

# EEF 2019

## The bridges of the Far East

The region's  
top projects

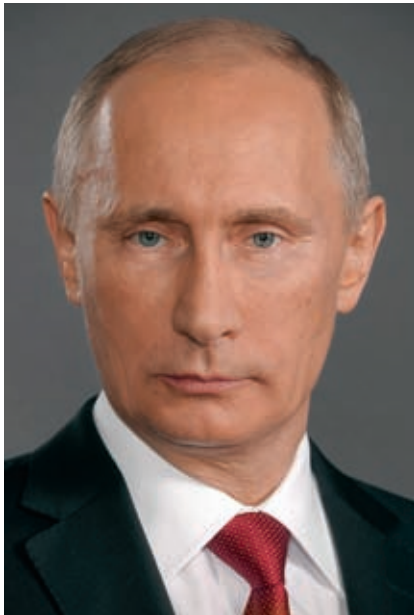
## Roscongress: a time to act

Useful information  
for Forum participants

## Madonna at EEF

A Botticelli masterpiece,  
courtesy of Sberbank





## To the participants, organizers, and guests of the 5<sup>th</sup> Eastern Economic Forum

Dear friends,

I am delighted to welcome the participants and guests of the 5th Eastern Economic Forum, which as has become traditional, is taking place in Vladivostok, the capital of Primorye.

The development of the Russian Far East, strengthening its economic and innovation potential, and raising the living standards of its residents among others, is our key priority and a fundamental national goal. Most recently a large number of new initiatives to support the regional business development and create Advanced Special Economic Zones have been implemented. Industrial, social, educational, and sporting infrastructure is being expanded. Significant efforts are put towards creation of the Free Port of Vladivostok, a zone with a special legal regime. Partnerships between the business communities of Russia and the Asia-Pacific Region are growing stronger.

I would like to emphasize that Russia as a key player in Eurasia is very supportive of a dynamic development of the Asia-Pacific Region and welcomes equitable dialogue, both on a bilateral and multilateral level within the EAEU, the SCO, and APEC.

I am confident that discussions of the upcoming Forum will be highly productive and will lead to new projects contributing to the expansion of mutually advantageous cooperation. I believe that the unique platform of, the Forum will provide federal and municipal government officials, as well as members of the business and expert communities an opportunity to deliberate and agree roadmap for the implementation of the National Far East Development Programme to the benefit of the Far East residents and the entire country.

I wish you a rewarding Forum and all the best.

A handwritten signature in dark ink, which appears to read 'Vladimir Putin' in a stylized, cursive script.

Vladimir Putin





## Dear guests and participants of the 5th Eastern Economic Forum,

This year, as we celebrate the Forum's 5th anniversary we have an opportunity to look back on everything that has been achieved since 2015. It was the first time when Vladivostok hosted the trendsetters from Russian and international business communities, government officials, foreign dignitaries, researchers, and experts – in other words, everyone who was prepared to cooperate with Russia and work in the Russian Far East; everyone, who was ready to launch new production facilities and develop those already in place; everyone, who aimed to create new jobs, construct roads, housing, and hospitals – namely improve the life of our Eastern territories.

The goals we set 5 years ago appeared unattainable back then. We discussed a broad range of topics: expectations and development prospects, creating new economic regimes and improving the investment climate, passing legislative initiatives and changing legal framework, putting new social infrastructure in place and helping regions reach their potential – in other words, we were talking about the future. Some were hopeful, some remained skeptical, yet there was only one thing that mattered: we were ready to act as one. And today, that future has become our present.

The President of the Russian Federation Vladimir Putin designated the development of the Far East as a national priority of the entire 21st century. At the behest of the President, a whole new economy is being created in the region. Large companies as well as small and medium-sized businesses can count on tax breaks, administrative preferences, concessional loans, and support from the state development institutions.

A lot has been accomplished during the last 5 years: over 40 legislative initiatives that sustain investment activity and improve the social sphere have been passed; 20 advanced special economic zones and 5 free ports have been put in place. These measures resulted in over 1780 new investment projects worth over RUB 3.8 trillion, and 230 new enterprises appeared. The government provides targeted infrastructural and financial support to the investors. Over 70 thousand people received free land and now are building houses and farms on their 'Far Eastern hectares'.



17 different countries invest in the Far East: China, Japan, the Republic of Korea, Australia, New Zealand, Vietnam, to name a few. Since 2014, nearly 32% of all direct foreign investment came to our region.

The Far East itself has expanded: Zabaikalsky Krai and the Republic of Buryatia joined the Far Eastern Federal District, while the Ministry for the Development of the Russian Far East now oversees an additional region: the Russian Arctic Zone.

When it comes to the social sphere, the 'Unified Subsidy' mechanism has provided existing measures with additional stimulus. 57 centres of economic growth have received funding for the construction of schools and nurseries, hospitals as well as medical and obstetric stations, cultural centres and sports facilities. These centres are home to over 80% of Far Easterners.

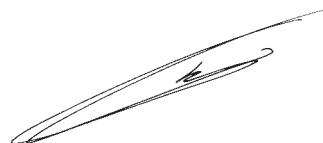
A fair amount of good work has been done. Economic growth in the FEFD exceeds 4%, which is two times greater than the Russian national average. However, we are now faced with another objective: increasing economic growth in the Russian Far East to 6% per year. We also must figure out how to improve the quality of life in the Russian Far East and in the Arctic so that it exceeds the Russian national average. These objectives have been set by the President of the Russian Federation Vladimir Putin.

Our goal is to make the Russian Far East more accessible to investors and comfortable for the people that live here, providing them with the confidence that their dreams will become a reality in the nearest future.

Many topics that were brought up at previous Forums ended up serving as the foundation for the development and passing of legislation, the implementation of new business support measures, and the improvement of the Far East's social welfare. I am confident that this Forum will continue contributing to the open dialogue between businesses and authorities, experts and researchers, sociologists and demographers.

I would like to wish Forum guests and participants all the best. The Russian Far East is open for cooperation: we value each partner, every opinion and every initiative that helps develop our country!

*Deputy Prime Minister of the Russian Federation –  
Presidential Plenipotentiary Envoy to the Far Eastern Federal District  
of the Russian Federation*



Yury Trutnev





# EASTERN ECONOMIC FORUM



"In the course of five years, the Eastern Economic Forum has evolved into a major platform to not only discuss development prospects for the Far East, but Russia and the Asia Pacific as a whole. It is an event where the biggest political, economic, and cultural issues come under focus. The support of its partners is absolutely key to ensuring that the Forum is held at the very highest level, both in terms of organization and content. Together, these leading companies represent a vast range of industries."

**Anton Kobyakov,**  
Adviser to the President of the Russian Federation,  
Deputy Chairman of the Organizing Committee – Executive Secretary

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The Renaissance genius' Madonna della Loggia is coming to Primorye for the first time

# ONE PLANET ONE SIM CARD



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### Eastern Economic Forum 2019

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For business inquiries, contact  
*camilla.spence@roscongress.org*

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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.

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*On the eve of the next Eastern Economic Forum, which reputation in business circles around the world is gaining momentum from year to year, we got in touch with the President and Chairman of the Board of Directors of V-TELL Group of Companies, Felix Vakhovsky to talk about his unique idea of creating innovative global mobile communication services.*

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.



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PARTICIPANTS OF THE NUMEROUS **ROSCONGRESS FOUNDATION** EVENTS STATE IN MEDIA INTERVIEWS AND THEIR SOCIAL NETWORKS THAT BUSINESS FORUMS ARE A FANTASTIC TOOL FOR BOOSTING THE GROWTH OF COMPANIES AND ENTIRE REGIONS



**Odes Baisultanov,**  
First Deputy Minister  
for Caucasus Affairs

ON THE RUSSIAN INVESTMENT FORUM 2019 IN SOCHI

Today we signed an agreement that established twin relations between the Resorts of the North Caucasus and the Alps. Our French colleagues noted that the Russian ski resort market is among the two most rapidly growing ones. Other countries have found that the development of a resort from start to genuine, stable functioning takes around 30 years. We have the opportunity to travel this path much faster.



**Oleg Kozhemyako,**  
Governor of Primorye  
Territory

ON THE RUSSIAN INVESTMENT FORUM 2019 IN SOCHI

Our territory presented nine unique projects at the Russian Investment Forum in Sochi. Five were presented for review. Two of those – one related to the construction of the Belaya Gora ski resort and the other to the creation of a ceramic foam plate factory – made it on the list of the ten best projects presented at the entire Forum, having competed against projects from 77 Russian regions!

ON THE RUSSIAN INVESTMENT FORUM 2019 IN SOCHI

I am 54 years old and I have held a number of major positions. But this is my first time at the Sochi Investment (and really any economic) Forum. To be honest, up until this moment, I approached forums in general with irony and scepticism. I did not really understand what hundreds of successful people do there in their suits and ties. Now I do. They work. Very intensely and effectively. They promote their ideas, present their territories and cities, and establish business ties. After all, investments are a very fickle entities: they only go to where it is comfortable, safe, and profitable. And it is precisely the investments that will give us new jobs, good wages, and economic drive. The competition for investments is extreme. I wish all of us luck!  
P.S. At this moment in time, we have signed a number of investment agreements with a total worth of over RUB 40 billion.



**Veniamin Kondratyev,**  
Governor of Krasnodar  
Territory

The Russian Investment Forum in Sochi has come to an end. It brought 228 agreements worth a total of RUB 298.5 billion to Krasnodar Territory – that is RUB 56.5 billion more than last year. What a great result!

ON THE RUSSIAN INVESTMENT FORUM 2019 IN SOCHI



**Radiy Khabirov,** Acting  
Head of the Republic  
of Bashkortostan

**Dmitry Mironov,**  
Governor of Yaroslavl Region



ON EEF 2018

Kamaz  
and the China's  
Weichai will establish a joint  
venture to produce industrial  
engines based on Tutaevsky Motor  
Plant. The related agreement was  
signed today at the Eastern Economic  
Forum. Sergey Kogogin, KAMAZ General  
Director and I discussed how this project  
will be implemented. The first stage  
of investments alone will amount  
to over RUB 800 million.  
This will create 160 new  
jobs in Tutaev.

ON THE RUSSIAN INVESTMENT FORUM 2019 IN SOCHI

The Russian  
Investment Forum in figures:  
11 cooperation agreements, one  
launch (but what a launch!) of the  
Kalashnikov Sport sports operator for  
amateur athletes, the creation of a second  
Territory of Advanced Social and Economic  
Development in Glazov, and two Udmurt  
cities – Glazov and Izhevsk – won the  
Agency for Strategic Initiatives '100 Urban  
Leaders' competition. Thank you, team  
Udmurtia, for your work!

ON SPIEF 2019

There is  
a lot of interest  
in our region on the part  
of investors and large businesses.  
I signed several significant agreements.  
Rosneft will support the modernization  
of our regional clinical hospital and  
Kaspersky Lab will work with us on launching  
a Smart City pilot project in Orenburg. VTB  
will provide our manufacturers and small  
enterprises with support.  
I have been convinced once again that good  
will is of utmost importance. Our region  
is interesting to partners, so we  
will launch major projects  
in the region.



**Alexander Brechalov,**  
Head of Udmurtia



**Denis Pasler,**  
Acting  
Governor  
of Orenburg  
Region

**Oleg Tinkov,**  
Founder of Tinkoff Bank



We signed  
a contract for the  
construction of a new  
home for Tinkoff Bank.  
Approximately 100,000 square  
metres of offices and  
residences. In 2022, our  
employees will be living and  
working in the best region  
in Moscow, right on the  
river! The St. Petersburg  
Forum continues.

ON SPIEF 2019

I moderated  
a fascinating session  
with Mir Payment System and  
Alipay and their respective founders  
Vladimir Komlev and Eric Jing. I took part  
in a panel session with Elizaveta Osetinskaya  
dedicated to the effects of electronic technologies  
on small businesses. I told her about how I had used  
RUB 100 thousand to launch my brand Ansality.  
I held an exclusive flash interview with the most  
provocative banker of our time, Oleg Tinkov, and  
studied the new biometric technologies at the National  
Payment Card System (NSPK) stand – and all  
that was just my first two days at the Forum.  
I am certain that the people who came here  
to discuss issues, express their points  
of view, and network are coming  
away satisfied.

ON SPIEF 2019

**Tina Kandelaki,**  
Chief Producer, Match TV







15  
YEARS

PRIDE OF THE INDUSTRY





# S T A T E

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A span of the old Amursky  
Bridge in Khabarovsk

# The Russian Far East has never gotten this kind of funding before

ON THE EVE OF EEF 2019, **ALEXANDER KOZLOV**, MINISTER FOR THE DEVELOPMENT OF THE RUSSIAN FAR EAST AND THE ARCTIC, SAT DOWN WITH US TO DISCUSS THE RESULTS OF THE PAST FEW YEARS AND WENT INTO DETAIL ABOUT THE MINISTRY'S PLANS FOR THE NEAR FUTURE

**What would you say are the main achievements that the Russian Far East has made in the economic and social spheres in the last five years?**

A new stage in the development of the Russian Far East has begun, the process is picking up speed. We've created a new legal framework. 42 federal laws and 191 decisions of the government of the Russian Federation have been passed. Namely, right at the end of July, the President of the Russian Federation signed a law allowing ASEZs to extend into offshore areas. This expands the opportunities available for doing business in the Russian Far East.

In large part thanks to the new, modern legal framework, the growth rate of the manufacturing industry in the macro-region is three times above that of the Russian national average, the Russian Far East has received a third of all foreign direct investments made in Russia in the past few years. Today, the region is literally open for investors. Citizens of 19 countries can obtain a visa for free, taking advantage of a simplified regime. Since August 2017, over 86,000 foreigners have visited the Russian Far East using an electronic visa.

Overall, the region is home to 1,700 investment projects at varying stages of implementation, 237 new enterprises that are already in operation, and 37,000



new jobs. And these figures are changing every day.

The FEFD is currently home to some of the largest construction projects in the country. In Amur Region, it is a gas processing plant with a projected capacity of 42 billion cubic metres of gas per year. In Primorye Territory, it is the Zvezda Shipyard, which will be building large-tonnage ice-class vessels. Yakutia has got GOK Denisovski and GOK Inaglinskaya. Peschanka, a large gold and copper ore deposit in the Baimskaya ore zone, is undergoing development in Chukotka.

All this was made possible thanks to our unique preferential regimes: the Advanced Special Economic Zones, the Free Port of Vladivostok, and infrastructural and administrative support. Businessmen have now seen the Russian Far East and understand that it is conducive to implementing major projects.

**How much of this can be attributed to the work of the new team?**

There is no point dividing anything or drawing any lines. We carry on developing the Russian Far East. The president of the Russian Federation did not set a short-term objective, there is much that needs to be done in the region. The Ministry for the Development of the Russian Far East, under the leadership of my predecessor Alexander Galushka, made enormous progress, their efforts can be compared to those of pioneers.

Nevertheless, I would like to mention one thing. We have successfully addressed the situation of Far Easterners' access to subsidized airplane tickets. We stepped in right at the moment when those special fares ran out in just two weeks. Why did that happen? Because funding had been cut three years in a row, but we were able to turn the situation around. In 2019, twice as much funding from the federal budget was allocated towards subsidizing major air flights in the Russian Far East as it was in 2018. That's RUB 8.2 billion. That will



allow for the transport of over 1 million passengers! (Compared to 600,000 last year.) And, what's very important, is that the programme now operates the entire year and has been expanded to include 134 routes.

I also want to say a few words about the implementation of the programme for the social provision of new centres of economic growth, or Unified Subsidy. The active phase of this project started right when I became minister. Essentially, the programme aims to help Far Eastern Regions with issues that they're having trouble tackling alone.

For example, in the town of Svobodny in Amur Region, where Russia's largest gas processing plant is currently being constructed, there is a huge clean water problem. That's why funding from the federal budget, as part of the Unified Subsidy programme, has been allocated towards the construction of a water supply and utilities system. Primorye Territory has the highest share of depreciated medical equipment, so federal funding is being directed towards modernizing the technology used in hospitals and clinics. In Buryatia, in Ulan-Ude, the last purchase of tramcars happened in 1996, so we're planning to purchase 15 trams in one go. In the settlement of Chegdomyn in Khabarovsk Territory, people have been waiting for years for the construction of a swimming pool to be completed. And now, thanks to Unified Subsidy, the pool opened in March 2019.

Never before have our regions received this much federal funding for the construction and renovation of social facilities. You know, just five years ago, under the government programme titled 'The Socioeconomic Development of the Russian Far East and Baikal Region', with the exclusion of transport projects, spending on social facilities totalled 0 roubles and 0 kopeks. Today, the three-year budget (2019–2021) is over RUB 184 billion! The Russian Far East has never gotten this kind of funding before.

**In late 2018, the Republic of Buryatia and Zabaikalye Territory became part of the Far Eastern Federal District. How is the integration of these regions going?**



The Primorsky Aquarium on Russky Island opened in 2016

## The key objective is making sure that the quality of life in the Russian Far East is growing at a rate that is higher than the national average. This is the only way that we can catch up with Russia's central regions. People are expecting to see results

Clearly, we're talking not about geographic changes, but of the attribution of Far Eastern preferential regimes: Advanced Special Economic Zones and the Free Port of Vladivostok. The opportunity to receive land at no cost through the Far Eastern Hectare programme; the construction and modernization of social infrastructure, which is also catastrophically lacking in these regions.

In my opinion, the process of integrating Zabaikalye Territory and the Republic of Buryatia into the Far Eastern Federal District is going smoothly. The Buryatia and Zabaikal ASEZs have been created. The two regions will receive RUB 16.14 billion from the federal budget by 2022 for the construction, major renovation, and modernization of social infrastructure: schools, nursery schools, hospitals, roads. Some of the construction is already slated to begin this year.

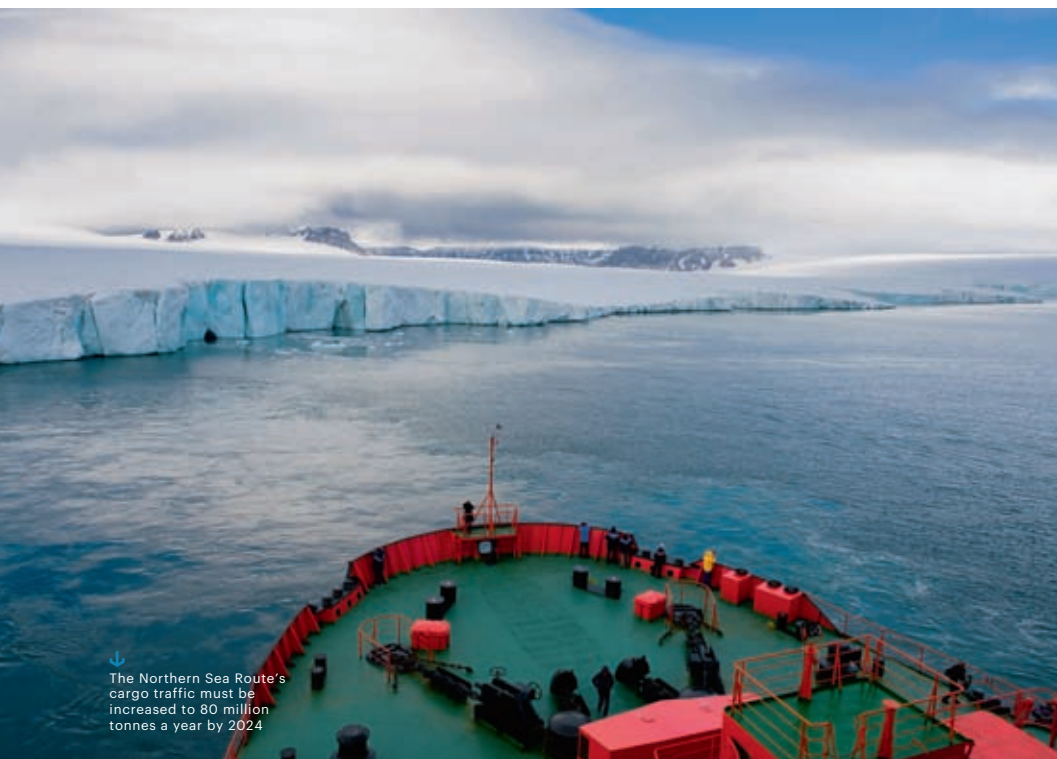
On 1 August, the Far Eastern Hectare programme officially expanded to include Zabaikalye Territory and the Republic of Buryatia. Initially, land parcels will only be available to residents of these regions. Then, starting on 1 February 2020, they

will become available to all Far Easterners, and by 1 August 2020, they will become available to all Russians.

**During EEF 2019, a lot of attention will be paid to social issues, to improving the quality of life in the Russian Far East. National projects have been created to this end. Have they taken into account all of the needs of Far Eastern regions?**

The key objective is making sure that the quality of life in the Russian Far East is growing at a rate that is higher than the national average. This is the only way that we can catch up with Russia's central regions. People are expecting to see results.

Problems in the social sphere have been building up for decades. There are so many of them that it's impossible to immediately allocate the necessary enormous amount of funding from the federal budget. We calculated that the Russian Far East is in need of the construction of an additional 112 nursery schools and 891 medical and obstetric stations. 480 schools, 388 cultural assets, and 1,205 medical organizations need major renovations. The Russian Far



↓  
The Northern Sea Route's cargo traffic must be increased to 80 million tonnes a year by 2024

## The development of polar territories is crucial to the prosperity of not just the Russian Far East and Arctic, but the entire country

East needs over one thousand ambulances and 13,000 new pieces of medical equipment. We also calculated that the region has a deficit of 4,329 doctors and police officers. Of course, we are fighting for – and will continue to fight – for additional financing for the region. People living in the Far East have to see real improvement in all areas and, to this end, we must continue to move faster than other regions. This is the objective set before us by President Vladimir Putin.

**There certainly are enough problems in the Russian Far East, the out-migration issue has yet to be solved.**

We're working on this. Here are two examples of initiatives that are already being implemented. Yury Trutnev personally presented them to the president, after which we were ordered to develop and implement these projects. First, upon

the birth of a family's first child, they will receive a lump-sum payment of two times the region's subsistence minimum. Upon the birth of a second child, they will receive RUB 135.9 thousand in regional maternity (family) funds. We predict that, this year, lump-sum payments will be issued for the birth of at least 34 thousand firstborn children. At least another 35 thousand families will receive maternal (family) funds for their second child.

Second, we have lowered the mortgage interest rate for families with two or more children. You will only find a 5% mortgage rate in the Russian Far East. We expect that 9,800 families per year will take advantage of this aid.

But we are going even further – we have developed a mechanism that would allow Far Easterners to get a mortgage with a 2% interest rate! The plan is that the first beneficiaries of the 'Far Eastern mortgages'

will be participants of the Far Eastern Hectare programme who requested land for individual housing construction and young families where at least one of the spouses is under 35 years of age. The maximum mortgage amount will be set at RUB 5 million.

**In early 2019, the purview of the Ministry for the Development of the Russian Far East was extended to include Russia's Arctic Zone. Will this make achieving the objectives you mentioned earlier easier or more difficult?**

It does not make them more difficult in any way. Moreover, the development of the Russian Far East and the development of the Russian Arctic are closely linked. The Arctic Zone includes Chukotka and part of Yakutia. The development of polar territories is crucial to the prosperity of not just the Russian Far East and Arctic, but the entire country.

We have opened the basic investment project preferences plan for public comment. We are already working closely in line with this plan with the largest investor in the Russian Arctic, NOVATEK. They are building LNG terminals in the region and plan on creating another terminal in Kamchatka on Bechevinskaya Bay. The terminal is expected to be able to handle 21.7 million tonnes of LNG annually. RUB 69.7 billion has been invested in the project.

NOVATEK is creating its LNG sea shipping complex in anticipation of the development of the Northern Sea Route, the shortest sea route between Europe and Asia. Together with Rosatom and the Ministry of Transport of the Russian Federation, we plan to synchronize the construction of icebreakers, cargo ships, an emergency rescue fleet, and port infrastructure in accordance with investment project timelines. Obviously, the necessary groundwork will appear earlier than the new plants. That is the only way we can reach the objective set before us by the Russian president: to increase the cargo turnover of the Northern Sea Route to 80 million tonnes by 2024.

**The total number of agreements signed at EEF is constantly growing. In 2017, their**



worth totalled RUB 2.5 trillion, in 2018, that figure was RUB 3.1 trillion. Based on your estimates, will EEF 2019 surpass last year's results?

Yes, the total worth of agreements signed at the Eastern Economic Forum is growing every year. That is a fact. I would prefer to refrain from announcing any deals, in part because of trade secrets. We expect this jubilee EEF to be, at least, equally as fruitful. I am sure it will turn out that way.

**Agreements must turn into real projects. Tell us about some of the most significant ones.**

It was, in fact, at EEF that significant Far Eastern agreements were signed regarding the construction of the Amur Gas Processing Plant and the GOK based on the Natalkinsky gold field. The agroindustrial holding Mercy Trade, which signed an agreement at the first EEF, is successfully implementing their projects in Primorye Territory. A new airport terminal is being constructed in Khabarovsk; project partners include Japan's Sojitz Corporation. At last year's EEF, an agreement was signed with KAZ Minerals for the development of the copper porphyry deposit in the Baimskaya Copper Project. Another agreement was signed with NOVATEK regarding the construction of a liquefied natural gas shipment and storage terminal. All of these projects are being implemented.

**How is the free port programme developing? What other cities in Primorye Territory are slated to be assigned a similar status?**

First off, I want to stress that the Free Port is not just in Primorye Territory. It includes five federal regions of the Russian Far East. The 'free port' status is granted, much like decisions about the creation or expansion of an Advanced Special Economic Zone, exclusively at the initiative of investors. If a business has a particular location in mind and is ready to implement projects that will be beneficial for both the investor and the region, then the preferential regime can be instated in that area. We are currently reviewing two applications requesting the expansion

of the Free Port of Vladivostok regime: to the territory of Blagoveshchensk, the capital of Amur region; and to Chita in Zabaikalye Territory. Decisions regarding these applications will be made in the near future.

Businesses reached out to us recently with a proposal to amend the tax benefit system for ASEZ and FPV residents. We are currently working on this issue. One of the points in their proposal is locking in an organization's income tax rate at 7% from the moment the project is implemented. That will replace the current 0% rate for five years that increases to 12% thereafter. The issue is that, during the first five years, many enterprises are in their planning and construction phases. Then, when they finally launch operations, the

tax rate is already rather high. Under this proposed system, the enterprises would be always paying a reduced rate. The upside is that regions will immediately see tax revenue. The residents currently operating under the existing system will be able to transition to the new one, if they so desire.

We are also working on the creation of a project planning institute within the Far East Development Corporation. It will be responsible for the government review of design and estimate documentation, as well as confirming the estimated costs of residents' facilities and infrastructure in ASEZs and FPVs. To what end? Crucially, it will improve the efficiency of the administrative procedures. This has a direct effect on our residents' investment project timelines.

**But we are going even further – we have developed a mechanism that would allow Far Easterners to get a mortgage with a 2% interest rate! The plan is that the first beneficiaries of the 'Far Eastern mortgages' will be participants of the Far Eastern Hectare programme**





# The Russian Far East gets a little closer

IN 2019, THE EASTERN ECONOMIC FORUM CELEBRATES ITS FIFTH ANNIVERSARY AND THE MINISTRY FOR THE DEVELOPMENT OF THE RUSSIAN FAR EAST MARKS ITS SEVENTH. RECENTLY THE NAME OF THE AGENCY HAS BEEN AMENDED, GAINING ANOTHER IMPORTANT WORD: 'ARCTIC.' THE RUSSIAN FAR EAST AND THE ARCTIC ZONE ARE BECOMING GLOBAL TERRITORIES OF GROWTH ON THE COUNTRY'S MAP, A STEPPINGSTONE FOR COOPERATION WITH THE DYNAMIC ECONOMIES OF THE ASIA-PACIFIC REGION. EEF MAGAZINE TAKES A BRIEF LOOK AT WHAT HAS BEEN DONE IN THE PAST FEW YEARS, AND WHAT IS PLANNED FOR THE FUTURE

by *Trofim Viktorov*

## Accelerated growth: industry and investments

The Russian Far East is developing faster than the country at large. Last year, its industrial production index grew by 104.4%. That is 1.5 times greater than the Russian national average. The flow of investment has also increased: last year, direct foreign investment reached \$33bn, accounting for about a third of all incoming investment in Russia.

Total  
foreign  
investment:  
**2,169**  
trillion rubles

### FOREIGN INVESTMENTS

200 investment projects with foreign capital participation are underway in the Russian Far East (not including the Sakhalin 1 and Sakhalin 2 projects). The total amount invested stands at 2.169 trillion rubles. The largest share of this capital comes from the People's Republic of China (71.5% or 1.55 trillion rubles); 10% comes from the Republic of Korea, 5% from Japan, and 12% from other countries.

Job  
creation:  
**+50%**  
from 2017

Foreign investors have shown the most interest in the following sectors: transport and logistics (644.1bn rubles, 29.7% of total FDI volume), agriculture (360.9bn rubles, 16.6%), timber (137.6bn rubles, 13%), extractives (171.5bn rubles, 7.9%), and mining (133.4bn rubles, 6%).

**1745**  
new  
investment  
projects

### INVESTMENTS

1,745 new investment projects were being implemented in the Russian Far East at the start of 2019, of which 870 were launched in 2018 (up 31% from 2017).

The total volume of investment amounted to 3.8 trillion rubles, of which 600bn was invested in 2018 (up 19% from 2017).

141.7 thousand new jobs are being created, including 48,001 in 2018 (up 50% from 2017).

To date, 237 new enterprises are already operating and 37.5 thousand jobs have been created.



## Ports for the air and sea

In accordance with the Comprehensive Plan for Trunk Infrastructure Modernization and Expansion, drawn up by order of President Vladimir Putin, 66 Russian airports are due to be renovated by 2024; of these, 40 are in the Far East.

Thus in Khabarovsk this year, as part of the Khabarovsk ASEZ, a new modern passenger terminal will open at the local airport. As a result, the flow of passengers will increase to 3 million people per year. By 2021, the renovation of Yakutsk Airport's international terminal and runways will be completed. Renovations are also planned for the airports in Okhotsk, Ayan, and Kherpuchi, which are currently inaccessible by road.

Last year, a new logistical centre began operation in Nakhodka, which will further help the Russian Far East towards becoming the forefront for developing trade and economic ties with Asia-Pacific countries. Other ports in the region are already seeing an increase in cargo turnover: over the last year, the Vladivostok Commercial Port's cargo turnover grew by 39%, while the Troitsa Bay Seaport saw a 76% increase.



## Yakutia takes the gold

Among the regions of the Russian Far East, the Republic of Sakha (Yakutia) has taken the lead across a number of economic indicators. In 2017, its gross regional product (GRP) stood at 916.6bn rubles. Also, for the first time in modern history, Yakutia's gold production has closely approached the 27-tonne mark (source: Russian Ministry of Finance), its oil output reached 12 million tonnes, and its coal output, 17.7 million tonnes. 403.4bn rubles in fixed-asset investments was made in 2018.



## The ASEZ powerhouses

The Advanced Special Economic Zones (ASEZs) have certainly been living up to their name. To date, 20 ASEZs have been set up in the Russian Far East upon initiative from investors, most recently in the Republic of Buryatia and in Zabaykalsky Krai, two regions that joined the Far Eastern Federal District relatively recently, in late 2018.

ASEZs have already helped create 18,979 jobs in the Far East, due to increase to 60,978 by 2025. 94 operational facilities have been launched.

# 364

ASEZ resident investors

### ADVANCED SPECIAL ECONOMIC ZONES (ASEZs) IN THE RUSSIAN FAR EAST

20 ASEZs have been set up in total. The number of investors who have been granted ASEZ resident status has increased from 211 in early 2018, with 2.2 trillion rubles in private investment and the potential to create 39.7 thousand jobs, to 364, with 2.47 trillion rubles in private investment and the potential for 61 thousand jobs by 2025. On 17th June 2019, the Buryatia ASEZ was created by decree of the Russian government, followed by the Zabaykalsky ASEZ on 1st August. Projects have been announced to a total of over 200bn rubles in investments. Over ten thousand jobs are being created.



## Porto franco

The Free Port of Vladivostok (FPV) has been another point of growth. Its porto franco status gives businesses to operate under a simplified customs procedure. FPV residents also benefit from lowered administrative barriers and tax deductions. As a result of these attractive conditions, the number of free port residents has increased from 432 in January 2018 to 1,384 in early August 2019, while the volume of investments in the same period grew from 365.4bn rubles to 675.9bn. FPV residents have launched 141 operational facilities and created 10,141 jobs.

The latter number is planned to reach 67,019 by 2025.

Besides Primorsky Krai, the FPV's regulations framework currently also extends to two municipalities in each of Khabarovsk Krai and Sakhalin Oblast, and one in each of Kamchatka Krai and Chukotka Autonomous Okrug. Two further applications for Free Port of Vladivostok framework extension are currently pending—for Blagoveshchensk and Chita, the respective capitals of Amur Oblast and Zabaykalsky Krai. A decision is expected soon.



# Reliable Basis for Your Business

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## Beyond commodities

In order to create a favourable investment climate, the government had to clear a fair amount of rubble of a bureaucratic and administrative nature. 42 federal laws and a further 191 government acts have been passed specifically addressing the needs of the Russian Far East.

By the end of 2018, the National Regional Investment Climate Ranking showed positive trends for 5 of the 11 Far Eastern regions.

Yakutia emerged as the Far Eastern growth leader (rank 22, +30 points), followed by Primorsky Krai (+21 points); Kamchatka Krai (+4) and the Jewish Autonomous Oblast (+3) solidified their standings.

The Far East faces competition not only—indeed not so much—from other Russian regions as from Asia-Pacific countries. Areas for further improvement include diversifying regional development and moving away from primarily commodity-oriented economies. Currently, the focus is mostly on modernizing existing industries.

**2/3** of the combined GRP of FE is contributed by three regions

### GROSS REGIONAL PRODUCT (GRP) GROWTH IN LEADING FAR EASTERN REGIONS (2017)

Two thirds of the combined Far Eastern GRP is contributed by Yakutia, Sakhalin Oblast, and Primorsky Krai

Yakutia: 5.5% GRP growth (916.6bn rubles)

Primorsky Krai: 5.6% (777.8bn rubles)

Sakhalin Oblast: 3% (771.2bn rubles)



## Hectares for the people

It was in the Russian Far East that the national free land distribution project saw its launch, with the Far Eastern Hectare project. With no lengthy proceedings—the agreement takes about 30 days to execute—a person can receive a plot of land that they themselves had chosen via a national online information system at <http://надальныйвосток.рф>. Over 70 thousand Russian citizens have already become owners of land in the Far East. Since 1st August 2019, the Republic of Buryatia and Zabaykalsky Krai have joined the programme. Initially, land plots will only be available to local residents; from 1st February 2020, to all Far Easterners; and from 1st August 2020, to all Russians as well as participants in the State Programme for Voluntary Resettlement to the Russian Federation of Compatriots Abroad (for details on this programme, see p. 32).

For those who plan on building a house on their land, as well as young families in which one of the spouses is aged 35 or under, the Far East Ministry is developing a preferential 20-year mortgage plan at 2% interest.

## One region, one passport

The Eastern Economic Forum (EEF) and other major events have put Vladivostok on the map as an important Russian event hub. Experts note that a similarly great potential exists in other regions of the country, including in the Far East. With an eye to fulfilling this potential, exactly a year ago, at EEF 2018, the Russian Convention Bureau first announced its Regional Passport project.

A “Regional Passport” is a datasheet that allows valuable information about a region to be aggregated and organized for the purposes of promoting the region as a venue for business events. Work on 11 Regional Passports is currently underway, including for three of the Far Eastern regions: Primorye, Kamchatka, and Sakhalin. One of these is due to be presented at EEF 2019.



# THE ART OF CONSTRUCTION...



Construction site with a large crane and industrial structures.



Construction site with a large yellow crane.



Modern building with a large, colorful facade.



Large, circular stadium or arena.



Engineering systems and service

**INSYSTEMS**

[in-systems.ru](http://in-systems.ru)

INSYSTEMS is the business networking area partner of the EEF 2019

# Russky Island

Population:

# 5 360

(2010 census)

The island's population increased significantly after the construction of the Far Eastern Federal University (FEFU) campus was complete. The campus houses **over 10 thousand people**



## BRIDGE

Before 2012, the city and the island were connected by regular ferry service. The construction plans for a bridge to the island were approved in 2007

Construction began on 3 September 2008.

**The bridge to Russky Island was completed in 2012**

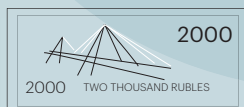
**The bridge construction project cost the equivalent of USD 1 billion**

Russky Bridge is **the second tallest bridge in the world with a height of 324 m.**

It is also **the longest cable-stayed bridge in the world** with a length of 1,104 m.

Number of lanes: 4  
(2 in each direction)

Russky Island is featured on the Bank of Russia's newest 2000 rouble note (2017)



Island Area

# 97,6

square kilometers

Construction of such a bridge was proposed twice during the Soviet period (in 1939 and 1960). Neither of these proposals were implemented





# FEFU

On 2 September 2012, Russky Island hosted the Asia-Pacific Economic Cooperation (APEC) summit. A large international business centre (part of the FEFU campus) was constructed on Saperny Peninsula in preparation for the event



Up until 1918, the Eastern Institute (later FEFU) **was the only university on Russia's Pacific coast**

Construction of the FEFU campus on Russky Island was completed in 2012. **In 2013, the university moved into its new campus**

**The FEFU campus occupies an area of 800,000 m<sup>2</sup>**, is host to 23,000 students and staff, and includes 380 classrooms and over 5,000 residential spaces for students and staff

FEFU has a **School of Data Economy** and a **School of Biomedicine**

There is a technopark at FEFU where students can test their technological developments in practice. For example, 11 participants of the FEFU accelerator (hailing from Vladivostok, Khabarovsk, and Blagoveshchensk) recently defended their projects. Accelerator finalists have requested a total of over RUB 70 million in investment

FEFU's campus infrastructure includes a café, parking lots, restaurants, its own waterfront, a public transport system, hotels, and more



# PRIMORSKY AQUARIUM

Primorsky Aquarium Scientific and Educational Complex was officially opened on 3 September 2016 with President of the Russian Federation Vladimir Putin and Japanese Prime Minister Shinzō Abe in attendance

The aquarium includes a total of **135 tanks, holding a total of 15,000 m<sup>3</sup> of water**

The right wing of the building houses a dolphinarium with an arena swimming pool and **800-seat stands**

**The inside of the aquarium has an area of**

## 37 000

**m<sup>2</sup> (almost five football fields)**

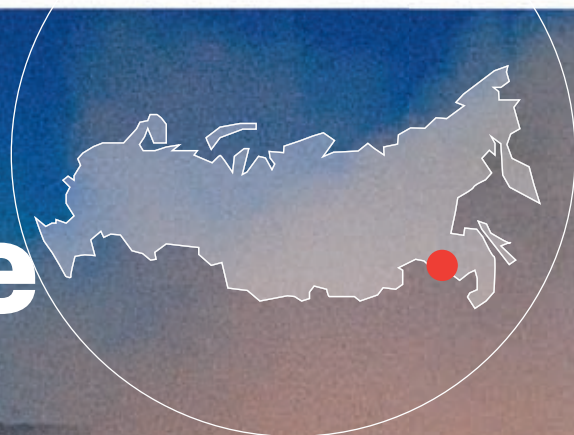
The aquarium includes fish and other water fauna from Lake Khanka and Lake Baikal, the Amur River, the Bering Sea, the Okhotsk Sea, and the Sea of Japan



**Primorsky Aquarium is the third-largest aquarium in the world**



# Vostochny Cosmodrome



Construction of the cosmodrome began in 2012 and was completed in April 2016

Vostochny's location is advantageous because **launch vehicles' initial flight paths do not cross over highly populated Russian regions** or the territories of foreign states

The construction of Vostochny Cosmodrome **guaranteed Russia's independence in the space industry**, since Baikonur is located in Kazakhstan and is leased to Russia

The construction site employed over

**8 000**  
people at one time

The cosmodrome itself occupies

**700 km<sup>2</sup>**

Total territory

**1035 km<sup>2</sup>**

That includes not just Vostochny's operational facilities, but the cosmodrome's infrastructure, staff housing, warehouses, etc.

The cosmodrome has launch pads for two types of carriers: the Soyuz-2 medium-lift launch vehicle and the Angara heavy-lift launch vehicle

67 km of cable were laid during the construction of the cosmodrome, which allows for the remote control of every stage of preparation and launch

The Vostochny Cosmodrome construction project included 5 km of new roads to connect the closed administrative-territorial entity (ZATO, closed city) Tsiolkovsky with the Trans-Siberian Railway, as well as an airfield, oxygen-nitrogen and hydrogen plants, and railways



Approximately

**150 km**  
of rail lines were laid



28  
April

2016, Vostochny Cosmodrome saw its first successful launch, during which three satellites were successfully injected into Earth orbit. The first launch of the uncrewed version of the piloted Federation spacecraft is planned to occur in 2022, with a crewed launch in 2024

Approximately

**RUB 300 billion**

have been spent on the construction of Vostochny Cosmodrome, including critical infrastructure

The cosmodrome has seen a total of four launches, three of which were successful. Over 20 additional launches are planned for 2019–2025



# ZATO Tsiolkovsky

The cosmodrome is the city-forming enterprise for ZATO Tsiolkovsky, which includes the microdistrict of Zvezdny. All of the conditions necessary for a high quality of life are being created in the microdistrict

The microregion has an area of 63 km<sup>2</sup> and is capable of housing

**6,500 people**

The residential complexes in Zvezdny Microregion are equipped with 'smart home' systems that include security and fire alarms, video surveillance systems, and, if necessary, can alert dispatchers





# Nizhne-Bureyskaya HPP

It is the largest hydroelectric power plant in Russia, the construction of which began after the Soviet period (2010). President Putin was in attendance at the plant's opening ceremony on 3 August 2017

The plant includes a **400 m long, 42 m high earth-fill dam**, two concrete dams, and HPP facilities

The hydroelectric plant has a projected installed capacity of 320 MW, a guaranteed winter capacity of 147 MW, and **generates an average of 1.67 billion kilowatt hours annually**

Nizhne-Bureyskaya HPP powers facilities such as **the second stage of the Eastern Siberia–Pacific Ocean oil pipeline, the Elginsk coal mine, and Vostochny Cosmodrome**

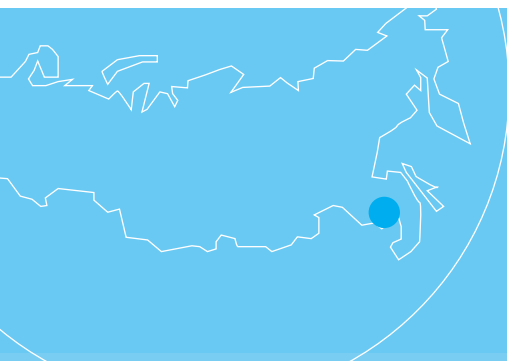
In addition to producing electrical energy, Nizhne-Bureyskaya HPP was built to optimize the work of the Bureya HPP. The construction of this new hydroelectric plant has helped stabilize the level of water in the river. Earlier fluctuations were having a negative impact on the ecosystem

ФОТОГРАФИИ: IFOR AGEENKO, ALEXEY NIKOLSKY,  
ALEXEY BABUSHKIN / RIA NOVOSTI, AFP / RIA-NOVOSTI /  
ALEXEY DRUZHININ / EAST NEWS



A section of the Lower Bureya Dam turbine room





The Nizhne-Bureyskaya Hydropower Plant (HPP) is built in accordance with the latest environmental standards, which includes complete forest clearance of the reservoir bed



The first nature park in Amur Region, **Bureysky Nature Park**, is located near the water reservoir and spans

**132 000 ha**

An information system for managing the hydroelectric plant was created during the HPP's construction. This includes the creation of a **knowledge cloud containing all of the information about the facility**, accessible from anywhere in the world

**A solar power plant with a capacity of 1,275 kW is being built at the Nizhne-Bureyskaya HPP.** The facility is expected to enter into operation in late 2019

A total of approximately **6,700 m<sup>2</sup>** of solar panels will be installed



Vladimir Putin at the Lower Bureya Dam

The renewable energy produced by the plant will offset the burning of 700,000 tonnes of fuel equivalent (a standardized unit for measuring energy, used to compare the consumption of large amounts of energy from various sources)



**The Nizhne-Bureyskaya HPP will serve as a test facility for the construction of hybrid electrical stations.** This symbiosis will result in operational costs that are 15–20% lower than those associated with the construction and operation of a separate solar power plant



# THE GREAT LAND GIVEAWAY

IN THE PAST THREE YEARS, MORE THAN 76,000 RUSSIAN CITIZENS HAVE SIGNED UP FOR THE FAR EASTERN HECTARE PROGRAMME, RUN BY THE AGENCY FOR THE DEVELOPMENT OF HUMAN CAPITAL IN THE FAR EAST. AN ADDITIONAL GROUP OF JUST UNDER 6,000 PEOPLE ARE WAITING FOR THE REQUISITE DOCUMENTS TO BE DRAWN UP. THE LAND IS BEING USED TO BUILD HOMES, SHOPPING CENTRES, CATTLE FARMS, AND CHILDREN'S HOLIDAY CAMPS. WE SPOKE TO JUST SOME OF THE PEOPLE WHOSE LIVES HAVE BEEN CHANGED AFTER RECEIVING THEIR PLOT OF LAND

by *Nikita Pavlyuk-Pavlyuchenko*



## MIKHAIL UTROBIN

THE 31-YEAR-OLD FROM KHABAROVSK GAVE UP HIS JOB IN SENIOR MANAGEMENT AT A MAJOR NATIONWIDE SPORTS RETAIL CHAIN TO START FARMING.

