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Business mission

Russia and Japan are natural partners

Economic and business relations between Russia and Japan always had constructive character. The President of Russia and the Prime Minister of Japan often discuss the development of trade and economic relations and possible bilateral contacts, as well as Russian-Japanese cooperation within the framework of the UN Security Council. Japanese companies have invested about \$12 billion in the Russian economy in total, and they are interested in continuing joint work, Russian business and Russian government intend to support them in various ways.



President of Russia Vladimir Putin said: 'Russia and Japan are natural partners. Japan is our good neighbour and our relations have been developing steadily and successfully. We work together at a number of international venues, and our joint efforts are very successful and fruitful. We have established new channels for interaction at the political level, both through the Foreign Ministry and the Defence Ministry, which is very important

as it increases the level of trust in our relations.

The Intergovernmental Commission on Trade and Economic Cooperation has been working steadily, and trade and economic ties between our countries are expanding. We saw a 6% increase in trade last year. All this creates excellent preconditions for addressing the most complex interstate issues.

Japan has a wide range of opportunities. We have also made use of Japan's other great achievements in technology and organiza-

tion of major events. I think that your experts will also be interested to see how the Russian business is organized. Apart from Russian specialists, we involved professionals from all over the world in our projects'.

Business mission 'Trade and Industrial Dialogue: Russia-Japan' will help to identify new growing points, to expand the variety of bilateral cooperation and will contribute to strengthening of business contacts. The program of the business mission includes activities involving participation

of heads of ministries and agencies, Russian and Japanese companies, providing for a possibility of business communication in the b2b format.

The Ministry of Industry and Trade of Russia acts as an organizer of the event. Russian delegation will visit Tokyo under the chairmanship of the Minister of Industry and Trade of Russia Denis Manturov. In addition on Russian side visit of CEOs of major industrial enterprises is planned among which: Russian Helicopters, Ruselectronics, Russian Railways, GazpromNeft, Eximbank of Russia, Association of Industrial Parks, Association of the Russian Pharmaceutical Manufacturers, etc.

The Minister of Economy, Trade and Industry of Japan Hayshi Motoo is invited to participate in the mission on Japanese side. The main participants are expected to include representatives of the leading Japanese companies, such as: Marubeni Corporation, FANUC, DMG Mori, Japan Bank for International Cooperation, Kawasaki Heavy Industries, Takeda, etc.

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UAC at the Singapore Air Show

UAC's aircraft took part in the Singapore Air Show 2016 international exhibition. The Asia-Pacific region's market is among UAC's top priorities – the Corporation presented a large lineup of its military and civil products. UAC's exhibition stand has models of the Su-35, Su-32, Su-30SM, Yak-130, Yak-152 and Be-200 aircraft, as well as models of SSJ100 and MC-21 civil liners. For the first time in the Asia-Pacific UAC presented the MC-21 pilot trainer simulator. Show visitors was taken a personal look at the Sukhoi Superjet 100 (SSJ 100) aircraft in the Yakutia airline livery at the show's static display.



tive will make the region the biggest recipient of new aircraft until 2030.

UAC's civil products presented at the show have great potential in the region. According to UAC's estimates SSJ aircraft might capture up to 15% of this region's market. Sales till 2030 can surpass 150 aircraft.

UAC specifically presented its civil SSJ100 and MC-21 programs at the show. This was the

airlines in person to witness the advantages of these liners – comfort, reliability, cabin ergonomics and other features of new Russian aircraft.

UAC holds leading positions on the region's military aviation market. More than 400 Su and MiG aircraft have been delivered to Asia-Pacific customers. Su-30 family fighters were chosen as main military aircraft by Air Forces of several countries of the region. UAC presented its main fighters at the show – Su-35 and the Su-30SM multipurpose fighters that by capabilities surpass all tactical 4 and 4+ generation fighters.

Yak-130 jet combat trainer aircraft allows pilots to receive modern training to fly 4+ and 5 generation fighters and is ideally suitable for the air forces of a number of the region's countries. For the first time the model of a Yak-152 piston basic trainer aircraft was presented. This aircraft together with the Yak-130 and other modern training means allows to organize full cycle of fighter pilot training.

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Markets of the Asia-Pacific region and China in particular are the fastest growing and perspective in the world. According to UAC's estimates, yearly passenger turnover growth in the region in the next 20 years will by 1.3% surpass the world's average. This in perspec-

IN BRIEF

EASTERN ECONOMIC FORUM

The Second Eastern Economic Forum is set to take place on September 2-3, 2016 in Vladivostok, with the participation of high-level Russian government officials. The event provides a showcase for Russia's new economic policy in the Far East. The Forum will be attended by business leaders from Russia, the Asia-Pacific region and beyond, with presentations of new investment opportunities and proposals for specific investment projects. Participation in the Eastern Economic Forum can help open up a short route to business success.

INVESTMENT OPPORTUNITIES

The Russian Direct Investment Fund (RDIF), the China-Eurasia Economic Cooperation Fund (CEEFCF), and the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank) have agreed to jointly evaluate and execute investment opportunities in Russia and China that will contribute to investment cooperation and the growth of economic trade between the two countries. Projects in industrial production, transport infrastructure, power generation, and energy efficiency were identified as priorities for collaboration. The agreement was signed today in the presence of Dmitry Medvedev, Prime Minister of Russia, and Li Keqiang, Premier of the State Council of China. Kirill Dmitriev, CEO of the Russian Direct Investment Fund (RDIF), noted: 'We are delighted to foster cooperation with our Chinese partners. With the Silk Road Fund we are already implementing a global initiative to create the Silk Road Economic Belt, which will promote economic development throughout Eurasia. This new agreement will enhance the efficiency of our partnerships with China.'

SPIEF 2016

The 20th St. Petersburg International Economic Forum (SPIEF) will take place on June 16-18, 2016 at a new venue. SPIEF is Russia's largest economic event, providing a platform for dialogue between government and business, and helping to formulate innovative approaches to furthering economic relations. Since 2006, the Forum has been held under the auspices of the President of the Russian Federation. Every year, the Forum welcomes approximately 10,000 participants from leading global economies, including heads of state and government, political leaders, heads of major companies, and leading international experts and media figures.

\$500 MILLION TO INVESTMENT PROJECTS

The Russian Direct Investment Fund (RDIF) and Kuwait's sovereign wealth fund, the Kuwait Investment Authority (KIA), have agreed to expand their partnership, with KIA allocating an additional \$500 million to investment projects in Russia. Kirill Dmitriev, CEO of RDIF, signed the agreement today with Bader Mohammad Al-Saad, Managing Director and CEO of KIA, in the presence of Russian President Vladimir Putin and the Emir of Kuwait, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, as part of the Emir of Kuwait's official visit to Russia.

In addition to increasing Kuwait's funds for investment projects in Russia, the parties agreed to increase KIA's share in RDIF's automatic co-investment mechanism, which Kuwait has contributed to from 2012. In that year, KIA also allocated \$500 million for investment with RDIF. The mechanism involves automatic participation in all of RDIF's ongoing deals as a co-investor. Bader Mohammad Al-Saad, Managing Director and CEO of KIA, said: 'Russia continues to be an important and promising emerging market. KIA believes that RDIF is the ideal partner to invest with in Russia. KIA has all the trust and confidence in RDIF management.'

