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**SHANGHAI
COOPERATION
ORGANIZATION:
NEW WORD IN GLOBAL
POLITICS**

| page. 7

**IS THE "GREAT AND
POWERFUL UNION"
BACK?**

| page. 21

MIKHAIL THE GREAT

| page. 28

**GRIEVES AND JOYS
OF RUSSIAN-CHINESE
PARTNERSHIP**

| page. 32

**CASPIAN APPLE OF
DISCORD**

| page. 42

**SKOLKOVO: THE NEW
CITY OF THE SUN**

| page. 52

Vladimir PUTIN

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CONTENT

7	KIRILL BARSKY SHANGHAI COOPERATION ORGANIZATION: NEW WORD IN GLOBAL POLITICS
16	ГОСУДАРСТВЕННАЯ КОРПОРАЦИЯ «БАНК РАЗВИТИЯ И ВНЕШНЕЭКОНО- МИЧЕСКОЙ ДЕЯТЕЛЬНОСТИ (ВНЕШЭКОНОМБАНК)»
18	TATIANA SINITSYNA THE SUMMIT IS OVER. LONG LIVE THE SUMMIT!
21	ALEXANDER VOLKOV IS THE "GREAT AND POWERFUL UNION" BACK?
23	ALEXEY MASLOV SCO UNIVERSITY PROJECT: DEFINITELY SUCCESSFUL
28	ANATOLY KOROLYOV MIKHAIL THE GREAT
32	DMITRY KOSYREV GRIEVES AND JOYS OF RUSSIAN-CHINESE PARTNERSHIP
35	FARIBORZ SAREMI SCO BECOMES ALTERNATIVE TO WEST IN ASIA
36	ALEXANDER KNYAZEV MANAGEABLE CHAOS: US GOAL IN CENTRAL ASIA
38	ANNA ALEKSEYEVA GREENWOOD: RUSSIAN-CHINESE MEGA PROJECT
40	MARINA CHERNOVA THE CITY THEY COULD NEVER HAVE CAPTURED...
42	VALERY TUMANOV CASPIAN APPLE OF DISCORD
44	SECOND "GOLDEN" DECADE OF RUSSIAN-CHINESE FRIENDSHIP
45	ANDREI VASILYEV SCO RESPONDS TO CYBER CHALLENGES
47	THE IMPORTANT THING FOR PARTNERSHIP IS SETTING RIGHT PRIORITIES
50	ANDREY SERENKO AMERICANS LEAVE AFGHANISTAN... TO STAY
52	TATIANA GEORGIEVSKAYA SKOLKOVO: THE NEW CITY OF THE SUN
55	ANDREI ILYASHENKO CHINESE ALTERNATIVE
57	ALEXANDER VOLKOV RENMINBI TO OVERTHROW DOLLAR FROM CURRENCY THROWN
59	ANATOLY VASILYEV HOMER OF THE EAST
62	ZAFAR YUSUFJANOV A PRICELESS GEM OF TAJIKISTAN
64	IGOR ROGOV HE WAS FIRST TO SENSE GAS IN UZBEK LAND
66	«GREENWOOD»: INVESTMENT IN RUSSIA
70	CROCUS EXPO

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SHANGHAI COOPERATION ORGANIZATION: NEW WORD IN GLOBAL POLITICS



KIRILL BARSKY

Russia's national coordinator at the SCO, ambassador at large

SCO PHENOMENON

Is it possible to create a universal list of criteria to judge the success of an international regional organization? Hardly so. The explanation is obvious: regional alliances are set up for different reasons, with different purposes and in different circumstances. They envisage a different degree of political coordination or economic integration and are at different stages of development. Regional political projects are assessed by history itself. This is what has happened to the SCO.

The emergence of the SCO was a natural response of the organization's founders to the dangerously growing threats of terrorism, separatism and extremism at a time when the general system of international relations developed after the end of the Cold war got out of balance. In order to reverse the negative trends and ensure their national and regional security, the countries decided to resort to tools of multilateral cooperation,

Has it worked? The answer can be seen in developments within the SCO in the last ten years. The terrorist

threat directed at Russia, China and Central Asia has been firmly rebuffed. Law enforcement structures of the SCO member states have together prevented several hundreds of terrorist attacks. All large-scale international events held in the six countries over these years went smoothly, without any incidents. Separatist attacks have stopped. Extremists have been forced to retreat.

The SCO has survived several difficult episodes: the events in Andijan in 2005, the turmoil on the global financial market in 2009 and disorders in the south of Kyrgyzstan in 2010. It would be an exaggeration to say that the SCO played a leading part in the region's ability to overcome the difficulties, but measures taken by SCO member states, coordination of their efforts, the very presence of the organization definitely had a stabilizing effect on the situation.

The setup of the SCO has had a favorable impact on the Eurasian context, marred by conflicts, problems and sources of instability. Afghanistan with its terrorist and drug threats, the situation around the Iranian nuclear

program, the Middle Eastern tangle, protests in Syria and Yemen, the conflict between India and Pakistan... Central Asia definitely seems an island of stability against this background. Even though there are still more than enough reasons for concern in terms of domestic political security, one thing is obvious: the SCO has become an important guarantor of stability in this part of the world, an anchor, if you want, that keeps its zone of responsibility stable despite the stormy winds of global and regional politics and economics.

Setting up the SCO, the six states hoped that it would be something more than a functional structure. Their goal (which is spelled out in the SCO Charter as the organization's main purpose) was to improve mutual trust, friendship and good neighborly relations between its member states. Today, ten years later, we can say that the majority of SCO member states have become strategic partners. Interaction between Russia and China has reached an unprecedented scale as the two countries have just celebrated the tenth anniversary



of their historical Treaty on Good Neighborliness, Friendship and Cooperation. Russia's relations with Central Asian republics are on the rise; the amount of trade and economic cooperation between Central Asia and China has grown manifold. It doesn't mean that the six countries do not have any problems, they do, and they need to settle them. But the political umbrella of the SCO definitely helps to develop friendship and cooperation on the bilateral level. Which is worth its weight in gold.

It should be noted that in the 1990s and at the beginning of the 21st century, there were attempts to carry out various multilateral projects in the former Soviet Union. Some of them were successful, such as the Collective Security Treaty Organization, Eurasec and the Customs Union of Russia, Kazakhstan and Belarus. Some - such as GUUAM (the regional alliance of Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova) - never came to be. The SCO, on the contrary, did not just come to be. In the past years, it has proved that it was needed. The uniqueness of the organization is that it matches the potentials of former

Soviet republics and China, for which Russia and Central Asian states hold a very important place on a scale of foreign political and economic interests. In this respect, the SCO has no alternative. Mind you, cooperation within the SCO remains a definite foreign policy priority for all of its member states.

In compliance with Article 1 of the SCO Charter, one of the organization's goals is "promotion of a new democratic, fair and rational political and economic international order." Looking back to the way it has come over ten years, it is easy to say that the organization has brought a lot of new and positive things to global politics.

First of all, the SCO has become an example of a qualitatively new model of inter-state partnership, which is characterized by true equality of bigger and smaller countries, mutual trust, respect to the variety of civilizations, cultures, religions, forms of government and development concepts and by pursuit of joint prosperity. The "Shanghai spirit" as the philosophy of this model embodies the major principles of international

relations in the multi-polar world, and in this aspect, its importance goes beyond the SCO borders.

This model did not appear overnight, but grew out of many years of talks on border issues that were conducted first between the Soviet Union and China and then between Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan. Symbolically, the SCO's tenth anniversary coincides with the 15th anniversary of the signing of the Agreement on strengthening of trust in the military sphere near borders between the above named countries: this document laid the foundation for further cooperation and gave an impulse for the setup of the so-called "Shanghai Five." Today, when development of security cooperation is becoming one of the most relevant tasks for the huge region of Asia and Pacific, as well as for other regions of the world, the experience of implementing measures of building trust between SCO member states may prove very useful.

The setup of the SCO became a convincing proof that it is at the regional level that elements of multi-polar global management are shaped

today. The emergence of centripetal tendencies in the region that embraces Russia, Central Asia and China was to a large extent encouraged by consistent development of Russian-Chinese interaction, which in 1996 reached the level of a strategic partnership. Importantly, the six countries united into the SCO are connected not only

development. This is a new work in global politics. The SCO is an example of how non-bloc alliances may ensure international security.

This paradigm is of huge conceptual importance. We are living in an era when processes of globalization objectively predetermine the reduction of the role of military

problems. Non-traditional threats and challenges are growing more serious, creating an extremely negative background for old territorial disputes and inter-state conflicts. We are also affected by degradation of the environment, the climate change and more frequent natural calamities and industrial accidents. In these circumstances, priority on both global and regional agendas is given to search for collective resolutions of pressing problems. Naturally, persistent attempts to strengthen military alliances, relapses of confrontational thinking, reluctance to give up methods of force and the dangerous habit of acting outside the legal environment are becoming increasingly irrelevant.

As time passes, it becomes more and more obvious that bloc politics do not have a future. Narrow non-transparent military structures will have to be replaced with multilateral network diplomacy with qualitatively new forms of interaction between states.

A typical example in this respect may be the Asia Pacific region, where we are witnessing shaping of a new, network-oriented regional architecture at a growing pace. This trend was shrewdly noticed by SCO member states, when in 2004 they came up with the initiative to set up a far-reaching partnership network of multilateral unions in the region. Life has confirmed that the issue was raised correctly, especially with regard to Asia, where, due to historical and geopolitical reasons, it is hardly possible for a rigidly structured regional organization to emerge; at least, none has done so far.

Multilateral interaction in Asia is now developing under this network scenario. One of its important

THE SCO IS NOT A MILITARY AND POLITICAL ALLIANCE, AND IT HAS NO INTENTION TO BECOME SUCH

through common geography and history, but also through common views and values, the desire to jointly develop their region and to cooperate in the interests of ensuring their own stability and prosperity. All states outside the region should respect the choice of SCO members, which have taken the fate of the region in their hands.

We still remember the events of the late 1990s and the early 2000s, when the threat of international terrorism became a priority on the global agenda. The “Shanghai Five” and Uzbekistan were among the first countries to urge the global community to join efforts in fighting this evil, even before the 9/11 tragedy.

Remarkably, the SCO is not a military and political alliance, and it has no intention to become such; its defense ministries interact only for purposes of anti-terrorist cooperation. The SCO activities are not aimed against third countries; it doesn't approve of ideology-driven and confrontational approaches to resolving pressing problems of international and regional

force in global politics, bringing to the fore such factors as international cooperation, economic viability and “soft power”. Consequently, the new security architecture that is becoming increasingly well defined in the European and Atlantic region, in Asia Pacific and in other areas of the world should be equal, transparent, based on legal non-bloc principles and respecting legitimate interests of all countries. The lesson of the SCO is simple: you should move with the spirit of the time instead of swimming against the current.

SCO AND CHANGING WORLD

Today, the world is changing at a fleeting pace. Globalization is accompanied by growing interdependence, dynamic integration, deep intertwining of interests of different states and non-state players of international relations. Current international relations are being overhauled, the main vector being the shaping of a multi-polar world.

As the humankind's opportunities are becoming globalized, so are its

elements is the SCO's energetic efforts to establish cooperation with the United Nations, UN ESCAP, the CIS, the CSTO, Eurasec, ASEAN, the Economic Cooperation Organization (ECO), the UN Drugs and Crime Office, the International Narcotics Control Board, the Central Asian regional information and coordination center for fighting illegal trafficking in narcotic drugs, psychotropic substances and their precursors and other international structures.

What lies ahead of the SCO is establishing of relations with new partners. Why not consider contacts between the SCO and BRICS, the SCO and the East Asia Summit, the SCO and the ASEAN Regional Forum (ARF)? Why not announce the SCO's willingness to join the Bali Treaty - the Treaty of Amity and Cooperation in Southeast Asia dated 1976, which is crucial for the region's security? These steps would be in the interests of multilateral cooperation.

Over the past decade, the SCO has gained broad international recognition as a convenient - if not optimal - platform for cooperation between states on issues of regional peace and stability. It was no coincidence that the resolution "Cooperation between the United Nations and the SCO", which was adopted at the 65th session of the UN General Assembly in December 2010, describes it as "an essential regional organization for addressing security in the region in all its dimensions."

This is not an empty statement. In March 2009, Moscow hosted a special conference on Afghanistan under the auspices of the SCO, which was attended by 36 delegations. Since January 2010, deputy foreign ministers of the organization's members,

observers and Afghanistan have been meeting regularly to discuss regional security. These consultations could be broadened.

Yet another example is the SCO's pioneering role in working on issues of international security. A group of SCO experts chaired by Russia has drafted an innovative document, the Rules for states' behavior in ensuring international information security. This is the organization's specific contribution to strengthening the security of the global information space.

