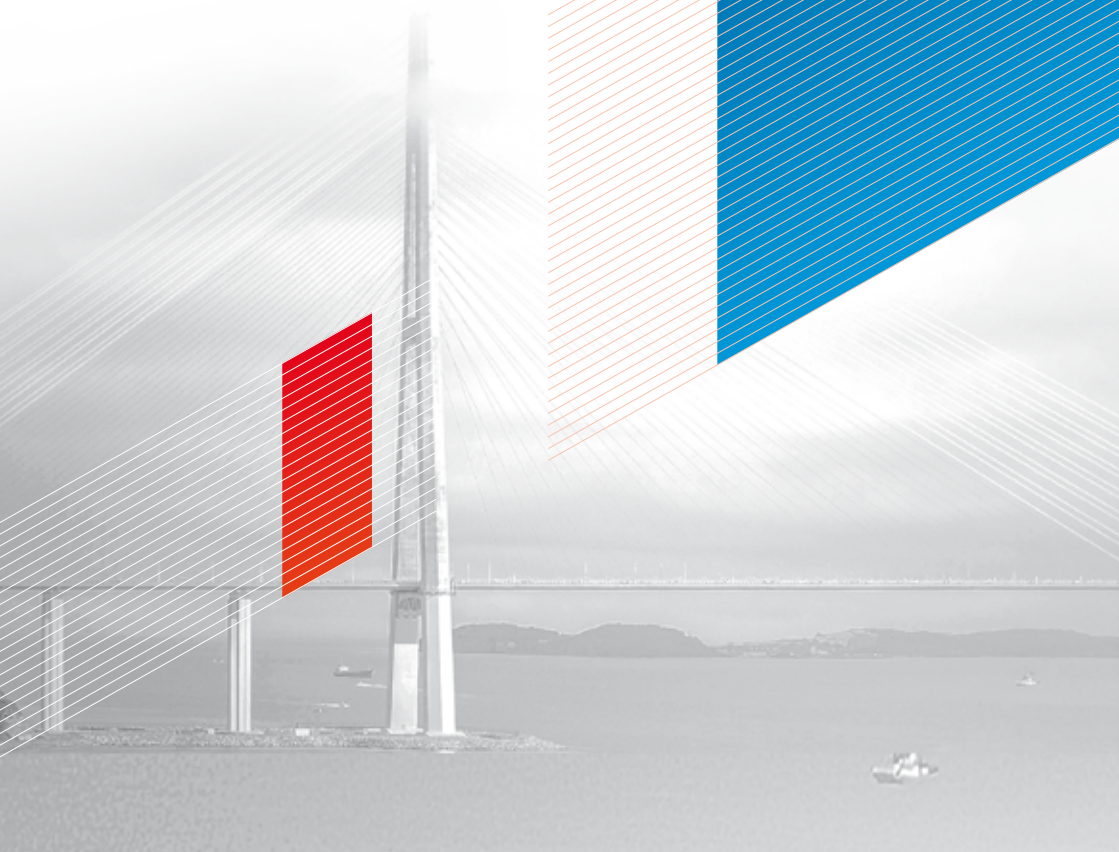




AGENCY
FOR STRATEGIC
INITIATIVES

DOING BUSINESS IN RUSSIA: LOOKING FORWARD



Contents

Project of the year	
Investment Climate Index	3
Opinion	
Index in the eyes of businessmen and officials	8
Knowledge is power	
Choosing a region to invest in	12
Investment opportunities	
A look at the regions	14
International initiatives	
Roadshows of Russian Regions	20
Working with the BRICS Business Council	21
A look at ourselves	
Doing Business in Russia	22
National Business Initiative	
Roadmaps	23
Foresight	
Dip into the Future	32
Growth potential	
Assisting exporters	36
Social responsibility	
Tech parks for the youngest	38
New standard of living	39
It's all about the people	
Dual education	40
Global education	41
Skills development	42
Contact info	44

ABOUT THE ASI

Current report was prepared by the Agency for Strategic Initiatives (ASI), a non-commercial organization founded in 2011 by the government of Russia.

THE AGENCY'S MAIN OBJECTIVES:

- Enhancing business climate and eliminating administrative barriers
- Creating means of communication and cooperation between businesses and authorities
- Improving entrepreneurs' influence on state regulation
- Setting the agenda for educational reforms

STRUCTURE:

NEW BUSINESS	developing roadmaps (p. 23–31), supporting projects
BUSINESS CLIMATE	enhancing conditions for doing business (p. 03–13)
SOCIAL PROJECTS	initiatives in a social sphere (p. 38–39)
YOUNG PROFESSIONALS	devising new educational models (p. 40–43)

Supervisory board members:

minister of economic development of Russia, aide to the Russian president general director of the ASI, heads of several Russian regions, representatives of business associations, chairs of state banks.

Supervisory board chairman: the president of Russia.



Project of the year

Investment Climate Index

In 2015 The Russian Regional Investment Climate Index became the major project of the Agency for Strategic Initiatives. The ASI in collaboration with the Russian leading business associations conducted a survey of 230,000 entrepreneurs in 76 regions of the country to assess how effectively the regional authorities create a favorable environment for business.

Every year, in the 20th days of October, journalists, consultants, employees of ministries and agencies worldwide either download or receive a hard copy of a new “Doing Business” report by the World Bank. Over the past 12 years, this publication is considered to be the most reliable source of information on the ease of doing business across the globe — comparing the countries on a basis of how quickly and cost-effectively you can start a business there, get a building permit, connect a facility to the power grid, import or export goods, etc. The bank’s analysts learn about the specific terms and prices from entrepreneurs working in a particular country.

The ASI’s Russian Regional Investment Climate Index is calculated by a similar method, but its task is not only to summarize information on the ease of doing business in the region, but also to assess the policies of local authorities in improving the investment climate. A total of 45 indicators are used, from the cost and duration of procedures to the quality of an investment portal and the efficiency of small business support. Read more about them on the next page.

In the process of ranking, it becomes clear what actions of the authorities in the region help to create a favorable business environment. The Agency for Strategic Initiatives describes the best practices in a dedicated book and uses them to provide training for regional teams so that laggards could get higher in the ranking and leaders become even better.



THE STRUCTURE OF THE INDEX

The regions are ranked according to their performance in 4 areas.

A. Regulatory Environment

The quality of public services for business: passing time, number of procedures and the satisfaction of entrepreneurs with typical administrative procedures — e.g. the registration of a legal entity, the issuance of building permits, licensing, registration of real estate ownership, connection to electric grids, connection to the gas pipeline.

B. Institutions for Businesses

The availability and quality of institutions tasked with protection and improvement of the investment environment. The indicators characterize the performance and development dynamics of institutions and business mechanisms. For example, the availability and quality of legislation protecting the rights of investors, mechanisms to incentivize investment activities, the level of business burden related to inspections.

C. Infrastructure and Resources

Included here are the indicators characterizing the efficiency and level of infrastructure development, as well as the availability of resources for business and investment. For example, the availability of physical infrastructure and resources: roads, telecommunications infrastructure, etc; the availability of investment infrastructure facilities (technology parks, industrial parks and incubators); the availability, qualification and sufficiency of labor resources.

D. Support for Small Business

The level of small business development (for example, the number of small businesses per 1000 inhabitants in the region) and the efficiency of different types of small business incentives. The indicators include the assessment of procedures needed to obtain state and municipal orders for SMEs, the assessment of real estate required for business, assessment of credit availability, etc.

Ranking committee assessed the regions for each of these areas, relying primarily on the results of surveys of businessmen, as well as taking into account the chosen statistical data. In the end, 76 subjects of the Russian Federation were divided into five groups — from leaders to laggards.

THE RESULTS OF THE RUSSIAN REGIONAL INVESTMENT CLIMATE INDEX 2015

Group I. Leading regions.