Good time for business

Non-energy products export from Russia

One of the key tasks of the Russian industry — to increase of hi-tech export production. Russian President Vladimir Putin ordered to have non-energy products export increased at least 6% annually. According to him, to get it done the state economic structure must be changed. Foreign investors can play a considerable role in these business processes. For it they can become participants in very profitable projects.

Statistically there are indeed significant improvements in high tech production under auspices of Russian Ministry of Industry and Trade headed by Denis Manturov. Provided that in the country a wide range of measures have been created to support suppliers of knowledge-intensive products it is fair to say that shift of emphasis towards high tech export is a steady and long-term trend.

Minister of Industry and Trade Denis Manturov who is the head of Russian delegation in 'Russia-Japan Business Dialogue', has recently approved results achieved by the Ministry. According to these results despite hard times, the Russian industry doesn't endure catastrophic falling. On the contrary: high-tech industries use today's international environment in own favor.

Last year industrial production index is near 101.7%. Besides, there was increase in upward trend by the end of the year. In 2014 as compared to 2013 there was increase in all kinds of manufacturing except for textile and clothing (97.5%); leather, leather goods and footwear (97.2%); woodworking and woodware (94.7%); machinery and equipment (92.2%); electrical appliances, electronics and optics (99.5%).



Denis Manturov

Russian shipbuilders have also shown good results. There are works underway to build new diesel electric ice-breakers of various profiles and power as well as 22220 60MW nuclear-powered ice-breaker. 20870 floating power unit is still being built. Mixed navigation tankers are being mass produced. The production of nuclear-powered and conventional submarines, surface battleships is underway. Thirty civil ships and offshore marine facilities have been manufactured and delivered to customers. About 150 civil ships are still under construction. 'Sevmashpredpriatie', JSC has handed over for commercial use the first world ice-resistant platform MLSP 'Prirazlomnaia' in Barents Sea.

Russian aircraft industry has also performed well. Within 2014 it has produced 31 Sukhoi SuperJet-100 short-range passenger aircraft including 11 for export; five An-148 short-range passenger aircraft; three Tu-214 medium-range passenger aircraft; 37 helicopters including 20 for export.

A market-gear production of machinery and equipment, electrical appliances, electronics and optics, agricultural and forestry equipment as well as vehicles has been devel-

oped in a normal pace. Growth index in these industries has reached 108.5%. Thus, in 2014 mainline locomotive units production has amounted to 109.1%, passenger carriage — 107.7%, earthmovers — 107.2%.

As to power engineering the major progress has been made in gas (110.8%) and hydraulic (156%) turbines production. Heavy engineering production output has amounted to 101.3% by 2013. In 2014 production index of metallurgy and finished metal goods amounted to 100.6% as compared to 2013 including 113.6% of production of specified metallurgy goods. The production of cast iron has accounted for 102.9%, steel — 102.2%, primary aluminum — 104.4%, finished rolled iron — 103.4%. The production of steel pipes in 2014 amounted to 113.6%, refined copper — 110.8%.

In 2014 the output by military industrial enterprises has increased 15.5% (in comparable prices of 2014) mostly due to increase of military products volume. The gain of production as compared to the same period of the previous year is seen in all defense industries such as electronic (24%), aircraft (17.1%), shipbuilding (14.4%), ammunition and specialty chemicals (13%), rocket and space (8.6%), conventional arms (5.4%).

Within the year defense-oriented enterprises have performed technical re-equipment, reconstruction of some production as well as trial and engineering facilities. In 2014 76 facilities were commissioned including aircraft industry (11), shipbuilding (15), conventional arms industry (6), ammunition and specialty chemicals (11), electronic industry (32), metallurgy and heavy engineering (1). Over 270 industrial technologies have been developed to produce competitive high tech goods.

Committee of Friendship, Peace and Development

On February 17th the Russian-Chinese Business Council held the reporting meeting at the CCI of Russia in Moscow. Chairman of the Russian part of the Russian-Chinese Committee of Friendship, Peace and Development Mr. Boris Titov, vice-president of the Chamber of Commerce and Industry of the Russian Federation Mr. Georgy Petrov and the incumbent Chinese Ambassador to Russia Mr. Li Hui addressed to the participants of the meeting.

The meeting was attended by 78 heads of member organizations of the Russian-Chinese

Business Council and their representatives and more than 20 invited persons.

The report on the activities of the Russian-Chinese Business Council in 2015 and the report of Audit Commission of noncommercial partnership "Russian-Chinese Business Council" were presented during the meeting. The work plan of the Russian-Chinese Business Council for 2016 was also adopted.

The member of the Foreign Affairs Committee Mr. Alexander Babakov, The President of Pacific Investment Group Mr. Sergey Darkin, Director-general of the Russian Agency for Small and Medium Business Support Mr. Victor Ermakov,

Chairman of the Board of the State Company Russian Highways Mr. Sergey Kelbakh, Deputy Chairman of the Russian part of the Russian-Chinese Chamber of Commerce of promoting the technical and innovative products Mr. Vladimir Kolesnikov, Vice President of Union of timber manufacturers and exporters of Russia Mr. Andrey Frolov gave a presentation of the implementation of a number of bilateral agreements, projects and programs.

The general meeting of the Russian-Chinese Business Council decided to accept two new members — OAO Novatek and Trans-Baikal grain terminal LLC.

Business mission

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Highly topical business program includes the Plenary Session 'Russia-Japan: Priorities for Business Cooperation' with the participation of Denis Manturov — Minister of Industry and Trade of Russia and Hayshi Motoo — Minister of Economy, Trade and Industry of Japan, as well as top executives of Russian and Japanese businesses.

Organizers are confident that the business mission will in the

best way contribute to the strengthening of cooperation in production and business and economic spheres of both countries.

The outline of the business program includes: Main plenary session 'Russian-Japanese Business Collaboration: New Prospects and Capabilities', contact Exchange and b2b meetings at different levels, session 'Joint projects between Russia and Japan: new opportunities and prospects', session 'Innovations in manufacturing:

experience of Japanese companies', session 'Cooperation in pharmaceutical and medical industries', session 'Russia-Japan cooperation in the infrastructure modernization', tours to industrial enterprises of Japan.

For example, the business mission participants will have an opportunity to visit Mitsubishi Electric plant in Nagoya. The plant has the largest capacity in terms of the volume of the development and production of industrial automa-

tion equipment and electric drives. This is one of the oldest plants of Mitsubishi Electric Corporation, with over 90 years of history, which was founded as the first plant for the production of electric motors. Nowadays, more than 2500 employees work at the production site of 306 000 sq.m. During their visit, the participants will get acquainted with the production experience and new developments of Mitsubishi Electric in the field of electrical and automation products.

Russian Export Center

One of the key factors of long-term economic growth

At present, Russian economic policy measures are more focused on the development of full-cycle local production and production with high added value. Speaking at the recent session of the State Council devoted to import substitution held in Nizhny Tagil President of Russia Vladimir Putin noted: 'The goal is not to substitute the imported goods with domestically produced ones in one way or another. Support should be provided to projects able to compete with foreign analogues on equal terms – both by quality, and by price.'

