Global Russia Business Meeting
6-7 April 2014, Valencia, Spain
a Horasis-leadership event

Co-host:
City of Valencia

Report
Horasis is a global visions community committed to enact visions for a sustainable future (http://www.horasis.org)

**Upcoming Horasis events:**

Global India Business Meeting | Liverpool, United Kingdom, 22-23 June 2014
Global China Business Meeting | Lake Como, Italy, 13-14 October 2014
Global Russia Business Meeting

6-7 April 2014, Valencia, Spain

a Horasis-leadership event

Co-host:
City of Valencia

Co-organizers:
AMEC
Association of Orthodox Business Leaders
Association of European Businesses in Russia
Center for Entrepreneurship, Russia
CIERVAL: Confederation of Employers and Industries of the Autonomous Region of Valencia
Delovaya Rossiya
International Young Entrepreneurs Club
Pacific Basin Economic Council (PBEC).
Russian-American Chamber of Commerce

Co-chairs:
Bo Inge Andersson  President, AvtoVAZ, Russia
Christodoulos Angastiniotis  Chairman, Invest Cyprus, Cyprus
Viktor A. Belogub  Chairman, webinar.ru, Russia
Sergey Demin  Chairman, Synergy Technologies, Russia
José Vicente González  President, CIERVAL, Spain
Yoanna Gouchtchina  Founder and Chief Executive Officer, ZeeRabbit Inc, Russia
Dmitri A. Gromov  Chief Executive Officer, RTS Telecom, Russia
Peter Loukianoff  Chairman, Third Rome Black River Ventures, USA
Alexey Matlakov  Founder and Chief Executive Officer, Leto, Russia
Vachara Phanchet  Chairman, Sittipol Holdings, Thailand
Alena Popova  Co-founder, Startup Women, Russia
Alfonso Vegara  President, Fundacion Metropoli, Spain
Tan Sri Dato’ Michael Yeoh  Chief Executive Officer, Asian Strategy & Leadership Institute, Malaysia
Yury Voicehovsky  Chief Executive Officer, National Investment Agency ‘Invest in Russia’, Russia

Strategic Partners:
Baker & McKenzie
The European House – Ambrosetti
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Hotel Las Arenas, venue of the opening dinner
Foreword

The fifth Horasis Global Russia Business Meeting which took place from 6-7 April 2014 in Valencia, Spain, was both opportune and relevant to exchange views and ideas on the way ahead for Russia and the world. Previous meetings were held in Ljubljana, Slovenia (2010), Limassol (2011), Luxembourg (2012) and Limassol (2013) – however this meeting was overshadowed by the difficult ongoing tensions between Russia and the Ukraine and by the divergent views expressed by other governments. Frictions between Moscow and the West have surged in recent days as pro-Moscow forces took over the Crimea, which then held a referendum on becoming part of Russia. Despite those tensions, participants of the Global Russia Business Meeting focused on how dialogue can solve the complex underpinnings linked to this lingering conflict.

A large number of CEOs from Russia came together with leaders from around the globe to discuss Russia’s and the world’s current economic and political state. The Global Russia Business Meeting provided a valuable and timely opportunity for leaders from government, business and academia to meet and discuss Russia’s important role as a driving force of the world economy.

We would like to share with you this report which encapsulates the key topics and ideas discussed as more than 300 participants from 30 countries attended the Global Russia Business Meeting. This report reflects the longstanding commitment of Horasis to assist leaders in anticipating – and preparing for – an increasingly challenging future strategic environment.

The meeting was led by the following meeting co-chairs: Bo Inge Andersson, President, AvtoVAZ, Russia; Christodoulos Angastiniotis, Chairman, Invest Cyprus, Cyprus; Viktor A. Belogub, Chairman, webinar.ru, Russia; Sergey Demin, Chairman, Synergy Technologies, Russia; José Vicente González, President, CIERVAL, Rita Barbera □, Mayor of Valencia, Spain – the patron of the 2014 Global Russia Business Meeting
Spain; Yoanna Gouchtchina, Founder and Chief Executive Officer, ZeeRabbit Inc, Russia; Dmitri A. Gromov, Chief Executive Officer, RTS Telecom, Russia; Peter Loukianoff, Chairman, Third Rome Black River Ventures, USA; Alexey Matlakov, Founder and Chief Executive Officer, Leto, Russia; Vachara Phanchet, Chairman, Sittipol Holdings, Thailand; Alena Popova, Co-founder, Startup Women, Russia; Alfonso Vegara, President, Fundacion Metropoli, Spain; Tan Sri Dato’ Michael Yeoh, Chief Executive Officer, Asian Strategy & Leadership Institute, Malaysia; Yury Voicehovsky, Chief Executive Officer, National Investment Agency ‘Invest in Russia’, Russia.

