

Results of the second Eastern Economic Forum 2016

The Eastern Economic Forum was held on September 2–3, 2016 with some 3,500 participants and 1,100 media representatives. Foreign participants represented **56 countries**. The largest delegations came from: Japan (246 people), China (227 people) and the Republic of Korea (128 people). The Forum's motto was "Opening up the Far East".

As part of the official opening of the EEF on September 2, an opening address was given to the Forum participants by Yury Trutnev, Deputy Prime Minister of the Russian Federation, Presidential Plenipotentiary Envoy to the Far Eastern Federal District, and Chairman of the Eastern Economic Forum Organizing Committee.

"The Eastern Economic Forum is being held in order for the Far East to develop more rapidly. If you look at the growth rates, the number of new investment projects and the inflow of investment to the region, you could say that this process has begun. But there is an understanding that this is only the start of the journey. We hope that in two to three years the system will get going and become comprehensive and competitive. We understand that the region is above all being developed by people who are establishing new enterprises here. For them to keep doing this, they need to know that the Far East is developing and that it is truly better to work here", Trutnev concluded.

1. Business programme of EEF 2016

The central event of the Forum was the "Opening up the Far East" plenary session attended by Russian President Vladimir Putin, Republic of Korea President Park Geun-hye and Japanese Prime Minister Shinzo Abe. The plenary session was broadcast by 76 television channels – Eurovision members as well as television channels from Japan and the Republic of Korea.

The discussions at the Forum covered three main areas:

- **Opportunities for Investors** (17 sessions);
- **Incentives for Investors** (11 sessions);
- **Advantages and New Opportunities for the Asia-Pacific Region** (16 sessions);

The Forum also hosted **5 cross-country business dialogues** (Russia–China, Russia–Republic of Korea, Russia–Germany, Russia–ASEAN and the Russian-Japanese business forum) as well as **6 strategic sessions** (the session participants discussed themes considering the future development of the region with representatives of the legislative and executive authorities, in particular access for investors to deposits, regional development tools and the new economic model of the Northern Sea Route, among other things).

Presentations were held for 34 investment projects with total investment of RUB 1.5 trillion as part of the business programme at the Forum.

The following events were held on the side-lines of the Forum:

- Meeting of the Russian-Chinese Financial Council;
- Meeting of the Eastern Vector Public Council;
- Russia–ASEAN University Forum;
- APEC Educational Conference.

2. Participants

This year the Forum was attended by **978 representatives of Russian and foreign business.**

This includes **207 heads of Russian companies**, such as:

- **Alexey Miller, Chairman of the Management Committee, Gazprom;**

- **Herman Gref, President and Chairman of the Executive Board, Sberbank;**
- **Nikolay Shulginov, Chairman of the Management Board and CEO, RusHydro;**
- **Leonid Mikhelson, Chairman of the Management Board, Novatek;**
- **Oleg Budargin, Director General and Chairman of the Management Board, Rosseti;**
- **Victor Vekselberg, President, Skolkovo Foundation;**
- **Maxim Sokov, Chief Executive Officer, En+ Management;**
- **Sergei Gorkov, Chairman, Bank for Development and Foreign Economic Affairs (Vnesheconombank);**
- **Pavel Grachev, Chief Executive Officer, Polyus;**
- **Anatoly Chubais, Chairman of the Executive Board, Rusnano Management Company;**
- **Ziyavudin Magomedov, Chairman of the Board of Directors, Summa Group;**
- **Andrei Bokarev, President, Transmashholding;**
- **Dmitry Strashnov, General Director, Russian Post;**
- **Sergei Kalugin, President and Chairman of the Management Board, Rostelecom;**
- **Igor Zyuzin, Chairman of the Board of Directors, Mechel;**
- **Alexei Repik, Chairman of the Board of Directors, R Pharm;**
- **Dmitry Konov, Chairman of the Management Board, SIBUR;**
- **Kirill Dmitriev, Chief Executive Officer, Russian Direct Investment Fund (RDIF);**
- **Andrei Murov, Chairman of the Management Board, FGC UES.**

and **94 heads of foreign companies** from such countries as the United Kingdom, the Virgin Islands, India, China, Malaysia, the Netherlands, Jersey, South Korea, the United States, Thailand, Sweden and Japan, including:

- **Robert Dudley, Group Chief Executive, BP, UK;**
- **Masami Iijima, Representative Director and Chairman of the Board of Directors, Mitsui & Co, Japan;**
- **Shigehisa Yoshihiro, Honorary Chairman of JGC Corporation, Japan;**
- **Shiv Vikram Khemka, CEO and Vice-Chairman, SUN Group, India;**
- **Hans-Paul Buerkner, Chairman, The Boston Consulting Group, U.S.;**
- **Seung-Hoon Lee, President and Chief Executive Officer, Korea Gas Corporation, Republic of Korea.**

The Forum was attended by:

- 4 deputy prime ministers,
- 14 ministers,
- 16 directors of federal services and agencies,
- 10 heads of the constituent entities of the Russian Federation.