“Three years ago, I had this idea to build a house, but then I realized that the land should also be used to feed people. My decision was influenced by a statistic I saw: the region provided no more than 8–10% of the dairy products it consumed. So, I got into farming. I had five criteria in mind when choosing a plot of land: it had to be close to Khabarovsk, there had to be electricity, water, a good road, and of course, it had to be in a beautiful location. Me and my wife got

into the car, and started looking for just such a hectare.

“As I was starting out, I got a great deal of help from a regional programme run by the Ministry of Agriculture. They gave me RUB 3 million, which allowed me to start building roads, clear the land, draw in more power, and build a cowshed and cabins for workers. What’s more, a special state programme allowed me to get a refund on part of the money spent on purchasing cattle. By December, my cows had calves, and started giving milk. Over time we began to expand our range to the more than 20 products we offer today, from cream and cottage cheese, to ice cream!

“For most farmers, the hardest part is selling their products. That wasn’t



an issue for me, though. I use my Instagram account for advertising, so most of my customers are locals who bring their families. I don't work with middlemen, such as retail outlets or large supermarket chains, which means my prices are lower than what others offer.”.



#### **DARIA POZDNYAKOVA**

DARIA, FROM KAMCHATKA, USED HER LAND TO OPEN A HORSE-RIDING CLUB.

“I’ve been working with horses for more than 15 years. My family acquired our first hectare back in 2016 with the specific intention to work with animals. Now we have three. We have used our land to build horse enclosures and gazebos for tourists. We have also organized areas for people to have barbecues. We have done everything to ensure our guests can enjoy the fresh air as much as possible, both in the summer, and winter. While we are not a fullyfledged riding school, we do have a professional instructor on our team who can teach the basics to beginners.

“We took a very meticulous approach when choosing our hectare. Before submitting our first application, we visited and examined each plot, pinpointed each location on the map, and gained an idea of the landscape we could expect. We needed the land to be more or less flat, with a nearby electric power network. And that’s the plot of land we got. We dealt with all the uneven areas ourselves, and recently got connected to

the electric grid network at a discounted rate: instead of paying several million roubles, the cost came to just RUB 50,000.

“We’ve had to invest around RUB 4 million in developing our business. Today, three years on, it pays for itself. We have enough to feed the horses and dogs, and to pay our workers. Our client base is currently big enough, so we’re in no rush to work with tour companies. We have people visiting from all over Russia, including from Moscow. That said, most of our visitors are locals from Kamchatka. Several of them come regularly with their families. Those guests even have their favourite horses.”



#### **ILYA KUCHEROV**

ILYA, FROM YUZHNO-SAKHALINSK, BUILT A SPORTS CAMP FOR CHILDREN ON THE ISLAND OF KUNASHIR (PART OF THE GREATER KURIL CHAIN).

“I’ve done karate my entire life. After finishing my studies in Moscow, I moved to Yuzhno-Kurilsk and helped my father coach children. Several of them had already won competitions in Russia, as well as prizes in international



#### **YURY TRUTNEV,**

RUSSIAN PRESIDENTIAL  
PLENIPOTENTIARY ENVOY TO  
THE FAR EASTERN FEDERAL  
DISTRICT:

« On average, participants receive their plot of land in just over 40 days. The record is 18 days. That’s the fastest amount of time in which a plot of land has been issued not only in Russia, but the world »»

tournaments. I decided to sign up for the Far Eastern Hectare programme to build a military-patriotic camp for children. It’s been running since 2016, and is based near a well-known thermal spring not far from the settlement of Goryachy Plyazh in Kunashir. We have two hectares now, with four houses and a canteen for the children. We’ll also be adding a bathhouse this summer. Children have been coming here and having fun for several years now.

“Building the camp was a team effort, involving ourselves, our young athletes, and their parents. I don’t make any money from the camp, it’s purely a social undertaking. It is my belief that developing and raising the next generation in a way that promotes patriotism and a healthy lifestyle is one of the most important tasks for the entire country. Unfortunately, all current forms of government support for participants in this programme focus on helping business and agricultural ventures. There is nothing for the social sector. Without drawing upon support of this kind, we are unable to sort out numerous general issues and start using the camp to train for national and international championships beyond the summer period.”

**Since 2016, Far Eastern Hectare participants have received over 50 thousand hectares of land. For scale, that’s the area of 70,000 football fields, or the entire country of Andorra**



## THE NEW INITIATIVE WORKS!

INTERVIEW WITH **SERGEI KHOVRAT**,  
GENERAL DIRECTOR OF THE AGENCY FOR  
THE DEVELOPMENT OF HUMAN CAPITAL  
IN THE FAR EAST

### Where do most applications for a Far Eastern Hectare come from?

Most applications – around 83% – for a Far Eastern Hectare come from people already living in the Far East. These people know their land, understand its features, and have a good idea of what to use it for. They don't need to spend money to relocate, and can immediately take advantage of support offered in the region.

As for those currently living outside the Far East, most applications come from people in Moscow and Moscow Region. These account for one in four

### OBTAINING YOUR HECTARE OF LAND – SEVEN SIMPLE STEPS:

- 1** Visit [nadalniyvestok.ru](http://nadalniyvestok.ru) and sign in using your account info for Gosuslugi (Russia's state services portal).
- 2** Select your plot of land, or draw up one yourself.
- 3** Submit an application via the website.
- 4** Sign the gratuitous use agreement and send it to the relevant government body (information on which can be found on the personal account area of [nadalniyvestok.ru](http://nadalniyvestok.ru)).
- 5** Indicate how the land will be used within a year. Select one of the 100-plus options available on the approved list, including for agriculture, as a smallholding, for tourism, etc.
- 6** Submit a declaration via the website on the progress of development within three years.
- 7** Draw up ownership or leasing rights for the land via the website.

applications. We also have several applicants from St. Petersburg, Krasnodar Territory, Leningrad Region, Sverdlovsk Region, and Irkutsk Region. In terms of the overall portrait of hectare recipients, 60% of applicants are male, and 40% are female. We are seeing most interest in the programme from people aged between 25 and 45.

### How are people using the land provided to them?

People build homes for themselves and farm the land. Some recipients plan to use it for tourism, while others plan to open shops or cafes.

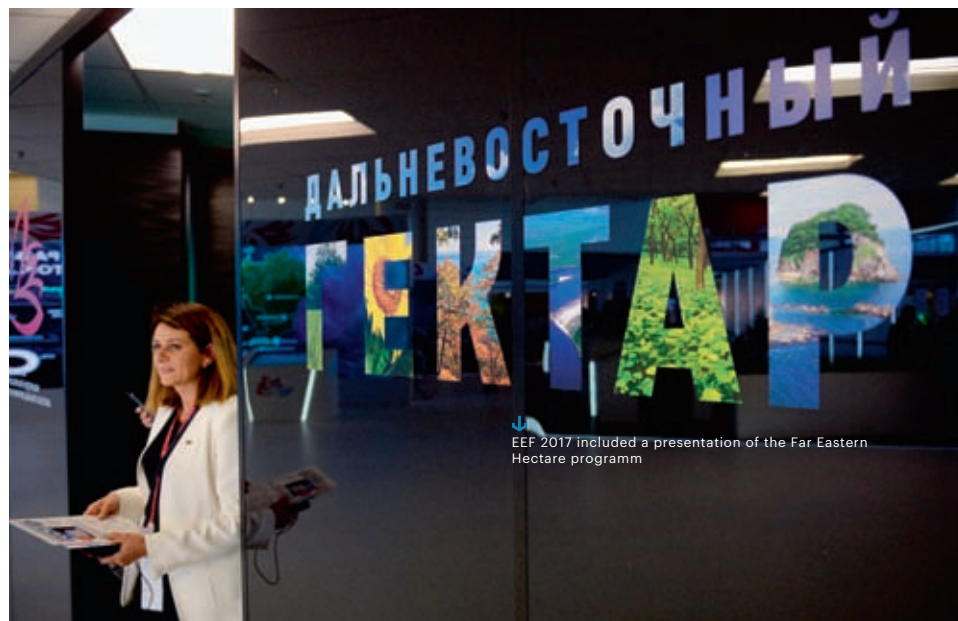
### Presumably the agency stays in contact with participants in the programme. What difficulties do they most frequently encounter, and what assistance do you provide?

Currently the most pressing issue is the provision of infrastructure, including electricity and roads. These incur substantial costs for the individual, and for the region. A decision was taken recently on supporting citizen groups, or agglomerations, at these hectares. A government programme focusing on socioeconomic development in the Far East and Baikal Region provides co-financing from the federal budget to build infrastructure for these agglomerations. RUB 319 million has been allocated for this in Khabarovsk Territory, and a further RUB 82.1 million in the Sakha Republic (Yakutia). It will be possible to provide additional funding once the National

Development Programme for the Far East – which includes a section on Far Eastern hectares – is approved and adopted.

Another difficulty encountered by participants who are looking to develop their land is funding. We encourage these people to find out about the types of government support available to them. These have been collated and published on the programme's official website ([nadalniyvestok.ru](http://nadalniyvestok.ru)), where they can be viewed by region. They are also available on the Agency for the Development of Human Capital in the Far East's website. To date, almost 2,000 land recipients have taken advantage of government support totalling around RUB 580 million. These include subsidies to support livestock farming at smallholdings, grants to support agricultural plots, the Beginner Farmer grant, incentives for timber, and subsidies to support small businesses.

Development of this programme is an ongoing process, and new measures are being implemented to support participants. Today, for example, around 42% of all land recipients plan to build a home. Plans are in place to launch a programme by the end of this year especially for this group, whereby mortgages will be provided at an unprecedented low rate of interest – just 2%. A repayment period of up to 20 years will be offered at 2% annual interest, with no down payment required. A decision was taken to expand the programme beyond the Far Eastern Federal District to cover the Republic of Buryatia and Transbaikal Territory. From 1 August, people officially residing in these two regions will be able to submit an application for a plot of land.



EEF 2017 included a presentation of the Far Eastern Hectare program



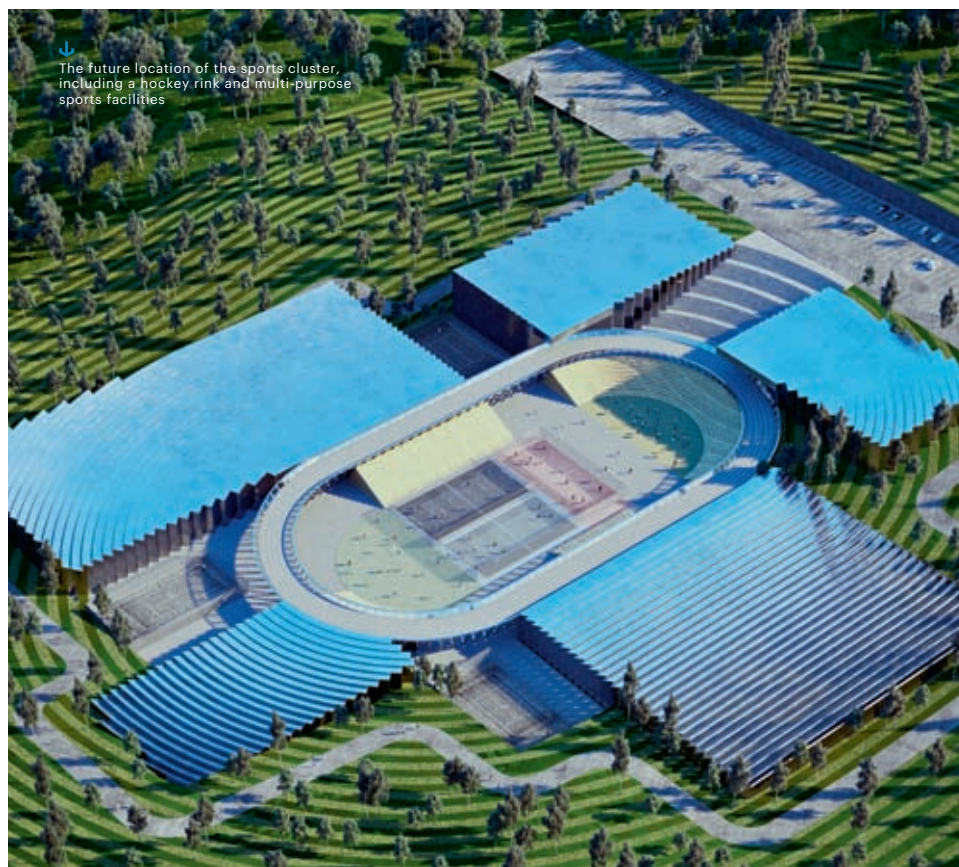
# Rusky Island: Innovative and Sporting

RUSSKY ISLAND, WHICH HOSTED THE APEC SUMMIT IN 2012, WILL SOON HAVE A NEW DEVELOPMENT IMPETUS. IN THE NEAR FUTURE, NEW INFRASTRUCTURE AND RESEARCH, TOURISM, AND RESIDENTIAL FACILITIES WILL BE BUILT ON THE ISLAND

The experiences gained and developments made during preparations for the APEC summit will be taken into account in the further development of Rusky Island. The main focus of the project is the Saperny Peninsula, which is currently home to all of the island's major infrastructure: a bridge was built to this Peninsula in 2012 and this is also

where Far Eastern Federal University and Primorsky Aquarium are located. The project's primary goal is creating a new 'territorial brand' for Primorye.

The plan is to make Rusky Island attractive not just to FEFU students, but also to Vladivostok residents and tourists. To this end, a sports cluster will be built right next to the university. It



will include a hockey rink and facilities for football, basketball, tennis, track and field, and other types of sports. The cluster is intended to attract sports enthusiasts and regular urban dwellers thanks to its versatility and readiness to host public events of any sort. A starting point will be constructed for bike routes that will run past all of the island's major locations. Local coastal areas, starting with the Paris Bay, will be developed with the intent of fostering tourism. The Paris Bay is slated to be the location of a waterpark, hotels, and a children's camp.

The project will largely be focused on infrastructure development, above all building new roads. In late April, Vladimir Putin approved the construction of a second bridge to Rusky Island, which will connect Vladivostok to Elena Island through the Eastern Bosphorus strait. This new route will serve as the final link in the Vladivostok Ring Road. New infrastructure is planned for the area around FEFU as well: a pedestrian viewing bridge near University Promenade and improvements to the thoroughfare itself. FEFU will turn into a progressive research centre with a federal-level science city, which will increase the quality of the education it provides, as well as living conditions for the students. Furthermore, a new district will be built on over 300 hectares of the southern part of the island, featuring a major DOM.RF project – an integrated residential complex. All of these transformations will be funded through private investments.

SAMARA REGION GOVERNOR DMITRI AZAROV:

# Samara Region to become a major hub of the Belt and Road Initiative

The EEF is a showcase for Russian regions primarily aimed at Asia-Pacific countries. What are Samara Region key business lines?

Samara Region is one of Russia's major industrial regions. Virtually every industrial branch is represented here, with the key clusters being car manufacturing, aerospace, petrochemicals, mechanical engineering, and electrical equipment.

Our region is recognized as a piloted cosmonautics hub, and Samara is said to be a city with four spaceports. It was on one of our carrier rockets that Yuri Gagarin took humanity into the space age.

The car manufacturing cluster is key to our region: Tolyatti-based AvtoVAZ has over 20 percent of the national passenger vehicle market, and over 40 percent of all Russian-made car parts are manufactured in our Region.

Our region has strong potential in petrochemicals. Samara Region ranks second in Russia in petroleum processing. We produce 20 percent of the world's ammonia.

We have a highly developed healthcare infrastructure. We're seeing successful growth in an innovative geographical cluster where projects in medical IT and biotechnology are developed and implemented.

**What makes Samara Region worth investing in for an Asian investor?**

First and foremost, our enormous potential in manufacturing and science,



as well as our advantageous location in terms of transport and logistics. This means that developing a partnership with Samara Region makes it much easier to take your business in Russia to a whole new level.

We are on the intersection of leading transport routes. Our region has a major railway hub, a river port with access to the Caspian and on to Asian countries, the Kurumoch International Airport, and federal highways.

In implementing the Belt and Road Initiative, we are planning on becoming one of the largest transport and logistics hubs, consolidating and distributing cargoes of regionally manufactured projects to regions in China via a direct railway route.

The New Silk Road will be one of the primary drivers; this is a transport corridor from Europe to Western China, which Samara Region is due to join with a new bridge across the Volga.

Samara Region is among the leading Russian regions in the dynamic of investment climate improvement. Assessments by key rating agencies reflect this; thus at the end of July, Moody's changed Samara Oblast's credit outlook from "stable" to "positive", confirming our Ba2 credit rating.

Our investment infrastructure is highly developed, with a wide range of preferential tax regimes in place. The region has an industrial production-type special economic zone in Tolyatti, the Zhiguli Valley Hi-Tech Park, state-run and private industrial parks which offer investors turn-key ready infrastructure. Advanced Special Economic Zones are developing in Tolyatti (the most successful of such zones in Russia) and Chapayevsk.

**What can Samara Region offer investors?**

We invite our foreign partners to implement investment projects in both the region's areas of traditional specialization and of innovative development, such as IT, smart cities, Aeronet [distributed drone systems], or satellite technology in agriculture. We offer investors the entire spectrum of regional and federal support tools, as well as comprehensive administrative aid and support at every stage of a project's implementation.

Welcome to Samara Region!



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# ICEBREAKERS WILL RUN THROUGH THE ARCTIC LIKE TRAMS

SEVEN QUESTIONS ABOUT THE NORTHERN SEA ROUTE



*by Nigina Beroeva and Odnazbdy Lab*



FOR SOME THE NORTHERN SEA ROUTE SIMPLY MEANS A LINE ON THE MAP. FOR OTHERS IT IS REMINISCENT OF THE ROMANTIC EXPEDITIONS OF SEMYON DEZHNEV, ALEXANDER KOLCHAK OR OTTO SCHMIDT. SOME WILL RECALL THE TWO CAPTAINS, A MOVIE ABOUT THE SEARCH FOR A LOST ARCTIC EXPEDITION, THE FAVOURITE OF A DISTANT CHILDHOOD. IT IS ALSO A GRANDIOSE GLOBAL-SCALE PROJECT: BUILDING OF A SHORT-CUT THAT WILL NOT ONLY CONNECT THE EUROPEAN PART OF RUSSIA TO THE FAR EAST BUT WILL ALSO BECOME THE TRANSPORTATION ARTERY FOR THE ENTIRE WORLD. IS IT POSSIBLE THAT SHIPS WILL RUN THE NORTHERN SEAS LIKE COMMUTER TRAINS? WHEN WILL THE PROJECT, WHICH DREAMERS CAN ONLY COMPARE TO THE FIRST MANNED SPACE MISSION, BEGIN? WE ANSWER THESE AND OTHER QUESTIONS TOGETHER WITH **VYACHESLAV RUKSHA**, DEPUTY DIRECTOR GENERAL OF ROSATOM STATE ATOMIC ENERGY CORPORATION AND DIRECTOR FOR THE NORTHERN SEA ROUTE DIRECTORATE



#### Question One: The Northern Sea Route (NSR) already exists, why build it?

Indeed, the way across the northern seas has been around for a long time. Some date it back to Mikhail Lomonosov, whose imagination was sparked by the idea. Others trace it to the 1930s, when the Soviet government threw enormous money and human lives into conquering the Arctic. However, all this is romance and history. If we talk about the establishment of the NSR as a regular transportation route, it is tied to the growth of the Norilsk Combine (now Nor Nickel) in the 1970s and 1980s. As its capacity grew, so grew its output: suddenly, everything could not be shipped in just the summer season. That was the beginning of a pressing need for a year-round transportation system from Dudinka to Murmansk. As a result, an entire fleet of Arctic-class cargo ships and a series of powerful icebreakers were built.

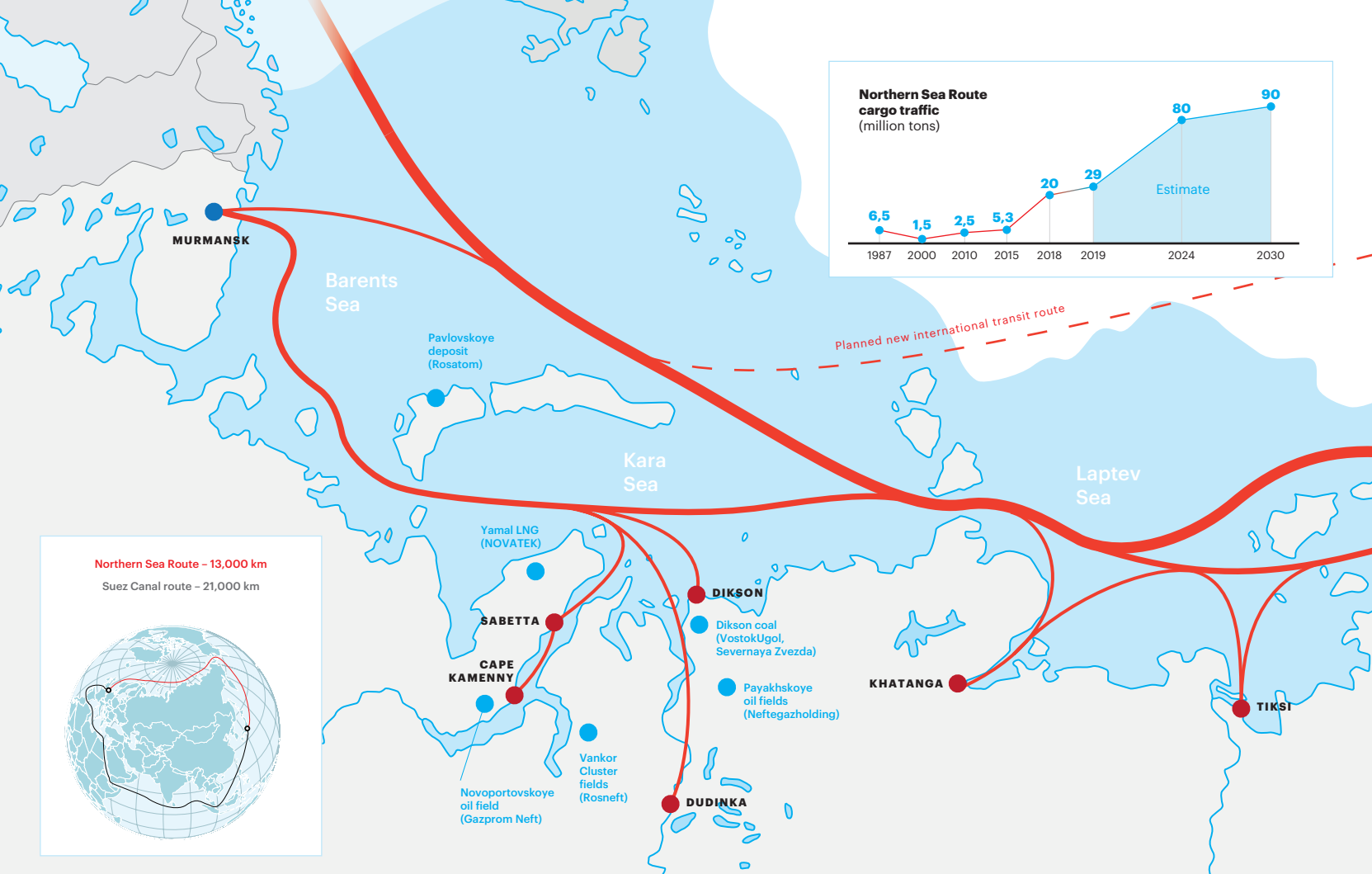
The next leap forward in the growth of NSR will come about in this century, when the task went to Rosatom State Atomic Energy Corporation.

“Back in the best Soviet years, the flow of goods through the Northern Sea Route never exceeded 6.5 million tonnes, yet in 2018 we reached 20 million tonnes,” says Vyacheslav Ruksha, showing a diagram. Only, what he sees is not just the numbers. His vision covers icebreakers going through layers of frozen water, with nuclear-powered ships carrying oil and gas following them single file. “There will be 29 million tonnes shipped this year. Two large projects were carried out in the last five to seven years. First was the ‘Gates to the Arctic’ by Gazprom (the only oil-loading terminal in the fresh water beyond the polar circle, which allows loading sea tankers with oil, – Editor’s note). They load up to 8 million tonnes a year. In addition, the Yamal LNG project has been launched. Already over 10 million tonnes of liquefied gas have been shipped from the port of Sabetta.”

**Question Two: Why do you need a federal programme to develop the NSR?**

The programme has tremendous goals: to increase the flow of goods through the NSR to 80 million tonnes by 2024. It was launched this year and Rosatom and the Ministry of Transport are responsible for carrying it out. Yet, to ship those 80 million tonnes from the Arctic you have to get them somewhere first!

“Yes, we need more projects that would produce about 50 million tonnes of cargo,” agrees Ruksha. “It is already clear what those projects are; they have not taken shape yet and our (Rosatom’s – Editor’s note) task is to see them through. First of all, it is the Arctic LNG 2 project. It is even larger than Yamal LNG in volume. According to forecasts, every year there will be up to 18 million tonnes of gas recovered and liquefied (anticipated to start in 2023–2025). The second large project is the VostokCoal cargo base on the Taymyr Peninsula. Nearly 20 million tonnes of coal are expected to be mined there. Another crucial project is shipping crude oil from



the Paiyakhskoye field. That's over 5 million tonnes more. The upshot is that these projects alone will give us an opportunity to fulfil the objective included in the federal programme and ship 80 million tonnes over the NSR in 2024. It is very important that, following the example of the working projects I spoke of earlier, the investors realise that the year-round transportation system is guaranteed. That means that they can estimate their projects and make their investments."

**Question Three: Why mine valuable resources in the Arctic, where it is expensive, complicated and cold?**

True. Field development in the Arctic is an extremely costly and technologically advanced process. Yet, the companies do it not because they are not looking for an easy way out or want an adventure. The point is that the time of oil and gas that easily accessible and cheap is long gone.

According to expert estimates, 65% of all hydrocarbon reserves in the world are in the Arctic. The majority of them (60–65% according to the Ministry of Natural Resources) occur in its Russian part. Several years ago, the International Energy Agency issued a report where it commended the occurrence of valuable minerals in the Russian Arctic and strongly recommended that Russia start prospecting. The future of energy is impossible without developing this land. In short, if somewhere in the Arctic, the icebreakers do not open the way, somewhere where it's warm and civilized, there will be no fuel for cars.

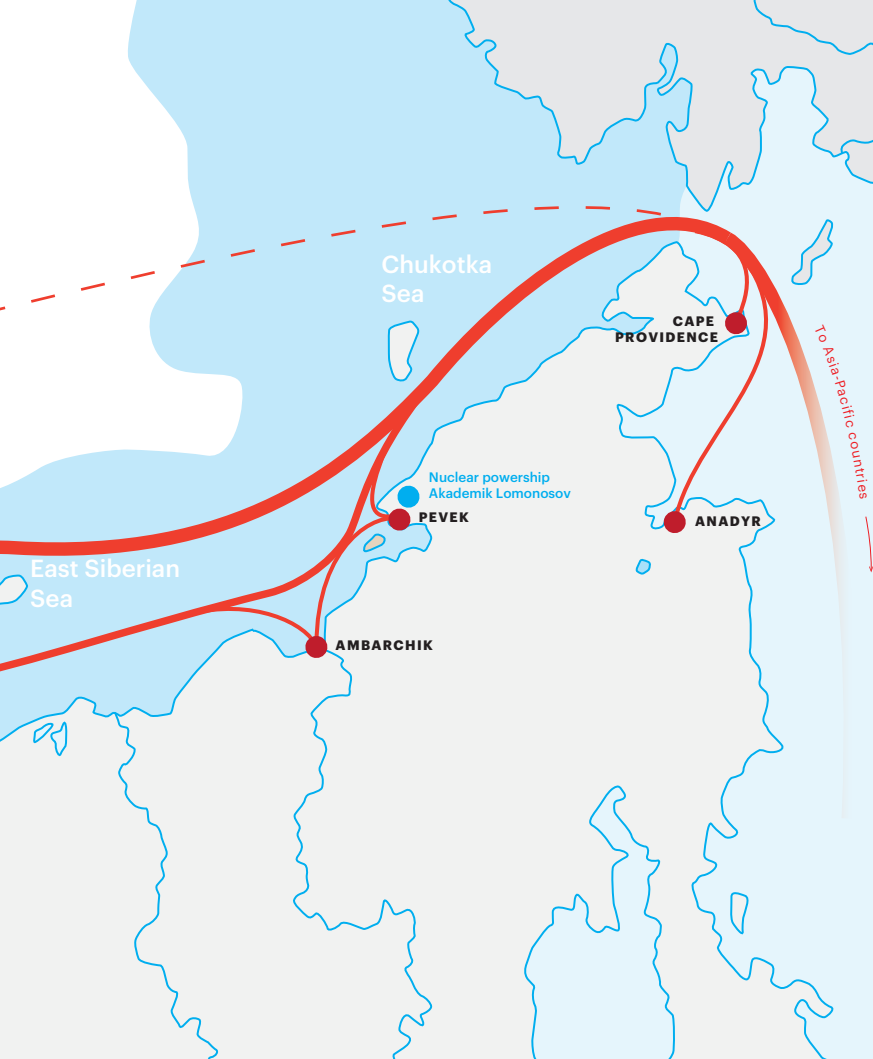
We are not only talking about oil and gas. Take, for example, the Pavlovskoye field at the Novaya Zemlya Archipelago that is developed by the First Ore-Mining Company (a subsidiary of Rosatom). It has the potential for up to 65–70 thousand tonnes of zinc concentrate to be mined and shipped to the Russian market annually. All of this raw material is already in demand; all you need to do is just mine it and ship it.

**Question Four: What needs to be done for all these plans to come through?**

The work is already underway. First of all, Rosatom extended the useful life of current icebreakers until 2027. This will allow the NSR transportation service to work without a break.

"There are three new icebreakers that are nearly finished at the Baltic Shipyard. The first will be put in commission no later than May 2020," explains Vyacheslav Ruksha. "The second and third will be ready in 2021 and 2022, respectively. However, this is not enough to achieve all the objectives and which is why in August, we have already signed a contract for building two more icebreakers. By 2027–2028, Russia will have a large and powerful nuclear cluster. That's as far as the nuclear fleet goes. But we have a plan together with NOVATEK for building icebreakers that use liquefied natural gas.





## Northern Sea Route nuclear-powered icebreakers

### Operating

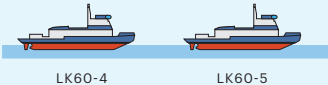


### To be put in operation:

#### Before 2022



#### Before 2027



#### Before 2023



“The second objective that the corporation and the state have is develop the entire NSR infrastructure. Apart from building and equipping ports, this involves organization of ship channels and waterways. It can only be done by the state that owns these waters. No business investing in the fields can manage such a large-scale and expensive task. The partnership may look like this, for example: the investor goes in the Yamal LNG 2 project and the state allocates funds for building a ship channel to the port, creating ice barriers and other infrastructure.”

**Question Five: Where would you get the energy for all this?**

A crucial and unique undertaking of Rosatom is a floating nuclear power station. The first such power block named after Mikhail Lomonosov, will arrive in the port of Pevek, Chukotka, later this year. It will give the city

the first kilowatts of electric power. Akademik Lomonosov will replace the retiring capacities of the Bilibino Nuclear Power Plant and the Chaunskaya Heat Power plant. In the future, there will be no need to build expensive mainland power plants: the ‘battery’ can simply tie up at a port with appropriate infrastructure and solve all its power problems. This undertaking will not only save the small northern towns in Russia but will also allow solving the problem of power delivery for NSR facilities: simply, quickly, and using cutting-edge technology.

“The third block we are working on can be called navigational and hydrographic support,” says Ruksha. “It involves everything related to weather forecasts and ice conditions. If you navigate through ice, you need to know everything about it. Creating new transportation routes can be classified as part of this work. Just imagine that large-capacity ships have suddenly come to the Arctic. Take

the Yamalmax, for instance, which is 50 metres wide, 300 metres long and has a 13-metre draught. Before, our largest vessel was the nuclear icebreaker Arktika that was 30 metres wide with an 11-metre draught. If you translate this into land-language, the captians drive on a highway, not down a country lane. And so, these highways in the ice need to be set up so that they work in compliance with all present-day safety requirements.”

**Question Six: How much will the NSR cost? Can you make money on it?**

Right now, the cost of the Northern Sea Route development programme is estimated at 734.9 billion roubles until 2024. Only 274 billion roubles of that come from state budget funds. The rest are investments by Rosatom and subsurface users, such as NOVATEK, Rosneft and so on.

“For example, the state pays in full for building the first three

icebreakers,” explains Vyacheslav Ruksha. “For the third and fourth icebreakers, which we are contracting right now, the budget funds only cover one third, the rest (RUB 100 billion) comes from Rosatom and loans. We are building icebreakers that will last for 40 years and not only will they recover their cost, but they will make money.”

According to the KPMG expert opinion, the contribution of the Northern Sea Route to the GDP of Russia will be up to 2% annually (by 2050). It will gain RUB 4.4 trillion for the state budget from taxes and increased dividends. Development of the NSR will pave the way for many related sectors of the Russian economy. To be sure, you need cheap loans and tax breaks for investors in order to have such a leap.

“Of course, we’ve encountered many problems, including technological

difficulties,” says Ruksha. “The greatest obstacle, however, is that the current financial system does not allow such projects to move along the way they should. The investors need to build ships, large heavy cargo ships. So, they need loans for 15–20 years at 2–3% interest. However, we only give loans for ten years at 7–10% interest, at best. Nonetheless, I must say that only a healthy and powerful country can work on projects on the scale of the NSR. The fact that Russia has embarked on this path inspires optimism.”

The analysts continue to estimate the multiplicative effect of developing the NSR.

“Don’t forget the new opportunities in the job market,” notes Ruksha. “If you take the three projects already underway, thanks to them there are at least 10 thousand new jobs that pay

good money to hearty, healthy men that girls in any country in the world would be interested in.”

#### Question Seven: Is there room for further development of the route?

Right now, ships can only go through the western part of the Northern Sea Route year-round. The plans up to 2024 include increasing trade by building additional icebreakers, ports, etc. The most important goal planned for 2035 is the year-round maritime traffic along the entire NSR, including the part in the East Siberian Sea, which is the most difficult as far as ice conditions go. This will open up entirely new opportunities not only for Russia, but the rest of the world as well. The Lider-class super-powerful nuclear icebreakers will be able to provide the ‘road’ in the ice of the East Siberian Sea. These vessels can break four-metre-thick layers and will be twice as powerful as the ones of today.



Establishing the Northern Sea Route is going to cost RUB 734.9 billion within the next five years. Of that amount, only RUB 274 billion will be provided by the state. The rest will be commercial funding







↓  
The icebreaker 50 Let Pobedy  
on a voyage to the North Pole

“It is high time for Russia to take its products east, to the Pacific Ocean markets and our task is to build the road for businesses,” explains Vyacheslav Ruksha. “If, starting in 2027–2028, our icebreakers will go through the Arctic once a day, like a commuter trains, with the advent of Lider-class ships, we will be able to ensure mass transit of vessels. Then we can start talking about transporting 100 million tonnes and more.”

“This will make NSR highly attractive to foreign business. Right now, the volume of transit cargo is around 1 million tonnes.”

Historically, all goods have gone from East to West and back through the Suez Canal. It never seemed that there could be an alternative. Of course, the Arctic way is shorter. For example: it takes two weeks less to deliver goods from Shanghai to Rotterdam through the NSR than via the Suez Canal. The Murmansk–Ningbo (China) route takes 20–23 days, while it takes 35–38 days going through the Suez. The only problem was that

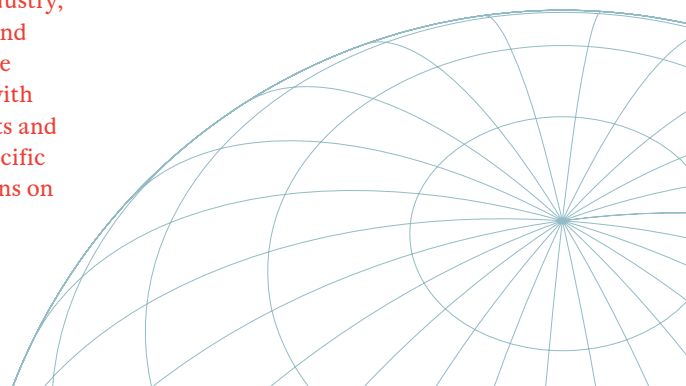
the way through the ice was only open in the summer. However, the NSR development until 2024, the construction of the new nuclear icebreaker fleet and the Lider-class icebreakers can radically change the situation on the world trade market.

Roughly speaking, Russia is building a good straight highway that will be an alternative to a long round-about road. Naturally, it will charge a fee for using it.

“So, it looks like the NSR will not only serve the interests of our national projects; the road will be open to foreign ships,” says Ruksha. “That is why we have already created the International Public Council of the Northern Sea Route. It includes representatives from different countries, from the shipping industry, from the business community, and so on. We hope for a constructive dialogue on all issues: starting with safety and security arrangements and all the way to discussions on specific volumes of goods and calculations on projects.”

The Council will begin its work as part of the Eastern Economic Forum. Many international companies have already expressed interest in participating in the new framework: for instance, Maersk and Mitsui O.S.K. Lines, Ltd. (MOL Line). The Japanese and the Chinese are also expressing interest.

“How do I see the Arctic in 5–10–15 years? It will be an excellent place to live for the indigenous peoples and the point-based business and state projects will not be in their way,” says Ruksha. “All in all, I can’t promise that apple trees will blossom in the Arctic, they don’t have to; but, as I mentioned before, icebreakers will go through the ice like trams connecting the East and the West on the shortest route!”



# BRIDGES

## OF THE FAR EAST

### Nizhneleninskoye-Tongjiang Bridge

railway

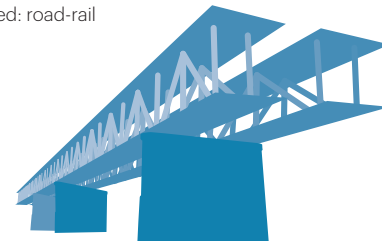


LENGTH: 2,209 m

CAPACITY: 57,534 tonnes of cargo a day

### Khabarovsk Bridge

combined: road-rail



LENGTH: 3,890 m

CAPACITY: 153 twinsets a day

### Blagoveshchensk-Heihe Bridge

highway

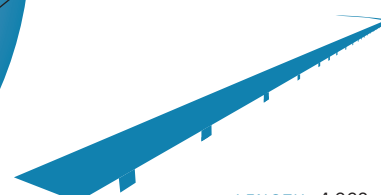


LENGTH: 19,900 m

CAPACITY: 630 cargo vehicles, 164 buses, 68 cars and about 5.5 thousand people a day

### Low-Water Bridge

elevated, highway



LENGTH: 4,362 m

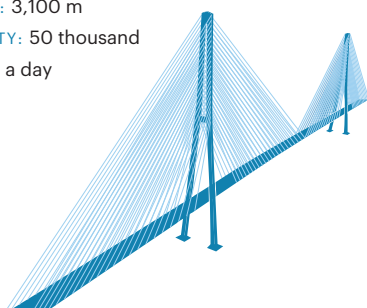
CAPACITY: 35 thousand vehicles a day

### Rusky Bridge

cable-stayed, highway

LENGTH: 3,100 m

CAPACITY: 50 thousand vehicles a day

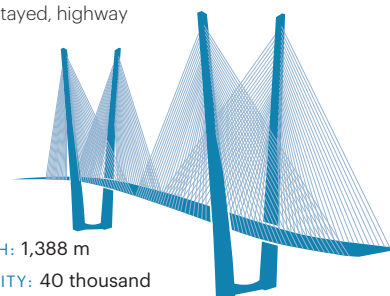


### Zolotoy Bridge

cable-stayed, highway

LENGTH: 1,388 m

CAPACITY: 40 thousand vehicles a day







↑  
Vladivostok's Zolotoy (Golden) Bridge, one of the five largest cable bridges in the world, immediately became the city's chief landmark

TODAY, BRIDGES ARE BOTH A TRUE SYMBOL OF THE FAR EAST AND ITS CLAIM TO FAME. THEY ARE AN ESSENTIAL PART OF ITS TRANSPORT INFRASTRUCTURE, AS WELL AS A MAJOR TOURIST ATTRACTION. TWO HALVES OF THE NEW BRIDGE CONNECTING BLAGOVESHCHENSK AND THE CHINESE CITY OF HEIHE WERE JOINED IN MAY, AND NEXT SPRING THE BRIDGE WILL BE PUT INTO OPERATION. BESIDES, FAR EASTERN BRIDGES ARE PLAIN BEAUTIFUL, WHICH HELPED THEM MAKE THEIR WAY TO THE 5000 AND 2000 ROUBLE NOTESS

by *Daria Mikolaychuk*

## Bridges of Vladivostok

During his trip to Vladivostok in 1959, Nikita Khrushchev set a task to turn the city into the Soviet San Francisco. These plans partially came to life 53 years later. Vladivostok got itself three new bridges for the APEC Summit: across the Zolotoy Rog Bay, across the Eastern Bosphorus, and across the Amur Bay.

**The bridge across the Zolotoy Rog Bay** connected the central part of Vladivostok and Cape Churkin. Before, it took 90 minutes to go around the bay, while now one can drive from the city centre to the Cape in five minutes. Once suburban, Churkin now plays an important role in the city's culture life: it is home to the local opera house, the Primorsky Stage of the Mariinsky Theatre.

### INTERESTING FACTS



The Russky Bridge is featured on the two-thousand-rouble note. Many believe it was driven by 'Vladivostok-2000', a hit single by Mumiy Troll, a popular Russian rock band.

The Zolotoy Bridge's cable stays are V-shaped. The ones on the Russky Bridge are A-shaped and painted white, blue and red – the colours of the Russian flag.



All the three bridges are for vehicles only. In 2018, Vladivostok-based artists took a stroll on the Zolotoy Bridge wearing a yellow cardboard bus costume to bypass the ban, however security was alert enough not to let them go through with their performance.





**The Russky Bridge across the Eastern Bosphorus** strait connects Vladivostok with Russky Island. Before the bridge came around, you could only go there by ferry. Now it is students and teachers of the Far Eastern Federal University who take the bridge, as well as tourists visiting the Oceanarium.