Horasis devoted this fifth edition of the Global Russia Business Meeting to discussing Russia’s choices to bolster its competitive position in the world economy. Participants examined the Russian economy in terms of growth strategies, innovation, technology, natural resources, entrepreneurship, social responsibility and strategies for economic cooperation. As Rita Barberá, Mayor of Valencia, Spain put it during her welcoming words ‘I am pleased to welcome to the Global Russia Business Meeting many companies and individuals who have unveiled – despite the ongoing geopolitical tensions – the basics of a sustainable cooperation between Russia and the world and are willing to share this understanding with those who are just embarking on this journey.’
As Russian and world leaders flew into Valencia for this Horasis event, the situation in the Ukraine was still instable. Despite this situation, participants of the Global Russia Business Meeting reasoned that dialogue shall be used to full-effect to find solutions.

Russia can look back to a successful hosting of the XXII Winter Olympic Games in Sochi. The Olympics were a commercial success as well. With the most expensive Winter Games ever, Russia’s economy received further growth stimulus. The Olympics are expected to boost winter tourism within Russia. Many of the Olympic venues will be reused for the 2018 Fifa World Cup.

From the Opening Reception to the Closing Dinner, participants in Valencia expressed their commitment to increased global dialogue, symbolized through the peoples connecting spirit of the Olympics. They reached consensus that
Despite the woes of the Russian-Ukrainian conflict, Russia’s economy is relatively robust. However, the economy is not immune to geopolitical shocks. The ongoing conflict with the European Union and the U.S. over the Crimea will impact the Russian economy.

Policy makers will need to take further steps to reduce the country’s dependence on revenue from oil and gas. The diversifying of the Russian economy shall lead to the emergence of knowledge-based industry clusters.

Russia needs to strengthen its investment climate. With the WTO-entry, Russia is going to welcome more Foreign Direct Investment as well as trade.
The Global Russia Business Meeting was organized around what we believe to be the major drivers of growth and forces that will shape the new order: they will impact both the financial economy and the real economy in Russia and the world at large. Participants had a rare opportunity to explore Russia’s development from a variety of points of view. An intensive schedule of plenaries and boardroom dialogue sessions was devoted to a variety of relevant themes, including Russia’s accession to the WTO, the country’s geopolitical agenda, and strategies for sustainable economic growth. Also on the agenda were sessions on selected industry sectors, including financial services and natural resources, as well as more conceptual themes like the role of entrepreneurship, diversification of the economy, and strategies to boost Russia’s technology sector.

At the Opening Dinner, Victor Zoubarev, Deputy of the Russian State Duma, noted that ‘the economic and political relationship between Russia and Spain has extensive synergies and large potential. Russia will continue to be an important trading partner for the Spanish economy’. He also emphasized that the Russian government is thriving to create favorable conditions for doing business, aimed at increasing innovation and the effectiveness
of state governance. Alexander Parkhomenko, Chairman, Euromesh Holding, welcomed participants on behalf of Delovaya Rossiya, the Russian entrepreneur federation: ‘I am glad to see a large number of Russian business leaders attending this Global Russia Business Meeting,’ he said.

Alberto Fabra, President of the Valencia Generalitat, Spain, said, ‘I see signs of sustained economic growth as Valencia and Spain will benefit from the continued drive generated by Russia’s expanding.’ Looking ahead Valencia sees a broad field of potential, both in doing business with Russia; and Spain sees a regional hub for

Evgeniya Shamsis, Founder and Chief Executive Officer, Sherpa S Pro, Russia

Yoanna Gouchchina, Founder and Chief Executive Officer, ZeeRabbit Inc, Russia

Stefan Benedetti, Portfolio Manager, Pioneer Investment Management, United Kingdom

Stephen Vasconcellos-Sharpe, Publisher, Country Strategic, UK, moderating the panel on Regional Divergence

Mark Mnervich, President, Going Global Ventures, USA, making a point on Russian firms investing overseas
Russia and its partners in globalizing their operations. ‘The Global Russia Business Meeting is an important step in making full use of this potential,’ he concluded. Yuri Korchagin, Ambassador of the Russian Federation to Spain, added that ‘economic and commercial relations between Russia and Spain have been growing steadily.