Experts forecast that the role of the SCO in regional politics and global affairs will keep growing. In this respect, one of the relevant tasks faced by the organization is

EXPERTS FORECAST THAT THE ROLE OF THE SCO IN REGIONAL POLITICS AND GLOBAL AFFAIRS WILL KEEP GROWING

strengthening and diversifying of the mechanism of foreign political consultations, intensifying contacts between member states' foreign ministries, and improving coordination between the six countries' delegations to the United Nations, the UN Human Rights Council, the Conference on Interaction and Confidence-building in Asia (CICMA), the Asia Cooperation Dialog, etc. The SCO should try to speak in a single voice on the international stage, where it is possible, of course. This will make it stronger, allowing it to better protect its interests and to promote international cooperation and democratization of international relations at the same time.

ANNIVERSARY SUMMIT IN ASTANA

The anniversary meeting of the Council of SCO Heads of State in Astana gathered together the leaders of Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, who were joined by their counterparts from observer states - India, Iran, Mongolia and Pakistan - and by the president of Afghanistan as the presiding country's guest. Other invitees included top executives of international organizations with which the SCO has official relations: the United Nations, the CIS, the CSTO, Eurasec and ASEAN. Also present were the SCO Secretary General and the Executive Director of the SCO Regional Anti-Terrorist

Structure.

The summit was special, having turned into a big international event. It was a truly big day, which allowed SCO member states and their partners to celebrate the organization's anniversary and its achievements. In their speeches, the summit's participants emphasized that the decision to set up the SCO was a wise, timely and forward-looking step, which became an adequate response to the challenge of terrorism and changes in the geopolitical balance of forces and allowed ensuring security interests of the new alliance's members. In the past ten years, the SCO has established itself as an important factor of the shaping global

and regional architecture. Its role has been especially evident in the ongoing transformation of the international system, with the scale of present threats growing and their nature becoming more complicated.

At the same time, the SCO leaders were far from getting lost in praise. Their exchange of opinions, especially during their traditional meeting in the narrow format, represented an in-depth analysis of the organization's progress and the large-scale tasks it was facing.

The fact that the summit was substantial and informative is proved by the final documents adopted by the leaders. There were two of them, the Declaration of the 10th anniversary of the SCO and the Information Statement. What in these documents deserves special attention? First of all, it is a clear definition of the SCO's main achievements and of its current situation. In the course of ten years, the declaration says, the SCO has established and institutionalized effective mechanisms of interaction in various spheres. It has laid a solid foundation for uninterrupted functioning of the organization for the purpose of ensuring peace, security and stability, and also of developing multilateral cooperation within the SCO in the political, economic, humanitarian and other fields.

Secondly, the declaration reflects SCO member states' common vision of the present world order, which is based on similarity of their approaches to global and regional problems. Separate sections are devoted to interaction between the UN and the SCO, disarmament and non-proliferation, new threats and challenges, the developments in North Africa and in the Middle East, the situation in Afghanistan, the

SCO's participation in the shaping of the new architecture of security and cooperation in Asia Pacific. The six countries confirmed their willingness to continue close cooperation on the international stage.

Finally, SCO member states outlined their intentions for the future of the organization. They unanimously stated that the course towards development of cooperation in fighting terrorism and other new threats and challenges, expansion of economic interaction and strengthening of the SCO's cultural and humanitarian component will remain unchanged.

A number of other documents were adopted at the summit. Notably, the SCO Anti-drug Strategy for 2011-2016 and the Plan of Action for its implementation, which were endorsed by SCO leaders, are meant to fuel joint efforts against illegal drug trafficking. Additional possibilities for counteracting the drug threat can be found in development of cooperation between the SCO Secretariat and the UN Office for Drugs and Crime. For this purpose, SCO Secretary General Muratbek Imanaliyev and UN Deputy Secretary General, Director of the UN ODC Yuri Fedotov signed a memorandum of understanding in Astana. The standard Memorandum of Obligations of a Candidate Country Applying for SCO Membership Status was endorsed. This document has become an important step towards developing the legal framework for the organization's future expansion. It has sent countries willing to join the SCO a clear signal that its members are committed to the principle of its openness.

The Agreement between governments on cooperation in healthcare was signed in the presence of the leaders. This area cooperation

has recently been attracting increased attention. The parties have already started practical cooperation, and the signing of the agreement has provided it with the necessary legal framework.

At the meeting of the Council of SCO Heads of State in Astana, China took over as the organization's president. In this connection, the leaders supported the proposal made by the Chinese leader to declare the year of China's presidency in the SCO the Year of Good Neighborliness and Friendship.

PLANS FOR THE FUTURE

The SCO's achievements are obvious. Does it mean that its development is not marred by difficulties and problems? Of course, not. The SCO region is not one of the most trouble-free. It has elements of internal political instability, it feels consequences of the global financial crisis, there are economic and social problems, and somewhere inter-ethnic contradictions are still alive. Terrorist organizations, extremist forces, drug dealers and criminal structures are using these factors to their advantage.

The SCO itself needs improving, as it should continue developing as a full-fledged regional organization, responsible for the state of affairs on its territory. The SCO is a growing organism, and the majority of issues it faces in its everyday life are the teething problems, so to say.

In the course of ten years, the organization has built a consistent system of regular meetings at different levels on different spheres of its activities; it has established its permanent bodies that are functioning successfully. In Russia alone, cooperation with the SCO involves over 30 ministries and agencies and several tens of research centers and

public organizations. The situation in other SCO countries is similar. However, the new stage requires a significant increase of the SCO's budget and mechanisms, improving the efficiency of their functioning, a better orientation towards practical results.

In Astana, SCO leaders came up with a number of ideas and initiatives seeking to achieve this major goal. Kazakh President Nursultan Nazarbayev suggested setting up a SCO cyber police to counteract aggressions against the organization's members on the Internet; to set up a meeting for settling territorial and regional conflicts that would work out preventive measures in the potential hot spots within the SCO's area of responsibility; to set up a committee for integrating SCO members' infrastructure for the purpose of shaping a common energy transportation space and an integral Eurasian system of pipelines and power grids; to set up an SCO water and food committee; to set up an emergency council; to consider introducing a "healthy supranational currency" backed by gold; to found a supranational institution of forecast to work out a single view of the SCO's development.

Kyrgyz President Roza Otunbayeva spoke in favor of setting up an SCO council for border security, supported the initiative to set up a structure to coordinate anti-drug cooperation and said Kyrgyzstan was ready to host the SCO Youth Forum on the shore of Lake Issyk-Kul.

Chinese president Hu Jintao proposed creating an improved system of cooperation in regional security by strengthening the SCO's potential for fast response; promoting regional economic integration; ensuring

favorable conditions for trade and investment; creating mechanisms for cooperation in ensuring energy, financial and food security.

President of Tajikistan Emomali Rakhmon called for streamlining SCO member states' investment legislation, developing conceptual approaches to a common Eurasia development strategy for the next ten years and optimizing the SCO's efforts in Afghanistan.

Uzbekistan's President Islam Karimov spoke in favor of carrying out investment programs in the SCO to build and modernize car roads, railways and air traffic, to set up modern logistics centers, to participate in creating a new international transport corridor between Central Asia and the Persian Gulf. Of course, it cannot be expected that all these initiatives will be implemented as proposed, but member states will definitely study and discuss them, since they have a lot of potential.

Russian President Dmitry Medvedev also shared his view of the ways to improve the efficiency of the SCO's activities. His speech at the broad meeting focused on the need to develop the SCO's potential in ensuring regional security, strengthening the financial base and personnel of the Regional Anti-Terrorist Structure and mounting efforts to counteract drug trafficking and cyber threats. Speaking of the economic component of the SCO's activities, Medvedev described it as "the second most important goal" of the organization's work. He called for his partners to adopt the Road Map for implementing the Program for multilateral trade and economic cooperation, which was drafted by the Russian party, at the forthcoming meeting of the Council of SCO Heads of Government in the autumn. He

also called for completing work on setting up the SCO's special account as a mechanism for financing project activities. Medvedev described the proposals to set up a venture fund and a united center for business cooperation as promising. Yet another important area of SCO cooperation, he emphasized, is expansion of humanitarian contacts, since the social base of any regional organization was cemented in this field.

So what will the SCO become as it enters another decade? What needs to be done to ensure that it remains relevant in the 2010s?

Importantly, at the Astana summit, all heads of state emphasized the priority of the SCO's further efforts to ensure security, fight against terrorism, separatism, extremism, drug trafficking and other kinds of trans-border organized crime. However, the level of these threats will require an adequate response from the SCO. For example, Russia, as well as many other countries, has no doubt about the fact that the scale of drug trafficking within the SCO has reached a point where it threatens international peace and stability. This means that the parameters of cooperation between SCO anti-drug agencies should be increased accordingly.

It is impossible to cope with the terrorist and drug threats alone. In counteracting them, the SCO should expand its interaction with its observers and also with its partners among international structures and other interested players. There is a huge potential in cooperation between the SCO and the CSTO, and it should be used to its fullest.

Close attention should be paid to Afghanistan, as the foreign troops of the International Security Assistance

Force intend to withdraw from the country before the end of 2014. The SCO has already done a lot to resolve the problems of this long-suffering country, and it is willing to mount its efforts. Afghanistan's President Hamid Karzai is a regular guest at the SCO summits; the organization's member states have long established close cooperation with the Afghan government, providing various kinds of assistance to Kabul.

Some time ago, Afghanistan officially applied to the Council of SCO Heads of State for the status of an observer. It seems that its entry to the SCO would help to resolve its problems, establishing it as a truly independent, peaceful, neutral and prosperous state, free from foreign military presence on its territory.

The SCO has a number of obvious advantages that allows its member states to significantly boost economic cooperation. These are the financial and investment opportunities of China's dynamically developing economy, the technological potential of the modernizing Russia and Central Asia's huge natural wealth. At the same time, given the differences in the level of development and structure of their economies, practical cooperation within the SCO at the current stage should be focused on implementing big projects that are in the interests of a majority of the member states. These include first of all transportation, power generation, infrastructure construction, telecommunications and food security. There is room for observers and dialog partners here. An established mechanism of monitoring the dynamics of the regional economy and early crisis warning could help SCO member states to grow confidently.

At the same time, it should be remembered that there are other multilateral alliances in the former Soviet Union, apart from the SCO, which are successfully engaged in economic cooperation, first of all, Eurasec and the CIS. The situation with regional economic integration

has changed drastically after the setup of the Customs Union. In these circumstances, it would be best to determine how these structures can interact with each other harmoniously, without unnecessary competition and overlapping, in order to ensure social and economic development of all the countries in the region. The SCO, Eurasec and the CIS have the necessary legal frameworks to do so - memorandums of understanding between their Secretariats.

Cooperation within the SCO is made even closer by joint efforts on early response, fight against corruption, financial control, immigration, environment protection, customs regulations, standardization and traditional medicine. The work is already under way and is fairly active, fuelled by mutual interests in resolving common problems.

The SCO cannot do without broad contacts between people, cultural exchanges and shaping of a common educational space - the things that encourage mutual enrichment and interpenetration of cultures and help nations to better understand each other. In this respect, our countries can be proud of themselves. Building on projects that have already been launched, such as the Youth Council and the SCO Network University, the organization should actively develop new areas and forms of interaction: in tourism and sports and as a dialog between civilizations.

The SCO is an open organization. This principle is laid down in its Charter and has been consistently adhered to in the course of ten years. Over this period, India, Iran, Mongolia and Pakistan became observers at the organization. The status of a dialog partner, established in 2008, has been given to Belarus and Sri Lanka.

As friendly states tend to be increasingly interested in closer interaction with the SCO, the task of creating conditions for the organization's expansion has become quite practical. A lot has already been done in this respect, but there are

still some legal, organizational and financial details to be dealt with. The process may take a while, but the targets of our work should remain absolutely clear and transparent.

It is necessary to admit that the SCO is still little known, not only in the world, but even within the SCO countries. As to Western countries, reports about the SCO are often biased. So it is important for the organization to work out and abide by its own information policy aimed at popularizing information about the SCO both on the international and national levels.

As the Chinese president said in Astana, the next decade will be crucial for the SCO's development. It is necessary to ensure that it celebrates its next anniversary as a strong, consolidated, expanded and efficient multi-purpose organization that fully controls the situation with regional security, promotes economic cooperation and increase of people's prosperity, provides a platform for friendly communication, is open for interaction and plays an important part in the world.

Ten years is not much on a historical scale. Nevertheless, the SCO has managed to become an inalienable part of Asia Pacific's geopolitical landscape over this period. The world listens to its opinion, key governments and influential international and regional organizations are showing interest in establishing contacts.

Still, a lot is to be done. Having entered its second decade, the SCO continues developing and improving. Its future configuration will be determined by unchanged basic principles and continuity of major areas of activities with consideration to the quickly changing dynamics of the international situation.

