laundry-café, over 10 years old, is the stuff of St. Petersburg's food and beverage history. The place is quite literally a laundry, the back room of the establishment has several washing machines available for customers. Those

who come here to do their washing get complimentary tea or coffee. This is not the only thing that makes Stirka special. The place is a real oasis for the artistic bohème of St. Petersburg. Among the laundry's regulars are musicians, poets and illustrators; parties, gigs, poetry nights and exhibitions are held regularly. In the evening, the café turns into a bar and is

filled with the city's creative underground culture. Stirka legend has it that the washing machines here were used by Robert Plant from Led Zepelin and the Franz Ferdinand during their tour. But you don't need to be an artist, acclaimed or otherwise, to try their carrot cake, have a pint of cider or play a game of backgammon. Everyone is welcome here.

**TROIKA****27, Zagorodny Prospekt**

The famous Russian restaurant Troika, opened in 1978, is known for its own Troika studio theatre, that specializes in shows that are an interesting combination of traditional Russian dance and cabaret. The place likes to position itself as a 'restaurant with a show programme'. The show is on every day except Monday and Tuesday, starting at 20:30, and lasts over an hour, with one intermission. The show is impressive, but bordering on kitsch: swans in leotards and kokoshniks dance alongside mambo and rhumba, and contemporary choreography shares the stage with folk dance pastiche. In the 1990s and 2000s, this place received members of the Romanov Imperial family and Consuls General of many countries. Today, however, Troika has become more of an urban legend, a myth that everyone knows about, but no one has seen. The restaurant's café, however, is very popular and makes exquisite cakes and pastries; many locals come here just for that.

UGRYUMOCHNAYA**4, Ulitsa Rubinshteina;
53, Liteiny Prospekt**

Ugryumochnaya, or 'the sad vodka bar' and 'the first bar for sad people in the world', opened in 2018. The creators of this depressing bar certainly have a good imagination. The Mayakovski cocktail is served in a gun and the Joplin in a syringe. If a guest cries, they get a cocktail on the house, and printing the face or your

enemy on toilet paper is available for a fee. Visitors are encouraged to be sad from the very doorstep, where they are handed a traditional funeral reception shot with a piece of rye bread and salt. There is a 'crying jacket' on the wall and a support telephone with a voice menu where you can pick your problem, for instance 'conflict with boss' and get advice on how to solve it. The owners assure that the bartenders all had a consultation from a psychologist on how to

talk to customers in varying stages of depression and how to behave with drunk people. All in all, we can only applaud, or rather a shed a tear, for this concept, so elegant in essence and so different in practice. The idea seemed more appealing to the wider public rather than sophisticated troubled souls. Ugryumochnaya became a chain and four bars were opened in one year. Now, with karaoke and shisha, no one has time to contemplate existential sadness.

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