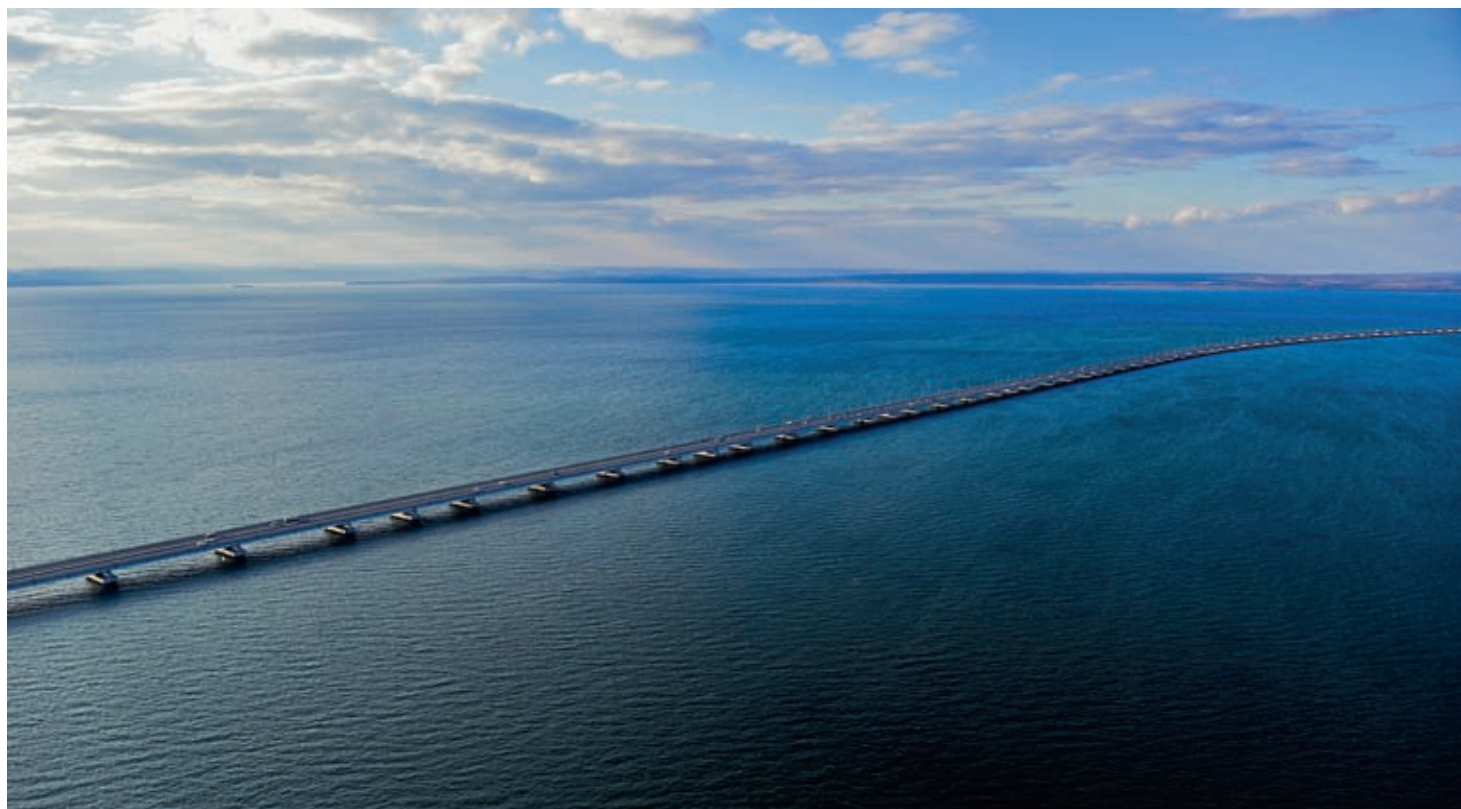


At 320 metres, the Russky Bridge is the second tallest bridge in the world



The Nizkovodny Bridge connects the De Vries Peninsula and the Muravyov-Amursky Peninsula near the Sedanka railway station

**The Nizkovodny (Low-Water) Bridge across the Amur Bay** spans from the Sedanka railway station area to De Vries Peninsula. It is a low-water bridge that from a certain angle looks as if the road glides on the sea surface beyond the horizon. The bridge is 4,362 metres long, which makes it the fifth-longest bridge in Russia.







The Khabarovsk Bridge was opened for vehicle traffic in the 1990s following a major reconstruction



## INTERESTING FACTS

In 2016, the Amur Bridge celebrated its centennial.

At the time of its creation, it was the largest railway bridge in the Old World.



One of its old trusses is now kept in the Amur Bridge Museum in Khabarovsk. You can climb it to see the reconstructed bridge from high above.



The photo for the 5000 rouble note was taken from a building on the Amur bank known among the locals as the Infidel's Tower. If you get to the observation deck, fold the note in half and take a look at it from the right angle. See? It's the full bridge.

## Khabarovsk Bridge

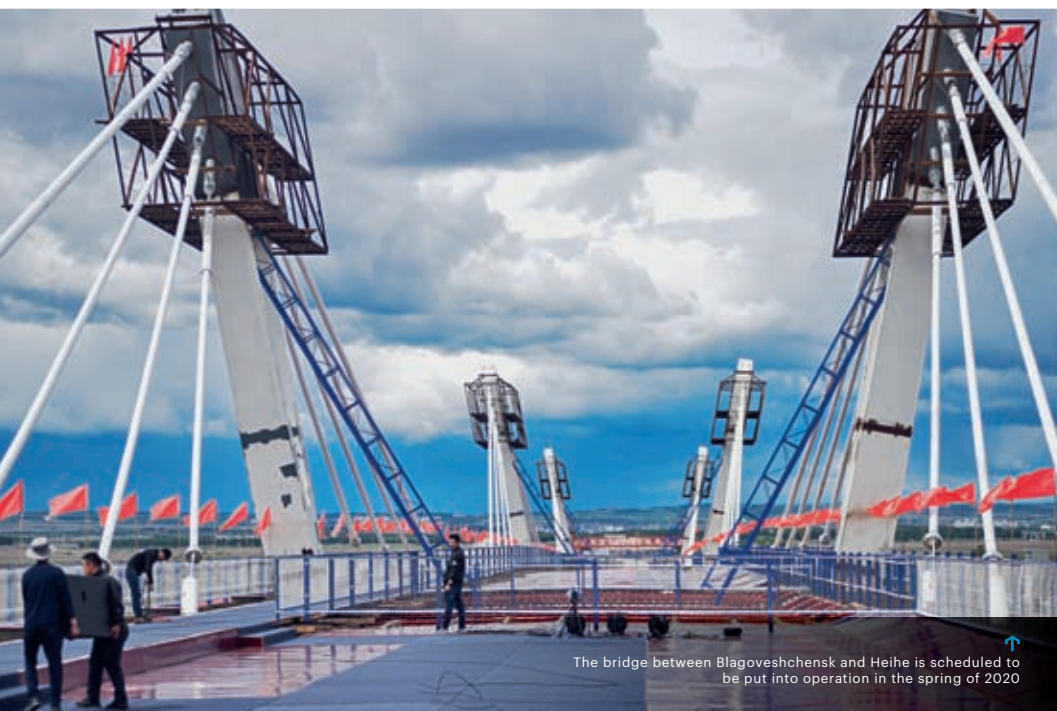
**The bridge across the Amur River**, is among Russia's biggest and is also known as the Amur Wonder. It merged the Amur and the Ussuriysk Mainlines and completed the Trans-Siberian Railway, the world's longest railway line.

The bridge was officially opened on 15 October 1916 and was initially

called Alexeevsky in honour of Tsesarevich (crown prince) Alexei. This project – colossal for its time – won the gold medal award at the 1900 Paris Exposition.

The bridge was blown up during the Civil War and restored five years later by the Soviet Government. The second

reconstruction happened in the 1990s – the time of Russia's economic reforms and financial crisis – and took over a decade. Today, it's a road-rail bridge, with a double-track lower deck and a double-lane upper one. After reconstruction, its capacity went up 1.5 times (from 95 to 153 twinsets a day).



The bridge between Blagoveshchensk and Heihe is scheduled to be put into operation in the spring of 2020

## Bridges between China and Russia

The bridges across the Amur River connect Russia and China. They started a new stage in the relations between the two countries and became a symbol of trust and economic development. In the upcoming years, two bridges will be put into operation – one in Amur Region and the other on in the Jewish Autonomous Region (JAR).

Halves of the new highway bridge connecting Blagoveshchensk and the



**ALEXANDER KOZLOV**

MINISTER FOR THE DEVELOPMENT  
OF THE RUSSIAN FAR EAST AND  
THE ARCTIC

« We call this bridge a sign of new times, because it is a symbol of the new era in the relations between Russia and China. After the bridge is put into operation, cargo traffic will grow manifold, which will replenish budgets on all levels and drive agricultural export development »

**Chinese city of Heihe** were joined in May. The total length of this trans-border double-lane bridge is over 1 kilometer. The countries built 540 meters each.

The bridge is scheduled to be put into operation in the spring of 2020. Its future capacity is estimated to be up to 3 million people and 6 million tonnes of cargo annually, which equals almost 300 thousand vehicles.

At the same time, another trans-border bridge across the Amur River is nearing completion. **It's a railway one between Nizhneleninskoye in the Jewish Autonomous Region and Tongjiang in Heilongjiang province.** Its halves were joined in late March 2019.

The bridge will become a part of the new export route. It's meant for transporting iron ore, coal, mineral fertilizers, forest products and other goods. The new bridge will make the distance to end users 700 kilometers shorter compared to other railway routes. The bridge will definitely stir up the development of JAR. The Amurles site in the Amur-Khingan advanced special economic zone is braced for the new bridge which is supposed to kick-start it. Export-oriented operations based in JAR will get good logistics – an important competitive edge.

## WHAT'S ON THE OTHER SIDE?

The Amur River lies between Russia and China. Or as it is called in China, Heilong Jiang – the Black Dragon River.

The distance between Blagoveshchensk and Heihe is about 800 metres. People from both countries can see each other from their local embankments.



All signage in Blagoveshchensk and Heihe is both in Russian and Chinese.

Locals of the Russian Far East take weekend trips to China for catching a break, shopping or family celebrations.



Tongjiang is a city on the border with JAR. It is a shopping centre attracting sellers from Fuyuanzhen, Suifenhe, Harbin and China's southern provinces. It also brings in about 10 thousand tourists from Russia annually.

The Chinese believe that the country's best rice grows in the vicinity of Tongjiang.

Residents of the Russian Far East do not need a visa to visit Tongjiang or Heihe.





# B U S I N E S S

A STARTUP SPRINGBOARD

> 050

HOW TO BRING TROPHY HUNTERS  
BACK TO KAMCHATKA

> 058

GREEN PIPES FOR HUMANITY

> 062

↓  
The Zolotoy Bridge  
in Vladivostok



РОСКОНГРЕСС  
Пространство доверия  
ТЕРРИТОРИЯ ИННОВАЦИЙ

# A Startup Springboard

THE ROSCONGRESS FOUNDATION HELPS PROMOTE PROMISING TECH COMPANIES IN RUSSIA. THIS IS THE SECOND YEAR THAT THE EASTERN ECONOMIC FORUM HAS INCLUDED THE INNOVATION SPACE, AN AREA HOSTING SPECIALIZED SESSIONS, SEMINARS, AND MASTER CLASSES FROM LEADING MENTORS AND CORPORATE AND INVESTMENT FUND REPRESENTATIVES. ONE OF THE MOST PROMISING EVENTS IN THE SPACE IS THE PRESENTATION OF THE BEST INNOVATIVE STARTUPS FROM THE BUSINESS PRIORITY PROJECT. WE TAKE A LOOK AT SOME OF THESE PROJECTS

by Anton BURSAK

## Kalancha

AN INNOVATIVE OIL STORAGE FACILITY FIRE EXTINGUISHING SYSTEM

Extinguishing fires without the use of water and foam, especially if it is an oil storage facility burning, seems like an impossible task. Yet, Kalancha NPO has found an effective solution. By taking advantage of a quarter century's worth of its own developments, Kalancha was first company in the world to develop, patent, and implement the innovative BiZone fire extinguishing system. It is designed for oil and petroleum product storage facilities, and is capable of extinguishing a fire within a minute. The BiZone system uses a gas and powder-based



fire extinguishing technology. This is a completely new approach to putting out flames – the source of the fire is neutralized through the use of a fire extinguishing powder and gas. This process takes advantage of all of the basic mechanisms for extinguishing a fire simultaneously, which allows the system to put out fires of practically any complexity in their early stages.

There are over 22,000 dangerous oil and gas facilities in Russia alone, including over 700 storage parks with over 50,000 storage facilities. These types of facilities are located all over the world and are some of the most flammable structures in the fuel and energy industry. After all, oil storage facility fires are a serious threat to utilities, surrounding buildings, and the people involved in extinguishing them. The direct and indirect material damage from oil storage facility accidents is hundreds of times greater than the money spent on constructing them.

Modern fire safety regulations require the majority of oil storage facilities to be equipped with an automatic foam fire extinguishing system. This technology has been used for over 60 years, but practice has shown that it is not very efficient: not a single oil storage facility fire has been extinguished automatically.



**ALEXEY MALIKOV,**  
A&A CAPITAL INVESTMENT FUND  
PARTNER

“I think that we will continue our relationship with the start-ups as part of the Business Priority project. They’ve received the status, and now our goal is to help them advance their product both in Russia and abroad,” said Alexey Malikov. “Personally, I was very pleased by what I saw in the discussions and presentations. I’m glad that there really are such innovative projects in Russia, and that they’re not just ideas bouncing around in the heads of developers, but are already being implemented in major Russian corporations”



↓  
The SPIEF pitch session  
raised over a billion rubles  
for startups

## WHAT IS BUSINESS PRIORITY?

Russia has a number of procedures in place to support the high-tech companies. Primarily, these are government corporations and foundations with full or partial state funding: Rusnano, the Skolkovo Foundation, VEB Ventures, the Rostec venture fund, etc. However, according to start-uppers themselves, even highly promising projects have a difficult time getting the attention of these institutions, given the total number of companies applying for support. The Roscongress Foundation, together with the International Foundation for Technology and Investment, the Digital Economy Development Fund, and the RC-Investment Foundation have launched the Business Priority project to help address this issue. The expert jury has currently reviewed over 200 projects, granting the 50 most promising ones Business Priority status.

“Our work is not limited to helping companies attract investment,” said Marianna Skragan, Business Priority CEO. “We are creating an environment for communication between start-ups and the government, investment funds, and major corporations. As a result, Business Priority projects

receive expert support, get help in solving regulatory issues, and find new clients, since many major corporations are themselves potential consumers of innovative developments.”

The Business Priority project was first launched in June 2019 at the St. Petersburg International Economic Forum. The launch was very successful: during the ‘Pitch Session for a Billion’, 13 innovative companies attracted a total of RUB 1,129 billion.

The project made another appearance in July, at the Global Manufacturing and Industrialisation Summit (GMIS 2019) in Yekaterinburg, where the eight best Russian start-ups were joined by seven international start-ups from Singapore, the UAE, the Netherlands, India, and Brazil. They presented their businesses and, most importantly, were able to directly communicate with representatives of major Russian and international corporations and investment funds.

This project will continue its work at the Eastern Economic Forum. Business Priority projects will be showcased in the Innovation Space – part of the Roscongress Foundation’s Building Trust programme (Building A, Level 3).

**VITALY GURYEV**

NPO KALANCHA

**The BiZone system uses a gas and powder-based fire extinguishing technology. This is a completely new approach to putting out flames**

Making matters even worse, over half of the oil production in Russia occurs in territories with long periods of negative temperatures, while 40% of oil is produced in countries with water shortages: using foam to extinguish fires in those conditions is difficult, if not entirely impossible. Meanwhile, hundreds of millions of dollars are spent on designing, constructing, and running foam fire extinguishing systems.

The BiZone system is far more affordable, and most importantly, more reliable and environmentally friendly. Companies such as Rosneft, LUKOIL, Gazprom Neft, Gazprom, Sibur, Nornickel, NLMK, Rosatom, Russian Railways, the Ministry of Defense of the Russian Federation, and other armed forces have taken advantage of these systems. Kalancha also has customers in Kazakhstan, Uzbekistan, and Indonesia. In May 2019, the company opened an international front office in Dubai, United Arab Emirates.

“Our participation in the Roscongress Foundation programme has added some weight to our interactions with investors and customers,” said BiZone NPO Development Director Vitaly Guryev. “The Roscongress Foundation’s Business Priority status opens a lot of doors for innovative companies. Collaborating with the largest

**ALEXANDER CHACHAVA,**

LETA CAPITAL FOUNDER

“I was called to watch a pitch session. It turned out that Cerevrum was one of the participants. We’ve been watching them for a long time now, it’s not that I saw the project at the pitch session and decided to invest in them immediately. In this situation, it was an enormous coincidence but, in any case, Business Priority is a good and useful initiative. Roscongress are super-experts in working with big corporations, especially Russian ones. From this point of view, the project is a very good idea”

organizer of international exhibition and public events allows us to directly communicate with decision-makers from investment company. This reduces the amount of time spent on reaching agreements and implementing technologies.”

According to Guryev, the caution exhibited by large companies is understandable: there is a huge number of underde-



**6-8**  
June

SPIEF

**3-5**  
July

International  
financial  
congress

**8-11**  
July

INNOPROM

**4-6**  
September

Eastern  
Economic  
Forum

**2-5**  
October

Russian  
Energy  
Week

**14-16**  
November

VII St.Petersburg  
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# Forbes

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## AGENDA

STAY TUNED FOR THE KEY  
**BUSINESS EVENTS**

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[shegolev@forbes.ru](mailto:shegolev@forbes.ru) | +7 903 500 3477

veloped projects out there. Taking on such a cooperation would result in a loss of time and money. “You could say that, for potential innovation customers, the Business Priority status is a seal of quality which denotes that they’re looking at a highly polished product that has undergone many stages of refinement,” said Guryev.

## Motivity

A CORPORATE PLATFORM  
FOR EMPLOYEE MOTIVATION TRAINING

Any manager will tell you that a success of any company depends on its employees. Employees need to be trained. This needs to be done in such a way that the educational process is not a burden, but instead increases employee motivation and productivity. Ideally, this would also be achieved without spending too much money.

The Russian company Motivity offers interesting tools for achieving such goals. For over a decade, Motivity has specialized in HR automation and gamifying HRTech and EdTech projects. Essentially, this is a personnel management system developed by Russian psychologists and IT specialists.

The platform tracks employees’ levels of motivation and includes a number of tools for increasing their engagement and personal productivity. Educational games adapted to meet the goals of each

### FOREIGN PARTICIPANTS IN THE BUSINESS PRIORITY COMPETITIONS

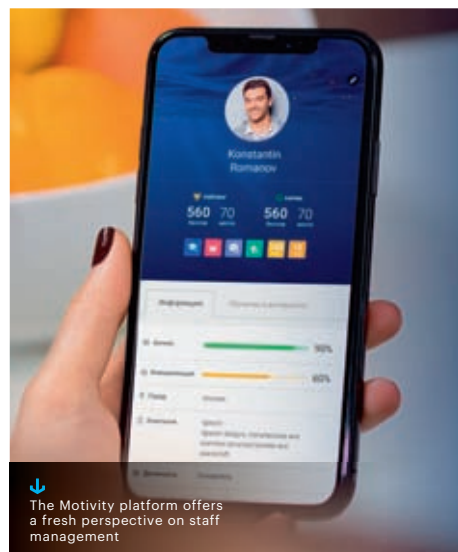
The finalists of the two Business Priority competitions included companies from Russia, Singapore, South Africa, the Netherlands, India, and Brazil. Among them was CUBi Energia, a startup from São Paulo, Brazil that developed an electronic system for auditing and managing energy consumption, that leads to significantly optimized results for both businesses and the public sector. Another company noted by the competition committee, India-based Credence Robotics, supplies a wide range of industrial solutions related to the internet, robotics, and artificial intelligence. The company’s products are aimed at smart cities, automated supply chains, and logistics.

## While Danila Zharov’s project is aimed at motivating personnel, he himself was extremely motivated by the pitch sessions at the St. Petersburg International Economic Forum

individual company; business simulators for developing and reinforcing new skills; interactive tools for practicing all sorts of client-facing scenarios – these are just a few of the products provided by Motivity.

The platform can, for example, help address the issue of high employee turnover, transform employees into loyal brand ambassadors, and ultimately increase sales and other business indicators. All of this is done by motivating teams in a non-material way.

“The Business Priority project is supported by major institutions, from the Skolkovo Foundation to the Ministry of Industry and Trade. They all have a common goal: to showcase the real success stories of innovative start-ups and help us use our competitive advantages,” said



**DANILA ZHAROV**  
MOTIVITY FOUNDER

Motivity Founder Danila Zharov. “Before, everyone enjoyed the same support. It was enough to call yourself a start-up and pass a formal selection process. However, Business Priority is a status granted to one in hundreds of companies. All of them have proof like sales and positive traction, not just ‘I have a cool idea and a PowerPoint presentation’ claims.”

Danila Zharov’s project has advanced far beyond a ‘cool idea.’ Its clients include Google, Sony, Adidas, McDonald’s, BMW, Bosch, IKEA, Sovcombank, and Asahi Glass Co. The project is undergoing active development in Russia and the CIS, and contracts are being developed in Europe, Africa, and the Middle East. The company’s earnings are currently modest, but they have doubled for the third year in a row and should exceed USD 1 million by the end of 2019.

While Danila Zharov’s project is aimed at motivating personnel, he himself was extremely motivated by the pitch sessions at the St. Petersburg International Economic Forum and the Global Manufacturing and Industrialisation Summit (GMIS 2019). “Participation in Business Priority pitch sessions is a boost to a project’s ‘karma’ in the eyes of investors, since it says ‘we chose these guys, and now we’re going to support them.’ These projects are more valuable to investors and they are more confident in their future,” said Danila Zharov.

Currently Motivity is in the process of attracting investment to accelerate their growth in Russia and enter the US market.





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 **ROSCONGRESS**  
Building Trust

# The Russian Falcon: A Far Eastern Treasure



THE MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT OF THE RUSSIAN FEDERATION AND THE UNITED ARAB EMIRATES GOVERNMENT ARE JOINING FORCES TO PRESERVE RARE SPECIES OF HUNTING RAPTORS. THE OPENING OF THE RUSSIAN FALCON CENTRE IN KAMCHATKA TERRITORY WILL BE A SIGNIFICANT MILESTONE IN THE COOPERATION BETWEEN THE TWO COUNTRIES IN THIS AREA. THE PROPAGATION FACILITY WILL BE CONSTRUCTED USING INTERNATIONAL BEST PRACTICES FOR RESTORING POPULATIONS OF RARE BIRDS IN CENTRAL ASIA, INCLUDING FROM THE KYRGYZ REPUBLIC. THE ROSCONGRESS FOUNDATION IS TAKING PART IN THE IMPLEMENTATION OF THIS PROJECT

by *Grigorii Velikikh*

If, during your time at the EEF or another Roscongress event, you should happen upon a representative from the monarchies of the Persian Gulf and ask their opinion of Russia, it is likely that their answer will include a reference to Kamchatka. Arabs' particular fondness for this Far Eastern region stems from its local fauna, which is associated with many legends in the Middle East. The Russian falcon, which can be found on the Kamchatka Peninsula and other territories in Russia's arctic and subarctic zones, typically plays a key role in these legends.

Birds of the family Falconidae are of great emotional significance to the peoples native to the Persian Gulf. Arabs consider falconry to be integral to their way of life and the sport has been popular there for centuries. The UAE typically occupies leading positions in the Middle Eastern hunting raptor market. That's why one of the world's largest legal falcon auctions operates at a bird propagation and preservation centre in Dubai. The administration of the Emirate of Dubai spends approximately USD 200 million per year on acquiring falcons. Similar falcon

auctions can be found in the Kingdom of Saudi Arabia, Qatar, Bahrain, Kuwait, and Iraq. Members of the political and business elite in these countries regularly take part in large-scale hunts using these birds. The hunting season typically starts in October and ends in February. Hunting locations are determined by range of the hunt's primary prey – birds of the family Otididae – which inhabit the steppe and semidesert regions of Eurasia, the Middle East, and North Africa. The number of participants in the hunt, including service personnel, can exceed one thousand people and no



fewer than 150 trained falcons. Moreover, the UAE and Saudi Arabia hold regular international team competitions for falcon breeders and handlers, which draw over 15,000 audience members and participants.

The primary range of the most valuable and rare member of the falcon species – the gyrfalcon – is located within Russia's arctic and subarctic zones. In the Arab world, it is considered the ideal falcon. The gyrfalcon is known for its light-coloured feathers, large size, unparalleled flight speed (up to 100 m/s), intelligence, and trainability. Meanwhile, international scientific circles recommend jumpstarting the implementation of already existing Russian falcon preservation programmes, especially those targeting the gyrfalcon. One of the most effective ways of restoring the gyrfalcon population in Russia is introducing birds raised in captivity to the wild. As a result, the Ministry of Natural Resources and Environment of the Russian Federation and the UAE Government are supporting the creation of the first ornithological centre in the Russian Far East – the Kamchatka Russian Falcon Centre. As part of this project, the administration of Dubai plans to transfer some of the falcons from the Muras Hunting Birds Rehabilitation and Reproduction Centre in the Kyrgyz Republic, established in 2017, to the new breeding facility in Kamchatka. Muras is a CITES-accredited Russian-Kyrgyz joint

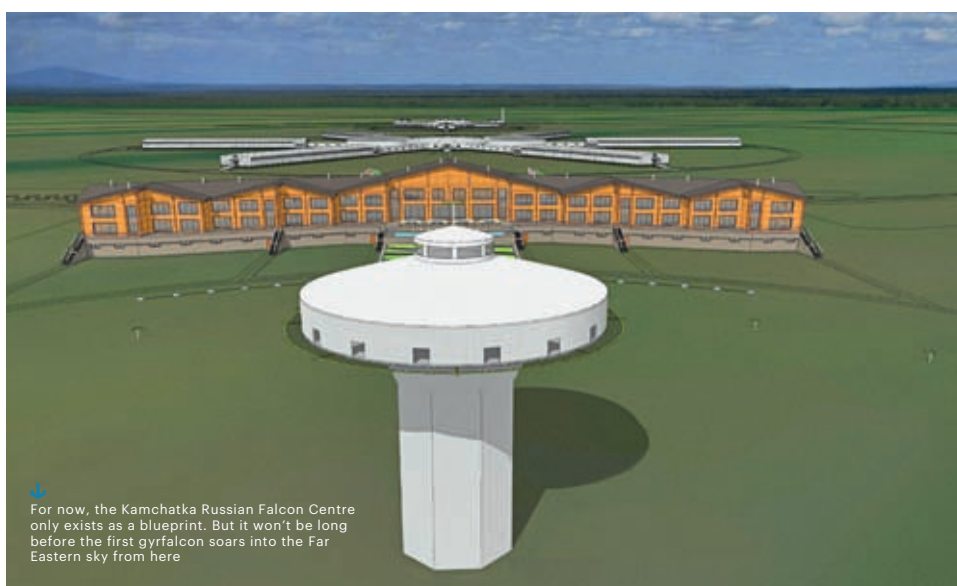
venture. The group of specialists working with the Muras Centre is ready and willing to participate in the creation of a similar facility in Kamchatka.

The propagation facility aims to introduce one thousand birds a year, part of which will be released into the wild. The first round of investment from private Russian and UAE investors is planned to be USD 230 million. This is enough to launch the centre and transfer 300 falcons. The investment programme will be expanded in the future. According to experts, the creation of a hunting raptor centre in Kamchatka will accelerate the process of restoring the local population of gyrfalcons and create the necessary conditions for legalizing the trade of these birds, effectively counteracting poachers. At the same time, the successful implementation of this project will facilitate the

development of multilateral cooperation and cooperative ties with Middle Eastern countries. It is expected that the opening of the Kamchatka Centre under the patronage of the UAE will evoke the interest of leaders in other countries in the Persian Gulf in creating similar institutions. This should create favourable conditions for the development of a network of hunting raptor propagation facilities in the Russian Far East, resulting in an influx of large foreign investments in the development of local tourism and transport infrastructure.



↓  
The Muras centre in Kyrgyzstan was chosen as a model for the Kamchatkan project



↓  
For now, the Kamchatka Russian Falcon Centre only exists as a blueprint. But it won't be long before the first gyrfalcon soars into the Far Eastern sky from here



### FALCON PROPAGATION

The falcon trade is regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). CITES regulations state that the international sale and transfer of birds is limited to third-generation birds raised in captivity. The average cost of a single falcon from a propagation centre is approximately USD 150 thousand.





# How to Bring Trophy Hunters Back to Kamchatka

KAMCHATKA COULD BECOME THE KEY REGION OF RUSSIA IN TROPHY HUNTING. THE PURBLIND POLICY OF LOCAL GOVERNMENT EARLIER THIS CENTURY, HOWEVER, LEAD TO A SIGNIFICANT WITHDRAWAL OF FOREIGN HUNTERS. TO BRING THEM BACK, THE ENTIRE SYSTEM OF HUNT-ORGANIZING NEEDS TO BE CHANGED RADICALLY, NOT ONLY IN THE FAR EAST BUT IN THE ENTIRE COUNTRY.

by *Valery Kuzenkov*  
photos by *author*

The author is a biologist-gamekeeper, eminent gamekeeper of Russia, and expert to the State Duma of the Russian Federation on hunting business issues

**F**or those who are not aware of it, the hunting lands in Russia cover over 1,710 million hectares. Hunting, both commercial and recreational trophy hunting, can take place in developed areas as well as on remote hunting lands. The latter include “backwoods” with negligible human pop-

ulation and accessible only by helicopter. Such areas in our country comprise over 60% of all land. One such place is Kamchatka. One cannot imagine the peninsula without volcanoes, hot springs, salmon runs, and, of course, the Kamchatka brown bears, the East Siberian moose, and the

snow sheep. They became the first hunting trophies for the first foreign hunters who came to Kamchatka all the way back in the 1990s. Starting in last decade of the 20th century, foreigners were allowed to visit the region and by August our travel agency in Penzhin District of Koryak



Autonomous Area (back then there were Kamchatka Region and Kamchatka District) built the first snow sheep hunting camp on the upper Enychavayam River.

At the turn of the 1990s, in a fairly short time, many foreign hunting travel agencies opened their offices in Russia. Some came to Kamchatka. People launched their businesses and began to expand them to the western markets. All these companies were governed by the then-current hunting laws and conducted business on the basis of existing regulations for use of natural resources. They worked by cooperating with local Kamchatka hunting establishments and built up trust and partnership with them over the years. The cooperation was based on long-term contracts, where foreign outfitters acted as investors.

All went well; it was quite simple and easy to work, but in 2005 the well-tuned system faltered. Mikhail Mashkovtsev, the governor of Kamchatka at the time, dealt a decisive blow at the growing hunting and fishing tourism. Moreover, the initiative was only announced after many foreign hunters were already brought to the hunting camps. The situation turned into an emergency. The hunters who came to Kamchatka under properly signed agreements could not hunt. Right away, foreign agents and hunters demanded that hunt-

ing providers refund the money and cancel all agreements for the upcoming fall hunt because the confidence of foreign clients both in Kamchatka and in Russia broke down. However, no one paid attention to the expert community, even though the specialists warned that unfounded cancellation of the brown bear hunting will lead to unemployment for those involved in trophy hunting in Kamchatka and, as a result, large-scale poaching, as well as, most likely, will cause social unrest among the region's population. That is exactly what happened. Using snowmobiles, the poachers indiscriminately killed all bears, taking only gall bladders and paws of the animals for subsequent sale in China. According to expert estimates, hundreds of bears were illegally killed all over Kamchatka in 2005. This was the beginning of the decline of hunting tourism in Russia.

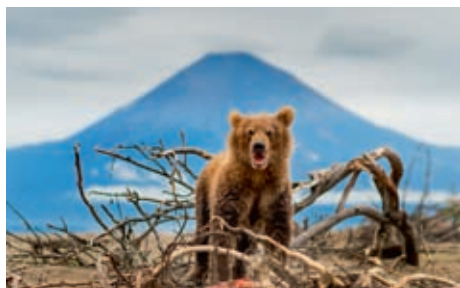
Let me say a few words about the factors that prevent the growth of hunting tourism when incompetent decisions have been rescinded long ago and the population of the brown bear keeps growing from one year to the next. First of all, it is the prices. For example, renting a helicopter today costs 250–280 thousand roubles



### SNOW SHEEP HUNTING

The cost for one hunter who comes to Kamchatka for the purpose of hunting a trophy snow sheep may reach up to USD 20–23 thousand for ten days of hunting. In addition, the hunter pays for international and domestic flights, excess luggage fee and hotels. The price of the tour includes services and one trophy, regardless of size. Snow sheep hunting takes place from early August to late September.

for a one-hour flight on a Mi-8. There is not much you can do without a helicopter in the vast expanses of Kamchatka, but few foreign hunters want to rent a helicopter at that price. The price of snowmo-



### BROWN BEARS IN RUSSIA

Russia has the largest brown bear population in the world: there are 180 thousand bears. Of those, 20 thousand live in Kamchatka, where their official killing does not exceed 600 a year. Brown bear hunting is permitted for two months in the fall and one month in the spring and even that is not in all regions of Russia.





## FOREIGN HUNTERS IN RUSSIA

Back in the Soviet times, no more than 100–150 trophy hunters came to the country through Intourist. As perestroika began, their number went on the rise, reaching 6.5 thousand by the millennium. After 2005, the numbers slacked off: in 2018 only 300 hunters visited Russia, even though the potential is to host up to 40 thousand annually.

bile fuel in Palana, for example, can reach 100 roubles per litre. Taking tourists to a hunting camp becomes prohibitively expensive. If fuel prices rise, the prices of everything else go up automatically, starting with groceries and all the way to the fees charged by guides, cooks, and taxidermists (after all, the trophy needs to be preserved and delivered to the hunter's country of residence). All in all, the cost of a brown bear hunting tour in Kamchatka reaches up to USD 10 thousand per person for six days of hunting. And, you still need to get there. The Moscow – Petropavlovsk-Kamchatsky ticket costs 70 thousand roubles per person, one-way. Not every foreigner can afford that. The cost



## BEAR HUNTING

As of today, the price of a brown bear hunting tour for a foreign hunter is around USD 10 thousand per person for six days of hunting. The timeframe for such hunting is in the spring from April to June and in the fall from September until the bears go into hibernation. The price of a tour (airport-to-airport) includes the services and one trophy, regardless of size. In addition, the hunter pays for flights, hotels and excess luggage fees.



of a tour for a Kamchatka moose is even higher: up to USD 15 thousand per person, and for the snow sheep it goes up to USD 23 thousand. It is just the local organisers who charge that kind of money, but there are still the outfitters, where the hunter orders the tour. Taking personal weapons to Kamchatka is nothing but trouble for foreign hunters. Right now, the hosting side has to deal with a lot of bureaucratic formalities, all the way to solving the problem of the client's weapons safety on the hunt, on the mountain in a tent, using a special safe box installed there. While weapon rental is permitted in many civilised countries, it is, for some reason, not allowed in Russia and is unlikely to be allowed in the foreseeable future.

Analysing the experience of organising hunting tourism and trophy hunting abroad, it is easy to come to the conclusion that to save and revive the industry, it is necessary to create a framework independent of any ministry, similar to the US Fish and Wildlife Service. This service must ensure fish and wildlife safety, monitor hunting and fishing resources in the country, and break down poaching that has overwhelmed Russia; the service should report directly to the president of the country. This will help to avoid delays in revising the entire legislative framework for restoring and improving renewable natural resources. The other line of action is creating a Russian National Hunter and Fisher Union as a coordinating centre for

all interested non-government hunting organizations. The dialogue of the state and various non-government hunting organizations will help to prepare a single policy in this area, including changes in the existing hunting laws, which will work for the entire hunting community. As the end result, this will help to create a civilised hunting and fishing tourism industry adapted to global requirements as part of the Russian economy.



## MOOSE HUNTING

Hunting tours for Kamchatka (East Siberian) moose take place from September to December. The best hunting time is October–December. The price of a tour for one hunter is USD 12–15 thousand for six days of hunting (airport-to-airport). The price of the tour includes a licence for one trophy, hunting guide services, taxidermy processing of the trophies, and the services of a cook, interpreter and so on. In addition, the hunter pays for flights, hotels and excess luggage fees.



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# Green Pipes for Humanity

TMK IS ONE OF THE WORLD'S LARGEST MANUFACTURERS OF PIPE PRODUCTS. ADDITIONALLY, THE COMPANY IS ALSO A GLOBAL LEADER IN TERMS OF ITS ENVIRONMENTAL FOOTPRINT AND SOCIAL RESPONSIBILITY

## Focus on Innovation

TMK is a global leader in manufacturing pipe products for oil and gas companies. Last year, the company produced 4 million tonnes of pipes and premium connections that are used in oil and gas fields with difficult drilling conditions, including offshore, the deep sea, and the Arctic. Today, TMK has dozens of production sites located in Russia, the USA, Canada, Romania, and Kazakhstan. The company's key products are threaded

oil and gas pipes, which are shipped to more than 80 countries around the world. In addition, TMK provides an extensive package of services in heat treatment, protective coating, premium connections threading, warehousing, and pipe repair.

TMK does not only manufacture products – the company is constantly developing new offerings thanks to its vast R&D capabilities. The development and improvement of pipe products along

with scientific research and testing are mainly carried out by the Russian Research Institute of the Pipe and Tube Industry (RosNITI) in Chelyabinsk, which belongs to TMK. In the third quarter of 2019, a new TMK R&D centre will be opened in Skolkovo, which will be the company's base for creating new types of pipes and related products as well as for conducting large-scale studies in the metallurgy sector and other industries.

## Latest production

In the modern world, metallurgy must be environmentally responsible. TMK is highly focused on sustainable development and is successfully reducing its industrial environmental footprint. The company's production sites today are state-of-the-art facilities on a global level. This is a result of the upgrade carried out in 2006–2014, during which all the steelmaking facilities were modernized, with obsolete open-hearth furnaces replaced with more environmentally-friendly electric ones. Modern continuous casting machines were also installed and put into operation. For this purpose, the company rose more than RUB 160 billion in investments.

Replacement of obsolete equipment resulted in the introduction of cutting-edge technologies. Installation of modern gas cleaning systems with an efficiency level of 98% led to the reduction of production emissions and the air in the factories and surrounding urban areas is now notably cleaner. Water treatment systems have been improved, and additional recycled water supply systems were introduced. With increased production volumes, there has been a reduction in energy and water consumption.

## Social support

Another priority for the company is social and charitable projects. TMK supports many cultural, charitable and sporting initiatives. The company has a stake in providing the best conditions for both its employees and their families, as well as for the people living in the cities where its plants operate.

TMK's charitable projects are implemented both via the Sinara Corporate Charity Foundation and



**BY 2018, THE FOLLOWING PERFORMANCE FIGURES WERE ACHIEVED AT RUSSIAN PLANTS:**

- Water consumption at the production facilities was 1.3 times lower
- Wastewater volumes were 1.9 times lower
- Specific atmospheric emissions were 1.3 times lower
- Gross atmospheric emissions from production were halved
- About 4 million tons of previously accumulated waste was processed
- Total waste generation has decreased by 46%

directly by the plants. For many years the company and Foundation have been implementing a career guidance project called Foothold. Last year, more than 4,000 high school students from 85 schools took part in the project with more than 1,000 events held.

TMK is implementing a multi-year project called Corporate Citizenship through which funds are donated for children with serious blood disorders. The company's Russian plants regularly conduct volunteer campaigns and provide assistance to veteran organizations, child



TMK supports amateur teams in various sports at its production facilities

care facilities, and medical institutions. TMK also supports the cities in which it operates – it is actively involved in urban renewal, landscaping and other projects designed to improve the quality of life of local residents.

TMK pays special attention to the promotion of a healthy lifestyle via its support for sporting events and organizations. The company supports the Russian Ski-Jumping and Nordic Combined Federation, the Russian Olympians Foundation, FC Ural

Yekaterinburg from the Russian Premier League, the Sinara futsal club (also from Yekaterinburg) and many other sporting organizations. TMK also promotes sport among its employees by supporting its plants' amateur child, youth and adult teams in various sports.

Pipes should not only be durable. TMK is doing everything to ensure that their production does not harm the environment, and company employees and local residents can look to tomorrow with confidence.



TMK's new research centre is due to open in Skolkovo before the end of 2019

Employees participate in beautification and landscape gardening projects

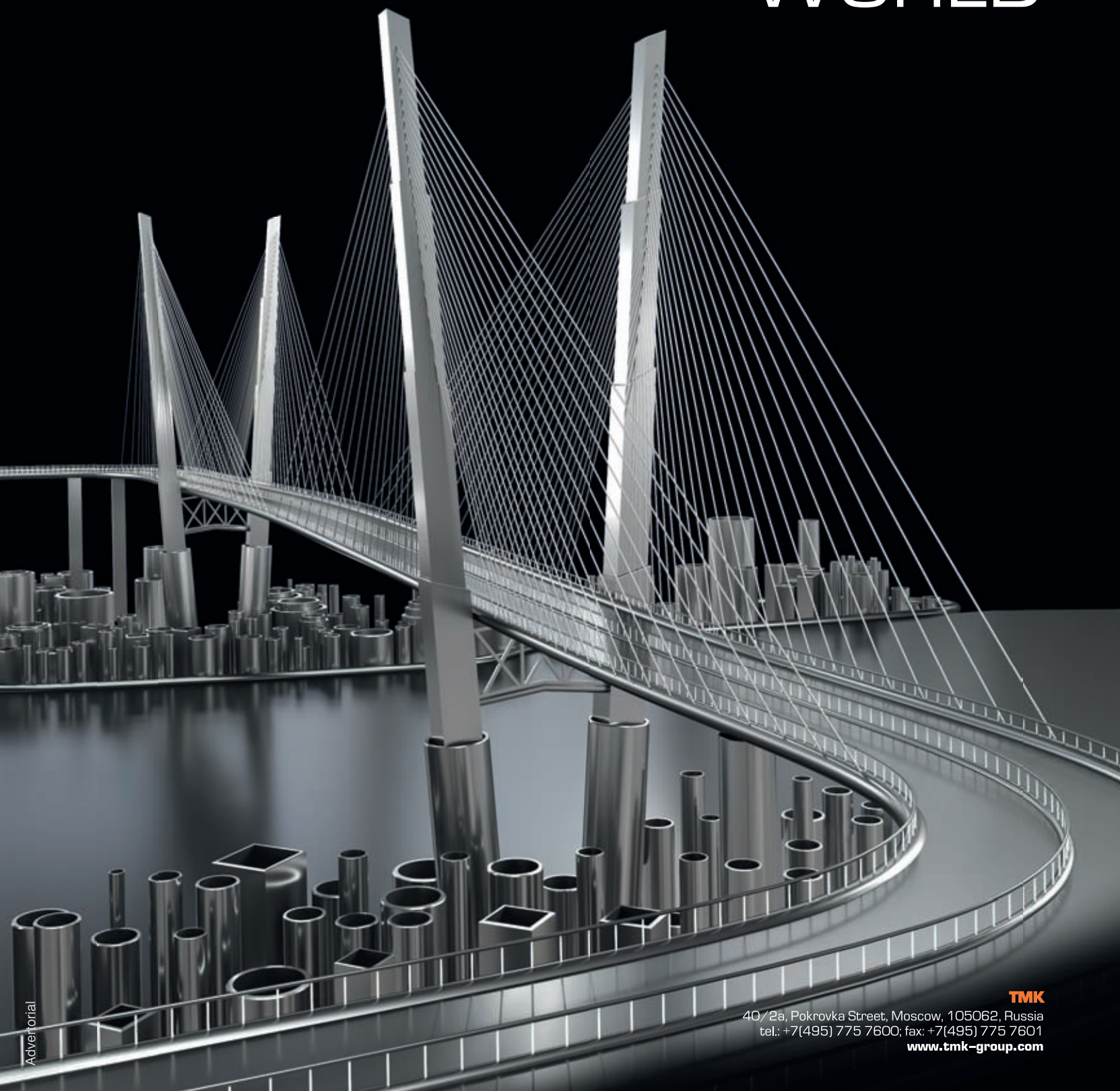


Together with the Sinara charity foundation, the company runs a career guidance project, Bearing Point





# PIPE FOR THE WORLD







# SOCIETY

INTRODUCING DIGITAL TECHNOLOGY  
IS A PRIORITY FOR HEALTHCARE  
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↓  
The road-rail bridge across  
the Amur



# Introducing Digital Technology is a Priority for Healthcare in the Far East

RUSSIAN MINISTER OF HEALTH [VERONIKA SKVORTSOVA](#) TALKS WITH US ABOUT  
NEW PROJECTS FOR THE FAR EAST, COOPERATION WITH ASIAN HEALTH PROFESSIONALS  
AND AIR MEDICAL SERVICES



### How does the Ministry of Health plan to further drive the development of high-tech healthcare in the Far East?

At the end of 2018, high-tech healthcare services had been provided to over 34 thousand patients, 21 thousand of which were using mandatory health insurance funds. The basic mandatory health insurance programme covers high-tech health services at 84 care providers including 5 federal, 72 regional, and 7 private health organizations.

In 2019, the availability of high-tech healthcare (both covered and not covered by the basic mandatory health insurance programme) in the Far Eastern Federal District was 418.87 treated patients per 100,000 people, compared to a figure of 474.05 in the nation at large. There is obviously room for improvement in the district.

At a meeting with private healthcare executives, we discussed the current state of and prospects for developing nuclear medicine techniques for cancer diagnosis and attracting private funds for building PET centres in Russian regions. According to the executives, PET centres are slated to be opened in three regions of the Far Eastern Federal District: in the Republic of Sakha (Yakutia) and in Primorye and Khabarovsk Territories.

The Ministry of Health is considering establishing a reference centre for the Far Eastern Federal District at the Vladivostok Oncology Dispensary. It is supposed to perform image interpretation and tissue analysis to provide a more comprehensive diagnosis based on histological, chemical, and immunological parameters.

### Are there any additional plans to attract private or foreign partnerships?

Interdepartmental cooperation with Far Eastern countries – China, Japan, and Korea – is developing rapidly.

In September 2016, for example, the Russian Ministry of Health and the Korean Ministry of Health and Welfare signed a Memorandum of Intent to Cooperate in Health Information Technologies in Vladivostok. Last year, in June, the Nine Bridges plan for Russian-Korean trade and economic cooperation was adopted in Moscow, providing for the exchange of experiences and training for health professionals at organizations in both countries. Besides that, we are also planning on cooperating in the development of eHealth.

### What can we expect from eHealth?

Introducing digital technologies is a top priority for healthcare development. It is actually a crucial pre-condition for the effective functioning of all our systems. In 2017–2018, about a thousand healthcare locations in the Far East were connected to the Internet in the process of building the health data exchange infrastructure. It was paid for through federal funds. We are planning to double that number of connected locations within the next five years.