The SCO has put in a word in the global politics. This is a new and solid word. But a word should always be accompanied by a worthy deed. A specific deed.

Innovative Thinking Changes the World



Development of economy requires substantial state investment. Vnesheconombank – the Bank for Development – is a key instrument in the state investment policy.

The Bank renders comprehensive support for the innovative economy sector: arranges financing for large-scale projects in infrastructure and industry, implements through SME Bank, its subsidiary, SME support program.

Presently, innovation development projects account for 15 % of the Bank's loan portfolio. Among the most important ones are – modernization of the Khabarovsk oil refinery, the construction of the Tobolsk Polimer Complex – the projects that were given "The Best Deal of the Year" award by the British journal "Project Finance".

Starting from 2010, the program called "Financing for innovation and modernization" has been underway which allows for raising private investors' funds for crediting SME projects that have high potential. The program is designed for commercial banks, it incentivizes them to extend long-term (up to 7 years) loans to SMEs on soft terms – up to 11% per annum. "Basalt Composites for the North", one of the first projects financed within the program, is a nanoindustry project designed to introduce nanotechnologies into the industrial production of construction materials.

Development of innovations is a priority business line of the Bank for Development. Vnesheconombank's innovations projects contribute significantly to the growth of the high-tech sector of the Russian economy, its export potential; enhance the level of R & D and innovative activity of the Russian companies.



**BANK FOR
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THE STATE CORPORATION “BANK FOR DEVELOPMENT AND FOREIGN ECONOMIC AFFAIRS (VNESHECONOMBANK)”

ADDRESS ON THE INTERNET: WWW.VEB.RU

The State Corporation “Bank for Development and Foreign Economic Affairs (Vnesheconombank)” was established on the basis of the Bank for Foreign Economic Affairs of the USSR - one of the largest financial institutions in the country, which throughout

its more than eighty-year history acted as development banks would in the whole world: it financed the construction of the largest factories, supported the export of domestic products, and participated in large-scale international projects.

In 2007, Vnesheconombank

became Development Bank and has operated under the Federal Law on the Development Bank of May 17, 2007. The main directions of its activities and key performance indicators are determined by the Memorandum on Financial Policies approved by the Government of the Russian Federation.

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The main sectoral priorities of Vnesheconombank's investment activities are:

- aircraft building and missile space complex;
- shipbuilding;
- electronic industry;
- nuclear industry, including nuclear power;
- transport, special, and power machine building;
- metallurgy (special steel production);
- woodworking industry;
- military-industrial complex;
- agricultural sector;
- strategic computer technology and software;
- information and communication systems;
- medical technology and pharmaceuticals.

Vnesheconombank is one of the key instruments of the state investment policy. The Bank's activities are aimed at overcoming infrastructural constraints to growth, enhancing efficiency of use of natural resources, developing high-tech industries, promoting innovation and exports of high technology products, implementing projects in special economic zones, in the field of the environment protection, supporting small and medium businesses.

The supreme governing body of Vnesheconombank is Supervisory Board that determines the main directions of the Bank, on the basis of the Memorandum on Financial Policies. Chairman of the Supervisory Board is Chairman of the Government of the Russian Federation. Vnesheconombank Chairman Vladimir Dmitriev is an ex officio member of the Supervisory Board.

Vnesheconombank participates in the selection

and implementation of projects that are priorities for economic development, but which are not receiving sufficient resources by virtue of their scale, complexity and long payback periods.

Support for these projects is provided both by direct credit and loan arrangements (including in conjunction with financial institutions), and by provision of security and guarantees.

Vnesheconombank participates in implementation of national investment projects on public-private partnership basis. To implement this task, the Bank established the Centre for Public-Private Partnership.

The Bank is noted for an impeccable financial reputation in Russia and abroad, its long term credit ratings determined by the world's leading agencies (Standard & Poor's, Fitch Raiting Ltd, Moody's) correspond to the sovereign rating of the Russian Federation.

Since 2005, Vnesheconombank has been a member of the SCO Interbank Association (IBA), in the periods from 2006-2007 and 2008-2009. -Chairman of the SCO IBA Council.

Vnesheconombank took the lead in the establishment of relations between IBA and leading financial institutions acting in the SCO space. The result of this initiative was the signing of two documents - the Agreement for Cooperation between the IBO and the SCO Business Council (sets the format of long-term relationship between the two economic structures of the SCO; provides an establishment of a unified database of investment projects) and the Memorandum on partnership relations between the SCO IBA and the Eurasian

Development Bank (provides a long-term and mutually beneficial cooperation in joint investment projects in the SCO space).

Vnesheconombank is actively involved in the IBA cooperation in the exchange of experience and staff training. In June 2009, within the framework of a meeting of the SCO IBA Council in Yekaterinburg it was signed an Agreement on cooperation in staff training and exchange of experience between the SCO IBA member banks. Under this Agreement, Vnesheconombank has undertaken several activities, including study courses and topical workshops for employees of the State Development Bank of China, the Development Bank of Kazakhstan and the National Bank for Foreign Economic Affairs of the Republic of Uzbekistan.

During the meeting of the SCO IBA Council in 2010, Vnesheconombank Chairman Vladimir Dmitriev proposed to develop a strategy for further development of the SCO IBA for the medium term (2012-2016). The purpose of this paper is to clarify the priorities for joint activities with due consideration of current economic development tasks set by the SCO member states, the expansion of operations by involving financial institutions of the SCO observer and dialogue partner states, a focus on the implementation of joint regional investment projects. The Strategy is to be signed during a meeting of the Council of Heads of government of the SCO member states on November 7, 2011.



THE SUMMIT IS OVER. LONG LIVE THE SUMMIT!

Tatiana Sinitsyna, editor-in-chief, InfoSHOS

The SCO anniversary summit has become history. The year of Kazakhstan's presidency in the organization, to which the country's young capital, Astana, gave so much energy and imagination, is successfully over, leaving an impressive clot of power for the future. In compliance with the procedure, the relay baton of the SCO presidency was given over to Chinese President Hu Jintao, which means the next summit will take place in China.

SUMMIT THAT DID CREDIT TO KAZAKHSTAN

The main outcome of the SCO summit in Astana was perhaps the confirmation that the international stage has a confident player that is growing stronger and that has to be counted with. A strong side of the SCO was still, as Nursultan Nazarbayev put it, "the balance of three aspects of its activities: security, economic, and cultural and humanitarian cooperation."

Born in Shanghai as an act of political will, as a response to a threat to regional security, the SCO has reached out with its ideas and practical efforts to a huge territory of states that have been drawn into its orbit in the course of ten years. It successfully fit in the interior of global politics, gaining recognition from the United Nations. The Shanghai spirit, which symbolizes mutual trust, solidarity, equality, respect to cultural variety and willingness to develop together, makes the SCO a powerful center of gravity for all countries and nations that want an equal and mutually beneficial dialog.

Any organization where both Asian and European countries are represented tends towards the "Asian path." This is a delicate way of reaching consensus through long talks. Renowned orientalist and political

scientist Alexei Maslov says that "a major reason for this is the fact that the dignity of Asian countries has received blows throughout history, so they are especially fastidious about respect, parity and consensus." There is no doubt that the set of these imperatives is attractive for everyone, and the SCO, which has made them into its fundamental principles, is demonstrating a new model of international cooperation.

So, if there is no consensus, a decision is not made. The formula is not easy, it is not mastered mechanically and, of course, the Shanghai Six had and still have something to work on. China, for example, has problems with getting rid of its mentality of an Asian super power. Many political scientists agree that Beijing sees the SCO as, among other things, an organization to legitimize its decisions. China is not the only one to have all kinds of ambitions, and the SCO's goal is to teach all participants of the process to work on equal terms. The organization's ten-year history and the obvious progress it has made testify to the fact that it manages to maintain the atmosphere of the "Shanghai spirit."

SCO member states together sum up, analyze and adjust the developments of each year of the organization's life when preparing for the summits

and record the results at the meetings of their leaders. The place of summits, in compliance with the announced principle of parity, changes from year to year, with meetings travelling around capitals and other cities within the territory of the Shanghai Six. During the tenth year of its existence, the SCO was presided over by Kazakhstan, so the anniversary summit took place in Astana, which “did credit to Kazakhstan,” as Nursultan Nazarbayev put it.

Overall, summits are boring events for journalists because the result is almost always known beforehand, because the agenda is detailed in advance at different levels and mass media don't miss it, of course. Little unexpected can happen at a summit. And thank God for that! One cannot think differently recalling the sad “surprise” of last year's SCO summit in Tashkent, when the perfectly organized, successful meeting, on which Uzbekistan had worked a lot, was marred by the cruel ethnic conflict in the south of Kyrgyzstan.

SCO'S EVOLUTION

In his speech at the summit, Nazarbayev said that “having come a long way from Shanghai to Astana, the SCO has turned into a unique institution of international relations, uniting the most promising economies, states that represent different cultures and civilizations.” The Kazakh president cited the following facts: over the course of the years, trade turnover within the SCO grew sevenfold, the parties created a strategic foundation for expanding their economic cooperation and integration. They founded such structures as the Business Council and the Interbank Association and regularly hold the SCO Economic Forum. They adopted the Shanghai Convention on Counteraction to Terrorism, Separatism and Extremism. The efforts of the SCO Regional Anti-Terrorist Structure prevented over 500 terrorist attacks.

The economic component of cooperation is less successful (it is more difficult to find mutual interests in the non-bonded environment of partners that have different economic and resource potentials and also different political and mental approaches). Nevertheless, the organization is coming up with initiatives and looking for ways to implement joint projects; these efforts are bound to produce a result.

Nazarbayev proposed setting up a new structure within the SCO that would resolve problems of food security. He also called for building a single energy system within the organization. Yet another initiative is to introduce the notion of “national electronic border” to international law. He described “network destruction” as yet another common threat, the fifth one after terrorism, separatism, extremism and drug

trafficking.

...And then there was the final chord of the summit, the closing remarks of the host. In the exquisite interior of the Palace of Independence, Nazarbayev told the gathering that “the meeting of SCO heads of state was held in the traditional atmosphere of trust and mutual understanding; they have summed up the results of the organization's ten-year activities and determined the prospects of its development.”

The Shanghai Cooperation Organization has confidently passed the stage of initialization, establishment and formation of cooperation mechanisms, having become an important factor in ensuring regional security, stability and development of multi-vector cooperation, the Kazakh leader said. “The SCO approached its tenth anniversary as a dynamically developing and influential international organization,” he said. “Its strong side is and will be the balance of three components of its activities: security, economic, and cultural and humanitarian cooperation.”

Overall, the anniversary summit of SCO heads of state in Astana definitely marked a milestone in the organization's evolution. The results of the meeting were recorded in documents. What is their essence? The key document, the Astana 10th anniversary declaration, summed up what had been done and outlined development targets for the future. It also expressed the SCO's views on international problems.

In the declaration, the leaders of Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan spoke against unilateral and unlimited expansion of missile-defense systems by one state or a small group of states. The Shanghai Six also expressed concern due to the instability in North Africa and in the Middle East.

The parties adopted the Anti-drug Strategy for 2011-2016 and the memorandum of interaction between the SCO and the UN Office for Drugs and Crime. These documents seek to intensify interaction to counteract illegal production, trafficking and transit of narcotic drugs, psychotropic substances and their precursors.

Yet another remarkable document is the Memorandum of obligations of a candidate country applying for SCO membership status. It sets criteria for countries that want to join the organization, explains the mechanism of joining international agreements, the financial aspects of SCO accession and other issues.

On the backstage of the summit, a lot was said about the importance of Afghanistan joining the SCO as an observer. Experts are positive that it may improve the situation in the country and help it to find a way out of the crisis. There was also a discussion why India and Pakistan, which are

willing to move from the status of an observer to full membership, cannot be admitted to the SCO immediately (earlier, Tehran was told that as long as international organizations had complaints, it could not become a full SCO member). The issue of the SCO's expansion is very delicate and it has numerous aspects. As to India and Pakistan, their bilateral territorial disputes were cited as the main reason preventing their accession. On the other hand, the participation of these two heavyweights in the SCO process as observers provides them with an additional incentive to improve their relations.

Having started with the topic of regional security (which still remains a top priority), the SCO has moved towards new projects of interaction. A new initiative voiced at the summit was concerned with sanitary cooperation. SCO healthcare ministers have already signed the Agreement on Cooperation in Healthcare. This provides an incentive for setting up expert groups to work in the new area of cooperation.

The meeting's participants spoke in favor of further increasing the role of the SCO in regional and global politics and of intensifying cooperation with

IF OUR CHINESE PARTNERS CAN SHOW MORE FLEXIBILITY WITHIN THE SCO, WE UNDERSTAND AND SUPPORT THEM.

the organization's observers and dialog partners. The reached agreements and adopted documents aim at contributing to the SCO's development as an important component of the international security system and an efficient mechanism of varied regional cooperation.