	Overall rank	Regulatory Environment	Institutions for Businesses	Infrastructure and Resources	Support for Small Business
Republic of Tatarstan	I	A	A	A	B
Kaluga region	I	A	A	C	A
Belgorod region	I	C	A	A	B
Tambov region	I	B	A	B	C
Ulyanovsk region	I	B	A	C	C



Vladimir Putin, President of the Russian Federation:

We have to analyze how efficiently the measures already taken work. And the feedback from business here is really important. The Russian Regional Investment Climate Index plays an important role. By itself, the ranking is, of course, not a goal. It must be a running tool for identifying and distributing the best regional practices throughout the country.



Rustam Minnikhanov, President of the Republic of Tatarstan:

Systematic work yields the results. We managed to slightly change the situation not only at the regional level, we have reached each municipality. I am very concerned about the availability of finance, its cost and stability of the banking sector. Of course, it is nice when you are on the top, but the rating still allows us to see the areas of weakness, we will carefully analyze the results and make conclusions.



Anatoly Artamonov, Acting Governor of Kaluga region:

We make trips and meet our colleagues in other regions of the Russian Federation; we participate in events organized by the ASI, thus gaining experience. We try not to lose everything good we have, at the same time eliminating things that businessmen do not like.



Sergey Morozov, Governor of Ulyanovsk region:

We have been assessing the regulatory impact for three years already, and the economic effect only for 2014 is 900 million rubles. The positive dynamics compared to the previous year is observed specifically pertaining to the issuance of building permits. We managed to reduce the number of instances and procedures needed to obtain a permit from 15 to 5.



Group II. Regions with favorable conditions for doing business.

	Overall rank	Regulatory environment	Institutions for Businesses	Infrastructure and recourses	Support for Small Business
Kostroma region	II	B	A	C	B
Krasnodar Territory	II	A	C	B	B
Rostov region	II	B	B	B	B
Chuvash Republic	II	A	C	B	B
Tula region	II	B	B	C	C
Penza region	II	D	A	C	A
Khanty-Mansi AD*	II	C	B	B	A
Moscow	II	B	B	C	C
Voronezh region	II	B	B	C	C
Tumen region	II	D	A	C	B
Yamalo-Nenets AD*	II	B	B	C	B
Chechen Republic	II	D	A	B	C
Vladimir region	II	B	B	C	C
Kursk region	II	D	B	B	B
Leningrad region	II	B	B	B	C
Kemerovo region	II	C	A	C	C
Moscow region	II	B	B	D	B
Tomsk region	II	B	B	D	B
Republic of Mordovia	II	B	A	C	D
Kirov region	II	B	C	C	B
Saint-Petersburg	II	D	B	B	B
Orel region	II	B	B	B	E
Chelyabinsk region	II	B	C	B	D
Mari El Republic	II	C	A	C	D

* AD = Autonomous District

The Agency for Strategic Initiatives implements a project of the Russian Regional Investment Climate Index in conjunction with the leading business associations: the Russian Union of Industrialists and Entrepreneurs, «Business Russia», «OPORA RUSSIA» and the Chamber of Commerce and Industry of the Russian Federation.

Many of the indicators, taken into account in the Index, are also being used by the World Bank to identify countries with the best conditions for business. Thus it becomes clear what best international practices should be considered as benchmarks. In New Zealand, for example, the registration of new businesses involves just one procedure and takes no more than one day. In Russia, even in the regions from the top of the Index, you would need to undergo 4 procedures, spending 8 days to register an enterprise. However, in other areas the lag behind the world leaders is either minimal or nonexistent. In one of the Russian regions obtaining a building permit it takes just 5 procedures — as in Hong Kong, which was ranked first by this indicator in the Doing Business rankings by World Bank. Based on the experience of leading Russian regions, the collection of best practices, which was put together after the pilot testing of the Index, will be updated.





Acting minister of economy,
Kaliningrad region

Anastasia Kuznetsova



— How did people in your region react when the rankings were announced and how was the project perceived overall?

For us the results serve as indications of actually existing problems and we are willing to analyze our performance and to continue working over identified restrictions on development of the regional investment climate. Our attitude towards the project in general is positive as it is a tool ensuring feedback with the business community.

— Following the announcement of the results, members of regional administrations enroll into an educational program covering best practices of working with entrepreneurs. What do you think of these courses?

We consider the initiative beneficial, because it allows to study and exchange best practices, significantly cutting analysis and solution drafting time costs. Besides, it is always better

to handle challenges as a team. Kaliningrad region participated in the education program in 2014, but we would like having the educational program changed to study cases from a specific region.

— In which ways have you been trying to improve investment climate since the results were published? Which actions are planned?

We plan to divide the work in two parts. The first one involves researching indicator values identified by polling. There is a preliminary arrangement with regional business associations to repeat the surveys. The objective is to diagnose more precisely the issues that affected the businesses' assessment of entrepreneurial environment and to organize targeted work to resolve the identified issues jointly with federal authorities.

The second part concerns the indicators that are measurable and that truly reflect

the actual situation, regardless of the entrepreneurs' opinions. It is a meticulous process requiring the review of other regions' experience and the analysis of existing procedures to bring them into compliance with best practices.

— One of the project's objectives is to encourage regional teams to make doing business easier. Has the objective been achieved?

Kaliningrad region is competing for investors not only with Russian federal constituents but also with neighboring countries. Next year we would like to get a better position in the ranking, and, what's most important, — to improve the actual business environment. The Index did encourage us to intensify our work aimed at improving conditions for starting and doing business.



Public representative of the ASI
in Rostov region, Director of the
Oktyabrsky district Industrial Park

Vitaly Kryuchkov



— Has the launch of the Index impacted the investment climate in your region?

Yes, in general, the investment climate in Rostov region has improved, the executive authorities have become more responsible and apply systematic approach to the problems and issues of entrepreneurs, knowing that the questionnaires figures reveal not only barriers to business development, but also the official, who is hiding behind this barrier.

— Does the Index allow to assess the business environment in the region and will it help investors to choose where to invest funds?

The Index assesses the ease of doing business in a particular region, but investment decisions are influenced by many factors more important than the quality of the investment climate. Primarily it is the availability of markets, raw materials or experts in a particular industry.

— What business conditions are most important to you?

Availability and cost of financial resources, the cost of technological connection to the energy infrastructure (especially gas), the quality of the procedures for obtaining building permits and commissioning, relevance of cadastral value of land.

— What do you think about the idea of creating project teams in the Russian regions? Will it help the authorities become more efficient?

This is a good idea, since not only the investment departments, but also all regional authorities and territorial offices of the federal authorities, including law enforcement and supervisory authorities, as well as municipalities should deal with the investment climate in the region. They also should be included in the project team tasked with the improvement of investment climate.

— What other ways to influence the decisions in the field of improving the investment climate should be available to business?

Entrepreneurs should be a part of investment advisory councils, committees under the regional authorities and supervisory bodies, up to the appointment of the most active entrepreneurs to positions responsible for the investment climate. We should actively involve experts in devising the laws and regional development plans, creating tools to support business in the region, including financial instruments. But in the end, the business should do business. And the task of the state is to provide clear and stable rules, and protect the rights and interests of entrepreneurs.



Head of the Investment
committee of Saint Petersburg

Irina Babyuk



— How did people in your region react when the rankings were announced and how was the project perceived overall?

This year, following the results of the Investment Climate Index, the city showed the best dynamics among the Russian regions, rising from the fifth to the second group. Of course, we reacted positively to the improvement of our position in the rating. This gives an additional incentive to further productive work on creating comfortable conditions for doing business. It is important that the Index is based on a survey of businessmen who, as the results show, positively assessed the efforts by the government of Saint Petersburg in this area.

— What has enabled Saint Petersburg to show such a progress?

