

STRATEGIES FOR BUSINESS IN MOSCOW

# CAPITAL IDEAS



You can't go anywhere  
until you harness your horse

Russian proverb



3С2Г 038

Ласточка



A straight line is the shortest path between two points. Unfortunately, life isn't math. In a big city, getting from point A to point B is sometimes a big problem. However, Moscow is definitely a city that has become easier to get around over the past few years. There is a wide network of convenient public transport: buses, trolleys, trams, trains, taxis, and, of course, the Moscow metro. After a long break, the city has once again started to work on developing its transport infrastructure. The Russian capital's government has managed to break the trend leftover from the 90s, which nearly resulted in a transport collapse in the city.

Not so long ago, Moscow was drowning in traffic jams. Though this problem hasn't been completely eliminated, the city is doing everything in its power to systemize car traffic. Over the past seven years, 71 metro and Moscow Central Circle stations have been built in the Russian capital. Over 10,000 buses, trolleys, and trams have been purchased by the city. 700 kilometers of roads and 208 bridges, overpasses, and tunnels have been erected...

Moscow's transportation system is developing much faster than the transportation systems of many Western cities. This is the opinion expressed by Vukan Vuchic, a world-renowned public transport expert in the sphere of transport construction and urban planning from the University of Pennsylvania. He was amazed at the progress the city had made when he visited Moscow in the fall. "I was happy to see that a lot of work has been done under the current government, the right steps have been taken, and the situation has really changed for the better over the last few years. Moscow is a world-class city in terms of transport, and it's even ahead of US cities like Detroit, Los Angeles, and Chicago," he said.

It's worth pointing out that the famous expert knows Moscow well, and has been monitoring the development of its transport

infrastructure for a long time. For example, he talked about the importance of introducing paid parking in the center. According to him, this step ensured that disorganized parking all over the city no longer causes accidents and traffic jams. Moreover, Vukan Vuchic pointed out that reorganizing the city streets to make them more convenient for pedestrians makes a lot of sense. He was especially impressed with the development of public transport in the capital: "The turnstiles that made getting on and off slower have been removed," he said, "The city has designated lanes for public transport. Moscow made the decision to stop purchasing diesel-powered transport in the future, which is very important for the environment. Cities that shift to electric transport become more liveable."

According to official sources, the size of the city's metro after the implementation of all expansion projects will be on par with New York's subway system. The capital will also have about 1,300 kilometers of new roads, and the underground and above-ground metro will triple in size. Moreover, the government understands the importance of working to reduce traffic jams in the center. This problem can be resolved with tolls at the city entrance, but the administration doesn't plan on resorting to this. Instead, the construction of chord roads will be used to address the problem: the North-West and North-East chords, and the South Road. They will give drivers the opportunity to drive across the city without having to go through the center.

It's no surprise that the city's achievements have won international awards. In fact, the capital of Russia recently received two prestigious awards: Sustainable Transport Award and Global Public Transport Awards. They were given to Moscow for its successful reorganization of the city's space, improvements to the pedestrian environment, and the establishment of the Moscow Central Circle. Yes, we still have a lot of work to do in the sphere of public transportation, but we're already competing as equals with the world's leading cities.

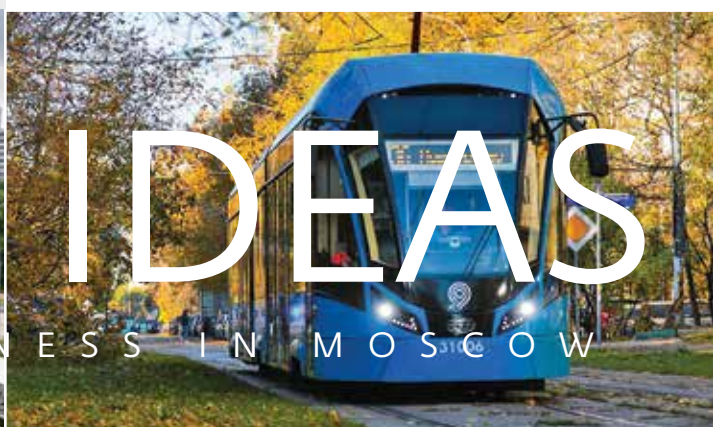
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*Moscow official*

## Days of Moscow in Germany

*Days of Moscow took place in Leipzig and Berlin.*

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## Days of Moscow Culture in Bulgaria

*Days of Moscow Culture in Sofia, Varna and Pleven, organized by the Moscow Department of External Economic and International Relations, took place from September 30 to October 5.*

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*Moscow official*

## 20 years of EXPO REAL

*A Moscow government delegation took part in the international commercial real estate and investment exhibition EXPO REAL 2018, which took place in Munich. This is the 20th time the Russian capital took part in the event.*

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## Days of Moscow Culture in Tokyo

*The capital of Japan hosted Days of Moscow Culture on October 16-18, 2018 within the scope of the Russian-Japanese cultural exchange year.*

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*At the end of October 2018, Minister of the Moscow Government and Head of the Moscow Department of External Economic and International Relations Sergey Cheremin, along with other members of the Moscow delegation, met with UN Secretary-General António Guterres at the 73rd session of the UN General Assembly.*

Moscow official

## 5 Years of Capital Ideas

The reception held in celebration of the publication's anniversary was attended by officials from the Moscow government, heads of foreign companies, and ambassadors

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## Irina Belykh: Moscow is a city for the people!

Member of the State Duma Irina Belykh, who was elected in the Khorvinsky-Moscow district, talked about transportation changes that will take place in Moscow in the future, how the reconstruction of the city center and the residential building renovation program will affect traffic jams, and which legislative changes are necessary to avoid a transport collapse in an interview with Capital Ideas.

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## Mikhail Blinkin: There was a transport revolution in Moscow

Mikhail Blinkin, Director of the Institute for Transport Economics and Transport Policy Studies at the Higher School of Economics, professor, and transportation expert, talked about transportation in Moscow and the future development of public transportation in an exclusive interview with Capital Ideas.

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Cover Story

## Maksim Liksutov: We want Moscow to be a comfortable place to live

"We stuck to the rules of competent city development. We're creating equal opportunities for drivers, cyclists, and pedestrians," Deputy Mayor of Moscow in the Government of Moscow and Head of the Moscow Department of Transport and Road Infrastructure Development Maksim Liksutov said in an exclusive interview with Capital Ideas.

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City's Graph

## Moscow under construction



## Jean-Claude Knebler: Despite our differences, we are the same

*"I work with Russians to show them, through Luxembourg as example, that Europe is not threatening, that expanding territory is not necessary in order to be successful, that you can be assertive and confident in yourself without engaging in policy adventures," said Jean-Claude KNEBELER, Ambassador of the Grand Duchy of Luxembourg to the Russian Federation, in an exclusive interview with Capital Ideas.*

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## Henning Johannis: We're proud to be taking part in the construction of tunnels in Russia

*Technology from the German company Herrenknecht AG is used for the construction of railways, the metro, highways, power systems, pipelines, mining and site exploration, and hydropower facilities in many countries. Henning Johannis, General Director at OOO Herrenknecht Tunnelservice, talked to Capital Ideas about the company's activities in Russia.*

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## Matteo Salvini: I feel safe in Moscow

*"It's absurd to think that someone is a criminal just because they work with Russia," said Deputy Prime Minister and Minister of the Interior of Italy Matteo Salvini at the Confindustria Russia meeting.*

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Nothing Ventured

## German swallows fly high in Moscow

*In Russia, this high-speed train that runs along the Moscow Central Circle bears the romantic name "Lastochka" (translated as "swallow"). In Germany, this rolling stock, developed by Siemens, has a different name: Desiro RUS. But this has no effect on how popular the comfortable trains, which can travel at up to 160km/h, are among Muscovites and the capital's guests. Capital Ideas talked to Joerg Liebscher, head of Siemens Mobility in Russia, about the company's operations.*

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Nothing Ventured

## What the US ambassador thinks about when he comes to work

*"A friendship founded on business is better than a business founded on friendship." These wise words spoken by John Rockefeller became, perhaps, the leitmotif for the 18th investment conference "A Tale of Two Worlds," which was held in Moscow by the American Chamber of Commerce in Russia (AmCham).*

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Nothing Ventured

## Kirill Levin: We don't sell products, we sell innovative solutions

*Why Russians are no longer afraid of the dentist*

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Nothing Ventured

## James Larkin has been building banyas in Russia for over 20 years

*In 1993, James Larkin, who was a student at the prestigious Brunel University in the UK, came to Russia for the first time. He knew right away that he belonged here, and couldn't stop thinking about how to move to Russia...*

Nothing Ventured

## How to convince a business tourist to come to Moscow

Moscow hosted the national MICE conference

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Interview

## Hopes and eye-openers from the new Nostradamus

He has already been dubbed a “political Nostradamus,” and for good reason! Valery Solovey predicted Donald Trump’s victory, a number of major political crises in Europe, and serious shifts in Russian leadership. Professor, department head at MGIMO, and one of Russia’s most famous political scientists Valery Solovey answered our questions in an interview with *Capital Ideas*.

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Life& Culture

## Do it all: Not everyone will make it to the future

January marks the beginning of a new calendar, which means this is usually the time people reflect back on their previous year and try to do everything they didn’t get around to. For example, visit a theatre premiere that everybody keeps talking and writing about. Or go to an exhibition that all of your friends keep recommending. They found time for it! How about you?

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Moscow Vocabulary

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Interview

## Pyotr Tolstoy: We don’t think any country in the world has a right to lecture Russia on democracy

Pyotr Tolstoy – a famous Russian journalist, producer, show host on Channel One, and Deputy Chairman of the State Duma – told *Capital Ideas* how information about Russia is disseminated, and talked to us about national pride, the renovation program in Moscow, and the spirit of his great ancestor.

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This&That

## The Illiterate Person is Like a Blind Man, or books vs. smart phones

People who think that all Russians do in their spare time is have dinner parties or go to the banya are very wrong. The myth does not line up with reality. And the reality is that Russians love to read, maybe more so than any other nation in the world!

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Food&Drink

## Taste and good conversation: From dusk till dawn

For over 200 years, linguists haven’t been able to figure out where the word “cocktail” comes from. There are so many versions, it’s easy to get confused. But the Mercedes Bar in Moscow, which is located in the very beginning of the elite Kutuzovsky Prospekt, is no place for discussions about linguistics. Nobody argues about cocktails there; they work on making the magical concoctions and serve them to connoisseurs of the exquisite drink.



# Days of Moscow in Germany

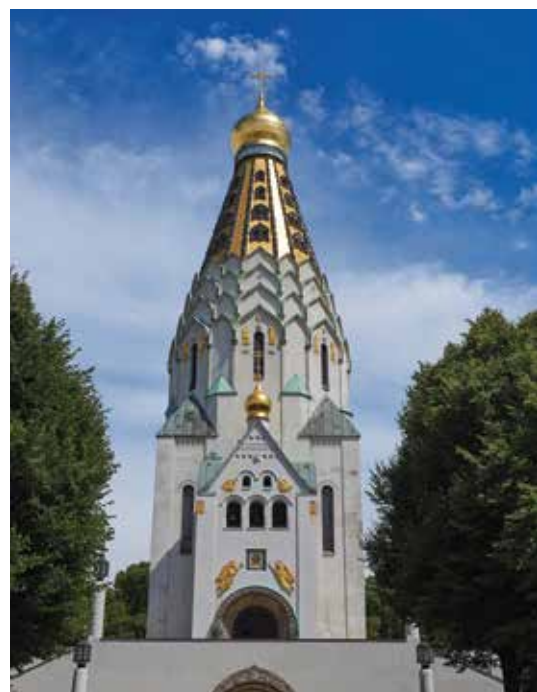


**Days of Moscow took place in Leipzig and Berlin on November 10-17, 2018. A delegation from the Russian capital, headed up by Minister of Moscow and Head of the Moscow Department of External Economic and International Relations Sergey Cheremin, visited the German cities to take part in the events.**

## Leipzig

Days of Moscow kicked off in Leipzig. "We're happy that people who live in Leipzig have an opportunity to get to know Moscow's culture and traditions a bit better. Our cities are not only partners; we are real friends. And relationships like this are in many ways the key to peace across the globe," said burgomaster of Leipzig Skadi Jennicke during the festival's opening ceremony. According to Dr. Jennicke, there are over 5,500 Russians living in Leipzig. Sergey Cheremin pointed out that the Russian side has fulfilled last year's promise to hold Days of Moscow in Germany and said that it's no coincidence the events kicked off in Leipzig. "Moscow and Leipzig have had friendly relations for over 20 years. Although the giant mega-city of Moscow regularly cooperates with many regions in Germany, we've had an especially warm relationship since 2014, we're almost like family," the minister said.

The head of the Moscow Department of External Economic and International Relations also pointed



The St. Alexi Memorial Church was consecrated in 1913 in remembrance of the Russian soldiers who fell in the Battle of the Nations



out that the DENKMAL exhibition, which is dedicated to accomplishments in the sphere of cultural and architectural monument preservation and was held in Leipzig in 2018, will take place in Moscow in 2019. The minister proposed that Leipzig pay a reciprocal visit to the friendly and welcoming Russian capital.

4 years ago, Mayor of Moscow Sergey Sobyenin and lord mayor of Leipzig Burkhard Jung signed a memorandum of cooperation between the two cities. Today, Moscow and Leipzig regularly cooperate across various spheres — transportation development, urban planning, healthcare and education, historical heritage preservation, and much more. Both cities are now taking part in restoring the St. Alexis Orthodox Church — a monument to Russian glory built in 1913. The Government of Moscow completely restored the golden dome of the church.

Round tables on archeology, environmental protection, and social welfare also took place within the scope of Days of Moscow.

## Berlin

A business forum on the development of cooperation between the capitals of Russia and Germany took place within the scope of Days of Moscow in Berlin. The two sides discussed economic and investment potential, as well as tourism, on November 14 at Berlin Capital Club.

Head of the Moscow delegation, Minister, and Head of the Moscow Department of External Economic

and International Relations Sergey Cheremin talked about how much the Russian capital has changed over the past few years. “7-8 years ago, Moscow was a major industrial center with a lot of pressure on the transport infrastructure. In 2011, the Mayor of Moscow made the decision to split up the city budget into 12 key programs that had specific performance metrics. As a result, all of the programs were implemented. Moscow became a comfortable, appealing, welcoming, and friendly city,” Sergey Cheremin said.

“The level of foreign investment in Moscow is always growing. Today, total direct investment volumes into Moscow’s economy amount to about 250 billion euros. Of course, EU countries are in the lead, and Germany is in first place with a total of 10 billion euros. The biggest German companies take part in all city improvement programs. Germany continues to be Moscow’s most important economic partner,” Sergey Cheremin added.

Today, over 12 million residents are registered in Moscow. The daily flow is about 15 million. In terms of gross regional product, Moscow is on par with medium-sized European countries like Austria, Finland, and the Czech Republic. “Moscow is under a lot of construction. In 6 years, about 50 million square meters of real estate have been built, and over 60% of investments come from private companies,” the minister said.

Yuri Stetsenko, the Russia’s Trade Representative in the Federal Republic of Germany, noted that every Moscow delegation visit leads to a genuine increase





## Moscow's development was reflected in many international ratings:

- *In 6 years, Moscow has moved up from 124th to 35th place in the World Bank's "Doing Business" rating.*
- *In 2017, the International Transport Congress nominated Moscow for 1st place in terms of balanced public transportation development.*
- *TomTom nominated Moscow as a leader in terms of parking space organization.*
- *PWC put Moscow on its list of leaders, assessing 7 of the world's cities across performance metrics like human capital development, readiness for innovation, and entrepreneurial support.*
- *Foreign Direct Investments ranked Moscow first in terms of investment attractiveness in Eastern Europe.*
- *Today, Moscow ranks first in Eastern Europe in terms of traffic safety, and the population's mobility has increased. The city's investments into highway construction and the establishment of an intelligent transport system have resulted in a 60% reduction in traffic accidents.*
- *Moscow is also in the top three cities in the world in terms of metro construction speeds. In the next 5 years, another 170 km of new metro lines will be built, which will almost double its current length.*



## FACTS

*Germany and Russia are actively developing investment cooperation. In just the first quarter of 2018, German companies invested over \$312 million into the Russian economy. There are over 5,000 German companies currently working in Russia, which employ 270,000 Russian citizens.*

in interest from German business. "According to official statistics, trade turnover between Moscow and Germany has increased by 26% in the first 8 months of this year, and export volumes have grown by almost 37%," Mr. Stetsenko said.

Mr. Stetsenko noted the German side's interest in Russian innovation. "The Moscow stand in Dusseldorf at MEDICA 2018, the largest medical exhibition in the world, featured over 70 Russian companies working in innovation. And this is just the medical sphere. A Center for Innovation Support opened with support from the Moscow University of Finance and Law. The center currently brings together 56 universities from different regions in Russia and Europe," the trade representative said.

"Cooperation between our capitals is so close that there are a lot more daily flights to Moscow from Berlin than from Paris. This is a good reason to develop our cooperation in the spheres of science, the economy, and tourism," said head of the Berlin Department of Tourism and CEO of Visit Berlin Burkhard Kieker. According to him, last year Berlin attracted more startup investments than London. And Germany's economic cooperation with Moscow and Russia has contributed a lot to this.

The round tables "Using Green, Energy Efficient, and Environmentally Friendly Technologies" and "Exchange of Experience and Startup Development Support Systems in Moscow and Berlin" took place within the scope of the Days of Moscow business program in Berlin. ■



www.leipzig.mid.ru



# Days of Moscow Culture in Bulgaria



**The Days of Moscow Culture in Sofia, Varna and Pleven, organized by the Moscow Department of External Economic and International Relations, took place from September 30 to October 5, 2018.**

**M**inister of the Moscow Government and Head of the Moscow Department of External Economic and International Relations Sergey Cheremin and the Mayor of Sofia Yordanka Fandakova discussed cooperation between the capitals of Russia and Bulgaria in the spheres of healthcare, tourism, and transportation.

Fandakova said that Sofia and Moscow have similar development patterns, and that Bulgarians would like to see the same convenient infrastructure that is available in modern-day Moscow.

Sergey Cheremin responded by saying that both capitals are actively developing the transportation system as a whole, including the metro. "We can think about naming one of the Moscow metro stations 'Sofiy'skaya,' and name one of your stations after Moscow," the minister suggested.

The two sides expressed interest in intensifying cooperation in the sphere of healthcare. Sergey Cheremin said that Moscow has invested around 30 billion euros in modernizing clinics over the past six years. As a result, the city has seen an increase in life expectancy and a decline in mortality rates. According to the Head of the Moscow Department of External Economic and International Relations, the exchange of experience and work assignments completed by Moscow specialists and Sofia and Sofia specialists in Moscow will have a positive impact in terms of boosting the quality of medical care in both capitals.

Tourism was also covered during the negotiations. the Mayor of Sofia lamented that, in spite of the popularity of the Bulgarian Sea coast among tourists in Moscow and Russia, there are not a lot of them in Sofia. In response, Mr. Cheremin proposed to organize a tourist business mission of Bulgarian companies to Mos-

cow in 2019. "We'll bring together the biggest Russian operators and will ensure direct cooperation," the Minister explained. He also expressed hope that the Bulgarian side will consider a proposal to hold Days of Sofia Culture in Moscow. "We'll provide the best platforms, our music collectives, and will help organize this event. I think this would be a very important step in strengthening our cooperation," the head of the Moscow Department of External Economic and International Relations added.

Sofia's Central Military Club held a forum entitled "A Conversation About the City," with speeches by the heads of architecture in both cities — Zdravko Zdravkov and Sergey Kuznetsov. Mr. Kuznetsov said that a key task for Moscow architects is to create a sort of public street theatre that would help people put down their mobile phones and spend more time interacting with each other.

The National Palace of Culture hosted the forum "Business Cooperation Between Moscow and Sofia." The event started with a discussion of trade and economic cooperation, along with the investment potential of the two capitals. Afterward, there were roundtables dedicated to the development of road and transport infrastructure and the metro, as well as the preservation of cultural heritage sites and tourist attractions in Moscow and Sofia.

"Moscow has really become a very comfortable, beautiful, civilized, and safe city. In 2018, the capital was first in the world in terms of implementing information technology in the sphere of public services. Today, 230 public services are available to Muscovites online. We're proud of outpacing big cities like Singapore and Shanghai in this regard," head of the Moscow delegation Sergey Cheremin said during his speech.

The Minister also noted that Moscow is ready to provide support to Sofia for the reconstruction of public transportation, as well as for the expansion of the subway system.

The Deputy Minister of Tourism of the Republic of Bulgaria Irena Georgieva expressed confidence that the Moscow City Duma and the Bulgarian Parliament will discuss cooperation in the nearest future. Ms. Georgieva also talked about the importance of competent communication between the government and the people. "Just like Moscow, Sofia is a million-plus city, so the ways we work with the city's population are very important. Right now, we're regularly using new forms and internet resources to get information out to city residents," she said.

Russian Ambassador to Bulgaria Anatoly Makarov focused on the interest in cooperation in the sphere of

tourism. According to him, it's important to promote cultural and historical tourism in Moscow and Sofia. "In this regard, we can organize short, one- or two-week trips for those who are interested in the culture and history of the two capitals," he explained.

Events in Pleven and Varna were also held as part of the Days of Moscow Culture. During one of these events, a decision was made to have Moscow and Varna cooperate in the spheres of education, healthcare, and tourism. An agreement in this regard was reached during a meeting between Minister of the Moscow Government and Head of the Moscow Department of External Economic and International Relations Sergey Cheremin and the Mayor of Varna Ivan Portnih.

"Historically, Moscow has been Varna's partner, and I think the positive political changes that are taking place today will serve as an impetus for strengthening relations not only between our countries, but also between our regions," Mr. Cheremin said while discussing economic cooperation.

The Mayor of Varna expressed confidence that relations between the two cities will continue to develop successfully, since, in spite of the differences in size, the governments of both cities face similar challenges. "We're interested in Moscow's experience in the spheres of education, culture, sports, the development of libraries and social activities for senior citizens," the Mayor of Varna said.