The final chord was giving over the relay baton of SCO presidency to Chinese leader Hu Jintao, in compliance with the SCO procedures. The year of China's presidency in the SCO has been declared the Year of Good Neighborliness and Friendship.

The summit was over, but there were aftermaths. In the lobby, journalists surrounded the Russian president's aide Sergei Prikhodko. He gave a high assessment to the summit and then commented on the "situation with the Renminbi," which worried many people. The thing is that both Nursultan Nazarbayev and Hu Jintao had spoken about new huge loans provided in the Chinese currency. The use of the Renminbi is growing, and journalists wondered if there was a treat to the Russian economy in it.

"We definitely don't see this situation as a threat to our economic interests," Prikhodko said. "If our Chinese partners can show more flexibility within the SCO, we understand and support them. In this case, we see China not as a rival, but, rather, as the initiator of a useful and very important process."

AFTER SUMMIT

Participants of the SCO summit were leaving - for Beijing, Delhi, Tehran or Tashkent... I left the cozy King Hotel at 4 a.m. to catch an early flight to Moscow. I went on a small comfortable bus, driven by a middle-aged man, amicable, sensible and lyrical. He spoke with love about the city, about the permanent winds in this area, about golden eagles, horses, sheep and camels, about how not everyone was able to feel the magic of the steppe, which, however, had its own fascinating mysteries. And he was so worried about the young forest planted around Astana - about 50,000 hectares. The trees were growing well, but would they survive once their roots reached salty soil? We agreed that experts were working on the issue and that it should turn out fine.

The heavy reddish moon looked down at us from the dark-blue predawn sky, shining down on Astana, this sleeping beauty of a Eurasian city. Our route went across the entire city, from the right bank to the left, from the old part to the new one, which has transformed magically over the past ten years. The urban fantasies of Japanese architect Kisho Kurokawa, the ideas of architects from Germany, Britain, Bulgaria and Switzerland, implemented by Chinese, Korean and Turkish builders, will leave no one indifferent, because they border on a miracle.

We crossed the Yesil and the driver told me that not long ago, this area had been covered by swamps, with rustling reeds and roaming boars. Swamps were dug out and brought away; in their place, new soil was laid, on which all these buildings were erected (they apparently included even the Palace of Independence, where the SCO meeting took place). This was a living image of a beautiful brave city, young and ambitious, which invoked admiration and respect.

...The plane went up as a huge silvery eagle, headed towards Moscow. From the window, I could see the fiery sun rising above the Great Kazakh steppe.

IS THE “GREAT AND POWERFUL UNION” BACK?

Dr Alexander Volkov

At an international forum in Moscow devoted to the influence of the Customs Union of Russia, Belarus and Kazakhstan on business development in the common economic space, these countries' prime ministers said they were positive about its promising future. The question is, whether there are hopes here for the revival of a new big and close union of states?



Almost 20 years ago, the Gorbachev Foundation, which had just been founded, arranged for an “analysis of the political situation in the CIS and possible scenarios of its future,” which involved many well-known political scientists, economists and sociologists. I was asked to sum up expert assessments. It would be interesting to go back to those documents to see which of the forecasts have come true and which haven't and, more importantly, if the past could give a key to understanding the present situation.

From today's point of view, the analysis seems sober and fairly brave. “The Commonwealth emerged in the forefront of centrifugal tendencies, in the process of the breakup of the unitary state burdened with historic tensions.” No one expected it to have a happy future. At the moment, the document read, “neither independent states nor the Commonwealth have established themselves... Overall, the chances of preserving the CIS are small. At best, it will play the part of a “liquidating committee” that is supposed to ensure a civilized divorce.”

Experts emphasized the opposite influence of two types of factors. The so-called factors of “objective nationhood” were supposed to promote integration. These included “the country's geopolitical situation,” “objective preconditions for a common economic space,” “blending of people, many of whom were taken away from their native areas.” These factors are still in place, even if their influence is significantly smaller than it used to be.

It would seem that the long-term influence of these factors

and the interests of states that emerged on the territory of the former Soviet Union should push a majority of these states towards mutual cooperation in some or other form. A typical example is Georgia, whose economy has suffered greatly because of the breakup with Russia and which cannot do without Russian energy. Russia, in its turn, is interested in economic cooperation and in having a good neighbor in the Caucasus. In this respect, the example of the Baltic states and, notably, Latvia, is also interesting. They had dreamed of independence vigorously, but remained in this blissful state for a surprisingly short time. It turned out that they were unable to exist independently and so they threw themselves in the arms of European organizations, obligations to which, in the economic sphere, for example, have proved tougher than the previous ones. So why isn't cooperation in the former Soviet Union developing as is dictated by objective conditions and interests?

According to the analysis, all of the above named objective factors, all “rational reasons in favor of integration are weak or invalid... The decisive role belongs to subjective factors - political activities and the will of public forces, first of all, people in power.” It was pointed out that “a belief has formed in the mass conscience that it would be easier for nations to get out of the crisis on their own. That they should first get rid of the stalling influence of the supranational center and then swim towards some new shore, either westwards or eastwards”. The well known Thomas theorem (after W.I. Thomas, a renowned American sociologist) goes

as follows: "If men define situations as real, they are real in their consequences." This is exactly what happened.

Moreover, the analytical document of the 1990s emphasized that nationhood has weakened drastically in the former Soviet republics. There followed a crucial conclusion: "The aspiration of many big ethnic groups to achieve independence may combine with the remaking of the geopolitical map."

The document that is almost twenty years old does indeed help to understand what is going on now. Present conflicts in the former Soviet Union are deeply rooted in the past, especially in the period when the country broke up. It should be said that, fortunately, the worse-case scenarios did not come true: they admitted a possibility of hostilities and even a war between the new republics. But neither did the best-case scenarios, under which the CIS was supposed to become the core of a new state formation. However, few people believed in this possibility even at the time.

Instead, life suggested other forms of cooperation in the former common space. I believe it is difficult to overestimate the recent big steps to set up a customs union, which currently unites only three countries, Russia, Belarus and Kazakhstan. No, this is not about reviving the Soviet Union, of course - neither in the scale or the structure, essence or nature of international and inter-state relations. But views expressed at the conference "From the Customs Union to the Common Economic Space: Business Interests" were quite remarkable. Prime Minister Vladimir Putin emphasized that the setup of the customs union and the common customs territory, completed on July 1, was a remarkable event. "We have removed customs posts on borders between our three countries," he said. "This is not just a simple, formal abolition of administrative procedures. Actually, for the first time since the Soviet Union's breakup, we have made a real step towards restoring natural economic and trade contacts in post-Soviet republics."

The common economic space is expected to start functioning already on January 1, 2012. Alongside free movement of goods, it also implies free movement of capital, services and workforce. Any company registered in any member of the common economic space will have the same privileges as domestic producers, i.e. will be able to take advantage of a national regime. Russia, Kazakhstan and Belarus are already reaping the benefits of the Customs Union. Their mutual trade turnover surged by over 43% in the first four months of the year. "The figure is telling and very impressive," Putin said, addressing representatives of the three countries' business communities. "The removal of barriers that prevented mutual trade has created a big growing common market with over 165 million potential buyers."

Also on January 1, 2012, the Eurasec Court will start

functioning fully. It will accept applications from both countries and economic agents. "We thought about ways to give it a truly supranational strong status," the prime minister said. "It will be true for both procedures, regulations, and the level of judges' wages."

The Union will gradually increase the role of supranational structures that will be delegated significant powers. However, it was emphasized, it is necessary to avoid what happened to the European Union to some extent, when national bureaucracy was replaced with supranational one or, worse, when supranational bodies created additional pressure.

Removing barriers within the Customs Union, Moscow, Minsk and Astana are not going to erect them at the Union's external border. "On the contrary, the main goal is to combine our countries' efforts so that all of us will be able to integrate in the global economy more efficiently and harmoniously, integrate into it and not fence ourselves off from it," Putin emphasized.

Talks on the issue are already under way with the European Free Trade Association. In future, there are plans to start consultations on setting up a free trade zone with the EU countries. As Vladimir Putin put it, "it is not a simple task, but together, within the common economic space, we can fulfill it much more efficiently, with more benefits for Russia, Belarus and Kazakhstan than we would on our own."

The agenda of the APEC summit that will take place in Vladivostok next year will include topics of trade liberalization and removal of barriers preventing economic cooperation. These efforts of Russia will be in the interests of all of its partners in the Customs Union, promoting common interests that have been agreed upon. The implementation of the planned measures is actually expected to change the configuration of entire Eurasia. Kazakh President Nursultan Nazarbayev has said that following the already established alliance and the common economic space, the parties should set up an analog of the EU, a Eurasian economic union. "In other words, we are working for the Customs Union and then for the common economic space to fit global economic processes and play an active part in the shaping of the regional and international agenda."

Of course, there is no way that the enormous Soviet Union will be revived. It would require at least public realization of each country's own economic interests as part of such a state's interests, but, more importantly, a united political will, clearly expressed. We don't have it now. But we equally cannot ignore the trends towards more beneficial and closer cooperation between states and people who live on the territory that used to be one country.

SCO UNIVERSITY PROJECT: DEFINITELY SUCCESSFUL



InfoSHOS editor-in-chief Tatiana Sinityna talks to Professor Alexei Maslov, head of the oriental studies department, the National Research University - Higher School of Economics, one of the authors of the SCO University project

Q.: We are discussing a new and unique model, the SCO Network University. What state is it currently in?

A.: The University has been launched. We officially announced this last year at the meeting of SCO education ministers. We are currently at the stage of pilot launch. The University's Master's program opened last September. This means that the first students, up to 20 people, went to visit each other: Kazakh students went to Russia and, partially, China, Chinese students to Russia and to Kazakhstan, i.e. exchanges have begun. The SCO University at the moment unites over 60 leading universities working on a territory with the biggest population and, consequently, the biggest number of potential students.

Let me recall, that the foundation for this was laid in 2008-2009; in 2010, the first stage was completed, like the construction of the ground floor if we compare it to the construction of a building; now we need to move further. Next floors will be Bachelor's programs and post-graduate studies.

Q.: It is important to understand that students that go to study at other universities after the Bachelor's program don't have a language barrier and can easily understand the lectures...

A.: Let me recall that the University's two main languages are Russian and Chinese, the same as the main working languages of the SCO. At the same time, leading universities that are part of the SCO University system have the right to use national languages for teaching, but the concept requires that any university should ensure that there is also teaching in either Russian or Chinese. We recruit students who meet the minimum language requirements. Notably, Russia has

a practice of testing the knowledge of Russian as a foreign language, which implies a minimum level of command of the language needed to listen to lectures. China has a similar practice.

Launching the SCO University, we developed methodological aids for training future Masters in Russian and Chinese and held advanced training courses for teachers in Russia, Kazakhstan and Kyrgyzstan. A student coming to study under a Master's program is expected to meet the basic language requirements, which are listed in the student admission agreement. If students don't know the language sufficiently, they have the right to undergo additional courses, but outside the SCO University. We recommend teaching students the language at home, at their own universities.

Q.: Could you please explain how the exchange mechanism functions?

A.: Overall, the model of the SCO University envisages multilateral exchanges, i.e. in theory, a student may study at an unlimited number of countries and universities. However, we currently use a bilateral model, not a multilateral one, and there are objective reasons for this. At present, we offer only Master's programs that last two years, and there is not much time to travel around. At the moment, the scheme is as follows: a Kazakh student of a Master's program goes to Russia, and a Russian student goes to Kazakhstan. Russia allocates additional quotas for admitting foreign students within the SCO University for those universities that have become the SCO's leading universities. This is a standard model, but its advantage is that it allows further expanding. We will soon open Bachelor's programs, and then there will be

an opportunity to study at several universities.

Q.: Is there a similar university model in the world? A.: As to whether the SCO University borrowed something from French, British and other universities...

There are a lot of similar institutions, but the SCO University has a unique form. We meticulously studied the experience of many network universities, but, due to the peculiarities of the SCO, we had to work out our own model. For example, you can notice that some things are common with Asian universities based on the common education model of ASEAN member states, where student exchanges are regular. You can also find some traits of universities in the British Commonwealth, which also have active student exchanges. But in the latter case, universities have Britain as the center of educational policies, so New Zealand, Singapore, Australia and other Commonwealth countries look up to it. English professors read lectures at Singaporean universities online via the Internet.

We, however, use a different model. This is, first of all, a model of “distributed education,” which does not envisage a single “education leader.” This is important, because the Shanghai Cooperation Organization does not have a leader either, everyone is equal. Secondly, the SCO University initially introduced a multilateral education model. This means that, unlike, say, a student from Singapore, our student doesn’t study under a specific British program, but instead goes to other countries to attend different selected courses.