The sales appeal on the world market is one of the key factors of long-term economic growth. But competition on foreign markets is not just a comparison of price and qualitative characteristics – it is also a competition of export support systems, which governments offer to non-raw-materials exporters.

Today, many agencies, development institutions and organizations – Ministry of Economy, Ministry of Industry and Trade, Finance Ministry, FAS, FCS, Vnesheconombank and others — are involved in activity aimed at supporting export in Russia. However an exporter lacked a single counterpart who would become a starting point for Russian manufacturers striving to reach the global market. For that reason, the Government of the Russian Federation decided to establish the Russian Export Center (REC) to operate in a single window format to support producers and provide their access to the most complete set of services for supporting export activity.

The Center's range of services development was based on a principle of conformity to the stages of export project life cycle. Otherwise, it is an arrangement of routing and support of requests submitted to governmental structures, rendering organizational and consulting, training and informing, and financial services. The basic idea of the Center is to combine the state opportunities with the client-oriented business approach. Such approach will promote creation of favorable environment for the development of Russian export. The Center has already started to work both with experienced and with starting exporters independently on their volume and industrial specialization.

The financial block of REC is represented by the tools of Vnesheconombank Group. In the nearest future, RECIIA and Roseximbank will be moved under REC corporate management and thus the financial "wing" of support is to be created. Integration of REC, RECIIA and Roseximbank will help, first of all, to exclude duplication of functions, secondly, to reduce the volume of document circulation, and thirdly, to save the time of all participants of export activity. In order to establish efficient interaction of REC with RECIIA and



Roseximbank, a special end-to-end business process will be arranged, while all the clients who have addressed REC, RECIIA and Roseximbank, will be included into an integrated client base.

In order to implement non-financial measures of rendering assistance to exporters, the Center will cooperate with partners and service providers in the key spheres of interaction. A model of obtaining the state support and the scheme of pay-

'THE GOAL IS NOT TO SUBSTITUTE THE IMPORTED GOODS WITH DOMESTICALLY PRODUCED ONES IN ONE WAY OR ANOTHER. SUPPORT SHOULD BE PROVIDED TO PROJECTS ABLE TO COMPETE WITH FOREIGN ANALOGUES ON EQUAL TERMS — BOTH BY QUALITY, AND BY PRICE.'
(VLADIMIR PUTIN)

ment for services rendered through outsourcing will be developed. Potential spheres of interaction shall be: protection of intellectual property, legal support (including abroad), and logistics. Skolkovo Foundation, RBC and the Scientific and Technological Valley of the Moscow State University could be potential partners of the Center.

In spite of the fact that REC operates for only few months, it has already succeeded to buildup a portfolio of more than 100 projects in automotive, agricultural, aviation, mechanical engineering sectors, the sectors of nanotechnologies and microelectronics, etc.

The Russian Export Center has chosen a way of direct communications with business. Meetings with representatives of industrial organizations and individual exporters are arranged on a regular basis. One of REC's goals is the accumulation of market information and transmitting business urgent requests to governmental structures. In order to find the most demanded requests it is planned to arrange regular quantitative and qualitative assessment of export environment. The first research project is devoted to the transportation and logistics sphere

of export activity. REC engages the widest possible audience of businessmen in its studies, which allows it to involve, on the one hand, new clients to work with REC, and on the other hand, to use the accumulated base to continue research in the future. Such an approach, together with regularly arranged studies, helps to monitor the dynamics of export support system development, and to obtain digital data of the results of work of all federal executive authorities involved in the support of export, and to elaborate recommendations for their further works in this sphere.

Besides, REC plans to carry out active educational activity. Thus, the first major educational project of the Russian Export Center will start in spring of 2016. It is not just a plan of regional seminars or a series of webinars, but it is a full-fledged systemic software product, which will include two key opportunities for the regions:

- Opportunity for starting exporters to obtain knowledge needed to start their export activity.

- Opportunity of professional development for employees engaged in regional infrastructure of export support.

Mini-MBA format was chosen for the program, which stipulates a practice-focused approach. Advisers competent in various spheres are engaged to develop and implement the programs, which gives an opportunity to create a really high-quality educational product. Training will be arranged in the full-time and remote modes, which will help to cover many regions within a short time period. Currently the Center is selecting pilot regions for the project approval.

The urgency of the educational project was stipulated by the fact that one of the main challenges the enterprises faced in their export activity was the lack of knowledge in the field of foreign trade activities – it was especially true for the regional companies. Regular surveys of businessmen confirmed high demand for and motivation to training.



IN BRIEF

RUSSIA-APEC INFORMATION PORTAL

The Russian Direct Investment Fund (RDIF) has launched a new online information portal, 'Russia-APEC' (<http://www.russia-pacific.com>), which will provide data and analytics support for Russia and member-states of the Asia-Pacific Economic Cooperation forum (APEC). The portal will facilitate economic integration and promote mutually beneficial cooperation across these regions. The portal is a joint project between RDIF and the Government Commission on Economic Development and Integration. The Russia-APEC portal is the most comprehensive database of information and reference materials on APEC member-states. The website's target audience is Russian companies doing business with countries in the region, exporting goods and entering APEC member-states markets. The portal's unique tools provide a comprehensive view of the economies, legislation, current news, key markets and companies in the region through one resource. Users can also find details of events, which might be of interest to representatives of the Russian businesses. The portal is structured as a database allowing companies to search for potential markets.

Russian companies can familiarize themselves with standard business practices in APEC economies and the support programs for international cooperation and investment. Users have access to regulatory documents, statistics, and key indicators for market conditions. Market reviews are categorized by country and industry. Information on APEC events are also available on the portal, as well as contact information for the trade offices and non-profit organizations providing support for Russian companies abroad.

GAS TURBINE UNITS FOR EXPORT

Dmitry Shugaev, Deputy CEO of Rostec, valued the demand for Russian gas turbine units in China at more than \$1 billion. According to Shugaev, only projects for providing gas to Chinese provinces and the construction of cross-border gas pipelines would require such a level of gas turbines. 'It's a competitive market. If we go on to create a joint product, of course we will also promote it to third countries,' said the deputy head of Rostec in Beijing.

In turn, Alexey Grishin, the representative of Rostec Corporation in China, expressed hope that China would help Russia export its gas compressor units based on the GTU-25 gas turbine to third countries. 'China is in the implementation phase of its One Belt, One Road strategy to become involved with other countries. We very much hope that our product will be in demand in countries involved with this strategy,' said the representative of Rostec.

Alexey Grishin also said that United Engine Corporation (UEC) plans to begin testing the GTU-25 units in China in the first quarter of 2016. 'During the first quarter of 2016, we plan to launch 25-megawatt gas-compressor units at the Shenyang factory for the production of SBW compressors. This is a tripartite project between UEC, SBW, and CAG (China Automation Group), with a high degree of localization for components in China,' said the representative of Rostec Corporation. According to Alexey Grishin, this project will allow UEC to develop references in the Chinese market for more actively promoting its products, including among large customers such as Sinopec. United Engine Corporation produces engines for military and civil aviation and space programs, as well as units for the generation of electric and thermal energy, gas compressors, and naval gas-turbine units. UEC brings together more than 85% of assets in the industry.