In 2018, every region in the Far Eastern Federal District integrated into the Unified State Health Information System (EGISZ). Now, they provide appointment scheduling via the My Health online patient service. The option 'Appointment for Preventive Health Check' has been enabled and, as of 1 August this year, is

## Interdepartmental cooperation with Far Eastern countries – China, Japan, and Korea – is developing rapidly

available in three Far Eastern regions – the Jewish Autonomous Region, the Republic of Buryatia, and the Republic of Sakha (Yakutia).

Over 368 thousand Far Eastern Federal District residents used the My Health service on the Public Services Portal of the Russian Federation in 2018. E-services are increasing in popularity. The number of users in the first half year of 2019 included 360 thousand residents of the Far East.

### Which healthcare project implemented in the past five years in the Far East do you consider the most successful?

Far Eastern regions have become part of a high-priority project to develop air medical services. The timely transportation of patients by a well-equipped ambulance helicopter manned by a well-trained healthcare team has saved about 5 thousand lives in the past two years. Since 2019, the Ministry of Health has been engaged in developing air medical services as part of the Healthcare national project. 10 out of 11 Far Eastern regions are involved. In the first seven months of 2019, 762 flights were made in Far Eastern regions, evacuating 1,284 patients, including 250 children, 109 of whom were infants under the age of 1.

Perinatal care centres have been built in two Far Eastern regions – the Republic of Sakha (Yakutia) and Sakhalin Region – as part of the national programme for the development of perinatal care centres. The launch of perinatal care centres improved the quality and availability of health care for women and children in high-risk groups.

**The timely transportation of patients by a well-equipped ambulance helicopter manned by a well-trained healthcare team has saved about 5 thousand lives in the past two years**

# Real virtuality: Far Eastern medicine and advanced technology

VIRTUAL REALITY AND BLOCKCHAIN MAY BECOME THE MAIN WAYS TO SOLVE THE LACK OF ACCESS TO MEDICAL SERVICES IN THE FAR EASTERN FEDERAL DISTRICT.

by Irina Zbavoronkova

**A**ccording to the Russian Public Opinion Research Centre, 1 in 3 inhabitants in the Russian Far East is satisfied with their access to medical services, while 40% think that the region has good infrastructure and hospital equipment. Factors such as the hundreds of kilometres between populated areas, the lack of modern hospitals, and the lack of specialist personnel have forced Far Eastern authorities to use traditional methods to widen access to medicine, such as building new hospitals and high-tech medical centres, as well as unusual solutions, such as air ambulances, specialist mobile clinics (via air and railway), and advanced technology. Solutions that, not too long ago, were the stuff of sci-fi novels.



## TOOL 1: Blockchain

Blockchain is technology which gives each patient (and doctors) access to their medical history and treatment at any time. The local authorities have already developed a project called 'Creating a unified digital circuit based on the unified state information system for the healthcare sector' that is, essentially, a virtual electronic medical history that optimizes treatment and reduces the appointment lengths. All medical institutions will be connected to this electronic chart, including paramedical stations. By 2024, all citizens of Russia will be able to use the state portal to schedule

a doctor's appointment, request a home medical visit, enquire about compulsory medical insurance and their insurance company, see what their doctor prescribed them and when (as well as the cost of procedures), and put their name down for a check-up or medical examination.

Blockchain allows the patient to collect and keep information about every diagnosis, doctor's visit, medical procedure, prescription, test result, and sample, which can be accessed by a doctor located anywhere in the world, by the patient, and, if necessary, by a third party such as an insurance company representative. Data entered into the blockchain system cannot be amended. A doctor who is recording new information about the patient's medical history will not be able to delete





↓  
The Minister of Health Veronika Skvortsova (centre) and her deputy Oleg Salagai (right) at the opening of the 'Healthy Life' Area with Alexander Stuglev, CEO of the Roscongress Foundation and project leader Anastasia Stolkova

patient information that is already in the system. Blockchain prevents people from manipulating patients' medical data with the intent of obtaining positive health assessments or fake sick notes. It also solves the problem of writing out prescriptions.

This system has already been trialled in Estonia. In Russia, it may come up against several problems, as noted in



## 69+

Between 2012–2017, the life expectancy in the Far East increased by over two years, reaching 69 for the first time in history. The mortality rate, on the other hand, decreased from 13.1 to 12.5 per 1,000 people annually.

research carried out by the Higher School of Economics. For example, people don't understand how blockchain works and don't trust the electronic patient chart – and for good reason. If data isn't well protected, it can be hacked into and uploaded to the web. Moreover, it's worth considering the reluctance of medical professionals, who often grudgingly make the leap to the digital world, as well as the old computers in regional hospitals and clinics: paramedical stations in rural areas may have no computers at all. And there's another, purely technical, problem: those uploading the data to the patient chart may be using different computer software and combining them doesn't seem to be possible.



### TOOL 2

## Virtual reality

According to a forecast by the research and consultancy firm IndustryARC, the global market for virtual technology and augmented reality in the healthcare sector will reach USD 2.54 billion by 2020.

At present, this tool is actively being used in the medical profession. First, it is used in education (e.g. broadcasting operations online, presenting clinical findings in real time, creating simulations for students and surgeons, etc.). Second, it

is used for treatment purposes, such as for psychological disorders, disorders of the nervous system, and psychotherapy.

For example, doctors at the Royal London Hospital removed a cancerous growth while simultaneously streaming the entire procedure on the Web using augmented reality glasses, Google Glass, worn by the surgeon. The procedure was watched by 13,000 students (almost in real time, there was a time lag of just a few minutes). They had a unique opportunity

### THE ESTONIAN EXPERIENCE

Estonia has a functioning blockchain system in which you can see a patient's medical history in real time. This blockchain technology is called Guardtime and medical information is safeguarded by the eHealth Foundation.

With the aid of this platform, doctors have prompt access to their patients' medical data. A major advantage of this project is the potential to promptly react to emergencies: the doctor can see the patient's entire medical history and also has access to test results and X-rays. Information is collected from different healthcare providers, thus creating a unified medical chart for each patient. The data cannot be forged by an organization or by patients themselves.



to ask questions, which the surgeon could then see on a peripheral screen and was able to answer verbally.

Another way of using virtual reality is during the course of treatment itself, primarily to improve patients' quality of life. One of these projects – which involves treating patients after a brain haemorrhage – was presented to the international market last year by a subsidiary of the Russian state corporation Rostec. Their neuro-simulator ReviVR was created for hospitals and clinics and uses virtual reality technology to rehabilitate patients that had suffered brain haemorrhages. Patients wear virtual reality glasses to virtually orient them in an upright position, along with an air pressure gauge to simulate the process of walking, helping repair part of the neural links damaged by the haemorrhage. This simulator costs around RUB 1.5 million.

Moreover, doctors at the Chalmers University of Technology in Sweden were able to link a patient up to an amputated arm with sensors, which captured muscle signals, transmitted them to a monitor and allowed the patient to 'move' the absent arm by wearing 3D glasses. The study confirmed that the patient was even able to drive a virtual vehicle.

Blockchain prostheses are being made in Russia as well. The most significant of these have been created by two start-ups: Motorika and MaxBionic. In 2017, Motorika showcased its first bionic prosthesis, called Stradivari, and there are already real patients: children with similar artificial limbs.



### TOOL 3

## Telemedicine

Telemedicine has been successfully undergoing development in Russia for years. On 1 January 2018, a law on telemedicine entered into force in Russia, aimed at providing patients with remote medical treatment upon diagnosis and electronic prescriptions. BBC Research valued the world telemedicine market at USD 44 billion by 2019. According to experts, the potential of the Russian market will soon exceed RUB 18 billion annually.

According to data obtained by the American Telemedicine Association, the number of ambulance patients decreased by 80% between 2008 and 2016. The number of beds occupied and in-patients fell by 19% and 25%, respectively. The reason for this is not only that appointments have moved online, but also because of the possibility of tracking a patient's condition remotely.

Russia is already seeing the effects of introducing telemedicine. Last year, Minister of Health Veronika Skvortsova said that using telemedicine to plan routes for ambulances and critical care vehicles reduced the wait time for patients to 20 minutes in 90% of cases. Moreover, Skvortsova stressed that these results were seen not just in Moscow, but in Siberia and the Far East as well (source: <https://tass.ru/obschestvo/4877691>)

Russia's own telemedicine projects include Yandex.Health and Sberbank's DocDoc. Mobile phone providers have

already launched telemedicine-based services. The fiercest competition is primarily among service aggregators, who offer a basic service allowing you to 'video stream and chat with doctors from various clinics.' However, contrary to hopes and expectations, telemedicine is still mainly used in Moscow and St. Petersburg, rather than in remote regions. Experts think that one of the main barriers to development in this area is patient conservatism and the reluctance of regional doctors to offer remote appointments due to concerns surrounding legal liability. This is why issues related to the integration of new technologies in the Russian Far Eastern healthcare system will be discussed at the Eastern Economic Forum (EEF 2019) on 4–6 September 2019. Furthermore, there will be an exhibition at EEF 2019 showcasing new healthcare projects.



### WHAT ABOUT GREENLAND?

Greenland – one of the least accessible islands on the planet – has a population of around 60,000 people, the majority of whom are indigenous northern peoples. All medical services, including medicines, are available free of charge. Greenland is divided into five 'health regions.' There is a small hospital or clinic in each region with 4–5 doctors. The main hospital – Queen Ingrid's Hospital – is located in Nuuk, where general practitioners and specialists can treat the most common diseases. When local doctors are unable to diagnose or treat patients, they send them to continental Denmark. In some cases, the evaluation is done with the aid of telemedicine.





## Anastasia Stolkova,

FIRST DEPUTY DIRECTOR  
FOR DEVELOPMENT,  
ROSCONGRESS FOUNDATION

### What is Healthy Life's goal at EEF?

Healthy Life is one of the Roscongress Foundation's key projects. To date, activities related to the Healthy Life project have been included in the business agenda of all the Foundation's major forums. The goal is to contribute to the development of practical solutions to improve the quality and length of the population's healthy life expectancy.

The Far Eastern Region is unique because of the size of its constituent territories, low population density, challenging climate, the need to build mobile medical clinics and rural health posts and develop a medical air service. All this justifies the creation of a separate block in the Forum programme titled 'New Solutions for Improving Quality of Life.'

Discussions will focus on providing medical care in remote areas and introducing new technologies in healthcare, biological safety, and public health programmes in the Far East. The Healthy Life project opens up brand new opportunities for participants in the medical and social sectors. Representatives from every community can have their voices heard and receive support in implementing their goals.

Particular attention will be paid to the development of corporate healthcare programmes in Russia. We expect our

partners to announce an industry-specific competition at the upcoming Forum.

The results of all of the discussions held in the healthcare track throughout the year will be presented in February 2020 at the Healthy Life Forum. Special attention will be paid to the problems facing the Far Eastern and Arctic regions.

### Do you have any surprises planned for the site? New technologies, new developments...

This is the first time that the 'Healthy Life' Area will be present at the Eastern Economic Forum. It aims to become a place that brings together leading representatives of the medical and scientific communities. EEF participants will be able to undergo DNA testing, visit a healthy diet bar and business networking area, and get diagnosed at the 'Smart Express Clinic.' The 'Telemed-Express' innovative mini-clinic network project is of particular social significance: new technologies make it possible for patients in the Far Eastern region to access the best in medical care at their convenience with the use of virtual reality and telemedicine tools. This

digital clinical model is a completely new type of primary healthcare that improves medical and economic efficiency in keeping with the principle of 20:80 (80% of the result for 20% of the cost). This is fully consistent with the objectives of the federal 'Development of a Primary Healthcare System' Project, which is part of the National Healthcare Project.

An important 'Healthy Life' Area event will be the signing of a cooperation agreement between the National Medical Research Radiological Center of the Ministry of Health of the Russian Federation and Medical Tourism Japan Co., Ltd. It concerns the creation of the first clinical centre for the treatment of cancer patients with carbon ion radiotherapy in Russia. At present, there isn't a single clinical centre for ion therapy in our country, although this type of treatment is developing rapidly in other parts of the world. The creation of a modern centre for ion therapy at the National Medical Research Radiological Center will guarantee the fastest possible introduction of all available options into clinical operation and their proper use.



↓  
The 'Healthy Life' project, launched in February 2019 with eponymous Forum held in Sochi, has become an integral part of the Roscongress Foundation's key events. Russian Deputy Prime Minister Tatyana Golikova inaugurated the project's presentation area at SPIEF 2019



# BOTTICELLI

*at EEF 2019*



WITH THE SUPPORT OF  **SBERBANK**



THE PRESENTATION OF SANDRO BOTTICELLI'S PAINTING 'MADONNA DELLA LOGGIA' IS SET TO FEATURE AS THE HEADLINE CULTURAL EVENT OF THE EASTERN ECONOMIC FORUM 2019 (EEF 2019). THE MASTERPIECE IS USUALLY HELD AT THE UFFIZI GALLERY IN FLORENCE, ITALY, BUT THE ITALIAN EMBASSY IN MOSCOW HAS BROUGHT THE WORK TO RUSSIA WITH THE SUPPORT OF SBERBANK.

**T**he Renaissance artist's work is doing a Far-Eastern 'tour' of Russia thanks to Italy's participation in the 5th Eastern Economic Forum. High-level delegates will come to Vladivostok, including representatives of major Italian firms in Russia. For the first time, the inhabitants of Primorye Territory will have the chance to appreciate the artistic value of the painting up close.

Sandro Botticelli was born in 1445 in Florence and died there in 1510. His real



#### HERMAN GREF,

CHIEF EXECUTIVE OFFICER AND  
CHAIRMAN OF THE EXECUTIVE  
BOARD OF SBERBANK

“For Sberbank, it is a great honour to assist in strengthening and expanding Russian and Italian cultural ties and act as a fully-fledged partner of the Sandro Botticelli exhibition at the Primorye State Art Gallery and the State Hermitage. The canvas exhibition, which is being brought to Russia for the first time, will undoubtedly be a highlight of the cultural programme of two upcoming events: the 5th Eastern Economic Forum and the St. Petersburg International Cultural Forum. I am convinced that the Sandro Botticelli exhibition will facilitate further cultural exchange between our countries and attract more regions of Russia. For its part, Sberbank will continue to uphold the long-standing tradition of supporting charity projects to promote art”

name was Alessandro di Mariano di Vanni Filipepi, but he was given the nickname Botticelli (little barrel) when he was a child. Art historians place Botticelli's work as part of the High Renaissance period. He was a senior contemporary of Michelangelo and Rafael, having studied under Fra Filippo Lippi and Verrocchio, where young Sandro worked in the same studio as young Leonardo.

Botticelli is famous mainly for his iconic compositions 'The Birth of Venus' and 'Primavera'. He is also acclaimed as a master of portraits and depictions of Madonna and child. It is one of those paintings will be brought to Russia.

'Madonna della Loggia' (Madonna and Child) was painted with tempera (on wooden board, 72 x 50 cm) and is dated around 1467. It was painted during the artist's early years while he was studying under Fra Filippo Lippi. However, the work shows the artistic principles and techniques that would go on to give Botticelli the status of a great artist. The child is standing on his mother's lap, pressing his cheek and eye to her face, as they embrace each other tenderly. The scene takes place within a Renaissance-style loggia, which the work was named after. In the background – through the arch – you can see mountains and a road which leads off into the horizon: this is characteristic of the 'window onto the world' trend in Renaissance paintings. The scene itself, with the depiction of a standing child, was a new phenomenon in Italian art of the late fifteenth century. Just at 22, the artist had a particularly



←  
Portrait of a Young  
Man (oil on wood,  
53.5 x 33 cm)

#### HOW MUCH DO BOTTICELLI PAINTINGS COST?

Botticelli's works are extremely rare on the global antique market. Over the past 30 years, the antique site ArtPrice has recorded 28 auction sales of his works.

The most expensive painting to be sold was 'The Rockefeller Madonna' from John D. Rockefeller's collection. 'Madonna and Child with Young Saint John the Baptist' was sold in 2013 for USD 10.5 million.

The latest sale took place at the beginning of July during an auction at the Schuler Auction House in Zurich. The work is called 'Portrait of a Young Man' (oil on wooden board, 53.5 x 33 cm) and bears the description: 'Presumably by Sandro Botticelli (Botticelli workshop); 1445–1510'. Provisionally, the portrait was valued at between 5–7 thousand Swiss francs. The sale price, however, was 1,000 times more than the original estimate, selling for a whopping 6.4 million Swiss francs (USD 6.36 million)

melodic style of depicting people, which would become his hallmark.

Botticelli's painting will be exhibited in the Sberbank pavilion at the Forum, after which it will be sent to the Primorye State Art Gallery and then to the State Hermitage Museum in St. Petersburg in November.

A catalogue of articles written by major art historians from Italy and Russia will be prepared ahead of the exhibition, providing readers with a detailed description of Italian Renaissance art, particularly the works of Botticelli himself.

# Social initiatives are on the agenda

THE INNOSOCIUM FOUNDATION FOR THE PROMOTION OF SOCIAL DEVELOPMENT WAS CREATED AS PART OF THE ROSCONGRESS FOUNDATION SOCIAL PLATFORM IN SPRING OF THIS YEAR TO PROVIDE SYSTEMIC, MULTIDIMENSIONAL SUPPORT IN ADDRESSING RUSSIAN SOCIAL DEVELOPMENT OBJECTIVES AND TO CREATE A BRIDGE BETWEEN NON-PROFIT ORGANIZATIONS AND THE BUSINESS SECTOR





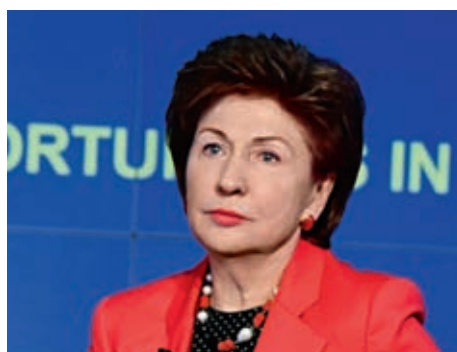
## Mikhail Kotyukov,

Minister of Science  
and Higher Education  
of the Russian Federation

The Innosocium National Social Projects Contest, implemented with the support of the Ministry of Science and Higher Education of the Russian Federation, is a wonderful tradition that has given birth to a number of interesting joint projects. The contest highlights topical issues: the development of an inclusive society and social responsibility and the preservation of cultural values. We think it is important to support this new initiative, given that it involves the youth, facilitates the development of leadership and independent project planning skills, fosters social responsibility, and allows participants to share their experiences. The first winners have already had the chance to present their projects at SPIEF 2019, which is a big deal for their careers. It's important to expand the use of these approaches and implement them on a massive scale to give a good head start to as many young people from as large a variety of Russian regions as possible.

The development of an effective social ecosystem in Russia and the implementa-

tion of social innovations is only possible as part of a multilateral dialogue between representatives of the government, business circles, non-profit organizations, and other social institutions. The Innosocium Foundation is actively supporting and developing these efforts. The main objectives of the collaboration between the Ministry and the Foundation is creating social elevators for talented young people and supporting the implementation of socially meaningful innovative projects.



## Galina Karelova,

Deputy Chairman of the Federation  
Council of the Federal Assembly  
of the Russian Federation

Cooperation between the Council of the Eurasian Women's Forum of the Federation Council of the Federal Assembly of the Russian Federation and the Innosocium Foundation to develop women's agenda is focused on increasing the role of women in the socio-economic development of the country and strengthening international cooperation. We have a shared understanding of the key priorities and, most importantly, a willingness to work together to more actively involve women leaders in economic and social processes.

The new role of women in strengthening peace and security and addressing important socio-economic and humanitarian issues has become evident notably in response to the modern challenges of the 21st century. As such, the creation of a project to develop the women's agenda in Eurasia is especially relevant. As part of the Building Trust programme, we developed and launched the Eurasian Women's Forum visiting reception, which successfully debuted at the SPIEF 2019 sidelines. Moreover, in the interest of advancing the global agenda, we support the participation of Russian women representatives in key international events and forums. Deputy CEO of the Roscongress Foundation, Director of the Innosocium Foundation, and member of the EWF Council Elena Marinina and Agency for Strategic Initiatives (ASI) Corporate Director Elena Myakotnikova took part in W20 and Women's Forum Kyoto in Japan. The two events resulted in the signing of a document that was presented to Japanese Prime Minister Shinzō Abe for inclusion in the G20 Summit agenda.

I am certain that consolidation of efforts of the Eurasian Women's Forum and the Innosocium Foundation will facilitate women's effective involvement in implementation of socially important initiatives and development of international cooperation.



## Svetlana Chupsheva,

Chief Executive Officer of the Agency  
for Strategic Initiatives

Joining the Innosocium Foundation  
Board of Trustees was a logical exten-

**We think it is important to support this new initiative, given that it involves the youth, facilitates the development of leadership and independent project planning skills, fosters social responsibility**

sion of our cooperation. At SPIEF 2019, we signed an agreement related to the development of social projects and innovations, as well as women's and youth entrepreneurship and are already working in these areas together. We decided to pay particular attention to the youth movement, given that the youth are a strategic resource for the continued development of the country at large. This is why we think it is very important that, in addition to its forum activities, the Innosocium Foundation actively develops its student-focused initiative – the Innosocium National Social Projects Contest, which aims to focus the youth's attention on topical, socially significant issues and the search for new communicative ideas to address them.

Since its creation, the Innosocium Foundation has been able to not only create a stable platform for the support of Roscongress Foundation social initiatives, but also to lay the foundation for the creation of a social ecosystem aimed at helping advance socially meaningful projects and develop a culture of social inclusion in Russia.



**Elena Marinina,**  
Roscongress Foundation Deputy  
CEO and Director of the Innosocium  
Foundation

The Foundation's priorities are integrating the social agenda into the Roscongress Foundation's major forums and promoting this theme among young people. At major forums, we develop the social

## At major forums, we develop the social agenda by way of business programme sessions, exhibition activity, and expert discussions at the Building Trust Area's communication platform

agenda by way of business programme sessions, exhibition activity, and expert discussions at the Building Trust Area's communication platform. Our other major project is the Innosocium National Social Projects Contest. In the new season, we will launch an updated educational format for student meetings called Lektorium, also with a regional focus.

The Innosocium Foundation actively supports other initiatives, such as the development of women's leadership, youth entrepreneurship, education, and the implementation of social, philanthropic, and cultural projects. At SPIEF 2019, we signed eight new cooperation agreements and have already begun charting a roadmap for joint projects with our partners. Due to the new business networking formats, partners' interest for our events and activities has increased, which serves for us as an additional incentive to further develop all Innosocium Foundation's areas of focus.

## This year an interforum initiative by the Innosocium Foundation and the Russian Donors Forum was born: a foresight session where 50 leading experts, leaders of modern philanthropy



**Ilya Chukalin,**  
CEO of the Presidential Grants  
Foundation

At SPIEF 2018, we presented eight social projects that were awarded presidential grants; and at SPIEF 2019, we presented 18 such projects. Thanks to cooperation between the Presidential Grants Foundation and the Innosocium Foundation, Russian non-profit organizations' social and cultural initiatives have made it onto the agenda of the country's key economic forums. Representatives of non-profit organizations rarely have the opportunity to talk with leading businessmen and government officials. Such events give them the opportunity to build useful contacts and gain knowledge.

As part of our further cooperation, the Innosocium Foundation has taken ten projects under its wing; it will help them to promote and establish connections with potential business partners. We plan not only to sign a cooperation agreement at EEF 2019, but also to grant the Building Trust Area's Zero Day to representatives of non-profit organizations. There are currently almost 230 social and cultural



projects being implemented in Far Eastern regions that have received presidential grants. Another approximately 270 such projects have been successfully completed. At EEF 2019, the Presidential Grants Foundation will present initiatives that have had a significant positive impact on life in the FEFD. For six competitions, held by the Presidential Grants Foundation, 3,045 projects were submitted by non-profit organizations from the Far Eastern Federal District. During five of those competitions (the results of the sixth will be released in October 2019), 508 initiatives were supported with a total of RUB 798 million.



## Aleksandra Boldyreva,

Executive Director of Russian Donors Forum

The Russian Donors Forum is Russia's only association of foundations and companies that are consistently involved in philanthropy. This is the second year that we have worked with the Innosocium Foundation, making sure that major Roscongress Foundation forums feature discussions on various aspects of philanthropy, including digitalization and involving new generations.

The topic of philanthropy is unique. It can be discussed and presented from completely different angles. For example, our 'Objective Charity' photo exhibition presented the most vivid photo stories describing activities of foundations and companies. In 2018, this exhibition was the central cultural event of the Russia

## There are currently almost 230 social and cultural projects being implemented in Far Eastern regions that have received presidential grants

House in Davos. In the new contest season, the Innosocium Foundation established its own category 'Inclusion through the Prism of Art' for photo stories about the development of an inclusive society.

The participation of the Russian Donors Forum experts in the Innosocium contest gave us a clear understanding of which social topics and technologies are interesting for the youth. The philanthropic society should not only be proud of their achievements, but also be actively preparing for future challenges. This year

an interforum initiative by the Innosocium Foundation and the Russian Donors Forum was born: a foresight session where 50 leading experts, leaders of modern philanthropy, were seeking for answers to the question: how the philanthropy of tomorrow looks like.

Following the results of this work at EEF 2019, we will organize a joint session dedicated to the future of philanthropy and the question of whether this future will be technological, systemic, or informal? We plan to discuss trends that have already been identified or are just visionaries' predictions: the renewal and enrichment of professional philanthropy, sector diversification, and digital transformation. Currently, public organizations have started using blockchain and AI in their day-to-day work, which is extremely promising for development of the non-profit organizations that will implement digital technologies. However, this raises the issue of whether the philanthropic sector will change to meet this new reality or if it will take on the role of a driver of social innovation and positive change?



The Innosocium foundation aids the development of women's leadership. Pictured: participants in the Visiting Reception of the Eurasian Women's Forum at SPIEF 2019



# In search of a cognitive surplus

THE FUTURE OF ARTIFICIAL INTELLIGENCE

IN THE CONTEXT OF THE GLOBAL ETHICAL SYSTEMS CRISIS

MATERIAL PREPARED BY THE INNOSOCIUM FOUNDATION

Two significant events occurred last spring. The first was the Boeing 773 MAX 8 plane crash in Ethiopia, shortly after another plane of this model had crashed because of its automatic flight control system. The second was that, by the end of March, 1% of the population of the People's Republic of China, or 13.5 million people, were included in the list of 'untrustworthy persons' in the country's national social trust system.

These two very different situations are examples of the growing use of artificial intelligence (AI) in systems that make ethically important decisions. People's fates, even life or death moments, are increasingly dependent on systems that involve some elements of AI.

The further development of this trend will require a fundamental transformation of our ethical systems. This is our primary challenge. We are creating a society where human ethics will be altered through the integration of AI into the process of making crucial decisions.

In other words, each person will need to get an explanation of why vital decision-making by AI systems is acceptable, beneficial, desirable, and, in the long run, fair.

This is a horrible choice. And, in a certain sense, our technological civilization no longer has any other option.

## The collapse of ethical systems

The issue of ethical transformations due to AI was brought to the table at the moment when ethical systems from previous waves were in the process of collapsing.

This also includes the traditional ethical systems formed during the rise of agrarian societies. The system of answers to the meaning of life for a person whose life ended around the age of 35–40 is not very fitting for a person who will live an average of 70–80 years and for whom 35–40 is a period of psychological and physiological development and of painful re-evaluation of one's own path.

Previous answers to the question 'Why must I spend invaluable hours of my life on one or the other type of collectively approved behaviour?' are becoming increasingly unsatisfying to

people across a variety of strata and from very different societies around the world.

What's more, it's not just that old answers are out of date, change is happening at such a pace that previous mechanisms for the transmission of these answers is also deteriorating. The system of passing values, knowledge, and skills from generation to generation is failing time and time again, because, all too often, the experiences being passed on lose their value before there is a demand for them.

A simple example. The first iPhone was presented in 2007. Over the next decade, smart phones radically transformed the model of consumption, forcing whole industries to change – from taxis and retail to media and political campaigns. In the next decade, technologies, fuelled

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**Previous answers to the question 'Why must I spend invaluable hours of my life on one or the other type of collectively approved behaviour?' are becoming increasingly unsatisfying to people across a variety of strata and from very different societies around the world**





in part by AI, will create even greater changes in the world.

The world has entered the concluding stage of a grand transition, starting essentially from the price revolution and manifesting as three processes: urbanization, industrialization, and globalization. This short (historically speaking) period may lead to the illusion of the existence of a social economic optimum that can and should be returned to.

Depending on their ideological preferences, people either point to the 1970–1980s or 1990–2000s. Both groups are wrong. It's impossible to remain in a transition period or return to one.

## Cognitive race

In 2017, researchers from Stanford University (USA) organized an experiment. A group of 30 volunteers made decisions about the funding of 36 Kickstarter projects. Their goal was to

guess which projects would and wouldn't be successfully funded. What's more, these people were competing against a special algorithm.

The people lost. Their predictions matched the real outcome 52.9% of the time. The algorithm was able to predict the outcome with an accuracy of 59.1%.

What is the most surprising thing about the results of this experiment? It's not the victory of artificial intelligence. It's the fact that the cognitive surplus of the human mind, when guessing the future, was only able to exceed a random 50/50 chance by 2.9%

Our civilization is built upon these 'three percent.' Everything else is the law of large numbers: a vast number of people and a colossal number of attempts, hypotheses, and experiments, trials and errors over the course of a vast number of centuries. Imagine now a civilization built not on these 'three percent' of cognitive surplus, but on nine percent. Clearly, the

societies that will be the first to effectively include AI in their management systems will benefit from significant competitive advantages and will be able to increase the speed with which they develop.

The quantity and speed of transactions performed and the quantity and speed of decisions made are constantly growing. For example, the aforementioned Chinese social trust system has already blocked the purchase of 20.5 million plane tickets and 5.7 train tickets by 'untrustworthy citizens.' Public transport, jurisprudence, medicine – all these sectors are actively working towards implementing AI-based systems.

Does this mean that increasingly less intelligent people will become dependent on increasingly intelligent machines?

That's the wrong question. In reality, falling individual IQ scores is not a sign that people are becoming less intelligent. The issue is that human reason has a group element to it. Higher cognitive function is excessively energy intensive (the brain consumes 20 to 40% of a body's energy) and, looking at a species, it only pays off in the presence of societies.

Humans with their cognitive surplus of 'three percent' are probably fairly intelligent, rather than completely reasonable. Essentially, formally speaking, a 15th or 18th century person can be considered less intelligent than a 20th century person, but the Renaissance and Enlightenment are the products of our 'less intelligent' predecessors.

The right question exists on a completely different plane. We already live in a world where saying that pilots control airplanes is an arguable statement. Where the question of keeping human pilots on board is no longer a technical issue, but a passenger relations issue. A symbol of, in part, how much airlines value the lives of their clients.

In reality, the question is how can we adapt our understanding of ethics to reality, when an increasing number of critical questions are answered by AI systems? In other words, how can we avoid losing our humanity in this new reality?

*The full version of this text can be found in the Analytics section of the [roscongress.org](https://roscongress.org) website*

# 21st century insurance

NEW TECHNOLOGY IS FORCING THE INSURANCE SECTOR TO CHANGE. **SERGEI ZAVGORODNY**, VICE PRESIDENT OF VSK INSURANCE HOUSE, TALKS ABOUT HOW WE CAN SEIZE THIS SURGE IN INNOVATION



## A new reality

Just a few years ago, the insurance business was completely different. Now, it's undergoing a transformation right before our eyes. And it's not just down to new technology: actual consumer behaviour is changing, too. The digital generation, which has become the most economically active, is setting the tone.

That generation simply can't imagine life without gadgets and social networks. They make big demands on the quality of online service, the biggest being the availability of a convenient mobile app which enables you to select an insurance product and receive a quote straight to your mobile phone. Taking out a policy and settling an insurance claim can only be done online and without direct communication with the insurer. It's already more than a service: it's an important way of promoting insurance products.

## New solutions

Changing stereotypes about client behaviour is a challenge for the insurance sector, which has historically been conservative. How should it cope with the tide of change? The only option is to adapt. Technology should aid the transition from evaluating risks based on historical data to evaluating individual risks in real time.

Companies have started to use Big Data, analysing their clients' driving habits, health status and other factors to



establish individual tariffs with the help of telematics. A topical example of future technology is insurance based on car sharing where the driver is insured only during the trip or for the exact timeframe in which the insurance is needed.

The process of settling insurance claims has become easier. For example, VSK actively settles claims remotely via the app. You can forget about that compulsory visit to the insurance office. Even now, a client who has been involved in an accident can record what happened right at the site of the road traffic accident using the VSK Insurance app. The system determines the user's location and automatically sends it to the nearest service centre, after which he or she will receive step-by-step updates about the claim.

Another example is from the medical insurance sector: the client's personal web office becomes a centralized medical record which shows their history of doctor's appointments and prescriptions and allows them to speak with the doctor remotely thanks to telemedicine.

## A new approach

VSK has been actively developing its online services since 2017. Rather than a fashion statement, this was a decision taken on the basis of client survey results. Clients lacked the tools to receive a quick and convenient response, that is, reassurance that the situation was under control. This is very important in insurance cases. Now, without leaving the app, you can get practically any policy: third-party liability cover, fully comprehensive insurance with online car inspection, housing insurance, health insurance (telemedicine, treatment abroad), personal accident cover, and the list goes on.

The number of clients regularly using these services has already exceeded 1.5 million. In December 2018, the VSK Insurance app was recognized as a service solution as part of the annual Innovation Time awards, whose nominees traditionally include Russia's biggest companies such as Sberbank, Aeroflot, and Samsung Electronics.







# OUR NEIGHBOURS

INDIAN RECORD

> 082

"HANDSHAKES ARE NOT  
CUSTOMARY HERE"

> 088

MOMIJIGARI, OR ADMIRING  
MAPLE LEAVES

> 092

PAPUAN PARADISE  
FOR MIKLOUHO-MACLAY

> 096

↓  
The Russky Bridge  
in Vladivostok

# INDIAN RECORD

by *Alexei Bazbiev*

INDIA IS A GUEST COUNTRY OF EEF 2019, AND PRIME MINISTER **NARENDRA MODI** IS COMING TO VLADIVOSTOK. IN ONLY SIX YEARS, **RUSSIA AND INDIA'S MUTUAL INVESTMENT WILL HAVE EXCEEDED \$30 BILLION**, PRIMARILY DUE TO COOPERATION IN MILITARY INDUSTRY AND NUCLEAR ENERGY, WHERE OUR TWO COUNTRIES HAVE SUCCESSFULLY ENGAGED IN NUMEROUS SHARED PROJECTS





Currently, there is no doubt that by the end of this year, India will once again take first place on the list of Russia's largest arms buyers. According to Deputy Director of the Federal Service for Military-Technical Cooperation (FSMTC) [Vladimir Drozhzhov](#), Russia currently has a large portfolio of orders for the delivery of Russian military hardware to India – approximately worth USD 14 billion. And that is only counting existing contracts, where the advance has been paid or task-specific work has begun. There is also a large number of prospective bilateral agreements in the defence sector, including intergovernmental agreements, with a total estimated worth of at least USD 5.75 billion. Indian authorities have already reserved the necessary funds in their defence budget, which means that

## In its military hardware cooperation with India, Russia was one of the very first countries in the world to transition from a traditional trade paradigm to an industrial-technological model

the corresponding contracts should be signed in the near future. Consequently, the total worth of all Indian orders of Russian military hardware is closing in on USD 20 billion. This is one of the most positive figures throughout the entire history of military hardware cooperation between the two countries. It is only surpassed by 2015, when India ordered almost USD 26 billion worth of Russian military hardware.

### Triumph of the industrial paradigm

Such success on the part of Russian arms manufacturers is fairly easy to explain. In its military hardware cooperation with India, Russia was one of the very first countries in the world to transition from a traditional trade paradigm to an industrial-technological model. In other words, Russia was not just selling ready-to-use hardware, but also sharing technology for its production, organising joint manufacturing ventures, and even arranging for joint R&D. That is how, almost 20 years ago, BrahMos Aerospace JV came into existence. The joint venture (JV) develops and manufactures supersonic cruise missiles that can be ground-, air- or ship-launched. The JV was established by NPO Mashinostroyeniya and India's Defence Research and Development Organisation (DRDO). What is more, India has control of the JV as majority partner, while the Russian ended up owning just 49.5% of the shares. It is no secret that the JV's engineers based some of the BrahMos missiles' key technological solutions on the Russian P-800 anti-ship cruise missile (also known as Oniks). Russian specialists were responsible for developing the propulsion system and target seeker, while Indian specialists, having received Russian know-how, polished off the control system and developed new software. In the meantime, the missiles' range was increased from 290 km to over 400 km. Also of note is the fact that the air-launched BrahMos-A missiles were notably lighter than their land-launched counterparts. Their starting weight is now just under 2.5 tonnes, and they reach Mach 2.8 (3,430 km/h) during their terminal flight phase. About seven years ago, BrahMos Aerospace received a USD 930 million contract from the Indian Ministry of Defence for the manufacture of 200 missiles. The land-based weapon com-

↓  
By the end of 2019, India will top the list of purchasers of Russian weaponry, with the total amount of orders approaching USD 20 billion



## The Largest Existing and Prospective Contracts for Indian Purchases of Russian Arms

### S-400 ADMS



- 📄 Delivery of 5 regimental (10 artillery battalion) sets of S-400 air-defence missile systems
- 💰 USD 5.43 billion
- 📅 Existing contract

### 11356 TALWAR-CLASS



- 📄 Transfer of licenses and technologies to and cooperation in building two Project 11356 Talwar-class frigates at Goa Shipyard
- 💰 USD 0.5 billion
- 📅 Existing contract

### IGLA-S MANPADS



- 📄 Delivery and Indian licensed production of 5175 Iglas-S man-portable air defence systems (MANPADS)
- 💰 USD 1.5 billion
- 📅 Tender won, pre-contract agreement

### PROJECT 971 (CHAKRA III)



- 📄 Upgrade and long-term lease of Project 971 (Chakra III) nuclear submarines from the Russian Navy
- 💰 USD 3.2 billion
- 📅 Existing contract

### T-90MS



- 📄 Delivery of 464 T-90MS tanks
- 💰 USD 1.93 billion
- 📅 Application approved by India's Cabinet Committee on Security, funds reserved; pre-contract agreement

### SU-30MKI



- 📄 Delivery of 18 Su-30MKI fighter aircraft kits for construction at Hindustan Aeronautics Limited (HAL)
- 💰 USD 1 billion
- 📅 Indian Ministry of Defence application received by the Federal Service for Military-Technical Cooperation (FSMTC); pre-contract agreement

### 11356 TALWAR-CLASS



- 📄 Construction and delivery of two Project 11356 Talwar-class frigates built by Yantar Shipyards
- 💰 USD 1.12 billion
- 📅 Existing contract

### KAB-1500L



- 📄 Delivery of 240 KAB-1500L precision guided weapons
- 💰 USD 0.2 billion
- 📅 Indian Ministry of Defence application approved; pre-contract agreement

### KA-226



- 📄 Delivery of 40 Ka-226 helicopters and the construction of another 160 such helicopters in India
- 💰 USD 0.5 billion
- 📅 Intergovernmental agreement



plex is already in the possession of several of the Indian Army's missile brigades. In May of this year, the Indian Air Force conducted their second successful test fire of a BrahMos-A missile from a Su-30MKI fighter aircraft, during which the missile made a direct hit on a test range located on the Nicobar Islands in the Bay of Bengal. It has already been decided that 40 Su-30MKI will be equipped with BrahMos-A missiles. Work towards this end is already underway. "Our enterprises are at full capacity; the order book up to 2023 from the Indian Armed Forces alone is worth USD 6.5 billion," said **Alexander Maksichev**, BrahMos Aerospace Co-Director. However, it is now clear that the JV is about to receive a sharp uptick in orders – as soon as it completes development of its new hypersonic missile, the BrahMos-II, which is capable of reaching speeds of up to Mach 5. There is no doubt that this will occur in the next five to six years. In its work on the BrahMos-II, India is planning to use all of the developments made by Russian engineers working on the Zircon hypersonic missile, which has already had successful test-launches. Despite that fact, Russia will no longer be a direct technological donor to the JV. According to **Praveen Pathak**, Chief General Manager (Market Promotion and Export), in this joint venture, approximately 60% of the cost of a missile falls on Indian enterprises, with the other 40% going to Russian ones. Following the creation of the BrahMos-II, the Indian share will increase even further.

Moscow and New Delhi settled on using a similar model for the Indo-Russia Rifles Private Limited (IRRPL) joint venture to manufacture AK-203 assault rifles in the Amethi district of the state of Uttar Pradesh. The Indian Ordnance Factory Board (OFB) owns 50.5% of the shares of this company, while Kalashnikov Group and Rosoboronexport received 42% and 7.5% of the shares, respectively. In March, the new manufacturing facility was inaugurated by Prime Minister **Narendra Modi** himself. "The AK-203 is the latest derivative of the legendary AK-47 rifle, which will be used by our armed forces and give Amethi district a new identity," said the Indian leader. It is already known that India plans to directly purchase ap-

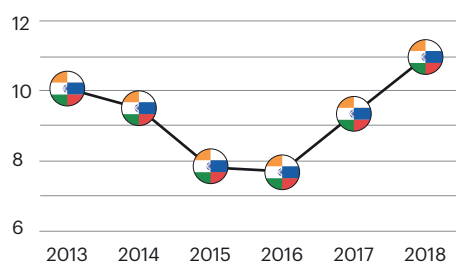
proximately 50 thousand AK-203 rifles and manufacture another approximately 695 thousand rifles at IRRPL, using Indian parts. This order is worth approximately USD 550 million. "The production capacity of this new facility should be enough to completely equip the Indian armed forces," says **Alexander Mikheev**, Rosoboronexport Director General. "Moreover, if necessary, the two parties can negotiate both an increase in production volume, and the release of prospective, improved models on the unique Kalashnikov rifle platform."

Lastly, yet another example of Russian-Indian industrial partnership is the newly created joint venture for manufacturing Ka-226 light helicopters near Nagpur in the state of Maharashtra. Russian Helicopters will supply India with the tools for creating the choppers, but at least half of the parts will be manufactured in India. "This is the first high-tech project implemented by the Indian government as part of the 'Make in India' initiative," said Rostec CEO **Sergey Chemezov**. Initially, the new JV is expected to manufacture anywhere from 10 to 20 helicopters a year, after which production will increase to at least 35 aircraft a year. Indian authorities have already ordered 200 Ka-226 helicopters worth a total of just under USD 500 million. "However, in the future, the programme may be expanded – the parties are already considering the option of entering third-country markets with the product," said Chemezov.

## Launches on all fronts

Speaking of which, in addition to creating joint ventures, India has drastically

### Trade turnover between Russia and India, USD billion



↓  
After a brief drop, the trade turnover between Russia and India has been growing for the past two years, USD billion



PRIME MINISTER OF INDIA  
**NARENDRA MODI:**

We regard the Arctic as another area where we can collaborate with Russia. We would like to broaden our cooperation with Russian regions, especially the Far East. ”

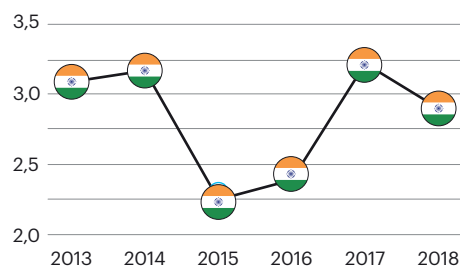
increased its purchases of ready-to-use military hardware from Russia. At the end of last year, the two countries signed a number of large contracts, including an agreement to deliver five regimental sets of S-400 air-defence missile systems worth USD 5.43 billion and two Talwar-class frigates worth USD 1.2 billion. India will construct another two such frigates using Russian blueprints at its own shipyard in Goa.

Last year, India signed a long-awaited agreement with Russia regarding the long-term lease of Project 971 submarines equipped with a special power unit. The Indian Navy will refer to the submarine as the Chakra III. This contract is worth over USD 3 billion. But that is not all. Almost immediately after the Indian-Pakistani armed conflict in the skies above Kashmir, Indian authorities sent an official application to the FSMTC for the purchase of 18 Su-30 fighter aircraft kits for assembly at Hindustan Aeronautics Limited (HAL).

The Indian Air Force also expressed a desire to swiftly purchase 21 MiG-29 fighter aircrafts from the Russian Ministry of Defence. Current estimates suggest that these aircraft will cost just under USD 2 billion. It is worth noting that approximately 50 MiG-29 aircrafts, or three squadrons, are currently in operation in the Indian Air Force. This new deal should increase that number to four squadrons (in India, 18 aircraft make up one squadron). When it comes to the Su-30, India currently has just under 250 such planes, or 13 fighting squadrons. After this new order, that number will increase to 14. This is of fundamental importance. The thing is, India already has an enormous fighter deficit of over 250 aircraft. As a reminder, according to Indian Air Force plans, they must be in possession of 42 fighter squadrons in order to lead a fight on two fronts. However, they currently only have 31. What is more, 14 of these squadrons are composed of outdated MiG-21, MiG-27, and Jaguar aircraft, which should all be written off by 2020. As a result of improper maintenance and a lack of replacement parts, many of these planes have a hard time getting off the ground and, if they are successful in doing that, the flights often end in accidents. The problem, however, is that there is practically nothing to replace them with. The new Indian-made Tejas fighter aircraft did not meet expectations, while the purchase of 36 Rafale fighter aircraft from France ended up being prohibitively expensive, costing almost USD 200 million per plane. Additional Rafale purchases are unlikely. So, India has to set its hopes primarily on Russia. And not just in arms, but in areas such as nuclear energy.