Third, many programs are to a significant extent standardized, and students are not always interested in them. Say, if a Russian student comes to China, he or she is unlikely to be excited about a course in social and public disciplines that are similar to courses of the Soviet era. However, there are unique courses that are taught only in China. So an SCO student attends only certain modules of disciplines. They consist of several courses united under a common theme. For example, these can be courses devoted to water protection and use in Asia that can have several subjects - water use, protection of water resources, etc. Suppose, these courses are best taught at a specific university in a country. A student goes and attends this module, which is included in his or her basic program. At the same time, they have the right to complete the course and get a diploma of the hosting university after passing the exams. But our rules do not require two diplomas be obtained necessarily.

Q.: So the distribution system allows getting the best courses from each university?

A.: Exactly. Let me give you an example from Russia. We have a successful training program in ecology, which is a relevant and sensitive issue for

many SCO member states. All environmental problems are trans-border, and we need professionals that would understand how to resolve common problems without infringing on each other’s interests. However, ecology is divided into water ecology, nuclear power generation ecology, animal ecology, and so on. We have several universities that deal with the subject, and each specializes in a specific topic. Looking at programs and courses on offer, a student from China, Tajikistan, Kyrgyzstan or Kazakhstan can choose a direction and go to Krasnoyarsk, Novosibirsk, Moscow or somewhere else. Another popular area of studies is regional studies. This subject is represented at four Russian universities: the Moscow State University, the Ural State University, the Moscow State Linguistic University and the Moscow Institute of International Relations; all of them offer absolutely different courses. Some deal with problems that are common for Asia, some with regional interaction. A foreign student has an opportunity to choose specialization. Similarly, our students can choose among Chinese and Kazakh programs.

Q.: Isn’t there danger in this of a young person becoming an “eternal student”?

A.: In any case, they must complete the program over the two years that a Master’s program lasts. Where they do it, it is up for them and for the management of their basic university to decide, but after the two years are over, they must pass exams at their alma mater and obtain the primary diploma. If they want, they may pass exams at a Chinese or other university and obtain a second diploma. Any way, they will be getting two documents, a diploma from their alma mater and a certificate of the SCO University that lists all courses they have attended. This document meets all the international standards. We hope that the certificate will later be transformed into a SCO University diploma; this initiative is supported by all countries, including Russia. But this is not a matter of one day. It is a matter of time.

Q.: You are one of the ideologists of the SCO University project and you have invested a lot of intellectual effort and time into its setup. Does the Shanghai Cooperation Organization really need such a university?

A.: This is a matter of absolute necessity. In order to understand why the SCO University is needed, it is necessary to understand the main problem of the SCO. This organization emerged very timely for its geopolitical and economic space. However, this timeliness has so far been unable to produce any efficient real interaction. Why? Because we are dealing with countries that are at different levels of economic development, different levels of social development and have different approaches to power. We should also not forget about such a factor as

natural competition between countries, including for resources; we should remember the existence of certain local problems. Many bilateral ties cannot be mechanically transformed into multilateral contacts, and this is a problem not only for the SCO, but also for ASEAN, the South Asian Association for Regional Cooperation and other organizations in Asia, so we need to raise a new generation of people that would be knowledgeable of other countries' problems well, who would understand different national mentalities, peculiarities of work ethics and doing business in other countries. To do so, we need trans-border, transnational specialists, and the SCO University has been designed to resolve this problem.

Q.: What areas of studies has the SCO University chosen?

A.: It is most important not to make a mistake when selecting areas of studies. As of now, it has announced five areas for training specialists. They do not include such trendy areas as economics and law. We consciously started with topical areas as opposed to trendy ones: energy, ecology, IT technology, regional studies (i.e. understanding of nations' history and traditions) and, of course, nanotechnology. Nanotechnology is now the focus everywhere - in China, Kazakhstan and in Russia. But the amount of knowledge required for pursuing nanopolicies is such that it can be obtained only in joint laboratories. The goal of our university is to bring together people to discuss these problems. By the way, the list of areas was suggested by the Russian party and other countries endorsed it without amendments, which means that it meets the needs of SCO member states.

Q.: The project seems ambitious and this explains the caution and meticulousness with which it is being implemented. What can you say about its difficulties, expected and unexpected?

A.: We were figuring out all the nuances of the project back in 2008. Let me recall that the setup of the SCO University was Russia's initiative. It was suggested by Vladimir Putin at the summit of SCO heads of state in Bishkek in 2007. However, it is necessary to distinguish between an initiative and a working proposal. Initiatives are numerous, but only few then become working proposals.

In the first half of 2008, Russia came up with the working proposal. Coordinating it took a year, because we were working in conditions no one had ever figured out. I hope that the model we have developed will go down into textbooks with all its advantages and disadvantages, serving as an example of how such universities are founded. At the meeting of SCO education ministers in Astana in October 2008, the Concept of the SCO University was adopted; it

was amended in September 2010, at a meeting in Novosibirsk.

Remarkably, the concept, which was adopted almost four years ago, has proved not only viable, but also quite successful, becoming a good example of useful collective discussions of experts from many countries.

Now to the difficulties. A lot was predicted in advance. First of all, the different levels of education standards, education policies and education requirements, different levels of control over the quality of knowledge. We took into account the inertia of some countries and regional universities; we treated ambitions as reality that could not simply be discarded. There were cases when individual Chinese or Russian universities would say that they would set up an SCO university on their own, failing to understand that it is impossible to do so without coordination with all of the organization's member states.

Of course, we also worked on financial issues. Obviously, no university would be able to carry this financial burden alone. Russia took an unprecedented step by shouldering the financing of the project at the initial stage. All documents, from the first word to the last, were prepared by the Russian party, but, of course, were coordinated with experts from other countries. I believe Russia acted as an intelligent international power, approaching the project with responsibility.

Q.: The status of a university is always important. Could you dwell on it?

-A.: The problem of the status is among the expected problems. For example, we are facing the task of setting up the University's headquarters - a secretariat or rectorate, because even though it is a network university and education is distributed, it still needs a place where documents are stored, where control is exercised. Any country is willing to accept the secretariat as a university structure, but it is a matter of financing. We understand that the problem should be discussed meticulously and cautiously, in order not to infringe on interests of any country.

The rectorate should be modeled after the SCO Secretariat (it is actually the University's peculiarity that its principles and structures are to a large extent similar to those of the SCO itself), i.e. it should be an extraterritorial body and have a representative from each country. Another task concerns forms of financing of the SCO University's programs. Like in the SCO, there will definitely be a question about joint financing of the university's budget and spending and everything will be based on proportionate distribution, with each country contributing a certain share. Participating in forming of the budget, each country

will have the right to veto its spending.

The third problem is the problem of the university's status and international recognition, but it can be resolved, including by resolving the first two problems.

We had to deal with a lot of tasks no one had encountered before. Let me give you just one example. Many people suggested setting up the university as a separate legal entity, but a legal entity can be registered only in one country, while this was supposed to be an international organization. Many people are used to a university having its stamp and legal address. What were we to do? But ask yourself where the WHO, UNESCO or ASEAN are registered? Nowhere. But no one says that these

A.: First of all, we developed a system for selecting universities for the SCO University. Let me recall that the SCO University is a network of several dozens of leading (basic) universities in each of the five SCO member states that represent leading educational establishments and schools of thought. Russia has drafted and submitted for general approval the selection criteria. We took into account the number of schools of thought, the quality of education, the living conditions and the level of healthcare provided to students. Russia selected universities following these criteria, and other countries also chose their leading universities with these criteria in mind. Secondly, we elaborated on the very system of interaction between universities, setting up national and international



are failed organizations only because they don't have registration. It is time we started thinking in transnational categories.

The university's high status will be ensured by the success and quality of its study programs. The main goal today is to make the program competitive. Yes, there are countries that are leaders in the education sphere, where everyone wants to study. But there are countries that are less popular in this sphere and their goal is to come up with programs that would attract attention. For example, Russian specialists would like to study problems of national heritage and its protection or use of energy resources in Kyrgyzstan, Tajikistan or Uzbekistan. That is, we need to offer programs that would fit in with the national needs and opportunities.

Q.: What exactly has been done to launch the SCO University?

expert groups for each area of studies. This means that experts representing universities worked to agree on nuances of joint programs, while national education agencies developed common standards for approving these programs. Our third achievement was working out clear, stage-by-stage, but simple criteria for developing and endorsing programs that were named "five steps for endorsing Master's programs." Fourth, we suggested a concept of "priority courses": each university can come up with several courses or program modules that are to a certain extent unique and best represent this university's school of thought. Finally, we drafted a number of documents that determine the status of all of the university's bodies and the status of the SCO University certificate and its appendix with a student's grades.

Q.: Can the idea of the SCO University be seen as the consequence of globalization or is it a purely

pragmatic product of the SCO, brought about by our reality?

Q.: Globalization itself has pragmatic goals, so the SCO University follows in the wake of global educational trends. Today, there is another trend apart from globalization, and that is communalization. That means the setup of transnational communities that are united to resolve common problems. These may be problems of counteracting terrorism, of energy development, and so on. In this case, we have a purely pragmatic phenomenon, the SCO University.

This structure serves to achieve specific goals: it trains personnel for the SCO countries and simultaneously fulfills international tasks of general development. Notably, some countries that are members of the University are participants of the Bologna Process (Russia), some are in the transient stage (Kazakhstan), some have their own standards (Tajikistan) and some have very specific standards (China, where the education system represents a mix of British and American systems).

Q.: What is the opinion about the SCO University among your colleagues in the West? What do they say?

A.: The very first opinions, usually voiced by incompetent people, boiled down to the SCO University being still-born. However, the SCO was also viewed as a dead-end organization at the beginning. But any organization that unites both Asian and European countries follows the “Asian path.” This is a path of long talks and achieving consensus through negotiation. Until there is consensus, a decision is not made.

The Americans were skeptical about the idea. Britain, which used to rule half the world, said it was impossible to unite the European and Asian education systems on equal terms. It was also said that, with two obvious leaders of the education market - China and Russia, a confrontation was unavoidable, that there will be camps, some countries siding with China and others with Russia. That was bound to lead to a conflict.

Fortunately, it hasn't happened this way. We should be grateful to our colleagues outside Russia - in Kazakhstan, Kyrgyzstan and Tajikistan, for really agreeing to a dialog. Neither I nor my colleagues have come across national ambitions, perhaps, because we are all products of the Soviet education system and understand each other well.

In 2010, when it became clear that the university would be launched, the agreement was signed and the programs ready, available for examination, the SCO University was pointed to as an example of “a sensible dialog in the education sphere” (I heard this in 2010

at an education conference in New York).

Q.: How will the SCO University welcome its second academic year?

A.: Our next goal is to continue exchange between students of Master's programs and to launch Bachelor's programs. The latter is more complicated, because these programs take four years, and students have more opportunities to visit other countries. We want to direct students' flows not only to Russia and China, but also to other SCO member states. Yet another task is to launch joint post-graduate studies and to carry out joint research. This is envisaged by the university's concept and has been agreed upon. Now we need to build the system of defending theses. We plan to complete this work within the next year.

The potential of the SCO University is not fully developed yet. We still don't have joint laboratories or joint magazines, we are only working on a joint information Internet platform that will reflect the University's research and educational activities. We need to participate in big international conferences, to improve methods, to introduce online teaching. Introduction of new education technologies and of a full-fledged home study education in combination with expanded academic mobility, it will be another breakthrough.

Q.: The success of the SCO University directly depends on the success of the SCO. How do you assess the viability and prospects of the organization?

A.: The organization is not going to die, and this is obvious. Apart from the issue of viability, there is the issue of success. The SCO is to a large extent an Asian organization, and many organizations in the region are set up not so much to improve relations as to prevent them from deteriorating. In this respect, the SCO acts as a tie. Such organizations are also set up to mark off the spheres of influence and areas of conflict. In these terms, the SCO has been absolutely successful in the course of ten years.

Speaking of the SCO's prospects, I don't think we should expect a very ambitious development. We should view the SCO not as an EU analog, but as an Asian organization, which develops and stabilizes very slowly. In my opinion, the SCO should not squander its energy on different projects and goals. It should focus on two main areas: ensuring security (the goal that was announced initially and is being achieved successfully) and education projects in order to raise a new generation. The rest will be resolved on its own.