'Gorodissky & Partners': a reliable legal bridge for Russia-oriented business

Nowadays a very favorable situation has come to exist for the foreign business to come to Russia. The point is that the economic sanctions imposed by some western states limit western companies' cooperation with Russia, thus making many profitable niches ready to accept foreign investments on quite beneficial terms. For as soon as the sanctions are over there will be definitely an upsurge of interest by foreign business in Russian industries allowing potentially high profits. Thus, experts see the current situation favorable as never before to make business with Russia.

In addition to that the legal mechanics to protect interests of intellectual property right holders and investors are ensured to a high standard in Russia. According to Vladimir Biriulin, a Russian patent attorney and partner at Russian law firm 'Gorodissky & Partners', "now all issues related to protection of investors' rights have been resolved by the Russian law; the protection of IP is just as good as it is in any developed country".

The statement made by the reputable expert is trustworthy since law firm 'Gorodissky &

Partners' is the biggest and the most experienced one in Russia engaged in patenting inventions, registration of trademarks and intellectual rights protection. Patent and trademark practitioners and lawyers of 'Gorodissky & Partners' who began their professional carrier in 1959 now make one of the oldest Russian teams in intellectual property issues. The company is specialized in protecting intellectual property of local and foreign firms in Russia. Besides, among over 10 thousand clients more than two thirds are foreign ones doing business in our country. The majority of industrial giants directly or indirectly represented in Russia are clients of 'Gorodissky & Partners'.

The firm is well-known worldwide. It is among the ten of the biggest law companies in Europe and has a wide network of branch offices in various regions of Russia and in Ukraine. In October 2015 'Gorodissky & Partners' opened a branch office in Vladivostok. The office is engaged in a wide range of legal activities on behalf of foreign clients. The new office has definitely made it easier to legally support Pacific Region companies.

Answering our questions as to assisting foreign companies doing business in Russia Mr.

Biriulin agrees that today this is the sound legal basis which guarantees efficient and successful international business both related to direct investments in Russia and under joint international business projects. This aspect is especially important for transfer of technologies to Russia, the type of business growing more popular and in demand.

In this regard 'Gorodissky & Partners' is the most experienced and biggest one in Russia in terms of supporting foreign companies including investors. As a matter of fact the firm is competent in all legal activities regarding intellectual property, from handling patent and trademark applications up to supporting and protecting IP, including routine and less frequent assignments on the Russian market. The list of activities is quite impressive; it includes drafting applications to register intellectual property, handling patent and trademark applications during prosecution in patent office, licensing, protection of right holders, tax planning and optimization, due diligence of intellectual property, support of license agreements, evaluation of intangible assets and so on. The company provides reliable services of as to all above-mentioned issues.

It should not go unnoticed that fees for legal services in Russia (including 'Gorodissky & Partners') have an obvious advantage over similar service fees in other countries. For comparison, one working hour of a patent/trademark attorney or a lawyer of the company may be two or three times less than in the USA; protection of rights in the court of first instance may be several times less expensive than for example in France, for example. And so on. No wonder that with such prices and quality of work 'Gorodissky & Partners' has the best portfolio not only in Russia but perhaps in all Eastern Europe.

The company has lots of work to do. For one thing, any merger or setting up a joint enterprise requires objective assessment of partners' contributions and competent ensuring IP rights of every IP subject matter. Meanwhile, it is no secret that today intangible assets of many innovative companies cost more than tangible ones. Mr. Biriulin assures that 'every project needs IP protection and we ensure such protection.'

Vladimir Biriulin provides a simple and vivid example. Developing any natural resources requires modern innovative equipment the investor is ready to deliver. Such equipment, as a rule, uses new exclusive technology solutions which have to be protected against being dishonestly copied. Mr. Biriulin and his coworkers are actively involved in these issues on behalf of foreign companies. Among their clients are mostly US, Japanese and European companies. It is worth noting that Japan is among the three biggest patent applicants in Russia.

Being in possession of the biggest team of professionals in Russia (over 450 members including over one hundred Russian patent and trademark attorneys and lawyers, more than forty Eurasian patent attorneys 'Gorodissky & Partners' has an unrivalled experience. The specialists of this particular company were the first to be involved in protecting intellectual property back in Soviet era. Thus, the company understands specifics of making and operation of Russian legislation in terms of intellectual property.

Mr. Biriulin emphasizes that Russia is importing many various goods. Unfortunately not every manufacturer registers his trademark in due time in Russia, that is why sometimes it hap-



Vladimir Biriulin

pens that these brands are registered by so-called trademark squatters. Vladimir Biriulin says, 'Certainly, we later re-establish justice via courts and deprive pirates of illegal rights. However, it takes time and money. It is surely better to register a trademark in due time and smoothly develop business.'

According to the specialist, the further economy develops the more considerable and valuable becomes intellectual property for business development being often a core asset. It can be also demonstrated by technology transfer projects which are now the most popular kind of production-oriented business in Russia. 'A technology should be initially protected in a proper manner, and only afterwards it can be transferred,' says Vladimir Biriulin. 'It can be transferred either under assignment agreement or a license agreement. By the way, this is a big part of our activities.'

Importance of a properly prepared agreement can hardly be overestimated. According to the expert, in practice it often happens that companies enter into a hastily drafted agreement of cooperation prepared by themselves, commence doing business, but after some time (a year or two) some disputable situations arise caused by mistakes made in the very beginning. Such disputes often concern intangible assets.

'GORODISSKY & PARTNERS' IS WELL-KNOWN WORLDWIDE.

IT IS AMONG THE TEN OF THE BIGGEST LAW COMPANIES IN EUROPE AND HAS A WIDE NETWORK OF BRANCH OFFICES IN VARIOUS REGIONS OF RUSSIA AND IN UKRAINE. IN OCTOBER 2015 'GORODISSKY & PARTNERS' OPENED A BRANCH OFFICE IN VLADIVOSTOK. THE OFFICE IS ENGAGED IN A WIDE RANGE OF LEGAL ACTIVITIES ON BEHALF OF FOREIGN CLIENTS. THE NEW OFFICE HAS DEFINITELY MADE IT EASIER TO LEGALLY SUPPORT PACIFIC REGION COMPANIES.

As an example of active international activities Vladimir Biriulin describes close relations with Japan and Japanese firms. Every year 'Gorodissky & Partners' prepares and gives seminars in Japan on legal support of business activities in Russia and prepares IP manuals in this regard for Japanese companies. The next, third manual on the Russian IPis to be released in spring this year and distributed to Japanese companies.

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Plans for a new multicopter

The flying robots will be able to carry out any tasks and missions

United Instrument Manufacturing Corporation (UIMC) has presented plans for a multifunctional air robotic system, which includes a robot helicopter, observational copter, reconnaissance copter, and attack copter with rocket-launching capabilities. The robots can carry out a wide range of tasks and can act either independently or as part of a unit.

The flying robots were designed to observe distant objects, record video and still images (including thermal imaging), transmit video in real time, deliver goods to a specified point, and destroy enemy targets on the battlefield.