### Indian exports to Russia

USD billion



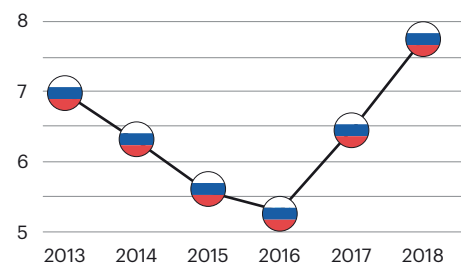
Indian exports to Russia have practically returned to the level reached five years ago, USD billion

### The 'Clean Well' at triple power

One of the largest Russian-Indian investment projects is the construction of the Kudankulam ('Clean Well') Nuclear Power Plant in the southern Indian state of Tamil Nadu. The NPP is powered with Russian VVER-1000 reactors. The first reactor unit became operational in the summer of 2014; the second followed along in the fall of 2016. Kudankulam is already considered the most powerful NPP in India, producing almost 2,000 MW of electricity a year. However, in the next few years, the plant's capacity is expected to at least triple. Five years ago, Moscow and New Delhi signed a contract for the construction of the second phase (third and fourth reactors) of the NPP. This project is estimated to cost a total of USD 6.4 billion, USD 3.4 billion of which is loaned by the Russian party. Thanks to this deal, Russian companies had the opportunity to supply almost 85% of the necessary equipment for the new plant and perform the most vital operations, excluding certain construction work. Indian industry also got in on the action. "While the construction of the first two reactor units was not at all localised, India currently has the necessary capacities, so the second phase will go somewhat differently," said **Ramayah Shanmuga Sundar**, Director of the Kudankulam NPP, "as before, Russia is manufacturing the reactor pressure vessels and certain heavy machinery, but, for example, at least 30% of the work on the design portion will be done by the Indian party. Moreover, India will produce the compressors and electrical equipment

### Russian exports to India,

USD billion



Russia's export of goods to India is steadily approaching USD 8 billion

**Additional Rafale purchases are unlikely. So, India has to set its hopes primarily on Russia. And not just in arms, but in areas such as nuclear energy**

for the second circuit." The second phase of construction has now entered a critical stage. Izhorskiye Zavody have already delivered the third reactor pressure vessel and its protection system to India; Atomash has delivered the first steam generators for the heat exchanger system, and ELSIB has delivered four asynchronous motors for the pump units. If the installation and testing of all the systems go successfully, the third reactor unit should enter into operation in 2020, with the fourth following along in 2021. But that is not all. As a reminder, two years ago, Atomstroyexport and the Nuclear Power Corporation of India Limited (NPCIL) signed an agreement for the third phase of construction at Kudankulam NPP, during which fifth and sixth reactors should be constructed and launched in 2024–2025, which will take the total capacity of the plant to 6,000 MW. Just a few days ago, it was reported that Russia is extending USD 4.2 billion in credit over ten years for this project. Indian industry's share of participation will also drastically increase. "We hope to work more closely with Indian companies," said Atomstroyexport President **Valery Limarenko**. "When it comes to the third phase of the NPP, here (the Russian party is) talking about delivering the nuclear island and the turbine island." Whereas, the construction and assembly, design, and production of some equipment will be handled by India. Rosatom plans to construct a total of 12 reactor units with an individual capacity of 1,000 MW in India. If these plans go successfully, it is highly likely that the share of nuclear energy in India's overall energy balance will increase from 3.22% to at least 5%.





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# Handshakes are not customary here

Interview by *Sergei Makarov*



RUNNING A BUSINESS WITH EASTERN COUNTRIES IS NOT A STRAIGHTFORWARD TASK, MAINLY DUE TO DIFFERENCES IN SOCIAL ETIQUETTE. GIVEN THAT, CONSTANT ATTEMPTS TO UNDERSTAND WHAT IS APPROPRIATE AND WHAT IS NOT GET IN THE WAY. WE SPOKE TO **GALINA MIKHAILOVA**, THE DIRECTOR OF THE CENTRE OF INTERNATIONAL PROTOCOL AND CROSS-CULTURAL COMMUNICATION AT THE RUSSIAN PRESIDENTIAL ACADEMY OF NATIONAL ECONOMY AND PUBLIC ADMINISTRATION





— I should've seen my osteopath  
before this meeting

### QUOD LICET IOVI, NON LICET BOVI

Understanding whether something is polite or not is not just dictated by Eastern and Western conventions. Differences in etiquette can be found within a single civilization.

#### Is it relevant to talk about differences between business etiquette in the East and West in our modern world?

Of course. In the Western world, qualities such as proactiveness, entrepreneurship, and uniqueness are valued, but they are not promoted in the Eastern cultures. The ideal Japanese person is someone who respects established rules and doesn't show his or her individuality. The differences between East and West are no less significant than the differences between Eastern countries themselves. Chinese business etiquette differs from Japanese as much as French etiquette. For example, Japanese people are very sensitive to even the slightest show of disagreement between business partners during negotiations and react to that negatively. In China, it's different: if you don't raise your voice, you won't secure special terms and conditions.

#### Can you tell us about the peculiarities of Chinese etiquette in more detail?

Avoid potentially putting a Chinese person in an awkward situation in front of others. This rule also applies in Japan, so avoid criticism and expressing disagreement, even when it concerns obvious errors. Save everything that's bothering you for a face-to-face, and if your partner is a high-ranking person, it would be good to employ a mediator who can unpick the

subtleties of these missions. Hierarchy in Chinese society is very important, so I don't advise speaking to a subordinate if their senior is present. In China, guests are invited to speak first so that they can find out the position of their partner (vice versa in Europe) so that they can do away with general chit chat. It's not worth trying to get any concrete commitments from them in the first round of negotiations. They only make concessions at the very end of negotiations, and even then, any details will have to be confirmed by the director of the company. Having said that, it's not improbable that the next day, you might find yourself discussing the same options that you arrived at the previous day. Chinese people are keen on responding quickly to written requests and questions. It's preferable to do it as quickly as possible, and if that's not possible, then they will write to find out when an answer may be expected. Another important thing to mention is when European partners take part in ceremonial events in China...

#### And there's alcohol?

Obviously! The desire to forge relationships over a glass of wine or shot of vodka only works against you if your partners are from the Far East. There have been cases where failing to agree on



#### WHO SHAKES A HAND FIRST?

In civil etiquette, everything is based on the fact that the woman rules and the man serves. In a business setting, who shakes whose hand first depends on whoever has the higher status, or whoever is meeting a guest (host territory). Hugging and kissing is not proper business etiquette.



**GILANA MIKHAILOVA, THE DIRECTOR OF THE CENTRE OF INTERNATIONAL PROTOCOL AND CROSS-CULTURAL COMMUNICATION AT THE RUSSIAN PRESIDENTIAL ACADEMY OF NATIONAL ECONOMY AND PUBLIC ADMINISTRATION:**

In the Western world, qualities such as proactiveness, entrepreneurship, and uniqueness are valued, but they are not promoted in the Eastern cultures. The ideal Japanese person is someone who respects established rules and doesn't show his or her individuality. »

the wine list while concluding a contract has resulted in negotiations falling apart. Chinese people aren't Muslim, so their attitude toward alcohol is very similar to that of Russians. But you need to drink skilfully with Chinese people: local vodka isn't the lightest of drinks.

#### Do they only drink vodka?

At dinner parties and receptions, you are offered rice wine (Shaoxing), which you are given to drink after a toast, during which you should hold the glass in your right hand and support it with the left. A dinner is an important part of negotiations.



### THE 'LIFT RULE'

The lift in an office is not seen as a room with doors but as a means of transport. This means that whoever is getting out first should stand at the front-right of the lift. Letting someone stand in front of you in an empty lift means exposing them to danger.

More often than not, business matters are decided in restaurants rather than back at the office. In Japan, the situation is a bit more complicated: eye watering budgets are spent on corporate outings to restaurants, and the Japanese expect the same sort of dedication from their Russian partners. As for gifts, if it's a corporate gift, you must give it once a contract has been concluded and not to a specific person but the firm in general. Don't give a watch as a gift: in Chinese, the word sounds similar to the word for 'funeral'. It's worth noting that as China has a corruption problem, gifts should be purely symbolic, particularly when they are given to bureaucrats.

**What kind of character traits, in your opinion, does a Western person have to possess in order to run a successful business in China?**

Patience. You can't establish any kind of business in China quickly. Chinese people are ultimately geared toward long-term relationships, so it's not worth rushing them. You mustn't shout or cause a scene if, for example, the good that you ordered hasn't arrived. Chinese people are highly perceptive and know how to manipulate or deceive people. In other words, when maintaining business partnerships in China, be ready for anything, don't rush concluding a contract, and most of all, get yourself an expert guide who understands the local culture.



↓  
In Japan, the proper way to present one's business card is with both hands

**Such kind of expert would be useful in other countries too?**

Definitely. Particularly in Japan and Arab countries, where you have to study the subtleties of communicating for years. The devil is in the details. For example, Japanese people, as well as Chinese people, exchange business cards when they meet, but whereas in China it's enough to simply have business cards on you, in Japan, which pocket you take them out of is important (keeping business cards in your pocket without a business card holder and, even worse, in the back

pocket of your trousers, is the height of impoliteness), how you reach to take one (always use two hands), the order of the exchange (strictly in order of seniority), etc. Here they also value the business dress code but, in contrast to the Chinese, they don't take off their jackets nor loosen their ties. Hand-shaking is not polite there, nor is bowing politely (men's bows are different to women's bows and people of different statuses also bow in different ways). You should call Japanese (and Chinese) people by their surname, adding 'san' (a suffix which acts as a display of respect to the person in question). They are also extremely scrupulous towards punctuality shown by their partner: it's polite to arrive exactly five minutes before the start of a meeting, no earlier or later. If you start gesticulating with your hands during negotiations with Chinese people, they will immediately think that you are uncivilised, as they see this behaviour as a manifestation of stress. Bargaining with the Chinese is appropriate and even allowed, but not with Japanese, as they are likely to accept the seller's price. If you've heard anything along the lines of "it's a bit problematic at the moment", "I need to think about that", then you can forget about the project: they've dropped you. Negotiating with the Japanese is always long-winded because they will analyse the tiniest details, even in one round of negotiations or over several meeting, to



### THE 'DOOR OPENING RULE'

Firstly, the person leaving always takes precedence over whoever is entering. Secondly, in business etiquette, the first person through the door is always the person closest to it (time economy), unless you are letting your boss go before you (ranking).



iron out any differences of opinion within their own group.

**And how soon will people be willing to do business with the Japanese?**

You know, if you've worked your way up, the Japanese will be the most devoted partners in the years to come. Even if you start experiencing difficulties, it's the Japanese who will give you a hand and support you to the end, even if it's not providing them with any benefit. The process of negotiating with Koreans is very different to the Japanese tradition: there are no cues or elusive answers. And if you start negotiating with Indians, I strongly advise that you study the caste system, as well as the dress code, business cards and respect the traditions, that are still very much engrained in the culture: the etiquette requirements will be similar to those in Japan and South Korea. In Hong Kong, I would advise that women don't dress in white or royal blue, reduce

tactile contact to zero, avoid winking and don't beckon with their finger as it's impolite. In Indonesia, you should never offer or take anything with your left hand, as in other Muslim countries. In Taiwan, you should never touch anyone's head. However, in Arabic countries of the East, there are just as many subtleties.

**Is there anything that shocks foreigners about Russian norms of behaviour?**

Yes, there are things that surprise Eastern and Western business people alike. For example, there's a poor understanding of the hierarchy, dress code and punctuality, not to mention the cues and lack of direct answers, which is not completely removed from what Russians call 'saving face'. There's also our traditional hospitality, which only the Chinese can truly match, and the specific taste of traditional Russian dishes: dressed herring salad (literally: herring under a fur coat), Olivier salad, borscht, vinaigrette, okroshka, etc.



**THE BUSINESS MEETING**

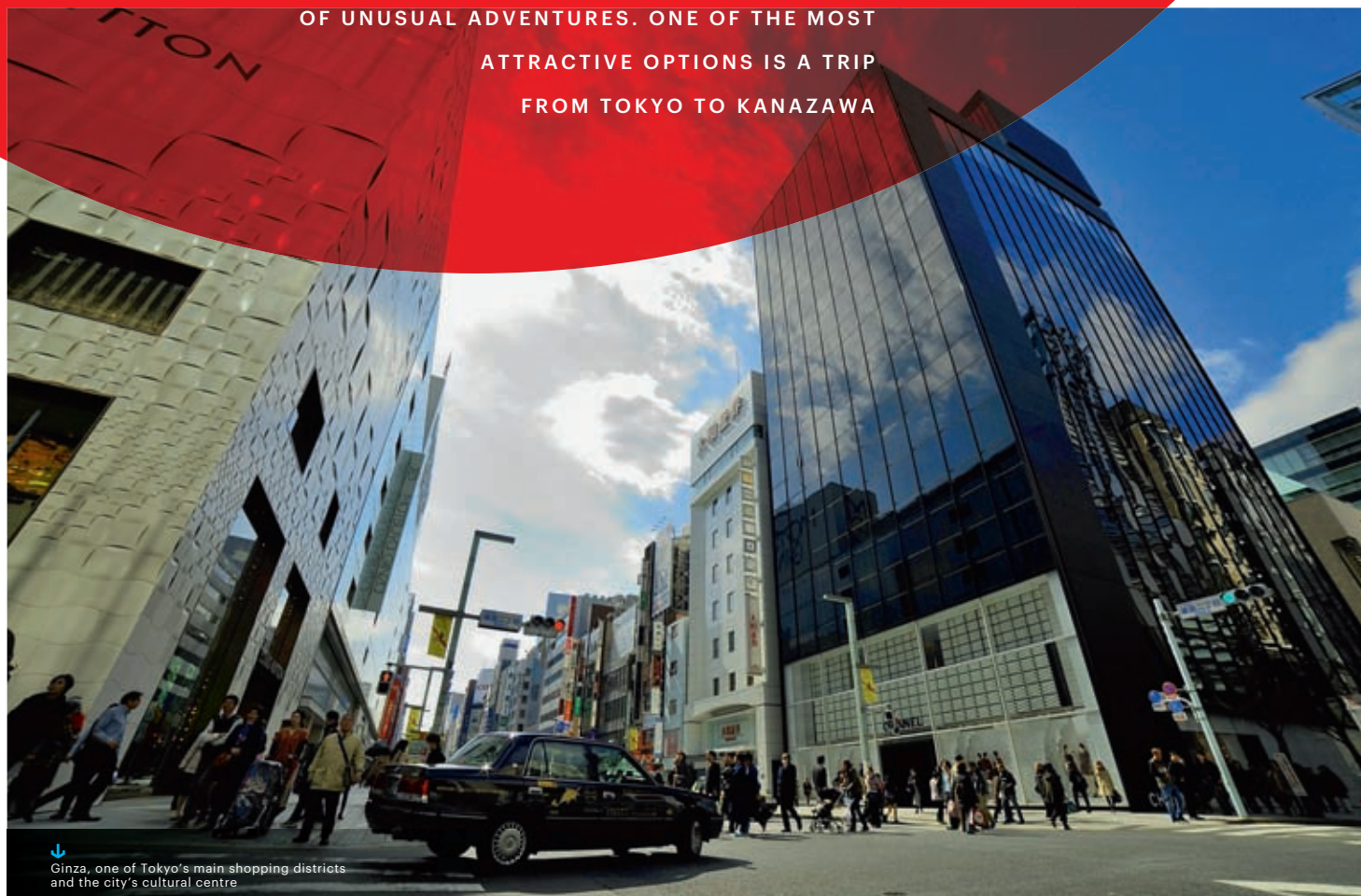
The most respected place at the board room table is to the right of the director of the company, which differs from civil etiquette in that the most respected place to sit is next to the host – equally, a respected guest might even get the best seat. In a business context, it is best to sit down once the director is seated.



# MOMIJIGARI, OR ADMIRING MAPLE LEAVES

by Marina Gevorgyan

HONSHU, THE LARGEST ISLAND IN THE JAPANESE  
ARCHIPELAGO, OFFERS VISITORS A WIDE RANGE  
OF UNUSUAL ADVENTURES. ONE OF THE MOST  
ATTRACTIVE OPTIONS IS A TRIP  
FROM TOKYO TO KANAZAWA



Ginza, one of Tokyo's main shopping districts  
and the city's cultural centre



Travelling to Japan is like visiting an alien planet. While, in the eighties, Soviet visitors were primarily awed by never-before-seen technology, today, in my opinion, the most surprising thing is the Japanese way of life – thoroughly thought out and regulated. The Japanese must feel uncomfortable when they come into our chaotic and imperfect world.

This country is so well organized that, even if you don't have a lot of time to spare, you can easily experience a diverse cross-section of Japanese life. We have six days and our trip will take us from Tokyo to Kanazawa. We're supposed to cross the island of Honshu from the Pacific Ocean to the Sea of Japan in less than three hours on the high-speed Shinkansen train. We will then take a car back to Tokyo, driving through the Japanese Alps. Our adventure will take us through several prefectures, each of which has its own unique appeal.

My trip starts, as that of most foreign guests, in Tokyo. Much has been written about this megapolis, but my first glimpse of the city still evoked joy and surprise (despite all the reading I had done). Tokyo reminds me of a patchwork quilt, whose individual pieces are so different that you begin to wonder from time to time if you've accidentally stumbled into a different city.

Visiting Ginza is a must – a district full of fashionable stores and restaurants, where you can watch people standing in line to get into the Chanel boutique. Even more interesting is Omotesandō Avenue, a shopping area where luxury brands haven't simply opened stores, they've

## HOBBYLAND

Most Japanese have some sort of a hobby. The number of aficionados of different things far exceeds that in Russia. There are thousands of clubs and special interest groups in Japan, and nearly any hobby can be practiced in every corner of the country. Interestingly, the Japanese are extremely conservative when it comes to hobbies and stick to the them for most of their lives. In other words, hobby practicing is a kind of social interaction.



↓  
A peaceful view of the autumn maples and the wild vivacity of Takeshita Street

created architectural masterpieces: Tod's building is covered in concrete branches, Dior's is an icy parallelepiped, and Prada's is a mirrored polyhedron.

We turn off of Omotesandō Avenue and end up on the famous Takeshita Street, where crowds of anime-loving Japanese youth are dressed in completely theatrical costumes that come together to create a sort of silent street show that is extremely colourful and rather bizarre to a sober European's eyes.

Continuing our adventure into the world of Japanese animation, we head to Akihabara district. There you can find dozens of shopping centres, full of thousands of stores packed to the brim with things related to the characters from Miyazaki films and other cult animated offerings.

You can spend a couple weeks getting lost in Tokyo, but our path takes us further to a less tourist-oriented part of Japan.

Kanazawa, the capital of Ishikawa Prefecture, is a wondrous place. During the Tokugawa Shogunate, this prefecture was not far behind Tokyo in terms of wealth. Interestingly, it was actually rice that used to serve as a measure thereof. In order to prove their peacefulness to the Tokugawa shogun, local lords would spend their funds on developing arts and crafts. To this day, Kanazawa is the country's primary producer of gold leaf. This modestly-sized city is also home to one of Japan's three most beautiful gardens, which are harmonious and beautiful even on a rainy day.

Kanazawa, much like Kyoto, is known for their geishas. We visited one of the



## JAPANESE ATTITUDE TOWARDS FOREIGNERS

The Japanese are fairly open and friendly towards visitors. They will most definitely help a foreigner in need, such as one lost in the city. Yet, making friends with them is a far more daunting task: the Japanese preserve their private space and their culture from a perceived 'alien invasion'.

houses where, to this day, these 'people of art' (that is the literal translation of the word geisha) entertain visitors with their songs and dances. This is a profession without an age limit – the oldest woman in the house is 80 years old.

In Kanazawa, we stay the night in a traditional Japanese ryokan inn. Here, guests customarily sleep on tatami mats

## PROVERBS REFLECT A NATION

- When in trouble count on yourself.
- Where the strength is the power, the law is powerless.
- A woman can walk through a rock if she sets her mind to it.
- The three-year-old soul is the same at a hundred.
- Watch out for the quiet ones.
- Bet on the money, never on a person.
- Those who drink, do not know the vices of wine; those who do not – do not know its benefits.
- Human appearances are deceitful.
- Treat any old man as you would your father.
- The poor one is the stupid one.

and visit Japanese onsen baths, which are a type of open-air hot springs. Visits to bath houses, much like everything else in Japan, has its own strict rules. For example, people with tattoos are not welcome at onsen, since, in Japan, tattoos have an implied meaning and, as a rule, are only obtained by the yakuza members.

It's worth noting that ryokan are not always comfortable, but they're harmoniously in sync with the location, which is what matters most to me. Our Hoshi Ryokan inn is 1,300 years old. It is almost as if it has melded into the

surrounding landscape, resulting in a very peaceful experience.

Later, we head through the Japanese Alps to the village of Shirakawa, which is a UNESCO World Heritage Site. Shirakawa is known for its unusual buildings, with a metre-thick thatched roofs. They need to be changed out approximately once every 20 years, and the whole village participates in the renovation. Here, as it was in the past, entire families (sometimes up to 30 people) live in one big house. This is also a hot destination for young married couples looking to take photographs in front of an idyllic mountain landscape.

In the picturesque city of Takayama, which is filled with wooden, two-story buildings from the Edo period, we first head over to the castle of the local feudal lord. It is the only such building in Japan that has withstood the test of time. It paints a fairly clear picture of life and relations between the social strata in 17th century Japanese society.

Takayama is also well known for its beautiful and grandiose parades featuring karakuri puppets. The parades are held twice a year (in April and in October).

In Takayama's old town, we had a chance to sample the local cuisine, which is known for its bountiful use of vegetables and mountain herbs.

Actually, throughout our entire trip, in each prefecture, we've been sampling the local fare, from buckwheat soba noodles



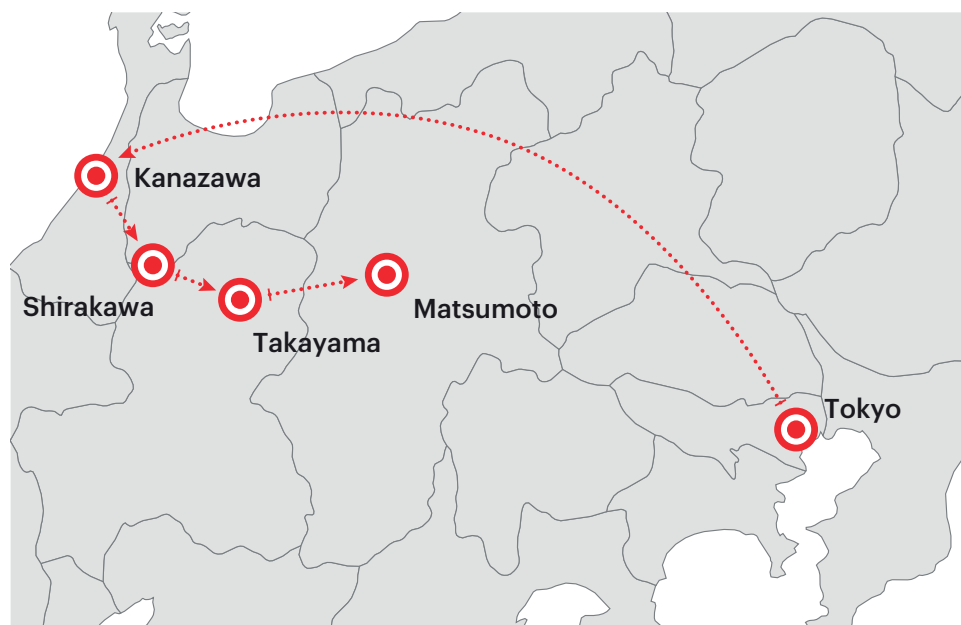
↓  
Kanazawa's Kenrokuen park (Garden of the Six Sublimities) is one of the country's most famous gardens

and marbled Hida beef, to delicious persimmons and apples.

From Takayama we headed to Matsumoto. A highlight of the trip was the amazing Hoshino Resorts KAI Matsumoto hotel. Consisting of just a few dozen rooms, the hotel prides itself on providing its lodgers with a comfortable and restful stay. In the evening, we listen to a pianist who, near the end of his performance, plays a rendition of 'Podmoskovniye Vechera' (Moscow Nights) and even greets us in Russian, which was, of course, unexpected and pleasant.

Throughout our eventful journey, we have watched with delight as the leaves of Japanese maple (kaede) change colour. This period is also known as the sixth season (in addition to the classic four seasons, here they also recognize the

## A JOURNEY ACROSS HONSHU



### STRIVING FOR NOVELTY

Fashions and passions in the Japanese society change incredibly fast. The Japanese are constantly on the lookout for something new and progressive – which, in turn, attracts major companies to the country. However, novelties do not last. The people firmly believe that life is not going to wait around for anyone; that the drive to move on is development; that development means life.



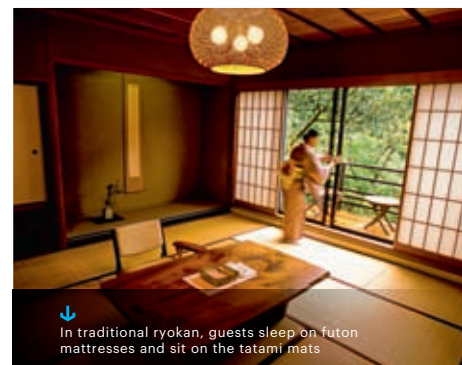


↓ In this country full of volcanic activity, hot springs are the preferred alternative to saunas

rainy season – tsuyu). Even those people that have never been in Japan have heard of the flowering of the sakura trees, the embodiment of the beginning of life; yet, few people know about an equally important event to the Japanese: the process, (yes, specifically the process) of viewing and enjoying the colour change of the kaede red maple – known as momijigari (‘red leaf hunting’). In the autumn, the maple leaves shift colour through a variety of shades of red, from

orange to burgundy. Here, the Japanese are also surprisingly logical: any life comes to an end, but that end can also be enjoyed. I could keep watching those leaves forever; the process smoothly and almost imperceptibly submerges the viewer into a meditative state.

*The wings  
of passing birds singed  
on the red maple leaves.  
(Kagami Shikō, XVII century)*



↓ In traditional ryokan, guests sleep on futon mattresses and sit on the tatami mats



↓ Swans swimming around ‘Crow Castle’ in Matsumoto

## LIFE ON SCHEDULE

The Japanese lifestyle calls for order and rigor, and the same is expected from the visitors. You can never be late to a meeting. If an event is coming up, it is announced well ahead of time – at least a week or two in advance – and RSVPing is a must. Even if you simply want to get together with friends, a date can (and should) be saved a month before. And keep in mind, that changing the route of a tour the receiving party has thoroughly designed for you is just simply out of the question!

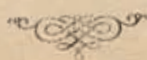




## PAPUAN PARADISE FOR MIKLOUHO- MACLAY



*On 20 September 1871, on the shores of the island lost in Oceania, Papua New Guinea, Papuan resident Tui had a vision. He saw a white man: a man from the moon. That man was a well-known Russian traveller, ethnographer and anthropologist Nikolai Nikolayevich Miklouho-Maclay. By the end of the day, satisfied that the foreigner was friendly, the indigenous man shook his hand. In 2019 – almost 150 years later – Miklouho-Maclay's great-great-grandnephew and his full namesake, Nikolai Nikolayevich, is shaking hands with a descendant of this aboriginal called Asel Tui. This handshake, a century and a half after the first, opens up the new, surprising and wonderful Papua New Guinea to Russia. For collaboration, friendship and, above all, love.*



by  
Natalia Gornoc



### Between man and ape

Why would young, talented European scientist Nikolai Miklouho-Maclay, who had a background in zoology and medicine, go to Papua New Guinea? The answer was exclusively for humanitarian aims: to show that Papuans are not a developmental intermediary between man and ape. At the time, this theory was promoted by European colonizers who were actively involved in the slave trade.

Having overcome the complex journey which lasted ten months, Miklouho-Maclay with his two assistants – a Swedish man named Wilson and a Polynesian boy

called Boi – stepped onto unfamiliar territory. His appearance was a real bombshell: having never seen a white man, the Papuans ran away in fear, mistaking him for an evil spirit. He managed to persuade just one of them to stay, a local inhabitant called Tui. He would become a friend and trusted partner of the Man from the Moon, acting as his guide to the primitive world. Miklouho-Maclay avoided the fate of Cook a number of times. It is thought that his exceptional strength of character, courage, kindness, and respect for the Papuan traditions, along with his

unwillingness to meddle in their lives, helped him to survive. Since then, the tale has been passed from person to person about how when Maclay found himself surrounded by hundreds of fierce Papuans, he simply lay under a palm tree and fell asleep! Later, he would write in his journal that it could have ended terribly, but if they were going to kill him, what difference did it make if he was standing up, sitting down or asleep? The Papuans did not understand why Maclay was not scared and decided that he must be immortal.





↓  
His arrival caused a commotion as the natives, who had never seen white people before, ran in fear thinking he was an evil spirit

Over time, the much-feared savages and ‘cannibals’ became his good friends. He spent a total of 30 months in their company. He studied people, animals, customs, languages – and, as he wrote in his journal, he sincerely began to love these trusting and good-natured people.

Miklouho-Maclay was an excellent drawer. His legacy to the descendants is around 700 drawings which he did in Papua New Guinea. The drawings provide a detailed account of his life in that wonderful country. In particular, he was keen on tattooing and scarification. He mastered this unusual art to such an extent that he asked the local woman to give him a tattoo on his left forearm when he was on the South-East of the island.

In subsequent trips to the island, the traveller brought the natives some useful things – an axe, for example. Thus, the first meeting of the Stone Age and the Iron Age took place in the North-East of New Guinea.

In his studies, Miklouho-Maclay proved the theory that Papuans were an intermediary species between apes and humans completely wrong. He went to great lengths to protect New Guinea from colonizers: he wrote to Alexander III, requesting that the island inhabitants be given the protection of the Russian Empire; discussed the possibility of England and Russia recognizing the independence of Maclay Coast; and suggested setting up a Russian settlement in New Guinea. Alas, his ideas were not destined to come true: racked by various illnesses, he died at the age of 42 in St. Petersburg.

**In his studies, Miklouho-Maclay proved the theory that Papuans were an intermediary species between apes and humans completely wrong. He went to great lengths to protect New Guinea from colonizers**

### **Great-great-grandnephew, namesake and follower**

“I was born on 20 September, the same day my great-great-granduncle set foot on the shore of an island in the gulf of Astrolabia,” says descendant and namesake of the famous explorer Nikolai Miklouho-Maclay. “Of course, these signs of fate are not a coincidence. I had an in-built personal connection to this far oceanic state. But it just so happened that my journey to Papua New Guinea, which seemed to be preordained since I was born, was constantly postponed. Now I understand why: I needed to mature before I could go. Quite simply, it was never going to be an easy trip. The unique mission that my predecessor made, his role in the history of the Papuan tribes, linking generations, cultures and historic eras – all of that put huge responsibility on my shoulders. Finally, I stopped asking myself questions like “why not?” and “when?”. I just did it.

The first expedition to Papua New Guinea in modern history took place in 2017. In September, of course. Nikolai Miklouho-Maclay Junior’s associates were Igor Chininov, a research fellow at the N. N. Miklouho-Maclay Centre for Asian and Pacific Studies at the Institute of Ethnology and Anthropology of the Russian Academy of Sciences, and Arina Lebedeva, a researcher at the Peter the Great Museum of Anthropology and Ethnography (Kunstkamera) in St. Petersburg. The small



### **CUSTOMS**

An interesting tradition has been preserved here involving initiating boys into men. It takes place in a special house, where a boy moves to prepare for marriage. It is a dedicated place which is protected from women. Over the course of one to three months, secret rituals and special education are imparted. When the boy becomes a man, his parents arrange a big celebration for the whole village.





**“Tamo boro rus!”  
 (“Big Russian man!”)  
 “Malcay returned  
 and brought the rain!”  
 they exclaimed.  
 Essentially, all the local  
 inhabitants were  
 descendants of the  
 people who had  
 spoken directly  
 with my ancestor**

group began their journey in Moscow on 10 September. St. Petersburg, Moscow, Abu Dhabi, Sydney, Brisbane – having crossed half the globe, they arrived at Port Moresby, the capital of Papua New Guinea on 15 September. They then headed for Madang, the region where Miklouho-Maclay had conducted his research. The final destination was the place where the 25-year old Miklouho-Maclay had completed his nine-month voyage on the corvette called Vityaz (Knight). Previously, this beach was named after Maclay by the first European to step foot there but was later renamed Rai Coast. Travelers got there on the Kalibobo yacht.

“We were surprised by how respectfully they greeted us, and I saw the Russian flag fluttering in the distance,” said Nikolai

#### CULTURE

Papua New Guinea has some unique cultural events: the festivals of the Goroka show, Mount-Hagen show, Morobe show and Madang show. Representatives from hundreds of different tribes attend in national costume, with original body paint and musical instruments, showcasing their culture, dance, music and customs to guests from all over the world. Tourists sign up for these shows years in advance, as it is practically the only opportunity to see the culture of different regions of the island in one place and in all its different forms.





Life in Papua New Guinea has barely changed since the days of Miklouho-Maclay



### WAY OF LIFE

As in previous times, the local inhabitants of Maclay Coast are subsistence farmers. They grow fruit and vegetables, hunting birds and wild swine. They do not have domestic animals here – as they trample crops and pollute drinking water – with the exception of chickens and dogs. The latter, by the way, were previously used as a source of food, but the Christian missionaries put an end to that. The main food sources are yams, taro, cassava, sweet potatoes, bananas and coconuts. The papaya is a very popular fruit which Nikolai Miklouho-Maclay brought to the region at the end of the nineteenth century. The sea bears rich gifts, such as fish, crab and octopus.

Nikolayevich. "On the shore, about three thousand people from the villages of Bongu, Gumbu and Gorendu had gathered in their most celebratory attire. They sang and danced, expressing their joy. "Tamo boro rus!" ("Big Russian man!") "Malcay returned and brought the rain!" they exclaimed. Essentially, all the local inhabitants were descendants of the people who had spoken directly with my ancestor. They remember him with much fondness, passing on legends from generation to generation, which originated at the time that the great Russian explorer arrived there. In local villages, there are boys' names such as Nikolai and Maclay. During our visit, people came up to us countless times, pointing and exclaiming with delight "Nikolai, Nikolai!"



### PAPUA NEW GUINEA

The independent state of Papua New Guinea occupies the eastern part of the main island of New Guinea and the Bismarck archipelago, the northern part of the Solomon Islands and over 600 smaller islands in the Pacific Ocean. It has a total area of around 500,000 square kilometres and a population of 7.3 million people, made up of Papuans, Melanesians and Polynesians. It has a tropical climate and there are 867 languages in Papua New Guinea. Local inhabitants say that there are 867 countries in their country, as tribes previously lived in isolation and kept their languages in their original form. Its lack of accessibility and roads has meant that this country is one of the most untouched places on the planet. In the nineteenth century, it was very dangerous for Europeans: Miklouho-Maclay became the first white man to set foot on the north-eastern part shores of New Guinea. Nowadays, in the twenty-first century, Papua New Guinea is not favourable toward tourism according to data from the CIA, yet this exotic place welcomes hundreds of thousands of visitors from Europe, America, New Zealand and Australia, who are met not with aggression, but good-natured New Guineans always ready to lend a helping hand. Those dangers are a thing of the past and would only be found in the jungle by a naive traveller.

### CANNIBALS

Cannibalism was one of the main associations to emerge at the mention of the state of Papua New Guinea. Cannibals featured in horror stories of these parts, both past and present. In 1961, in the Asmat region, a group including Michael Rockefeller, a descendant of the richest and most influential US family and the son of Nelson Rockefeller, who was then

the head of the state of New York and later become Vice President of the United States, disappeared. A year later, journalist Karl Hoffman retraced his steps and explained that Rockefeller had actually been killed and eaten by local cannibals. Nikolai Miklouho-Maclay claims that Papua New Guinea abandoned that practice long ago. "Cannibalism here used to be a type of ritual, but they do not do that now."



## PECULIARITIES

These parts have their own 'drug': a chewing mixture of betel nut. Its ingredients are hazelnut nut, pepper stalk, betel nut and a pinch of limestone from corals or shells. During the chewing process, this mixture becomes bright red which colours the tongue and oral cavity. In villages, it is traditionally a treat during conversations and when welcoming guests, just like tobacco is used. Women also consume the betel nut. In cities, it is rarely used.

Since the time of Maclay Senior, Papua New Guinea has barely changed. Granted, its residents do not still think that white people are apparitions. But in most areas, there is practically no electricity and there are no fridges or televisions. People do not have passports or other types of identity documents. There is not much money around.

On that note, it is worth mentioning that tourists often complain about local residents asking for money, when actually, that is not the case at all. You simply need to abide by the local traditions, one of which is that you should give a gift. But they won't remain indebted to you. If you gift a pig, you can receive a whole hut as well as a local girl as a wife. As happened with one of the members of Miklouho-Maclay's expedition, they wanted him to marry a Papuan girl as a sign of gratitude. A swift exit allowed him to refuse the generous gift without too many problems.

"Upon leaving Papua New Guinea, I knew that I would definitely return," recalls Nikolai Nikolayevich. And he did. In May 2019, I went there again with a big group. And it was not without its surprises: we visited a village called Miklouho-Maclay! It was named in 2017 after our first expedition. The village elder is 77-year-old Asel Tui, who is a fifth-generation descendant of Tui, the first local inhabitant that Miklouho-Maclay met in the nineteenth century. It was really moving.

Nikolai Nikolayevich is sure of one thing: as was the case for his predecessor, his first two expeditions to Papua New Guinea are only the beginning of a great journey.



↓  
The Tamo Boro Rus, or "great man of Russia", has returned and made it rain

## ABOUT THE FOUNDATION

The aim and mission of the Miklouho-Maclay Foundation is to facilitate mutually beneficial cooperation between Russia and Papua New Guinea. This year alone, Russia is planning to open an office at Port-Moresby in Madang; a delegation of young specialists from Papua New Guinea are due to attend youth forums in Russia; and business conferences

have been planned to develop bilateral economic development between Russia and Papua New Guinea. Ultimately, there will be more and more new expeditions, the most ambitious of which will be a trip from Russia (Kronstadt) to New Guinea (Maclay Coast) on a 60-foot-long sailing ship, calling at ports along the way over a period of four months. It will take place in 2023.





## L I F E S T Y L E

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↑  
The Russky Bridge  
in Vladivostok





There is no such thing  
as too much money  
or too many friends



**G R I G O R Y   L E P S**

GRIGORY LEPS WILL PERFORM AT THE GALA RECEPTION ON BEHALF OF THE ORGANIZING COMMITTEE OF THE EASTERN ECONOMIC FORUM. WE TALKED TO HIM ABOUT THE ROCK VERSION OF THE RUSSIAN ANTHEM, HIS DEBT FOR A 15TH CENTURY ICON, AND ABOUT BEING 57, WHICH TRANSLATES INTO SINGING ONLY WHEN YOU WANT TO AND NOT WHEN YOU HAVE TO

*interview by Polina Surina, Irina Beiden*



**This is not your first performance at a Roscongress event. What songs get the best response from business audiences?** Business people are just like everybody else. Usually they enjoy what regular people in our country enjoy: Ya Schastlivy (I Am Happy), Samy Luchshy Den (The Best Day), Ryumka Vodki (A Shot of Vodka).

**If there's a request for a song from the audience, will you go for it?**

I'd rather know in advance. There are songs I don't perform anymore, and I would need to refresh my memory. Being a person who either delivers or just won't take the job, I need to be prepared. I really hope I'll be able to sing the Russian anthem, which I once did at Russia Day celebrations. I made the arrangement myself and recorded it. I believe it turned out alright, and it's my take on it. Melody-wise, I stuck with the original and just came up with a rock version. Two guys play the drums: one is American, the other is Ukrainian, which bears a certain symbolic meaning.

**How important is the quality of recording and arrangement for you?**

I am very particular about the sound. Chris Lorde-Alge, a three-times Grammy winning mix engineer, worked on a number of my albums in Los Angeles. We recorded the TyChegoTakoiSeryozny (WhyAreYouSoSerious) album with Soren Andersen in Copenhagen. He's Glenn Hughes' guitar player and sound engineer. Well, this is pure rock music. Sometimes, the sound for just one song out of 10 to 12 tracks on the album costs up to USD 20 thousand.

Many big-time performers – who are worth as much as myself and sing just as well as I do – are used to getting an arrangement for USD 500. Meanwhile, I don't want to be embarrassed for my songs ten years from now. When I listen to my old pieces, I realize that even now I would change a thing or two. Something just isn't right with the voice or in the sound. I always strive for perfection, but the sky is the limit. You can keep splitting hairs for the rest of your life and die without ever feeling satisfied.

I was honestly planning to retire, which never happened for a number of reasons. By my age, I was hoping to have created a business that would generate a similar income, but I am not all that business savvy

**You once said you'd quit the stage at 55.**

I thought that at this age nobody would find me exciting. And it is partially true, because we've got lots of young motivated and super talented kids. In a certain sense, with my super intense performance schedule, I may be in their way: a tough year means about 170 solo shows, an easier one – 120–130. Basically, it means I am busy every day of the year. Sometimes I get two or three weeks when I can get away somewhere, but that's rare. At times, I even interrupt my vacation and fly back if I get a call from Channel One. I would never say no to them. They helped me a lot, and being a decent person, I return the favour. However, I was honestly planning to retire, which never happened for a number of reasons. By that age, I was hoping to have created a business that would generate a similar income, but unfortunately, as it turns out, I am not all that business savvy.

**Are you personally involved in your businesses?**

Barely. My wife is in charge of the jewellery business, my glasses business is run by my partner, and I have staff that deals with the merchandizing.

**What about the Khlebosolnoye Podvorye brand of farm produce?**

Out of this whole project only vodka is marketable. We are promoting it through events. We have professionals sweating over an action plan, and I hope to get it up and running in autumn. It is never easy and it can't be hurried. You need to find the operation, fix things, put a label on it, and then ensure a certain quality level.

**Looks like you are more of a creative type?**

I am for now. But no hard feelings here. While 57 is not bad, at this point I would like to sing only when I want to and not when I have to. But I still have to do it when I have to. Quite a few children in the family, and there will be more. Quite a few things to run, and there will be more.

**You also have a production centre.**

I don't have as many artists as I used to. First, there's, Aleksander Panayotov who is a stellar performer and a wonderful person. I'm going to ask Channel One to make him Russia's contestant at Eurovision. There's a band called Cosmos Girls. Four girls, including my eldest daughter Eva: they are super young – between 15 and 18, but they sing well – that I can tell you. There's another young lad – Alexandr Grechanik. He is striking and talented. We'll see what is in store for him. I don't have anybody else, and frankly I don't want anybody else.

It's a risky enterprise with high costs: it's hard to guess whether the audience will get to like a performer. A good voice doesn't necessarily mean you will end up a big-time singer. There are people that can barely sing, but they are trending, and everyone knows them. Generally, a pop singer's image is comprised of three elements: voice, looks, and content. The voice means range and tone colour, recognizability: when you listen to a new song and you know exactly who it is.

**Viktor Drobysch said your success in music was against all odds.**

But why? I have but only one rule: you've got to work. I am a man of the Caucasus and a Christian and I believe that a man

needs to put their nose to the grindstone. And this is precisely what I do. You've got to work and improve yourself. The older I am, the harder it gets. I can't cheat my biological clock and sing as I used to 20 years ago. My body is growing old, my vocal cords are growing old, and I am not as strong as I once was.

#### So, what's next then?

On 7 May, I underwent vocal cord surgery in Paris. They even had to put me under for it. It was at the point where I had no choice. On 8 July, I had another operation. A lot of people take a year or two to recover, and I was already singing after several weeks. I can control my voice, but it's still not the level I would like to hear, so I'll have to wait. I might have to go for another surgery.

#### Do you enjoy singing?

Sure, if my cords do the job. If not, there's nothing to enjoy, but it's my problem. If you take the stage, make sure you perform, or don't do it at all. If I had two or three months to rest, I would go to Crimea, which is the perfect place for vocal cords to recover: there, the mountain air mixes with sea air. There are many hiking trails – it's good exercise for the heart and lungs. I would take a vocal coach with me and leave my phone at home.

#### Where would you like to tour to combine it with rest?

I would love to go to Japan to see the country and maybe give a small performance in a club. It doesn't have all that many Russians: 500 people is something we may be able to pull off. I had an idea for a tour: Tokyo, Malaysia, Thailand, and Australia. I would go there for three or four weeks and do just a few shows. I may do it next year, and that will be when I rest.

