



**OECD-RUSSIA EXPERT MEETING ON RUSSIA'S INVESTMENT POLICY:  
RECENT TRENDS AND SPOTLIGHT ON ENERGY**

*Moscow, 9 April 2008*

Centre for Strategic Research, Bolshaya Yakimanka 1  
(Alexander House) Moscow 119180

**PROGRAMME**

<b>Timing</b>	<b>Session</b>	<b>Main speakers</b>
10.00-10.20	<b>Welcome and introductory remarks</b>	<b>Jukka Nystén</b> , Director, Department of External Economic Relations, Ministry for Foreign Affairs, Finland <b>Vladimir Tkachenko</b> , Deputy Director, Trade Negotiations Department, Ministry of Economic Development and Trade (MEDT), Russia <b>Rainer Geiger</b> , OECD, Deputy Director, Directorate for Financial and Enterprise Affairs
10.20–11.15	<b>Session 1: Russia's international investment flows: Recent trends and prospects</b>	<b>Lucio Vinhas de Souza</b> , European Commission <b>Mikhail An</b> , Investment Policy Department, MEDT, Russia <b>Elena Muzika</b> , Central Bank of Russia
11.15-11.30	<b>Coffee break</b>	
11.30–13.00	<b>Session 2: Developments in Russia's investment climate: Points of view of the business community</b>	<b>Anton Danilov-Danilian</b> , Director of Investment Policy Committee, Chamber of Commerce, Russia <b>Andrei Kusnetsov</b> , Director of International Cooperation Department, Russian Union of Industrialists and Entrepreneurs <b>Dirk Manske</b> , Senior Policy Manager Business and Industry Advisory Committee to the OECD (BIAC)
13.00-14.00	<b>Lunch for participants (hosted by the OECD)</b>	
14.00–15.30	<b>Session 3: Investment policy approaches to the energy sector: Russia's experience in light of the OECD Policy Framework for Investment and other countries' experiences</b>	<b>Blanka Kalinova</b> , Senior Economist, OECD <b>Stanislav Dorzhinkevich</b> , Department for State Energy Policy, Ministry of Industry and Energy, Russia <b>Vladimir Taraskin</b> , Legal Department, Ministry of Industry and Energy, Russia <b>Alexander Pirojenko</b> , Head of Department, Federal Antimonopoly Service <b>Simon Ollus</b> , Economist, Bank of Finland, <b>Arild Moe</b> , Deputy Director, Fridtjof Nansen Institute Norway
15.30-15.45	<b>Coffee break</b>	

15.45–16.30	<b>Session 3 continues</b>	
16.30-17.00	<b>Concluding remarks</b>	<b>Rainer Geiger</b> , Deputy Director, OECD <b>Vladimir Tkachenko</b> , Deputy Director, Trade Negotiations Department, MEDT, Russia

## MAIN ISSUES FOR DISCUSSION

### **Session 1: Russia's international investment flows: Recent trends and prospects**

In 2007, Russia's international investment flows reached the highest levels recorded so far, making the country one of the world largest recipients and sources of foreign direct investment (FDI). The share of the primary sector in FDI inflows further increased and within services traditional sub-sectors such trade and repair still prevail. Russian firms continue to invest abroad seeking to internationalise their activities and control their value chains.

The following issues are suggested for discussions:

- What have been the main factors underpinning the surge of FDI into Russia? How could be encouraged diversification of FDI sectoral structure so as to support Russia's economic diversification and modernisation?
- What is the economic rationale behind the international expansion of Russian firms abroad? What obstacles do Russian firms face when seeking to invest abroad?
- What are future FDI prospects in Russia? In particular, which sectors and regions are most attractive for foreign investors?

### **Session 2: Developments in Russia's investment climate: Points of view of the business community**

Despite Russia's growing investment attractiveness evidenced by increasing international investment inflows, its investment climate is still perceived by many available business surveys uncertain and less favourable than in many other emerging markets. Among the most frequently mentioned obstacles, the surveys point to persistence of regional disparities in business conditions, difficulties experienced by small and medium and exporters in obtaining information and dealing with regulatory uncertainty.

The following issues are suggested for discussions:

- Do available business surveys reflect accurately the perceptions of foreign investors in Russia? How could be explained the paradox between increasing FDI inflows to Russia and a still sceptical perception of the investment climate in Russia in many business surveys?
- How can the government contribute to enhance the business climate and encourage private, including foreign investment?
- What has been so far the concrete impact of the 2005 legislation on special economic zones and concessions on foreign investment? What do foreign investors expect from the forthcoming law on strategic sectors?

### **Session 3: Investment policy approaches to the energy sector: Russia's experience in light of the OECD Policy Framework for Investment and other countries' experiences**

The draft OECD Investment Policy Review of Russia includes a chapter on “Russia’s policy framework for energy investment”, which uses the OECD Policy Framework for Investment to review the key policy areas which influence the investment climate in the energy sector. Based on this analysis, a number of aspects have been identified as critical to enhance energy investment environment, in particular speed up the alignment of domestic energy prices with production costs, secure property rights, improve transparency of tax regime and procedures, ensure effective competition policy and strengthen independence of sectoral regulators.

The following issues are suggested for discussions:

- To what extent is current policy framework adequate to attract the investment needed in Russia’s energy sector?
- How can foreign investment and public-private partnership agreements contribute to the development of Russia’s energy sector?
- What are the plans for increasing competition in the energy sector, in particular allowing further market access to foreign investors and levelling a playing field between state-owned and private companies?
- What lessons could be drawn from the experience with the sectoral application of the Policy Framework for Investment in the case of Russia’s energy sector? In particular, to what extent does this instrument offer an appropriate evaluation tool for public authorities seeking to foster investment in specific sectors?