'The technology developed by Concern Systemprom is designed to effectively replace humans wherever possible. It can carry out reconnaissance, monitoring, and patrolling missions of indoor and outdoor facil-

ities, transport cargo, prepare cartographic materials, and fulfill combat tasks,' said Sergey Skokov, Deputy CEO of United Instrument Manufacturing Corporation.

According to him, the human role in managing the robots has already been minimized: the drone detachment can operate in an autonomous mode, where each robot performs its function independently, following its own specified route.

'These robots can navigate through the air without the support of an operator, choose their own routes, carry out reconnaissance work, and interact with other drones and robotic systems,' said Sergey Skokov.

The robot helicopter complex is designed for conducting video surveillance, delivering a payload to a given destination, and carrying out meteorological observations. It has a flight range of a few hundred kilometers. The reconnaissance copter can

fly to an altitude of several thousand meters and can be used to detect and identify targets in real time. The



observational copter can be used to adjust artillery fire and determine the location coordinates using the sig-

nals of GLONASS/GPS satellite navigation systems. The attack multicopter can detect and destroy enemy

targets, including tanks and armored vehicles, with the help of standard rocket weapons.

United Instrument Manufacturing Corporation (UIMC) is a state-owned holding company of Rostec Corporation. It unites together more than 60 enterprises and research organizations in the electronics industry, employing over 40,000 people. Its main specialization is the development and manufacture of communication, control, and electronic warfare systems for the Russian Armed Forces, as well as robotics, UAVs, medical equipment, telecommunications, and computer technology. UIMC's products are exported to more than 30 countries around the world, including countries in Africa, Asia, Latin America, and the Middle East. In 2015, the Stockholm International Peace Research Institute (SIPRI) ranked UIMC as the 24th in the top 100 largest global arms manufacturers. The annual total revenue of the holding's enterprises amounts to more than RUB 100 billion.

NCI and CRI EICS

Competence center for the development of Russian software

The National Center of Informatization (NCI) and the Central Research Institute of Economy, Informatics, and Control Systems (CRI EICS) will create a competence center for software development that will consolidate the resources to conduct large-scale projects for the development of Russian software.

Rostec's new strategy Rostec until 2025 approved at the 2015 year-end provides for, among other things, making inroads into the IT market, increasing the share of products manufactured by the electronic cluster (that, in addition to the R&D Institute, includes Ruselectronics holding company, United Instrument Manufacturing Corporation, Concern Avtomatika, Shvabe holding company, RT-Inform, Yota Devices, and Electronics Central Research and Development Institute). In addition, the state corporation plans to foster new emerging capital-intensive markets in Russia, promote new professional skills and highly intellectual jobs

In this regard, the National Center of Informatization is being faced with new, large-scale tasks. In particular, a competence center for software development will be founded at the NCI.

Since 2016, Konstantin Solodukhin has led the National Center of Informatization as the new CEO. The change of CEOs is also a product of global changes within Rostec. Previously, Konstantin Solodukhin worked in another subsidiary of the State Corporation, the Central Research Institute of Economy, Informatics, and Control Systems. Creating a competence center for software development necessitates the concentration of resources, including project teams of developers and managers with experience in conducting large-scale projects. Therefore, it is assumed that CRI EICS and NCI will be consolidated at the expert level.

CRI EICS's expertise includes the development and maintenance of basic software (operating systems and database management systems) and trusted platforms and sophisticated ERP and PLM solutions for state needs, particu-

larly the military-industrial complex. The Institute has accumulated extensive experience in creating highly secure systems for special clients.

For their part, NCI experts are capable of developing high-quality solutions for social services and are expanding the demand in the market for the service model. NCI's fields of expertise include medicine, education, science, culture and sports, public transport, safe city, electoral processes, and e government. The creation of platforms for civilian use is necessary for the formation of a base for demand that will later reduce the price of domestic products.

NCI has an advantage in that its specialists are familiar with the regulatory framework, are able to speak with representatives of state structures in the language they understand, and understand well their actual problems. The company aims to create a mass service that will benefit the citizens of Russia. It has extensive experience in creating high-loaded systems, such as the single state information system for the health sector (EGISZ), or e-government systems.

The integration of the expertise of the two companies will facilitate synergies and lead to the implementation of the ambitious project to create import-substitution systems and application software for government agencies.

As part of the new strategy, NCI will focus on three main areas: the development of basic systems and application software; implementation of major integration projects in the public sector, including for federal and regional authorities, municipalities, and large corporations; and building an information services model.

One of NCI's priorities for the near future is ensuring the smooth migration of software applications for state customers onto domestic or trusted platforms. In addition, NCI is planning to form a single control loop for Rostec's IT assets to create cross-sectorial synergies and, as a result, unique cross-technology developments. As a result, NCI will become a leader of the Russian market for the provision of information services for the public sector.

DP World and Russia

Investment fund and new joint venture company targeting ports

Global trade enabler DP World and the Russian Direct Investment Fund (RDIF) today announced the launch of a new joint venture company targeting ports, transportation and logistics infrastructure in Russia.

His Excellency Sultan Ahmed Bin Sulayem, DP World Chairman and Kirill Dmitriev, Russian Direct Investment Fund CEO, on the sidelines of the World Economic Forum in Davos, signed a document determining the key terms and principles of the joint venture in which DP World will own an 80% shareholding with the remaining 20% held by RDIF.

Under the name 'DP World Russia', the company will target marine, dry ports and logistics infrastructure in different parts of Russia.

'DP World Russia' is expected to potentially invest over time a total of US \$2 billion in upgrading Russian port facilities, while introducing international best practices in operations to improve trade connectivity for the benefit of Russian businesses, consumers and community.

His Excellency Sultan Ahmed Bin Sulayem, DP World Chairman, said: 'Russia has always been an attractive origin and destination market for us with huge long term growth prospects. This joint venture allows DP World and RDIF to build on each other's strengths in bringing economic prosperity to Russia. It is also another great example of the strategic partnerships with government stakeholders, a model that has proven very successful for us over the years. Ports and logistics infrastructure are long term investments and this is why, when we invest, we prefer an approach that recognises the benefits of sharing resources for a common purpose. RDIF has a proven track record of investing with other global companies and we are pleased to partner with them. This JV will enable us to share with Russia our experience as a global port operator and trade enabler and to further enhance the already established strong relations between our countries.'

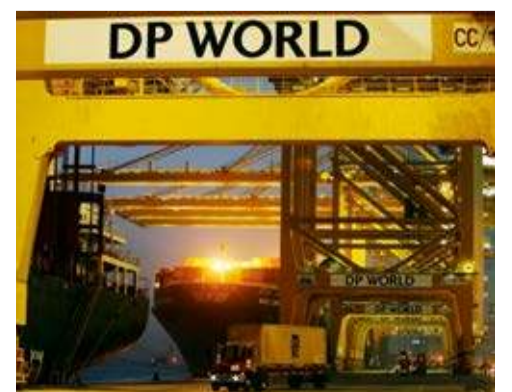
Kirill Dmitriev, CEO of the Russian Direct Investment Fund (RDIF), said: 'DP World's

global expertise and its proven and tested ability to drive trade growth and develop efficient infrastructure, make it the ideal choice to support the long-term goals for the development of Russia. We are glad to welcome DP World in Russia and look forward to creating an effective partnership which will benefit both Russia and UAE.'