#### On a different note. You collect engravings. Tell us about the most special pieces in your collection.

For one, I have an engraving that took me a decade to find. It's a panorama of Moscow of the 17th century. The artist – his name was Dmitry Indeytsev – depicted Moscow as he saw it from the Kremlin walls as if it were a 3D image. It took



me years to find a panorama of Rome by Giuseppe Vasi, a 17th-century original.

#### Why were the icons from your collection exhibited in the State Historical Museum?

It was driven by both the museum and me. I just wanted to show my collection to people. You can't invite everyone to your home. The museum took the icons for a month but kept them for six – it reached an audience. The exhibition included over 350 icons. The money it earned will be used to restore the monument to Minin and Pozharsky. It's not much – about half a million roubles, but if it needs more, we'll add some.

#### What was your first icon?

The icon of Our Lady of Korsun. It's not authentic though: the board

is old, but it's a later painting. Now I am more of an expert, and I support contemporary icon painters as well. There's an artist in Mstyora – Andrey Grachyov, who has no apprentices because it takes him two years to make an icon. It actually pays, but young people don't want to do it, which is a shame. I am now paying off my debt for a 15th-century icon of St. Nicholas that the Bolsheviks sold abroad during the Revolution with a whole lot of religious artefacts. First, it found a home in New York, then in a tiny gallery in London. Then the National Gallery in London was going to purchase it. It took me a while to haggle, because the price tag was enormous. I somehow ended up persuading them I would pay it off in portions.



**What are you going to do with your collection?**

I don't want to sell it – that would break by heart. I have a friend who collects icons as well, but he has five times as many and they are way more valuable than mine. He is going to build a museum that would ensure proper storage conditions. Light and temperature are crucial for icon preservation. If the museum has enough space, I'll put mine in there so that people get a chance to see them. But I'll keep them until then. If the museum doesn't work out, each of my children will get a share of my collection. Though they are not really into icons yet – they are too young for it. I started collecting icons at the age of 34, after I almost died from an illness. I spent six months in hospital, which changed my perspective on things.

**Do you have family traditions?**

For my birthday my children usually present their poetry. They prepare, get dressed, and then recite poems about how I'm the best dad in the world. We rarely get together for the New Year. Last year, I was working in Crocus City. My wife and children were there as well, so we celebrated a bit.

**Do you think Russian show business is changing?**

Over the 20 years I've been a part of it, our show business has improved music-wise. If you listen to younger performers like Timati, or songs produced by his label, they are fantastic. Or take Basta: his music is beyond any words. Svetlana Loboda is a stellar performer. Or take Dimash Kudaybergenov – you can feel the divine touch in his beautiful tenore di grazia. Voices like his are so fragile that they need to be nourished and cherished. Then Sergey Lazarev and Dima Bilan are great singers. There are young guys who do a great job and can fill a stadium. They have their audience, which is good. Things spiral up and level up. At least this is something we've been taught.

**Who is a big-time performer in your mind?**

Old-timers are performers with a capital P. They have their principles and their rules for life. Joseph Kobzon. Alexander

Rosenbaum. Alla Pugacheva. I'd love to sing something with Alla Pugacheva, of course if she can do it, if she has the time. I offered her a couple of pieces, but she didn't like them. But if there's something to her taste, I believe she'll say yes.

**Anybody else you would like to sing with?**

Polina Gagarina. I offered her a song, and it was to her liking. We'll get to it as soon as I recover. I hope we can do it by the New Year – that would be a wonderful duet. I really enjoy duets. We had a truly successful one with Irina Allegrova – Ya Tebe Ne Veryu (I Don't Believe You). It wasn't my first one, but I see it as the most memorable. Only Ili Vorony (Eagles or Ravens) with Max Fadeev – he is a big-time musician and an out-and-out professional. If we take rock performers, we had a beautiful duet with Diana Arbenina

called Berega (Shores). Great duets with Timati, especially London. It was my idea, but he developed the concept. And we did a magnificent piece with Joseph Kobzon and Alexander Rosenbaum – Vecherniyaya Zastolnaya (A Drinking Song at Night). Singing with Joseph Kobzon was my dream, and it came true.

**What do you need to make you happy?**

Happy? Something like USD 200 million. I'm just like everybody else. There is no such thing as too much money or too many friends. If I disregard the demons I constantly keep fighting, I'm a fairly happy person. My children are in good health. My limbs are in place. We'll get my cords fixed. If we fail with the cords, I'll switch to a different tone colour, to a different voice. We'll figure something out.



## PRIMORYE TOURS

## BY CAR

by Daria Mikolaichuk and Andrey Ostrowsky

## NOTE:

the listed travel times are one way, excluding traffic jams and any potential weather problems. The meeting point is Tsentralnaya Ploshchad.

## RENTAL OF A TOYOTA LAND CRUISER WITH A DRIVER:

RUB 40,000 for 12 hours,  
RUB 3,400 per hour.

## RENTAL OF A TOYOTA CAMRY WITH A DRIVER:

RUB 36,000 for 12 hours,  
RUB 3,000 per hour.

## RENTAL OF A SELF-DRIVE NISSAN X-TRAIL:

from RUB 7,100 per day.



## 1 RUSSKY ISLAND

The island is known for hosting the APEC summit in 2012 and its description in Evgeny Grishkovets's play 'How I Ate a Dog.' On Russky Island you can take a walk along the coastal battery of the Vladivostok Fortress, and visit the aquarium, the FEPU campus, and the university embankment. If you continue on through the forest, you can visit some of the island's lovely beaches, and you may even meet some wild foxes on the way.

Journey time: **30 min**  
Duration of trip: **4 hours**  
Distance from Vladivostok: **17 km**



## 2 SHAMORA (LAZURNAYA BAY)

This 3-kilometre wide sandy beach is the number one choice for the residents of Vladivostok. The beach rose to fame in Russia more than 20 years ago, when the rock band Mumiy Troll released its album titled Shamora. In the 1970s, during the campaign to eliminate Chinese names from the area, the bay was named Lazurnaya. Still, the residents of Vladivostok continue to call it by its old name.

Journey time: **40 min**  
Duration of trip: **2.5 hours**  
Distance from Vladivostok: **30 km**

## 3 PRIMRING SPORTS AND RACING COMPLEX

It was inevitable that such a complex would be built near a city that is Russia's leader in terms of the number of cars per capita. Extreme drift (including the annual Russia/Japan drift battle), a motocross track, quad bike, buggy and go-kart rentals – if the roar of engines, the rush of adrenaline and unabated excitement of the race are your thing, then this will make the perfect day out for you.

Journey time: **30–40 min**  
Duration of trip: **3–4 hours**  
Distance from Vladivostok: **40 km**



## 4 MILLIONKA

This is a central district of Vladivostok, located between the streets of Pogranichnaya, Semyonovskaya, Admiral Fokin and Aleutskaya. At the end of the 19th and the first half of the 20th centuries it was home to Chinatown, with its opium dens and Chinese theater. Now it has a wide range of cafes and shops and is a popular area for tourists.

Journey time: **5 min**  
Duration of trip: **40 minutes**  
Distance from Vladivostok: **0 km**

## 5 STEKLYANNAYA BAY

Instead of pebbles or sand, the beach is made up of bits of glass and ceramic. Previously a bottle and ceramic dump was located close to the beach, and over time the sea wore down the glass and ceramic shards and they were washed back on the shore. The bay is popular with Asian tourists who take pieces of glass home with them as souvenirs.

Journey time: **35 min**  
Duration of trip: **2 hours**  
Distance from Vladivostok: **21 km**





## 7 EMERALD VALLEY LANDSCAPE AND HISTORICAL PARK

To get to this park you need to head north on the Khabarovsk highway. Immerse yourself in the Oriental Garden, Labyrinth of Love, and Dragon Park, which is just a small share of the adventures you can and need to live through. Visit the Cossack dungeon and Asiatic pagoda, the dwellings of the longtime inhabitants of Primorye, the Bohai and Jurchens. Emerald Valley brings you this fantastic architectural and historical mix, fused together on the shores of the Pacific Ocean.

Journey time: **1.5 hours**

Duration of trip: **5-6 hours**

Distance from Vladivostok: **110 km**



## 8 PRIMORYE SAFARI PARK

This park is home to 70 animal species from Primorye Territory. Unlike your ordinary zoo there are no bars or barriers and the animals live in their natural environment. Visitors can observe the Amur tiger from special surveillance platforms. The safari park is also known for the friendship between the goat Timur and the tiger Amur, who lived for several months in the same enclosure.

Journey time: **1.5-2 hours**

Duration of trip: **5-6 hours**

Distance from Vladivostok: **82 km**



## 6 TOKAREVSKY LIGHTHOUSE

Built in 1910, the lighthouse is working to this day, guiding ships into the port from the Eastern Bosphorus. This is the best-known and most photographed landmark in Vladivostok. A man-made stony spit leads to the lighthouse.

Journey time: **20 min**

Duration of trip: **1 hour**

Distance from Vladivostok: **8 km**

## PRIMORYE TOURS

## YACHT TRIP

## NOTE:

the journey time is one way as the crow flies, excluding any potential weather problems. The meeting point is Ulysses Bay in Vladivostok.

## RENTAL OF A FERRETTI 550 YACHT:

RUB 90,000 per day,  
RUB 12,000 per hour.

## RENTAL OF A LAGOON 500 MOTOR-SAILING CATAMARAN:

RUB 80,000 per day,  
RUB 13,000 per hour.



## SIGHTSEEING WALK

This is the classic route around Russky Island, giving you the opportunity to see the grottoes, coves and headlands that are difficult to reach on foot. During the walk you will also be able to admire the working lighthouses of Skryplev and Basargin from afar, for which you need a special permit to visit.

Journey time: **15 minutes to the starting point**  
Duration of trip: **3 hours**  
Distance from Vladivostok: **2 km**



## 1 ASKOLD ISLAND

In the 19th century, the island was home to gold miners and deer breeders. Nowadays, it is uninhabited, but the deer still roam freely. From the sea you can see steep banks, vertical cliffs and bird colonies. You can get out and climb up the rocky paths to the old lighthouse, where you can see abandoned artillery batteries and deserted beaches. This place is all about its history: Askold is still waiting for its own Jack London, who can describe the wild passions and mores that reigned here a century and a half ago.

Journey time: **1.5 hours**  
Duration of trip: **5 hours**  
Distance from Vladivostok: **50 km**



## 2 RIKORD ISLAND

Rikord is uninhabited, almost completely covered with forest. On its western shore you can visit the 'marine garden', with one of the top scallop fisheries.

Journey time: **from 1 hour**  
Duration of trip: **4 hours**  
Distance from Vladivostok: **40 km**







### 3 REYNEKE ISLAND

The island's bays are wonderfully varied: while the beach at Shtukino has grey sand and pebbles, on the opposite side of the island you can find red boulders worn down by the waves. On the headland you can visit the wreck of a steamboat, which for many years served as a practice target for the Pacific Fleet.

Journey time: **40 min**  
Duration of trip: **4 hours**  
Distance from Vladivostok: **30 km**



### 4 PUTYATIN ISLAND

The island stands out for its wonderful landscapes, clear waters, rocky shores, and rich history. At the end of the 19th century, Putyatyn was home to the estate of the merchant Alexey Startsev, son of the Decembrist Nikolay Bestuzhev. He bred deer and ran a tobacco and mulberry farm, orchards, a vineyard, an equestrian farm and a porcelain factory.

Journey time: **1 hour 40 minutes**  
Duration of trip: **6 hours**  
Distance from Vladivostok: **58 km**



### 5 POPOV ISLAND

A long-inhabited island with a sandy beach, whose fine sand has lent it the name Frantsuzsky (French). It boasts steep headlands, secluded coves and hills covered with wildflowers. The island is part of Russia's first Far East Marine Reserve, with its famous bird colonies.

Journey time: **40 min**  
Duration of trip: **6 hours**  
Distance from Vladivostok: **25 km**

## PRIMORYE TOURS

# HELICOPTER AND PLANE TRIP

**NOTE:**

the journey time is one way, excluding any potential weather problems.

**RENTAL OF A EUROCOPTER EC-130 HELICOPTER:**  
RUB 230,000 per hour.

**RENTAL OF ROBINSON R-44 HELICOPTER:**  
RUB 89,000 per hour.



## 1 LAND OF THE LEOPARD NATIONAL PARK

Researchers refer to the Land of the Leopard National Park as “the most feline place in Russia.” It is home to tigers, forest cats, lynxes and Far Eastern leopards – the rarest large cats in the world, with only 90 or so adults in the wild. It is unlikely that you will come across any predators in the national park, but you may well stumble on paw prints or the scratches they leave when sharpening their claws. You can also see the photos and videos taken by hundreds of camera traps installed around the park.

Journey time: **1 hour**  
Duration of trip: **3 hours**  
Distance from airport: **60 km**



## 2 LIVADIYSKY RIDGE

The ridge is part of the Sikhote-Alin mountain range, with the most visited peaks of Primorye Territory, which the locals call by its old Chinese names Pidán (Mount Livadiyskaya on the map) and Falaza (Litovka). You can fly over one of the highest peaks of Primorye Territory – Mount Tumannaya.

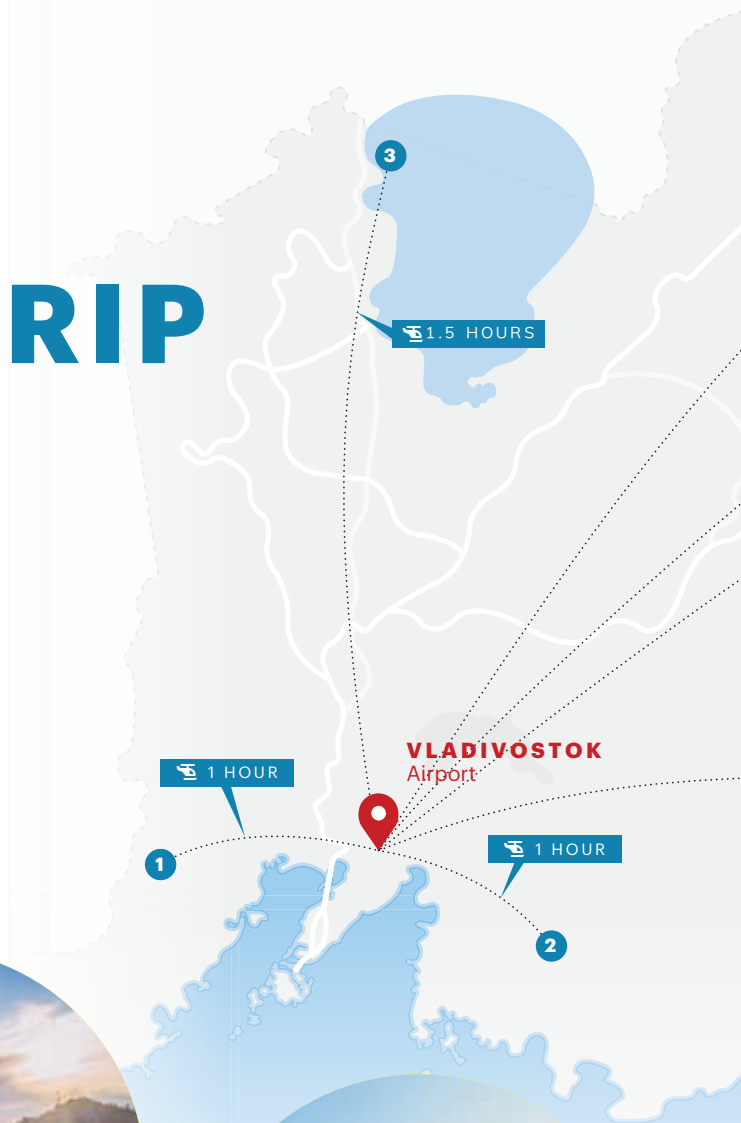
Journey time: **1 hour**  
Duration of trip: **2.5 hours**  
Distance from airport: **60 km**



## 3 LAKE KHANKA

Khanka is the largest freshwater reservoir in the Far East and the largest lake in Primorye Territory. It is famous for its abundance of fish and coastal birds. The sturgeon fish kaluga inhabits the lake, which weighs up to 600 kg. Also you can see red-crowned cranes at the lake.

Journey time: **1.5 hours**  
Duration of trip: **4 hours**  
Distance from airport: **170 km**





PHOTOS: ADREY FEDORKOV / WIKIMEDIA COMMONS, YURI EMEL'YANOV / WIKIMEDIA COMMONS, NATIONAL PARK "ZEMLYA LEOPARDA" - NEUX-NEUX / WIKIMEDIA COMMONS, IGOR ONICHIN / RIA NOVOSTI, YURI SMITIUK / TASS



#### 4 UDEGE LEGEND NATIONAL PARK

You can take a flight to the taiga village of Roshchino at the entrance to the park. This is the Bolshaya Ussurka basin, the central Sikhote-Alin taiga, home to tigers, brown and Himalayan bears and even red wolves, where grayling and lenok play in the shallows of mountain rivers, and relic trout guard their prey in the creeks. Here, if you're lucky, you can hear the beat of the shaman tambourine and visit the sacred site of the Udege people, the Orochonsky Bog natural landmark.

Journey time: **1.5 hours (by plane)**  
Duration of trip: **5–6 hours**  
Distance from airport: **400 km**



#### 5 ZOV TIGRA NATIONAL PARK

The park located in the Chuguevka District of Primorye has 56 peaks over 1,000 m high. The highest point in the region is Oblachnaya Mountain (1,854 m above sea level). Located in the heart of Primorye, it is steeped in legend and mystery. They say that somewhere near here Vladimir Arsenyev met (and even described in his diary!) a flying man. You don't need to be a mountaineer to climb to the summit as there are convenient well-equipped mountain refuges and well-marked trails.

Journey time: **1 hour**  
Duration of trip: **4–5 hours**  
Distance from airport: **326 km**



#### 6 TERNEY DISTRICT

Terney District covers more than 27,730 square kilometers, which makes it bigger than Northern Macedonia. Flying over it, you can see its ridges and rivers, the Far Eastern taiga, the lake plateau and beautiful coastline.

Journey time: **2 hours**  
Duration of trip: **4.5 hours**  
Distance from airport: **400 km**



#### 7 SIKHOTE-ALIN NATURE RESERVE

The reserve begins in the northeast of Primorye in the village of Terney, located on the shores of the bay of the same name (Lapérouse gave it this name at the beginning of the 19th century). The amazing Sikhote-Alin Nature Reserve, with an area of more than 400 thousand hectares, begins right on the edge of the village. The first people to document this area more than a century ago was the tireless explorer Vladimir Arsenyev accompanied by the legendary Dersu Uzala. Due to its extraordinary biodiversity, with animals and plants from northern to subtropical climatic zones coexisting here in harmony, in 2006 the reserve was included in the UNESCO World Heritage List.

Journey time: **1.5 hours (plane)**  
Duration of trip: **6–7 hours**  
Distance from airport: **660 km**



# EXTREME FAR EAST

WHAT TYPES OF ACTIVE TOURISM ARE RIPE  
FOR DEVELOPMENT IN THE RUSSIAN FAR EAST?

by *Irina Zbavoronkova*



According to Ernst & Young (EY), from 2014 to 2017, the flow of domestic and inbound tourism heading to the Russian Far East increased by 71.5%. In 2018, the number of tourists reached a record 6.9 million people. The programme to develop tourism in Russia for the period up to 2025, in their optimistic projection, hopes to increase the flow of tourists to the Russian Far East by up to 20%.

Apart from the traditional types of tourism, this forecast includes the relatively unusual sort. Recently, extreme recreation and tourism have been undergoing active development in the Russian Far East. An increasing number of Russian tourists are coming to the Far East to engage in extreme sports. We took a look at the top three most promising types of tourism popular with extreme tourists around the world.

## Running leap from a helicopter

Heli-skiing, a relatively international type of extreme recreation, has only recently appeared in the Kamchatka. It operates very differently from what the sport looks like in Sochi or the Alps. The organizers say that Kamchatka is the only place where people can ride through the crater of an active volcano. Helipro was one of the first companies to create a mountain sports base there, known as the Snow Valley Mountain Lodge. Several local tour companies have also organized tours.



“It is too early to call heli-skiing a flagship for the tourism industry in Kamchatka, but demand is growing steadily. For example, this season we saw twice as many tourists as we did last season. Approximately 60 to 70% of them are from Moscow; Germans are the most frequent international tourists – they are very skilled at snow sports. They see this as an additional challenge: there are not many places where you have the chance to freeride down the slope of a volcano. We hire the services of a private helicopter company to get people to the top of the

slopes. There are some problems, but they are solvable, especially since regional leaders want to improve infrastructure and attract guests to the region. The main issue lies in the kind of day-to-day conditions tourists face. But we are successfully tackling this issue as well: this year we have seen the launch of ‘glamping’ (‘glamorous camping’ – *Ed.*) at Anyuysky National Park in Khabarovsk Territory,” says Founder and General Director of RussiaDiscovery Vadim Mamontov.

Heli-skiing, both the sport and the business, started in Canada. The most famous company offering this type of active recreation is Canadian Mountain Holidays, who has an annual sales turnover of over CAD 1.5 million. Canadian companies serve as an example of what is needed to be successful in this market. Ted Morton’s research ‘Canadian Heli-ski Industry’ identifies several key success factors: location (good and stable snow cover for freeriding paired with easy access via transport and closeness to international airports), good service, smart advertising campaigns, and the availability of one-day tours. Moreover, heli-ski sessions are regulated by several federal and regional laws at once, some of which concern necessary instructor training and helicopter flights. The study

## SAKHALIN ALPS

One of the main projects on Sakhalin Island is the Gorny Vozdukh alpine ski resort, located 600 metres above sea level on Bolshevik Mountain in Yuzhno-Sakhalinsk. This resort has the largest skiing zone in the Russian Far East; there is currently a total of 25 kilometres of skiing trails in the park. By 2021, investors plan to increase the volume of skiing trails to 80 kilometres, construct another six ski lifts, and build more tourist infrastructure: hotels, restaurants, stores, and spa complexes. In January, authorities approved the project to construct a suspended passenger



ropeway lift on Krasnaya mountain. This new ropeway with six-seat detachable lifts will span 2,376.21 meters and will be capable of transporting 2.8 thousand people an hour. 19 towers will be built between stations to support the cable route.

## Kamchatka is an attractive destination for cold-water surfers, competing with the coasts of Norway, Iceland, and the Lofoten Islands. Russia is home to just six surfing hotspots, two of which are located in the Far East: Kamchatka and Vladivostok

notes that Canada boasts approximately 20 operators in the heli-ski industry and there is no room for other companies to enter the market.

### COSTS

The cost of one flight starts at CAD 710 (RUB 30–40 thousand just for the flight, not including accommodations and transportation to the resort), there is no upper limit to the price: personalized tours may cost tens of thousands of Canadian dollars. A weeklong tour to Kamchatka costs RUB 200–250 thousand (not including the price of transport), while a single day tour starts at RUB 60 thousand (also without tickets to Petropavlovsk-Kamchatskiy).

Keeping in mind that there are not as many locations for good heli-skiing as there are consumers actively involved in this sport and recreation, the Russian Far East has the opportunity to increase its attractiveness to foreign extreme sport tourists, especially since Kamchatka is already on the heli-ski map – all that is left is improving the service, which is what Russiatourism and Roza Khutor are planning to do.

“In addition to adventure and extreme tourism, there is also demand for expeditions to Chukotka and Wrangel Island, tours to the Sakhalin and Kuril Islands, and whale-watching trips to the Shantar Islands. And let us not forget cruise tourism, since similarly positioned Alaska sees a tourist flow of approximately

a million people annually, which is a thousand times more than we see in the Far East,” said Vadim Mamontov.

## Riding icy waves

Surfing is a form of active recreation that has even caught the attention of Elon Musk, who released a limited collection of 200 Tesla branded carbon fibre surfboards for USD 1.5 thousand each. They sold out in under a day.

Russia is a latecomer to surfing. It is said that surfing was introduced to Russia by the famous US surfer Tom Curren in 2003. That was when he travelled to Kamchatka to make a film about surfing. Vladivostok is considered the Russian surfer magnet city. In the 2000s, the city saw its first professional athletes. Vladivostok hosted the first Russian surfing championship in 2010.

Time has passed, and Khalaktyrsky Beach in Kamchatka has now made its way onto a surfing magazine's rating of ‘places you'd never think to go surfing’. This several-kilometre-long beach is a half hour's drive from Petropavlovsk-Kamchatskiy; it boasts three main surfing spots, located relatively close to each other: Halo, Central (aka Old Place), and Curren (named after the very same Tom Curren). Winter, water temperatures of +2°C, air temperatures of –15°C, wetsuits, and

↓  
Kamchatka and Halaktyr Beach  
are considered the lodestone of  
Arctic surfing

## SOCHI IS COMING TO KAMCHATKA

Rosa Khutor LLC, author and investor of the Sochi ski resort by the same name, has proposed building a tourist cluster called ‘Three Volcanoes’ in Kamchatka. The project is estimated to cost RUB 39.2 billion. Private investments will account for RUB 15 billion of the project, and approximately 1,000 jobs will be created. According to the project creators, this new tourism cluster will attract approximately 170 thousand new tourists in 2024.

Three Volcanoes will be built near the mountain Sopka Goryachaya and is planned to have 17 km of skiing trails with two ski lifts and a hotel with a 1,000-person capacity. This resort has the chance to become one of the leading heli-ski locations in the region.







boards – that’s how Britain’s The Guardian reports on the crazy (in reality: not only) Russians, who ride the waves in ‘Siberia’ (in reality: the Far East is not Siberia). The above statements are from the article titled ‘Surf in Siberia’, which was practically the first to break the news globally about the new surfing mecca in Kamchatka.

Kamchatka is an attractive destination for cold-water surfers, competing with the coasts of Norway, Iceland, and the Lofoten Islands. Russia is home to just six surfing hotspots, two of which are located in the Far East: Kamchatka and Vladivostok. The other four are Sochi, Anapa, Kaliningrad, and St. Petersburg.

In Vladivostok, surfers catch waves at the city’s Patrokl beach (Sobol Bay), the sandy Shamora Beach on Lazurnaya Bay, and on Russky Island, which also boasts board rentals and a tent camp. Surfers also make their way to Nakhodka. But the mecca of Arctic surfing is Khalaktyrsky Beach in Kamchatka, where the commercial international competition Nixon Surf Challenge was held in 2014.

One of the first surfing schools in the Far East – Snowave Surf School – posits Kamchatka as the ‘place with the most well-studied spots and stable waves in Russia’. Surf tourism is increasing in popularity every year. The peak season is, as a rule, July through August/September.

#### COSTS

The Kamchatka surf camp (accommodation in a large tent, food, and surfing lessons) costs RUB 90–100 thousand for 14 days, not including travel to the destination. For comparison: surf camps in Bali cost approximately USD 1,500 (the same RUB 90–100 thousand, accommodation at a surf hotel, food, and surfing lessons).

## Primorye Cousteaus

Another prospective direction for the development of active tourism businesses in the Russian Far East is diving. Primorye is a unique destination for this type of extreme recreation. The cold Sakhalin and warm Korean currents meet off the coast, so subtropical flora and fauna mingle with Arctic marine life. For example, one of the main attractions is a meeting with a Giant Pacific octopus. They reach around a meter in length and weigh 20 kilograms, but there are giants that are human-sized and weigh over 40 kilograms.

There’s also wreck diving, where the divers explore wrecked ships. The Japanese destroyer Hibiki and the transport ship Indigirka are located not too far from shore.

Ultimately, almost any point on the Primorye coast is good for diving, from

## BILLIONS ON INFRASTRUCTURE

The Russian government plans to allocate approximately RUB 7.8 billion towards the development of tourism clusters in the Russian Far East. The recent federal programme ‘Development of domestic and inbound tourism in the Russian Federation for 2019–2025’ pays special attention to the Russian Far East (Source (in Russian): [www.minvr.ru](http://www.minvr.ru)). In January, Russiatourism selected three Far Eastern regions (Buryatia, Primorye, and Khabarovsk Territory) in which it will finance a total of seven tourism-related critical infrastructure projects in 2019.

Khasan to Rudnaya Pristan. Far Eastern Marine Reserve in Khasan District is a diver’s mecca in the Japanese Sea, but special permits are necessary to visit this location.

Primorye currently has a fair number of dive clubs that adhere to PADI and NAUI standards; there is even a Russian National Dive League. Dive tourists most often visit during the gentle autumn months (the ‘Velvet Season’ of August–September). One of the main issues is the region’s lack of ships equipped for diving and most importantly a lack of captains, capable of taking those ships out to sea.

This is a fairly promising area of development for small businesses, since tours are not the only source of revenue. There are also equipment sales and rentals and diving lessons (with certification in accordance with international standards).

#### COSTS

Currently, dive safaris in Vladivostok cost approximately RUB 50 thousand for seven days (depending on the route), which is comparable with a weeklong dive safari in Egypt: in both cases, the price excludes the cost of flight tickets, insurance, and equipment rental. Globally, the cost of one dive starts at USD 30, and the prices in Primorye are comparable: starting at RUB 1.5–2 thousand per dive in a group of several people.



# The healing treasure of the taiga

THE EFFICIENCY OF PHARMACEUTICAL DRUGS  
IS NOWHERE NEAR THAT OF PRIMORYE TERRITORY'S  
UNIQUE WILD PLANT LIFE

by  
*Vasily Solkin*



In 1980, when I, a native of the central part of European Russia, arrived in Primorye, I didn't like the Ussuri Taiga at first: it was just another botanical garden. Moreover, half the plants had scary prickles and thorns, so I had to permanently break my habit of grabbing onto tree trunks with my hands. There were different smells and different animals. At any moment, a huge living breathing Amur tiger could jump out of the bushes. Or an unpredictable Himalayan bear. It doesn't bear thinking about!

But after three years, it was as if a switch had been flicked within me, and all of a sudden, I fell in love with this incomparable blend of incongruities.

## The root of life

This wonder of Far Eastern nature doesn't need any introduction. Humankind has known about the healing properties of ginseng for a long time. The first mention of the miraculous root, which heals all ailments, appeared around four thousand years ago. The plant was quickly assimilated into myths and legends and has been the bearer of nicknames such as 'the imperial root', 'the emperor's medicine' and 'the man root'; the latter stems from the fact that ginseng commonly resembles a person's body, with a head, two arms and two legs. The root is particularly well-known for this shape.

## AGRICULTURE AND INDUSTRY FESTIVAL AT THE EEF 2019

For the first time, the 'Far East Street' exhibition will host the Festival of Agriculture and Industry. Organized by the Ministry of Agriculture of the Russian Federation, the event will take place along the sea front of the Ajax Bay. The venue will showcase exhibits from all 11 regions of the Far Eastern Federal District and will be able to accommodate 2,000 people. In the 'Taiga Trades and Crafts' interactive zone and inside the 'Tent of Regions', participants and guests of the Forum will be able to learn about agricultural

products harvested in the Far East (including wild plants), as well as taste delicacies prepared using traditional recipes. Such recipes include fern with meat (Khabarovsk Territory), Amur pelmeni with soy meat (Amur region), dishes made from Chukotka berries, and the Jewish Autonomous Region's famous honey. At the Fish Market, guests and participants will be able to sample smoked Coho salmon, a salad made with Magadan prawns, Ussuri solyanka with squid, and Buryat whitefish with pine nuts.

If I now began to list all the ailments that ginseng can treat, there wouldn't be enough pages in this magazine. The easiest answer is: everything! It stimulates the immune system and improves the body's entire function. It also helps your body to fight off any disease. No wonder the plant's scientific name is Panax. It comes from the Greek 'panakos', which means panacea (literally: all-healing). And irrespective of developments in modern medicine, people still believe that the ginseng root can extend one's lifespan and even protect against oncological diseases.

Prices for the imperial root have been and remain, well, imperial. Consequently, a special craft called 'kornevka' emerged relatively quickly. At the end of the summer, root pickers (kornevshchiki) would go to the taiga for several days and seek out the legendary root among bright red berries. It was not easy, but it was even harder to collect it in the right way: the highly valued root had to be preserved entirely, with even the thinnest offshoots of the root which can be as thin as a human hair. As a result, the process of extracting the 'root of life' from the body of the sphere using special wooden shovels could take more than one day.

But the pickers' hard work didn't stop there. Having extracted the root and specially packaged them in envelopes made of cedar bark, they had to deliver it to the buyer and manage to stay alive in the process. Just as soon as the craft had emerged, a special form of banditry had emerged, too. Those who were too lazy to go off searching for red berries in the taiga for weeks on end began to wait for the pickers with a gun in their hands and they themselves would return home with the root. Much blood was shed over the ginseng root.

Today, the situation has changed dramatically. In South Korea, China and Russia, ginseng is cultivated on specialized

## HOW TO GET YOUR HANDS ON THE PRIMORYE HARVEST

There are three ways that you can improve your health with the aid of the wild Ussuri taiga. The first is the simplest: go to a pharmacy which sells manufactured tinctures made from all of the unique plants. The second is the most complicated: go to the taiga yourself to harvest the roots, creepers, berries and leaves. And finally, the third is a sort of compromise for those who are visiting Vladivostok for just a few days: make sure you visit the city's biggest centre of commerce, Pervorechensky market.

Here are some guideline prices:

Dried magnolia berries: 200g, 1,000 roubles;

Magnolia seeds: 200g, 1,000 roubles;

Magnolia creeper: 250g, 350 roubles

Dried Siberian ginseng root: 500g, 300 roubles

Aralia tincture: 1kg, 500 roubles.

Ginseng is very expensive due to its rarity and 'Red Book' status. But if you manage to gain the trust of a seller, they might covertly sell you half a litre of vodka infused with ginseng root in the region of 8,000-10,000 roubles.



farms. Consequently, pickers aren't in danger of losing their lives through a bullet in the back, but they are threatened by hunting inspectors, given that ginseng has been entered into the Red Book (of endangered species) in Russia.

However, in glorifying the miracle root, we should also praise the leaves of the legendary plant. Experienced Tayezhniki (literally 'taiga inhabitants') of generations gone by would always take a pinch of dried ginseng leaves with them in case they became injured. Like an obedient student, I too took some leaves with me.

One day, during the forage, something went wrong. A badger (seemingly a good-natured slob but actually quite vicious) bit my finger. It was hanging off by the skin. In disbelief and realizing that I wouldn't be able to play the guitar again, I wrapped my chewed-up finger in dried ginseng leaves. And you won't believe the result: after a week of keeping it bandaged up in the leaves, it turned out that the fingertip had grown back, and I can still play the guitar.

## The younger brother of legendary ginseng

Scrambling through the taiga in groves of Eleutherococcus is no walk in the park. Generally, you'll get stopped by its aggressive spikes, that will claim bits and pieces of your protective ware. But the taiga hunters never hold a grudge against it. That's because in every local forest

### GINSENG TINCTURE

There are lots of recipes for preparing ginseng: in honey, milk, in a spirit such as vodka, with radish or even with grapes. The original recipes were Chinese, of course, but they were then substantially 'Russified'. The most popular recipe in Primorye is as follows: add 20g of the ground raw root to 200g (or ten times more) honey and 1 litre of water. Mix together well and bring to the boil. After 10–15 minutes, add the same amount of honey. Infuse for a day and then take a teaspoon three times per day, preferably before meals.



↓  
Leaves like these make eleutherococcus easy to spot in a taiga forest

### HOW TO USE THE MAGNOLIA BERRY

Magnolia berries go with everything: natural juice, compote, tea, tincture, etc. The last one is probably the most useful. The dried-out berries are best when they are roughly chopped and left in vodka for two weeks using a ratio of 1 litre of vodka per 100g of berries. Take a teaspoon-full before a meal.

in the USSR, there was a compulsory plan to hand over the Eleutherococcus root (Siberian ginseng) to the state. And in doing so you could make a fair bit of money. Extracting the branch-like, intertwining roots from the stony forest soil was not easy. But high demand for this crude medicine bore professionals who were capable of getting ahead of the production outlined in the socialist procurement plan. Consequently, the local 'literakoka' (as the tayezhniki called it) became rare.

Why was the demand for the root of this thorny plant so high? Eleutherococcus basically contains all the properties of ginseng! You don't need to go on tortuous treks for days on end and you can produce it on an industrial scale. Eleutherococcus has not been assimilated into the same

sorts of myths and legends as ginseng. And unjustly so: this plant is one of the most effective adaptogens, as solutions made from it increase the body's muscle tone and stamina, increases the rate at which the nervous system works as well as an individual's mental capacity. These tonics don't only substantially increase the body's resistance to infection and poison but are also effective under all types of radiation. They can be used to increase

↓  
Dried Magnolia vine berries are the best to quell your hunger and remove fatigue





## A REMEDY FROM SIBERIAN GINSENG

According to local custom, you can only ingest Siberian ginseng with vodka – no exceptions! The washed root is crushed down a lot and then vodka or a different spirit is poured into it in a ratio of 0.5 litres per 100g. Leave for 15 days in a container with a tightly-sealed lid and preferably shake daily. You should take 1–2 teaspoons per day, but only before lunch. It's particularly good for your cardiovascular system.

your appetite, raise your metabolism, improve your vision, and also enhance the main reactions of your central nervous system. Eleutherococcus helps your skin to repair itself after it has sustained varying types of damage. Ultimately, if I hadn't found some ginseng leaves after my fight with the badger, I definitely would have used Siberian ginseng.

## Happiness with a dash of spicy acidity

In a hiking bag next to my bunch of ginseng leaves, I always kept dried Magnolia (or 'limonnik' in Russian) berries.

When I was not able to cook a meal on the hike or had nothing to cook, I would eat a handful of those berries. And – even though you won't believe me – this handful was enough to perk up my tired body and allow me to happily scurry through the taiga until sunset. Of course, I was sceptical. My senior companions told me it would. And the well-worn tayezhniki knew what was what.

However, even people who had lived in the taiga for years and years can't be credited with inventing this. In Eastern folk medicine, Magnolia has been used to treat various diseases from time immemorial. It's said that in China, it's second only to ginseng in terms of popularity due to the fact that it contains lots of vitamins and minerals, has a tonic effect, increases your strength, increases your resistance to adverse effects, helps with diseases of the respiratory, nervous and cardiovascular systems, and is effective in treating infectious diseases.

Finding ripe Magnolia is easy: this climber likes to weave its way around trees along the banks of taiga rivers and in September, at the time of ripe berries, it blooms bright red leaves that are somewhere between a currant bush and a grape bush. Moreover, it's not just the berries that are used but the 'body' of the climbers as well: their finely chopped pieces give a special tea-like aroma.

Why is this climber called 'limonnik' in Russian, you ask? Because the berries have a specific spicy, sour/bitter taste and lemon aroma.

## Prickly spikenard

It's not in vain that aralia is commonly called the devil tree. Eleutherococcus has

got nothing on its spines. And if you find yourself skiing down the slope of the taiga and decide to grab hold of a thin trunk or branch to correct your movement, be careful: if this tree turns out to be Aralia, you'll remember that fateful decision for the rest of your life...

Nonetheless, this 'devil tree' is quite popular in both folk and traditional medicine. Prepared in various different ways, its tincture increases your immune system capacity, activating your body's protective mechanisms and reducing your susceptibility to infections and adverse environmental effects. Preparations from the roots of a medicinal plant are actively used in radiation sickness and, unlike in chemical pharmacy, they don't have any toxic effects on the human body. As for its effectiveness, aralia is often compared to ginseng.

↓  
The aralia's ubiquitous spikes have earned it a folk name "devil's tree"

## ARALIA TINCTURE

To prepare aralia tincture at home, you need to roughly chop the dried root and pour vodka using a ratio of 10 parts vodka, 1 part aralia. Leave for a traditional two weeks, preferably in a warm place and shake periodically. It's recommended that you take it no more than twice per day, and in the first half of the day, with a teaspoon.





TAILOR'S  
N.Y.

THE FOUNDER AND CEO OF GREY TAILORING ALEXEY KOROVANENKO TALKS  
ABOUT THE DIFFERENCE BETWEEN A PERFECT SUIT AND SIMPLY A GOOD ONE

# A PERFECTLY FITTING SUIT GIVES YOU CONFIDENCE IN NEGOTIATIONS



PRINCIPE D'ELEGANZA  
NAPOLI





↓  
Grey Tailoring probably has the best choice of fabrics in Moscow



↓  
A hand-tailored suit will highlight your status, making a favourable impression



Alexei Korovnenko,  
Grey Tailoring  
founder and CEO

#### What advice can you give our readers about choosing a suit?

First of all, it is important to know what you need the suit for. The more exclusive and delicate the fabric, the more rest it needs. That is why, if you need an everyday suit, your best fabrics will have a twist of no higher than Super 130. For special occasions you can consider more delicate fabrics with a twist of Super 150, Super 170 or higher. Our Grey Tailoring boutique and model house presents one of the largest collections of fabrics in Moscow: Loro Piana, Zegna, Dormeuil, Scabal, Holland & Sherry, Ariston, Caccioppoli, Carnet, VBC, and many others.

#### Business people travel a lot. What suit would be appropriate for long flights?

I would recommend special fabrics Traveller and Loro Piana Zelander High Tenacity for travelling and long flights, such as Moscow-Vladivostok; they hardly wrinkle at all and you'll look as neat as a new pin. These fabrics are also waterproof. You will not get wet even if you are caught in the rain.

#### How did you come by the idea of starting a Neapolitan model house in Moscow?

The idea grew out of our own need. We have a consulting project in Moscow and we always need to look just right. Having tried several dozen different tailors and factories, we realised that we had to go to Naples for a perfect suit. We met Enrico Manzo and his Sartoria Principe d'Eleganza at Pitti Uomo. We now present the Principe d'Eleganza brand in Moscow exclusively. Manzo is one of the most famous tailors in Naples. He makes bespoke suits for the founders and owners of Loro Piana and Zegna. Production is headed by Antonella De Rosa who worked for Kiton and Cesare Attolini for over 20 years. There are 32 tailors at the factory and each suit is cut out by hand. This allows taking into account all the nuances of the figure so that each suit really does fit perfectly, as well as fulfilling the most unusual wishes of the clients.

#### How does a Neapolitan suit differ from, let's say, an English one?

An English suit is more like a uniform; actually its cut is more structured and rigid – it originated with a military uniform. The Neapolitan suit, on the other hand, is as light as possible with a natural or soft shoulder line. The suit follows natural body contours; it is more like a second skin. You can simply forget that you are wearing a suit. It is also of no small importance that Italian fabrics are more delicate, soft, light and smooth to the touch.

#### Can you tell an expensive custom-made suit by some sort of details?

First of all, it's the perfect fit. Secondly, what makes each suit unique is

hand-made detailing. Edging is done by hand with minute, fine stitches; all buttonholes are also hand-made. A hand-cut wide lapel that is proportionate to the figure right away gives you a hint that the suit is custom-made. Another thing is that such a suit lets you use unusual buttons made of mother-of-pearl, horn or walnut.

A personal monogram can be added to a suit or a shirt at a client's request.

Generally, at the first meeting appearance and attention to detail are crucially important. You can say the right things, but you will not be perceived right if you are not dressed appropriately or the suit does not match your status or the event. I can say by my own experience that a perfectly fitting suit adds confidence in negotiations and helps you conduct them more successfully.

I will take this opportunity to invite all readers and EEF guests to visit us at the Grey Tailoring boutique and model house at the Crocus City Mall in Moscow for coffee or limoncello.

We also offer call-out service, where one of our master tailors will come with a selection of fabrics to your home or office in any city in Russia, or even another country, to take your suit order.

I wish you a successful Forum!

[www.greytailoring.com](http://www.greytailoring.com)

**GREY**  
TAILORING



# Towards Fishing Season

IN RUSSIA TODAY, RED CAVIAR IS AS CLOSELY TIED WITH THE FAR EAST, AS SCOTLAND IS WITH WHISKY OR THE US WITH BURGERS. HOWEVER, NOT SO MANY PEOPLE KNOW THAT ON A GLOBAL SCALE IT WAS NOT THAT LONG AGO THAT IT BECAME A LOCAL DELICACY

by *Daria Mikolaichuk*

**T**he fishing industry came to the Far East in the 19th century. Explorers wrote that at that time, only indigenous people and their dogs ate red caviar; sailors generally threw it away as fish tripe. Moreover, lots of people from Primorye did not regard caviar as source of food: caviar goes bad quickly and back then, you could not stockpile it for future use. In the Western part of the country, the food product was sampled only at the beginning of the 20th century. After that, the delicacy almost immediately became in demand as an export good. Now, red caviar is one of the main delicacies – if not a symbol – of Russia, like ballet, vodka or valenki (felt boots).

In 2014, Russia introduced import restrictions on fish and seafood from several Western countries, including from the US. Since then, Russian producers have met domestic demand for fish on their own. According to data obtained by Rosstandard (the Federal Agency on Technical Regulating and Metrology), around 90% of red caviar is supplied onto the Russian market from the Far Eastern Federal District, including from Primorye Territory, Khabarovsk Territory, and Kamchatka Territory, as well as Magadan and Sakhalin Regions. The Far East produces four main types of red caviar: sockeye salmon, chum salmon, coho salmon, and pink salmon.