After the results of the first, pilot rating were announced in May 2014, the government of Saint

Petersburg adopted a number of measures aimed at improving the investment attractiveness of the city and at qualitative improvement of the business environment. The timeline for implementation of 17 procedures on collecting permit and approval documentation to start a construction in Saint Petersburg is already reduced from 237 to 110 days. The timelines for receiving the construction permit as such is now 10 days. Concerning the connection to energy resources, we managed to reduce the number of administrative procedure from 7 to 3, and in respect of timelines of their fulfillment, from 192 to 90 days. A roadmap has been prepared and approved by the government of Saint Petersburg aimed at the improvement of the business environment in the city, which allows for further reducing the number of procedures and the timelines of their implementation in the construction and energy areas.

— What do you think about the idea of creating project teams in the Russian regions — will it affect the efficiency of the authorities' work?

Just now, in Saint Petersburg, we are considering the idea of creating a project office, that will be responsible for the enhancement of business climate in the city and serve as a joint taskforce uniting the executive and legislative authorities, the business community, business and public organization. The government of Saint Petersburg intends to keep up the dynamics of improving the key business indicators, and in 2016 we plan to join the group of regions who are the leaders of the Russian Investment Climate Index.



Chairman of the board of directors at the "Agency for Development and Research in Real Estate" (ARIN), Saint-Petersburg:

Andrey Tetysh



— Has the launch of the Index impacted the investment climate in your region?

Yes, it did! To a greater extent, its influence is manifested in the fact that the regional authorities began to pay attention to how they look against the general background among the regions of the Russian Federation. They attended to this and started to try doing better not in the abstract, but better than in the neighboring regions.

— Does the Index allow to assess the business environment in the region and will it help investors to choose where to invest funds?

Surely, like all other rankings, it cannot be absolutely objective and give an investor a complete picture of the situation in the region, answer his main question: whether he should invest or not. But nonetheless, the Investment Climate Index does give some idea about the region's position. It

is safe to say that there is a huge difference between the regions that are in the upper lines, in the middle and at the end of the list. Those occupying the first 5 positions definitely have some important and positive experience that shall be learned from.

— What do you think about the idea of creating project teams in the Russian regions? Will it help the authorities become more efficient?

I am very positive about it. The concept of project teams features two extremely rational ideas. Firstly, within a large system, each committee is likely to work out its part of the job, execute an order, and everybody can report back. But, in the end, it turns out nonsense. A structure is needed that shall coordinate the work of all the subdivisions.

Secondly, — and the ranking proves this fact, — the work of the project office shall be supervised and headed by the governor himself.

This is confirmed by the experience of the territories that occupy the leading positions in the rating. Where the governor considers this issue important enough, supervises it personally, pays maximum attention to it — a progress can be seen in these regions.

— What other ways to influence the decisions in the sphere of improving the investment climate shall be available for the business?

There is in fact only one way. It is expressed in various forms of work and interaction. In the absence of established feedback with the business environment, it is impossible to know and assess the actual effect from the adopted decision. This is a story about "We wanted the best, but it turned out as always". We should be interested in how the adopted decision works in practice. And the surest way to get feedback is asking people who are directly affected by such a decision.



Knowledge is power

Choosing a region to invest in

Investment decisions are usually based on a large amount of input data about the region, where business development is planned. Socio-economic indicators and the quality of infrastructure, regional incentives to support business, investment sites — the ASI collects and constantly updates all this information at the Investment Portal of Russian Regions, investinregions.ru. The resource was launched in late 2013, and now provides complete profiles of 77 Russian regions. Information is available in Russian, English, French, German, Spanish, Chinese and Japanese.

REGIONS AT A GLANCE

Every Russian region at investinregions.ru has its own profile, a detailed “business card”, containing general information about the geography, macroeconomics and industries, as well as the data on tariffs, infrastructure and workforce.

ANALYTIC MAP

All important regional statistics are available in an easy to use tool — the Map. Latest figures for 62 indicators are supplied by the Federal State Statistics Service, the Central Bank of the Russian Federation and the regional authorities. This otherwise fragmented information is gathered in one place and is presented in a convenient way, ready for export in Excel format.

INVESTMENT CLIMATE INDEX

This section contains the final results of the Russian Regional Investment Climate Index, as well as the methodology used for ranking and a selection of best regional practices in terms of dealing with investors.

BUSINESS INCENTIVES

“Business incentives navigator” is a database comprising info on state measures of business support — search and compare. The navigator lets you examine 90+ incentives provided at the federal level and more than 2200 preferences offered in 75 regions.

Evgeniy Podshivalov,

Head of the ASI
department
of investment climate
improvement.



What we learned from entrepreneurs is that they often have no idea of business incentives offered at the regional and municipal levels. This navigator will improve awareness of the business community and will enable entrepreneurs to plan their activities and projects more carefully.



CONTACT INFO

Useful contact information for investors and entrepreneurs in all Russian regions is available in the “Phone Book” section. Investment agencies and development corporations, regional authorities and decision-makers — if you’re searching for the right telephone number, look no further.

INVESTOR'S PERSONAL ACCOUNT

Using the service “My Account”, entrepreneurs can request the ASI to support their investment project in Russia. The Agency is ready to assist in:

- monitoring your progress in any of the Russian regions;
- getting you in touch with the representatives of regional development corporations or relevant government authorities;
- selecting incentives according to the parameters of your business;
- selecting production facilities;
- finding an institution able to provide repayment financing of investment projects (given that you are ready to invest your own funds as well).

Requesting support, entrepreneurs should remember that the Agency **DOES NOT**:

- finance projects;
- provide assistance in obtaining a public order or a contract;
- help companies participating in tenders;
- provide access to markets, but may help to identify them.



Investment opportunities

A look at the regions

Russia is not just Moscow and St. Petersburg:
over two thirds of the overall direct foreign
investment in 2013 went to other
regions of Russia*.

The infrastructural and administrative reforms of recent years have made Russian regions attractive investment destinations.

The diversity of natural, ethnic, cultural and economic conditions lets you find a perfect place for your business and use the specific characteristics of a region to your advantage.

In this section of Doing Business in Russia, you'll find a showcase of five regions. Each of them offers a great investment opportunity from warehouses construction and stock-rearing to manufacturing vehicle parts and pharmaceutical products.

Find detailed information about business environment in the Russian regions at investinregions.ru

*according to the National Rating Agency (NRA) report "Direct Foreign Investments in Russia: Regional Aspects", April 2014



Investment opportunities

Kaluga region

01

REGION IN FIGURES

Population	1 mln
Adjacent regions' population*	23.9 mln
Average lease rate for class A office premises	8,000 RUB/m ² /year
Average lease rate for class A production and storage premises	4,800 RUB/m ² /year
Average sale price of industrial land lots	7,500,000 RUB/ha
Average monthly pay	RUB 27,980

The region has a developed investment infrastructure and an advantageous economic and geographical position due to its proximity to the city of Moscow — the largest consumer market in the Russian Federation. Kaluga region also boasts a high-quality logistic infrastructure.

02

BEST INVESTMENT OPTIONS

№1 Production of medical equipment		№2: Production of household appliances	
Key facts			
The consumption volume of goods of the medical industry in Russia (2014):	RUB 198 bn	Volume of sales of household appliances in Russia (2014):	RUB 151.2 bn
The import share of medical equipment in Russia (2014):	84.2%	Share of imports of household appliances in Russia (2014):	80%
The share of domestic producers in the total volume of sales within the niche: less than	1%	Potential market capacity per year (for import substitution):	RUB 120.9 bn

03

BUSINESS INCENTIVES OFFERED BY THE REGIONAL GOVERNMENT

- Reduction of income tax rate from 18% to 13.5% for 1–4 consecutive tax periods.
- Exemption from property tax for 1–3 consecutive tax periods.
- Special tax regime for investors with volume of capital investments over 3 billion rubles.

Find out more about the region here:

<http://investinregions.ru/en/regions/kaluga/>

CONTACTS

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First deputy governor of the Kaluga region.

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* Including the city of Moscow.