The Days of Moscow Culture program in Varna included a round table entitled "The New Life of Cultural Spaces in European Capitals," the opening of the art project "Striking Moscow," volleyball games between junior teams, and a chess tournament. ■

Moscow State Dance Theatre Gzhel in Bulgaria



www.theatregzhel.ru



## 20 years of EXPO REAL

**On October 8-10, a Moscow government delegation took part in the international commercial real estate and investment exhibition EXPO REAL 2018, which took place in Munich. This is the 20th time the Russian capital took part in the event.**

The international exhibition Expo Real has taken place in Munich every year since 1998. Participants include representatives from state and municipal establishments, construction companies, architecture studios, banks, developers, investors, experts, and other real estate and investment specialists from all over the world. The exhibition is among the largest investment forums in the world. It promotes the establishment and strengthening of international cooperation in the spheres of investment and finance. In 2017, 1,768 companies with exhibits from 29 countries took place in Expo Real. The exhibition was attended by over 39,000 real estate and investment experts and specialists from 77 countries. Participating in the event gives Moscow exhibitors a chance to learn about relevant issues in the European construction industry, and talk about key Moscow projects and programs in the sphere of urban planning and real estate.

Moscow's booth at the exhibition covered an area of 336 square meters. It presented an exposition from the Government of Moscow, which demonstrated investment projects and programs that are being implemented in the capital in the spheres of infrastructure solutions, urban development, technology park development, improvements to the urban environment and quality of life, transportation development, and the preservation and repurposing of historical buildings. An interactive mobile complex "Map of Moscow," which took up almost 100 square meters of space, was presented to the visitors.

The Moscow government's business program kicked off on October 8. The opening ceremony of the Mos-

cow government booth was the focal point of the day. It was conducted by Deputy Head of the Moscow Department of External Economic and International Relations Igor Tkach, Chairman of the Board at Messe München Klaus Dittrich, Russian Consulate General in Munich Sergey Ganzha, and Deputy of the Moscow City Duma Stepan Orlov. The speakers expressed confidence that Expo Real will become an excellent platform for establishing new contacts that will lead to successful joint projects in the future. They also noted that the Russian capital has a lot of investment potential. "Moscow is growing and developing, becoming more beautiful, friendlier, safer, and more attractive to investors," Igor Tkach said.

The business breakfast "Think Globally, Act Locally," opened the business program at the Moscow booth. New opportunities for foreign investors on the Russian real estate market was the main subject of discussion. During the conversation, participants went over the nuances of doing business in Russia, the most in-demand technologies and formats of cooperation between business and government, solutions to the most common problems, as well as modern trends and projects in this sphere. For example, the renovation program — the liquidation of dilapidated buildings — is one investment project with a lot of potential.

The business session "An Ecosystem for Business. A New Formula for the Modern City" took place after the business breakfast. During the session, participants talked about different aspects of the new city development concept, which is invariably interlinked with effective cooperation between the government,

business, and modern technologies. According to the speakers, collaboration has to exist at every level, from economic to social. Creating a comfortable environment and developing an infrastructure that supports it are currently the city's key priorities.

Transport accessibility was also an important topic of discussion. Participants of the discussion "Infrastructure and the Development of Global Cities. Moscow's New Urban Agenda" helped answer many pressing questions. Mobility and comfort are some of the most important factors for people deciding on a place to live. It's undeniable that the opening of metro stations

in new districts leads to an increase in trade, faster construction speeds, and the establishment of social and cultural venues.

The booth also hosted interactive sessions, road shows, and discussion. The events were dedicated to exchange of experience in the implementation of cases related to digital design, the introduction of digital platforms for public services, and a boom in the number of Internet services. Participants talked about working models successfully implemented in megacities, as well as ways to bypass the pitfalls often encountered in these spheres. ■



## Days of Moscow culture in Tokyo



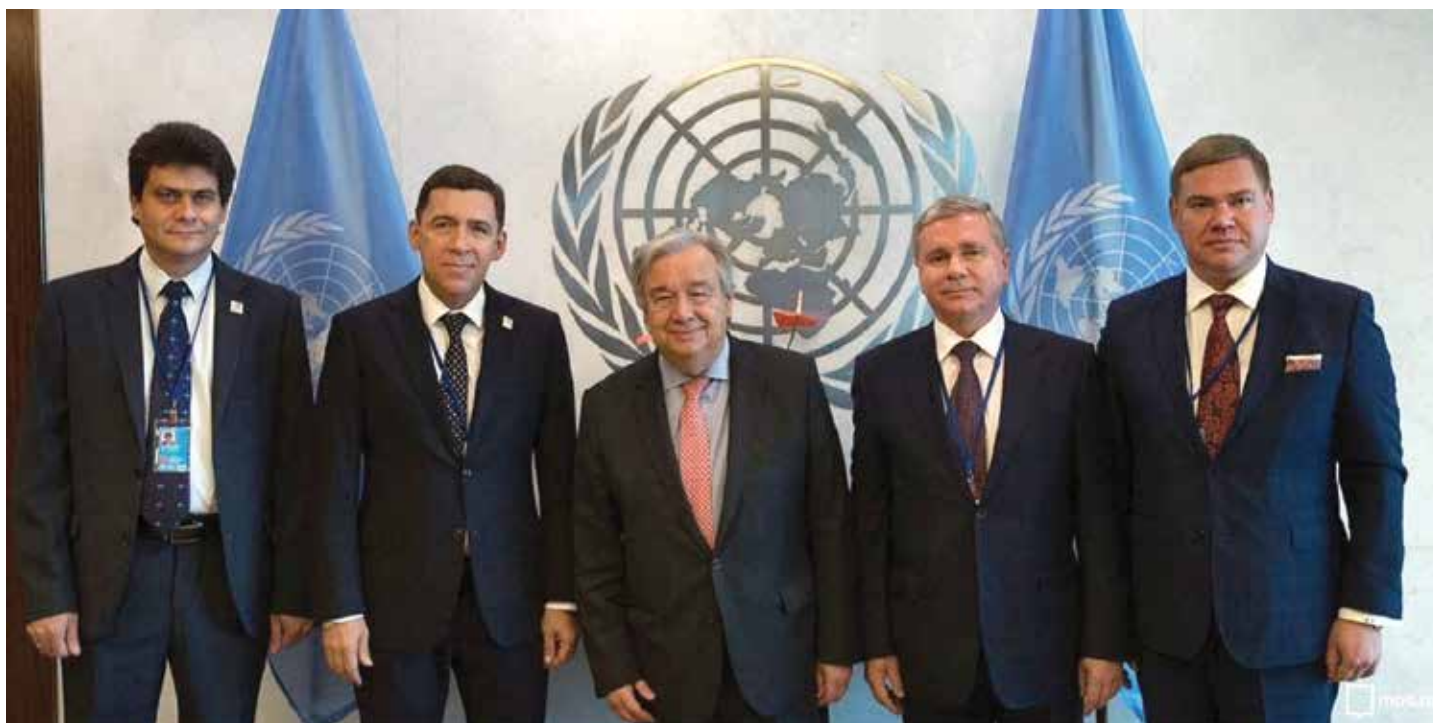
**The capital of Japan hosted Days of Moscow Culture on October 16-18, 2018 within the scope of the Russian-Japanese cultural exchange year.**

The official opening ceremony for the event took place on October 17, at the central Tokyo square Akasaka Sacas. Members of the Moscow government delegation, headed by Minister of the Moscow Government and Head of the Moscow Department of External Economic and International Relations Sergey Cheremin, took part in the ceremony. Chairman of the Moscow City Duma Aleksei Shaposhnikov, President of the Moscow Chamber of Commerce and Industry Vladimir Platonov, Director of the Moscow Urban Forum Denis Boykov, and other officials also took part in the ceremony.

The forum "Moscow and Tokyo. Common Challenges, Common Interests" took place within the scope of the business program. At the forum's plenary session, the

speakers discussed potential spheres of collaboration between Moscow and Tokyo, as well as key priorities in the spheres of investment, technology, and sustainable development. The program continued with three parallel sessions, during which participants talked about their solutions to issues concerning urban policy, infrastructure development, social support for older people, and collaborations in the sphere of event tourism.

The day before the ceremony, an official meeting took place between the Moscow delegation and representatives of the Tokyo government — Special Advisor to the Governor on International Affairs Tsuyoshi Yamamoto, Director of the Cultural Relations Bureau Masayuki Kyuko, and other colleagues. ■



## A meeting with the Secretary-General of the United Nations

**At the end of October 2018, Minister of the Moscow Government and Head of the Moscow Department of External Economic and International Relations Sergey Cheremin, along with other members of the Moscow delegation, met with UN Secretary-General António Guterres at the 73rd session of the 73rd session of the UN General Assembly.**

**T**he main objective of the event was the presentation of the fifth edition of the United Nations Association of Russia report, "Regions of Russia and the UN Sustainable Development Goals."

António Guterres spoke highly about the significance of this unique program and approved its implementation. Under-Secretary-General Alison Smale, who has supported the United Nations Association of Russia program for many years, thanked the Russian delegation for their invaluable contribution to the sustainable development of the UN.

The United Nations Association of Russia report was also presented at the UN headquarters for the general public. Russia's Permanent Representative to the United Nations Vasily Nebenzya and Deputy

Director of UN-Habitat Filiep Decorte gave opening speeches at the presentation. Head of the Moscow Department of External Economic and International Relations Sergey Cheremin gave a detailed account of the Russian capital's accomplishments in implementing sustainable economic development goals for the city.

The presentation of the fifth edition of the "Regions of Russia and the UN Sustainable Development Goals" report contributed to the promotion of Russian national projects across UN organizations, improving the image and investment attractiveness of Russian regions. In addition, representatives of various Russian regions were informed about the concept of sustainable development, its main goals and objectives, and expressed their interest in localizing and developing this program. ■



# useful info

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# 5 years CAPITAL IDEAS



The reception held in celebration of the publication's anniversary was attended by officials from the Moscow government, heads of foreign companies, and ambassadors



The Golden Ring Hotel in Moscow hosted an evening dedicated to the 5-year anniversary of *Capital Ideas*. The journal is published with assistance from the Department of External Economic and International Relations of the Moscow government. By telling readers about the capital and foreign companies working in the city, the publication seeks to convey to foreign audiences the political, economic, and social changes that are taking place in

Moscow, as well as to inform them about the steps the government is taking to improve the investment climate.

The event gathered many people who have appeared on the pages of *Capital Ideas* at different times, such as heads of foreign industrial unions and associations that work with Russia, CEOs of foreign enterprises operating in the Russian Federation, and ambassadors from a number of countries accredited to Moscow.





Sergo Kukhianidze, the Editor-in-Chief at *Capital Ideas*, said that the publication was able to accomplish the most important goal over the past five years — building trust. The articles published on the pages of *Capital Ideas* confirm this to be the case. "In the past five years, we published exclusive interviews with almost all members of the Moscow government, including Mayor of Moscow Sergey Sobyenin, the heads of some of the biggest companies that work in the capital, directors of Chambers of Commerce and Industry, and Ambassadors from leading countries," he said.



Minister of the Moscow Government and Head of the Department of External Economic and International Relations Sergey Cheremin talked about the professionalism of the editorial staff working on the publication. He expressed hope that *Capital Ideas* will continue to thrive, and will go on to celebrate 10 and 15-year anniversaries in the future. "You're creating a unique journal. There is nothing like it on the Russian media market. *Capital Ideas* sheds light on real life in the capital in a competent and impartial manner," Sergey Cheremin said. ■





Maksim Liksutov:

# We want Moscow to be a comfortable place to live

*“We stuck to the rules of competent city development. We’re creating equal opportunities for drivers, cyclists, and pedestrians,” Deputy Mayor of Moscow in the Government of Moscow and Head of the Moscow Department of Transport and Road Infrastructure Development Maksim Liksutov said in an exclusive interview with Capital Ideas.*

**Moscow placed sixth in the McKinsey & Company rating of the world’s megacities with the most developed city transportation systems. It also won the prestigious Global Public Transport 2017 award. What was the first thing international experts noticed?**

Over the course of a few years, Moscow has implemented a lot of big and important projects, including improvements to traffic, comfort and popularity of public transportation, and updates to city spaces. In McKinsey & Company’s rating of transportation systems in big cities, Moscow placed 6th out of 24 cities. The capital has moved up 14 places over the past 7 years, and in terms of this trend we’re ahead of everybody else in the world. According to our results from 2010, Moscow would have placed 20th on the same rating.

The experts assessed city transportation systems in terms of their impact on quality of life. According to data from 2017, Moscow placed alongside of leading cities all over the globe: Madrid, London, Chicago,

Seoul, and Hong Kong. The capital is in first place in terms of resident satisfaction with changes to the city. The share of Muscovites who think changes to public transport in the city have been positive amounts to 74%.





Overall, five leading international institutions have recognized the city's progress: UITP Global Public Transport Award, Sustainable Transport Award, ITF Transport Award, Intelligent Community Award, TomTom Parking Award Winner. In 2017, the Russian capital placed first for the comprehensive development of the transportation system at the UITP Summit in Montreal. The UITP paid special attention to the development of the Moscow Central Circle, updates to the city carrier fleet, and faster city transport speeds.

Moscow's goal is to become the leader on the Mckinsey & Company rating, and we think that this is an entirely realistic goal. In order to do this, we have to maintain the current pace at which we introduce new modern transport, as well as construction speeds for the metro, the Moscow Central Diameters, roads, and interchanges.

**In 2011, the city updated its development strategy, shifting its focus to making public transportation more popular. What measures enabled this to happen?**

Before 2011, drivers were the focal point of the city's transportation system. Roads were expanded, highways were built, the city's space was used for parking, and public transportation developed slowly. As we remember, Moscow placed first in the world in terms of traffic jams in 2012 as a result.

To turn things around, in 2011 we approved a transportation development strategy that was created together with the world's leading experts. We stuck to the rules of competent city development. We all love Moscow and want it to be a nice and comfortable place to live, study, and work in. So that people come here from all over the world. So this is why we reconsidered how we approach the development of our

transportation system. We're creating equal opportunities for drivers, cyclists, and pedestrians, especially considering that we're pedestrians above all else. In terms of getting around the city, public transportation is what we focus on.

This approach yielded results. According to TomTom, an independent expert and navigation system manufacturer, there has been a 23% reduction in traffic on Moscow roads since 2010. According to the capital's road traffic organization center, average speed during the day has increased by 16%. Moscow has also implemented a parking space project, which eliminated chaotic parking, increased parking space turnover, and created a safe and pleasant environment for pedestrians, city transport, and drivers.

We had a task — to show city residents that they don't have to always take their personal cars and can choose to take public transportation. So aside from combating traffic jams, we're actively developing public transportation — purchasing new buses, trams, train and metro cars, introducing new routes, building new stations and metro lines, adding modern passenger services.

The result is that the share of city residents who use public transportation during rush hour has increased to 68% in 2017, up from 63% in 2010. We're seeing a big increase in passengers who participate in the city's economy. Compared to 2010, there are 1.5 billion additional public transportation trips in 2017.

**The Moscow Central Circle — a railway that stretches around the center of the capital and is connected to the metro with interchanges and the same payment system — has been operating for 2 years now. Was this project a success?**





Yes, it's very popular right now. This year, according to our forecasts, the MCC will transport about 120 million passengers, which is a third more than it transported during its first year of operations. On weekdays, it's already accommodating 450,000 trips. Our record is 501,000 trips, and we hit that number in November 2018.

Muscovites really like the MCC. It's a really convenient, reliable form of transportation, and there are free transfers to and from the metro. As we open new transfers and continue to integrate it with other railway routes, we expect even more passengers on the MCC. In 2019, we're going to work with Russian railways to shorten the frequency of trains on the circle line by another minute, bringing it down to 4 minutes.

**The city has already announced a new project — the Moscow Central Diameters, which will connect suburban trains with the center. Where will they go to and how will this work? How will this be different from suburban trains?**

The Moscow Central Diameters (MCD) will operate as an above-ground metro. The construction of the Large Circle Line of the metro along with other lines will enable us to strengthen the links between different districts of the capital and have one of the largest metro systems in the world. By 2023, the total length of the Moscow metro will amount to over 1,000 km under ground.

The MCD is being constructed based on existing railway infrastructure jointly by Russian Railways, the

Government of the Moscow Oblast, and the Russian Ministry of Transport. The goal of the project is to connect the existing railway line and create new cut-through routes that will directly connect suburban towns through the center of Moscow.

The MCD project is split up into stages. The first two diameters, the MCD-1 Odyntsovo-Lobnya and MCD-2 Nakhabino-Podolsk, are scheduled to be launched somewhere between the end of 2019 to the beginning of 2020. The rest of the diameters will be launched before 2023. The MCD will have fast, convenient trains with transfers to the metro, the MCC, and above-ground transport.

After the first stage is implemented, public transport will become more accessible to 3.7 million people. This includes the residents of Lianozovo, Vostochnoye Degunino, Otradnoye, Altufyevskiy, Mozhaiskiy, Mitino, Yuzhnoye Tushino, Pokrovskoye-Streshnevo, Shyukino, Krasnoselskiy, Moskvorechiye-Saburovo, Tsaritsynno, Maryino, Nizhnegorodskiy, Yuzhnoye Butovo, and other districts. It will also be convenient to get to the city from outside of Moscow: from Skolkovo, Lobnya, Dolgoprudniy, Odintsovo, Krasnogorsk, Podolsk, and Nakhabino.

**How will the city's above-ground transport change over the next few years?**

There is a global trend that has made environmentally friendly transport more popular, especially electric transport. Moscow is at the forefront of in-





roducing the most advanced type of transport — in September, we got our first electric buses. We plan on introducing them across another 5 lines before the end of the year. By that point, another 100 electric buses will be supplied. The Russian GAZ and KamAZ plants manufacture the electric buses. According to the contract, they will supply us with 100 electric buses and 31 charging stations each by March 2019. In December, we plan on holding a contest for the purchase of another 100 buses. We plan on purchasing 300 electric buses per year until 2021, after which Moscow will stop using diesel buses and will only purchase electric transport.

We're purchasing new trams. Right now, we have over 200 modern, three-section Vityaz-M trams, which transport over 1 million passengers a week. There will be 300 of them by the end of 2019, and the tram park will be fully updated by 2024. These are modern cars with climate control systems, satellite navigation, video surveillance cameras, and USB plugs for charging mobile devices. They also have a low floor, which makes them comfortable for passengers with limited mobility.

**Carsharing is becoming more popular in Moscow. How many carsharing operators are there in Moscow and how big is their car park? Does this system help cut down on traffic?**

Moscow is already the world's leading city in terms of how quickly the carsharing (short-term car rental) market is developing. One car is used seven or eight

times a day. Over 12 million people used these services over the course of 9 months in 2018, which is double the number for the entirety of 2017. If there were a total of 100 cars when carsharing was first introduced in 2015, there are now about 11,500 cars in the city. This service is becoming more popular due to the increase in the number of cars, flexible pricing, various customer reward systems, and new services. For example, there are now premium class cars and child seats, and the area covered by carsharing services keeps expanding.

**What kinds of changes has the taxi market gone through over the past few years?**

As of October, the Moscow taxi market is 111 years old. There are about 50-55,000 taxis in the city, and about 760 people use the service daily. Over the past seven years, we've reformed the industry by establishing standards for taxi transfers. It's now easier and more convenient for drivers to get permits, all cabs are now yellow and travel in designated lanes.

Because there is a lot of competition, the price for taxi rides has gone down and is now one of the lowest in the world. In turn, the city provides support for the taxi market. Companies can purchase new cars with credit or lease them, and over 500 million rubles have been allocated for this program. 19,400 cars have already been purchased with the subsidy program. Now, taxis are just 2.7 years old on average. ■

# Moscow under construction



**1300** km<sup>new</sup>  
roads to be built  
by **2023**



## Real estate • Real estate • Real estate • Real estate • Real estate • Real estate



## Social infrastructure • Social infrastructure • Social infrastructure





**1000** km total length of underground and above-ground metro lines by 2023

Including

**555** km metro & MCC

**446** km MCD

Metro • Metro • Metro • Metro • Metro • Metro • Metro • Metro • Metro •

2011-2018

2019-2023

**81**

stations

**41**



2011-2018

2019-2023

**157**

km of lines

**99**



2011-2018

2019-2023

**9**

rail yards

**4**



Railway • Railway • Railway • Railway • Railway • Railway • Railway • Railway • Railway •

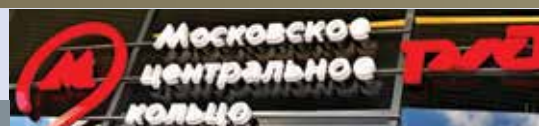
2011-2018

2019-2023

**80**

km of tracks

**228**



2019

2019-2023

First

**2**

MCD lines to be launched in 2019

**5**

stations



Roads • Roads • Roads • Roads • Roads • Roads • Roads • Roads • Roads •

2011-2018

2019-2023

**815**

km of roads

**485**



2011-2018

2019-2023

**227**

tunnels, bridges, overpasses

**100**



2011-2018

2019-2023

**215**

pedestrian crossings

**4**

chords



Irina Belykh:

# Moscow is a city for the people!

**Member of the State Duma Irina Belykh, who was elected in the Khorvinsky-Moscow district, talked about transportation changes that will take place in Moscow in the future, how the reconstruction of the city center and the residential building renovation program will affect traffic jams, and which legislative changes are necessary to avoid a transport collapse in an interview with Capital Ideas.**

**Ms. Belykh, what can you say about transportation in Moscow today? In your opinion, how has the situation changed over the past few years?**

I think it has changed drastically since 2010 and this is obvious to everyone, both city residents and experts. The transportation system is better-planned and has become more balanced: there is no obvious bias toward cars, which was beginning to develop in the beginning of the 2010s. It's entirely obvious that Moscow is a city for the people! Cyclists and pedestrians have their own space on the streets and crossings. New interchanges and roads have been built, and transportation in the city has become more convenient — there are modern buses, electric buses, trams and metro cars, new suburban trains.

According to the Moscow Department of Transportation, people take a total of 19 million trips on public transportation every day, which is a 14% increase from 2010. During rush hour in the mornings, 68% take the metro, buses, trams, or suburban trains to work. This means people trust public transportation in the city. Over 70 new metro and MCC stations have opened, and over 752 kilometers of roads, interchanges, and tunnels have been built or renovated. There are 300 km of lanes in the city specially designated for public transportation or taxis. 2.7 million passengers

are transported along these lanes on buses, trolleys, and electric buses.