MIKHAIL THE GREAT

Anatoly Korolyov, writer, member of
the Russian PEN Club

*The abyss opened
Full of stars.
The stars are countless,
The abyss bottomless.*

Mikhail Lomonosov

Ahead of the 300th anniversary of the birth of Mikhail Lomonosov (1711-1765), a sensational book was published in St Petersburg, Questions of Blood: the Legend of the Great Lomonosov, Peter the Great's Son by geographer Leonid Kolotilo and historian Vitaly Dotsenko. In this book, the authors maintain that the entire story of Lomonosov's early life was invented by his first biographer, Yakov Stelin and offer their own version: Mikhail's mother, a girl coming from indigenous dwellers of the White Sea coast, came to St Petersburg and became one of the czar's numerous lovers. She got pregnant and, with his blessing, she gave birth to a boy after marrying her prosperous landsman, Vasily Lomonosov. She died when the boy was just nine years old. Afterwards, Mikhail was raised by stepmothers.

Oddly enough, this version does not change anything in the unusual beginning of the unknown village



boy's life. In December 1730, at the age of 20, Mikhail received his passport and secretly left his father's home in the village of Mishaninskaya. He caught up with a fish merchant's wagon train that had left for Moscow the day before and spent a month on foot to reach the old capital. In his bag, Lomonosov had corned beef and two books, Arithmetic by Leonty Magnitsky and Grammar by Meletius Smotrytsky, something he later mentioned in his autobiography.

Yes, this daring move bears the signs of Peter the Great and his epoch.

Lomonosov's plan was simple and simultaneously bold: he wanted to enter the Spasskaya school of Moscow's clerical Greek Latin Academy. Arkhangelsk coast dwellers were the heart of the Russian north, free from serfdom, the so-called state peasants. They lived along the shore of a severe northern sea, fishing, building ships, trading and investigating new trade routes.

Lomonosov's father owned a galliot with a team of sailors. He was both the owner, the captain and the sailing master. This required a head on one's shoulders. When still a little boy, Lomonosov spent entire summers with his father in the White Sea. He was stronger than other boys of his age, but, apart from the sea, he had a strong passion for learning. Almost independently, with a little help from the village deacon, he learned to read and calculate; he knew a little Latin, basic English and German (coast dwellers were in regular contact with foreign ships). He loved to read. So when the 20-year-old came to the school, Moscow monks saw a literate and educated young man, fully fit for further studies. At the same time, he was enterprising, able to protect himself, healthy, neat, simple and a little romantic.

The Soviet popular history often relished the story of a peasant's son studying at a school for noble

ignoramuses, describing how Lomonosov had to lie, deceive and pretend being a nobleman. I remember having a color slide film about Lomonosov when a child. In it, the poor guy was bullied, with evil classmates setting a swarm of bees after him. This was not true! Who could take upon such an athlete? Who could compete with his erudition?

After just a year of studies, Mikhail was transferred to the fourth grade, hopping over the previous three. The samples of his beautiful - sometimes even fancy - handwriting are still kept in church archives.

The main reason that made his

become famous. But for what?

The Greek Latin Academy trained elites for the church, but Mikhail was clearly a man of flesh, his mindset was that of a scientist, a researcher, but not of a religionist... Going ahead, I will say that Lomonosov was a religious man and an eager church-goer, he always mentioned God in his speeches and poems with the true ardor of a Christian, but at the same time, he had not trouble taking everything transcendent outside his scientific interests and studied the nature as a naturalist, practical researcher, chemist and physicist should. So the turn in his fate was obviously beneficial.

country were ruled by German Ernst Johann von Biron, the favorite of Empress Anna Ivanovna. Later, historian Vasily Klyuchevsky gave the following ironic description to the epoch, "Germans poured into Russia like rubbish from a holey bag; they clung to the court and the throne, getting all profitable administrative positions."

Lomonosov was to become a threat to foreigners' stranglehold on Russian science, but at the time, everything German and Western was for him a sign of the selected, so he quickly and substantially learned German (which he spoke and wrote fluently), and then also French and Italian... To

HAVING MOVED TO ST PETERSBURG, THE YOUNG MAN'S JOURNEY TOWARDS THE RELIGIOUS ELITE ENDED; FROM THEN ON, HIS FATE WAS LINKED TO SCIENCE AND PRACTICE, TO RETORTS AND TELESCOPES.

career possible was that it was the era of Peter the Great. Even though the czar had already died, and his heirs were busy fighting for power, the state ship was already launched: hundreds of schools, dozens of mining factories and manufactories, the army, the navy, the post service, roads, the new capital city with its Academy of Sciences required quick thinkers, educated personnel and qualified managers.

In short, Lomonosov easily fit in with the life of the church school and even became a favorite with the legendary church reformer and cruel inquisitor Feofan Prokopovich, who in those years was in the higher echelons of the Russian Orthodox Church and No.1 person in the Holy Synod. Peter the Great's associate, author of the Panegyric to the Russian Fleet, a patriot, a bookworm and a shrewd person, he quickly saw that the young man taking the Greek exam in Moscow was destined to

But that was only the beginning of his luck. In 1735, the Academy was asked to send ten most gifted students for studying at the school of the St Petersburg Academy of Sciences. Even though he had not yet finished the final stage of studies, theology, Lomonosov was among those selected and so, five years after his escape from home, he found himself in Peter the Great's city, in the new Russian capital, which was still under construction at the time, with new streets and quarters added to the palaces on the banks of the Neva river and glades cut in the surrounding forests. One cannot help but recall Pushkin's words that Peter I floated Russia out as a new ship from a shipyard.

Having moved to St Petersburg, the young man's journey towards the religious elite ended; from then on, his fate was linked to science and practice, to retorts and telescopes.

In 1736, the capital and the

be fair, he was good at adjusting to circumstances, willing to accept the laws of the court; he knew when to fist a face and when to flatter. Later, he was second to none in writing pompous odes, for example, for the ode devoted to Empress Elizabeth's accession to the throne, he received 2,000 roubles, which he received in small coins because the treasury didn't have bigger ones at the time. Lomonosov needed two wagons to take the bags with his award home.

Also in 1736, still patronized by Feofan Prokopovich, Lomonosov as one of the country's top three students was sent from St Petersburg to the University of Marburg in Saxony, to study mining and metallurgy under Professor Johann Friedrich Henckel. Russia needed a lot of such specialists: hundreds of ore deposits were discovered in the Urals and in Siberia, and to develop them, it was necessary to build mines; foreigners, however, didn't

want to go to the end of the earth, and Russians didn't know mining.

By the way, the resolution on sending the students to Germany, signed by the Academy's president Johann Albrecht Korf, clearly stated Lomonosov's origin: "a peasant's son from the Kurostrovskaya district, the Dvinsky county, the Arkhangelsk region, 25 years old."

The students' stay in Marburg was financed by the Russian treasury. They rented housing. Bought clothing. Ate. Travelled a lot. Purchased books. It was then that Lomonosov began collecting his impressive library. Here are just a few books (in English and German) from his extensive list: Jonathan Swift's Gulliver's Travel, William Shakespeare's tragedies, Georg Ernst Stahl's Fundamental Chemistry,

government money; Lomonosov was rumored to initiate student fights and orgies, but at the same time studied hard and spent a lot of time at libraries. Once he was drafted as a soldier, but fled, and then married a pretty young German girl, Elisabeth Christine Zilch, the daughter of the woman with whom he boarded. The couple was married at a reformed church, which allows concluding that Lomonosov was free in the questions of faith. The marriage proved very solid. Elisabeth gave birth to two daughters and a son.

Meanwhile, the situation in Russia changed. In October 1740, Empress Anna Ivanovna died, giving the reins of power to Grand Duchess Anna Leopoldovna and her baby son Ivan VI Antonovich, with Biron as a regent.

On June 8, 1741, Lomonosov

marble-white wig, with a pair of compasses in his hand. Even though the portrait is obviously full of flattery, Lomonosov's character is captured correctly: we see a worker, a thinker, a scientist. His image was shown even better by the great sculptor Fedot Shubin: the marble bust of the researcher is full of dignity, sense of purpose and power of thought. By the way, one cannot fail to notice Lomonosov's rare similarity with Empress Elizabeth in all portraits: the same chin, cheeks, nose and lips; a similar face as if sculpted by the same hand. This, of course, couldn't go unnoticed at the St Petersburg court. Many still remembered Peter's fiery temperament. This may be the origin of the legend about Mikhail and Elizabeth being half-siblings, him

HE KNEW HOW TO BE LIKED AND HOW TO IMPRESS WITH THE POWER OF HIS THOUGHT, BREADTH OF HIS INTERESTS AND HIS INDIFFERENCE TO FAME.

Daniel Defoe's Robison Crusoe, Colin Maclaurin's Organic Geometry...

At the time, European culture and science were blooming unprecedentedly. The great German philosopher Gottfried Leibniz wrote his treatise Theodicee, Voltaire wrote Brutus, the Covent Garden Theater opened in London. The amazing, unparalleled Trevi fountain appeared in Rome, Bach composed his brilliant organ fugues and Hendel his operas, Marivaux wrote his comedies and Prevost his novel Manon Lescaut (which was confiscated and burned publicly a year later for amorality); Carl Linnaeus completed his Systema Naturae and Emanuel Swedenborg published his manuscript on cast iron melting...

Little is known about Lomonosov's life in Germany. Apparently, there were interruptions with deliveries of

returned to St Petersburg by sea from Amsterdam. Four months later, in November the czarist guard organized a coup against the German party of power and brought to the throne Peter the Great's daughter, Elizabeth.

The wheel of fortune was again good to Lomonosov. It was the most favorable moment in his career as a scientist. The Germans were losing power and soon the young researcher became the first Russian academician at the Academy. His generous nature and ardent scientific temperament received an opportunity to be realized.

What did he look like? Several portraits of Lomonosov have survived. In a ceremonial portrait, we see a courtier in a crimson gold-embroidered vest coat with very broad lapels, in a snow-white shirt decorated with Brabant lace, in a

being Peter's son. At least, having come back from Marburg, Lomonosov demonstrated unprecedented politesse at the Russian court; in this labyrinth of self-conceit and intrigues, he became the most loyal poet of the throne, singing praises to Elizabeth's deeds. He was in fashion. The empress adored him, and the powerful Count Shuvalov patronized him. Lomonosov knew how to be liked and how to impress with the power of his thought, breadth of his interests and his indifference to fame.

This trait - the ability to be liked by the high and mighty - is common for Lomonosov and another genius, Leonardo Da Vinci, who was unparalleled in his ability to charm any court, starting from Milan Duke Sforza and ending with the French court under Francis I.

One cannot but admire the artistic

talent with which Lomonosov made a number of monumental mosaics, including the brilliant portraits of Peter I and Count Shuvalov and the amazing Poltava Battle. But his main goal was to find truth.

Here is an episode that portrays Lomonosov's character very well. Once, in the winter, he was returning home after midnight, going along a new road recently laid in the forest. A group of sailors noticed him, and he was attacked. But the three bandits had bad luck. Lomonosov knocked one down with his fist, kicked over another and caught the third by the scruff. Two ran away, and Lomonosov asked the third one why they had attacked him, what their purpose was and what their names were... He viewed the attack as a scientific problem that needed resolving. "Have mercy!" the sailor begged, saying that there was no purpose, they just wanted to rob him. To rob him! When it was freezing! Lomonosov got angry; he told the bandit to take off his coat and boots and left with them. It was not enough to solve the problem; he turned an encounter with thieves into a clear lesson.

This Renaissance-era personality harmoniously combined the gift of a scientist and of a poet, the mind of a historian, the talent of an inventor (who, among other things, created a prototype of a helicopter), the shrewdness of an astronomer, the ability of a systematizer, the gift of a monumental artist, and so on.

Here is a random list of some of his most important achievements: he understood the atomic and molecular principle of the structure of matter, learned the reasons for resilience of physical objects, unveiled the mysteries of chemistry via laws of mechanics, discovered the principles of atmosphere electricity, created a centrosopic pendulum, a barometer, a telescope...

Meanwhile, listing his achievements, Lomonosov did not think it necessary to mention the

discovery of the atmosphere of Venus. Hundreds of astronomers watched the planet move in front of the sun in 1761, many noticed the shining rim and refraction of solar rays when the outline touched the solar corona, but only Lomonosov came to the correct conclusion that the planet had "a significant atmosphere."

He could be generous: when physicist Georg Richmann died in a failed experiment with electricity, Lomonosov did what he could to ensure that the German's widow and children had means of subsistence.

Lomonosov's career is yet another creation of his amazing life: starting as a village boy with a couple of books in his bag and becoming a renowned scientist, academician and nobleman, the Empress's favorite, owner of houses and villages, honorable member of the Academies of Sciences of Sweden and Bologna, rising to the top of the scientific world - this is something few people could have achieved.

Lomonosov was the first Russian scientist to be recognized internationally. Finally, the Moscow State University was his project. Pushkin, while criticizing his poems, rightly said that he was the only devotee of Enlightenment between Peter the Great and Catherine.