Investment opportunities

Moscow



01

REGION IN FIGURES

Population	12.2 mln
Adjacent regions' population *	15.9 mln
Average lease rate for class A office premises	27,000 RUB/m ² /year
Average lease rate for class A production and storage premises	4,500 RUB/m ² /year
Average sale price of industrial land lots	45,000,000 RUB/ha
Average monthly pay	RUB 58,781

Moscow is the largest consumer market of the Russian Federation with a high level of income of the population — 1.9 times higher than the national average. It has a developed infrastructure of support of investment and entrepreneurial activity.

02

BEST INVESTMENT OPTIONS

№1 Production of electronic components		№2: Production of medications	
Key facts			
Volume of the market of electronic components:	RUB 97.07 bn	Volume of the market of pharmaceutical products in Moscow (2014):	RUB 121 bn
The import share of electronic components in Russia (2013):	73%	Share of imports of medications in Moscow (2014):	78%
Potential capacity of sales market per year (for import substitution):	RUB 70.1 bn	Potential market capacity per year (for import substitution):	RUB 71.7 bn

03

BUSINESS INCENTIVES OFFERED BY THE REGIONAL GOVERNMENT

- Preferential income tax rate of 13.5% and exemption from property tax for management companies and residents of technopolises, technological or industrial parks, Special Economic Zone Zelenograd, automobile manufacturers.
- Exemption from vehicle tax and land tax for residents of Special Economic Zone Zelenograd.
- System of subsidies to small and medium businesses, enterprises in the manufacturing sector and high technology companies.

Find out more about the region here:

<http://investinregions.ru/en/regions/moskva/>

CONTACTS

Leonid Kostroma

Director of Moscow city Investment Agency

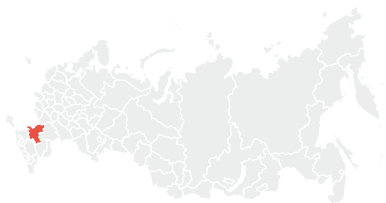
+7 985 447 84 16, KostromaLV@gaui.mos.ru

* Including Moscow region and its neighboring regions.



Investment opportunities

Rostov region



01

REGION IN FIGURES

Population	4.2 mln
Adjacent regions' population	13.4 mln
Average lease rate for class A office premises	11,400 RUB /m ² /year
Average lease rate for class A production and storage premises	4,800 RUB /m ² /year
Average sale price of industrial land lots	13,500,000 RUB /ha
Average monthly pay	RUB 23,816

A region with favorable climate conditions, suitable for agriculture. Has a developed transport infrastructure, that is integrated into the leading Euro-Asian International North-South Transport Corridor. Electrified railway line provides access to the North Caucasus and the countries of the South Caucasus.

02

BEST INVESTMENT OPTIONS

№1 Sturgeon fish breeding and production of black caviar		№2: Production of compound feed	
Key facts			
Volume of black caviar production In Russia (2014):	30.46 tonnes	Volume of compound feed production in Russia (2014):	23.01 mln tonnes
Volume of import of black caviar in Russia (2014):	8.66 tonnes	Volume of compound feed production in Rostov region (2014):	439.01 thousand tonnes
Market capacity in the Russian Federation, per year:	190-200 tonnes	Market capacity per year:	RUB 4.32 bn

03

BUSINESS INCENTIVES OFFERED BY THE REGIONAL GOVERNMENT

- Reduction of income tax rate from 18% to 13.5% for investment contract validity period.
- Reduced rate for property tax: 1.1% — in relation to the assets which were newly created (acquired) in the framework of the investment project; 0% — for investors, which implement projects with a volume of capital investments of 300 million rubles and more.
- A wide range of subsidies for the agro-industrial complex.

Find out more about the region here:

<http://investinregions.ru/en/regions/rostov/>

CONTACTS

Aleksandr Levchenko

Minister of economic development of Rostov region

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Investment opportunities

Samara region

01

REGION IN FIGURES

Population	3.2 mln
Adjacent regions' population	9.6 mln
Average lease rate for class A office premises	13,400 RUB /m ² /year
Average lease rate for class A production and storage premises	3,600 RUB /m ² /year
Average sale price of industrial land lots	6,000,000 RUB /ha
Average monthly pay	RUB 25,930

A highly urbanized region with a Samara-Togliatti agglomeration. Has a large transport capacity: the region is connected with Kazakhstan by the federal highway M-32, Trans-Siberian railway passes through Samara region and Samara itself serves as a major river port.

02

BEST INVESTMENT OPTIONS

№1 Production of metal-cutting equipment		№2: Production of medical diagnostic and therapeutic equipment	
Key facts			
Volume of metal-cutting equipment production in Russia (2014):	2.739 pcs.	The volume of consumption of medical goods in Russia (2014):	RUB 198 bn
Import share of metal-cutting equipment in Russia (2014):	92%	Share of imports of medical equipment in Russia (2014):	84.2%
Potential capacity of sales market per year (for import substitution):	RUB 29 bn	Potential market capacity per year (for import substitution):	RUB 101 bn

03

BUSINESS INCENTIVES OFFERED BY THE REGIONAL GOVERNMENT

- Reduction of income tax rate from 18% to 13.5% if the value of the investment project is 100 million rubles or more for up to five tax periods.
- Exemption from property tax for enterprises implementing investment projects for a period of 2 to 5 tax periods.
- Special conditions for residents of Special Economic Zone Tolyatti.

Find out more about the region here:

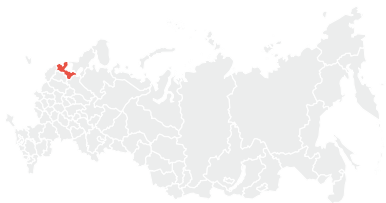
<http://investinregions.ru/en/regions/samara/>

CONTACTS

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Vice-governor — minister of economic development, investments and trade of Samara region

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Investment opportunities

Saint Petersburg

01

REGION IN FIGURES

Population	5.2 mln
Adjacent regions' population	4.8 mln
Average lease rate for class A office premises	7,200 RUB /m ² /year
Average lease rate for class A production and storage premises	6,500 RUB /m ² /year
Average sale price of industrial land lots	20,000,000 RUB /ha
Average monthly pay	RUB 36,848

Saint Petersburg is a highly developed city with an advantageous transport and geographical position. It provides access to the Baltic Sea through large cargo and passenger ports. The administration has a successful experience in implementing large-scale PPP projects.

02

BEST INVESTMENT OPTIONS

№1 Production of medications		№2: Development of private investment infrastructure facilities	
Key facts			
Market volume of medicines in St. Petersburg (2014):	RUB 35.9 bn	Popular facilities of investment infrastructure:	Technology and Industrial parks
Share of local companies in total sales volume in the niche (2014):	35%	Amount of subsidies from the Russian Ministry of Economic Development:	no more than 200 mln RUB
Potential capacity of sales market per year (for import substitution):	RUB 16.4 bn	Potential city demand for high-class industrial lands:	at least 300 ha

03

BUSINESS INCENTIVES OFFERED BY THE REGIONAL GOVERNMENT

- Reduction of income tax rate from 18% to 13.5% for 1–7 tax periods.
- Exemption from property tax for up to 5 tax periods.
- Exemption from land tax for up to 2 tax periods.
- Earmarked allocation of the land plots for strategic investment projects.

Find out more about the region here:

<http://investinregions.ru/en/regions/peterburg/>

CONTACTS

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International initiatives

Roadshows of Russian Regions

The ASI's international projects are a follow-up of initiatives the Agency is successfully implementing in Russia. Active cooperation with regional teams aimed at improving investment climate, publishing the federal constituents data at investinregions.ru and preparing research materials for investors were followed by roadshows demonstrating Russian regions' investment potential to foreign entrepreneurs. Personal meetings of regional administrations' officials with investors are the best way to send potential partners a strong message regarding business conditions, investment climate changes and institutional reforms as well as best practices in investment raising and project assistance.

Invited to participate in roadshows are representatives of regional executives authorities whose positions are no lower than deputy regional heads responsible for investment development and investor assistance.