Taxis in Moscow have also become an important part of the transportation system. I remember when it took a very long time to call a taxi, and they were very expensive. Flagging down a car used to be common practice. Now there are legal companies, the taxis come within 5 minutes, the price is very affordable, and many capital residents prefer taxis to taking their own cars. Of course the taxi sector has its own problems, but we just have to keep working on them.

Another important change is the implementation of the parking space project, which has eliminated chaotic parking in the city. The turnover for parking spaces has increased, and a safe and convenient environment for pedestrians, city transport, and drivers has been established. By the way, this was a difficult and unpopular decision for Moscow. It was tough to make, but, in my opinion, it was a very important measure. Without organized parking spaces, it's impossible to imagine traffic flows in a huge metropolis.

Judging by the decisions made by the Presidium of the Moscow Government, the construction and development of the city's transportation system will continue to move along at a rapid pace over the next few years.





Half of the city's budget over the next three years is allocated for the social sphere, and one article that stands out in particular is infrastructure development: the funds allocated for the metro, roads, bridges, interchanges, and transport will amount to 600 billion rubles.

**When it comes to the Moscow agglomeration as a whole, especially neighboring satellite towns, what do the trends look like in terms of joint transportation development between Moscow and the surrounding regions?**

Moscow and its nearby regions are a unified area in terms of employment, transport infrastructure, and passenger volumes. With a total area of 47,000 square meters and a population of about 20 million people, it's one of the largest agglomerations in the world.

The level of labor migration between the regions is extremely high. Every day, about 3 million people

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*The TomTom Traffic Index, which provides unbiased information about traffic congestion all over the world, has moved Moscow up to 13th place in 2017. In 2013, Moscow was 1st on the list. According to TomTom's data, traffic congestion in Moscow amounts to 43% in 2017, which is a 9% decrease from 2013.*

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come to work in the capital from neighboring satellite towns and then return home. In order to reduce congestion, we're building interchanges and reconstructing highways. But during rush hour, highways are significantly overloaded, and this is the case for just about every road to Moscow from the suburbs.

For both regions, the main objective for the government is to provide people with fast and convenient transport that would be a fair alternative to a personal vehicle.

To make this happen, the city is actively developing suburban railways. Since 2012, the Government of Moscow and the Government of the Moscow Region have been working together with Russian Railways to implement a large-scale program for the development of railway infrastructure. There are no similar programs in other regions in Russia. Even now, passenger traffic through the Moscow railway network amounts to over 650 million people, which is 31% higher than in 2010 (495 million passengers). The city plans to introduce an additional 240 kilometers of additional main lines, which will enable the city to increase the frequency of suburban train arrivals and ensure the trains arrive on schedule, by 2023.

**Yes, the pace of construction in the Moscow suburbs is so fast that the roads aren't able to accommodate the traffic volumes. Moreover, most city residents have summer homes (dachas) outside the city. The city's plans with respect to constructing new roads, suburban trains, and metro lines aren't able to keep up with this pace of growth. In your opinion, how can we avoid a transport collapse?**



Here is the key to dealing with high traffic volumes on highways — all big cities in the world, with no exceptions, resolve traffic jams by developing public transportation. This is currently a priority for the Moscow agglomeration. The implementation of megaprojects that will create a new transportation infrastructure for many years down the line and will make travel in the city fast and convenient for all residents of our agglomeration has already begun. This project includes the development of the metro and the MCC, the construction of new roads, and the launch of the largest and highly anticipated project — the Moscow Central Diameters (MDC).

1,300 km of new roads are to be constructed by 2023, and we've already completed half. Further plans include a Central Ring Road in the region and four chords in Moscow. The implementation of these projects will enable us to unload the road network and increase throughput capacity.

The Government of Moscow, the Moscow Region, Russian Railways and the Ministry of Transport of Russia are updating the lines of suburban trains and integrating them fully into the urban transportation system. By 2023, the total length of the diameters, which will operate as an above-ground metro, will amount to 446 km and will have 211 stations. This project is called the Moscow Central Diameters. The point is to connect the existing lines and create new routes that will directly connect the cities of the Moscow region through the center of Moscow.

The MDC will be split up into different stages. The first two diameters, the MDC-1 Odintsovo-Lobnya and the MDC-2 Nakhbino-Podolsk, are scheduled to be launched somewhere between the end of 2019

and the beginning of 2020. The remaining diameters will be running by 2023. The MCD will have fast, comfortable trains, with transfers to the Moscow metro, MCC, and above-ground transport.

Just after the first implementation stage, public transport will become more accessible to 3.7 million people.

**A lot of Muscovites have complained that reconstruction in the center of the capital will be a problem for both public transportation and personal vehicles. As a member of the State Duma, do you get questions about this a lot?**

There is no way to prevent such a large-scale renovation program from causing some level of inconvenience, just like with any renovation project. But if you're renovating an apartment, it's better to do the whole thing quickly instead of stretching it out over a long period of time. It's the same in this case. The work

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*According to the information provided by the Moscow government, the number of trips in the city bicycle rental system is growing by 87% per year on average. In 2018, it counted a total of 4 million trips. There is less noise from cars on streets that have undergone renovations. About 30% of city residents started walking more in the past two years. Muscovites are becoming more active and mobile.*

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is complete now, and I think that the benefits are obvious to everybody. I live in the center of Moscow, so it was an inconvenience for me along with everybody else. But the end result is great, it's very beautiful. The city is alive, it needs to be updated occasionally in order to meet our requirements. You can't want to live a convenient, modern lifestyle but do nothing to make it happen. The city is its people, and everybody has to be comfortable, both Muscovites and our guests. A lot is changing. Cycling is one the rise, and it's turning into something bigger than a sport or a hobby now.

The reorganization of the city's space enabled us to allocate more areas for places of leisure and green spaces. Over the past 3 years, more than 7,000 trees have been planted throughout the city.

The program has also had a positive impact on business. The city's streets and squares now have new services: summer cafes and street stands, for example.

Aside from broadening the sidewalks and setting up new pedestrian areas, we were also able to implement a lot of important transportation solutions. The introduction of designated lanes became the foundation for bringing above ground transport back to the center, with the new "Magistral" network. The buses in the center recently broke a record — they're now transporting 540,000 passengers a day.

The whole set of measures has started to drastically change the transportation habits of Moscow residents. More and more people are opting for taking public transportation, cycling, or just walking over taking their own car.

**Are legislative changes necessary in order to resolve the transportation problems in Moscow, like with the renovations?**

I'll name a few that are really key, in my opinion. First, transportation in the city has gone through significant improvements in many ways because Moscow has successfully solved the problem of providing accessible and affordable taxi services to city residents. Taxi services play a very important social role in terms of making transportation accessible for the general population. Plus, the flexibility, comfort, and personalized nature of taxi services create stable customer demand for this type of transportation.

Together with the appearance of taxi aggregators (taxi ordering services), which essentially link vendors with contractors through IT platforms, have changed the structure of the market and the method for ordering taxi cabs.

For example, in our city aggregators set high fees for taxi companies for providing order transfer services. In some cases, these fees account for 30% of the transfer cost. They're taking advantage of the fact that the market for receiving and (or) transferring orders for passenger and luggage taxis is controlled by only a few large companies.

This situation brings about negative financial consequences for taxi companies and drivers, leads to an increase in working time for driver to 10-12 hours. This is one factor that may be contributing to the increase in accidents involving passenger taxis.



Currently, aggregator activity, which has a direct impact on the shaping of the taxi market, is not regulated by law. Their rights and obligations have not been established, like the degree to which they're responsible for what happens to passengers, and unscrupulous market participants take advantage of this.

Because of this, the current model we have for regulating the taxi market needs to be changed.

Right now, a draft of a federal law "On state regulation of relations in the sphere of organization and implementation of passenger taxi transport and passenger taxi order services" is under consideration by the State Duma. It needs to be amended in order to ensure effective legislative regulation for aggregators and the introduction of concepts for these business entities that correspond to civil law. Moreover, the legal regulations for the whole taxi market need to be optimized. In particular, we need to transfer part of the authority to regulate taxi transportation to the level of the constituent entities of the Russian Federation, which to a large extent ensure the organization of passenger taxi services for the public (issuing permits for the transport of passenger taxis, regional state control in this sphere).

Second, the taxi industry sector needs to address the number of traffic accidents that involve taxis driven by people who don't have Russian driving permits and are operating vehicles with foreign driver's licenses.

Because of this, it's important to limit taxi drivers to people who have Russian driver's licenses. To do this, we would have to recognize as no longer applicable a guideline in the law "On road safety," according to which a ban on driving with foreign national or international driving permits for business operations directly related to driving does not apply on citizens of the Kyrgyz Republic, as well as citizens of countries that use Russian as their official language. A bill like this has already been submitted to the State Duma.

The third initiative I want to talk about is also under consideration by the State Duma. It will introduce changes to the Administrative Code that provide for the option to give the Moscow government the authority to review a number of traffic-related administrative offenses when they are recorded automatically via an agreement concluded between the Russian Ministry of Internal Affairs and the Moscow Government. The bill has passed in the first reading.

This bill is necessary because Moscow, as a city of federal significance, has higher traffic volume density and a larger number of traffic-related administrative offenses compared to other subjects of the Russian Federation.



The Moscow Government also has more opportunities in terms of adding more staff to the bodies (divisions) in charge of traffic-related administrative offenses compared to the Russian Ministry of Internal Affairs.

We've accumulated enough positive experience with transferring this type of authority to the Moscow government within the scope of the existing agreement with the Russian Ministry of Internal Affairs on the transfer of the authority to review cases on violations of traffic signs that prohibit stopping or parking vehicles. Adopting this law and subsequently concluding an agreement on the transfer of authority will lead to improvements to traffic and road safety in the city, making it easier to implement the principle of the inevitability of punishment for traffic-related offenses.

So Moscow deputies have their work cut out for them. Creating new laws isn't done overnight, and it's tedious work. So we're going to continue working on it. ■

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*In the first seven months of 2018, 468 traffic accidents that involved taxis were registered in Moscow. In 71 of these incidents, the driver was a foreign citizen who was breaking Russian traffic laws because they lacked the necessary qualifications and didn't have enough experience driving in cities and heavy traffic.*

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Mikhail Blinkin:

# There was a transport revolution in Moscow

**Mikhail Blinkin, Director of the Institute for Transport Economics and Transport Policy Studies at the Higher School of Economics, professor, and transportation expert, talked about transportation in Moscow and the future development of public transportation in an exclusive interview with Capital Ideas.**

**Mr. Blinkin, what can you say about transportation in Moscow today, and how has it changed over the past few years?**

What has happened in the sphere of public transportation can be called a true revolution. My foreign colleagues refer to it as “Sobyanin’s transportation revolution.” Let’s look at the facts. Over the past years, there has been a significant decline in the number of districts that don’t have direct access to the metro. Or in other words, new stations and metro lines are being constructed at breakneck speed. This hasn’t happened since the 1930’s, when the metro was first built in Moscow.

The project to integrate the city’s railway into the public transportation system — the Moscow Central Circle (MCC) — has been implemented. According to preliminary estimates, we expected Muscovites to start making full use of this line in a few months. However, it actually happened within the first week. In other words, it was in high demand.

An information shell for transportation in Moscow has been created, from online displays on stops to the

large number of mobile apps. The rolling stock has also been updated. In the past few years, the city has stopped purchasing everything that’s lower quality than Euro-5. The trams are high-quality by European standards, and they’re made in Tver.

Moscow has disposed of jitneys — so-called marshrutkas. The city has transferred to so-called gross cost contracts, the point of which is that the passenger doesn’t have to know who is transporting them. This is a West German invention from the 1960s. There can be both municipal and private providers in the city, but the same ticket must work for both. Private providers didn’t go anywhere, they’ve just accepted the new rules.

**Were the changes limited to just public transportation?**

Moscow has finally eliminated free parking, and there are areas with paid parking. This was a political decision made by Mayor of Moscow Sergey Sobyanin, and is technologically advanced in terms of its implementation: people can pay through terminals, apps, or via SMS. In the US, for example, which has had paid park-

*In Moscow, there is less than 30 square meters of streets & roads per one car, which is a record low by world standards. It's about 150-200 square meters per car for US cities, and even in Europe, which has a lot less space, the ratio is higher. In Paris, for example, it's over 100.*

ing since 1934, people still have to drop quarters into parking meters on the street.

It's also worth remembering that the city's taxi system has been reconfigured with the help of IT — Uber, Gett, Yandex, and so on. The result is that taking a taxi in the city has become more convenient and cheaper than driving yourself. For example, if a couple goes to the theatre and a cafe together, it will take 3 hours. They'll spend 800 rubles on parking in the center. You can get a taxi to and from just about any district in Moscow for the same price. So there is a price balance that means I don't have to take my car into the city and park it somewhere. The taxi is easier and more affordable.

Over the past few years, we've cleared up the traffic flow stoppers on MKAD. Instead of old interchanges from the 1960s, there are now well-configured interchanges that don't keep the traffic flows in the city.

But because of buildings left over from the Soviet era, it's impossible to strike a balance between the number of cars and the area covered by asphalt.

The peculiarities of Soviet planning leave just 10% of the total area open for paved roads (this is the land allocated to streets ratio), which is not enough. And you can't even fix it with major construction projects. Even if you build roads with total area equal to MKAD overnight, the ratio will only change by a few tenths of a percent. So even if we combine all the efforts of Moscow city planners and construction workers, we can smooth out the ravines but not the curvature of the earth. So we can't make the city fully car-friendly. But we can make public transportation (not just mass transportation, but also taxis and car sharing) ideal, and this is what we're working toward.

#### **How is public transportation going to develop?**

The railways will be built into the body of the city. Aside from the MCC, there will be a Moscow Central Diameters (IDC) network. This project has al-

ready been planned and is accounted for in the city's budget for the upcoming years. Moscow will also become gradually more electrified in the sphere of public transportation. The city will be purchasing electric buses. This is a tough and costly project, and is in many ways a gesture in favor of environmentally friendly standards. These buses will gradually replace trolleys.

This will happen for several reasons, one of which is that there hasn't been significant progress in the trolley bus segment of transport engineering anywhere in the world, as opposed to the bus and train car engineering segments, where reliability, maintainability, and vehicle comfort have all seriously improved. They also won't be in demand, because the city can provide for good mobility without relying on overhead contact networks. For example, it's easier to hand over a lane designated for public transport to a tram rather than a trolley, since the tram's multi-car structure enables it to transport more passengers. If the passenger volumes are lower, the line can have one car per tram. For higher passenger volumes, trams can have two or three cars.

For the sake of comparison, even Germany and France, which were using trolleys in dozens of cities in the 1950s-1960s, have almost entirely eliminated them. Each of these countries has 3-4 cities left that are still using trolley bus lines.

#### **How can car sharing services become more convenient for city residents?**

Car sharing will develop at a very rapid pace over the next few years. According to business (not academic) forecasts, a new option will appear by the mid 2030s — a self-driving car will come to get the client at the pick-up location. Forecasts predict that this will be extremely popular, and people won't even have to walk to get to the car they called. Car sharing has a lot of advantages over personal cars. For example, you don't have to decide where to park the car overnight. Using cars like these will be just as easy as hauling a shopping cart around a store.

#### **Is transportation between the capital and the region going to change? Will there be a unified transportation network with the same tickets?**

As soon as we launch the Moscow Central Diameters (IDC) network, we will essentially have a setup in which regional trains cut directly through the city. And it will be tough to know exactly where regional transport ends and city transport begins. In terms of maintenance and use, this is a unified system. We will also have to adjust the pricing plans to account for these changes.

There is a trend spearheaded by Germany in which major railway companies are buying bus operators. I think it will be implemented successfully in Russia. Because when there are well-functioning railway connections between the capital and nearby towns, it makes financial sense for a company to provide services that transport people to the station.

**How will the Moscow Central Diameters (IDC) network differ from the city's regional trains?**

Historically, our regional trains run along radii, that is, they connect the region with the city center. From there, passengers who have to travel further have to maneuver complicated transport interchanges. For city residents, the Moscow City Diameters will be much more convenient. I think that the people who live in the suburbs and have to take personal cars to work today will start taking suburban trains instead. In many areas, a lot of work will have to be done in order to install the IDC network: re-laying the rail tracks, electrification, the introduction of modern control systems.

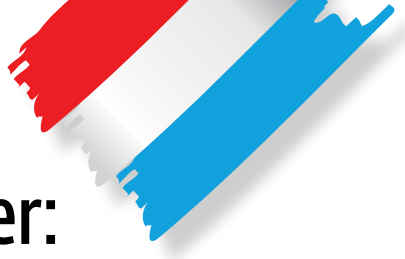
**Lanes designated for public transport have been in effect in Moscow for several years, and new lanes are added frequently. Have they impacted traffic in the capital and in what way?**

The introduction of lanes designated for public transport in the city had a major effect. Public transport started moving faster. Here's a personal example: bus No.144 from Teply Stan to Slavyanskaya Square is now a faster route to the center than the metro or a car. In order for the lanes to make sense, they have to meet a specific requirement — the buses in this lane must transport more people than neighboring cars. Typically, all designated lanes in the capital are in demand. Moscow is such a densely-populated city that coming up with a designated lane that wouldn't be in high demand would be difficult.

**Does it make sense to introduce designated paid lanes in the city?**

For the city, this task doesn't make any sense. Cities that have freeways use heavily occupied vehicle lanes, which cars with 2+ or 3+ passengers can use. We don't have the option to introduce these changes yet. First, you have to build city freeways. Right now, about half of the Third Ring Road, along with parts of the Rublevsky and Kashirsky highways, can be considered freeways. Essentially, right now it looks like this: the road is wide, but doesn't look like a freeway in which there are no pedestrians or even bus stops. ■





Jean-Claude Knebeler:

# Despite our differences, we are the same

**“I work with Russians to show them, through Luxembourg as an example, that Europe is not threatening, that expanding territory is not necessary in order to be successful, that you can be assertive and confident in yourself without engaging in policy adventures,” said Jean-Claude KNEBELER, Ambassador of the Grand Duchy of Luxembourg to the Russian Federation, in an exclusive interview with Sergo Kukhianidze, Editor-in-Chief of Capital Ideas.**

**M**r. Knebeler, to me you are an Ambassador of a new generation. You are young, you are witty, you are energetic, and you host barbecue parties. You became Ambassador in Russia two years ago, when you were 39 years old. How did you agree to take up this post and what did you know about Russia before coming here?

I came to Moscow from New York, where I was Consul General. I was in charge mainly of the economic relationship with the Eastern parts of the United States and Canada. Before that, I served for eight years as Diplomatic Adviser and Director General of Trade & Investment at the Ministry of the Economy. At that time – it was after the expansion of the European Union, when many Eastern and Central European countries became part of the European Union and thus the common Single Market – we were trying to figure out where we, as a government, could help promote trade. Political support is sometimes necessary, on a bilateral basis, and often more effective in emerging markets. At that time Russia, China, India and the Middle East became priorities for many of our companies. So I started to travel to Russia in 2002, mostly to Moscow, but also to other cities. I was a frequent visitor, and I even learned how to read Cyrillic.

**Oh, really?**

Initially just observing, from the car, while stuck in traffic. Over time, of course, I made friends here. I made friends at different levels: in the world of government, in the world of politics, in the world of business, also amongst ordinary people. I really enjoyed my time watching this dynamic city evolve and change. I think this is a country with great underlying potential. I've thus had an interest in Russia for quite some time. After a few years in New York, I started trying to figure out where to go next, as all diplomats do and I suggested amongst others to be sent to Moscow.

**It means that you wanted to come to Moscow...**

Yes, I wanted to come to Moscow. I put it amongst my preferences (we are allowed to indicate preferences). I put Moscow high on the list, but didn't expect to move so quickly. The first priority as a family was to stay in New York: my wife Anna, who is from Buryatia, was pregnant at the time. Moving in this condition was difficult for her, but we decided together to accept the position when I received the offer in spring of 2016. Our son was born in Moscow two months after we arrived, so we will keep a very real and permanent connection to Russia in general and Moscow in particular.



## **What have you learned about Russia and Russians in these two years?**

I've learned how it is to live in Moscow. It's one thing when you come to Moscow just for a few days, stay at a hotel and go to meetings. Yet, it is another thing when you live here, when you navigate Russian society, when you do your shopping yourself. Of course I am in a very privileged position, but I got another perspective on the city. I am here when the weather is nice, I am here when the weather is not so nice, I become part of the city. Some colleagues from other countries, who are maybe more visible or who impose restrictions on themselves, might not have this experience, but I just take my family and we go to a park and spend our leisure time like any other citizen. I know that I am identified as a foreigner. It is obvious that I am not Russian: I am visibly a foreigner and my Russian skills are unfortunately still lacking. I definitely pay a foreigner's price at some of the markets. But that's all right, I see this as my contribution to the Russian economy.

## **Sounds like you feel pretty comfortable in Moscow now?**

I feel very comfortable in the city. Like in every city, there are things that are great and there are things that are not so great. There are things you learn a lot from. There are little things that make you think: why don't they move up to international standards in this, when they are leading in other fields? All in all, it is a wonderful city. And it is an underestimated city. People are often surprised when they visit Moscow, because they're biased from what they see and hear in the media or have images stuck in their heads from 25 years ago. Yes, Moscow and Russia still have problems to overcome, but I also have to say that when I came here in 2016, I was stunned by the progress made during only the four years that I had been absent.

## **Let me ask you this. Many people think that Russians and Westerners are so different that they will never understand each other. Do you agree with that?**

No. Actually, I think the exact opposite is true. To say nothing of the fact that most of the Russian population is concentrated in the European part of the country. Also, By the way, how to define "Westerners"? It's better to say Europeans. It's true that some Europeans think that Russians are different because they hardly know any. But in essence they are not. Once you know them, they are very similar to us. Russian literature and culture are European and part of our common heritage. It's more the subtle differences that can lead to misunderstandings.

When you land in Beijing, you see the first Chinese person and understand visually you are in a country that is very different from yours. When you land in Sheremetyevo, you look at the first ethnically Russian person and think he could well be your neighbor. Of course there is a difference in historical background and experience, even for people of my age. I remember one Russian friend...I made a joke that was very common for my generation. It came with a reference to the first "Star Wars" movies. He did not get it. And I said myself: "OK, when Star Wars came out and I went to see it as a kid, he was living in the Soviet Union." His references to old Soviet films on the other hand are unknown to me. So, you have different cultural references, even though you have much in common. We are similar, but not identical. That is also true amongst the many European nations.