DP World has a portfolio of more than 65 marine terminals across six continents, including new developments underway in India, Africa, Europe and the Middle East. Container handling is the company's core business and generates more than three quarters of its revenue. In 2014, DP World handled 60 million TEU (twenty-foot equivalent container units). With its committed pipeline of developments and expansions, capacity is expected to rise to more than 100 million TEU by 2020, in line with market demand.

DP World has a dedicated, experienced and professional team of over 36,000 people serving its customers around the world, and the company constantly invests in terminal infrastructure, facilities and people to provide quality services today and tomorrow, when and where customers need them.

In taking this customer-centric approach, DP World is building on the established relationships and superior level of service demonstrated at its flagship Jebel Ali facility in Dubai, which has been voted 'Best Seaport in the Middle East' for 20 consecutive years.





Space Rescue
Systems Ltd.

Secure rescue at any height

Unique autonomous rescue parachuting back-pack system for emergency escape



Fig. 1

Russian "Space Rescue Systems Ltd." (SRS, Khimki, Moscow) offers a unique and unrivaled system for personal rescue from nearly any high building. This is Autonomous Rescue Parachuting Pneumo Back-pack System (SPARS®). There is no doubt in the near future this system is going to be a must-have in skyscrapers construction all over the world.

The rescue parachuting device SPARS® project is devoted to a creation of a unique technology of pneumo-framed aerodynamic devices for emergency rescue of untrained persons from high-rise facilities.



Fig. 2

The SPARS® General Specifications

1. Total Assembly Weight — 25 kg
2. Rescue Payload Weight — 45 ÷ 120 kg
3. Descent Elevations — 5 ÷ 1000 m
4. Landing Velocity — 5 ÷ 7 m/s
5. Landing Angle — < 30°
6. Footboard Barrier Elevation — 1.5m
7. Descent Time — 3 ÷ 150s
8. Ready-to-use Time — 45 ÷ 60s
9. Launch Initialization Time — 15 ÷ 20s
10. Inflating Gas — Air;
11. General Dimensions:
 - a. Assembled — 900x450x300mm
 - b. In Descent mode — 6,500x2,700mm (without dome).

Actual Landing Impact Loads:

- Acceleration directions:
- "chest-to-back" — up to 8 ÷ 10 g
 - "side-to-side", "head-to-pelvis" — up to ± 6g
 - Acceleration Exposition Time — less than 0.5 s
 - Acceleration Growth Velocity — less than 500 1/s

User's age — 18 ÷ 70 years

Within the period of 2006-2014 private innovation company SRS, Ltd has designed, developed, tested and produced a pilot run of SPARS® personal rescue parachute pneumo-transformable devices dedicated to emergency evacuation of people from high-rise facilities if a traditional evacuation is impossible. Descending SPARS® general view is shown on Fig.1.

SPARS® technology meets the EMERCOM requirements for high-rise emergency escape apparatus (GOST R 22.9.08-2005; GOST R 12.4.206-99) and provides for the following unique capabilities, never implemented before:

1. Emergency evacuation of an untrained person having weight of 45-120 kg, from heights of 5-1,000 m;
2. Ready-for-use in 45-60 sec;
3. Self-sustained operation and independently selected escape route;
4. User-friendly operation for untrained persons and fully automated rescue procedure right from start;
5. Personal protection against external hazards during evacuation;
6. Secure injury-free landing on any urban-area surface;
7. Appropriate weight of a back-pack-type carried device (not more than 25 kg);
8. Alternative of emergency escape (so-called "last resort" facility).

An assembled SPARS® is a back-pack (900x450x300mm) with easy-to-use suspension system (Fig. 2).

In cooperation with 18 leading Russian and foreign aerospace companies under SPARS® project SRS Ltd. has fulfilled full-scale research and development activities to develop the project from conceptual proposal stage to releasing operating prototypes unparalleled anywhere in the world.

SPARS® unit for individual use had required a special certificate basis. In this regard National Standard GOST RO 4240-001-2012 specifying medical and technical requirements for injury-free operation by untrained persons rescued by means of new type SPARS® shock-absorbing systems entered into force in July 1, 2013.

To have certification tests performed a special Hybrid-III (USA) crush test dummy-based anthropomorphous (bionic-like) instrumentation station has been developed and created, which has no equals in Russia.

A full cycle of comprehensive calculations and testings (Fig. 5) to validate design properties and performance has been performed. SPARS® operational reliability is 98.7%.

SPARS® has its Technical Data Sheet (TU 801130-5047075064-01-10), and working design documents issued. Under



SRS Ltd requirements Russian gas-filling systems (GFS) manufacturing company has mastered Autonomous Two-Stage GFS for SPARS® (TU 8042-017-45307693-2013).

The SRS Ltd. Intellectual Property Rights on SPARS® and its "know-hows" have been completely protected within Russia (8 Patents, 3 Trade Marks) and abroad under PCT (Patent Cooperation Treaty) procedures in 13 countries all over the world. 2 "umbrella" requests for SPARS® have entered national level in 13 countries and covered 78% skyscrapers and 95% potential SPARS® manufacturers. 8 Patents of the US, China, Japan, South Korea, Singapore, the Ukraine, Indonesia, Malasia have been already received.

Three Russian EMERCOM Certificates were received for SPARS®. "Aerospace medicine and military ergonomics" R&D Institute of Russian Air Force has granted an official approval for SPARS® physical adaptability.

General market estimations made in 2011 by EMPORIS GmbH under SRS Ltd. Request, shows there are over 7,303 finished and 2,500 under construction skyscrapers worldwide with the heights of 100-828m and over 50,000 buildings having height of 50-100m. Taking that analysis into account the SPARS® Project may have potential market capacity of up to €600-700 million annually.

Furthermore, the estimated potential SPARS® market capacity is worth over \$3 billion in commercial sector alone.

Currently SPARS® is searching for a strategic partner and/or investor to make the product commercial, set up its production and sales all over the world.



Fig. 4

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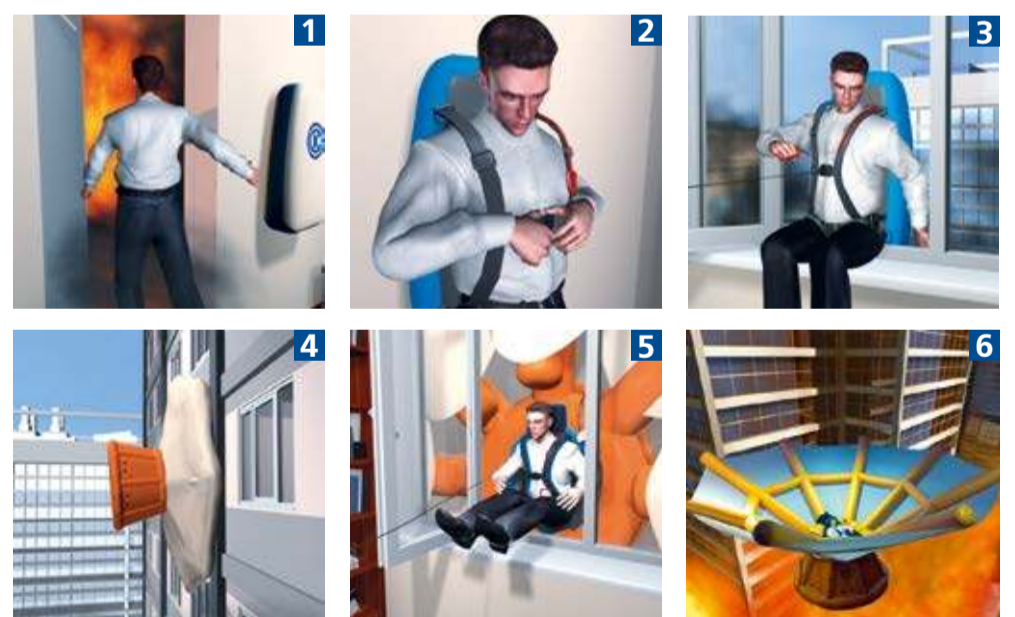