Horasis – together with our strategic partner Baker & McKenzie – in announcing the 2014 Russian Business Leaders of the Year celebrated two outstanding entrepreneurs who have been building and leading successful Russian firms: Bo Inge Andersson, President, AvtoVAZ and Dmitri A. Gromov, Chief Executive Officer, RTS Telecom. We recognize and honor those business leaders as they have excelled in entrepreneurship, innovation and leadership. These chosen leaders have decisively impacted the economic development and global integration of Russia.

We at Horasis are very pleased with the results of the 2014 Global Russia Business Meeting and the feedback from participants in the event. For five years this international event has attracted delegates from Russia and countries all over the world.

On behalf of Horasis, I would like to personally thank Rita Barberá, Mayor of
Valencia, who generously agreed to act as patron of the 2014 Global Russia Business Meeting. My thanks go also to the co-chairs, co-organizers, partners from the private sector, and all participants. This Global Russia Business Meeting was a unique experience which would not have been possible without the dedication and enthusiasm of all our partners, members and participants.

It is our hope that the meeting will continue to serve as an important platform for stimulating thought and creative solutions. Horasis looks forward to welcoming you back to next year’s edition of the Global Russia Business Meeting.

Also, Horasis takes great pleasure to invite you to take part in our other upcoming meetings, namely the Global India Business Meeting, the Global China Business Meeting and the Global Arab Business Meeting.

Dr. Frank-Jürgen Richter
Chairman
Horasis: The Global Visions Community
Celebrating the 2014 Russian Business Leaders of the Year

By Igor Makarov, Partner, Baker & McKenzie, Russia

We distinguish and honor two executives as Russian Business Leaders of the Year who have demonstrated leadership and business acumen in an exceptional manner. This year the awards go to Bo Inge Andersson, Chief Executive Officer, AvtoVaz, and Dmitri Gromov, Chief Executive Officer, RTS Telecom.

Bo Inge Andersson is the CEO of AvtoVaz, the largest automotive manufacturer in Russia. AvtoVaz is a part of the Renault-Nissan-AvtoVaz alliance, and set itself very ambitious international and domestic goals. The objective of AvtoVaz is to become the best automotive manufacturer in Russia and be one of the top five manufacturers in the Renault-Nissan group. AvtoVaz continues its investment program aimed at increasing its production capacity to over 1 million cars annually. AvtoVaz sets out to capture over 40 percent of the Russian market. Mr. Andersson, formerly with the GAZ group and now with AvtoVaz, is recognised for his remarkable personal contribution to the development of Russia’s automotive industry.

Dmitri Gromov has played a visible and active role in the Russian telecom sector since 1987. His successful career milestones include MTU Intel and SONET Mobile Network (now Skylink). Mr. Gromov launched several successful projects in other industries, such as sport media and marketing, where the sponsorship contract between Kaspersky Lab and Ferrari is another distinguished success. RTS Telecom is a leading and fast growing Russian telecom provider and system integrator.

The two award winners, selected by a jury led by Horasis and Baker & McKenzie, have been recognized for embodying the core values of successful leaders, i.e. innovation, entrepreneurial spirit, and their ability to carve out successful business. They truly deserve to be honored as Business Leaders of the Year.
Connecting Globally – Russian Firms Investing Overseas

Alex Geller, Member of the Board, American Chamber of Commerce in Russia, USA

Jochum Haakma, Director, TMF Group, The Netherlands

Michael Gurevich, Co-founder, International Young Entrepreneurs’ Club, USA, on Russia’s youth

Maja Bacovic, Professor, University of Montenegro, Montenegro

Meeting co-chair Sergei Demin, Chairman, Synergy Technologies, Russia

Renata Akhunova, Partner, Formula VC Venture Fund, USA
From Printed Houses to Wooden Skyscrapers

By Frank-Jürgen Richter
The St. Petersburg Times, March 20, 2014

Science parks around the world have been hailed as a way of enhancing their nations’ GDP. This may well be true in the long term, but novel science does not translate quickly into GDP and a general sense of “well-being” until years of trials have occurred. Science parks such as Skolkovo are one of the main drivers behind the Russian strategy through 2020, with technology and innovation fostering a growth in productivity. Yet with the route from pure science to innovation fraught with pitfalls, renovating existing housing stock may be a more homely way to elevate the lives of ordinary people. And this activity, which would be perceived as the government wishing to help all of its citizens, might do much more to raise the spirits of the innovators themselves than high-tech enclaves that seem far from ordinary life.

Modernizing the housing stock of European nations is important on two counts. Shoddily built after each of the world wars to poor building standards that do not permit easy upgrading to modern eco-standards, scientists have shown that Europe’s legacy buildings produce directly, or indirectly, 40 percent of global CO₂.