It is also true that we, in Western Europe, know very little about Orthodoxy, and we know very little about the history of Central Asia, the invasions, the Caucasus, all factors that shaped Russia and its people. There is one good place to go if you want to understand this better — the Kremlin Armoury. It has antique weapons from all over Russia, covering many centuries. You can see from the design of the weapons and the helmets that there was a lot of Eastern, of Persian and Tatar influence. All of this also has an impact on the collective Russian identity. It's different from what we think of as European, Western European, Roman-Greek Christian culture. Similar, but not quite the same. The fact that we share quite a few references though makes understanding easier than with other cultures, but we need to keep in mind that there is also potential for misunderstandings. It's a bit like speaking the same language, but with different dialects.

Now I haven't even touched on the ethnic diversity within the Russian Federation, going into Asia, the Northern Caucasus, the Arctic. That's another factor, but it would lead to a very long discussion and we don't have the time...

## **And how do ordinary people in Europe, who are not politicians, view Russia? What do they think about this huge country?**

They know very little. I think this is a big problem. I think Russia had a great opportunity with the World Cup to bring people here, to make them understand that Russia actually is a beautiful country, with very welcoming people. I know that when my father first stepped into Danilovsky market, which I of course know is not very representative of an average Russian market, he was stunned by the abundance and diversity of produce. He wouldn't admit it, but I know that he still had images of empty supermarkets anchored in his head.

I am also happy to see Russians travelling to Europe, to discover and understand that we are normal people too, that there are no civil wars in Europe, and that we have a perfectly functioning society, very welcoming as well. Unfortunately, travel is not easy for people on both sides: Russia has a very complicated visa process too, very complicated procedures for many things. .

## **Let's change the subject. How long will the Western sanctions last?**

As long as Russia continues to provide reasons for these sanctions to exist. I would love to see them lifted tomorrow.

## **What is the current state of the economic relationship between our countries?**

I think that, generally speaking, things are good. Industrial relationships are very good. We have engineering companies that help modernize Russia. They have been in this country for 40 years and they are the best in their field. There are companies who have manufacturing sites in Russia. Yes, some financial institutions have been impacted by sanctions and increased compliance procedures. They had to reduce their operations with Russian companies and institutions.

But otherwise I think we have a positive relationship. I was in Skolkovo this morning. It is always very rewarding to see that



many Russian companies use Luxembourg as a gateway to the European market – not like moving everything out of Russia and leaving, but in terms of using Luxembourg to grow their business. If I had something on my wish list, I would like to have a direct flight between our two capitals because it would make life much easier for business travellers and tourists.

**What kind of advice would you give to an investor thinking about coming to Russia. Because you know there are investors who want to come, but they are afraid. What advice would you give them?**

It is not an easy country to invest in, but it is a rewarding country to invest in if you have a good project. You will find partners and you will find support from the government, both federal and regional. They are very devoted and they will help you to make your investment. Problems arise if you run into trouble...

**Like what?**

Disagreement, any kind of disagreement with your local partner. If you try to have legal recourse, it is often very difficult. There seem to be unwritten protections for Russian companies. That's what I am being told by my business community : difficulty to enforce arbitration awards through the courts, very slow investigation of cases of corporate raiding, issues like this.

This for me is the main problem, evaluating and managing risk, commercial and political, over a longer period. It is difficult to get the shareholders and board members of a listed company to agree to deploy capital into Russia when there are other, less complex places to invest their money. Of course, it is easier if you are a privately-held business and there are fewer people to convince. Sometimes it is not easy to justify the decision to put capital into the Russian market, where the perceived risk is higher than elsewhere. But high risk can potentially mean high returns.

**That is true. What does Moscow have to do to attract foreigners, both tourists and businessmen?**

For tourists – open a direct flight to Luxembourg! That is what Istanbul did. Turkish Airlines now fly daily and are thinking about adding a second flight. Many Luxembourgers – not the poorest people in the world I might say – go to Istanbul for a nice weekend or a holiday, which is also easy because there is no need for a visa. They use Istanbul as a hub for onward travel, something that Sheremetyevo could also become for routes to East Asia. Additionally, I think that at some point the visa policy should be revised too.

I understand that my Russian colleagues from the Ministry of Foreign Affairs see this from the very diplomatic angle of the sacrosanct reciprocity – as long as Russians need visas to go to Europe, Europeans will need visas to go to Russia too. What they forget, besides the lost economic opportunity for Russia, is that the first reason for a visa regime to exist is to control the risk of illegal migration. I guess we both agree that this risk is unequally distributed between both sides.

I would guess that the risk of illegal immigration to Russia from Europe in general and Luxembourg in particular is rather low. I think one can find compromises that allow for pragmatic solu-

tions. For example, take what Russia has done with China – eliminating visa requirements for tourist groups who come to Moscow. This is very smart, it translated into huge revenues for the city and its businesses. St. Petersburg has a special regime for tourists coming on cruise ships, who can freely come and spend their money for 72 hours, if I am correct. The problem is that Moscow is certainly very important and the mayor a powerful leader who has done great things. But many of such key decisions are still made in other places, where caution seems to be more important.

Also, one has to remember that businesspeople are people too. They do not only travel for work, but often discover opportunities when abroad for leisure. Or combine both. If I am a businessperson and have to jump through many cumbersome regulatory hoops in order to just come and spend my private money to discover a city and a country, I will obviously think twice before investing my company's money there... If I think of it at all, because the negative bias that I spoke about before might still be in my head.

**They want to turn Moscow into an international financial center. Do you think this is realistic?**

Good idea, because Russia as such is large enough to cover the needs of a financial center, for itself and the CIS. To become a truly international financial center is difficult though because you can't just declare yourself an international financial center.

You become an international financial center because others decide that you are. When people ask me what Luxembourg did to become a center of global finance, I reply: "Well, maybe we reacted to things, we reacted well, and many decided that Luxembourg was attractive." Initially, some policy choices were based on coincidence, in many ways. We also benefited from the mistakes of others around us and were then smart enough to defend and expand these advantages. I believe that Russia has a chance, Moscow has a chance. Sorry, there is also beautiful Saint Petersburg and Kazan took steps in Islamic finance, but Moscow is where people do business, there is only scope for one financial centre...

**What is your main goal, what is your main aim as Ambassador to Russia?**

I work with Russians to show them that Europe is not threatening. I show from the example of Luxembourg that you do not have to expand your territory and your military in order to be successful, that you can be assertive and confident in yourself without being adventurous in terms of security. I want to show ordinary Russians that we are the same. Despite our differences and diversity, we are the same at heart. Humans, who want to live in peace, provide for our families and assure a better future for our children. My son has two passports: Luxembourgish and Russian. I would like him to grow up being at perfect ease saying in Russia that he is Luxembourgish and in Luxembourg that he is Russian. We live in a world that makes global citizens out of all of us. We should and must keep our deep roots and the connection to our lands and cultures, but we also need to grow wide branches that can reach beyond borders.

**Thank you very much. It was nice talking to you.**

It was nice talking to you too. ■

## Moscow in ratings



The Russian capital ranked sixth in terms of living standards on the World's Best Cities rating, published by the international consulting company Resonance. Experts looked at a total of 100 cities. They were assessed across different metrics, including infrastructure development, employment opportunities, cultural life, tourism, and the economy.

London was in first place, followed by Paris, New York, Tokyo, and Barcelona. Moscow placed ahead of Chicago, Singapore, Dubai, and San Francisco.

The rating analyzed performance metrics like infrastructure development, housing

accessibility, employment opportunities, tourism, the environment, and others.

The experts were impressed by the Russian capital's park Zaryadye, the results of the city-wide "My Street" program, and the organization of the 2018 World Cup. Moreover, Moscow is also in the lead in the "Museums" category. The Tretyakov Gallery and the Pushkin Museum are highlighted as "must-visit" places in the rating. The analysts also gave high marks to the World Cup, which took place in Russia this summer – a lot of matches were held in Moscow.

By the way, the city budget increased by 14.8 billion rubles as a result of the

World Cup – this is more than half of the total sum of income from tourism in 2010. During the event alone, almost 4.5 million tourists visited Moscow, including about 2.3 million people who came from abroad.

Moscow placed second on the US tourism portal Travel Pulse list of **the most-photographed cities in the world**. The rating was put together based on statistics from Dreamstime, a photo stock service. The only city ahead of Moscow is New York. London is in third place. The list also includes Bangkok, Paris, Rome, Los Angeles, Venice, Hong Kong, Istanbul, Barcelona, Prague, Beijing, Singapore, and Kiev.

Since last year, Zaryadye Park, which has become a landmark attraction in the capital, is often featured in photos online. The park was not only appreciated by city residents and guests, but also Time magazine. It included Zaryadye on the list of 100 most prominent locations in the world.

Moreover, Moscow was **among the best cities to travel to** according to the leading international travel guide Lonely Planet and the journal National Geographic. ■

## Parking with tennis courts on the roof

According to Moscow's Chief Architect Sergey Kuznetsov, a multi-purpose parking space for 100 cars and a usable roof will be built on Leningradsky Prospekt. The three-level parking lot will be located at Leningradsky Prospekt 15.

"At the instructions of Mayor Sergey Sobyanin, we're building different types of parking spaces in the capital for the convenience of city residents – there are both underground and above-ground parking lots. We've also seen that there is a trend to expand the functionality of these spaces. The parking lot on Leningradsky Prospekt will include athletic facilities: tennis courts and rooms for play-

ing squash and mini-football," Sergey Kuznetsov said.

The total area of the building will be 6,000 square meters. The inside will house a parking lot for 100 cars, including spaces for people with disabilities, a reception space, rooms for playing squash and mini-football, a lounge, and administrative and service rooms for storing inventory.

The roof will house indoor tennis courts with separate ventilation systems. The tents will be constructed from arched trusses covered with a high-performance insulation membrane. ■



## Turgenev House-Museum after restoration



Ivan Turgenev's House-Museum on Ostozhenka Street has opened its doors after a comprehensive restoration project. The building now has a modern exhibition hall. There is also a monument to Ivan Turgenev and a small city sculpture called "Mumu." Thus, Ostozhenka Street now has a "Turgenev Quarter" – a new cultural and recreational space. Its opening coincides with the 200-year anniversary since the birth of the famous writer. Russian President Vladimir Putin and Mayor of Moscow Sergey Sobyenin took part in the opening ceremony for the museum.

"The exposition is unique in many ways. It will feature real items from Turgenev's era, there will be new opportunities to hold exhibitions, concerts, and educa-

tional programs that introduce people to the writer's work. As we know, Turgenev spent a lot of time abroad, a lot of Turgenev's prose was written there, and his translations gave the world some of the most significant and famous works of literature," Vladimir Putin said.

Ivan Turgenev's museum is located inside a historical building, at the following address: Ostozhenka Street 37/7, building 1. It's recognized as a cultural heritage site of federal significance. In the 1840s-50s, the writer's mother (Varvara P. Turgeneva) lived in the two-story wooden house with attic, which was built in 1818-1819. Ivan Turgenev visited her often, and the events that took place at the house on Ostozhenka inspired his famous story "Mumu."

In 2007, the Government of Moscow made the decision to establish a museum inside Ivan Turgenev's house. It became part of the Pushkin State Museum of Fine Arts. The total area of the house is 992 square meters.

The first floor features recreations of interiors that would have been found in a noble estate. The second floor (the attic), which used to house the writer's office, is now open to visitors for the first time. Experts recreated the atmosphere of Ivan Turgenev's home based on the writer's recollections and descriptions in his own works.

The new exposition combines museum items with modern multimedia technologies, which enabled the creators to significantly expand and diversify the space inside the museum. The exposition currently features sculptures, books, documents, drawings, photographs, paintings, sketches, porcelain, metal, fabrics, and furniture.

The museum has also recently received new exhibits, which will be presented to the general public for the first time. The museum's exhibition features a total of 1,500 exhibits. 1,025 unique exhibits were acquired by or given to the museum, and 768 museum items have undergone restoration. ■

## WHAT'S NEW

### Water transport in the capital

In 2020, the city plans to launch a new water transport route. The pilot route will run along the Moscow River, from Kievsky Train Station to Nizhniye Mnevniky. It will connect the Moscow City business center to the city's parks and Kievsky Train Station.

There will be 7 stops along the way. The 10-kilometer route will encompass a total of four districts – Khoroshevo-

Mnevniky, Filyevki Park, Presnenskiy, and Dorogomilovo. The vessels will be able to carry up to 100 people, and total capacity will amount to 1,500 passengers an hour. It will take 104 minutes to complete the route.

The water transport will give Muscovites access to new transport connections.

The docks will be located close to metro stations, MCC stations, and above-ground transport stops. The city's public transport fees will apply on the water route, and passengers will be able to use their Troika cards to pay for transfers. ■



## Upgrades to the country's biggest film studio



**M**osfilm completed the construction of the largest cinematographic repository and a new film studio. Film makers will now be able to build all kinds of sets: rainforest or the arctic coast, high-rise buildings of Moscow City or Manhattan. The area of the film shoot space is 1,600 square meters.

"Mosfilm is not only sticking around, it is becoming more modern. And I think that it will undergo a full makeover by the time of its 100-year anniversary, there will be now opportunities here. There will be modern studios and a concert hall that you've been dreaming of. So congratulations! This is an important event for the city," Sergey Sobyenin said during a tour of the country's main film studio.

Director General and Chairman of the Board at Mosfilm Karen Shakhnazarov thanked the Mayor of Moscow for his assistance with the construction project.

Mosfilm is a leading Russian film industry enterprise and one of the largest European studios. It covers an area of 30 hectares, and is located at Mosfilmovskaya Street, Building 1. The studio was established in the early 1920s. The production capacity of the film studio is over 100 films per year. Mosfilm is currently working on 86 films, and 23 are in the process of being shot.

There are a total of 15 film studios inside, and the last film studio was built in 1950. They have all been reconstructed over the past 20 years. A 16th film studio was built this year, and finishing works are currently in progress.

A big source of pride for Mosfilm is the unique collections of costumes, furniture, and props, which total about 400,000 repository units. The studio has been collecting these items since the studio's inception.

Sergey Sobyenin recalled that there were a lot of disagreements about the Mosfilm territory in the late 1990s. There were proposals to replace it with a shopping center or a large residential area. But in 2013, the studio launched a modernization project at the instruction of Vladimir Putin. In 2016, a contract that provided for the construction of new Mosfilm facilities was signed with an investor. Work on new facilities began in 2017.

The first stage of construction included the House of Costumes and Props and film studio No.16, and was completed in September 2018.

In the first quarter of 2019, Mosfilm plans to start the second stage of construction – a cinema complex and film studio No.17. This stage is scheduled to be completed in 2022.

The project's implementation is managed by the Moscow government. "We're going to monitor the project and help implement it until it's complete. I hope that it will be finished before the scheduled date," the Mayor of Moscow added. The project is funded by an investor, so no funds from the city budget will be used to complete the work. Total investment volumes amount to 5 billion rubles.

The modern two-story building that covers a total area of 15,500 square meters houses many functional spaces. This will enable Mosfilm to store its existing collection of props and make space for new items. The reserve space inside the House of Costumes and Props is 30% bigger.

There are no equivalents to this building in Russia, or anywhere in the world. There will be over 70 retro cars and over 100 horsebuses on the ground floor. There is also space for Mosfilm's production vehicles. The first floor will house the props, and the costumes will be on the second floor.

The new Mosfilm studio has unique acoustic capabilities. A multi-level soundproofing system – on the floor, the ceiling, and the walls – will record a clear sound directly on set. According to Karen Shakhnazarov, this will enable the studio to boost productivity, record live sound on the spot, and reduce expenses for recording sound separately.

A distinctive feature of studio No.16 (both in terms of construction and functionality) – is the so-called "inlet collector." The 6-meter gate can accommodate any type of heavy equipment. This simplifies the unloading and assembly of large set decorations. ■



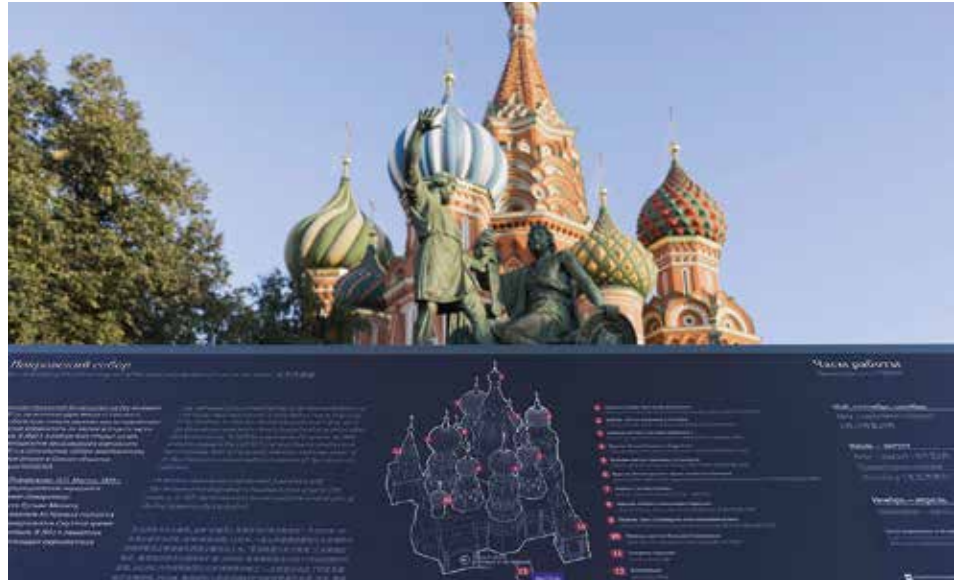
## St. Basil's Cathedral now has navigation signs

The Red Square has completed the installation of navigation signs near one of the most significant monuments to 16th-century Russian architecture – the Cathedral of the Intercession of the Most Holy Theotokos on the Moat, better known as St. Basil's Cathedral.

Information steles were installed inside of the cathedral, which comprises 10 churches dedicated to Basil the Blessed, Alexander Svirsky, Saint Barlaam of Khutyn, the Entry of Christ into Jerusalem, Saint Gregory the Illuminator of Armenia, Saint Martyrs Cyprian and Justina, Nikola Velikoretsky, the Holy Trinity, the Three Patriarchs of Alexandria, and the Central Church of the Intercession of Most Holy Theotokos.

St. Basil's Cathedral is a UNESCO World Heritage Site. It's also one of the seven wonders of Russia, like the Peterhof Palace in Saint Petersburg and Mamayev Kurgan in Volgograd. It's visited by hundreds of thousands of Muscovites and tourists every year.

There are a total of 29 information points in the cathedral's navigation sign system.



These include steles, boards, and directional signs that help museum visitors navigate their visit of the world-famous attraction. The information is presented in three languages – Russian, English, and Chinese.

Six street navigation steles are located around the building on Red Square. They present descriptions of the cathedral and the churches inside it, the cathe-

dral's history and layout, and the building's architectural nuances. The other signs are located inside the cathedral. They contain directional signs that let the visitors know where to go next, as well as exits and directions to the souvenir shop.

There is an information board with a map of the church at the entrance, which will help guests avoid getting lost inside. ■

## Smart baggage check-in at the airport

WHAT'S NEW

The Moscow Domodedovo Airport and the airline S7 have introduced a smart-technology called Self Bag Drop (SBD), so that people can register and check their bags at the airport on their own. The entire process takes less than a minute and significantly reduces the amount of time it takes to check into flights.

The technology was developed by SITA – a global leader in information and telecommunication solutions for the aviation industry.

24 registration stands will have SBD kiosks, which will

allow passengers flying with other airlines to use the stands. Passengers will be able to check their bags on their own at the special Scan & Fly kiosks at the registration stand. The device is equipped with a document scanner and a hand-



held infrared barcode scanner. If a passenger has their boarding pass and baggage tag on hand, just three swift moves are enough to register and check in a bag. Just scan the electronic or paper boarding pass, scan the tag, and put it on the bag. If the passenger doesn't have a tag yet, they can print one at the kiosk. Then, all the passenger has to do is put the bag with the tag on the conveyor belt.

Domodedovo Airport is in the process of implementing a wide-scale transition to paperless service. In 2017, the terminal was equipped with eGate – automated turnstiles for processing electronic boarding passes. They enable passengers to go through passport control on their own at the entrance to the departure area and to board planes. All the traveller has to do is scan the QR code on their phone. ■

## Moscow Central Diameters (MCD) – a new megaproject



**M**oscow is launching a new megaproject: diametrical routes for suburban railway lines will become a new form of transportation. Essentially, these are new above-ground metro lines that will connect the city to the Moscow region. The first two diameters will be launched at the end of 2019 – beginning of 2020. The other routes are currently under development.

Other countries have successfully implemented similar projects. Nearly all European cities feature examples of integrations between railways infrastructure and the metro. For example, there is the S-Bahn in Germany, the RER in France and the Overground in London.

The existing railway infrastructure will be modernized, and it will serve as the foundation for the new public transportation service. There will be convenient transfers to other transport, a unified ticket system, services, and navigation signs

that everybody who takes the metro and the Moscow Central Circle is used to. Trains will run along the new routes at regular intervals, arriving every five to six minutes during rush hour. At the same time, the current suburban trains will continue to run along the railway lines.

After the first stage of the program is complete, public transport will be more accessible to an additional 2.3 million people.

Further development of the diameters will enable the city to create additional passenger seats, balance out passenger traffic volumes on public transportation, and reduce traffic on highways.

The hours for the Moscow Central Diameters will be the same as for the rest of the metro – from 5:30am to 1:00am. Overall, according to expert forecasts, the implementation of the MCD project will reduce the pressure on the city's entire transport infrastructure by 10-12%.

The Odintsovo-Lobnya Diameter will have 12 interchanges with transfers to the metro, the MCC, and radial railway routes.

Passengers on the Nakhbino-Podolsk line will be able to make 15 transfer to the metro, the MCC, and radial railway routes.

It's already been announced that the city's electric train "Ivolga," which was fully designed and assembled in Russia, will be running on the first two MCD routes. In terms of technical solutions, convenience, and economic efficiency, the Ivolga is on par with all the best foreign equivalents, and is even superior to them in some aspects.

The Ivolga is equipped with all modern passenger services – mounts for bicycles, USB sockets for charging gadgets, video monitors, Wi-Fi access points, and convenient information boards.