For an incomplete year, the ASI has conducted three roadshows — in Milan, London, and Tokyo. Each of them was attended by 6 to 9 regional teams and dozens foreign businesspersons.

After the events, a number of regions started negotiating creation and localization of production facilities, and revisits by regional delegations were planned. One of British participating companies, a developer and manufacturer of medical equipment, passed a resolution to localize its production facilities in Moscow region.

Working with the BRICS Business Council



Successful implementation of the National Business Initiative (see page 23) and accumulated experience in business deregulation at the national level are a strong foundation for the ASI's operations within the BRICS Business Council uniting major companies of Brazil, Russia, India, China and South Africa and representing their interests.

The ASI was the first to express an idea to create a deregulation working group within the Council, which representatives of other member countries supported unanimously during their meeting in Brasilia in February 2015.

The introductory meeting of the working group took place within the framework of the Saint Petersburg International Economic Forum (the SPIEF) on 18 June 2015, and its kick-off meeting was held in Moscow on the Ufa BRICS summit's threshold. The members of the group decided to focus on three areas where commerce and business barriers are the most significant within BRICS: customs regulations, visa schemes and technical standards. For each of the above priorities, a list of recommendations on how to optimize regulation will be created. If they are complied with, commerce and investment growth within BRICS will be forthcoming.

The ASI also acts as a coordinator of the BRICS Business Council Skills Development working group. Its members ensure exchange of the best HR training practices to breach the gap between needs of the BRICS countries' rapidly growing economies and the quality of education therein. The key challenge facing the group members is creating a common concept of future skills development and developing joint projects to implement it.

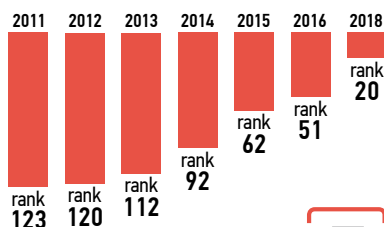
The working group's scheduled projects for the next year include developing the BRICS countries' joint Atlas of new professions, globally foresighting education and technologies as well as hosting WorldSkills — Worker and Engineer Skills Championship — exclusively for BRICS.



A look at ourselves

Doing Business in Russia

In 2011, the then prime-minister Vladimir Putin declared a goal for the government: to make sure that Russia attains a position amongst the top twenty leaders in the World Bank's Doing Business report by 2018. At that time Russia was in 123-rd place, and despite the continued positive economic trend, was still an unfriendly environment for small and medium business. The coordinated efforts by representatives of the business sector and the government at all levels have contributed to rapid and remarkable results.



Sylvie Bossoutrot,
coordinator of Russia
Programs
for the World Bank



Since 2011, Russia has implemented 13 important regulatory reforms which have been referred to in the "Doing Business" study. The reforms include: speedier business registration and ownership rights registration by means of implementing the single window system, reduction in costs and optimisation of the permit procedures in the construction industry and for connections to the electricity power grid, speedier implementation of contracts, improvement to international trade conditions and payment of taxes by means of introducing online services and electronic documentation systems. These reforms have played a vital and positive role in simplifying the procedures for doing business in Russia





National business initiative

Roadmaps

Project progress:

- 53 federal laws, initiated by business community, were enacted;
- 26 draft federal laws under consideration by the State Duma, and one more — by the Executive Office of the Russian government;
- 11 draft federal laws are at the development stage.

According to a survey held in February among 6,500 Russian entrepreneurs, 478 of 634 Roadmap actions are fully implemented and 70 are in the process of implementation.

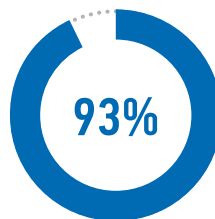
No one knows more about the problems of doing business than businesspeople themselves. To make use of their experience, the Agency for Strategic Initiatives is implementing the National Business Initiative (NBI). Within this project over thirty thousand entrepreneurs have provided proposals for improving business conditions and removing administrative barriers. These recommendations formed the foundation of 11 NBI Roadmaps — lists of actions aimed at simplifying existing procedures, accelerating them and decreasing their cost. The NBI roadmaps have been accepted by the government and are being implemented throughout the country.

Some of the roadmaps correlate directly with the indicators used in the Doing Business ranking.

Doing Business indicator	NBI roadmap
Getting electricity	Enhancing availability of energy infrastructure
Trading across borders	Improving customs administration
Dealing with construction permits	Improving business climate in the construction industry
Paying taxes	Improving tax administration
Starting a business	Optimization of registration procedures
Registering property	Optimization of property registration procedure

Getting electricity

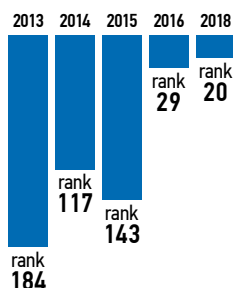
Roadmap “Enhancing availability of energy infrastructure”



Date of approval
2012

Due date
of implementation
2017

Implementation
status*



Since 2015 World Bank survey takes into account the average value of indicators of Moscow and St. Petersburg. Since 2015 World Bank survey takes into account the average value of indicators of Moscow and St. Petersburg.

According to a World Bank survey, company directors in 108 countries consider the presence and reliability of electricity supply to be the second most important condition for the business activities and investments. The first one was the access to finance.

Electricity supply is one of the most regulated areas of economic activity. Companies bear significant expenses while connecting to the energy networks. Today the average cost of getting electricity is five times less than three years ago, and the number of procedures as well as their duration diminished by a half. However, the main improvements are still to be seen – a package of laws which should increase access to the energy infrastructure is already awaiting ratification in the Parliament.

Roadmap implementation aims at making the connection to the electricity grids much more simple, fast, transparent and less costly.

Some of the changes due in force during 2015

Starting October,

- 50% of expenses associated with the construction of transmission lines (<150kW) will be covered by state.

In two years,

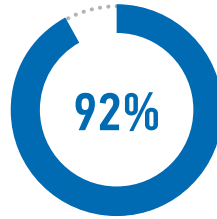
- these costs will be completely excluded from connection fees.

* Hereinafter the charts indicate the implementation status of measures with an expired due date

National business initiative

Trading across borders

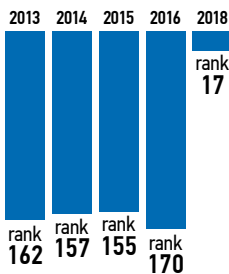
Roadmap "Improving customs administration"



Date of approval
2012

Due date
of implementation
2018

Implementation
status



Although Russia per se is one of the biggest markets, we are intent on simplifying cross-border trade in order to help entrepreneurs find and use new opportunities for business development.

Reforms in the customs administration are focused on simplifying the procedure for transiting goods and vehicles through the border of the Customs Union upon import into the Russian Federation and export from the Russian Federation.

Roadmap implementation aims at:

- Reducing the number of documents required for completing customs formalities and the time needed for their preparation
- Reducing the amount of illegally imported goods getting to the Russian market;
- Implementation of new technologies for customs declaration and processing of goods, which allow to reduce the duration of administrative procedures to a minimum.

Some of the changes due in force during 2015

Starting May,

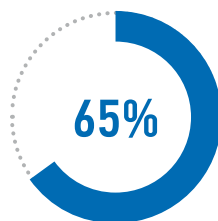
- Administrative sanctions for irregularities in a customs declaration will not be imposed if these violations are detected by the applicant himself.

Starting September,

- Tax authorities will be using the Federal Customs Service database of declared goods without duplicating it in hard copy. Data will be used to verificate the payment of VAT on importation and to assign the 0% VAT rate for export;
- Customs authorities will start accepting bank guarantees and collaterals electronically.

