

Client : **Russia-Singapore Business Forum**
 Publication : The Business Times Online
 Heading : Asian wave starts in Russia's Silicon Valley
 Date : September 28, 2010
 URL : <http://www.businesstimes.com.sg/sub/news/story/0,4574,405875-1285703940,00.html?>

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KLCI	1,464.12	+4.48
HSI	22,320.09	+210.14
NIKKEI	9,555.27	+59.51

US Indices

Dow	10,858.14	+46.10
Nasdaq	2,379.59	+9.82
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Asian wave starts in Russia's Silicon Valley

By LYNN KAN

RUSSIA is determined to make itself an innovation and technology hub, but its Achilles' heel is commercialising research achievements, says one of Russia's few remaining oligarchs.

That's why foreign companies are being wooed to fill this vacuum in the new techno-city in Skolkovo, outside Moscow, Viktor Vekselberg told BT on the sidelines of the Russia-Singapore Business Forum yesterday. But so far, only Western firms have committed to setting up in the Innograd, among which are the likes of Siemens AG, Cisco, Boeing and, soon, Microsoft and Nokia.

Mr Vekselberg, who is heading Russia's Silicon Valley initiative, says the lack of Asian participation was not intentional on Russia's part. 'We didn't make special efforts for particular companies. Russia welcomes all partners - from Asia as well as the West - as long as they are interested in building bridges between Russian science and market application, because we're looking at the best ways of transferring ideas to market. Commercialisation is our goal - that is Russia's weakest part in the value chain today.'

Already, Mr Vekselberg says, momentum is building among companies from the Eastern hemisphere. He points to Jurong Consultants putting in a bid with its architectural concept plan for the Innograd in Skolkovo as an example of this trend. It is one of 10 companies shortlisted en route to winning the tenders.

Mr Vekselberg divulged that talks have begun with Singaporean companies like JTC and Ascendas. He also toured the Fusionopolis and Biopolis science hub to 'get a first-hand feel of your knowledge success and to be sure there is strong motivation to develop stronger corporations'.

The Innograd in Skolkovo is a project is the first technocity in Russia that brings a cluster of five sectors - nuclear, ICT, biomedical and pharmaceuticals, energy efficiency and aerospace - together in one city. It is also focused on developing and monetising whatever research is done in the city. It is hoped its success will spawn other such hubs across Russia.

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Mr Vekselberg notes that those which have already put pen to paper are either firms which are extremely strong in these five research areas, or already have a presence in Russia and want to expand it.

Indeed, the lack of locked-in investments from Asia is not for lack of trying. Mr Vekselberg said he has engaged in talks with Japanese and South Korean companies and may accompany Russian President Dmitry Medvedev next month to South Korea to drum up more interest.

He chalks up the relative reticence from Asia to the difference in business culture. 'Maybe countries like South Korea, China, Japan, Singapore have more of a 'sit, wait and see' approach. They want to get an impression of the success of the Innograd first, before they plunge into it.

'There are no artificial restrictions for Asian companies to be our partners in Skolkovo,' he says.

The Innograd is offering cheap land and a favourable tax regime to foreign companies.