Governments have an intensely costly puzzle to deal with – and Russia is no exception in this respect. Working with the European Bank for Reconstruction and Development, the Russian Institute for Urban Economics reported in 2011 on the status of urban housing renewal, the potential opportunities and costs. Essentially, Russian building stock is old and urgently needs to be
repaired or rebuilt. The authors also noted that Federal laws mandate high levels of energy efficiency but realities suggest three separate renovation routes: Basic, realistic and energy efficient, with the latter costing up to 4,000 rubles ($109) per square meter while offering savings of up to 28 percent on heating costs. In total, the government faces a bill of some 2.5 billion rubles ($68.24 million) to eliminate dilapidation and improve energy efficiency throughout the housing stock.

One potential solution is to print the houses. Not printing as in banknotes, but by extending this technique via the new technology called additive manufacturing. 3D printing has become established across many manufacturing sectors through all high-tech industries and to aerospace with its exacting requirements for strength and low weight in ever-larger single structures. This increase of scale stimulated researchers at the University of Southern California to consider spraying thin films of concrete to build walls. Essentially they are doing little more than replacing traditional manual methods with robot-guided sprays. The thin films dry quickly without hidden, structure-weakening cavities and the surface finish is good. As in all 3D printing, the robots can spray complex shapes, with openings for doors, windows and pipework. Thermal insulation can be sprayed at the same time. All in all, this process is very fast and yields...
a superior product more cheaply than using craftsmen. Russian technicians could easily develop this system to re-build much of suburbia and, having gained experience, could export the methodology.

Looking to the East, one finds that India and China face different problems to those of Russia. They too need to renovate old and inadequate urban housing. A high percentage of Indian houses do not have access to sanitation, for example, but they face mass rural migration to cities as they change from an agrarian to technological mode. That was the situation in Europe through the 1930s to 1950s, which caused an almost uncontrolled urban building boom. In India and in China, some 400 million people now demand new houses in cities through the next few decades. This poses the problem of how to design very large eco-cities. On this point Russia can nurture a new world-class industrial sector – building high-tech, high-rise buildings in its cities, or more precisely, in new dormitory cities.

Russia needs bedroom communities since existing cities cannot easily be renovated to meet carbon-neutrality: Their infrastructures need to be replaced by a system of integrated local services of all types, including schools, medical centers, corner shops, malls and green spaces all connected by routes that link urban mass transit to intercity systems and work places. The dwellings ought to offer a larger floor space than presently available with a mix of single as well as family homes built to the new

Stefan Winzentried, Chief Executive Officer, JANZZ, Switzerland

Iurii Susliak, President, Righteous Genesis, Ukraine

Jason L. Ma, Founder, CEO & Chief Mentor, ThreeEQ, USA

Kate Korolkevich, Partner, Galatea Capital, USA

Platon Monokrousos, Chief Economist, Eurobank Group, Greece

Alexis Grabar, CEO, ArriaMediaTech, UK

Victoria Fayfman, Partner, Friedman, USA
standards of carbon-neutral HVAC (heating, ventilation and air conditioning) minimizing energy demands. Then old housing can be pulled down with historic buildings retained and other structures recycled allowing for modern eco-infill.

Developing high-tech wooden buildings is an appealing idea which could also stimulate a global market. Russia has abundant forests which can be harvested and eco-managed. The timber could be used for “glu-lam” technology to create strong, tall buildings with a low embodied energy. The wood, glued and laminated to form structural items, usually has greater strength than steel as well as being fire resistant. While such new buildings are being offered globally – up to 9 floors in the UK, and even 33 floors are being proposed in Vancouver, Canada – Russia has planning restrictions on wooden buildings of more than four floors. It is time to move forward.

Tall wooden buildings look good and will be great to live in. Thus urban Russians living presently like other city dwellers worldwide in old buildings could have their “happiness quotient” boosted. The new cities would be desirable and generate a sense of “being,” and they would demand much less energy than is the present case.