The trains are also well-adapted for passengers with limited mobility: there are supports for wheelchairs and bathrooms. For visually impaired passengers, the announcements on the information boards will be duplicated in Braille.

A convenient ticket system will be developed in order to comfortably integrate the diameters with the rest of the city's public transport. The diameters will operate in accordance with the same standards as the metro and the MCC – the ticket price will be the same, and they'll also use the same type of ticket. Passengers will be able to use Troika cards to pay for transfers. ■

## First COS store in Russia

**T**he London brand's first store is located on the second floor of the main atrium in Afimall City shopping center in Moscow. "We're very happy to open our first store in Russia. Moscow is a spectacular and exciting city, and we think it's the ideal location for our first store. We hope that Russian customers will enjoy our collections, which will be presented in our new space inside the Afimall City shopping center," said Marie Honda, Managing Director of COS.

The new store reflects the aesthetics of COS, which is expressed through the store's practical design in combination with decorative elements made out of natural materials. The store is finished with limestone from Dagestan, which gives it a unique look.

The area of the first COS store in Russia is 540 square meters. It features collections for women, men, and children, along with accessories. ■



## Jewelry store with a coffee shop at the Patriarch's Ponds

The jewelry brand Avgvst has opened its first store in Moscow. This brand became popular in Russia after the Space Atlas collection (a joint project with Russian artist Protey Temen), lollipop pendants, and other kinds of minimalist jewelry. And now the brand has a space in Moscow. The store is definitely worth a visit, even if you don't plan on buying jewelry.

The store on Maliy Kozikhinsky Pereulok was designed by architect Harry Nuriev (Crosby Studios). The result is a bright yellow space with a minimalist display case for jewelry, a comfortable sofa, small tables, and an abundance of mirrors. It's not immediately obvious that the space is a jewelry store. Passers-by

drop in, drawn in by the aroma of hot coffee from the "Chelovek i Parokhod" coffee shop, and have no idea what awaits them inside.

The store pays special attention to customer experience here. The creators wanted a visit to the jewelry store to be a small joyful event for women – a place where they can treat themselves, chat with like-minded people, listen to music, and enjoy good-quality interior materials. So Avgvst in Moscow turned out to be a very special place, where you can also get a cup of good black coffee.

Aside from jewelry, the store sells books, magazines, decorative items, notepads,



and pens – small items that can bring joy to people every day. There is also a separate display with jewelry from the brands Himere and Maria Stern. ■

## New pedestrian area



The city will have a new pedestrian area, which will run from the church of Christ the Savior to Yakimanskaya Embankment. The total area will cover 2.1 hectares.

The project will entail the reconstruction of the pedestrian Patriarch's Bridge on the section between Beresnevskaya and Yakimanskaya Embankments. Console stands (amphitheaters), stairs, and elevators will be constructed there. The city also plans to build three small social and cultural centers under the bridge. Their total area will cover 5,700 square meters.

The city also plans to improve the section of Bolotnaya Embankment that is adjacent to the Patriarch's Bridge. There will be a descent to the Vodotvodnyy Canal. There will be no cars allowed in this area. The new territory will serve as an extension of the Museum of Modern Art, which will be established inside the historical GES-2 building.

Over the past few years, the city has improved and reconstructed 53 kilometers of shoreline. Another 20 kilometers of embankments will undergo improvement works before 2020. ■

## WHAT'S NEW

## Gastronomic news

**PHO PHO.** A Vietnamese street food restaurant called Pho Pho has opened its doors at Sheremetyevo airport. After opening a restaurant at Usachevskiy Market last year, the restaurant now has a second location on the city's map. Now, Sheremetyevo passengers flying out of Terminal B can try the most

popular Vietnamese dish – pho soup, along with plenty of traditional appetizers and drinks that Vietnamese people cook at home. Authentic Vietnamese drinks stand out on the restaurant's menu: coffee with condensed milk, jasmine tea, anchan and the popular Fo Cha – Asian iced tea with tapioca balls, condensed milk, and marmalade. The restaurant is located near gates No. 107 and 108, inside terminal B (3rd floor). ■



# WHAT'S NEW



**GO EAST.** This is a Pan-Asian restaurant from the famous Italian chef William Lamberti with reasonable prices. The menu tailors for two types of dining. The first is for big groups that are looking to order a bunch of appetizers and share all of them. The second is for people who come by themselves, get a bowl of noodles, and enjoy. The menu isn't overly long – there are less than 30 selections. The chefs decided to exclude boring options and developed their own unique recipes with the help of new technolo-

gies. The menu has tataki and tempura, noodles and Peking duck, dim sum, poke, citrus and rice vinegar salads and, of course, a full set of sushi and sashimi rolls that have their own section. There is a lot of sauce on almost everything, and a lot of snacks and salads. The interior design matches the idea well. The main color motifs are red, black, and wood, the open kitchen features yellow lighting, and there are frivolous curtains at the entrance – it has that modern Asian flair that's pleasing to the eye. ■

**DNK.** This innovative project on Rodchelskaya Street 15 combines two different concepts. During the day, it's an Asian restaurant that features popular street food. In the evening, the space turns into a hip hop club, with performances by Russian and international stars, as well as parties for fans of this popular music genre. The interior is decorated city jungle style:

there are live plants, beetles and butterflies on the walls and ceiling, a lamp in the shape of a medusa, mirrors, metal details, and bright, soft furniture. Guests are offered modern Asian food, a raw bar, and popular street food dishes. The Bar Point room offers guests the best cocktail sommelier in Moscow, and proves that even strong drinks can be healthy. ■



**TEMPO DI PASTA.** A reasonably-priced pasta bar on Myasnitskaya Street inside the cozy courtyard of the Stroganov School, which serves 47 different types of handmade pasta. Guests can try a ready-made classic recipe or make their own pasta, adding different spices and sauces themselves. The pasta is made according to Signor Paoloni's family recipe, just like the homemade pasta made from coarse-ground flour made out of durum wheat that's used in Rome. Every dish is like a Lego creation, where you can easily substitute any element.

And the best part is that it costs just 260-460 rubles per dish.

There are two rooms that can seat 100 people, along with a bar, dance floor, and a high-quality sound system.

The average check of 800 rubles, which can easily include a glass of wine (starting at 180 rubles) will be complemented by a cultural program – lectures about Italian culture, artists, Italian culinary classes for children, and wine tastings from the best sommeliers in Moscow. ■

**LITTLE GARDEN KITCHEN & BAR.** This new garden-restaurant popped up in the very center of Moscow, at the intersection of Bolshaya Lubyanka and Bolshoy Kiselny Pereulok. The airy space is filled with live plants. The windows stay open and the interior is light and elegant, making this place a true oasis in the city's concrete jungle. The restaurant's two floors can fit over 70 people at a time. The menu features southern European dishes: light salads, tapas, pinchos, pasta and risotto, and original main courses. The food here is astonish-

ingly light and features unusual combinations of ingredients, bold experiments, and original interpretations of European classics.

All drinks from the bar are refreshing and light, and the menu features over twenty original cocktails. Original presentation is key here.

This restaurant is a good place for business lunches, romantic nights out, and family dinners. The bar space is also special. In the evenings, the restaurant is



filled with the rhythms of music. Parties with DJs gather connoisseurs of fine cuisine, a light atmosphere, and fresh music trends. ■





**ChaCha.** This new restaurant in Mnevniko has an unusual concept: the waiters are actors and singers from Georgia. Graduates of theatre universities put on mini-plays, complete with singing and dancing, when they're not serving people dishes. Traditional Georgian food is featured on the menu along with the restaurant's original dishes. There is a

khinkali spot on the first floor of the restaurant, which has an open kitchen and a small cafe that lets guests watch as their food is prepared. The first floor also has stands with nuts and dried fruit, home-made jam and sweets. The chefs make khinkali, kutaby, and chebureki, and bake pita bread. Guests can grab their order to go or stay for a snack at the cafe. ■

**UMAMI MOSCOW.** This restaurant, which has a menu filled with fresh fish, crabs, and seafood, opened its doors on the second floor of Usachevskiy Market. The restaurant has four mono-kitchens: Ponzu is a raw bar with fresh fish from Japan and the Far East; Robata is a traditional Japanese grill which is great for preparing fish and seafood; Wokowaya features noodles and soups made in a Chinese wok; and Falanga has selections made with crab meat. There is also Alchemist – the restaurant's bar. Each corner has its own menu. Guests can also pick out whatever they like in the restaurant's fish stand and tell the chef

what kind of dish they would like made out of the product. There are a lot of options to pick from: wild Japanese fish, Kamchatka crab, shrimp, scallops. The chefs can give you advice about what kind of dish would work best for a particular fish, as well as add to or remove ingredients from selections featured on the menu.

The restaurant's interior is like a minimalist, modern-day Asia with interesting details and a large collection of live plants. Guests can sit at individual tables or at by the counter at any of the four kitchens, where they can chat with the

chefs, learn more about the products, and see how the food is prepared right in front of them. ■



**GILO DIM SUM.** The first floor of the Central Market (Rozhdestvenskiy Bulvar 1) has opened a spot from the chef Giacomo Lombardi. The cuisine is a unique mix of Asia and Europe – the chef's unusual take on Chinese dim sum.

They are made with traditional Chinese dough and fillings typical for ravioli. The dim sum in sets of 5 or 8, with specially selected sauces on the side. A sous chef from China is in charge of preparing them. ■

# WHAT'S NEW

**DIPLOMAT.** This project on Tsvetnoy Bulvar 5 is the brainchild of one of the founders of Black Star Walter Chassem and his wife Cindy. Elena Savchuk, the best female chef in Russia according to the 2017 French guide put together by Gault & Millau, is in charge of the kitchen here. The menu can definitely be classified as fusion food. The first floor has a restaurant with shawarma and original takes on pop dishes, and the second floor houses a bohemian R'n'B bar. Aside from European cuisine, the first floor of the build-

ing also has an Eastern section, complete with a tandoor, doner kebab and kutab, which are baked by women from Armenia on the spot. As an alternative to the standard bruschetta, there is something called the "fusion tandoor" – a mini-tandoor cake with different fillings: Asian eel, cream cheese and radish, or with vanilla goat cheese, tomatoes and grapes, or eggplant mousse, artichokes, giant capers and baked bell pepper. Another specialty is the doner donut, or the "do-it-yourself shawarma": a dish for 2-3 people, with mini cakes and fillings.

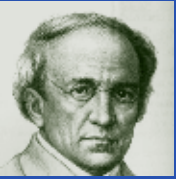
The interior adheres to the same concept of combining things that seemingly don't match. On Fridays and Saturdays,



the space hosts parties with DJs. There are occasional performances by hip hop, R'n'B, and rap stars. The bar has a VIP room with a panoramic glass roof, and in the summer there is a veranda that overlooks Tsvetnoy Bulvar. ■



Marc Chagall "The Bride"



"All the wonders you seek are within yourself. We should seek to discover our own special light. Know how to live within yourself; there in your soul lives a whole world of mysterious and enchanted thoughts; they will be drowned by noise of this world. Be still and listen to their singing and be silent."

**Fedor Tyutchev, Russian poet and statesman**



"Love animals: God has given them the rudiments of thought and joy untroubled. Do not trouble their joy, don't harrass them, don't deprive them of their happiness, don't work against God's intent. Man, do not pride yourself on superiority to animals; they are without sin, and you, with your greatness, defile the earth by your appearance on it, and leave the traces of your foulness after you - alas, it is true of almost every one of us!"

**Fyodor Dostoyevsky, Russian novelist and philosopher**



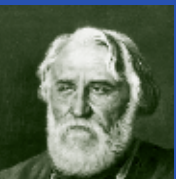
« Joy can only be real if people look upon their life as a service and have a definite object in life outside themselves and their personal happiness.»

**Leo Tolstoy, Russian writer who is regarded as one of the greatest authors of all time**



«If I wanted to order a ring for myself, the inscription I should choose would be: "Nothing passes away." I believe that nothing passes away without leaving a trace, and that every step we take, however small, has significance for our present and our future existence.»

**Anton Chekhov, Russian playwright and short-story writer, who is considered to be among the greatest writers of short fiction in history**



"Time sometimes flies like a bird, sometimes crawls like a snail; but a man is happiest when he does not even notice whether it passes swiftly or slowly."

**Ivan Turgenev, Russian novelist, translator and popularizer of Russian literature in the West**



«A certain man once lost a diamond cuff-link in the wide blue sea, and twenty years later, on the exact day, a Friday apparently, he was eating a large fish - but there was no diamond inside. That's what I like about coincidence.»

**Vladimir Nabokov, Russian novelist, poet, translator and entomologist**



# German



In Russia, this high-speed train that runs along the Moscow Central Circle bears the romantic name “Lastochka” (translated as “swallow”). In Germany, this rolling stock, developed by Siemens, has a different name: Desiro RUS. But this has no effect on how popular the comfortable trains, which can travel at up to 160km/h, are among Muscovites and the capital’s guests. *Capital Ideas* talked to Joerg Liebscher, head of Siemens Mobility in Russia, about the company’s operations.

**D**id Siemens develop Lastochka trains for Russia, local conditions or do such trains run in Germany and in other countries as well?

110 Lastochka trains made in Russia by our Joint Venture Ural Locomotives and 54 German trains are now operated in many regions of Russia. Our Lastochka trains have showed themselves to good advantage in passenger traffic operation on the Moscow Central Circle. As of today, more than 220 million passengers have been carried. At present, 42 Lastochka trains are operated on the MCC. Lastochka electric trains are new generation trains developed on the basis of Desiro project with the use of innovative technologies. These trains are designed for suburban and intercity passenger traffic on Russian railways with a wider track gauge equipped with high and low platforms. The maximum electric train speed is 160 km/h. They are designed for the specific climate of Russia and can

be operated at temperatures from +40°C to -40°C. Passenger comfort features and advantages include availability of areas for persons with disabilities, convenient passenger seats for long journeys lasting for 4 hours and more, availability of tables and outlets for work during the trip, passenger compartment air conditioning systems (instead of a vent window air circulation system). Special train modifications were developed for operation on the Moscow Circle with places for bicycles, additional handrails, and a modified seat configuration (more standing passengers).

**The passenger traffic on the MCC which is now used by about half a million people every day was opened in September 2016. Was it the first use of Lastochkas in Russia?**

Lastochka trains on the MCC are really very popular among passengers due to their comfort, speed and ease of movement. We used our positive passen-

# swallows fly high in Moscow

ger transportation experience in various cities of our country to launch our trains on the MCC. Lastochka trains proved themselves to be good at passenger transportation during sporting events (including the recently completed FIFA World Cup).

**Is only one modification of Lastochka trains used in Russia or are we talking about several types of trains?**

Lastochka trains exist in several versions: standard and premium. And, as we mentioned before, a special

modification was developed for the MCC. In addition, a two-system train (3kV DC and 25kV AC) is currently under certification tests.

**Where are Lastochka trains manufactured for the Russian Federation – in Germany or in Russia? What plants manufacture them?**

Today, the Russian content is 80%. In May 2014, the first Siemens Desiro RUS electric train was manufactured by Ural Locomotives. For the first time ever in the history of domestic railroad rolling stock manu-



facture it included a welded aluminum body. Siemens, in partnership with Sinara Group, started localization of electric trains at Ural Locomotives plant and has been performing the largest order for 1,200 cars issued by Russian Railways in 2011.

**How many Lastochka trains have been manufactured in Russia and how many of them are used on the MCC?**

At present, 110 Lastochka trains made in Russia by our Joint Venture Ural Locomotives and 54 German trains are operated in many regions of Russia.

**In what cities and regions of Russia, apart from Moscow and Sochi, are Lastochka trains operated? Do they run only on already existing routes in the Russian Federation or new routes are being developed for these trains?**

Territories of Lastochka operation are continuously expanding both on the existing and new routes. At present, Lastochka trains carry passengers in the following areas.

South Region: Krasnodar Territory, Adler – Maikop, Krasnodar – Rostov-on-Don, Rostov-on-Don – Krasnodar – Novorossiysk, Kislovodsk – Rostov-on-Don – Krasnodar, Sochi – Roza Khutor, Tuapse – Sochi Airport. Leningrad Region: St. Petersburg – Veliky Novgorod, Vyborg, Volkhovstroy, Bologoye, Petrozavodsk. Central Region: Moscow – Orel, Smolensk, Kursk, Tver, Nizhny Novgorod, Kryukovo, Ivanovo, Moscow Central Circle. Ural Region: Yekaterinburg – Nizhny Tagil – Kushva, Kamensk-Uralsky, Yekaterinburg – Kuzino – Shalaya. North-West Region: Kaliningrad – Svetlogorsk, Zelenogradsk.

**How do you see further development of Lastochka and Sapsan transport projects? Are these projects promising?**

The Infrastructure Economics Centre predicts (IEC) a steady growth of passenger transportation by electric trains with a maximum speed of 160 km/h until 2030. Analysts came to this conclusion based on the study of applicability of Lastochka type rolling stock on the existing railway network.

According to the railway network study, there are several routes with high passenger traffic: Moscow transport hub, North-West transport hub, Volga Region, North Caucasus and Urals. Mr. Kosoy, president of IEC, stressed that the use of Lastochka electric trains in those regions is economically feasible. By 2030, the demand for electric trains will exceed 1.9 thousand cars. Thus, there are still many regions where our trains could be used effectively.

**Who is responsible for Lastochka train servicing and is it effectively arranged in Russia?**

Siemens pays much attention to maintenance of trains supplied to our key partner, Russian Railways. Service maintenance of Lastochka trains is carried out on the basis of Podmoskovnaya depot and in Adler. In 2011, a contract for manufacturing of 1,200 cars and service maintenance of 54 trains was signed for 40 years. In 2015, a contract for service maintenance of trains manufactured in Russia was signed for 40 years.

Today we are trying to provide efficient service that integrates all train information. We are also developing a digital depot project based on paperless document management.

**As we are talking about Siemens trains in Russia, it is impossible not to mention famous Sapsan trains running on the Moscow – St. Petersburg route. How did they take hold and are they popular?**

Today, Sapsan is one of the most successful projects. It is evidenced by the highest train "population" (99.2% is the highest rate of train utilization in Russia), its availability (99.9%) and successful uninterrupted operation.

We signed an agreement on expansion of the high-speed train fleet of RZD Holding at the international trade fair InnoTrans in Berlin. According to the document, Russian Railways OJSC and Ural Locomotives LLC (Joint Venture of Sinara Group and Siemens AG) will negotiate an agreement on expansion of Sapsan fleet by March 31, 2019. It is also planned to sign an additional agreement for maintenance and repair of this rolling stock as a continuation of the current service agreement between Siemens AG and RZD OJSC. It appears to be the best evidence of the popularity of these trains.

**What is the pace and what are the areas of development of cooperation between Siemens and Russia in railway transport in general?**

As one of the world leading providers of railway solutions and technologies, Siemens is a strategic partner of Russian Railways in many projects. In the future, we are ready to expand areas of cooperation, primarily using digital technologies.

The HSR construction is among the promising areas in which we would like to take part. For this purpose, several years ago, the German Initiative was created bringing together major German companies ready to develop proposals on the project, offer the latest technologies and take part in localization.



We are ready to develop a project of new generation high-speed trains. And today, to this end, we are discussing the creation of an engineering centre with RZD.

We continue to develop the locomotive building industry. For this purpose, we are developing the production capacity for traction components at Siemens Elektroprivod Plant and Voronezh Transformer Plant.

We continue localization and supply of 1,200 Lastochka cars assembled and marked as "Made in Russia" to RZD. This was discussed above.

One of the main future infrastructure development factors is automation. Siemens Mobility also has its own solutions here, which we are ready to replicate today. The gravity hump at Luzhskaya station became the first fully automated gravity hump in Russia. An automatic system for control of train splitting MSR-32 was implemented at the hump yard. Due to innovative solutions, low maintenance and energy efficient equipment, the technical staff was reduced almost by half and the average energy consumption for splitting up of one car reduced by more than seven times. Herewith, the work of the whole hump is controlled by one hump foreman. The hump was constructed on a turnkey basis and

all installed equipment is designed to operate during the entire service life of 25 years without overhaul. According to the agreement with RZD OJSC, Siemens will also provide service maintenance of the gravity hump for 10 years.

We consider that the development of cloud technologies is promising for the improvement of transportation efficiency and reduction of investments.

We also work on the technical implementation of autopilot technologies in cooperation with RZD.

A key driver here is digitalization. We can give an example of the first Data Analysis Center in Russia, opened jointly with our customer, Russian Railways OJSC, more than a year and a half ago based on Podmoskovnaya depot. We started work on specific projects to optimize maintenance and train calls to the depot. Due to the work of the center, we forecast the state of the train units, improve availability of the rolling stock and infrastructure, while optimizing operating costs and gradually moving to maintenance according to the state (when the service is based on the technical state of trains and infrastructure). Data transferred to the data center, including online data, will be analyzed, and the results of such analysis will be subsequently transferred to service engineers. ■



*"It's absurd to think that someone is a criminal just because they work with Russia," said Deputy Prime Minister and Minister of the Interior of Italy Matteo Salvini at the Confindustria Russia meeting.*





# Matteo Salvini:

# I feel safe in Moscow

**A**t the annual Confindustria Russia (Association of Italian Manufacturers) meeting, a lot of words were exchanged about the love between the two countries. Every single speaker brought it up, because love and spiritual closeness is at the very foundation of not just relationships between people, but also Russian-Italian trade and economic relations. "Italy has never turned its back on Russia, even during the worst times," said the Ambassador of Italy to Russia Pasquale Terracciano, who spoke first. Although these are also challenging times, due to the economic sanctions that were imposed on Russia in 2014, Italian business continues to be interested in Russia. There are currently 500 Italian companies operating in the Russian Federation, representing big business and SMEs. According to the ambassador, the worst is behind us, but a lot of work still needs to be done to completely overcome the consequences of the crisis.

Deputy Minister of Foreign Affairs Alexander Grushko was also optimistic. He said that relations between Russia and Italy are "friendly and trusting by nature" and that they're developing "well, in a positive direction." "We're not holding negotiations about lifting the economic sanctions, since we didn't introduce them," he said about the sanctions, "But we hope that common sense will prevail in the West." The Deputy Minister spoke highly of the Italians, saying that they have always been known not just for their love of beauty, but also their entrepreneurial intuition, which should help the Italians today as well.