Dealing with construction permits

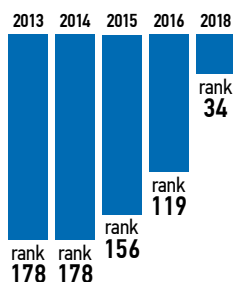
Roadmap “Improving business climate in construction industry”



Date of approval
2013

Due date
of implementation
2018

Implementation
status



A transparent and simplified system of obtaining construction permits which guarantees compliance with construction and safety standards is a necessary condition for the effective work of many companies in different sectors. The reforms which have already begun and which will be entirely implemented in 2018 include many more changes than are reflected in the World Bank indicators – from the quality of engineering requirements at the planning stage, to ensuring the infrastructure of the new territories.

The implementation of roadmap measures will allow to simplify the construction processes from the stage of preparing construction documentation to the commencement of site operations and the registration of ownership rights.

Some of the changes due in force during 2015

Starting May,

- The approval of infrastructure development programs during the first 6 months following the approval of master plans will become mandatory;
- Appealing the actions (or inaction) of federal and local authorities in construction domain and land matters will be made possible with the introduction of necessary procedures;
- A set of rules, governing the approval of area planning documents upon the application of individuals and legal entities, will be determined; requirements imposed on the composition and content of necessary engineering surveys will also be clearly specified.

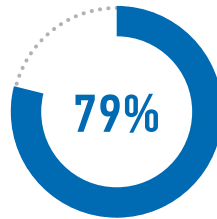
Starting August,

- Certain types of pre-construction activities will be allowed before obtaining a building permit.

National business initiative

Paying taxes

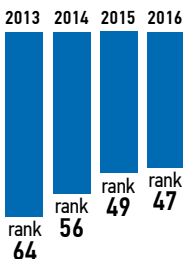
Roadmap "Improving tax administration"



Date of approval
2014

Due date
of implementation
2015

Implementation
status



Changes to the Russian tax administration comply with the global trend of accountability simplification and transition towards electronic documentation. A competent tax administration is one of the main components of a good business environment. It also helps significantly extend the scope for collecting taxes and increases budget revenue.

Roadmap implementation aims at reducing the administrative burden of excessive regulation during taxes and deductions payment. This implies the following measures:

- Cancelling tax and other regulated forms of records that duplicate accounting;
- Removing outdated forms of documents;
- Prioritizing electronic documentation in accounting and reporting;
- Moving towards regulated accounting in accordance with the International Standards for Financial Reporting accompanied by changes to tax and budget legislation.

Total time for papers preparation and tax payment in Russia is less than average for OECD countries with high income, and substantially less than in the countries of Europe and Central Asia.

Some of the changes due in force during 2015

Starting January,

- It will be possible to get a VAT deduction in accordance with invoices submitted after the end of accountable fiscal period, but before the deadline for submission of tax returns for the period;
- The institution of tax consultants and tax advisory services will be introduced.

Starting a business

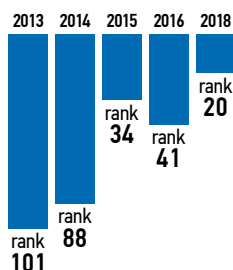
Roadmap “Optimization of business registration procedures”



Date of approval
2013

Due date
of implementation
2015

Implementation
status



Company registration is the first stage of turning an idea into a working business. The reforms which took place in Russia in 2013 and 2014 allow this step to be taken quickly and with minimum expense.

Roadmap implementation aims at optimising state registration of limited liability companies as the primary organizational and legal form of medium and small businesses — by means of reducing the number of procedures, their cost and time they take.

In 2014 Russia simplified starting a business by eliminating the requirement to deposit the charter capital before company registration as well as the requirement to notify tax authorities of the opening of a bank account (went 54 positions up from 88 to 34 in the World Bank Doing Business 2015 ranking).

Some of the changes due in force during 2015

Starting March,

- A dedicated call-center will be offering consultations on business registration and advising individual entrepreneurs.

Starting April,

- Compulsory use of stamps for business entities will be abolished.

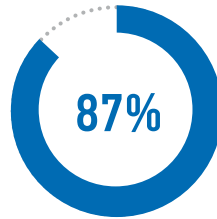
Starting November,

- Limited Liability Companies will be allowed to use standard charters.

National business initiative

Registering property

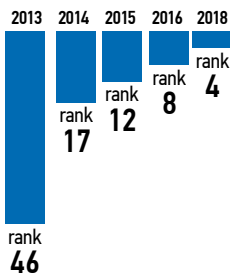
Roadmap "Optimization of property registration procedure"



Date of approval
2012

Due date
of implementation
2018

Implementation
status



Registration of property rights is one of the most appraised indicators of Russian business environment. Current system is based upon the world's best practices.

Some of the changes due in force during 2015

Starting January,

- The exact boundaries of land parcels and the locations of buildings and structures will be available at the State Realty Cadastre.

Starting February,

- The information about areas of cultural heritage will be available at the State Realty Cadastre.

Starting March,

- Frequency will be set for the regular updates of cartographic basis at the State Realty Cadastre at public expense;
- Time needed to obtain cadastral registration will be limited to 10 days;
- Rules governing how the boundaries of water bodies are determined will be clarified; the information is to be added to the water registry, and subsequently included in the State Realty Cadastre.

Starting April,

- Insurance and credit institutions, as well as notaries will no longer be allowed to request information from the Uniform State Register of Real Property Rights and Transactions;
- Criminal sanctions will be introduced for entering misleading information in the documents describing the location and the survey of a land plot.

Starting May,

- An integrated network will be providing a coordinate and geodetic basis for cadastral engineers;
- An information resource will be available, describing points of geodetic networks at all levels.

Regulatory environment

Road map "Enhancing business regulatory environment quality"

Date
of approval
2013

Due date
of implementation
2015

Implementation
status



Starting January, 2015, there will be no restrictions on the use of electronic documents when interacting with federal and local authorities.

Export support

Road map «Supporting access to foreign markets and supporting export»

Date
of approval
2013

Due date
of implementation
2015

Implementation
status



Starting February, 2015, the government will be entitled to authorize equivalent compensation of all goods complying with the customs procedure of reprocessing within the state's territory.

Starting May, fines for minor violations of currency legislation will be reduced.

Starting June, exporters will be provided access to financing using international factoring.

Starting September, confirming the 0% VAT rate will be easier.

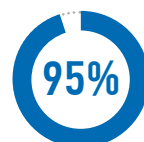
Evaluation

Road map «Improving evaluation activities»

Date
of approval
2013

Due date
of implementation
2015

Implementation
status



Starting July, 2015, the scope and types of expert reviews of reports on the evaluation by self-regulatory organizations will be clarified.

National business initiative

Promoting competition

Road map «Promoting competition and improving antimonopoly policy»

Date
of approval
2012

Due date
of implementation
2015

Implementation
status



Starting January, 2015, procedures of creating and keeping the list of interchangeable drugs will be regulated; specific registration rules regarding certain groups of pharmaceuticals will be enacted.

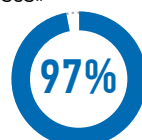
Access to public procurement

Road map «Opening up public procurement to small and medium-sized enterprises»

Date
of approval
2013

Due date
of implementation
2018

Implementation
status



Starting July, 2015, in case of procurement only from SMEs, large public companies will be obliged to enter into a contract within 20 business days since deciding to award a contract; these companies will have to pay for the goods supplied or services provided within 30 calendar days after all obligations under the contract were fulfilled. They also will have to make a list of goods and services, meant to be procured from SMEs.

Roadmap implementation is anticipated to assist the following initiatives:

- Establishing the priority of goods and services of Russian origin in public procurement;
- Adopting and implementing pilot programs of partnership between SMEs and large companies partially or fully owned by state (Avtodor, Russian Railways, Rosseti, Gazprom).



Foresight

Dip into the Future

Imagine Russian Post using drones to deliver mail in 2035. Imagine metropolitan residents riding in self-driving electric cars. Imagine pharmaceutical companies tailoring medicines for each individual buyer based on his genome. Although it may seem fantastic nowadays, relevant technologies are being developed and tested already, and in the next 20 years, global markets of products and services will arise that we can only imagine now. The ASI's new project, the National Technology Initiative, must assist Russian companies in becoming leaders in the emerging markets.