As well as:

- **Khammany Inthirath, Minister of Energy and Mines of Lao People's Democratic Republic,**
- **Chen Lei, Minister of Water Resources of the People's Republic of China,**
- **Munkh-Orgil Tsend, Minister of Foreign Relations of Mongolia,**
- **Chen Changzhi, Deputy Chairman of the Standing Committee of the National People's Congress (NPC).**

3. Media

Total number of applications submitted: **1,113** (736 – Russian, 377 – foreign).

Applications came from **18 countries** (excluding Russia): Austria, Belarus, the United Kingdom, Vietnam, Germany, Hong Kong, India, Iraq, Cameroon, China, New Zealand, the Republic of Korea, the United States, Turkey, France, the Czech Republic, Switzerland and Japan.

4. Volunteers

Some **500 volunteers** from different Russian regions took part in preparations for the Forum.

5. Exhibition

Exhibitions were held at the Forum.

1. The “Welcome to the Far East!” exhibition presented the advanced special economic zones, investment opportunities, mechanisms for the entry of the first residents, key sectors of the Far Eastern Federal District, the policy in international cooperation, investment opportunities and preferences as well as the mega investment projects of the macro-region.

The exhibition included booths of the following federal executive authorities:

- Ministry of Natural Resources and Ecology of the Russian Federation
- Ministry of Agriculture of the Russian Federation
- Federal Forestry Agency of the Russian Federation
- Federal Fisheries Agency of the Russian Federation
- Federal Tourism Agency of the Russian Federation
- Ministry of Transport of the Russian Federation
- Federal Fisheries Agency of the Russian Federation
- Ministry of Industry and Trade of the Russian Federation.

2. The “Far East. Wildlife Area” exhibition presented the nature of the Far East as a factor for the region’s investment appeal. Preserving rare types of animals and unique landscapes and developing eco-tourism.

3. The business areas of the EEF 2016 partners expand the Forum’s space and visualise the status and achievements of EEF partner companies.

4. Exhibition of advanced special economic zones and development institutions of the Far East.

The Free Port of Vladivostok, the Far East Development Fund and advanced special economic zones presented the advanced special economic zones, investment opportunities, entry mechanisms and the success stories of the first residents.

Partner booths

The Partner exhibition presented booths of the following companies: RusHydro, VTB, Polyus Gold, Mazda, Russian Railways, Norilsk Nickel and National Chemical Group, and also organized business areas for the companies: Gazprom, ALROSA, Rosneft and Kolmar. The Trans-Baikal region and Russian Export Centre presented their booths as well.

Signing of agreements

A total of **214 agreements for a tentative amount of more than RUB 1.85 trillion** were signed at the second Eastern Economic Forum.

The most prominent agreements included:

an agreement of intent to implement the Amur Gas Chemical Complex investment project between the Russian Ministry of Economic Development and Sibur Holding with total investment of RUB 500 billion;

an agreement on the construction of a mineral fertiliser complex in the Primorye Territory between the Far East Development Fund and National Chemical Group with total investment of RUB 370.5 billion;

an agreement on the implementation of the investment project for the construction of a mining and processing enterprise on the core of the Natalkinsky gold deposit between the Russian Ministry of Economic Development and Polyus Management Company with total investment of RUB 98.5 billion;

an agreement on the implementation of the investment project diamond production enterprise at the Verkhne-Munsky ore field deposit between the Russian Ministry of Economic Development and Alrosa with total investment of RUB 63 billion.