The world-famous Italian alpinist Simone Moro spoke about businessmen as explorers during his speech at the meeting. He had climbed many mountains together with Russian colleagues. According to him, Italian entrepreneurs who want to do business in Russia today must be guided by the spirit of explorers, who know neither fear nor doubt.

Entrepreneurs really did have to put fears and doubts aside. "We're giving up our share on the Russian market," confessed Ernesto Ferlenghi, President of Confindustria Russia. He pointed out that Italian business is losing 12 million euros a day because of the sanctions. But business, just like nature, doesn't tolerate emptiness. The positions lost by Italians in Russia are being filled by the Chinese, the French, Germans... This trend must be reversed. At the very least, Russia and Italy have the most important thing — the desire of both sides to cooperate. Ernesto Ferlenghi reminded the audience about the manufacturing lo-

calization model that Italy is trying to promote: "We want to manufacture different kinds of products with you in Russia and export it to Europe, along with other locations in the world."

The highlight of the Confindustria Russia meeting was a speech by the Guest of Honor Matteo Salvini, Deputy Prime Minister and Minister of the Interior of Italy. He called the situation that has unfolded with Russia "absurd," saying that it's "absurd when some people in Europe think that you're a criminal if you work with Russia." He also said that the accusations that he's "paid money" every time he comes to Russia are absurd as well. "I reject this lie. I come here because there is a historical and cultural closeness between our people," he said, "I come to Moscow because I feel like I'm home here. I don't feel at home in some EU countries. But in Moscow I feel safe, like I do at home." The Deputy Prime Minister also said that he will do everything in his power to ensure that Europe reconsiders its stance on the sanctions against Russia. Matteo Salvini's speech was interrupted by bouts of energetic applause. It's no wonder that a long line of people who wanted to take a picture with the Italian politician formed at the end of the meeting. ■





# What the US ambassador thinks about when he comes to work

*“A friendship founded on business is better than a business founded on friendship.” These wise words spoken by John Rockefeller became, perhaps, the leitmotif for the 18th investment conference “A Tale of Two Worlds,” which was held in Moscow by the American Chamber of Commerce in Russia (AmCham).*

During the discussion, Russians and Americans tried to figure out how to resolve another serious crisis in the relationship between the two countries. Jon Huntsman, US Ambassador to Russia, set the tone in his opening speech. It’s worth pointing out that speeches by US ambassadors at economic AmCham conferences are a rare occurrence. Alexis Rodzianko, who heads up AmCham, doesn’t recall it ever happening before. Although the ambassador spoke softly and with a smile, his words were genuine. According to him, relations between the US and Russia are “in a crisis due to political differences,” which “complicates the atmosphere” for business representatives. “I think about every time I walk into the embassy,” he said.

Nonetheless, the American embassy and the Spaso House, which is the US Ambassador’s residence in Russia, is full of optimism, not despair. And this optimism is not artificial. Jon Huntsman is inspired by the history of US-Russia relations. There were a lot of bumps in the road, especially after the war. But even during the most difficult periods, the leader-

ship of the two countries were able to find common ground. Speaking about this, Jon Huntsman noted that this is the conclusion he came to after reading books by all the other US ambassadors in Russia, who worked in Moscow before him. “The goals and challenges were similar. We found solutions. This is encouraging,” he said. According to him, it’s worth following the example of musicians who play on the same orchestra or Russian and American astronauts, who have been working together for 20 years. But, of course, Mr. Huntsman thinks that the most important thing is trust.

The US Ambassador called to work on “rebuilding trust” between the politicians of the two countries, pointing out that the frequency of US-Russia contacts noticeably increased this year. US Secretary of Energy Rick Perry’s visit to Russia, along with a visit from a large delegation of American congressmen, serve as evidence of this fact. The diplomat said that Moscow and Washington are holding an ongoing “discussion about DPRK’s nuclear program and regulating the conflict in Syria.” In his opinion,



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more frequent contacts are the first step. In the future, the prospects of exiting the crisis will be determined by how effective and practical the impact of these contacts turns out to be. "Judging by the last few months, the number of contacts between our countries has increased. It's not ideal, but we're working to maintain this pace. Our presidents have held a meeting, and we've opened communications channels between our security advisors."

But in spite of geopolitical tensions, which complicate business operations, and the US constantly introducing economic sanctions against Russia, things aren't as bad as they seem at first glance. To give an example of constructive cooperation, the ambassador talked about the opening of a factory

for the production of Boeing airplane parts in the Ural, which happened in September. Ural Boeing Manufacturing is a joint enterprise between VSMPO-AVISMA and Boeing.

Needless to say, this is a good example. But there are many others examples and numbers cited by Alexander Ivlev, Managing Partner at EY. EY and AmCham Russia jointly polled 72 US companies, over half of which have been operating in Russia since the 1990s. According to poll results, US business activity decreased in 2017: the number of projects dropped in half, from 38 to 19. Two thirds of the companies polled plan to launch new projects (this figure amounted to 80% a year ago). 84% of companies have confirmed that the sanctions had

a substantial impact on their business. Every fourth company anticipates that their projects may be frozen. The respondents were also less ambitious in terms of investments. If they were planning to invest \$2.86 billion into the Russian economy in 2017, this figure shrank to \$2.28 billion in 2018.

The respondents said that “if the status quo with the sanctions is upheld, Russia’s importance for their company will decline.” According to Alexander Ivlev, “there is a perception that we’re on shaky ground.” Head of the American Chamber of Commerce Alexis Rodzianko agrees. “This is stifling business,” he said about the sanctions, “A lot of companies are putting off projects, especially companies that haven’t entered the market here yet.”

At the same time, Alexis Rodzianko pointed out that he never said there is a threat of US companies leaving Russia. According to him, his words are taken out of context. He said that the chances of this happening are “very slim,” adding that companies from the US “don’t have any plans to and don’t want to” leave Russia right now.

US politicians have a different point of view. As of today, they have negative assessments of Russia. Andrew Kuchins, American political scientist and expert on Russian politics from Georgetown University, expressed this opinion. He said that he started learning Russian 40 years ago, but has never felt such strong negativity toward Russia in the US.

According to him, people in the US like to believe that the main purpose of Russia’s foreign policy is to get in the way of US interests, though in reality Russia is simply pursuing its own goals. There is a similar misunderstanding with respect to the sanctions. “There is a fundamental misunderstanding of how politics work in Russia,” he said. Kuchins recalled that the purpose of the US sanctions against Russia in 2014 was not to harm people, but to weaken President Vladimir Putin’s image. However, the sanctions had the opposite effect. According to the professor, in spite of the high oil prices, Russia’s growth rate was close to zero right before 2014, and then President Putin was handed a great argument — the US had weakened Russia. Kuchins claims that this is how the sanctions helped the President carry out a major de-offshoring program. Wealthy Russians started to return, fearing that their offshore assets would be frozen.

According to Professor Kuchins, there aren’t many reasons to be optimistic about short-term prospects, at the very least because it’s unclear what needs to happen for the sanctions to be softened or

lifted. The expert reminded the audience that they were introduced in 2014 in response to the events in Ukraine.

“But the issue has become more complicated since then. Right now, there are no criteria for resolving the situation in Ukraine,” Kuchins says, “So what are the criteria for lifting the sanctions?” In his opinion, there is a risk of the sanctions being extended, just like the famous Jackson-Vanik amendment dragged on for decades, “long after it became an anachronism.” The amendment was introduced in the US in 1974, primarily because Moscow imposed travel restrictions, especially on Jewish people who wanted to leave the Soviet Union at the time. But it was only lifted 38 years later, in 2012!

The American side admits that the sanctions are doing damage to business in the US and Europe. According to Daniel Russell, President & CEO of US-RBC, the sanctions hinder global trade. “It was supposed to be a tool, but the sanctions have become policy since 2014, and this is a real shame,” he said, “The process has consequences, including for US companies and their partners.” Daniel Russell noted that “business has to not only make money, but also influence politicians.”

Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs, expressed a similar thought during the conference. He said that “today’s economy is held hostage by politics, and that it’s time to talk about a “cold war of the economy.” Yes, Alexander Shokhin agrees that the sanctions won’t be lifted for a long time. But at the same time, doing nothing about it is not right either. In his opinion, the best way to respond to the sanctions is to hold a dialogue and find common ground, which is something that’s being done even against the backdrop of today’s complicated Russia-US relations.

Professor and President at the New Economic School Shlomo Weber agrees that the lack of stability and uncertainty in US-Russia relations are “killing” business. In his opinion, we should be prepared for the toughest scenario given the situation we’re in. Still, he believes that Americans and Russians need each other, and he cited two convincing facts to support this point. According to Weber, it’s important to remember that fans from the US outnumbered fans from any country at the World Cup, which was held in Russia this year. And this happened in spite of the fact that the US didn’t take part in the championship. Second, who won the 2018 Stanley Cup? The Washington Capitals, which has a number of Russian hockey players headed by Alexander Ovechkin. ■

# CAPITAL IDEAS

## around the world

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**Sergo Kukhianidze**, Editor in Chief

Write to Sergo Kukhianidze at [sergomrk@mail.ru](mailto:sergomrk@mail.ru)

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Henning Johannis:

# We're proud to be taking part in the construction of tunnels in Russia

*From 10 centimeters to 19 meters in length — this is the range of tunnels that can be built in any type of soil with the help of tunnel boring machines manufactured by the German company Herrenknecht AG, which is headquartered in Schwanau, Baden-Württemberg. Technology from this manufacturer is used for the construction of railways, the metro, highways, power systems, pipelines, mining and site exploration, and hydropower facilities in many countries. Henning Johannis, General Director at OOO Herrenknecht Tunnelservice, talked to Capital Ideas about the company's activities in Russia.*



**When did your company, Herrenknecht AG, come to Russia? Are there any regrets about this decision?**

The first installation was made in 1988 for the construction of the Lyublinskaya line of the Moscow metro.

**When did Herrenknecht AG open a representative office in Russia? What kinds of projects is the Herrenknecht Moscow Tunnelservice office currently working on?**

The representative office was opened in 1999, initially to sell micro-TMBs. But soon we added training for client personnel, maintenance, installation, rehabilitation, and sale of spare parts. The construction of the Lefortovo Tunnel for the Third Ring Road in Moscow was a big push for us in 2001.





**Do you have a lot of employees in Russia and how do you hire staff?**

We currently have 20 employees, and 15 of them are engineers. A lot of them are graduates of the Moscow State Mining University, but we have people from other Russian universities as well. A lot of them started their professional careers with us.

**How does Herrenknecht AG operate in Russia? Do you sell equipment, or lease it?**

Our equipment is very particular because we manufacture it for specific projects, for a specific geology. Our clients are also only companies that specialize in underground construction. Companies like this often have a lot of experience already, and want equipment that fits their needs. That's how we sell equipment.

**Who works on Herrenknecht AG equipment in Russia — Germans or Russians? Are you satisfied with the qualifications of Russian professionals?**

Other than myself, we only hire Russian professionals, and they are well qualified. Of course, they need some time before they can operate our machines on their own, but this is the case everywhere. We send a lot of our specialists on work trips abroad occasionally. We've worked with Germany, Spain, Turkey, Egypt, Poland, Norway, Kazakhstan, Turkmenistan, etc.

The only problem is knowing foreign languages. Unfortunately, people who graduate with engineering degrees don't know other languages well and can only communicate with the help of dictionaries.

**Are there statistics about how many jobs were created in Russia thanks to cooperation with Herrenknecht AG?**

I don't know any statistics like this, but a three-shift tunnel-boring project for the construction of the metro, including all the auxiliary operations, requires about 70 people. Today, there are 18 Herrenknecht shields operating in Moscow. For micro-shields (there are over 150 in Russia), this number amounts to somewhere between 8 to 15 people.

**How many projects in Russia have been completed with Herrenknecht technology and boring machines, and how many of these can be called landmark projects?**

We're proud to have participated in the construction of tunnels in preparation for the Sochi Olympics, the construction of the metro in different cities, and the laying of gas pipelines.

**What's the total length of tunnels constructed with Herrenknecht AG tunnel-boring machines and other equipment in Russia?**

As of today, over 150 km of metro tunnels, 12 km of road tunnels, and 5 km of railway tunnels have been constructed in Russia with the help of our technol-





ogy. For microtunnels, the number is a lot higher and amounts to over 1,000 km.

**What about in the world?**

It's a good question. There aren't exact numbers, but we have a total of over 150 shields operating all over the world right now, which means that we're building about 1.5-2 km of tunnels every day.

**According to the Moscow Department of Construction, the city plans to start building 22 metro tunnels in 2019. I'm guessing that Herrenknecht equipment will be used for a project like this?**

In Moscow, different companies use our technology, and a total of 20 Herrenknecht machines are currently in use.

**What other Russian projects does your company plan to take part in?**

There are a lot of interesting projects, but of course infrastructure projects are at the top of our list: the metro, highways and railways, as well as the construction of tunnels for utilities, gutters, and pipelines. We also have new solutions for the construction of mining fields.

**Have the economic sanctions affected Herrenknecht AG's business in Russia?**

Yes, there have been consequences, first and foremost a decrease in funding, since all of our projects depend on government orders.

**How has your company's turnover changed over the past few years in Russia and what does it currently amount to?**

The company is stable right now, and we're not expecting a lot of growth. If there is a big project, there is a lot of growth. But 2 years later, after the tunnel is built, everything will return back to normal. This is the same for our business all over the world. So for the Russian market, our company's share of total turnover fluctuates between 1 to 10%.

**Is this a lot or a little?**

It's a good figure, considering that we operate in over 140 countries.

**Have you been in Moscow for a long time? Do you live here permanently or do you take trips here?**

I came in 2000 for the construction of the Lefortovo Tunnel, and stayed. I live in Moscow.

**Has Moscow changed a lot over the past few years? Which changes are the most noticeable?**

Moscow is a global city, and it's developing very quickly. Over the past few years, a lot has been done for city residents and guests: parks, pedestrian areas, trees, the expansion of public transportation, and much more. All of my foreign guests notice how clean and safe the city is. ■



# Kirill Levin: We don't sell products, we sell innovative solutions

Why Russians are no longer afraid of the dentist

In terms of medical care in the USSR, dentistry was always the worst. You might even say that there was no such thing at all. Believe it or not, but back then dentists didn't use any kind of anesthesia! Soviet people were so afraid of the dentist that they only went when there was no other option, preferring to suffer through pain for months. To get a simple filling, foreign diplomats, businessmen, and journalists who worked in the USSR went to the nearby Helsinki, in Finland. But these days are long gone now. "People are no longer afraid of the dentist," Vice President and General Manager of Dentsply Sirona in Russia & CIS said during an hour-long interview with Capital Ideas, "In Russia, people are increasingly more likely to trust both dentists and dental equipment." This may come as a surprise, but today people from Europe and Asia come to Moscow and Saint Petersburg. Dental tourism is flourishing!

Dentsply Sirona is a world-famous US company, and a leading provider of dental products and technology that operates across 120 countries. Dentsply Sirona has been active in Russia since the 1990s. In fact, it's more accurate to say that Dentsply Sirona returned to Russia in the 90s. Because the first time the company appeared in Russia was in the very beginning of the 20th century, but was forced to terminate their operations here after the Revolution in 1917. Now, the company is making up for lost time. It's truly developing rapidly. "When I joined the company in 2011 as the Director of Business Development, the company's headquarters in Moscow had 40 employees. Now, we have 224 people," Mr. Levin says with pride.

The company's Moscow headquarters is located on the sixth floor of the German Centre for Industry and Trade. The floor above houses a showroom with a total area of 200 square meters, along with three training centers. Once you enter the showroom, which resembles a showroom for expensive cars, you'll be surprised and excited by all the featured technology and products made in the

US, Germany, Switzerland, Japan, and France. You'll involuntarily catch yourself thinking how nice it must be for dentists to work with this equipment. But the company doesn't just sell technology. "We don't just sell individual products, we offer solutions. Our products help people quickly, safely, and effectively solve any dental problem. This is our main advantage over our competitors," Kirill Levin says. According to some people, Dentsply Sirona treatment centers are even installed at private dachas owned by important state officials.

You can put a dental crown on a problem tooth in two to three weeks if you're using traditional technology. Many people in Russia still do this. But if you have Dentsply Sirona's unique technology, you can get a crown in just an hour and a half. This is possible thanks to a machine that first takes a digital snapshot of the oral cavity, then makes a model of the crown, and make it on the spot in just a few minutes. Of course, you have to know how to use this kind of equipment. The company provides training for doctors, and not just at our training centers. We hold over 700 different educational events in Russia and the CIS every year.

At the end of September, the company held the international congress Dentsply Sirona World CIS 2018 for the second time. It brought together 1,800 professionals working in dentistry, and over 7,000 people participated via live broadcasts. "There was truly a lot of interest in the forum," Kirill Levin says, "You know, dentists are incredibly mobile, they are constantly looking for development opportunities, and innovations. That's what this field of medical care is like. Because changes happen much faster here than anywhere else in healthcare. So dentists have to constantly learn and grow, otherwise they'll be outdone by more advanced competitors." According to Mr. Levin, over 111,000 dentists and over 40,000 dental technicians are currently working in Russia and the CIS. "That means that this geographic location opens up a lot of opportunities for us," Kirill concludes. ■



NOTHING VENTURED





# James Larkin has been building banyas in Russia for over 20 years

*In 1993, James Larkin, who was a student at the prestigious Brunel University in the UK, came to Russia for the first time. He knew right away that he belonged here, and couldn't stop thinking about how to move to Russia. Three years later, he moved to Krasnaya Polyana with the idea to create a retreat where people could recover. Banyas continue to be his passion today, and James has been building them for the past 20 years. It turns out that a foreigner who was born in London is just the kind of person who can fully appreciate the magnificence of a Russian steam room. This romantic from the Foggy Albion who is truly in love with our country talked to Capital Ideas about how Russia taught him to take responsibility for all of his decisions, what real banya culture looks like, and why it's helpful to occasionally feel like a dot.*

**James, why banyas? It's so perplexing — a foreigner comes to Russia from London, and starts teaching Russians how to hang out at the banya!**

I ended up in a banya for the first time in 1993. I came to visit a Russian friend, and he took me to his parents' house in the village. The banya was built by his dad. It was very simple and built completely out of wood. When we walked in, it was very hot, the steam was very thick, it was like a Russian extreme sport. I remember we used bath brooms, and I thought it was such an odd tradition to beat each other with bath brooms. This was the first time I saw a place where men go to suffer so they can feel better once



they walk out and dunk themselves in cold water. Of course, it's a very pleasant feeling in the end, and your body feels great.

I had another experience later, when I was invited to a banya by the river. It's a completely different feeling, when everything around you is so beautiful — just nature and silence. And that's where I realized that the banya is a cleansing procedure, that it opens up the mind and soul through the body.

### **Is this why you decided to stay here?**

Partially, it didn't happen right away. I came to Russia for the first time in 1993, then in 1995, and then at the end of 1996 — that's when I decided to stay and live here. My Russian friend and I wanted to set up a retreat at Krasnaya Polyana where people would be able to come as tourists, complete with hiking routes, yoga, and vegetarian food. Krasnaya Polyana looked different back then, it was a very picturesque but abandoned place in Sochi. I was inspired — it was really beautiful, totally wild nature. But nobody in Russia had ever heard of retreats before, it was a tough time, there were a lot of wooded areas, and we weren't able to implement the idea.

People came, but there weren't a lot of them. So we decided to build a small banya, to attract more clients. But this wasn't a regular banya, like everywhere else. We had our own rules — absolutely no alcohol. We wanted people to take care of their health, both physical and spiritual, so that they would leave with a sense of inner peace. We got so into it that we learned just about everything there was to learn about steam rooms.

### **How did you manage to keep clients from running in the other direction once they learned there was no alcohol?**

Actually, a lot of my Russian friends said this would never work in Russia. For Russians, the banya is a place where you can hang out with your friends, drink, and relax. Nobody would come and pay money for this, they told me. But they were wrong, totally wrong! We had more and more clients, and those who were displeased at first ended up thanking us later and came back again with their friends.

It turned out that our small banya could make a profit, and we started growing. By 1999, we were making good money and I ended up staying at Krasnaya Polyana for 18 years.

### **Unbelievable. You came to Russia in '93, these were really horrible years for our country, and you**

### **decided to stay anyway. What were your impressions like?**

My friend really wanted me to see Russia exactly the way it was during that time period. But he said that it's possible everything will change every soon and it will never be this way again. And he was right. For example, I remember Moscow with absolutely no street advertising. It was a completely different atmosphere, a completely different city, and I witnessed it. The center was harsh, but clean, and we lived somewhere on the outskirts of the city. I remember there were giant holes in the roads, up to 4 meters in depth. There were fences, and abandoned equipment that was overgrown by trees.

It was very post-apocalyptic. I was very impressed, and more surprised than scared. I stared at this in disbelief. I hadn't seen anything like this before, and never saw anything like it after.

I think the thing that impressed me the most was relationships between people, the friendships. As a person who came from the West and had completely different values, the absence of materialism was completely new to me.

### **Do you feel like there are differences between people in London and Moscow now? Or has it all blended together so much that there is no difference?**

At a fundamental level, we're all the same — we all want love, security, and happiness. I think that people in Russia are braver, in spite of the fact that there are more obstacles and dangers here, and they're more open. In the West, people often close themselves off, they try to stay cool. In Russia, things change all the time. If I leave for a month, things are different when I come back. In the UK, a whole year can go by and things stay the same. There are advantages to this, because people have the opportunity to grow, to develop their business. Here, how are you supposed to invest in things if everything will be different tomorrow?

### **I guess with your personality it's easy to live like this, since you stayed?**

I like adventure, but sometimes it's a bit much. Right now, I probably wouldn't be able to make it under the same conditions I had to deal with when I got here 20 years ago. Doing business here is like an extreme sport. You can't rely on anything here, you can't count on anything — that's what life is like here. You always have to think about what might happen, and there are always a ton of options at any given moment. But this teaches you to take responsibility for everything you do.

**What were some of the biggest challenges you encountered?**

The biggest problem, which still exists to some extent today, is how quickly the laws change. The law should give business the opportunity to develop, but in 1996 it basically created ways to drain people of money. Back then, it was easier to reach an agreement with the mafia — they kept their word, while the laws always changed. Of course, it's a lot better now.

**Is business going well?**

Of course there is some decline due to the overall economic situation over the past couple of years. But overall things are going well, and I'm seeing progress. Over the past three years, we've designed around 15 banya complexes, and 5 of them have been built.