Within 20 years since the advent of personal computers, the IBM-dominated typewriter industry had dwindled, while IBM had conquered a new market. GPS and GLONASS boosted production of personal navigators that replaced paper maps. Internet made many people stop buying newspapers, reference books, CDs, phone directories and calculators giving birth to the smartphone and tablet sector.

The objective of the National Technology Initiative (the NTI) is to forecast which radically new markets of at least USD 100 bn will appear in the next decades to create all leadership prerequisites in such sectors for Russian companies. Changes will be required, among other things, in technical standards, governing laws, mechanisms of supporting promising enterprises and incentivizing investments into high-tech production facilities. Developing new sectors requires an efficient R&D base and educational institutions capable of training skilled specialists. Therefore, the NTI engages all stakeholders such as rapidly developing tech companies able to address new trends, leading universities, research centers, major Russian business associations, development institutions, expert and professional communities, ministries and agencies. The Agency for Strategic Initiatives coordinates the process.

THE NTI COVERS 8 PROSPECTIVE MARKETS. TO CREATE DEVELOPMENT ROADMAPS, WORKING GROUPS WERE ESTABLISHED FOR EACH OF THE SECTORS.



EnergyNet
Distributed power from personal power to smart grids and smart cities



Boris Ryabov
Managing Partner,
Bright Capital



FoodNet
Food and water personal production and delivery systems



Sergei Vykhodtsev
Founder, Invite,
Bystrov and VELLE



SafeNet
New personal security systems



Alexander Galitsky
Head, Almaz Capital



HealthNet
Personal medicine



Alexey Repik
Chairman of the Board,
R-PHARM



AeroNet
Distributed UAV systems



Sergei Zhukov
CEO, Center for
Technology Transfer



MariNet
Distributed sailless vessel systems



Sergey Generalov
President, Industrial
Investors Group



AutoNet
Distributed self-driving motorcar networks



Sergei Kogogin
CEO, KAMAZ



NeuroNet
Distributed conscience and mind components



Andrei Ivaschenko
Chairman of the Board,
ChemRar High-Tech Center,
and Member of the Supervisory Board,
Northern BioPharmCluster



The markets currently on review are organized as follows:

- three of them relate to the safety of the country and systemic provision of resources to it. They are the food market (FoodNet), power market (EnergyNet) and security market (SafeNet);
- three of them relate to reforms of transit systems. They are the self-driving motorcar market (AutoNet), UAV transport market (AeroNet) and marine/riverine sailorless transport market (MariNet); and
- two of them relate to crucial human life areas seeing “crazy” technological changes. They are the “digital” health market (HealthNet) and neural communications market (NeuroNet).

All emerging markets use either the physical internet structure, or its protocols, or are built along similar lines. “Smart” networks connecting multitudinous power producers and consumers, the EnergyNet, are being built upon this principle. Future transit systems, the AutoNet, AeroNet and MariNet, will have a similar structure. Even conservative markets such as those of agricultural machinery are transforming into networks of cybernetic and physical devices owned by the manufacturer and leased by farmers updating their software licenses. All future markets are simultaneously networks.

In their pilot work over the NTI roadmaps, the working groups focused on evident markets being actively developed in other countries and having strong leaders and communities in Russia. The markets list is not exhaustive and will be updated.

To ensure Russian leadership in the selected priorities, new professional training programs should be developed that allow educating specialists in yet under-explored areas.

DESIRABLE TECHNOLOGICAL SKILLS



DIGITAL DESIGN AND MODELING

A universal skill, its significance will be continuously increasing as technologies change.



NEW MATERIALS

One of crucial priorities of the modern science ensuring technological progress overall. Frequently, unique properties of a new material underlie a technological concept.



ADDITIVE TECHNOLOGIES

The current growth of additive technologies use applies to new classes of materials including living tissues.



QUANTUM COMMUNICATIONS

The key technological skill aimed at ensuring security of data transmission in the future.



SENSORICS

A basic technological skill focusing on the "sensorium" of digital systems.



MECHABOTRONICS

One of the promising robotics development directions forming on the boundary between additive technologies of living tissues and their close artificial analogs.



BIONICS

A developing branch of robotics and technics overall aimed at applying natural organization principles and properties in technical devices.



GENOMICS AND SYNTHETIC BIOLOGY

One of key priorities of biotech development focusing on modifying and creating living organisms using genome manipulations.



NEUROTECHNOLOGIES

One of the most promising priorities of technological development given successful research of neurointerfaces and artificial brain components.



BIG DATA

Technologies of analyzing large volumes of non-structured data. Significance of BigData technologies growth with development of internet-like systems.



ARTIFICIAL INTELLIGENCE AND CONTROL SYSTEMS

Key technological skills required as distributed and automated systems grow.



NEW POWER SOURCES AND ACCUMULATORS

They become more and more required as demand for power sources and individualization of digital systems grows.



HARDWARE COMPONENTS (INCLUDING CPUS)

The technological concept of hardware components may change significantly due to, among other things, expected restrictions on further miniaturization of modern micro circuitry.



Growth potential

Assisting exporters

The share of small and medium businesses in Russian GDP is approximately 22%, and the SMB's share in total Russian export is less than 0.5%. There are no mechanisms optimized for small and medium business' and non-raw material export support. That is why the ASI is now creating such a scheme in order to provide assistance specifically for the SMBs that are willing to become exporters.

Kirill Dmitriev,
President,
Russian Direct
Investment Fund.



There are some companies in Russia that have a significant growth potential but cannot raise equity financing. Bank financing is becoming less available but equity financing is equally critical. The President instructed the Agency for Strategic Initiative, Vnesheconombank and us (the RDIF) to jointly create mechanisms and structures allowing promising companies to develop actively. The RDIF is willing to provide equity financing if Russian companies themselves provide co-financing. The Vnesheconombank may provide interesting debt financing option while the ASI may support such projects. At the initial stage, 20 to 30 successful medium-sized companies able to export goods from Russia can receive needed support and serve as an example of growth.



June 18th 2015, the Saint Petersburg International Economic Forum saw the Agency for Strategic Initiatives, State Corporation "Bank for Development and Foreign Economic Affairs, Russian Direct Investment Fund and JSC National Export Center sign an agreement on joint implementation of the export support mechanisms. Within the framework thereof, Russian companies that have an import substitution or export potential are sampled and granted targeted support.

June 29th 2015, a dedicated state institution for export support, the Russian Export Center (REC), was created within the structure of Vnesheconombank. The center will provide Russian exporters financial and non-financial support in single window mode allowing entrepreneurs to receive a comprehensive range of services from initial consultations to assistance in transaction processing.

The REC has many responsibilities including the following:

- implementing the state export support policy;
- granting exporters access to comprehensive financial and non-financial support;
- increasing business awareness of export support measures;
- implementing education programs for exporters;
- assisting exporters with their queries to relevant agencies;
- coordinating Russian foreign trade missions' activities relating to export support.

Andrey Nikitin,
Director General, the ASI.



Support must be provided to the manufacturers of competitive products. Nowadays, Russia has circa 200 such companies that are already exporting their products. We plan to start with them and then create a service that any company could use if it is capable of exporting anything. We do not want to create any tools on a sectoral basis and I believe that it is incorrect. I believe that any entrepreneur capable of exporting must be provided, on an unconditional basis, with all the opportunities we are willing to grant, including support offered by the Russian foreign trade missions.





Social responsibility

Tech parks for the youngest

4 pilot regions taking part

in the initiative: Republic of Tatarstan, Altai territory, Moscow region, Khanty-Mansi autonomous district (Yugra), Novosibirsk region

Project partners



It seems that it will be easy for today's schoolchildren to choose vocations. Private education programs focusing on occupational guidance are becoming more and more popular in Russia, and children are given a chance to try their hands at working as lab scientists, robot builders or astronauts. To ensure that such programs are available to as many schoolchildren as possible, the Agency for Strategic Initiatives launched its program, New Model of Extended Education for Children, in mid-2015. The program envisions the creation of tech parks for children where any kid can become an aircraft designer, oiler or biotech engineer.

