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Russian Federation: Economic Forum in Saint Petersburg

On 17–19 June the 14th International Economic Forum was held in Saint Petersburg where representatives of the Russian authorities promoted Russia's new image as a country that is modernising, opening up to the world and attractive to investors. This is part of the increasingly active campaign of the Russian authorities conducted in order to attract foreign capital to the country.

The Saint Petersburg forum was attended by approximately 4,000 politicians and business people from Russia and the world; they signed agreements (contracts and letters of intentions) worth altogether approximately EUR 15 billion (out of which 10 billion represents contracts with French companies). Foreign visitors that came to Saint Petersburg were particularly interested in the details of the concept of the modernisation of the Russian economy presented by President Dmitri Medvedev. The Russian authorities used the forum to show off about recent legal amendments intended to improve the conditions of running a business in Russia, among them – relaxed punishment for economic crimes (there are problems with the enforcement of this amendment), easier regulations in migration law for highly qualified specialists, a reduction (fivefold compared to the law of 2004) of the number of strategic companies in Russia (companies crossed off this list can be privatised). The Russian president also announced the lifting of the tax of capital interest on long-term direct investment in 2011 and the establishment within a year of a private-state-owned investment fund that would finance the modernisation project. The Russian authorities however find it difficult to draw the Western investments necessary for the economy of the Russian Federation. One of the reasons for it are problems with the Russian membership in the World Trade Organisation, <iwo>