Fig. 3



Fig. 5

VSMPO-AVISMA is set to keep up production

In 2015, the corporation shipped products to the tune of USD 1.3 billion

For 2016, VSMPO-AVISMA Corporation has set a production target of around 29 thousand tons of titanium products which is the same as the previous year's figure. It was reported by Deputy CEO for Marketing and Sales Oleg Leder.

'In 2016 we expect to maintain the previous year's level of total output equating to around 29 thousand tons. However, it should be noted that our production is not only concentrated at Avisma and VSMPO, today we have operations in Ukraine and in the USA — that is NF&M producing bars, billets, and wire for medical products and aerospace fasteners,' said Oleg Leder.

In the face of the crisis, VSMPO-AVISMA shipped to its customers products worth USD 1.3 billion in 2015, Mr. Leder was quoted as saying in an interview with Novator corporate newspaper. Nowadays, titanium is used in a wide range of industries from spacecraft building to medicine.

'However, it is the aerospace industry and all related sectors that constitute a larger part of the titanium market, even though there are the healthcare and manufacturing sectors', remarked Oleg Leder. 'The last one is still in a distressing plight, but we are persevering with



our work in that sector, securing orders, albeit on a small scale. In the difficult year of 2015, we managed to keep sales at an appropriate level in the aerospace industry. We are continuing to step up supplies to such companies as Boeing and Airbus. Over 11 thousand tons of products

were ordered by and delivered to Russian businesses.'

According to him, for the time being it is no easy task to find an industry where titanium wouldn't be required — this metal is needed everywhere due to its specific strength and cor-

rosion resistance. So, VSMPO-AVISMA sees the medical market as a priority.

'From the perspective of the medical sector, the global titanium market is showing a steady growth unaffected by the crisis because people continue to take care of their health even in the worst of times. The aerospace market also follows an upward trend although over a five-year cycle. Conversely, the medical market has a steady year-over-year gain of 4-8%. Today the global market capacity is about four thousand tons of titanium, with us accounting for about 25 percent', said Oleg Leder.

According to him, the corporation is currently contracted by such businesses as Johnson & Johnson, Biomet, Synthes, Orchid, Stealth, Zimmer, DePuy. VSMPO-AVISMA supplies medical-grade titanium all over the world. Medical-grade titanium certification requirements are tough in terms of the material purity, but they require no special properties like for aircraft engine manufacturing, explained Oleg Leder.

VSMPO-AVISMA is the world's largest producer of titanium, ingots and all titanium-alloys based semi-finished products, as well as large aluminum extrusions, semi-finished products of alloy steel, and nickel based heat-resistant alloys.

For high-opportunity projects

Strategic partnership within the framework of Russia-China Investment Bank

Russian Direct Investment Fund (RDIF), Renaissance Capital, Onexim Group, and CITIC Merchant, a merchant banking arm of CITIC Group, China's leading financial conglomerate, have agreed to establish a strategic partnership on the basis of the Russia-China Investment Bank (RCIB) and Renaissance Capital to promote the interests of Russian companies and Chinese investors in high-opportunity projects in Russia, the CIS, the Middle East and Africa. The signing ceremony was held as part of the visit to China of the Russian Prime Minister Dmitry Medvedev.

The current partnership will facilitate access to debt and equity financing from China for Russian businesses in the framework of the One Belt-One Road initiative, aimed at strengthening the integration processes in the Eurasian economic space through the construction of an infrastructure belt along the route of the historic Silk Road from China to Europe.

The parties have agreed to further expand the partnership through various joint investment and advisory initiatives. By bringing in Renaissance Capital's expertise the parties will significantly boost the capabilities of the Russia-China Investment Bank being developed by RDIF and CITIC Merchant. RCIB will focus on the strategic aspects of the Russian-Chinese cooperation.

Kirill Dmitriev, CEO, Russian Direct Investment Fund (RDIF), said: 'The current agreement with the Chinese partners will enhance cooperation through the exchange of international best practices, as well as industry and local expertise. This model of cooperation will significantly reduce the cost of borrowing in China for the Russian corporate sector, and simplify the operation of the

Russia-China Investment Bank being created by the Russian Direct Investment Fund and CITIC Merchant.'

Eric Bin Huang, President, CITIC Merchant, said: 'We are delighted that following our agreement with RDIF in May 2015, for the formation of RCIB that we are now complimenting this with an alliance with Renaissance Capital. Renaissance will not only accelerate RCIB's capabilities in Russia, but its preeminent expertise in frontier and emerging markets, opens the door to a much broader global alliance. Many of our targeted markets are critical to transforming China's strategic initiatives in the historic 'Silk Road'. And we are positioning our Sino Russia cooperation in Hong Kong, which has a unique role to play, both as an international financial center, and yet a home market for ourselves. Looking forward, we hope that all parties will draw upon resources to cater to the needs and circumstances of China-Russia related projects on the global basis through a combination of financial capabilities and industrial expertise.'

Igor Vayn, CEO, Renaissance Capital, commented: 'I am pleased we have reached an agreement on partnership with the leading financial institutions of China. This partnership creates unprecedented opportunities, including attracting long-term investments from China to Russia, to facilitating additional sources of capital in our respective geographies — from Nigeria to Kenya, Middle East to North Africa and Central Asia. Participation and support of major Chinese financial institutions such as CITIC Merchant and China Development Bank gives us ground to expect that this partnership will be implemented around high-opportunity projects in various sectors of economy using Renaissance Capital's global reach based on the new Silk Road initiative.'

Repair center for the Mi-8/17 and Ka-32A11BC

Russian Helicopters signed a framework agreement with Chinese companies «AVIC International Holding Corporation» and «CITIC Offshore Helicopter Corporation» (COHC) to create a maintenance and repair center for Russian-made helicopters in China.

Under the agreement, Russian Helicopters is planning to reequip the maintenance center in Shenzhen, China to repair Russian rotorcraft. At the first stage, authorized maintenance services and operation support will be provided for the Ka-32A11BC helicopters. During the second stage, the capacities will allow for maintenance and repair of Russian-build helicopters of the Mi-8/17 series.

'We're ready to provide extensive support to China to create a repair center and support its activities throughout the entire life cycle of Russian-made helicopters supplied to this country,' said Russian Helicopters' CEO Alexander Mikheev. 'The new center will ensure high quality service for Russian-made helicopters throughout the entire lifespan.'