The first such tech park for schoolchildren is to be unveiled in one of Russian regions this fall. At any day children will be able to go there after their classes and listen to lectures, conduct lab experiments or participate in mock production using adapted equipment from different industries. Interactive museums in Russia and abroad offer children something of the kind, but apart from building new tech parks, the ASI's project envisions a new educational system that would allow as many children as possible to foster their talents regardless of their family income.

Children with exemplary academic records will be able to study in tech parks using special certificates, that are paid for using federal and regional budget funds. If they put their best foot forward they will be able to get grants or gratuitous trips to children's recreation camps — such as Artek, Orlyonok, Smena, and others.

Tech parks will be outfitted by Russian companies. It will be a chance for them to increase their brand awareness, spark schoolchildren interest in specific vocations and assist them in growing into first-grade specialists ready to undertake any job.



New standard of living

Since its inception, the Agency for Strategic Initiatives has been focusing on developing social entrepreneurship and supporting socially relevant projects as its priorities. In May 2015, the ASI's Supervisory Board chaired by the President of the Russian Federation, Vladimir Putin, approved another crucial initiative. It is referred to as the New Standard of Living for People with Disabilities aimed at granting disabled people access to modern quality rehabilitation equipment (RE).

Rehabilitation equipment includes, among others, prosthetic devices, wheelchairs, earpieces, eye implants and exoskeletons or, in other words, everything the disabled need to balance their health restrictions and live active fulfilling lives.

95%

the share of imported RE in the government procurement, according to experts

RUB 30 bn

federal and regional authorities' expenses on providing RE to physically handicapped people

RUB 60 bn

RE market potential including RE for the disabled persons and the elderly, according to the Ministry of Industry and Commerce (2014)

Russia is already providing RE free of charge, but the rehabilitation and socialization system for the people with disabilities is outdated and requires in-depth reforms. Therefore, the new initiative the Agency is implementing with support from the Russian Government and the Center for PPP Development comprises comprehensive measures from stimulating and supporting modern RE producers in Russia and creating maintenance centers to launching a web site describing existing RE, rehabilitation programs and job opportunities.

It's all about the people

Dual education

Managers, hiring young specialists, often say that it is easier to take a person off the street and train from scratch than to retrain a graduate of high or secondary school. The Dual education project is meant to make training for working and engineering jobs consistent with the requirements of potential employers by combining formal education with practice right at the workplace.

Two years ago the Supervisory Board of the ASI approved the project called «Training personnel that will meet the requirements of high-tech industries on a basis of dual education». Since 2014, ten pilot regions participating in the program began training students using the dual model — enterprises assigned tutors for students, whose task was, inter alia, to adapt students to production activities and corporate culture.

Tatyana Kozhevnikova, the project leader: «The dual system gives great importance to the practice. Several days a week, students are not in the classroom, but are in the educational center of the company where they work out their real practical skills. Thus, the company gets the prepared specialists trained in accordance with their requirements».

Now the project involves 13 pilot regions: Kaluga, Ulyanovsk, Yaroslavl, Sverdlovsk, Volgograd, Moscow and Nizhny Novgorod regions, Perm territory, Krasnoyarsk territory and the Republic of Tatarstan; Belgorod, Tambov and Samara regions joined the project in 2015. We plan to replicate the project in all regions.

The project in figures:



Expected results from the implementation of the dual education model:

- Vocational training focused on current production technologies;
- Development of forecasting the staffing needs;
- Increase in enterprises' share in education funding;
- Variability of individual educational programs;
- Development of an independent evaluation of the quality of graduates and teachers;
- A significantly higher qualification of personnel and increase in the prestige of working professions.

Global education

In the summer of 2014, the “Global Education” program began in Russia — managed by the ASI and the Ministry of Education and Science. This initiative’s purpose is to expand the pool of highly qualified personnel in engineering, social, medical, scientific and high tech industries. The program is about giving financial support to the Russian citizens studying abroad and requiring them to work in one of the selected Russian companies for three years afterwards.

The list of higher education institutes participating in the program includes 288 colleges and universities in 32 countries.

As a result of this program designed for 2014–2016 years, the leading Russian institutes, scientific organizations, medical academies, high tech and industrial companies would be able to employ more than 700 specialists who have received world class education and earned degrees from the world’s most highly-regarded universities.

The first selection round held in 2014 determined 10 winners, who got the chance to have their education costs covered by the state. Another 79 students were selected in two 2015 selection rounds. Organizers of the program expect the increasing amount of participants later this year due to bigger grant announced. Following the requests of participants and experts and due to changes at the currency market, the maximum amount of the grant is doubled and now stands at RUB 2,76 million per year or RUB 13,8 million overall, depending on the education program.

Universities chosen by the first program winners:



UNIVERSITY OF
Southampton



**POLITECNICO
DI MILANO**



**HARVARD
UNIVERSITY**

ETH

Eidgenössische Technische Hochschule Zürich
Swiss Federal Institute of Technology Zurich

**Preferences
of candidates
in the fields
of education:**



- 46% – engineering
- 9% – medicine
- 12% – science
- 11% – education
- 22% – management in social sphere



It's all about the people

Skills development



The ultimate dream for an athlete is an Olympic gold. Blue collar workers, the driving force for all industries, also have their top level world championship – WorldSkills Competition. It is an international movement that embraces 74 countries and ensures the dissemination of high professional standards across the globe. In 2012 Russia became part of the WorldSkills International association.

Since 2012 Russia has been conducting national WorldSkills championships every year. This allowed to attract not only Russian but global partners such as Rostec, United Aircraft Corporation, Russian Helicopters, Cisco, Siemens, BMW, FES TO, BASF, LincolnElectric and others.

69 regions already applied to take part in WorldSkills Russia (WSR) competition. As the local authorities note, the progress the WSR helped to achieve is more than apparent. The participating colleges have observed an increase in applications. For example, applications for the Pervouralski Metallurgical College have risen from 1 to 6 persons per place.

The world tournaments held every two years are on the top of this pyramid. The latest WorldSkills Competition held in August in São Paulo, Brazil, brought the Russian national team six individual Medallions of Excellence and the 14th rank, judging by the overall points earned. Two years before team Russia finished 41st with no medals at all.



Kazan, the host city for WorldSkills Competition 2019

The city of Kazan will host the 45th WorldSkills Competition in 2019. Among other candidate cities were Paris and a Belgian city of Charleroi. Kazan was awarded the right to host the event by the WorldSkills General Assembly after its members cast their votes at a meeting in São Paulo August 10, 2015.

In January 2015, Russia officially applied for a right to host

the world finals of WorldSkills Competition in 2019. March 23rd 2015, a delegation from the WorldSkills International visited Russia in order to determine, whether the country is ready for the event. The president of the WorldSkills movement, Simon Bartley, and the vice-president Stefan Praschl met Vladimir Putin, who described the advantages of Tatarstan capital over the rival cities and noted the significance of the WorldSkills movement

in promoting high standards of professional training.

A new facility, KAZAN EXPO, with a total area of 169 thousand sq. m will be built in Kazan specifically for the 2019 competitions.

Supporting the Russian bid for hosting WorldSkills competition in 2019, the banner of WorldSkills Russia was planted on the North Pole April 18, 2015.

Simon Bartley,
president of the board
of directors, WorldSkills
International



Our system of championships is very similar to that of the Olympics. Competitions are held during four days as a bright show. And if at the opening participants appear with flags, at the closing ceremony they proudly wear medals. The competitions are attended by representatives of colleges and employers. All this aims at making people aware of the workers' occupations and the possibility of building career in that endeavor.



Contact info



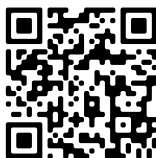
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