Other significant agreements include:

an agreement between the Far East Agency for Investment Promotion and Export Support and Japan Bank for International Cooperation (JBIC) on the establishment of a Russian-Japanese platform to promote advanced special economic zones and attract Japanese investors to such areas;

the two first investment agreements signed by the Russian-Chinese Agricultural Development Fund Management Company for a total of RUB 17.9 billion: with the companies Amur Agro Holding and Ratimir;

an agreement between the Far East Development Fund and Sberbank on the first stage of a special programme to provide lending to small and medium-sized businesses in the Far East for a total of RUB 3 billion;

an agreement on technological cooperation between RusHydro and Japan's Mitsui.

Operation of the Diamond Centre in the Far East.

Joint-Stock Company ALROSA (PJSC) and KGK Diamonds Private Limited **signed an agreement on the establishment of KGK diamond cutting plants at the Diamond Centre in the Far East. Production is to be launched in late 2016.**

The project consists of a site for the international trade and processing of precious stones. The diamond cluster will include rough diamond production and sale companies, diamond and jewellery manufacturers, gemmological laboratories, banks, insurance companies, specialised carriers as well as government structures: a special customs post and government oversight.

The newly established legal entity KGK must ensure the cutting of the following volumes of natural diamonds:

- in 2017–2018 – 6,000 carats;
- in 2018–2019 – 9,000 carats;
- in 2019–2020 – 12,000 carats;
- in 2020–2021 and beyond – 15,000 carats.

As part of the Eurasian Diamond Centre's work on the Forum side-lines, **the first auction of rough and cut diamonds in Vladivostok was held.** Buyers from India, China and Japan purchased **USD 18.254 million** (*RUB 1.186 billion*) worth of rough and cut diamonds.

Auction results: **Auction for special sized diamonds**

Offered at the auction: 19 lots, 1,098.53 carats, starting price of USD 9,545,000.

All the lots were sold!

For a total of USD 14.636 million (*RUB 951 million*)

The largest stone (Number 3) with weight of 401.97 carats and a starting price of USD 2,000,000 was sold for USD 3,050,050

The most expensive stone with weight of 125.79 carats and a starting price of USD 2,800,000 was sold for USD 3,640,717

Cut diamond auction

Offered at the auction: 23 lots, 136.06 carats, starting price of USD 2,782,942. **All the lots were sold!**

For a total of USD 3.618 million

The largest stone with weight of 40.25 carats and a starting price of USD 648,025 was sold for USD 706,777.

The most expensive stone with weight of 20.31 carats and a starting price of USD 913,950 was sold for USD 1,288,888.

Launch of the Voskhod Investment System

An important milestone in the recent history of the Far East and the Russian financial market. The Voskhod Investment System is a rapid, convenient and intuitive platform for issuers and investors. Transactions are concluded with a few clicks using computers and mobile devices. It is intended to attract equity and debt capital to dynamically developing companies and projects in the Far Eastern region, including those being implemented as part of priority socioeconomic development areas and the Free Port of Vladivostok.

The Voskhod Investment System will provide new types of companies with access to the financial market and attract new classes of investors. Applications for the placement of securities **have already been submitted by 16 companies** whose projects will undergo an expert evaluation by the Fund.

In just a single day, individual private investors **submitted applications for RUB 143 million**. Residents of Moscow, St. Petersburg, Volgograd, Ufa and another 33 Russian cities invested their savings in the bonds of Aviaterminal, a subsidiary of OJSC Khabarovsk Airport, the main operator of surface activities at Khabarovsk (New) International Airport.

Reference: RUB 23 trillion worth of private savings in Russia. USD 20 billion in Chinese banks. We will try to engage this amount using the Voskhod Investment System.

6. Sports and cultural programme

The Forum's sports programme featured a charity race to protect the Amur tiger and Far Eastern leopard as well as the Platu-Class Sailing Yacht Regatta.

The EEF cultural programme included the Far East Street festival and the Bogatyr Symphony charity concert for students of the Ocean All-Russian Children's Centre involving opera soloists and the ballet of the Mariinsky Theatre. The Help Nature charity auction, which aims to support biodiversity preservation programmes in Russia and protect rare animals, was also held as part of the Forum.

There was a repertoire by the Primorye stage of the Mariinsky Theatre, the regional philharmonic and the Primorye Drama Theatre on each day of the Forum.

7. Security

More than 3,500 Russian police officers handled security at the EEF 2016. More than 1,200 members of the Russian Ministry of Emergency Situations utilised some 200 pieces of equipment to prevent emergency situations and ensure security in the water area.