Taking into consideration the fleet of Russian-built helicopters operating in China, a whole network of helicopter service centers is being planned in China, which would specialize in maintenance of civil and military helicopters, particularly of the 'Mi' and 'Ka' series. Apart from the technical center in Shenzhen, the Chinese side showed interest in organizing authorized maintenance and repair centers in Shanghai, which would be based at the Haiying automotive repair factory, and at Chengdu, at the Jingjiang factory.

China is one of the biggest operators of Russian-made helicopters. Helicopters of the Mi-8/17 series, as well as the Ka-32A11BCs, are successfully operated throughout the country, particularly in regions with challenging terrain and difficult climates. These helicopters are used for transporting various cargo, medical supplies, humanitarian aid, construction materials; they also perform rescue and emergency recovery operations.



The Mi-8/17 series is the most popular in China. The fleet of these helicopters in China exceeds 400. In 2014, Russian Helicopters completed the delivery of 84 Mi-171E helicopters to Chinese Poly Technologies company. Mi-8/17s are irreplaceable for cargo and passenger transportation, geological exploration, patrolling and firefighting.

The multirole Ka-32A11BC helicopter is also certified in China and boasts high demand. It is ideally suited for highly urbanized cities and China's specific climate conditions. The helicopter can operate efficiently in dense urban areas, hard to reach mountainous and forested regions, and can also land on small vessels, drilling platforms, and on unprepared, hard to access sites.

Russian Helicopters, (part of State Corporation Rostec), is one of the global leaders in helicopter production and the only helicopter design and production powerhouse in Russia. Russian Helicopters was founded in 2007 and is headquartered in Moscow. The company comprises five helicopter production facilities, two design bureaus, a spare parts production and repair facility, as well as an aftersale service branch responsible for maintenance and repair in Russia and all over the world. Its helicopters are popular among Russian ministries and state authorities (Ministry of Defence, Ministry of Internal Affairs, Emergency Control Ministry), operators (Gazpromavia, UTair), major Russian corporations. In 2014 its IFRS revenues increased 22,8% to RUB 169,8 billion. Deliveries reached 271 helicopters.

Vnesheconombank

Vnesheconombank issues export loans for foreign customers buying Russian goods, works, services (for noncredit organizations), foreign banks lending money to those who buy Russian goods, countries, governments and foreign executive authorities. The bank also provides pre-export financing.

Along with issuing loans, the bank is engaged in documentary operations. Thanks to warranty cover by Vnesheconombank, Russian companies are capable of participating in export projects even in high political risk countries as well as in places where there are no Russian commercial banks represented.

The priority sectors include aircraft industry and rocket and space complex; heavy transport, specialty and power engineering; nuclear industry as well as information and communication systems.

Vnesheconombank group provides Russian exporters with an integrated package of financial instruments based on best practice. Export insurance is provided by Russian EXAR Insurance Agency, which is a subsidiary



of Vnesheconombank. The group also includes the biggest Russian lease company 'VEB-Leasing', JSC and agent bank ROSEKSIMBANK, JSC engaged in state guarantee operations.

Special consideration is given to facilitating export promotion. 'Financial Support for Russian Export' dotcom went live in 2014 (<https://export.veb.ru>) in Russian and English. Thanks to this exporters and foreign customers are able to file documents and have projects approved on-line within Vnesheconombank group.

To promote the interests of Russian companies abroad the bank is fully engaged in international exhibitions, seminars, activities of intergovernmental committees, entrepreneurial associations as well as heading several business councils. Vnesheconombank keeps developing cooperation with Asian partners. The bank is an official partner of many official Russia's business missions.

The BRICS interbank cooperation mechanism



In order to develop and strengthen economic ties and investment cooperation between BRICS countries, in 2010 state financial institutions for development and export support of the BRICS nations entered into a Memorandum on cooperation, thus creating the BRICS interbank cooperation mechanism. The Memorandum is mainly designed to promote all-round, long-term, interbank cooperation between partners in order to enhance trade and economic relations between BRICS member nations as well as provide support for socially meaningful and regional projects. The BRICS interbank is considered further and as the investment tool for a wide range of developing countries of the whole world, in Asian and ATR also.

One of the main purposes of cooperation is to set up a scheme designed to provide financing and banking services for future investment projects that could be beneficial for the economic development of the BRICS countries.

The participants of the BRICS interbank cooperation mechanism are the Brazilian Development Bank (BNDES), State Corporation 'Bank for Development and Foreign Economic Affairs (Vnesheconombank)' (Russian Federation), Export-Import Bank of India, China Development Bank Corporation, Development Bank of Southern Africa (DBSA).

On the basis of agreements that have been signed within the framework of the BRICS interbank cooperation mechanism, the member banks have taken steps towards developing multilateral financial cooperation within the BRICS countries and created basic mechanisms for settling payments and financing investment projects in local currencies.

In the course of the official ceremony at the 6th BRICS Summit, interbank cooperation mechanism member banks signed an Agreement on Cooperation in innovations in the presence of Heads of State. The Agreement provides for the BRICS financing development institutions to support innovation activity and would help to ensure sustainable growth and inflow of investments in infrastructure sectors of economy and in energy efficient and high technology manufacturing sectors.

One of the major partners of Vnesheconombank in China is China Development Bank (CDB) being a competent development institu-

tion. Vnesheconombank and CDB initiated and became active partners in the Interbank Association of Shanghai Cooperation Organization (established in October 2005) and BRICS interbank cooperation mechanism (established in March 2010). The major line of cooperation between CDB and Vnesheconombank both in the context of multilateral mechanisms of interbank cooperation and on a bilateral basis is the implementation of collective investment projects.

Mutually profitable relationships between VEB and CDB have been underway within over 10 years now. 'Ten years of cooperation between the two banks demonstrated mutual understanding upon our joint implementation of development projects and assisted in creating such multilateral formats as SCO and BRICS Consortiums. I believe that we have huge potential for promoting further cooperation', says Vladimir Dmitriev, Chairman VEB. Over the past period VEB and CDB have undersigned credit agreements for a total amount of over 10 billion US dollars. Among Russian financial institutions VEB is still one of the heaviest borrowers of China Development Bank.

Within the frameworks of the 18-thregular Heads of Russian and Chinese Government meeting in Beijing held in October 2013 in the presence of Chairman of the Government of the Russian Federation Dmitry Medvedev and Premier of the State Council of the PRC Li Keqiang VEB and China Development Bank undersigned a credit agreement amounting to \$ 400 million to fund the construction of the third unit of Ekibastuz GRES-2 power plant in the Republic of Kazakhstan. This project launched in 2009 shall meet growing requirement sin electrical power and capacity for Kazakhstan as well as fill the shortage of electrical power in Russian regions of the Southern Urals, Western Siberia and Altai. The project total cost is 12 billion Russian rubles. Now it involves 400 skilled workers and by the time the unit is started (scheduled for 2017) it is going to involve 1200 workers.

In May 2014 in the course of the formal visit by Vladimir Putin to China CDB, China Development Bank Corporation, Russian VEB, Gazprom and Yamal LNG, JSC undersigned Memorandum on fundraising Yamal LNG project. China Development Bank Corporation shall be a common coordinator of cooperation with Chinese financial institutions.

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