Back when there were not any migrants settling in the Far East, the Kamchadals (native people of Kamchatka) began fishing for Atlantic salmon. They would spear the fish, catching them with nets woven from nettle fibres and so-called trap nets, made from tree trunks and twigs and positioned to block off rivers.

Nowadays, the fish are caught in a similar way, with the aid of fixed nets, traps and drift nets. Equipped vessels replaced the natives' ragged boats. Every year, during the spawning season from June to November, the Far Eastern seas are full of fishing trawlers.





## How caviar is produced

You can easily divide caviar producers into two camps: those who work with it out at sea and those who process the raw materials on the coast. In the case of the former, only freshly caught fish is sent to the factory ship. They extract caviar from the roe – the thin and transparent film surrounding the ovaries – then salt it and put it in jars. If done at sea, the process takes several hours. As for the latter, the fish is delivered to the base, which is located on the shore, and only then does processing begin.

The producer often cannot manufacture the whole product straight away, so some of the roe are frozen. This allows the caviar to be taken to different region, closer to demand. For that reason, you will notice that the label on caviar jars will often show that it has been produced in a city without a coastline, for example, Novosibirsk.

Experts agree that the product is decreasing in quality. The longer roe was inside the fish, the worse the taste, so caviar produced at the factory ship is considered the highest quality.

## How caviar is preserved

Even a small shift in temperature during the sea-to-counter supply chain can affect the quality and safety of the product, says Elena Sarattseva, deputy director of Roskachestvo (Russian trading standards agency).

The ideal conditions for preserving caviar are between –6 and –4 degrees

Celsius. Keeping it in these temperatures stops the growth of bacteria by using only a small amount of preservatives. An open jar will keep in the fridge for no longer than one week.

## A record catch

According to data obtained by Alto Consulting Group, the production of caviar increased by 154.3% in August 2018 year-over-year and amounted to 8,208.2 tonnes. As a result, the price of caviar fell by between 30 to 40%.

In Kamchatka Territory, a fall in retail prices was also observed. In September 2018, the local price for 1 kilogram of pink salmon caviar was between 1,300 to 1,500 roubles. By the end of December, prices ranged from 1,700 to 3,200 roubles. To compare, in 2017, prices for caviar in the Territory started at 2,800 roubles. By the New Year, prices for caviar remained low.

In 2018, a total of 676 thousand tonnes of Atlantic salmon were caught in Russia. Ilya Shestakov, Deputy Minister of Agriculture and Head of the Federal Agency for Fishery, said that the record catch was due to the fact that the state had managed to deal with poachers. He listed measures for protecting fish, such as occupying breeding grounds, regulation and abolishing drift nets.

The trend has continued this year, too. Average wholesale prices for salmon caviar in Moscow and Moscow Region decreased by 26% year-over-year, as calculated by the All-Russian Association of Fish Breeders,

Entrepreneurs and Exporters in May. In April 2018, caviar on average cost 3,100 roubles per kilogram, whereas in April 2019, it would only set you back 2,300 roubles. Retail prices fell by 5%.

The Association values the market potential of Russian red caviar at between 14,000 to 18,000 tonnes. The president of the organisation, Herman Zverev, noted that about 90% of salmon caviar produced in the country is supplied to the domestic market. On average, one person consumes 70–90 grams per year, which equates to between 2–3 slices of bread topped with caviar.

## Rules for serving red caviar

When organizing dinners and receptions in European countries, take about 1 ounce of red caviar per guest – or about 30 grams of it. Etiquette rules dictate that if red caviar is served at the table as a separate delicacy, rather than as part of the main meal, it

### HOW TO CHOOSE CAVIAR HIGH-QUALITY PRODUCTS HAVE THE FOLLOWING CHARACTERISTICS:

- All the eggs are the same size and colour
- The caviar is packaged in a metal tin or glass jar
- Very little salt has been added
- The eggs are a uniform reddish colour
- The consistency is grainy and thick
- No additives, connective films, torn shells, blood clots or white sediment
- Pleasant fishy smell without any sour notes

### BAD-QUALITY PRODUCTS, ON THE OTHER HAND, HAVE THE FOLLOWING CHARACTERISTICS:

- Production date is outside the breeding season (June – November)
- The can contains over 5% of juice from torn eggs
- Pungent herring-like odour
- Too low a price
- Dark colour
- Lots of torn and clotted eggs
- A crumpled or inflated can



Red caviar is one of the main delicacies – if not a symbol – of Russia, like ballet, vodka or valenki

**676 thousand tonnes of Atlantic salmon were caught in Russia in 2018, which marks a record for domestic fishing since records began. Around 500,000 tonnes of it were caught off the coast of Kamchatka**

must be presented on a special serving dish known as an ikornitsa (caviar dish). The delicacy is prone to absorbing metallic flavours, so the dish is made of glass, silver or porcelain.

There are many other ways to serve caviar but remember the golden rule: red caviar should be served cold, even if it is eaten with hot food. In Russia, it is customary to eat caviar with pancakes (or blini) and with foie gras in France.

The most common and traditional way of serving caviar is on pieces of bread as open sandwiches. The caviar is served on crackers, croutons or baguette, decorated with olives, pieces of cucumber or lemon. A classic open sandwich is made from a slice of white loaf with butter and a thin layer of caviar. Legendary Russian opera singer Fyodor Chaliapin was a fan of this combination.

#### CHUM SALMON CAVIAR

THE LARGEST AND MOST EXPENSIVE

**DIAMETER** up to 7 mm

**COLOUR** amber/orange with a red tint and noticeable fat blotches

**TASTE** delicate and creamy; the eggs burst in your mouth

#### COHO SALMON CAVIAR

THE RAREST AND HEALTHIEST

**DIAMETER** approximately 3–4 mm

**COLOUR** burgundy

**TASTE** a little bitter; an acquired taste

#### PINK SALMON CAVIAR

THE MOST WIDESPREAD

**DIAMETER** approximately 5 mm

**COLOUR** light orange

**TASTE** classic taste; to everyone's liking

#### SOCKEYE SALMON CAVIAR

THE SMALLEST AND MOST BRIGHT-COLOURED

**DIAMETER** approximately 3 mm

**COLOUR** bright red or dark red

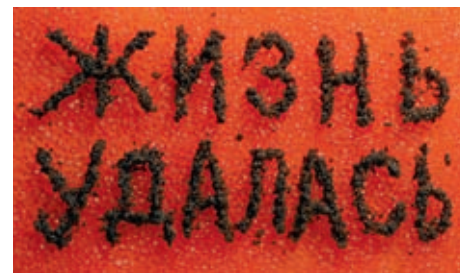
**TASTE** a little bitter; tangy

It is customary to take red caviar with dry or semi-dry champagne. However, there are some exceptions to the rules: for example, in Russia and Ukraine, people often eat the delicacy with chilled vodka.

#### INTERESTING FACTS



- At the Eastern Economic Forum in 2018, Vladimir Putin and Xi Jinping attended the Far East Street exhibition on Russky Island. Together, the politicians made pancakes, ate them with caviar and then drank vodka.
- Staff at Zuma restaurant in Vladivostok sampled over 70 kilograms of caviar to choose the best to serve to Vladimir Putin, as the head chef Egor Anisimov told journalists.
- On the Chinese border, customs officers discovered an undeclared ten-litre container of red caviar carried by a lady local to Primorye Territory. The businesswoman tried to eat it all at the scene just so she did not have to hand it over to customs officers.



- The well-known 90s poster 'Life is good', which was created by the designer Andrey Logvin, became a symbol of the new Russian era of luxury. The work, which features the slogan written in black caviar on a red caviar backdrop, became part of the collection of the State Tretyakov Gallery.





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The Amursky Bridge  
in Khabarovsk

# RUSSIANS

## ARE HERE TO STAY

by *Andrey Ostrovsky* photos *Alexander Kbitrov*

VLADIVOSTOK FORTRESS HAS BECOME ONE OF THE REGION'S MAIN TOURIST ATTRACTIONS





The influx of tourists into Vladivostok is reaching record levels for Russia. There are two main reasons for this: the fact that not everyone needs a visa to travel there, as well as the fact that Vladivostok is the closest European city for many of Russia's neighbours. It's young (next year will mark its 160th anniversary), eclectic (with a mix of all styles and types of architecture), hospitable and wide open to the world.

An integrated resort and entertainment area that has been under construction for several years finally has been completed. The city boasts the already thriving casino Tigre de Cristal (and a few more similar establishments are on their way) and the conveniently located Primorsky Aquarium, which has a wonderful collection. What's more, there is the country's only marine reserve, old streets and viewing platforms which have been successfully assimilated into the tricky terrain, and finally the low prices to the favourable exchange rates. All of these elements draw tourists to the city, which just over a quarter of a century ago had the status of a closed city-fortress and was the country's military fortress in the Far East. Still, Vladivostok has one other huge advantage, which is entirely unique



#### FOREIGNERS IN PRIMORYE

In 2018, Vladivostok welcomed around 800,000 foreign tourists. The tourist stream which saw the greatest expansion was that of the Republic of Korea, increasing by 120%. This year, it's expected that the number of tourists visiting from Korea will equal the number of tourists visiting from China, which has been the traditional leader for many years. Five million tourists are expected to visit over the next five years.



The forts of Vladivostok Fortress are the city's secure defences on land and sea

and cannot be found anywhere else in the world: Vladivostok Fortress. There aren't many similar structures in the world, and none of them are identical to one another. The chance to visit each of them is a real treat for history buffs and admirers of fortress mastery.

The construction of the fortress began on the very first day when Russian soldiers set foot on the deserted shores of the Golden Horn Bay from the Manchur military ship on 2 July 1860; the first guns were unloaded and the construction of the first flèches and lunettes began. Building officially was underway since 1889, but the bulk of the work took place between the Russo-Japanese War and World War I. The fall of Port Arthur identified key requirements for a fortress that was meant to be impregnable.

And so it was built, using new or – as we would say nowadays – innovative and cutting-edge technology. As construction was taking place in a mountainous and particularly inaccessible location, the first steps in building the fortress involved the wide use of cable cars, along with compressors, concrete mixers, and local power plants.

It would be wrong to say that the fortress turned out the way that its build-

ers and designers intended. The rate of construction slowed down when World War I broke out in 1914, as weapons and construction materials were sent to the West. Still, the fortress was completed after all. By that time, it had around 50 coastal batteries, capable of taking on the most powerful of enemy ships, 16 forts, tens of coastal air shelters and half canopies, along with many strongholds and land batteries. All the main buildings were supplied with electricity and interconnected with roads and cable cars. Minefields could be rapidly deployed with the fleet's help when needed. Tunnel and casemated barracks, along with kilometres of sub-galleries and tunnels, were erected on the main forts to protect against artillery fire. Today, you can stumble across fortifications almost anywhere in Vladivostok, surrounding countryside or on Russky Island, and the roads and radial highways connecting the main fortress objects have been transformed into city streets and avenues.

The forts are also worth mentioning. Most of them are located on the Muravyov-Amursky Peninsula, spanning the Ussuriysky and Amursky bays and protecting Vladivostok from onshore. A few of them are on Russky Island, warding



## Viktor SHALAI,

DIRECTOR OF THE ARSENIYEV STATE MUSEUM  
OF PRIMORSKY REGION AND DIRECTOR  
OF VLADIVOSTOK FORTRESS OPEN-AIR MUSEUM

As you are aware, President Vladimir Putin opened the Vladivostok Fortress open-air museum last year. But creating and implementing such a complex federal-level project out in the sticks (let us be honest here), let alone in a city with administrative-centre status, throws up a lot of unknowns. You undoubtedly need a breakthrough, and as far as I know we've arranged just that. The transition of the museum from a regional to a federal institution, i.e. granting it federal status and positioning it as a Museum of History of the Far East, will be the most effective solution in my opinion. Fortunately, this exact decision is currently being discussed at a ministerial level. One of the major,

if not key, parts of this museum that will fit perfectly is the Vladivostok Fortress open-air museum. Nonetheless, it should be noted that having unique fortified constructions (forts, batteries, etc.) does not necessarily mean that you can immediately exploit their tourist potential. Many of the facilities have different legal statuses, so we can't just make them equal all of a sudden. It will require painstaking work by lawyers, cadastral experts and other specialists in the field of land, economic and legal relations. All the more so because in its time, certain mistakes were definitely made. In particular, a few years ago, a solid amount of the fortress facilities were transferred

to state ownership and introduced into the Vladivostok municipality. Nowadays, though, the city would gladly give it all back, but it's not that straightforward. In any case, we really hope that by next year we'll be able to show the fruits of our labour. I won't pinpoint any names because I don't want to jinx it, but I'm sure that one of the forts will become a fully-fledged structure acquired by the museum. The transition to a federal level will bolster the museum and increase its chances of implementing a whole range of unique projects. Aside from the Vladivostok Fortress open-air museum, it could include structured branches like the Eastern Museum of Russian Literature, the Maritime Museum and the Ethnological-Archaeological Village Park. And ultimately, our dream come true is the Museum of Civil War, which somehow ended up in Vladivostok.





off any possible attack from the sea. But whereas the batteries blocking the troops are scattered across the headlands, the forts are located high up on the hills. Their multi-storey (mostly underground) powerful structures are immaculately inscribed in the complex terrain, which was exploited by Russian fortification engineers to enhance its defensive potential. Nowadays, it is mainly of tourist value, as the dizzying heights of each of the 16 forts serve as a particularly unique platform which looks out over Vladivostok, Russky Island, and the complex winding geometry of the islands, bays and straits of Peter the Great Gulf.

But back when the fortress was built, tourism was the last priority. Following defeats in the Russo-Japanese war and the fall of Port Arthur, Vladivostok acquired strategic importance for the State as a city port, which would become the beginning

of the Trans-Siberian Railway route as the country's main gateway to the East. That is why the words uttered by one of the main creators of the fortress, Major General Alexei Shoshin became what we would call today a slogan. Russian military engineers, builders, sappers, gunners, soldiers who built grandiose fortifications in difficult conditions, adhered to that: "The motto 'Russians are here to stay' is the main inspiration to fortify the fortress". For that reason, Shoshin attached great importance to the appearance of the main fortification structures. His order, issued in May 1913 at the height of the construction phrase, is well known:

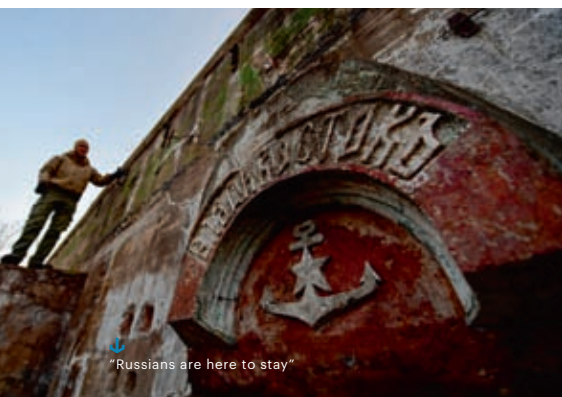
"1. Our priority during construction, with the exception strength and stability, must be perfectly executing the external appearance of the structures.

"2. A lack of thorough work in this regard, that is the rough and ugly appear-

ance of a building, is down to the builder's lack of attention and love for his work, and the outsider is given the impression of negligence. Every last detail should be done neatly, correctly and cleanly. All construction lines, corners, edges, intersection lines of arches, planes, surfaces, etc., must be perfectly geometrically correct. Make sure the plumb lines are truly plumb, and the horizontal lines are truly horizontal."

At the end of the Civil War, the fortress was disarmed, but it was restored in the 1930s when the new structures started to appear. The most famous of those was the Voroshilov Battery on Russky Island. The immaculately built forts and batteries served well for many a decade. A surprising and rare part of Vladivostok Fortress history is that over its century in existence, it never actually fired a single shot. But its very existence was of great





value: the fortress became one of the main reasons that the Japanese government decided not to attack the country on behalf of Nazi Germany.

After many years of faithful and solid service to its country, Vladivostok Fortress

is now gradually being transformed into the city's key tourist attraction by the sea. One of the most accessible points – that of the Voroshilov Battery – is preserved almost intact. Today, there is not only a branch of the Museum of the Pacific

Fleet, but also the military-patriotic park (Patriot), which is very popular among Vladivostok residents and visitors.

For those who want to research the fortification structures independently, an interactive and detailed map of Vladivostok Fortress is a must. It can be found on the following website: [www.fortvl.ru](http://www.fortvl.ru). Even better, you could get in touch with experts at the Vladivostok digger club ([www.vladdig.org](http://www.vladdig.org)), who offer a choice of excursions for even the most demanding of tastes: from a whistle stop tour, designed for two to three hours, to tours lasting many days, which include a detailed survey of most facilities, as well as a trip down into the numerous and sometimes very deep underground structures.

### SIMPLIFIED VISA SYSTEM FOR ENTRY INTO VLADIVOSTOK

To get a visa, foreign citizens must go to a special website of the Russian Ministry of Foreign Affairs and fill in a form (<https://visa.kdmid.ru/PetitionChoice.aspx?AspxAutoDetectCookieSupport=1>). If your application is accepted, your visa will be issued directly at the border. The application takes four days to process. Your visa will be valid for 30 days from the issue

date and allows you to stay in Russia for up to eight days. It is issued without consular fees, i.e. free of charge. Citizens of the following countries can obtain a simplified visa: Algeria, Bahrain, Brunei, China, India, Iran, Japan, Kuwait, Mexico, Morocco, North Korea, Oman, Qatar, Saudi Arabia, Singapore, Taiwan, Tunisia, Turkey and United Arab Emirates.



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# The 'Lifeline' of the Russian Far East

IT IS NO SURPRISE THAT IN PRE-REVOLUTIONARY RUSSIA THE CHINESE EASTERN RAILWAY (CER) WAS CONSIDERED THE 'CONSTRUCTION PROJECT OF THE CENTURY' – OR RATHER THE 'TURN OF THE CENTURY PROJECT'. IT WAS BUILT IN 1897–1903 USING THE MOST CUTTING-EDGE TECHNOLOGY AND ENGINEERING SOLUTIONS AVAILABLE AT THE TIME. AFTER THE REVOLUTION OF 1917, IT WAS THE CER THAT FOR DECADES HELPED THE RUSSIAN COMMUNITY IN CHINA TO SURVIVE.

by *Svetlana Kuzmina*

There were no beaten tracks to Siberia before Yermak; people travelled mostly on the waterways and by towing. Starting at the end of the 16th century people started travelling over land, but it took more than half a year. One hundred years later, such lengthy travelling became a nuisance, while the way itself grew longer – the Empire reached the Pacific Ocean (Vladivostok was founded in 1860). There was only one way to expedite travel eastward: by building a railway. The laying of the Trans-Siberian Railway, begun in 1891, came to a halt a few years later – the question of which way to go on came up: should the railway follow the Amur River or use a short-cut through Manchuria (China). Sergei Witte, a powerful Minister of Finance at the time, endorsed the second option due to its obvious geopolitical advantages, and his viewpoint won the day.



## A Time Loop

The CER was built using state-of-the-art technological and engineering ideas. The difficulty was in the terrain that the railway had to go through, which included numerous rivers and mountain passes. There was a need for bridges and tunnels. That is why the CER has a significantly larger number of engineering structures per 1 km of railway than the Trans-Siberian Railway. "I went through the mountain passes in the Alps and have never seen anything like the Khingan. What is amazing is not so much the immensity of the labour invested in it, as the splendid victory of human thought," wrote one of the passengers of the CER.

The very first challenge that the builders of the CER encountered was the delivery of construction materials: neither segment of the Trans-Siberian Railway was working yet, so it was decided to begin at Harbin with subsequent delivery of all materials by the Sungari, Amur and Ussuri Rivers, even a special shipping line was established for the purpose.

Alexander Yugovich, who graduated with honors from the London Royal Academy of Engineering and had already built the Trans-Caspian Railway and the Poti-Tiflis Railway across the Surami pass, never lacked for experience or wit. The CER was built in segments of 70–150 km. There were over 200 thousand Chinese workers employed at the enormous construction (contemporaries compared it to the Suez Canal).

The railway was put into service in stages, just as it was built: the first Manchuria–Harbin segment was opened all the way back in 1899, while the last one, with a branch to Port Arthur, was opened in 1903. Then, Russia finally made a step from the Middle Ages to the age of up-to-date technology: it became possible to travel from one end of the Empire to another comfortably in just a couple of weeks! The express train covered the distance from Moscow to Port Arthur in 13 days and 4 hours, while a passenger train took 16 days and 14 hours. The voyage had cost quite a penny: a first-class ticket on the express was 272 roubles (approximately RUB 300 thousand in current roubles), and a third-class ticket on a passenger



train was 64 roubles (about RUB 70 thousand currently). Arrival of express trains at Port Dalny (present-day Dalian) was coordinated with the same day departure of express steam-ships going to Shanghai and Nagasaki.

## Risen from the Ashes

The most remarkable thing is that the CER not so much promoted the prosperity of the Russian territories as that of the Chinese Manchuria. It is actually quite understandable: the railway only provided a short-cut for the Trans-Siberian Railway and expanded the Empire's presence in the Far East for a couple of years, until the Russo-Japanese war. Tokyo perceived the CER concessions received by Russia as a threat to its interests and, all in all, the construction of the railway became *casus belli*. Russia lost the war and the railway had to be adjusted to transport cargo from Vladivostok.

But the CER had never stopped, making Manchuria one of the most advanced Chinese provinces in less than ten years. By 1908, the population of Manchuria nearly doubled from 8.1 to 15.8 million and its excess led to tens of thousands of Chinese going to Primorye to make a living.

The Russian Revolution destroyed the regular pattern of life as well as railway operations and the Chinese made an attempt to get a hold of it. Under the agreement of 1896, the railway became the property of China at the end of 80 years of the date it went into service (1983) or in 36 years



## THE CER ENGINEERING STRUCTURES

The CER significantly exceeds the Trans-Siberian Railway and other lines by the number of man-made structures per 1 km of tracks. Altogether there are 1,440 of them; including 912 metal and 258 stone (arched) bridges, 230 pipe-culverts and flume boxes, and nine tunnels. The largest bridge of 1,005 m is across the Sungari River near Harbin. A tunnel 3,076.6 m long under the Greater Khingan Ridge (Dà Xing'ān Lǐng) is rightly acknowledged the most unique structure of the CER designed by engineer Nikolay Bocharov. It is the second largest in pre-revolutionary Russia after the Surami tunnel in the Caucasus Mountains (3,987.4 m). There is yet another know-how related to the Khingan Tunnel: the Bocharov's Spiral. It means a loop of railway tracks with a radius of 320 meters and 2 kilometers long that is used to slow down trains that accelerate on a steep down slope.

after the end of construction, provided it was bought out (1940). Peking decided neither to pay nor to wait: in 1920 Major Lo-Bin's command forces occupied the headquarters of the Russian Commander-in-Chief in Harbin and the CER's right of way. Soon enough, they returned the railway with all its facilities, realizing that there was more loss than profit in a railway encumbered by debt and with a fleet of decrepit steam-engines and cars. The adjacent lands, however, were organized into a Special District of the Three Eastern Provinces of China and extraterritoriality for subjects of the Russian Empire was withdrawn.

In May 1924, Peking found common ground with Moscow, restored diplomatic relations with the Soviet Russia and the royal concessions were terminated. The railway was to be administered jointly by China and the Soviet Union. Under the accord of 1924, only citizens of the Soviet Union and China could work at the CER and ex-subjects of the Empire quickly queued up for a red passports, radically increasing the population of the Soviet colony in Manchuria: from 25 thousand in 1927 to 150 thousand in 1931. There were still quite a few, however, who did not acknowledge the Soviet rule.

## Turncoat

The agreement between Peking and Moscow mostly existed on paper only. In just a few years, the leader of the Chinese government Chiang Kai-shek moved on from sharp criticism of the Bolshevik Russia ("The red imperialism is more



By 1914, the Chinese Eastern Railway was transporting 70m poods (1.15m tons) of cargo a year



First-class fare from Moscow to Port Arthur was the equivalent of 300 thousand in today's rubles

dangerous than the white") to action: on 30 March 1926 the Commander-in-Chief of Chinese forces in Harbin dissolved the elected public self-government bodies and created a Temporary Committee instead, composed only of Chinese. In three more years a diplomatic exchange began. In May 1929, Chinese police broke into the General Consulate of the USSR in Harbin, detained the head of the diplomatic mission Melnikov and his employees for six hours and beat his deputy Znamensky.

On 17 July, Moscow announced severance of diplomatic relations with China and in November the Special Red Banner Far East Army headed by Blyukher conducted an operation to restore control of the CER. The raid was successful; the Chinese army that outnumbered the Soviet one was defeated and the status quo was restored at the CER according to the Peking and Mukden Agreements.

After the invasion of China by the Japanese in 1931, the CER stopped working and in 1935 there was nothing for Moscow to do but to make arrangements with Tokyo: the railway was sold for 140 million yen and the Japanese changed the tracks to narrower ones, like those in Europe. When, in August 1945, the CER

became a war trophy of the winning country and changed its name to the Chinese Changchun Railway, the tracks had to be changed again to those used in the USSR (1,524 mm). Property rights, however, were soon transferred from Moscow to Peking, but this time, at the decision of the Soviet government, which made a gift of the railway to the People's Republic of China headed by Chairman Mao in 1952...

Sixty years later, there is one train on the schedule of Chinese railways that goes along the old CER route: a passenger train number 4192/4194/4195 that covers the distance of 1,529 km from Manzhouli to Suifenhe in 25 hours. The railway is still alive.

## CER: THE PRICE TAG

The CER cost of construction, taking into account the deadlines and engineering solutions, was quite high: one versta (1,066.8 meters) had cost 152 thousand roubles. To compare: the cost of a versta of the Ussuri Railway was 64.5 thousand and 77.1 thousand roubles for the Trans-Baikal Railway. The entire budget of the CER was over 460 million roubles (over RUB 500 billion in current currency).





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SPORTING PROGRAMME **> 152**



A SPECIAL PLACE **> 156**



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# BUSINESS PROGRAMME\*



↓  
Vladimir Putin, President of Russia,  
addresses the EEF plenary session

## NEW SOLUTIONS FOR ACCELERATING ECONOMIC GROWTH

### High-Tech Business: Identifying What Is Needed to Achieve Fast Growth

The Far East already has a solid base to launch innovative projects with a science and technology centre. The transformation of promising projects into functioning high-tech businesses remains an important issue. How can we accelerate this process and get large and medium-sized businesses to introduce advanced technological solutions?

### Advanced Special Economic Zones and the Free Port of Vladivostok: Configuring Preferences

More than five years have passed since the establishment of Advanced Special Economic Zones (ASEZ) and the Free Port of Vladivostok (FPV) in the Far East. It is now time to hold discussions with the current and potential residents of ASEZ/FPV about whether everything is working as it was intended and as stipulated in legislation, and whether investors' expectations have been met. Most importantly, is it easy to become and stay a resident of an ASEZ/FPV?

### The Resource Base of the Far East and the Arctic: Current State and Development Prospects

#### In partnership with Rosgeologia

The Far East and the Russian Arctic zone are regions of special geostrategic interest to the state and require the most favourable conditions for their social and economic growth. These areas have significant potential with regard to crude hydrocarbons and solid minerals. What steps and measures need to be adopted? What stimuli will be the most effective in attracting investment to these regions, in particular to their geological exploration?

### Increasing the Investment Appeal of the Far East

This closed session will be attended by the Presidential Plenipotentiary Envoy to the Far Eastern Federal District, the Minister for the Development of the Russian Far East, heads of other federal government bodies, and regional leaders in the Russian Far East. Topics for discussion will include fostering a favourable business environment and making organizational headquarters (project offices) based in the Far East more efficient.

### Productivity Leaders: Drawing on the Asian and European Experience to Support Regional Growth

In this session, partners from Europe and the Asia-Pacific region will present tried and tested methods for securing steady growth in labour productivity in order to make the economy more competitive. They will share the results of implementing a culture of lean manufacturing, robotization, and

\*Schedule as of 15 August 2019



digitalization. Other areas covered will include implementing tools to boost the business environment and raise a country's export potential, reducing red tape, improving the management of human resources, and developing the employment system.

#### ALSO

- **Preferential Regimes for Investors: Current Progress and New Challenges**
- **The Russian Continental Shelf: Is Development Necessary?**
- **Long-Term and Affordable Capital for Investments: New Fundraising Opportunities**
- **From Raw Materials to Advanced Processing: Achieving Growth in the Forestry Sector**
- **The Breadbasket of the Asia Pacific: Increasing Food Exports from the Far East**
- **Developing Aquaculture: Initial Results and New Objectives**
- **Investing in the Fishing Industry: Achievements and Next Steps**
- **Developing Far Eastern Hectares: New Forms of Government Support**
- **Special Administrative Districts: One Year on**
- **Solid Minerals Mining: How Can the Investment Potential of the Industry Be Utilized Most Effectively?**
- **Human Capital for a New Eurasia**
- **Youth Economy: Problems and Prospects for Development in View of Russia-India Cooperation**

## IMPROVING THE BUSINESS ENVIRONMENT

### The Development Path for Petrochemicals in the East: Projects, Support Measures, Drivers of Growth

The Amur gas and chemical cluster, Sakhalin, and Nakhodka could become key hubs for creating a new petrochemical production infrastructure. What needs to be done to unlock this potential?

### Improving National Jurisdiction and Protecting Investors' Rights

The global community has new ways to improve the mechanisms for settling legal disputes and the legal regulation of business as well as to create special



Over five years, the EEF has become a key event for discussing current business issues in the Asia-Pacific region

regimes to attract investors. We must clearly understand what actions need to be taken so that the mechanisms used to grant any preferences or benefits are effective and accessible to the business community.

### SMEs as a Driver of Economic Growth

What can be done to increase the number of people involved in the SME sector, reduce bureaucratic barriers, and create an integrated system for supporting small businesses? How can the creation of new enterprises and startups be simplified, making Far Eastern businesses truly competitive?

### Digital State: New Business Models Brought by Total Digitalization

What strategic national projects exist for building a digital state to improve the quality of people's lives and business? In terms of the race for high technologies in governance, what is the driver of and what is a barrier to development? What public services will be in demand among citizens and the business community in the new technological era?

### Tourist and Recreational Zones of the Far East: Smart Approach for Integrated Territorial Development

The renewed strategy to develop Russky Island, alongside Kronstadt, will act as pilot projects for the use of smart

management models in implementing projects on integrated territorial development in order to develop tourism. Which new state support measures will be aimed at developing tourist zones and territories in the Far Eastern Federal District? What will attract foreign investors?

### Olympism and the Asia Pacific: Global Mutual Influence

What innovations can we expect to see in Tokyo in 2020 and Beijing in 2022? Where will the Russian national team train for the upcoming games, and what role will the Olympic factor play in the development of the Russian Far East? How are Olympic sports being reformed with the development of commercially viable products?

### Including the Far East in Global Value Chains: Effective Strategies

Given the Far East's geographical proximity to the countries of the Asia-Pacific region that are actively involved in global value creation processes, the creation of an effective strategy for companies in the region to participate in GVC is an important issue. What are the parameters for the Russian Far East's participation in global and regional value chains? How can the margins of participation in these chains be increased?



### **A Leap Forward in Energy: Efficiency, Innovation, Environmental Sustainability**

#### **In partnership with Rosseti**

It is clear that, across all sectors within the fuel and energy industry, companies' and countries' readiness and ability to undergo advanced innovative development and build partnerships has become central to preserving and increasing their share of the market. How can the sector's investment appeal be preserved during this period of uncertainty? How can a country maximize the value of their natural resources and intellectual property in the energy sector?

### **The Environment in the Far East: Current Objectives and Long-Term Prospects**

Five projects covering key areas — waste, air, water, technology, and biodiversity — are being implemented over a six-year period to 2024. How will these projects be implemented in the Far East? What effect will they have on the region's investment climate? What best international practices could be applied?

### **Russia and the EAEU in the Asia Pacific: Key Integration Factors and Prospects for Strengthening Business Ties**

The potential for Russia and the EAEU's cooperation with Asia-Pacific countries remains largely untapped. What are some of the key barriers to taking cooperation to a new level?

#### **Valdai Discussion Club Session**

### **The Asian Mirror: The Pivot East through the Eyes of Asian Partners**

The time has now come to hold an interim discussion and to draw conclusions. Leading experts from China, South Korea, Japan, Singapore, Malaysia, and Vietnam will share and discuss their views on where the pivot East has been successful, and where it has faltered. The experts will also provide their perspectives on how it could be further developed. How is Russia's pivot East viewed in Asia? What has worked, and what has not? What Russian products and services are in demand in Asia?

### **The Digital Transformation of International Trade: E-commerce and Beyond**

#### **In partnership with the Russian Export Center**

The digital revolution presents new challenges and new risks for world trade. What is the image of the world trade of the future and what are the key trends in digital transformation? What place should Russia

occupy in the global processes of digital transformation of international trade?

### **The Digital Future of Transport Corridors Running through the Far East: International Experience and Russian Realities**

#### **In partnership with FESCO**

Transport corridors running through the Far East are undergoing a process of digitalization, and paperwork is moving online. As a result, transit times from the Asia Pacific to Europe will be significantly reduced in the near future, while the volume of cargo entering Russia will increase. Are Russian transport market players ready for these changes? What steps should the government take?

### **Human Capital: Lessons from Russian- Japanese Cooperation**

It is worth noting that the objectives of Russia's national projects largely coincide with the eight-point cooperation plan with Russia initiated by Japanese Prime Minister Shinzō Abe in 2016. In three years, the plan has led to the creation of over 200 joint projects. How can these projects contribute to the social development goals of Russia's Far Eastern regions? What instruments can the two countries' national development institutions create to support the implementation of these projects? Which cutting-edge Japanese medical technologies will be implemented in Far Eastern clinics?

#### **ALSO**

- **Improving Access to Financial Services in the Far East**
- **Exploring the Far East: New Business Opportunities in Tourism**
- **Central Russia: New Opportunities for Investors**
- **Transforming the Construction Industry to Increase the Investment Potential of Far Eastern Regions**
- **Infrastructure for the Data Economy: New Opportunities for Cooperation between the Far East and APR**
- **Russia and the Korean Peninsula: New Opportunities**
- **Legislative Support for Arctic Development**



- **Logistics in Russia and India: A Digital Pathway to Uniting Asia and Europe**
- **Infrastructure for the Data Economy: New Opportunities for Cooperation between the Far East and APR**

## NEW SOLUTIONS FOR IMPROVING QUALITY OF LIFE

### Housing, Utilities, and the Urban Environment: Effective Investments

Only the joint efforts of the government and business will make it possible to effectively take an integrated approach to the development of the urban environment and infrastructure. How profitable could investment in the urban environment and public utilities be? Should investors be guided by people's preferences when implementing their own projects?

### Pathways to a Healthy Life in the Far East

A number of ambitious targets have been set as part of a federal project entitled Strengthening Public Health. Achieving these will require input from government bodies, preventative medicine and public health centres, and the public at large. A number of pilot regions have been selected in the Far East for this project. What resources will be needed to increase the number of years of healthy life in the Far East?

### How Women Leaders Can Shape the Workforce of the Future

How does boosting women's involvement in shaping workforce potential impact growth in modern economies? What skills do women need to develop in this changing world and what new professional roles are women taking on in the context of the fourth industrial revolution?

### Cultural People: Projects to Enhance the Intellectual and Cultural Level of Education

What initiatives are being implemented to nurture and enlighten citizens in cultural affairs? Do standards need to be introduced in cultural education and how will this help achieve the goals of the national project? What



prospects exist for cooperation between institutions, the government, and the business community in matters concerning cultural education?

### Systemic, Technological, and Informal: What Charity Will Be Like in 2020

How will the sector change in the next decade in Russia and abroad? Why are companies investing more and more in the development of infrastructure for the activities of non-profit organizations, charity, and volunteering in the regions where they operate as opposed to individual projects?

### A Step Forward for Healthcare in the Far East

With the emergence of virtual reality tools, CRISPR, 3-D printers, personal wearable devices, electronic medical records, 5G mobile technologies, and the growth of telemedicine, patients can overcome large distances and receive medical care at a time convenient to them. Which promising medical technologies will be the most sought-after in the Far East? Are public and private medical organizations that provide e-services sufficiently regulated? Which areas of digital healthcare

require additional investment? Will new technologies enable patients to manage their own health?

### ALSO

- **Threats to Biological Security in the Asia Pacific: New Risks and Opportunities**
- **A New Workforce for the New Economy: Achieving a Major Improvement in the Quality of Education**
- **Private Investment in the Social Sphere: New Support Mechanisms**
- **An International Medical Cluster: To Be or Not to Be?**
- **Providing Medical Assistance in Remote Areas**
- **Building the City of the Future: Where to Begin?**
- **The Role of Young People in Creating and Developing a Comfortable Urban Environment**
- **The East and Voluntary Work: How People are changing the Far East for the Better**

### Business Dialogues

- **Russia–China**
- **Russia–Japan**
- **Russia–India**
- **Russia–ASEAN**
- **Russia–Republic of Korea**

# NAVIGATOR\*



**FAR EASTERN FEDERAL UNIVERSITY  
(FEFU)**

AJAX BAY, RUSSKY ISLAND,  
VLADIVOSTOK



## EVENTS ON THE SIDELINES OF EEF

## EEF MAIN EVENTS

**3 September**  
08:00–20:00

Participants are kindly requested to arrive at the Forum venue 30–40 minutes before the start of an event.

**The journey time from the city centre to FEFU is approximately half an hour (depending on the traffic).**

**4–5 September**  
08:00–20:00

Travel times may be longer on Forum event days.

**6 September**  
08:00–18:00



## INFORMATION CENTRE

+7 (499) 7000 111  
[info@forumvostok.ru](mailto:info@forumvostok.ru)  
[forumvostok.ru](http://forumvostok.ru)



## INTERNET ACCESS

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

Network name:  
**EEF2019**  
Password:  
**forum2019**

For access to the EEF2019 network, please follow the instructions on the authorization web page which is displayed when connecting to the network.



## EEF ONLINE COMMUNITY



[en.forumvostok](https://en.forumvostok.ru)



[forumvostok](https://forumvostok.ru)



[en\\_forumvostok](https://en_forumvostok.ru)



[forumvostok](https://forumvostok.ru)

**Official hashtag  
of the Forum:**  
**#EEF2019**

\* Information is valid as of 15 August 2019. Detailed information about the Forum can be found on the official website [forumvostok.ru](http://forumvostok.ru)





## INFORMATION AND SERVICES POINTS

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



### EEF information and services points are located:

- At Vladivostok International Airport
- In Accreditation Centre 1 (building M, level 1)
- At the Forum venue (buildings A, B, C)



### 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



## MOBILE APP

The Eastern Economic Forum mobile app is the best way to get the latest information and learn about services offered at the Forum. The mobile app can be downloaded from the App Store and Google Play (search term: 'eef 2019').

All of 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 latest version of the Forum programme
- View video broadcasts of business events
- Exchange messages with other participants
- Schedule meetings ('Day planner' section)
- Create a personal event schedule
- View the shuttle bus timetable
- Navigate the Forum venue



## BROADCASTS OF FORUM EVENTS

The plenary session and other Forum events will be broadcast live on TV screens located at the Forum venue. In addition to session feeds, the TV screens will also display information bulletins, navigation information, session schedules, and much more. Live broadcasts of business programme events can also be viewed in the 'Programme' section at [forumvostok.ru](http://forumvostok.ru) and in the EEF 2019 mobile app. The broadcast archive will also be available in the 'Programme' section on the Forum website.



# PAYMENT FOR PARTICIPATION AND SERVICES

Participants can pay the participation fee and the cost of any services provided by the Roscongress Foundation at the financial services stands at the FEFU venue. The Forum financial services stands also issue closing documents. A 5.5% commission fee is charged when paying for participation and services at the Forum venue. Cash and bank cards are accepted for payment.

### LOCATION

**Accreditation Centre 1  
(FEFU, building M, level 1)**

### DATE

3 September  
4–5 September  
6 September

### TIME

09:00–20:00  
08:00–20:00  
08:00–15:00



Participants should keep their badges and identity documents with them at all times while at the Forum venue.  
The badge is personalized and may not be transferred to third parties.

If the accreditation badge is lost or damaged, a participant should go to the Help Desk or any accreditation point.

## ACCESS TO THE FORUM VENUE

The EEF 2019 venue and a number of cultural and sporting programme events may only be accessed with an accreditation badge.

Badges may be collected in person (upon presentation of the identity document) or by power of attorney in one of the accreditation points in Moscow or Vladivostok. Participants are kindly asked to collect their badges in advance.

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 third party's passport
- An original standard power of attorney\*
- A list of participants
- Copies of participants' passports\*\*

To simplify and expedite collection of accreditation badge a participant may present an electronic ticket at an accreditation stand. The electronic ticket is an A4-sized document printed from a participant's

personal web office at [forumvostok.ru](http://forumvostok.ru) displaying their personal information (country, full name, and organization), 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 of the cultural and sporting programmes.



## COLLECTING YOUR BADGE

POINT	ADDRESS	DATE	TIME
MOSCOW			
Roscongress Foundation Accreditation Centre at the World Trade Center Moscow	Entrance № 7, ground floor, 12, Krasnopresnenskaya Naberezhnaya	26–30 August	09:00–20:00
		31 August – 1 September	10:00–18:00
		2 September	09:00–20:00
		3 September	09:00–15:00
VLADIVOSTOK			
Accreditation Centre 1	Building M, FEFU, Ajax Bay, Russky Island	21–31 August	10:00–19:00
		1 September	10:00–23:59
		2–5 September	24 hours
		6 September	00:00–22:00
Vladivostok International Airport	41, Ulitsa Vladimira Saibelya, Artyom	31 August – 5 September	07:00–23:00
Vladivostok Marine Terminal	1, Nizhneportovaya Ulitsa	1 September	12:00–22:30
		2–5 September	08:30–22:30
Lotte Hotel Vladivostok	29, Semyonovskaya Ulitsa	1–2 September	10:00–20:00
		3–5 September	07:30–22:30

Before issuing a badge, an accreditation point attendant will make sure that the data specified in the personal web office at [forumvostok.ru](http://forumvostok.ru) corresponds to the ID document. In the event of any discrepancies, it will not be possible to issue the badge on the same day.

\* A power of attorney form and an example of how to complete it can be found in the 'Collecting a badge' section at [forumvostok.ru](http://forumvostok.ru)

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





## ACCREDITATION OF PERSONAL VEHICLES

During the EEF, vehicular access to the Forum venue will only be granted to vehicles with an EEF 2019 transport pass. On 3–6 September, there may also be limited vehicular access to Vladivostok International Airport, recommended hotels, and various cultural and sporting programme venues.

More information on terms and conditions can be viewed in the personal web office at [forumvostok.ru](http://forumvostok.ru), where requests for personal vehicle

accreditation and drivers' badges can also be submitted.

Once applied for, transport passes and drivers' accreditation badges can be collected in person or by power of

attorney at Accreditation Centre 1.

A power of attorney form and an example of how to complete it can be found in the 'Accreditation of personal vehicles' section at [forumvostok.ru](http://forumvostok.ru).

POINT	DATE	TIME
Accreditation Centre 1 (Building M, FEPU, Ajax Bay, Russky Island)	21 August – 1 September	10:00–19:00
	2 September	10:00–23:59
	3–5 September	24 hours
	6 September	00:00–22:00

## FORUM MATERIALS

### PARTICIPANT BAG

Participant bags can be collected either in person (upon presentation of a badge or an electronic ticket) or by power of attorney.

The authorized third party must present:

- The authorized third party's passport
- An original standard power of attorney\*
- Badges or electronic tickets for all participants whose bags the third party is collecting

\* A power of attorney form and an example of how to complete it can be found in the 'Participant bag' section at [forumvostok.ru](http://forumvostok.ru).

A third party acting on the basis of a power of attorney may collect participant bags only if they have a badge allowing access to the EEF business programme event zone.

LOCATION	DATE	TIME
Building C, level 5	3 September	10:00–19:00
	4–5 September	08:00–20:00
	6 September	08:00–15:00

### PRESS KITS

Materials for media representatives can be collected at the press centre.

LOCATION	DATE	TIME
Building G, level 1	3 September	10:00–19:00
	4–5 September	08:00–20:00
	6 September	08:00–15:00



## ARRANGING BUSINESS MEETINGS

Participants can use the 'Day planner' section of the personal web office or the EEF 2019 mobile app to plan and arrange business meetings. Meetings can be held both at the Forum venue and off-site.

### EY BUSINESS NETWORKING PLATFORM

🕒 3–5 September, 08:00–20:00  
6 September, 08:00–18:00

📍 Building A, level 3

The EY business networking platform is a specially equipped space offering comfortable meeting rooms for participants at FEPU.

Conditions for booking meeting spaces at the EY business networking platform:

- Meetings are held strictly to a schedule created by the online system. Rooms can be booked by submitting an application.
- In order for a meeting room to be reserved for the selected time slot, the meeting must be confirmed by the invitee within 72 hours, but no later than one hour before the start of the meeting.
- Meetings are to be held strictly to schedule, lasting 25 minutes. Extensions may be made only if free space is available.
- To be admitted to the meeting room, the meeting participants must present themselves at the business networking platform administrator's stand and show their badges.
- If the meeting is not confirmed in advance, a room will only be allocated if a free slot is available.