**Do you think there is a lot of potential for foreign business in Russia? What kind of advice would you give your compatriots?**

There is a lot of potential, in spite of everything. Russia is a very wealthy country, there are a lot of natural resources, and a lot of land that can be used to grow organic produce. There are strong farming traditions here, and I see a lot of potential for development in this area.

The first piece of advice I have is to learn the language. A lot of people come here, live here for 10 years, and still can't speak Russian well. But you can't become part of the culture and be successful without it. It's even more important in Russia than in other countries to meet people, to find friends, to develop friendly cooperation with people who are in a similar line of work. This is very effective.

My second piece of advice is to find a good lawyer. This is important in any country, but it's especially important here.

**Your wife is Russian. Does she help you? Would you say you have a family business?**

Yes, we got married a year ago, and we've been living together for five years. She's an architect and sometimes helps me with sketches, and occasionally with the accounting. A family business can be tough, working together can lead to conflicts, but the upside is that we get to spend a lot of time together. We often go on business trips to France, London, the US, and of course it's more fun together.

**Could you tell us about your plans? You don't have any banyas of your own now. Would you like to open some?**





I do design and development for banya complexes. Sometimes we do the construction, and sometimes we even make the stoves. But actually there is a complex that my team designed and partially built, and my partner and I plan to develop it in the near future. Aside from a banya and pool, there is a floating capsule (a sensory deprivation chamber) — this is my latest hobby. I've been experimenting a lot lately, and this turned out to be an effective way to enhance the effect you get in a steam room. People get scared a lot or become claustrophobic, but this actually isn't a fear of a closed space or the dark, but a fear of being alone with yourself. They just don't know what to do without the constant presence of noise, images, sensations, and smells. After a good session in a steam room, people are in a very specific state of mind, and even their biochemistry is a bit different. And if you go into an isolation tank right away, you have the opportunity to exist outside of your body, in complete weightlessness, like a small dot. Then, your body has access to a major resource for recovery.

You still feel your body for the first few minutes. If something is tight, like your muscles or back, you feel it even more, and there is no information that comes in from other parts of your body. It's like turning up the sound. You're really sensitive to pain, but if you just spend some time observing it, your muscles relax and it disappears completely. The other thing is the constant thoughts running through your head, like constant captions on a TV screen. They can be pleasant or unpleasant, there are emotions attached to them and you may feel some fear. If you just observe it like these aren't your thoughts and let them float by, the emotions disappear as well. And finally, you reach a kind of spiritual relaxation.

#### **Do you like feeling like a dot?**

It's rare, but it's very helpful. It's very important for people today, because there is a lot of information to

process, and it's increasingly more complex. It's hard to keep track of what's real and what isn't. The world we've imagined captures so much of our attention that we stop seeing what's happening in front of our very own eyes. We're used to always doing something, always changing something, achieving something. To stop doing all of this is a very interesting experience. Some people go to India or the the Himalayas to experience this, but you really don't need to go anywhere...

But really, just like 20 years ago, I dream of building a retreat center, so that people and their families can come through the door and enter a different world where they can find a new level of peace, happiness, and care.

#### **And no cell phone service, right? If we're talking about giving up things we're dependent on.**

It probably would be difficult to force people to leave their mobile phones at the door, but if we managed to convince people to avoid alcohol at the banya, this may work as well. Maybe we'll have areas without cellular or internet service. At the very least, we can have all of this in a separate room that is so cold that people can't be in there for longer than 5 minutes. So it would be there if someone has to make an emergency phone call or check their email. It's a good business idea.

#### **Would this be in Russia or are you considering moving to other countries?**

I can't say for sure that I've settled down once and for all, but Russia is home for me. I still really like Krasnaya Polyana, so maybe one day the stars will align and I'll open a business there again. But actually, it doesn't have to be in Sochi. The important thing is mountains, and to not be too far from civilization. ■





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# How to convince a business tourist to come to Moscow

Moscow hosted the national MICE conference

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**Y**our appetite subsides while you're eating. The World Cup in Russia proved one thing to Russian tourism agencies: we can do anything if we want it badly enough. During the championship, 3.5 million foreigners visited our country. Foreigners were so excited by what they saw and tried here that many of them decided to come again. "It's nice to go over the results of the World Cup," said Daria Salamatova, Head of the Department of Congress Activities and New Business Development at World Trade Centre (WTC) Moscow, at the MICE (Meetings, Incentives, Conferences, Exhibitions) Conference. The WTC built a new hotel in Khovrino for the World Cup, restored two existing hotels, and renovated the Congress hall. All of these hotels were completely full during the World Cup, and the Congress hall hosted important and interesting events, including meetings for local FIFA associations headed by its President Gianni Infantino and stages of the World Cup draw.

According to official data, all hotels in the capital were at 90% capacity on the days World Cup matches were held. There are currently 35 5-star hotels in Moscow, and the World Cup added 15 million rubles to the city budget in just one month. The whole world now knows about Nikolskaya Street in Moscow, because it hosted football fans from all over the world every day of the championship. It's expected that regular and business tourism volumes in Russia will increase by 20% due to the World Cup.

In Russia, business tourism is a relatively new sphere that is just now starting to develop. "Over the past few years, the MICE industry has gained momentum. In Russia, it's growing at 6% per year," said Maksim Fateev, Vice-President of the Russian Federation Chamber of Commerce and Industry, in his opening speech at the MICE Conference, "The MICE industry amounts to about 50 billion euros worldwide. We have a lot of room to grow, because Russia currently accounts for just

1% of this total. And the Russian MICE industry has a lot of potential." Moscow sets the tone here, as the city hosts a large number of business forums, international exhibitions, and conferences on a near-daily basis. According to international experts, London will be in the lead in the sphere of business tourism in 2019, and Moscow will be in second place. But there are other Russian cities that are also active in the sphere of business tourism, including Saint Petersburg, Ufa, Yekaterinburg, Kazan, Nizhny Novgorod, and Sochi.

Of course, it's tougher to attract business tourists than regular tourists. But it's an effort that pays off in the end, because business tourists bring more money into the city. Here's how it works. If a businessman likes the place they traveled to for professional reasons, they typically come back with their family or their friends. But how does one incentivize a business person to hold an international conference in Russia, for example? There are three key requirements: security, comfortable living conditions, and interesting ways to spend free time. Because after holding negotiations and meetings, businessmen want to relax — to go to the theatre, bowling, horseback riding, skiing, or have a delicious meal. According to MICE experts, over 30% of the money a business tourist spends during a business trip goes to food and drinks.

Judging by the speech at the national MICE conference, there is finally an understanding that both regular and business tourism is a serious source of income in Russia. Of course, this happened due to the colossal impact the World Cup had on all aspects of our lives. It's no wonder that, as of this fall, the Russian Ministry of Economic Development is in charge of tourism. It's clear what needs to be done. It's important to rapidly develop infrastructure, to promote Russia throughout the world in smart ways, and to simplify the visa process for both regular and business tourists. In other words, it's time to convert Russia's huge tourism potential into action. ■

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Pyotr Tolstoy:

# We don't think any country in the world has a right to lecture Russia on democracy

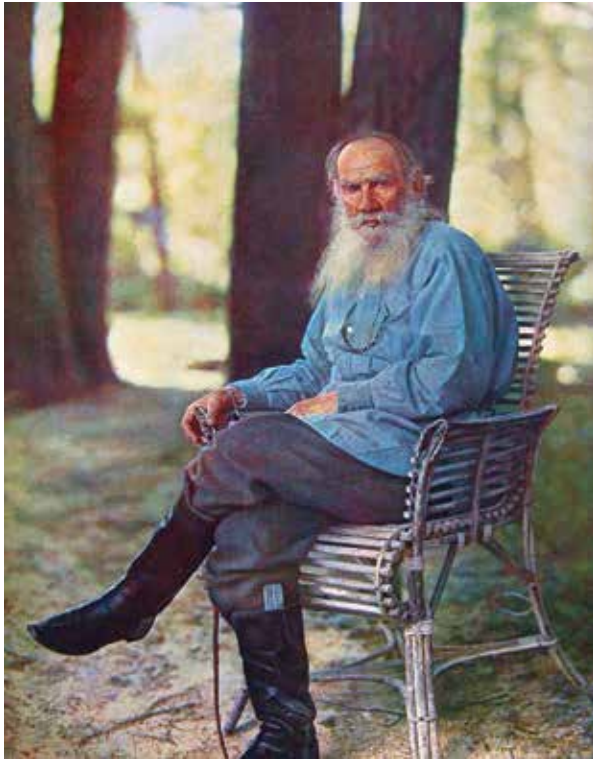
**Pyotr Tolstoy — a famous Russian journalist, producer, show host on Channel One, and Deputy Chairman of the State Duma — told Capital Ideas how information about Russia is disseminated, and talked to us about national pride, the renovation program in Moscow, and the spirit of his great ancestor.**

In the summer of 2018, Russia hosted the World Cup. During the events, and for sometime afterward, social media was filled with enthusiastic reviews from foreign fans. And all of this happened against the backdrop of never-ending sanctions, military operations in Syria, stories about the Skripal poisoning case, and so on. As a journalist and politician, what do you think about all of this?

You're talking about two different information flows. The first one is about Russia as seen through the eyes of real people, and the second is a well-organized and coordinated information war, the goal of which is to depict Russia as an enemy nation, to discredit and weaken our country. What Russia actually is today doesn't fall in line with the plans of our western colleagues.

The result is that Russia is stripped of its right to have a say on the international arena, the accepted standards and rules are ignored and trampled upon.

Pyotr Tolstoy is the great grandson of Leo Tolstoy



The culmination of this was dragging the Church into dirty political games, which is outrageous, unacceptable and extremely dangerous! I'm talking about the discussion regarding the possibility of granting the Ukrainian Orthodox Church autocephaly, making it independent from the Moscow Patriarchate. This is another way to put pressure on Russia at the expense of the interests and fates of many Orthodox Christians. But it seems any tactic is acceptable now.

The main moderating force containing these attempts has always been international organizations that were initially created to keep peace on earth. Being a member of these organizations used to mean that nations were represented equally and there was an opportunity to voice one's position on specific issues openly. But lately they're nothing but tools in someone else's game, and unprecedented pressure is put on Russia for reasons that are fabricated or can't be backed with facts.

**You head up the Russian delegation for the OSCE Parliamentary Assembly. Do you think Russia should stay in the Council of Europe under these circumstances?**

As of today, it is obvious that our European colleagues don't have any independent political will, so all the prerequisites for Russia making the decision to leave the Council of Europe are there. I completely agree with the opinion of the Minister of Foreign Affairs Sergey Lavrov, who said that

"Russia wants to remain a part of the same Council of Europe that we joined in the first place, which has a charter that states that every country has equal rights in all structures within the organization." How can you build a constructive dialogue with people who disregard international law and doesn't play by the rules? We've said multiple times that we're against double standards and hypocrisy, and don't think that any country in the world has the right to lecture Russia on democracy or impose their values on us.

It would be good for our European colleagues to remember the circumstances under which the UN was established and for what purpose, why the OSCE was created, and why the Helsinki agreements were signed.

Some representatives of the so-called elite say that Russia must rejoin the Council of Europe as soon as possible. On the other hand, I constantly hear the opinions of my voters, who genuinely don't understand why Russia voluntarily and publicly falls victim to arrogant and deceitful attacks across international platforms.

In this case, I fully agree with the "non-elites" and think that it's time we stop having to justify ourselves. This situation should be seen as an opportunity to resolve internal issues and strengthen the national economy. With several centuries of history behind us, Russia still has an eternity ahead of us. We can afford to wait for mature, reasoned decisions from those who are truly interested in an open, honest, and constructive dialogue with our country.

**Speaking of the eternal, I wanted to ask you about your famous great grandfather Leo Tolstoy, who is still very popular in the West...**

He's popular because Leo Tolstoy's art is inextricably linked with the lives of ordinary people — their cares and joys, desires and worries. "War and Peace" or "Anna Karenina" are easy for every person to relate to and understand, regardless of their nationality, because these works are apolitical. All of his stories are based on his life experiences, his discussions and interactions.

Unfortunately, we still have this image of him as a "mirror of the Russian Revolution" and an eccentric landlord who walked around his land barefoot in a peasant's coat. And he really did, but these coats were made to order by a French tailor in Moscow.

Leo Tolstoy was an extremely passionate man. He worked on educating peasant children, set up

cantines for poor people, saved people from hunger, and was fond of theatre. And he was deeply involved in all of these things. I know almost all of Leo Tolstoy's descendants, and I can say that all of them have similar personality traits — the passion, love for life, and the same fickle pull toward different kinds of occupations.

**Let's remember that you're a deputy from the Lyublino District in Moscow. Do you manage to meet your voters' needs?**

My team and I try to pay attention to every request we get from residents in our district. Overall, I can say that we're able to solve the vast majority of problems. The construction of a Church has started in Lyublino, there is a multifunctional center in Vykhino now, a day hospital at the clinic in Kapotnya, a dental clinic in Zhulebino, we've launched the so-called "medical bus route" that runs by the medical institutions in Marino and Kapotnya, resolved public transportation issues in Kapotnya, there are additional high-capacity metro cars on the Taganskaya-Krasnopresnenskaya line, and we've opened a center for large families in Kuzminki. We plan to launch a patriotic education program for young people in the capital's South-Eastern district.

**In your opinion, has Moscow changed over the past few years?**

It's obvious that the city has changed for the better. First, there have been major improvements to in the sphere of transportation — interchanges and tens of kilometers of new roads have been built, and this work is still underway. There are new metro stations, new routes for above-ground transportation, and new transport interchange hubs. Moscow has become more convenient for pedestrians as well. Just look at how much the city's parks have transformed! As of today, almost all of the city's embankments have been reconstructed and Muscovites now have access to well-kept green spaces for leisure. There are still problems in different districts and courtyards, but Moscow really has become a beautiful, flourishing, and modern city.

**You curate renovations at the State Duma. How will this program impact the city and people who live here?**

I often have appointments with people who ask me to include their house in the renovation program or to resettle them sooner because their buildings have been in disrepair for a long time and renovations won't help them at this point. Khrushchyovkas have served their purpose, and it's time to move on. I am confident that the opinions of residents will be taken into account with respect to specific



Pyotr Tolstoy is in charge of renovations at the State Duma

projects. We'll make sure that taller boxes don't replace the old ones, that truly beautiful and convenient new buildings are erected in their place, and that these buildings transform the capital's image. The best architects are working hard to make sure that the new residential districts fit into the city's landscape harmoniously. To make sure all nuances and requests from Muscovites are taken into consideration, working groups for the protection of citizens' rights and interests during the implementation of the renovations program take place every year under my supervision at the State Duma. If Moscow is able to successfully implement the program, I think we'll be able to apply this experience to other Russian cities.

**A few words about your own plans before we part ways. Why did you come back to television?**

I feel the need to tell Moscow residents about what's going on domestically and on the international arena, to analyze the actions of governments in Russia and the world, and to assess our work at the State Duma. I want to explain this to people in simple language that's easy to understand. I'll invite famous politicians, economists, and cultural figures to participate in the dialogue so we can talk openly about issues that truly concern people.

And I'm not leaving my job as a Deputy Chairman of the State Duma. The informational and analytical program "Tolstoy. Sunday" on Channel One is my creative Sunday project. ■

# Hopes and from the new Nostradamus

*He has already been dubbed a “political Nostradamus,” and for good reason! Valery Solovey predicted Donald Trump’s victory, a number of major political crises in Europe, and serious shifts in Russian leadership. Professor, department head at MGIMO, and one of Russia’s most famous political scientists Valery Solovey answered our questions in an interview with Capital Ideas.*

**W**hat awaits us in 2019? Will there be a war?

At the very least, Russia definitely won’t be initiating a war. If others start one, which is also highly unlikely, we’ll have to get involved. But Russia doesn’t have the intent or the resources to go to war with anyone.

What kind of war would we have? Look around: did a lot of people go volunteer in Donbass?

War is a good way to resolve internal problems, so long as it doesn’t result in suicide. That’s what we’re dealing with right now.

**But Russia is being threatened with a cyberwar?**

It’s important to acknowledge that we are at the brink of a large-scale cyberwar between Russia and the West. According to many independent experts, it’s highly likely and maybe even inevitable. The recent anti-Russia statements made by the government of the Netherlands and the UK Ministry of Defense serve as proof of this.

And here is something else that worries me. People who don’t have any first-hand experience with war are now in power and in charge of military forces all over the world. According to researchers from the US — and I agree with them — this is key to understanding modern-day threats.

For many politicians and generals, war is starting to look like an entertaining computer game. Well-informed people from the American establishment have told me they are concerned about this. According to them, military personnel are dreaming of using robots instead of soldiers in combat in the future. According to them, this will make war take less of a moral toll on people. These are dangerous games to play.

**So does this mean that any hopes Russians may have for a thaw in our relations with the West will not be realized?**

According to my forecasts, we have to be prepared for our relationship with the US to worsen in 2019. And the difference between now and the 20th century Cold War is that Russia and the US no longer



# eye-openers



have any informal communication channels. Yes, there are hotlines for the Presidents and Ministers of Defense in both countries. But there is no longer a system of informal contacts. People in both Moscow and Washington acknowledge this. And it seems they're not doing anything to fix this. Maybe they're waiting things out?

Of course, there will be new sanctions against Russia, there is no doubt about this. So realistically, we should be talking how big they will be and what kinds of consequences they will have.

In Moscow, all of these estimates have already been made. The country's leadership is assuming that relations between Russia and the US will continue to deteriorate and that Russia will have to live with the sanctions for a very long time, perhaps until 2033-2035.

**But will we have a relationship at least at the embassy level?**

Rumor has it that the Americans have thought of a trick. In the future, it looks like the US Ambassador will make the decision to stay in Moscow or come

back to Washington because there are no serious affairs to attend to here.

For the rest of the world, this would look like an unprecedented move. Because nothing like this has ever happened, even during the worst parts of the Cold War.

**In 2016, you predicted that Trump would win the US election. Maybe you know what kind of role Moscow played in this election?**

Yes, I turned out to be one of the few people who confidently said Trump would win. But, I'll be honest, this is mostly an accomplishment of my American friends. I really trust these people's opinion, because they have a lot of experience working with the US bureaucracy. They were cautious, but they let me know Trump may end up in the White House.

Trump's victory is the result of his successful political strategy and Hillary's mistakes. She should not have assumed that things were predetermined. If you always talk about your victory as if there is no alternative, people are going to want to teach you a lesson.

What did Trump do? His team clearly understood which states they needed to win. Trump successfully politicized the white working class, which is resentful and has partially stagnated. The Republican candidate showed them an alternative: don't vote for an establishment politician, vote for a simple guy who is a real American through and through. And he hit the jackpot.

**If you read blogs on the Internet, people in Europe don't like Russians these days. But if you visit Warsaw, London, or even Odessa as a tourist, attitudes toward us haven't changed. People are really welcoming...**

There is a difference between relationships between people and the logic of politics and economics. The question is which one prevails. And no matter what we want, the logic of politics is going to prevail both this year and the next. In other words, the climate will be determined by politicians, not business people who are interested in developing tourism. And I think this group of politicians will be at least cold toward Russia, if not outwardly hostile.

**A number of supposedly reputable foreign publications have once again started talking about a possible territorial disintegration in Russia. In your opinion, how should we react to "forecasts" like this?**

Like the nonsense it is! What disintegration? Why, for what reason? The country is held together by three key unifying forces. These are Russian language, the Russian ruble, and Russian culture. The most important thing is that nobody, not a single territory, is trying to leave the Russian Federation. Even in today's Tatarstan, centrifugal forces are insignificant. The most they can do is ask Moscow for some symbolic preferences.

Even the North Caucasus, the most dangerous region in terms of separatism, doesn't understand how it would survive without Russia.

**What do you think about the fate of Donbass?**

The longer Donbass continues to exist outside of Ukraine, the more difficult it will be to bring it back. In my opinion, the time limit is five years. After this period, the alienation and enmity may become insurmountable.

According to the Russian side, if we cut back on support for Donbass, Ukrainian forces will enter the territory and mass repressions will begin. But a kind of compromise does exist right now: Donbass is assigned a temporary international govern-

ment (the UN, for example) and the blue helmets come in. A few years (at least five-seven) will be spent on reconstruction, establishing a local government, and so on. Then, there may be a referendum on the region's status.

Overall, I'm not sure that Ukraine needs Donbass. Regardless of the conditions under which Donbass would be integrated back into Ukraine, it will still be a group of people that are hostile toward Kiev. It will be a sort of Trojan Horse in the Ukrainian statehood. Kiev most likely needs Donbass for political and propaganda-related reasons.

In any case, this will take decades to resolve. Even if Donbass is reconstructed, people will harbor resentment toward the central government. By the way, Donetsk has always been skeptical of the central government, even when Yanukovich was President. Donbass has always gravitated toward Russia.

**Mr. Solovey, different media sources are constantly saying that the crisis development in the EU are good for Russia. Is the EU doomed to the same fate as the USSR?**

Russia continues to be an active participant of the bigger game on the international arena, so of course it is at least partially interested in a weakening of the EU as a union. It would probably be easier for Moscow to negotiate with countries individually, rather than with the EU as a whole. But we have to acknowledge that Russia is not capable of triggering a Europe-wide crisis. This is absolutely not a possibility. Even if we had more economic capacity than we do right now.

Not a single reputable expert would make the claim that the EU is at the brink of a collapse. Yes, Brussels has serious problems. And it's possible these problems will continue to escalate. Still, the coalition for keeping the EU in place is much stronger than those who are against a European Union.

But the European Union will have to go through a very significant internal transformation. I think it will be good for the EU.

Of course, the EU will never have as much political power as the United States, but I think it's possible economically.