Frank-Jürgen Richter is founder and chairman of Horasis, a global visions community committed to enacting visions for a sustainable future.
discuss on Spain as new hub for Russian investment

Avraham Berkowitz, Director, Chabad Headquarters, USA

Leonid Koshelev, President, JET-2000, Russia

Alf Erik Lundgrenn, Chairman, Nordic Invest SIA, Latvia
Eric Hanson, Vice President, Center for Entrepreneurship, Russia, moderating the entrepreneurship-panel

Iurii Pidnebesnyi, Director, International Fund of Spiritual Diplomacy, Ukraine

Margarita Pikalo, Co-founder and Partner, Satellis, Russia

John B. Kidd, Research Fellow, Aston Business School, UK and Edgar Bullecer, Chief Executive, Paglas Group, Philippines

Andrew Constanti, Chairman, Constanti Real Estate, United Kingdom

Margarita Pikalo, Co-founder and Partner, Satellis, Russia

Daniel Einhauser, Guest Lecturer, Saint-Petersburg University of Finance and Economy, Russia

Kirill Slavin, Managing Director UK, Kaspersky Lab, United Kingdom

Marcus Pinotti, Associate Professor, Federal University of Minas Gerais, Brazil

Alexander Drougon, Chief Executive Officer, Damask, Russia

Marcos Pinotti, Associate Professor, Federal University of Minas Gerais, Brazil

Daniel Einhauser, Guest Lecturer, Saint-Petersburg University of Finance and Economy, Russia

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Daniel Einhauser, Guest Lecturer, Saint-Petersburg University of Finance and Economy, Russia

Alexander Drougon, Chief Executive Officer, Damask, Russia
Connecting Globally – Russian Firms Investing Overseas

Roberto Mugavero, Professor, University Of Rome Tor Vergata, Italy
Irina Veselova, President, Planet Capital, Russia
Boris Stepanov, Sloan Fellow, London Business School, Russia
Michael McLaughlin, Director, APP Technologies, USA
Lloyd Thomas, Founder, TriangleGrowth, United Kingdom
Rouben Indjikian, Adjunct Professor, Webster University, Switzerland
Pedro Manzaneque, Chief Executive Officer, Marsol International, Spain

Joachim Reissiez, Chairman, Dr. Wirth Group, Germany

Irina Veselova, President, Planet Capital, Russia
Michael McLaughlin, Director, APP Technologies, USA
Lloyd Thomas, Founder, TriangleGrowth, United Kingdom
Pavel Andreev, Executive Director, Valdai Discussion Club, Russia

Roberto Mugavero, Professor, University Of Rome Tor Vergata, Italy
Boris Stepanov, Sloan Fellow, London Business School, Russia
Rouben Indjikian, Adjunct Professor, Webster University, Switzerland
Pedro Manzaneque, Chief Executive Officer, Marsol International, Spain
Egor Iakovlev, Chief Executive Officer, Tvigle Media, Russia

Panel ‘Reading and Deciphering Myths about Russia’

Vitaly Ponomarev, Founder and Chief Executive Officer, WayRay, Russia
Ekaterina Almouque, Co-founder, SVAROS Ventures, United Kingdom
I. J Tomas Berenguer, Chairman, Li Madou Asia Pacific, Hong Kong
Stephan Beher, Chief Operating Officer, Orbital Technologies, Russia

Patrick Fullick, Founder & Director, Hylle Boys, United Kingdom
Chayan H. Shah, President, Premier’s Tea Limited, India
Mohan Chainani, Chairman, Chaintcorp Worldwide, Spain
Neil Vereschagin, Chief Financial Officer, Game Insight, Russia
Panel 'Co-developing Energy Markets'

Philippe Gugler, Professor, University of Fribourg, Switzerland

Peter Armand, Partner, SkyInvest Securities, Russia

Zdzislaw Sokal, Member of the Board (ret), National Bank of Poland

David Mon, Director General, Ifates, Spain

Roger King, Member of the Board, Orient Overseas International, Hong Kong SAR

Vadim Ospov, Chief Executive Officer, Slotex, Russia

Alexey Sysoev, Chief Executive Officer, AV Group, Ukraine

Benjamin Lambert, Chief Executive Officer, Coupla, United Kingdom
A lan D □Silva, Vice President, Cham ber of Com m erce & T ourism  of India in Spain

Olga Seryakova, Chief Executive Officer, SumUp Russia, Russia

Discussions continue during the closing dinner

Thanos Mitrelis, CEO, Cavendish NanoTherapeutics, United Kingdom

Joachim Reidiess, Chairman, Dr.Wirth Group, Germany

Mark Zelman, Managing Director, Chartwell Telecom, United Kingdom

John B. Kidd, Research Fellow, Aston Business School, United Kingdom

Alan D Silva, Vice President, Chamber of Commerce & Tourism of India in Spain

Egor Iskovler, Chief Executive Officer, Trigle Media, Russia

Hans Bruning, Executive Director, Netherlands Institute for Multiparty Democracy

Peter Fassauer, Director, FundStreet, Switzerland
Coffee break

The award winners

Preparing the next panel

Discussion on the sidelines of the Global Russia Business Meeting

The City of Valencia showcasing investment opportunities

Registering participants

Simultaneous interpretation
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