Lomonosov died unfairly early, of pneumonia. He died at his home in the Moika street, surrounded by his beloved wife and children. He was the same age as Peter when he died, 54.

Immediately after his death, Catherine the Great issued an unusual order: Lomonosov's personal archive was sealed the same day and all papers were delivered to the Empress. She must have been aware of the rumors about the true parentage of the great scientist and, sensitive to the issues of succession to the throne, must have destroyed any evidence that could give us an answer to the delicate question.

ONE CANNOT BUT ADMIRE THE ARTISTIC TALENT WITH WHICH LOMONOSOV MADE A NUMBER OF MONUMENTAL MOSAICS, INCLUDING THE BRILLIANT PORTRAITS OF PETER I AND COUNT SHUVALOV AND THE AMAZING POLTAVA BATTLE.



GRIEVES AND JOYS OF RUSSIAN-CHINESE PARTNERSHIP

Dmitry Kosyrev, political commentator

Three key topics were seriously debated inside Russia during Prime Minister Vladimir Putin's recent visit to China.

This is, first of all, the economic sense of Russia's cooperation with China and its pattern: Russia is a mere supplier of raw materials to China; can it be changed? Second, can Moscow pull off even the role of a raw materials supplier, given the serious disputes between the two neighbors concerning their two biggest long-term contracts, for oil and gas supply? And, finally, we should not forget the heated debates in Russian mass media about the political meaning of Russian-Chinese relations: is it an alternative to contacts with the US and the EU, a tool of diplomatic pressure on America and Europe or something else? The latter issue was closely connected to the obvious symbolism of Putin's visit: it was not just

the head of government (i.e. the person responsible for the economy) that came to China. After September 24, when Putin announced his intention to run for president next March, China (and not only China) views him as the man that has been building the strategy of relations with the country for eight years and may continue doing so for at least another six.

FROM RAW MATERIALS TO TECHNOLOGY

The program of the visit, which has been planned long before October, was worked on for at least several weeks, so the trip was still centered on the economy, devoted to the development of Russian-Chinese

trade and investment.

In the 1990s, when the two countries had to start from the scratch after the Russian-Chinese reconciliation in 1989 (the meeting between Mikhail Gorbachev and Deng Xiaoping), any economic project was of strategic importance. Weapons supply - a contract for construction of nuclear power plants - supply of oil, gas and timber - construction of hydropower plants in China: this is how the scheme looked from Russia. It had political implications as well: Moscow wanted to achieve a mutual understanding with Beijing that would allow it to pursue an independent policy in the world, to be less dependent on the pressure from the United

States and the European Union. It succeeded with the latter. Moreover, after Boris Yeltsin (in whom China didn't have much trust) resigned, the two countries managed to build if not a union, then at least a conscious strategic partnership. Its scheme was very simple: China's strengthening in the world is extremely beneficial for Russia, and vice versa.

In the economy, however, odd things happened. Russia sincerely hoped to develop its high-tech industries with China, India and other Asian countries as target markets, understanding that its prospects in Europe and the US were quite obscure. Yet if the structure of trade with India eventually became what Russia wanted it to be (with high-tech products prevailing), in case of China, everything moved towards a "colonial" scheme: Russia's technological exports dropped to 5% and then to just above 1%, while China, on the contrary, became Russia's biggest supplier of cars, computers and other devices and household appliances... Yes, the biggest one. Last year, China once again became Russia's No.1 trade partner, outrunning Germany, which had competed for the title several times. The projected bilateral trade turnover for this year, which was voiced during Putin's visit -- \$70 billion - will allow China to keep the first place.

In the last two or three years, the main problem between Russia and China was this "colonial" nature of their trade that wouldn't resolve. So I would say that the main outcome of Putin's visit to China is the demonstrative turn of the two governments towards cooperation in modernization and the technology sector. Aircraft-building, nanotechnology, biotechnology, computerization, medicine - these

are the areas the prime minister named after his two-day stay in the Chinese capital. This is a new (and long-awaited) trend that is of both economic and political importance for bilateral relations.

It has a political meaning because it is vitally important for Moscow, but not for Beijing. That is, China has made a concession: after all, it requires Chinese investment (i.e. a certain risk) in above mentioned industries. Of course, this breakthrough has been prepared long in advance. Moreover, the issues Putin discussed during his visit include some projects that were first mentioned back in the 1990s and that are gradually moving towards implementation, with new ones added along the way...

Projects that were conceived in the 1990s and have proved crucial include pipeline oil and gas supply from Russia to China.

PRICE FORMULA

This time, China once again showed how difficult it is to reach an agreement with it on prices and terms of even those contracts that seem to be vital for Beijing.

Even before Putin's departure for China, it was known that the talks on long-term Russian gas supply to China were not expected to be completed during the visit. So the prime minister's statement that the two countries "were nearing the end" of gas negotiations came as a nice surprise. The same is true about the agreement on oil supply reached in Beijing: earlier, the Chinese party had wanted to "adjust" the price of oil after supply from Skovorodino southwards had already begun and paid less than it was supposed to, which even forced Transneft to threaten cancelling all the agreements and turning to the London arbitration court.

The Russian-Chinese dispute about the price of gas, which is to be supplied to China over the course of three decades, is not even about "meeting each other half way." It was possible to meet each other half way when drawing the border on the Amur river, all the more so, as this river was, perhaps, the world's only anomaly where one party - the Soviet Union and then Russia - owned one bank and the entire water zone. After all, rivers are usually divided along the midstream. So the outcome of the talks, which six years ago finally settled all territorial issues between the two big countries, had been known in advance (even though they had started in 1964 and progressed with difficulty). It is not so easy with gas.

Reports about the price dispute mentioned the bracket of \$400 and \$250 per 1,000 cubic meters of gas. The half way is somewhere around \$275. And no matter how good the Chinese (and Russia's other key partner in this sphere, India) are at haggling till the end, it would seem that finding the middle should not be that difficult. However, the question is about supply of 68 billion cubic meters of gas annually for 30 years. The amount involved is a trillion of dollars: the global energy sector has not seen such contracts yet. No wonder that the talks have been going on for almost five years and will continue for some more time to come. Moreover, it is still unclear which of the two routes will be chosen, the western one, from the Altai, or the eastern one, from Yakutia.

How can even the formula of price be determined for the next 30 years? Today, China may combine the price of Turkmen gas it buys with the price Moscow sets for Europe, and all of it together with the price of liquefied natural gas

and Europe's intention to get rid of dependence on Russian gas. But how can the price formula be expressed at the time of a financial crisis, when no one knows what the US dollar and the euro will cost in a year? Perhaps, it can be calculated in bags of rice? Or, perhaps, the reason is that long-term contracts are a risky affair today and Moscow's (and Beijing's) partiality to this type of deals is wrong?

PURPOSE OF STRATEGIC

is easy to explain: both countries are interested in what Chinese experts called a multi-polar world back in the 1980s (their Russian colleagues borrowed the phrase in the 1990s). A multi-polar world means that there is no political, economic or moral dictate from any state, it means international democracy and plurality of views, cultures and political systems. However, Moscow and Beijing have already achieved this common goal. The United States' monopoly as the biggest power has been disrupted

But that is in terms of strategic balance. In terms of bilateral relations, however, this creates problems for Russia: what for Moscow is an unprecedented turnover with China, for the latter is the level of Malaysia. The reason is that the Chinese economy is four times bigger than the Russian one, and dependence between the two countries is asymmetrical. Which creates certain problems.

Energy supply is crucial for China; some time ago it seemed to be the only thing that interested it in Russia. But China has already grown used to something always happening in supplier countries, so making pipelines its strategic tie to Russia is not a 100% guarantee of success.

Finally, a few words about domestic politics. In the 1990s, the liberal wing of Russian society tried to promote the idea of the need to cooperate with the EU and the United States for political rather than economic reasons. It was either one thing or the other, either you are friends with the East or with the West. Cooperation with democracies against China and Asia in general for the sake of liberalization of Russian society - that was the essence of the liberals' foreign political doctrine. It could be heard even now, during the debates around Putin's visit to China.

Of course, the artificial nature of this doctrine helped to oust liberals to the curb of Russian politics, and they don't seem able to come back. At least, here we are dealing with a simple, very simple idea. The real formula of strategic relations with China is much more complicated, it shapes in the process and keeps changing. These relations constantly encounter difficulties, discrepancies between political expectations and economic reality, but at least, they are moving forward.



PARTNERSHIP

However, it's a bad statesman who cannot build strategic relations with the world's greatest powers. All the more so, if we are talking about Russia and China, which describe their mutual relations as "strategic partnership."

On the one hand, it is obvious from their behavior on the international stage. It has long been noted that the two countries' leaders have similar views on a majority of issues, even without discussing them in advance. This

and, apparently, for good. China's GDP (15% of the global) is almost 1.5 times below the American GDP, but the Chinese economy is 150% bigger than the Japanese or Indian and over 200% bigger than the German one. China may outflank the US already in five years, and not by the middle of the century as was predicted earlier. However, it won't totally break away from other leaders, due to the limits of its population's growth and other reasons. So the situation is ideal for everyone.

SCO BECOMES ALTERNATIVE TO WEST IN ASIA

Dr. Fariborz Saremi

Shanghai Cooperation Organization outflanking US in Mideast, Central Asia regions

WorldTribune

The US government suffered a major diplomatic setback in the Central Asian region when Zalmay Rasoul, the Afghan Foreign Minister, traveled to Beijing to discuss proposals for tightening Afghan relations with the Chinese government despite prior American warnings that it should not do so.

Rasoul's recent four day trip (May 9-12) was particularly irksome as it came at a time in which the United States has been particularly active in the region and because it reflects the growing confidence of China that it can undermine US ambitions in Central Asia by establishing diplomatic ties with various neighbors.

Moreover, the move was so swift and effective that the Americans seem to have caught on the wrong foot. It has most certainly made the US and NATO positions in Afghanistan tenuous than they already were.

The primary mover behind such diplomacy has been the Shanghai Cooperation Organization which has enabled China and Russia to cooperate more closely in their dealings with the Central Asia and the Middle East. China has been given a platform to expand interests in the region without inciting Russian ire and at the same time Russia now has a means for indirectly but actively participating in Chinese policy.

The SCO has presented itself to the region as an alternative to NATO even as China and Russia publicly profess interest in supporting Western security efforts in Afghanistan and Pakistan. Thus,

since the SCO already contains China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan as members and is now cozying up to Afghanistan, it seriously threatens the USA's exclusive right to secure military bases in Afghanistan and other parts of the area.

China has other potential allies in its sights too, one of these being India, which has made it clear that it prefers to pursue an independent regional policy rather than simply toe the US line. Both India and China share an interest in stabilizing Afghanistan and Pakistan but neither wants the United States to use either the war against terrorism or the conflict in Afghanistan to further its "Great Central Asia" strategy. The SCO provides an ideal framework for cooperation on regional security issues.

Of all the countries in the region, however, Pakistan is the one whose confidence in American intentions and ambitions has been most keenly shaken. Relations between Islamabad and Washington have never been easy but they were seriously affected by the operation to kill Osama Bin Laden. The US government made it clear that it was willing to act inside Pakistan's territory without concern for Pakistan's sovereignty or sensitivities. Moreover, Obama has warned Pakistan it would not hesitate to repeat such an operation and that Pakistani public opinion takes second place to American security as Washington's concerns about Pakistan's attitude to terrorism seem confirmed.

This has severely damaged the Pakistan government's self confidence, and weakened its faith in Washington's interest in real cooperation. It has been

embarrassed by the impression it cannot secure its own territorial integrity. SCO membership would seem to come at an ideal juncture as Islamabad seeks alternative allies to help it provide for its own security.

The most urgent issues for Russia and China, however, have been Western intervention in Libya, events in Syria, charges of the West's hypocrisy concerning Bahrain, and the US determination to keep a military presence in Iraq, all of which suggest that the West is determined to maintain a controlling presence in the Middle East.

Closer to home, Moscow fears that Obama is preparing to reactivate plans to deploy missile defense shields in Poland and Romania and to establish a long-term military presence in these two countries. This would challenge Moscow's traditional hegemony over the Black Sea. Russia's efforts to be a part of discussions concerning the US's and the European Union's missile defense program have failed.

All of these developments and the obvious distaste in both the Middle East and Central Asia for prolonged US and NATO military presence in the two regions have encouraged all participants to speed up their diplomatic efforts. Thus, while Rasoul was courting Beijing, Pakistani President Zardari was visiting Russia and Indian Prime Minister Singh was undertaking an extraordinary two-day visit to Kabul. These shifting power balances have been provided an ideal shelter, namely the Shanghai Cooperation Organization (SCO).