8. Logistics (flights and accommodation)

Flights

Aeroflot is the official carrier of the Forum. A total of 1,500 tickets on the Moscow–Vladivostok–Moscow routes were purposely reserved for EEF delegates. Tickets could be booked in the Personal Web Office in the Airline Tickets section for Moscow–Vladivostok flights over the period from August 30 to September 1, 2016 and Vladivostok–Moscow flights from September 3–5, 2016. A charter flight with 300 seats was planned for media representatives.

Road transport

Mazda allocated 50 Mazda CX-5 and 100 Mazda 6 vehicles for Forum participants.

Hotel accommodation

A total of 5,500 hotel rooms were booked for participants, media members and personnel at Vladivostok hotels, including on the campus of Far Eastern Federal University.

9. Infrastructure

The Eastern Economic Forum is being held at the modern university campus of Far Eastern Federal University, which is located along the waterfront of the Ajax Bay (Russky Island). The FEFU campus is the most prominent venue for large-scale international events in eastern Russia and the Asia-Pacific Region. FEFU is located close to major transport hubs. The drive from Vladivostok (Knevichi) international airport to the FEFU campus takes approximately 45 minutes.

The five business hall for business events have total area of 5,500 square metres, the exhibition venues have total area of 9,000 square metres and the halls can hold 100 to 900 people.

The campus's hotel complex consists of five buildings with 241 rooms each. Each hotel building has six presidential suites, 13 suites and 222 standard rooms.

Hotel reception works round-the-clock and personnel can help order tickets and call taxis. The hotel has a comfortable lounge area and luggage room. All the campus buildings are designed to meet the needs of persons with disabilities. Cash, payment and vending machines are located in the lobby of each building for the convenience of guests.

Gyms with exercise equipment, fitness rooms, indoor swimming pools, large exercise rooms as well as outdoor and indoor play areas, including a football field, tennis courts and running tracks, are offered for EEF guests.

10. Information services

Forum participants were offered the following information services this year:

- A mobile app (to obtain information about the Forum programme and press events, utilise the venue navigation system, watch session broadcasts, exchange messages, arrange meetings and compile an individual work schedule at the Forum).
- An EEF photo gallery (to view and download high-resolution photos of the business and cultural programme. The service is adapted for viewing via mobile devices).
- Broadcasts of Forum sessions and television channel reports (live broadcasts of the plenary session and key Forum events in all buildings where the EEF is held as well as television reports on the Forum by major Russian and foreign television channels).
- Online broadcast of the EEF 2016 business programme on the Forum's website (an archive of the broadcasts is available at the official EEF website following the conclusion of the event).
- The Roscongress Open Studio operated as part of the Forum. The studio offered interviews with business leaders, politicians and experts from various industries. After the Forum concludes, the materials will be posted on the official EEF website and in social media.
- SMS notifications and more.

11. Partners

This year, 29 partners confirmed their involvement in preparations for the Forum, including:

1. General partners:

- 1.1. ROSNEFT
- 1.2. RusHydro
- 1.3. Gazprom
- 1.4. Gazprombank

2. Official partners:

- 2.1. ALROSA
- 2.2. VTB
- 2.3. Kolmar
- 2.4. Norilsk Nickel
- 2.5. Russian Railways
- 2.6. Polyus Gold
- 2.7. National Chemical Group
- 2.8. Rosseti
- 2.9. Federal Grid Company
- 2.10. Rosatom
- 2.11. Sberbank of Russia

3. Business programme partners:

- 3.1. Delovaya Rossiya
- 3.2. NOVATEK
- 3.3. Rusagro
- 3.4. EN Plus
- 3.5. Sakhalin Energy Investment Company Ltd.

4. Organisational partners:

- 4.1. Eastern Port
- 4.2. SiGMA
- 4.3. EVRAZ
- 4.4. Coca-Cola

4.5. ESN

4.6. Sakhalin Energy Investment Company Ltd.

4.7. SUEK

5. Official Forum vehicle:

5.1. Mazda

6. Official Forum air carrier

6.1. Aeroflot

12. Event organiser

The event operator – the Roscongress Foundation – was established in 2007 to organise and host the St. Petersburg International Economic Forum. It received its current name following reorganisation in December 2015. The Foundation aims to develop Russia's economic potential and strengthen the country's image by organising conventions and exhibitions with an economic and social focus, developing substantive content, providing companies with advice, information and expert guidance, and offering comprehensive evaluation, analysis and coverage of the Russian and global economic agendas.