Britain's exit from the EU may also work in favor of the European Union staying together. Because this means Brussels will be rid of a constant aggravating force — a country that was constantly asking for special rights and privileges. ■

# useful info

## City Government

Address: Voznesensky Per., 21, Moscow, 125032  
Ph: +7 (495) 633-51-90  
[www.mos.ru](http://www.mos.ru)

## Moscow Investment Portal

Address: 119019, Moscow, Novy Arbat St., 11, bldg. 1  
E-mail: [investmoscow@mos.ru](mailto:investmoscow@mos.ru)  
[www.investmoscow.ru](http://www.investmoscow.ru)

## Moscow Innovation Development Center

Address: Voznesensky Per., 22, Moscow, 125009  
Business Center Usadba  
Ph: +7 (495) 225-92-52  
<http://innoagency.ru>

## Business Protection Headquarters

Address: Voznesensky Per., 22 (5th floor), Moscow, 125009  
Business Center Usadba  
Ph: +7 (495) 620-20-45  
<http://shtab.mos.ru>

## Department for Competition Policy

Address: 12 Pechatnikov Pereylok, Moscow, 107045  
Ph: +7 (495) 957-99-31, +7 (495) 957-99-77  
Fax: +7 (495) 957 99 95  
E-mail: [mostender@mos.ru](mailto:mostender@mos.ru)  
[www.mos.ru/tender/](http://www.mos.ru/tender/)

# The illiterate person

Pictures by Anastasia Saifulina

**People who think that all Russians do in their spare time is have dinner parties or go to the banya are very wrong. The myth does not line up with reality. And the reality is that Russians love to read, maybe more so than any other nation in the world!**

**A**ccording to a recent poll conducted by the Russia Public Opinion Research Center, over 90% of Russians read books. Just 22% of survey respondents said they read rarely. For the most part, these are people who haven't completed secondary education.

So what are Russians reading these days?

According to sociologists, children's books are the most popular among Russians — 31% of those polled say they read them. About the same number of people prefer history books, along with historical novels. Russians also like books about maintaining the home, working on the land, and growing fruits and vegetables, along with Russian and foreign classics, fantasy novels, professional literature, detective novels, and books about beauty, health, and psychology. Fiction and poetry are the least popular among Russians today.

The poll results show that 87% of Russians have a home library of some kind. 44% of respondents said their home libraries contain up to 100 books, 23% said they housed from 100 to 300 books, and 10% have between 300 to 500 books at home. Every twentieth Russian (5%) have home libraries that number between 500 and 1,000 books.

1,600 respondents over the age of 18 were polled for the survey. The respondents were interviewed over the phone, and the margin of error for the results is no more than 2.5%.

The poll results illustrated that Russia is still a nation of avid readers. Smartphones and other tech innovations were no substitute for real books in Russia. People in Russia started reading en masse in the beginning of 1939, when the country eliminated illiteracy — a large-scale project that began

right after the revolution, in 1919. Prior to this, illiteracy was horrifyingly common in Russia. According to official records, the entire population of Russia between the ages of 8 to 50 couldn't read or write back then! Alexei Radakov's bright, famous poster could be found all over the country after the Revolution. "The Illiterate Person is Like a Blind Man, on All Sides Failure and Misfortune Lie in Wait for Him," the poster read.

Typography first came to Russia in 1553, during Ivan the Terrible's reign. That's when the first three books with religious content were printed in Moscow.

But book reading became a real fetish in the Soviet Union. In public libraries, people read constantly. In books stores, it was almost impossible to get one's hands on an interesting book. There was a shortage of books, same as with sausages. Books by popular authors could only be purchased on the black market, for very high prices. Some of these books cost up to 120 rubles — an astronomical price, considering that the average salary was just 160 rubles a month. Even Nikolai Shchelokov, the powerful Minister of Internal affairs of the USSR, had to resort to using the black market for books.

In one note to members of the Politburo from 1975, he wrote: "Profit making on books, which are in high demand among the population, has become widespread in a number of cities in the past few years. For the most part, this is memoirs, children's books, adventure and detective novels, science fiction, as well as other books by popular authors."

According to him, the profiteers acquired the literature from employees at bookstores, warehouses, and the book-sale network, or bought them from people and then resold them at higher prices. For example, the French novel "Angelique," which



# is like a blind man, or books vs. smart phones

was worth 2 rubles, was resold by profiteers for 50 rubles, and Mikhail Bulgakov's book, which was worth 1 rub 53 kopeks, was resold for 75-80 rubles.

There is an explanation for why the black market for books was growing. There was a shortage of everything in the country back then. Judge for yourself. The population of the USSR was over 200 million back then, but only 100,000 copies were printed for interesting books. However, hundreds of thousands of copies were printed for editions of communist classics — works by Vladimir Lenin, Karl Marx, Friedrich Engels, and books written by the country's leaders, such as Leonid Brezhnev. Of course, very few people read these political books.

And of course, there was a blanket ban on books by authors who were considered a danger to the Soviet system. This included Boris Pasternak, Vladimir Nabokov, Alexander Solzhenitsyn, Joseph Brodsky, and many other Soviet writers whose books were published abroad. It's no surprise that many of these writers were expelled from the USSR due to their writing. Yevgeny Yevtushenko was right when he wrote: "A poet in Russia is more than a poet." Can you say the same thing about a poet in America or somewhere in Europe?

But the writers weren't the only ones penalized. Readers who read these banned books were punished too. If these authors' books somehow made it into the USSR, they were confiscated. It may seem unreal, but people could end up in jail for having a copy of Pasternak's "Dr. Zhivago" or Nabokov's "Lolita." Today, all of these books are freely sold in nearly every store. The range of different books you can find in Russian stores now is unbelievable: you can get anything you want. And this is wonderful. As Joseph Brodsky, who received the Nobel Prize in 1987, once said: "Man is what he reads." ■



# Do it all:

*January marks the beginning of a new calendar, which means this is usually the time people reflect back on their previous year and try to do everything they didn't get around to. For example, visit a theatre premiere that everybody keeps talking and writing about. Or go to an exhibition that all of your friends keep recommending. They found time time for it! How about you?*

If you haven't had a chance to visit the exhibition "Not Everyone Will Be Taken Into the Future" at the Tretyakov Gallery on Krymsky Val, you still have a chance to take a peek into the future until January 13. Your guide into this breathtaking journey is Ilya Kabakov, who has lived in New York since 1988. Kabakov's work "Beetle" was sold for \$5.8 million at an auction in London in 2008. It's the most expensive work of contemporary Russian art that has ever been sold. Ilya Kabakov is one of the founders of Moscow Conceptualism, and the creator of a special type of art called "total installation." In the 1960s, he was an active participant of dissident art exhibitions in the Soviet Union and abroad. Since the late 80s,

# not everyone will make it to the future



www.tretyakovgaller.ru

Ilya Kabakov's famous installation "The Man Who Flew Into Space From His Apartment"



"The Fabric of Prosperity"

he has worked on all projects jointly with his niece Emilia Kabakov, whom he married in 1992. Over the years, the couple has held over 500 personal exhibitions across some of the most prestigious venues in the world. But this is the first retrospective exhi-



Ramon Vargas

bition of such scale for **the Kabakovs** in the artist's home country. Aside from the Tretyakov Gallery, the State Hermitage Museum, the Tate Modern Gallery (London) and other museums from all over the world took part in the exhibition.

The Garage Museum of Contemporary Art is hosting an open exhibition called "**The Fabric of Prosperity**" until January 27. It's an international project that brings together artists from the US, Japan, Turkey, Italy, Russia, Germany, Egypt, Morocco, and other countries. The project is dedicated to clothes in art, outside the context of the fashion industry. The exhibition includes works by avant-garde, underground, and contemporary artists, as well as artists from the new generation. The exhibition is borrowed from the treatise "Introduction to the Principles of Morals and Legislation" (1780) by the philosopher Jeremy Bentham, who dreamed of achieving a just society through the universal "principle of utility," which creates the "fabric of prosperity" of any society. Both work uniforms and personal items are on display at the exhibition. One exhibit — an installation from the Bangladeshi artist Kamruzzaman Shadhin — is made out of clothes from refugees. An installation by the English artist Sharon Kivland is dedicated to the dress code of the Great French Revolution. Japanese artist Yuichiro Tamura is displaying his collection of traditional Japanese embroidery bombers, custom made for American soldiers during the Korean War (1950–1953).

If you didn't get a chance to see the fall premiere of the **opera "Frau Schindler"** at the Moscow Stanislavsky and Nemirovich-Danchenko Musical Theater, which is celebrating its 100-year anniversary this season, you can still catch it in the winter or spring. Back in November, the theater presented the premiere of "Frau Schindler" by Thomas Morse, one of the most popular composers in the United States. The opera, inspired by Spielberg's legendary Schindler's List, tells the story of Emily Schindler, the wife of Oscar Schindler, who helped her husband save thousands of Jews during World War II.

On February 2, a real virtuoso from the United States, the great drummer **Steve Smith**, will perform on the stage of the Svetlanov Hall of the Moscow International House of Music. Each of his performances inevitably becomes a big event. He can work wonders with just one drum and one drumstick, making the room explode with delight. Steve is one of the top 25 drummers of all time. And on February 17, one of the founding fathers of the legendary *United Nations Band* **Dizzy Gillespie**, a 14-time Grammy winner, in the "Latin jazz" nomination category, and saxophonist from Cuba Cuba Paquito de Rivera, will appear on the same stage.





Steven Smith



Dizzy Gillespie

The playbill of the new Zaryadye Concert Hall has a lot of surprises in store for opera lovers in both the winter and spring. For example, the venue will host Mexican operatic tenor **Ramón Vargas** (February 20) and Latvian mezzo-soprano **Elīna Garanča** (March 1).

Are you a fan of choirs? Then you definitely need to visit the Beethoven Hall at the International House of Music on March 2, which will be hosting a children's choir from Lyon. Back home in France, the

amazing choir is known as the "**Lyon Nightingales.**" The young singers became famous in 2004, after the release of Christophe Barratier's movie "The Chorus," which starred the soloist of the choir Jean-Baptiste Monnier. The choir "Les Petits Chanteurs de Saint-Marc" is fairly recent — it was first set up in 1986. It consists of 75–80 boys and girls aged 10 to 15, who study at St. Mark's College in Lyon. The young singers take part in the services at Lyon's Basilica of Notre-Dame-de-Fourviere, perform concerts throughout



"Lyon Nightingales"



Mireille Mathieu

France, and tour abroad. They perform religious music, Gregorian chants, folk songs, and works by contemporary composers.

On March 3, Crocus City Hall is hosting a performance by a group that had a huge fanbase in the USSR back in the 80s — **the French band “SpAce,”** headed up by its irreplaceable 65-year-old lead singer Didier Marouani. Incidentally, this was the first band to ever

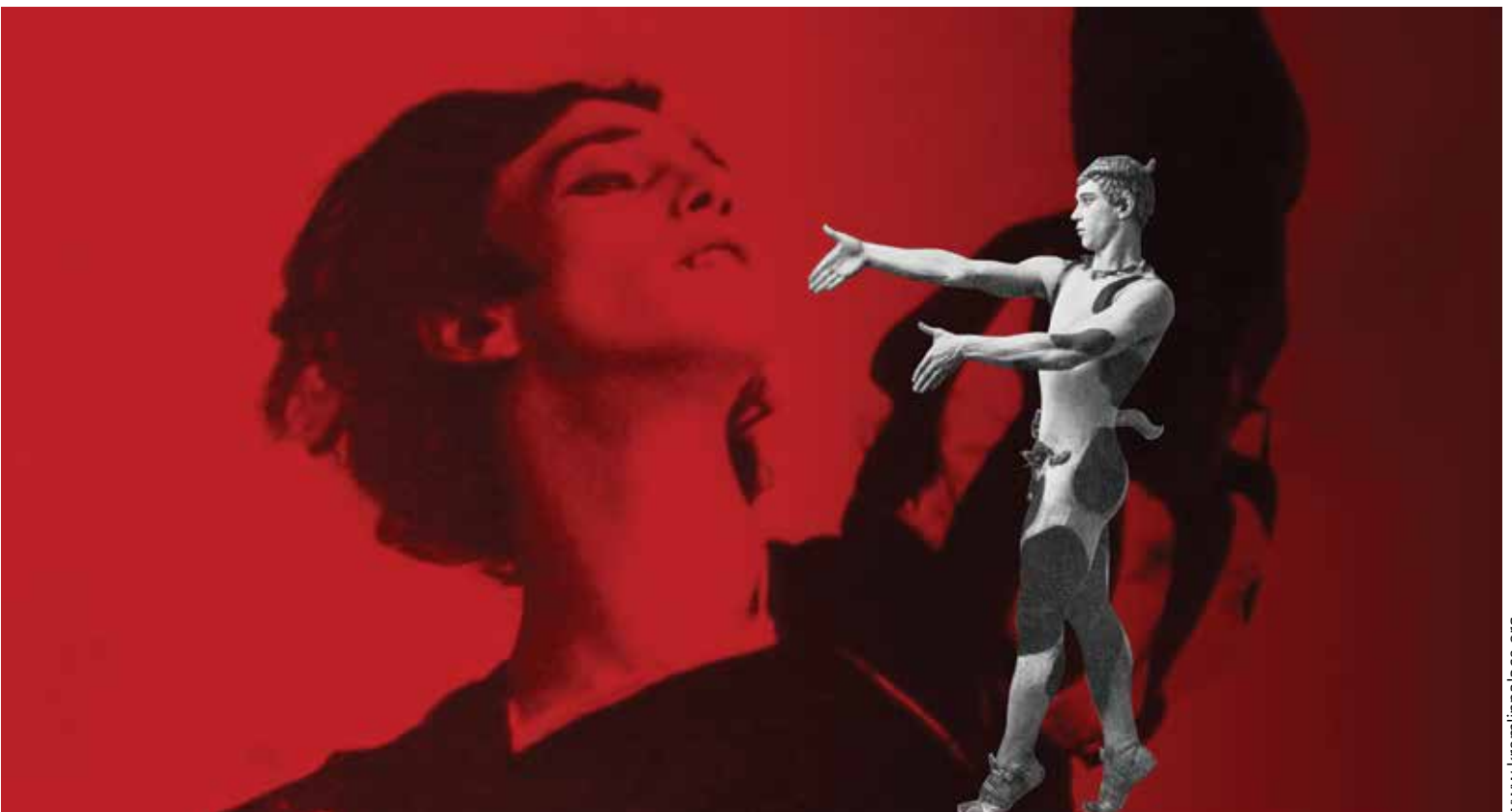
bring a full-fledged stadium laser show to the USSR in 1983. They held 21 concerts, and 600,000 people attended the shows. But the 1992 performances by “SpAce” were truly exceptional: they were the first foreign artists who were allowed to perform at the Red Square. That year, the band gathered a crowd of 360,000 people. The theme of space permeates the band’s art. They dedicate their performances to space exploration, and the electronic melodies conjure up images of space. Moreover, “SpAce” have performed for Russian astronauts in Star City several times. The “Space Opera,” which was written by Didier Marouani, was sent into space, to the famous Mir space station. This time, the guests are in for a new light and laser show. Marouani keeps up with the times, so the band’s old hits will be presented in a new light during the show.

And there is another famous French artist coming to Russia! **Mireille Mathieu’s shows** in Moscow have at this point become a tradition. On March 6, the singer will give a concert on the main stage at the Kremlin Palace — yet another gift to fans of her talent and voice, which continues to be unmistakably unique. She is 72 years old, and just as beautiful as ever. It’s hard to believe, but this woman has been able to win the battle with age.

On March 14, Crocus City Hall will have another surprise for fans of 80s music: the long-awaited solo concert by the legendary **Dieter Bohlen**. The successful 64-year-old producer and composer, the author of several hits, and founder of the band *Mod-*



Didier Marouani



www.kremlinpalace.org

ern Talking will be performing all of his most famous songs. His ex-colleague Thomas Anders makes appearances in Moscow more often, but Bohlen has plenty of fans in the city as well. Every one of Dieter's concerts is a fantastic show that is filled with unbelievable energy that fires people up the minute they hear the first few chords of the unforgettable hits "You're my heart, you're my soul," "Cheri Cheri Lady," "Brother Louie," and many others.

2019 will mark the 130-year anniversary since the birth of the great dancer and choreographer Vaclav Nijinsky. In honor of this anniversary on April 18, **the Andris Liepa Center** will be hosting a gala concert of featuring ballet stars on the stage of the Kremlin Palace. The concert program includes productions by the legendary Nijinsky performed by contemporary dance performers, as well as premiers by choreographers dedicated to the genius performer. ■

"Vaclav Nijinsky"  
- gala concert  
of ballet stars  
on the stage  
of the Kremlin  
Palace



Dieter Bohlen

This section of the magazine - "Moscow Vocabulary" – was born of remembering ... Ronald Reagan, who appeared to be a fan – and collector - of Russian proverbs and sayings. Well, and we would like to guide you into a world of Russian idioms – just as bright and colorful.

ВПИСАТЬ НОВУЮ СТРАНИЦУ – vpisat' novuyu stranitsu.

(To write a new page into something)

Explanation: To do something outstanding.

УСТРАИВАТЬ СЦЕНУ – ustraivavat' stsenu.

(To make a scene)

Explanation: To start a noisy or violent quarrel with someone.

ТИШЕ ВОДЫ, НИЖЕ ТРАВЫ – tische vody nizhe travy.

(Quieter than water, lower than grass)

Explanation: One is mild, quiet, meek.

РУКА НЕ ПОДНИМАЕТСЯ – ruka ne podnimayetsa.

(One's hand won't rise)

Explanation: One is hesitant about doing something.

ШАПОЧНОЕ ЗНАКОМСТВО – shapochnoye znakomstvo.

(A cap acquaintance)

Explanation: A slight acquaintance.

ВАЛИТЬ В ОДНУ КУЧУ – valit' v odnu kuchu .

(To throw everything into one heap)

Explanation: To lump everything together.

Pictures by Anastasia Saifulina



ПОЛОЖИТЬ ПОД СУКНО – polozhit' pod sukno.

(To put something under the cloth)

Explanation: To shelve a problem or a plan.

УДАРИТЬ ПО РУКАМ – udarit' po rukam.

(To strike each other's hands)

Explanation: To confirm a business deal, to strike a bargain.

ОКУНУТЬСЯ С ГОЛОВОЙ – okunuttsa z golovoy.

(To plunge headlong)

Explanation: To be deeply involved in something.

ИМЕТЬ ВЕС – imet' ves.

(To have weight)

Explanation: To be highly influential or important.

ХУДОЙ КАК СПИЧКА – khudoy kak spichka.

(Thin as a matchstick)

Explanation: Very thin.

НОСА НЕ ВЫСУНУТЬ – nosa ne vysunut'.

(Not to peep out one's nose)

Explanation: One can't go outside.



*Artyom Averin,  
the head bartender*



**I**t's hard to find a more fitting place for fans of cocktails than the location of this bar. Because a cocktail is a drink for the soul, not for the stomach. And the building Mercedes Bar is located in definitely has soul. The bar can be found on the 31st floor of one of the famous Stalin high-rise buildings that was constructed on the bank of the Moscow River back in 1957. It used to be home to Hotel Ukraina. After the building was fully renovated in 2009, the gorgeous Radisson Royal Hotel opened its doors there.

The view of Moscow from the 31st floor is simply breathtaking. The huge windows, which stretch from the floor to the ceiling, overlook just about every attraction in the city — the futuristic skyscrapers of Moscow City, the golden domes of the



## TASTE AND GOOD CONVERSATION:

# *From dusk till dawn*

*For over 200 years, linguists haven't been able to figure out where the word "cocktail" comes from. There are so many versions, it's easy to get confused. But the Mercedes Bar in Moscow, which is located in the very beginning of the elite Kutuzovsky Prospekt, is no place for discussions about linguistics. Nobody argues about cocktails there; they work on making the magical concoctions and serve them to connoisseurs of the exquisite drink.*





Church of Christ the Savior, the White House, the majestic Victory Park, and Sparrow Hills. The bar opens its doors at six o'clock in the evening every night, and stays open until six in the morning. So when you're at the bar, you can enjoy a bird's eye view of Moscow from sundown to sunrise. Inside, the establishment features an Art Deco interior design.

A mindblowing view plus mindblowing cocktails. What else do you need for an unforgettable evening in Moscow?

Everybody can find a cocktail they like at the bar. The drinks contain anywhere between 4 to 68% alcohol by volume, and there are non-alcoholic drinks as well. The bar also features special for different holidays. There are cocktails for Victory Day (May 9), Defender of the Fatherland Day (February 23), International Women's Day (March 8), for New Year's. Plus, there are seasonal drinks too, like "Golden Fall." A particular point of pride is the 30 house specials — cocktails that are related to the Mercedes-Benz brand. The thing is that Mercedes Bar is a joint project by the Ginza Project and Mercedes-Benz RUS. Here are some of the car-related cocktails listed on the menu. There is the Mercedes-Maybach cocktail, which is made with bourbon, blueberry liqueur, cilantro, fructose syrup, and lime juice. The Mercedes E-Class cocktail has dark rum, pomegranate fresh, mixed spices, vanilla syrup, and lime juice. One of the more expensive car-themes drinks, the 600



Chef  
Artyom  
Sergeev



"Grand Mercedes," is made with rum, orange liqueur, fructose syrup, lime juice, raspberry, and blueberry. And of course, a cocktail like this must be accompanied by a special dessert from the auto corporation!

Overall, the experienced bartenders here can make any cocktail — both classics and original creations. Even if a client has their own recipe for their favorite cocktail, the bartenders will be able to make it. In order to avoid mistakes, the bartenders always try the cocktails before serving them. "We make about 2,500 different cocktails a month," says Artyom Averin, the head bartender. These cocktails include drinks that you can't try anywhere outside the Mercedes Bar. These cocktails are made out of specialty drinks. They are prepared by the bartenders, who work on them





as if they were true alchemists! Here are some of their infusions: vodka infused with saffron, bourbon infused with beeswax, and rum infused with fried sawdust and black pepper. Aside from the infusions, the bartenders also make original decorations for the cocktails that look like real works of art. "For us, the most important thing is taste and good conversation," Artyom Averin says about the bar's philosophy.

The cocktail menu isn't the only thing that meets the highest standards here. There are also appetizers, soups, main courses, and desserts. Food is prepared by chef Artyom Sergeev, who has worked in various Moscow restaurants under famous French Michelin-star chefs for many years. He has been with the Mercedes Bar since 2012. The dishes Artyom Sergeev makes can be considered true "creations," and it seems there is no limit to his imagination. Artyom's biggest inspiration is his family, music, and trips to foreign countries, which help broaden his horizons and get fresh ideas for new dishes.

The Mercedes Bar menu features Japanese dishes, Italian desserts and cheeses, oysters, and caviar, along with burgers, ribeye steak, and chicken burgers.

Yes, these guys have set the bar quite high, literally! ■



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