## THEMATIC ZONES



### ROSCONGRESS AND GOVERNORS' CLUB

🕒 3 September, 09:00–20:00  
4–5 September, 08:00–20:00  
6 September, 08:00–18:00

📍 Building A, level 4

A private club for the intellectual, business, and political elite equipped to offer a superior networking experience, and open exclusively to Roscongress Club card holders, Russian governors and presidential plenipotentiary envoys.

The clubs are also accessible with a special invitation.

### BUILDING TRUST AREA

🕒 3 September, 09:00–20:00  
4–5 September, 08:00–20:00  
6 September, 08:00–18:00

📍 Building A, level 3

#### Innosocium LAB

The Innosocium LAB is a unique platform that brings together government, business, and non-profit organizations to hold discussions with a social focus.

#### Innovation Space

The Innovation Space is a platform created by the Roscongress Foundation where experts can discuss innovative projects, artificial intelligence, and the digital economy.

### 'HEALTHY LIFE' AREA

🕒 3 September, 09:00–20:00  
4–5 September, 08:00–20:00  
6 September, 08:00–18:00

📍 Building A, level 6

The 'Healthy Life' Area is a new feature which will bring together world-renowned experts, government representatives, and business leaders, who will draw



upon international experience to discuss key issues related to improving quality of life and helping people to live longer healthy lives.

### FAR EAST STREET

🕒 3–8 September, 09:00–21:00

📍 Ajax Bay Promenade, Russky Island

Guests of the exhibition will get an opportunity to learn about the economic potential of 11 Far Eastern regions, their tourist attractions, and cultural traditions. Among the most significant events are Fish Market and Taiga Trades & Crafts fair; presentation of innovative projects by FEFU young scientists; interactive zones of the Ministry of Natural Resources and Environment of the Russian Federation; Far Eastern Hectare and Far Eastern Village exhibitions. Concerts, film screenings, as well as 'Beauty of the Far East' and 'Far East Street Master Chef' competitions will be organized. Also, a sailing regatta, international mas-wrestling and Go tournaments, as well as Far Eastern Games will be held. Anyone wishing to pass the qualifications of the Russian national health and fitness programme can try to do so.

From 3 to 6 September, the exhibition will be open for EEF guests and participants; 7 September is a social day; and on 8 September the exhibition will be open to all city guests and residents.





# DINING AT THE FORUM VENUE

## COFFEE AND LIGHT REFRESHMENTS

NAME	LOCATION	TIME
Coffee break area	Building B, level 6 Building B, level 7 Building C, level 5	08:00–19:00 (4–6 September)
Lighthouse café	Building B, level 5	



## CAFÉS AND RESTAURANTS (PAYMENT REQUIRED)

NAME	LOCATION	TIME	CATERING FORMAT
Panorama restaurant	Building A,	11:30–17:00 (4–6 September)	Set menu
Deck 12 restaurant	level 12	08:00–21:00 (4–6 September)	
RUSSIAN FISH HOUSE restaurant	Parking near the building B	12:00–22:00 (3–5 September) 12:00–18:00 (6 September)	À la carte
Polina café	FEFU campus	08:00–24:00 (4–6 September)	
№ 1 Coffee Place	Building A, level 6 Building B, level 5 Building C, level 6	08:00–22:00 (4–6 September)	Tea, coffee, snacks, and desserts

For the list of recommended Vladivostok restaurants, see: [forumvostok.ru](http://forumvostok.ru), 'Vladivostok restaurants' section

## ACCOMMODATION

For any queries regarding accommodation, participants may contact the hotel accommodation services at the Roscongress Foundation:

**+7 (495) 212 0316**  
[booking@forumvostok.ru](mailto:booking@forumvostok.ru)

For media representatives:  
**+7 (495) 212 0310, ext. 1183**  
[mediabooking@forumvostok.ru](mailto:mediabooking@forumvostok.ru)

### VLADIVOSTOK HOTELS:

Costa Venezia  
cruise ship

Lotte Hotel Vladivostok 5\*

Astoria 4\*

AZIMUT Hotel Vladivostok 4\*

Tigre De Cristal 4\*

Villa Arte 4\*

Acfes-Seiyo 3\*

Arbat-Vladivostok 3\*

Aurora Park Hotel 3\*

Avanta 3\*

Equator 3\*

Gavan 3\*

Recreation complex Mayak

Meridian 3\*

Primorye 3\*

Zhemchuzhina 3\*

### RUSSKY ISLAND HOTELS:

FEFU 3\* – hotel buildings 1–5



## FORUM SHUTTLE BUSES

During the Forum, regular free shuttle buses will run from the recommended hotels, Vladivostok International Airport and Vladivostok Marine Terminal to the Forum venue and back, as well as around the FEPU campus.

### ROUTE 1 MARINE TERMINAL – FEPU – MARINE TERMINAL

DATE	ROUTE	TIME	INTERVAL
3–6 September	Marine Terminal – FEPU	07:30–10:30	30 minutes
		11:00–15:00	60 minutes
	FEPU – Marine Terminal	16:00–20:00	30 minutes

### ROUTE 2 AIRPORT – MARINE TERMINAL – AIRPORT

DATE	ROUTE	TIME	INTERVAL
2 September	Airport – Marine	12:00–20:00	60 minutes
3–6 September	Terminal – Airport	06:00–20:00	
7 September		05:00–12:00	

### ROUTE 3 AIRPORT – FEPU – AIRPORT

DATE	ROUTE	TIME	INTERVAL
2 September	Airport – FEPU –	12:00–20:00	60 minutes
3–6 September	Airport	06:00–20:00	
7 September		05:00–12:00	

### ROUTE 4 HOTELS – FEPU – HOTELS

#### 4.1. ZOLOTROY ROG

DATE	ROUTE	TIME	INTERVAL
3–6 September	Hotels* – FEPU	07:30–10:30	30 minutes
		11:00–15:00	60 minutes
	FEPU – hotels*	16:00–20:00	30 minutes

\* Hotels: Lotte Hotel Vladivostok, AZIMUT Hotel Vladivostok, Astoria, Avanta, Zhemchuzhina, Primorye, Meridian, Equator, Gavan, Arbat-Vladivostok

#### 4.2. AURORA PARK HOTEL

DATE	ROUTE	TIME
3–6 September	Aurora Park Hotel – FEPU	07:00, 08:00, 09:00
	FEPU – Aurora Park Hotel	18:00, 19:00, 20:00

#### 4.3. TIGRE DE CRISTAL

DATE	ROUTE	TIME
3–6 September	Tigre de Cristal – FEPU	07:00, 08:00, 09:00
	FEPU – Tigre de Cristal	18:00, 19:00, 20:00

### ROUTE 5 FEPU CAMPUS

DATE	ROUTE	TIME	INTERVAL
3–6 September	Around FEPU campus	07:00–21:45	15 minutes
		22:00–06:30	30 minutes

Shuttle buses only run to/from hotels indicated in the timetable. Guests staying at other hotels can use the shuttle bus from one of the nearest shuttle bus departure points.

The shuttle bus timetable is subject to change. Please check the latest timetable in the EEF 2019 mobile app and on the official Forum website ([forumvostok.ru](http://forumvostok.ru)). Uniformed transport coordinators with identification signs will be on duty at shuttle bus departure points.







# THE GREATER EURASIAN PARTNERSHIP

ON 3 SEPTEMBER 2019 A CONFERENCE WILL BE HELD AS PART OF THE EASTERN ECONOMIC FORUM ENTITLED A COMMON ECONOMIC SPACE FROM THE ATLANTIC TO THE PACIFIC: THE GREATER EURASIAN PARTNERSHIP.

THE EVENT WILL FOCUS ON INTERACTION BETWEEN THE GREATER EURASIAN PARTNERSHIP

AND THE EUROPEAN UNION IN THE CONTEXT OF A COMMON ECONOMIC SPACE,

AS WELL AS INTERREGIONAL COLLABORATION IN THE FAR EAST

Economic relations in the megaregion stretching from the Atlantic to the Pacific form a key topic for discussion at various events. On numerous occasions, global leaders have spoken of the need to establish a common space from Lisbon to Vladivostok. Russian President Vladimir Putin has promoted the idea, which has also been supported by German Chancellor Angela Merkel. In addition, President of the European Commission Jean-Claude Juncker has underscored the need for trade integration and closer alignment between the EU and EAEU. These statements have served to reinforce the importance of establishing a single economic and humanitarian space which could underpin long-term sustainable development across the entire Eurasian continent.

Crucially, during discussions on the idea, Russia has put forward the initiative

of a Greater Eurasian Partnership involving the Eurasian Economic Union, China, India, Pakistan, Iran, the CIS, and other countries and intergovernmental organizations. Primary measures proposed under this initiative include simplifying and unifying regulation governing collaboration within various industries, investments, and technical and customs procedures.

An important step in this direction was made in 2016, when the Roscongress Foundation spearheaded the signing of a memorandum covering collaboration and joint action from Lisbon to Vladivostok. International business representatives declared their intent to foster and support trade, attract investment, and remove red tape in the megaregion.

In order to develop and promote collaboration, the signatories of the memo-

randum – the Roscongress Foundation, Banca Intesa, and Schneider Group – held a range of events. These aimed to employ ties and step up coordination within the EAEU in order to develop relations with the EU.

The upcoming conference will provide yet another platform to discuss aspects related to strengthening trade and economic ties, and establishing a common economic space from the Atlantic to the Pacific.

*Conference organizer*

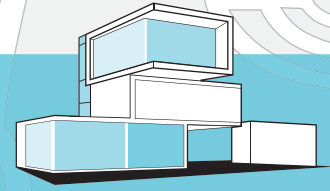
 **ROSCONGRESS**  
Building Trust

*Special partner*

 **SCHNEIDER  
GROUP**

# Far East Street

CAN YOU VISIT ALL 11 REGIONS OF THE FEFD IN A SINGLE DAY? OF COURSE YOU CAN — IF YOU COME TO 'FAR EAST STREET' ON THE BANK OF AJAX BAY. ALONGSIDE PAVILIONS WITH VIRTUAL EXHIBITIONS DEDICATED TO THE INDIVIDUAL REGIONS, GUESTS WILL BE TREATED TO AN EXCITING CULTURAL AND CULINARY PROGRAMME, AS WELL AS MASTER CLASSES IN PREPARING FAR EASTERN DELICACIES



## Amur Region

Population: over **790 thousand**

Currently, the **Amur Gas Processing Plant, the largest in Russia and one of the largest in the world**, as well as the Power of Siberia gas pipeline are being constructed in the region. The Eastern Siberia-Pacific oil pipeline passes through the region

**Power engineering is a leading industry;** the Zeya and Bureya hydropower dams are situated in the region

**Amur Oblast is home to the Vostochny Cosmodrome**

The region's transportation network includes **three railway mainlines— the Trans-Siberian Railway, the Baikal-Amur Mainline, and the Amur-Yakutsk railway; the Amur and Lena federal highways;** and two major waterways, the Amur and the Zeya



## Republic of Sakha (Yakutia)

The largest administrative subdivision of any country in the world

The only federal subject of Russia to span **three time zones**

Population: over **960 thousand**

Yakutsk is the world's only city sited on permafrost—and a city of over 300 thousand at that

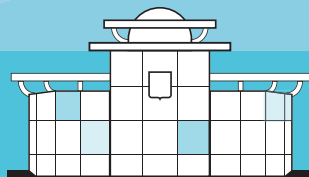
First place in the FEFD in industrial production

**Russia's top diamond-mining region** and one of the leaders in gold mining

Home to Russia's largest uranium deposit at Elkon as well as the Elgin coal deposit

One of the richest in rivers and lakes among the country's regions, **its rivers total 2 million km in length, presenting unique hydropower opportunities.** The Lena, the Aldan and the Kolyma are the major navigable rivers

**Important branches of the economy include oil and gas extraction, iron mining, and non-ferrous ore mining**



## Republic of Buryatia

Adjacent to the eastern shore of Lake Baikal

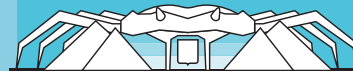
Population: — over **980 thousand**

**Russia's largest Buddhist region, Buryatia is home to over a thousand cultural heritage sites**

**Chief industries: aircraft construction** (the Ulan-Ude Aviation Plant manufactures Mi-17 helicopters and Su-39 planes), as well as shipbuilding, aviation and thermal instrument engineering, and railway stock repairs

**The Republic is rich in natural resources** including tungsten, molybdenum, asbestos, graphite, and coal. The Yermakovskoye beryllium deposit is the largest in Russia

**Thermal power plants form the basis of the Republic's energy supply,** with solar power plants and a wind farm under construction



## Kamchatka Region

Kamchatka has 300 large and medium-sized volcanoes, of which 29 are active

**Fishery (river and sea fishing as well as processing) is the main branch of the local economy**

Copper, titanium, platinum, gold, mercury, oil, natural gas, and coal are extracted in the region

**The Kamchatka Peninsula has over 14 thousand rivers and streams.** Hydropower, both run-of-the-river and tidal (in Penzhina Bay), is seeing active development

Geothermal power development has included the construction of large steam power plants at the Mutnovskoye and Pauzhetskoye hydrothermal spring sites. **Two wind farms have also been built**



## Primorye Territory

The Russian Far East's southernmost region, located at the boundary of the subtropical zone

Population: approx. **2 million**

One of Russia's leading fishery regions

**A major timber region**

Has 100 coal deposits and two large coal-shipping ports

30 tin deposits, 15 polymetallic ore deposits, and the **largest boron deposit in Russia**

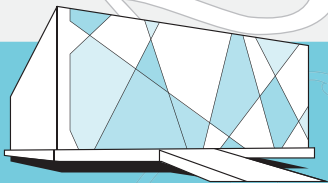
**Home to major shipyards and aircraft factories,** including the Arsenyev-based manufacturer of Ka-52 helicopters

The main seaports are in Vladivostok and Nakhodka

**A well-developed railway network:** 1,625 km, of which 970 km is electrified;

**Vladivostok is the main base of Russia's Pacific Fleet,** whose largest formations are stationed in Primorye Territory





## Zabaykalsky Krai

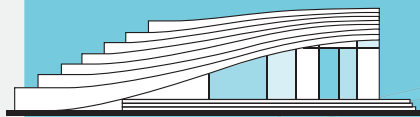
Population: **over 1 million** (third most populous in the FEFD)

Much of the land is mountainous, **with 65 ridges**

**Mining is the main industry;** the region has large deposits of copper (at Udokan), coal, uranium, lead, zinc, and gold ore

A significant part of the regional economy is tied to servicing the 29th Combined Arms Army, which is quartered there

Two major railways pass through Zabaykalsky Krai: **the Trans-Baikal Railway**, which is among the region's largest enterprises, and the Baikal-Amur Mainline



## Jewish Autonomous Region

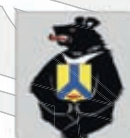
**The world's only Jewish subnational entity with official status**

The only Autonomous Region of the Russian Federation

Population: approx. **160 thousand** (82nd of 85)

Situated along the Amur River route and the Baikal-Amur Mainline

**A highly-developed agriculture,** a number of industrial processing plants, deposits of iron and manganese ore, graphite, and gold



## Sakhalin Region

One of Russia's easternmost territories and the only federal subject situated entirely on islands (59 in total)

Population: approx. **490 thousand**

Ranks first in the FEFD in gross regional product (GRP) and GRP per capita, and fourth in GRP per capita in all of Russia

**One of the country's leading oil and natural gas producing regions.** The oil and gas complex makes for about 90% of Sakhalin's industrial output

**One of the leaders in fish and seafood capture in Russia**

The Region has eight airports and a heliport, eight seaports and 11 marine terminals. The Vanino-Kholmsk train ferry connects the region to the mainland



## Chukotka Autonomous Area

Russia's northeasternmost region which shares a maritime border with the USA

**At around 50 thousand, it is second least populated** Russian federal subject after the Nenets Autonomous Okrug

Home to Russia's northernmost town, Pevek, and its easternmost, Anadyr

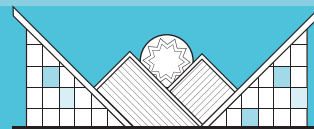
**One of the largest gold-mining regions in Russia,** Chukotka mines 10% of Russia's gold, including at the famous lode deposits of Kupol, Mayskoye and Karalveem, and placer deposits of Ichuveem, Ryveem and Pilkhinkuul

Chukotka has rich deposits of silver, platinum, tin, copper, and mercury

The Bilibino nuclear power plant is Chukotka's leading electricity supplier

Five federal seaports operate in Chukotka: Anadyr, Pevek, Provideniya, Beringovskiy, and Egvekinot

**A federal Kolyma-Omsukchan-Omolon-Anadyr motorway is under construction,** which will provide a year-round connection between Chukotka and the Far Eastern road network. 1,400 of its 2,300 km will run through Chukotka



## Magadan Region

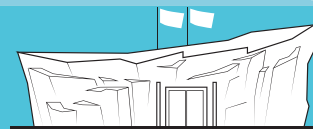
The Russian federal subject with the third smallest population, at a little over **141 thousand**

One of Russia's leading gold, silver, tin, and tungsten mining regions

**A major fishing region** providing domestic as well as export supply

A strong, hydro-based power grid whose service extends to neighbouring regions

**2,323 km of paved motorways,** some with advanced surfacing



## Khabarovsk Krai

Fourth largest Russian federal subject by area

Population: over **1.3 million**

**Economy basis: ship and aircraft construction,** other mechanical engineering

**Economically significant industry: fish capture and processing**

A highly-developed metal and chemical industry

A strong timber industry complex; the region ranks first in the FEFD, and third in Russia, in timber harvesting. **Forest covers an area of 52 million ha**

Two of the major railway mainlines of Eastern Russia, **the Trans-Siberian Railway and the Baikal-Amur Mainline,** pass through Khabarovsk Krai

# CULTURAL PROGRAMME\*



## **BOTTICELLI. MULTI-GENRE ARTIST. ONE-MASTERPIECE EXHIBITION FROM THE UFFIZI GALLERY**

🕒 3–5 September, 10:00–18:00

📍 Building A, level 6, Sberbank (office)

Sandro Botticelli (1445–1510) was a distinguished representative of the Quattrocento period of the Florentine painting. After his death, he fell into oblivion until the middle of the 19th century, when the public rediscovered interest in both the artist and his works.

*Free admission for all Forum participants. Starting 8 September, the painting will be exhibited in the Grand Hall of the Primorye State Art Gallery.*

## **COMING BACK: THE LONG WAY HOME. AN ART EXHIBITION BY ALEXANDRA AZOVTSOVA**

🕒 1–30 September, 10:00–18:00

📍 The Pushkin Theatre (27, Pushkinskaya Ulitsa, Vladivostok)

A selection of paintings from the Chinese period of this 20th-century Russian émigré artist who lived in China and Australia.

*Admission is free.*



## **OPEN-AIR CINEMA BY THE MINISTRY OF CULTURE OF THE RUSSIAN FEDERATION**

🕒 3–8 September, 19:30–23:00

📍 Open-Air Cinema exhibition, FEPU campus, Russky Island

At the Open-Air Cinema EEF 2019 guests and participants will be able to watch Russian movies and animated films released between 2017 and 2019, and best short films from the Koroche festival. Additionally, the venue will host an Indian Cinema Night.

*Free admission for all Forum participants.*

## **AN ESSAY ON A PAINTING: LOW MARKS AGAIN FROM THE COLLECTION OF THE TRETYAKOV GALLERY**

🕒 3–10 September, 11:00–19:00

📍 Primorye State Picture Gallery (12, Aleutskaya Ulitsa, Vladivostok)

Well-known in Russia, this painting by Fyodor Reshetnikov will be exhibited in Vladivostok for the first time.

*Admission by badge for Forum participants.\*\**

## **YAKUT CINEMA DAYS**

🕒 4–6 September, 19:00–21:00

📍 Ussuri Film Theatre (31, Svetlanskaya Ulitsa, Vladivostok)

The SakhaFilm State National Film Company's best films of recent years, recognized at Russian and international film festivals.

*Admission is free.*

## **PRIMORSKY AQUARIUM**

🕒 4–6 September, 10:00–20:00

📍 25, Ulitsa Akademika Kasyanova, Russky Island

Primorsky Aquarium is the third largest in the world. Its total indoor area exceeds 37,000 square metres: the building shaped as a half-open white mollusc shell can accommodate nearly five football

*\*\*Information valid as of 15 August 2019. For more information about the Forum, please go to [forumvostok.ru](http://forumvostok.ru)*

*\*\* Participants must cover excursions or any other additional services*



fields. This is the first and only country's aquarium that is part of the Russian Academy of Sciences. Over 500 species of sea animals are represented under the aquarium's 'shell', the largest of them being Pacific walrus, dolphins, and beluga whales.

*Access for Forum participants is by badge.\*\**

**'MATRON'S JEWEL BOX.  
ROMAN JEWELS FROM THE  
STATE HERMITAGE COLLECTION'.  
EXHIBITION OF ANTIQUE  
JEWELLERY FROM THE  
HERMITAGE COLLECTION**

🕒 4-6 September, 11:00-19:00

📍 Primorye State Art Gallery  
(12, Aleutskaya Ulitsa, Vladivostok)

The chamber exhibition tells about the diversity of Ancient Roman women's jewellery. The oldest showpieces were created on the cusp of the 1st century B.C. and the 1st century A.D., in the early days of the Roman empire; and the newest – in the 3rd century A.D.

*Access for Forum participants is by badge.\*\**

**EXHIBITION 'RUSSIAN ART OF THE  
16TH - EARLY 20TH CENTURIES  
IN THE PRIMORYE STATE ART  
GALLERY COLLECTION'**

🕒 4-6 September, 11:00-19:00

📍 Primorye State Art Gallery  
(12, Aleutskaya Ulitsa, Vladivostok)

The collection of the Primorye State Art Gallery boasts very interesting old and modern Russian paintings from 16th century and on, masterpieces by painters who made a significant contribution to the history of Russian art, and, most importantly, it allows to trace the milestones of Russian fine art development from academism and classicism to the Itinerants and modernism. The 'Old Russian art' section features icons of Novgorod and Moscow schools, including Our Lady of Kazan by Simon Ushakov, copper plastics, such as kiot crosses, folding icons, as well as covers and broidery. In the 'Russian art' section the following

painters are represented: Fyodor Rokotov, Dmitry Levitsky, Vladimir Borovikovsky, Vasily Tropinin, Orest Kiprensky, Karl Bryullov, Ivan Aivazovsky, Vasiliy Polenov, Ilya Repin, Isaac Levitan, Valentin Serov, Mikhail Nesterov, Aristarkh Lentulov, Robert Falk, Marc Chagall, Wassily Kandinsky, and many others.

*Access for Forum participants is by badge.\*\**

**2ND FESTIVAL OF CULTURES  
AND ARTS 'CONSTELLATION  
OF THE FAR EAST'**

🕒 5-8 September, 13:00-20:00

📍 Sportivanaya Naberezhnaya,  
Vladivostok

During the Festival, city residents, as well as Forum participants and guests, will be able to enjoy concert programmes featuring best choreographic, instrumental and vocal ensembles from Far Eastern regions – participants of the 'Far East Street' exhibition, as well as separate projects and concert programmes. On 8 September (12:00-17:00), a charitable family event Good-Hearted Ice-Cream Day will be held. The funds raised will be used to aid Primorye children with oncological diseases.

*Free admission.*



**BROADWAY VS HOLLYWOOD  
SHOW PROGRAMME**

🕒 6 September, 19:00-20:30

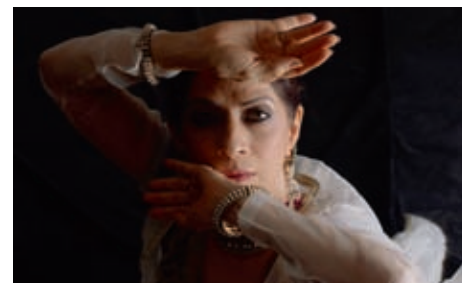
📍 Primorye Regional Philharmonic  
(15, Svetlanskaya Ulitsa, Vladivostok)

The new vivid, festive and dynamic theatricalized show programme 'Broadway

VS Hollywood' by the Primorye Regional Philharmonic will lift the spirits and put a smile on everyone's face. The concert consists of showstoppers from musical bestsellers, such as Moulin Rouge, Mamma Mia, Notre Dame de Paris, Burlesque, Romeo and Juliet, The Greatest Showman, as well as the most well-known vocal pieces from Hollywood movies, including Pulp Fiction, The Mask, The Great Gatsby, La La Land, and The Fifth Element. Directed by Y. Alexeeva.

*To access the event, you need to order a ticket in your personal web office. Forum participants must cover the cost of the ticket.*

**ADDITIONALLY:**



**PRIMORSKY STAGE  
OF THE MARIINSKY THEATRE:**

**4 September, 19:00** – Don Quixote, ballet (premiere)

**5 September, 19:00** – joint performance by the participants of the XVI Tchaikovsky Competition from the Asia-Pacific Countries

**6 September, 19:00** – launch of Day of Indian Culture in Russia (honoured guests: the governmental delegation of India). A performance by the Drishtikon Dance Group

**7 September, 19:00** – Aida, opera (season premiere)

**ARSENYEV STATE MUSEUM  
OF PRIMORYE TERRITORY:**

Opening of the exhibition dedicated to the history of the Vladivostok Fortress. Visitors find out about the unique fortifications located in various parts of the city.

*For more information, log on to your personal web office.*

# SPORTING PROGRAMME\*



↑  
The Roscongress Cup, a Platu 25 class regatta, is one of the most spectacular sports events at the EEF

The EEF 2019 sporting programme includes events in 14 different sports. Many of them will touch upon the concept of international cooperation, which is one of the key topics in the Forum's business programme.

"The sporting programme presents major international tournaments and exhibition matches, events for Forum participants and residents of Primorye. It has become a popular venue for presenting sports and sports-oriented investment projects," said Georgy Bryusov, Deputy CEO, Head of Sporting,

Entertainment and Special Programmes of the Roscongress Foundation.

The annual International Jigoro Kano Judo Tournament under the patronage of the President of the Russian Federation Vladimir Putin and Prime Minister of Japan Shinzō Abe will be the central sporting event of the Forum.

The first day of the business programme kicks off with a traditional race in support of the rare animals protection in the Far East, which is to bring together the Forum participants

and city residents. This year, it will take a new route in the Aquarium vicinity.

For the first time, the Forum is to host the leg of the world curling series among mixed pairs of the WCT Pacific Ocean Cup featuring the national teams from Russia, China, South Korea, Australia, and Japan. As part of the tournament, the Roscongress Cup will be held for EEF 2019 participants and accredited media. The groundbreaking ceremony of an ice arena for curling in Vladivostok will be held during the days of the Forum. This arena is to become a training base for the

\*Information valid as of 15 August 2019. For more information about the Forum, please go to [forumvostok.ru](http://forumvostok.ru)



Russian team and a curling development centre of the Far East.

Young people from 8 different countries will participate in the 10th Youth Sports Games of the APR, held under the patronage of UNESCO. Mixed martial arts gala tournament 'Roscongress Vladivostok Combat Night' and a match meeting between the Russian and Japanese national sumo teams will make their debut in the Forum's programme.

Platu 25 class regatta for the Roscongress Cup will be held in Ajax Bay for the fourth time. Traditionally, the race has a 'musical' edge to it – most of the 14 teams will perform on yachts named after different bands. The competition format includes short dynamic races. The race route will be set in front of the FEPU campus embankment, close enough to the shore so that Forum guests can observe the rivalry.

The International Colmar Coal Mining Company Mas-Wrestling Cup with athletes representing 12 countries, as well as the international Go tournament before the 2020 World Cup in Vladivostok are to add an oriental flavour to the sporting programme of the Far East Street.

The Russian Olympic Committee site, dedicated to the 40th anniversary of the 1980 Olympics, will open at Sportivnaya Naberezhnaya in Vladivostok. Primorye residents can attend the dragon boat rowing, street ball, as well as football and baseball tournaments.

### PACIFIC OCEAN CUP, A ROUND OF THE WORLD CURLING TOURNAMENT

🕒 3–4 September, from 10:00

📍 Ice Tiger Arena



### THE UNIVERSAL PLATFORM OF THE RUSSIAN NATIONAL HEALTH AND FITNESS PROGRAMME (RNHFP) AT THE FAR EAST STREET AS PART OF THE FEED FAR EAST GAMES

🕒 3–6 September, times TBA

📍 Russky Island, FEPU

### INTERNATIONAL V-CUP GO TOURNAMENT

🕒 3–6 September, times TBA

📍 Russky Island, Far East Street, the Russian Go Federation universal platform

### CHARITY RUN IN SUPPORT OF THE RARE ANIMALS OF THE FAR EAST

🕒 4 September, starting 07:00

📍 Russky Island, Aquarium



### RUSSIA–JAPAN SUMO MATCH

🕒 4–5 September, from 10:00

📍 Russky Island, FEPU

### ROSCONGRESS CUP. CURLING TOURNAMENT FOR EEF PARTICIPANTS

🕒 4 September, from 17:00

📍 Ice Tiger Arena

### PLATU 25 CLASS REGATTA FOR THE ROSCONGRESS CUP

🕒 5–6 September, from 10:00

📍 Russky Island, Ajax Bay

### INTERNATIONAL COLMAR COAL MINING COMPANY MAS-WRESTLING CUP

🕒 5 September, from 10:00

📍 Russky Island, Far East Street, Pavilion of the Sakha Republic (Yakutia)

### RUSSIA VS. JAPAN SUMO MATCH SERIES

🕒 5 September, 11:45–13:00

📍 Russky Island, Far East Street

### THE ANNUAL INTERNATIONAL JIGORO KANO JUDO TOURNAMENT UNDER THE PATRONAGE OF THE PRESIDENT OF THE RUSSIAN FEDERATION VLADIMIR PUTIN AND PRIME MINISTER OF JAPAN SHINZŌ ABE

🕒 5 September, 18:00–22:00

📍 Fetisov Arena, 284, Ulitsa Makovskogo, Vladivostok

### ROSCONGRESS VLADIVOSTOK COMBAT NIGHT

🕒 5 September, 21:30–00:00

📍 Costa Venezia cruise ship

### THE 10TH YOUTH SPORTS GAMES OF THE AP

🕒 5–9 September

📍 Okean National Children's Centre, 10, Artekovskaya Ulitsa, Emar Village, Primorye Territory

### MINERS' GLORY TEAM COMPETITIONS

🕒 6 September, 10:00–14:00

📍 Russky Island, Far East Street, Pavilion of the Sakha Republic (Yakutia)

### 3 X 3 BASKETBALL OPEN EAST CUP

🕒 6 September 10:00–18:00

📍 Vladivostok, Ploshchad Bortsov Za Vlast' Sovetov

# EEF MARTIAL ARTS DAY

A SPECIAL MARTIAL ARTS DAY WILL BE HELD AT THE EEF 2019 ON 5 SEPTEMBER AND SUPER TOURNAMENTS IN JUDO, SUMO AND MMA WILL GRACE THE SPORTING PROGRAMME.



Russian President Vladimir Putin and Prime Minister Shinzō Abe of Japan in a lively discussion of matches unfolding on the tatami

## JUDO BRINGS US TOGETHER

The key sporting event of the Forum will be the international judo tournament named after the founder of the sport Jigoro Kano. The strong sporting component of the Forum reflects its key goals to enhance cooperation and regional development.

The idea for the tournament was proposed by the 1984 Olympic gold winner Yasuhiro Yamashita in the centenary of the first Russian-Japanese judo competition, which Vladivostok also hosted in 1917. The tournament is held under the patronage of President of the Russian Federation Vladimir Putin and Prime Minister of Japan Shinzō Abe. Together with the President of Mongolia, Khaltmaagiin Battulga, they awarded the winner medals and trophies in 2017 and 2018.

This time around, the competition will be held between the global judo giants – the national teams of Russia,

Japan, Mongolia, China, and South Korea, made up of young men and women under the age of 18 years. A tournament of mixed teams will compete for the main trophy. By the way, Tokyo 2020 will host the Olympic debut of the mixed team tournament. Also, at the EEF 2019, judokas will fight for glory in the male categories up to 50, 55, 66, 73, and 90 kg and in the female categories up to 40, 44, 52, 57, and 70 kg.

The competitions are included in the International Judo Federation (IJF) calendar. “The tournament in Vladivostok is a wonderful example of how sport can broaden opportunities for dialogue

between countries,” said IJF President Marius Vizer. The organizers are the Russian Judo Federation, the Primorye Territory Ministry of Sports and the Administration of the Territory. The operator is the Roscongress Foundation. The Fetisov Arena, the tournament’s permanent home, is one of the largest sports complexes in the Far East.

## VLADIVOSTOK AND OLYMPIANS

Judo will in fact arrive in Vladivostok almost a month before the tournament kicks off. The Russian team led by 2016 Olympics gold winner Khasan Khalmurzaev and Rio 2016 bronze winner Natalia Kuziutina will hold a World Championships training camp at the Judo Centre in FEFU on the Russky Island. The Judo World Championships will be held in Tokyo from 25 August to 1 September. Largely thanks to the Jigoro Kano tournament, judokas were the first Olympians to test Vladivostok’s facilities as they prepare for the 2020 Olympics. Next year, the judokas will be followed in Primorye by the Russian national Greco-Roman wrestling, boxing, rowing and volleyball teams. And this September, the top Russian judo fighters will return from Tokyo to Vladivostok to hold a series of master classes and meetings for kids, which have become an integral part of the Jigoro Kano tournament.

Marius Vizer and Yasuhiro Yamashita, who was elected president of the Japanese Olympic Committee this summer, will

**“THE TOURNAMENT IN VLADIVOSTOK IS A WONDERFUL EXAMPLE OF HOW SPORT CAN BROADEN OPPORTUNITIES FOR DIALOGUE”**



also make the trip from Tokyo to the EEF 2019. They will participate in the session 'Olympism and Asia Pacific: Mutual Influence' alongside ROC President Stanislav Pozdnyakov, IOC Deputy General Director Pere Miró, IOC President for Korea and IOC member Lee Ki-heung, three-time Olympic Greco-Roman wrestling champion Alexandr Karelin and Tokyo 2020 Sports Director Koji Murofushi. Igor Levitin, Aide to the President of the Russian Federation will moderate the discussion. At the EEF 2019, a cooperation agreement will also be signed between the Olympic Committees of Russia and Japan.

#### A 'STORM' ON THE CRUISE SHIP

The topic of sporting exchanges between the countries will be continued by a contest between the national sumo teams of Russia and Japan, which will be held at the Far East Street exhibition. "This is a great opportunity to introduce Russians to Japanese culture," said Japanese

Ambassador to Russia Toyohisa Kozuki at a sumo contest held on 16 June in Moscow as part of Olympic Day. In that match-up, the Russian giants won, coming out with 16 victories to 9 defeats. In Vladivostok, the founders of sumo will be primed to take revenge, and a no-holds-barred contest is in the offing. "Last year sumo was recognized by the IOC. We now have much work to do to get sumo included in the Olympic programme, and the presentation of our sport at global venues such as the Eastern Economic Forum is of great importance," said Roman Iliev, President of the Russian Sumo Federation.

The final act of Martial Arts Day will be the debut MMA tournament Roscongress Vladivostok Combat Night, which will take place at the official hotel of the Forum – the Costa Venezia cruise ship. The main event will see one of the best middleweight fighters in the world, Russian three-time Bellator champion Alexander Shlemenko, take on American



↓  
The Russian and Japanese sumo masters will continue their contest at the EEF's Far East Street

UFC champion Chris Honeycutt. Shlemenko has won 58 of his 70 career fights, earning the nickname Storm for his attacking style. And Honeycutt, who also has an aggressive style, is nicknamed the Cutt. The organizers of this new tournament are Telesport Media and the Roscongress Foundation. For ticket information, please go to your EEF 2019 personal web office.



EASTERN  
ECONOMIC  
FORUM

ROSCONGRESS

## ROSCONGRESS VLADIVOSTOK COMBAT NIGHT

TELESPORT MEDIA



«STORM»  
SHLEMENKO

VS

«CUTT»  
HONEYCUTT

5 september 2019

information about tickets is in personal account



# A SPECIAL PLACE

2019 WILL BE THE ROSCONGRESS CLUB'S SECOND YEAR AT THE EASTERN ECONOMIC FORUM. HOWEVER, IT HAS BEEN LESS THAN A YEAR SINCE MEMBERS AND GUESTS OF THIS PRIVATE CLUB FOR POLITICAL AND BUSINESS ELITE HAVE MET. LAST TIME, THE OPPORTUNITY PRESENTED ITSELF AT THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM IN JUNE

photo: Roscongress Photobank



Russia's Minister of Economic Development Maxim Oreshkin (middle) did not have the easiest time getting to the Roscongress Club – journalists swarmed around him



The club's atmosphere was perfect for informal talks. Russia's Minister of Industry and Trade Denis Manturov (upper photo, right) and Russian Minister of Culture Vladimir Medinsky (lower photo, right) were spotted having one-on-ones



SPIEF 2019 was attended by 60 businessmen featured in Forbes' list of Russia's richest people. Many of them visited the Roscongress Club, including Gennady Timchenko, Principal Shareholder of Volga Group, and Viktor Vekselsberg, Chairman of Renova



Aide to the President of the Russian Federation Igor Levitin also paid a visit to the club





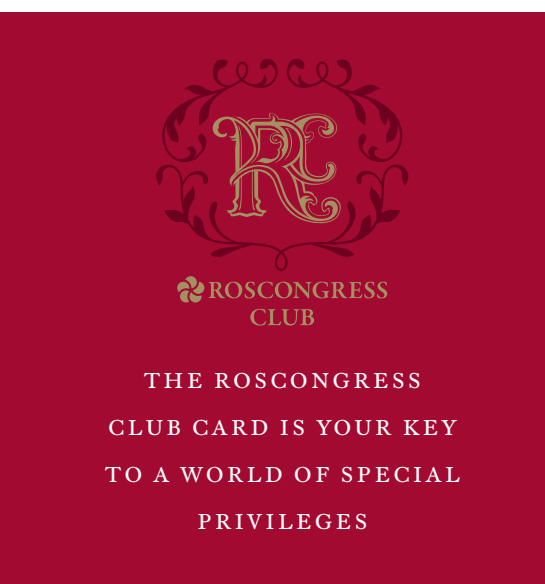
Though the club caters to the business and political elite, it offered a relaxed and lively atmosphere throughout the Forum



Aide to the President of the Russian Federation Andrei Fursenko and Head of the Talent and Success Foundation Elena Shmeleva are education professionals with a lot to discuss



The founder of Alibaba Group Jack Ma (centre), who visited Roscongress Club at EEF 2018, did not leave empty handed



Chairman of MSP Corporation Alexander Braverman (left) took part in nine SPIEF events. After wrapping up his intense programme, he was finally able to take off his tie and let some steam off



The beautiful ladies of RC Service provided the hospitality



Chairman of the Accounts Chamber Alexei Kudrin stayed alert even on the Roscongress Club premises



Throughout her incredible career, two-time Olympic pole vaulting champion Yelena Isinbaeva, has visited a number of countries. EF Corporate Solutions CEO Eduard Baldakov knows how to speak their language



Roscongress Club was visited by much of the French delegation, one of the best represented at SPIEF. The delegation included ex-French President Nicolas Sarkozy



Rector of St. Petersburg State University of Economics Igor Maksimisev (middle) appreciated the networking opportunities offered by the Roscongress Club



In 2019, 745 agreements worth a record! RUB 3.271 billion were signed at SPIEF. That calls for a toast!



# CALENDAR

CALENDAR OF UPCOMING ROSCONGRESS FOUNDATION EVENTS



EVERY YEAR, ROSCONGRESS FOUNDATION EVENTS BRING TOGETHER OVER 80 THOUSAND PARTICIPANTS FROM 195 COUNTRIES. THE FOUNDATION'S ANALYTICAL WORK INVOLVES THE PARTICIPATION OF 2,500 RUSSIAN AND INTERNATIONAL EXPERTS. ITS FORUMS AND EXHIBITIONS ARE COVERED BY OVER 10 THOUSAND REPRESENTATIVES OF RUSSIAN AND INTERNATIONAL MEDIA ORGANIZATIONS.

## 13TH INTERNATIONAL REAL ESTATE INVESTMENT FORUM PROESTATE

🕒 18–20 September

📍 Moscow

An annual event during which leading real estate market players discuss topical industry issues in the form of open and constructive dialogues. The Forum brings together over 4.5 thousand real estate leaders from 33 countries.

## RUSSIAN ENERGY WEEK

🕒 2–5 October

📍 Moscow

The largest international discussion platform related to the development of the energy sector and energy efficiency in



Russia and abroad. The Forum is attended by heads of state and government leaders, representatives of major international energy companies, leading global experts, scientists, and media representatives.

## FINOPOLIS FORUM OF INNOVATIVE FINANCIAL TECHNOLOGIES

🕒 9–11 October

📍 Sochi

The event is centred on the application of modern digital technologies in the financial sector. Almost 1,500 specialists from Russian and international companies, experts, and representatives of government executive bodies come together in Sochi every year. The Forum programme includes an exhibition zone, where market leaders and young companies present their Fintech achievements and plans, and a Fintech Startup Contest.



## RUSSIA-AFRICA ECONOMIC FORUM

🕒 23–24 October

📍 Sochi

The Forum is a strategically vital step towards the creation of favourable conditions for the development of trade and economic relations between the Russian Federation and African countries and will allow for the diversification of the forms and areas of Russian-African cooperation. The event will be attended by African heads of state, representatives of Russian, African, and international businesses and government agencies, and representatives of African integration organizations.

## 12TH EURASIAN ECONOMIC FORUM IN VERONA

🕒 24–25 October

📍 Verona, Italy

Attendees will discuss the political prospects for cooperation from the Atlantic to the Pacific and key issues related to cooperation in areas such as the energy sector, finance, interregional cooperation, infrastructure projects, agricultural and agrobusiness innovations, and innovative technologies.



# ROSCONGRESS.ORG INFORMATION AND ANALYTICAL SYSTEM – A UNIQUE ROSCONGRESS FOUNDATION KNOWLEDGE LIBRARY

The Roscongress Information and Analytical System provides quick and easy access to the most important materials from the country's largest business events, organized by the Roscongress Foundation.

The interactive knowledge base includes:

- Descriptions of more than **1,700** sessions across **173** topics related to the global and Russian agenda
- Talks, interviews and insights from over **7,500** speakers
- Research studies, articles and analytical digests



## UNIQUE FUNCTIONS AND SERVICES:



**SUMMARY** – analytical summaries of key discussions, including overviews of conclusions, objectives, and solutions.



**SEARCH WITHIN VIDEO BROADCAST** – a feature enabling the user to search for specific information of interest within videos of events.



**ANALYTICAL DIGESTS** – digests of analytical materials on the most important comprehensive research studies in the business agenda of the forums.



**SYNOPSIS BY TOPIC** – an automatically generated report is available for download for each of the key topics.

## ROSCONGRESS BLOG

The Roscongress blog includes materials that go beyond the scope of the business agenda. Visitors to the Blog will find interviews with famous people from the world of culture, sport and science, fascinating stories about the cities and regions in which congresses are held, and articles about the lifestyles of businesspeople.

## EXPERT COMMUNITY

The Roscongress Foundation invites you to join its expert community and help shape the current agenda of key Russian forums. Your ideas could become the subject of discussion by the world's leading speakers. It is easy to become a member of our unique project: you need to fill out a form to apply to join the expert community.

You can apply in your personal web office at **ROSCONGRESS.ORG** or at the Roscongress Foundation's Building Trust area located at the EEF venue: building A, level 3.







### RUSSIA HOUSE IN DAVOS

🕒 20–24 January

📍 Davos, Switzerland

This is the official Russian residence for holding business meetings, negotiations, and informal conversations between leaders from the business community, politicians, economists, scientists, and representatives of creative professions during the annual World Economic Forum (WEF).

### HEALTHY LIFE FORUM

🕒 12 February

📍 Sochi

The topic of increasing healthy life expectancies, something that affects everyone in the country, will be discussed

by representatives of executive federal bodies and the expert community in Sochi. Practical proposals will be developed based on these discussions, aimed at implementing national projects in this sphere.

### RUSSIAN INVESTMENT FORUM

🕒 12–14 February

📍 Sochi

The Forum is meant to present the investment and economic potential of Russia, demonstrate territories' investment potential, and provide an opportunity for interactions and the strengthening of relationships between Russian federal subjects, business representatives, experts, and the media community.

### ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM

🕒 3–6 June

📍 St. Petersburg

The Forum is held annually under the auspices of the President of the Russian Federation and involves the participation of foreign heads of state and government leaders, representatives



of major Russian and international companies, representatives of leading international media organizations, and the expert community. The Forum hosts discussions on global economic issues, meetings between leading politicians and heads of major transnational corporations, and signings of contracts worth billions.