MANAGEABLE CHAOS: US GOAL IN CENTRAL ASIA

Alexander Knyazev, expert

What methods does the US use to sideline Russia and China in the region? Alexander Knyazev, coordinator of regional programs, the Center for Studies of Central Asia, the Caucasus, Urals and Volga region, the Institute of Oriental Studies, the Russian Academy of Sciences, discusses this in his interview.



Q.: What is the reason for the United States' excessive activity in Kyrgyzstan? How does it correlate with the popular opinion that chaos is where America is? How does this small country deserve this "honor"? What will be the outcome?

A.: Actually, Kyrgyzstan is not an end in itself. The US analytical and

political circles have worked on the project of "Greater Middle East" for many years already; within it, there is the so-called project of Greater Central Asia.

All these projects and scenarios envisage redrawing huge regions on the world map. These scenarios assign the Kyrgyz part of the Fergana Valley the fate of Kosovo:

it will be an enclave where crime, drugs and terrorist structures will concentrate. These strings will allow influencing the countries of the region, if necessary. In Europe, this function is performed by Kosovo - here you have the European drug dealing center under the roof of the US airbase Bondsteel, as well as trafficking

in humans and human organs, smuggling of weapons - the entire range of the criminal market... By the way, the same fate is prepared for Libya, notably, for its eastern part where the so-called revolutionaries supported by the West are based.

Q.: Not so long ago, you said at an international conference that virtually any conflict in Kyrgyzstan threatens to become international...

A.: It is good that last year's southern developments were localized, thanks to a large degree to Karimov's generally correct policy. I believe that Tashkent understands clearly that any escalation of the conflict in the Fergana Valley is first of all aimed against Uzbekistan.

It should be remembered that historically, the Islamic Movement of Uzbekistan consists of President Islam Karimov's former opposition. This tool is aimed against him, against Uzbekistan's political regime, directly or indirectly. Naturally, Karimov is working to reduce the IMU's activity in the region.

This, of course, doesn't stop their transnational activities. Many of the IMU leaders have "practiced" in Chechnya. Last spring, they received powerful reinforcements from the Caucasus and Xinjiang - Chechens, Dagestanis, Uigurs... A universal tool.

Q.: Which is located not far away and is sure to take advantage of a shaky situation here or in our neighboring countries. Take Tajikistan as an example...

A.: Tajikistan in this respect is important and convenient, partially, as a transit territory. This territory has been marred by conflicts since the civil war of the 1990s, which was once again confirmed by last year's developments in the Rasht

Valley. The distance between the Afghan district of Darwaz on the Tajik border and the closest Kyrgyz settlement is about 1,500 km by road. This way has been repeatedly covered by terrorists and drug couriers. Dushanbe has never controlled this territory - Tavildara, Garm, Dzhirgital, the so-called 'Karategin zone.' In the past, the Soviet Union managed to establish itself there only in the 1950s.

Apart from Kyrgyzstan, Tajikistan and Uzbekistan, Russia and Kazakhstan will not be able to stand back - de jure and de facto - as member states of the Collective Security Treaty Organization. In case of a conflict, both Russia and Kazakhstan will have to intervene in some or other way, be it political pressure or something different, up to the bringing of troops.

Q.: Can the latest developments in Libya have affected Central Asia in any way?

A.: Both Astana and Tajikistan must have learned from the Libyan events. Nazarbayev secured his position with an early election, which showed that there was no serious opposition. Uzbekistan must have reinforced the corresponding government structures. However, the attempts at playing multi-vector, hoping for America's loyalty, are no longer feasible, especially for countries that don't have resources; the time of such games is over. Playing friends with America is fraught with consequences: the example of Hosni Mubarak is very telling, and he used to be such a great friend of the United States.

What is important for the US now is rotation in itself. This means that loyal regimes that have been around for twenty years or more have to be replaced. Is there a guarantee that the same will not be done to Nazarbayev, for example?

Q.: But an attempt to overthrow

him could bring about chaos.

A.: The US goal in Central Asia is to establish a manageable chaos. There will be a smoldering conflict in Kyrgyzstan, sometimes hidden, sometimes open... It is not difficult to manage it, by providing - or not providing - money and weapons. There are a lot of ways to regulate the activities of all these instigators, terrorists and so on.

- В чем заключается цель управQ.: What is the goal of managing chaos?

A.: A lot in today's politics is determined by energy resources. A conflict is a way to manage energy flows. If there is a conflict in a region, the possibility of energy production (and especially, imports) falls drastically: who will invest in a pipeline going through a country at war?

Q.: Many countries intend to build pipelines in Central Asia. Almost all global players have their pipeline projects here.

A.: Now there is a trend towards hydrocarbon supply from Central Asia to China. One of the goals of the manageable chaos scenario is to preserve the region's oil and gas reserves and not to allow their supply to rivals, i.e. to the Chinese market.

Yet another goal is to put indirect pressure on rival countries. Should there be a conflict, Russia and Kazakhstan will have to spend big, even colossal sums on their security, even if they do not get involved in the conflict directly. For example, China boosted the spending on infrastructure related to the safety of its borders with Kyrgyzstan several-fold after March 2005. Security is a very expensive pleasure, and if you recall that the Russian-Kazakh border is one of the longest in the world... Even Gazprom couldn't afford to equip it properly...

GREENWOOD: RUSSIAN-CHINESE MEGA PROJECT

Anna Alekseyeva



China's biggest investment project in Russia - the Greenwood international trade and exhibition center - has been officially opened. It is situated in a picturesque area in Putilkovo, the Krasnogorsk district of the Moscow region. The quiet Russian village never dreamed of an international career, until Chinese businessmen built a business park here, and now Putilkovo is much more than a village. After all, the industrious Chinese are good at both creating a product and selling it.

The importance of the huge business structure the Chinese have created can be judged by the presence at the opening ceremony of Wu Bangguo, chairman of the Standing Committee of the National People's Congress. The Russian party at the event was

represented by deputy speaker of the parliament Ivan Melnikov, deputy governor of the Moscow region Igor Parkhomenko, the Moscow region's minister for foreign economic relations Tigran Karakhanov, head of the customs cooperation department Sergei Konovalenko and other officials.

After Wu Bangguo inaugurated the Greenwood monument, the delegation visited the park's main building, the Conference Center. There the visitors could see expositions of Chinese paintings and canvases by renowned Russian artists. Then the delegation viewed the products of China's leading outerwear manufacturers and learned about the success of strong Chinese brands and their promotion abroad. The guests of the ceremony (which

was truly Chinese) were offered an open presentation, where they could see the spheres of activities of the international trade and exhibition center, put their questions to the company's top executives and visit a runway show of Chinese outerwear, as well as to exchange contact information and discuss possibilities of trade and economic cooperation with representatives of the business community.

The concept of the project and the investor company were presented by Greenwood's president Cai Guiru and chairman of the board of the Chinese corporation Chengtong Ma Zhengwu. Executive director Mushvig Gadzhiev told the audience about the park's

activities: “We offer a modern platform with business services for efficient building of international trade and economic relations.” “At present, the park has over 1,000 show rooms that present high-quality products in different spheres. Besides, we are

supply to small and medium-sized businesses and individual entrepreneurs,” he said. “Building a global network of clients is one of the company’s key goals, which are laid out in its marketing plan. We offer high-quality affordable services for the comfort of our

Federal Agency for Technical Regulations and Metrology. The concept of the park’s development envisages close cooperation with Russian regions, for which Greenwood will set up branches in 83 regions. And, of course, all work is being done in close



Background information:

Greenwood is China’s biggest investment project in the Russian economy. It is a young, dynamically developing business structure that seeks to bring international trade and economic relations to a qualitatively new level. Greenwood is a modern trading platform, which offers high-quality products by manufacturers from different countries in the format of permanent exhibition.

Greenwood’s innovative development model envisages a new format of interaction between Chinese and Russian businesses. Foreign companies are offered financial, legal and logistics services. On the national level, it is a guarantee of high quality of products and the desire to improve the quality of life of Russian consumers. To ensure supply of high quality products, Greenwood is in permanent contact with the world’s leading suppliers.

The Chinese state-owned corporation Chengtong’s investment in the business park has amounted to \$350 million. At the moment, it is China’s biggest investment project in the trade sector. The business park’s 16 modern buildings with an aggregate area of over 130,000 square meters are situated on a territory of 20 hectares.

developing international industry exhibitions, which will allow us to represent the interests of companies from a specific sector at proper time.”

The Greenwood Expo congress center also allows holding different meetings and business events, Gadzhiyev said. “In our park, there is also room for those who just want to rent offices. The interest in this offer is very big, thanks again to the center’s convenient geographical location, parking, modern offices and services provided to the leasers.”

Commercial director Chu Da spoke in detail about the park’s promotion and development strategy. “In interaction with big national and international suppliers, we ensure reliable

leasers. Greenwood is your reliable partner.”

Sergei Kurbatov, Greenwood’s deputy CEO, spoke on the concept of the park’s development as part of cooperation with the Shanghai Cooperation Organization. “As part of cooperation with the SCO, we plan to set up eight industry associations of businessmen and a Russian national inter-industry trade union, which will work to protect the rights of labor immigrants,” he said. “Greenwood is a filter that will guarantee that only quality products from China and SCO member states get to Russia. A research and technical center has been set up in the business park that will include certification bodies for different industries, accredited with the Russian

interaction with representatives of regional authorities,” Kurbatov emphasized.

On the day when the business park opened, Greenwood signed an agreement on cooperation with the SCO Business Club, which envisages providing mutual organizational and technical assistance, exchange of information and participation in joint practical projects, including regular public events, both on the international and Russian levels, as well as accommodating offices of member companies and partners of the Business Club in Greenwood.

THE CITY THEY COULD NEVER HAVE CAPTURED...

Marina Chernova



This year, in St. Petersburg, formerly Leningrad, the 70th anniversary of the beginning of the blockade of the city by the German military forces was celebrated. People brought flowers to all “painful points” of the city - Piskarevskoye Memorial Cemetery, the blockade crematorium in Victory Park, the “Vagonetka” memorial (trolley), and to many other memorable places associated with the war and the blockade.

The firmness of survivors of siege became standard of courage of the nation. All Leningraders in that terrible time seemed to stand at Calvary. The country which was filled with a grief of war, and in which privation and sorrow had come to normal, could find tears, words of compassion, and even gifts - a tiny amount of material assistance for the “crucified”.

“Not to take Leningrad by storm, but to block it hard, and let everybody die alive,” that is exactly how Hitler’s fanatical order was worded. “From our side there

is no interest in preserving even part of the population ... the city should be razed to the ground, returning the marsh landscape where it had been founded.”

Hitler understood full well how important this city was for Russians, the creation of Peter the Great, a holy place for the nation, pride and glory. So much the sophisticated torture was prepared for Leningrad.

Fascist artillery began systematic destruction of Leningrad on August 9, and on September 7, the city was caught in a ring, which on the 8th day, as Hitler’s command thought, would be already impossible to be

released.

The blockade lasted for more than 900 days. History is replete with examples of heroic defense of fortresses and cities, but their tragic pages pale before the incomparable epic of human courage, the blockaded Leningrad displayed to the world. It demolished all arguments that under the influence of fear and irresistible hunger people lose their moral values.

In the city where 2.5 million people were deadly starving, there was no room for chaos or lawlessness. Even in the darkest days, exhausted Leningraders maintained the order of life, and most importantly - behaved like humans. In the "Blockaded" theater performances were staged, the birthdays of Pushkin, Dostoevsky, Tolstoy, and other geniuses of the nation were solemnly celebrated. In the cellars of the Hermitage, by candlelight, meetings of art critics and historians were held; reports for scientific conferences were prepared.

The length of all the Hermitage rooms was more than 22 kilometers, and the battle line passed just 14 kilometers away from the masterpiece created by Rastrelli. True, the halls of the Hermitage were already empty at the time. Soon after the war began, the museum staff immediately, by incredible efforts, prepared for evacuation all the treasures - the collection at that time numbered more than 2 million items. Pictures were removed from the frame and packed in special boxes in 10-15 paintings. The biggest were wound round special rollers. And only one, the most valuable among the most valuable - the Return of the Prodigal Son by Rembrandt, was put right in the frame in a special wooden sarcophagus. A secret train took the treasures of the Hermitage to the Urals.

At the same time the famous Klodt's horses disappeared from the Anichkov bridge - along with the beautiful statues of the Summer Garden they were buried in the ground. A monument to Peter the Great - the famous Bronze Horseman - vanished beneath a pyramid of sandbags. Gold steeples and domes were extinguished by a layer of gray paint; a cover

was thrown on the shining ship weathervane on the Admiralty spire ...

Where is the limit of human endurance? No one can answer this question. Products were given out by coupons - 250 grams of bread per day, which contained only 30% of meal - for a working person, and half that ration - for others. Sometimes - as a second helping - one potato or handful of cereals... The enemy was waiting for the city being in ruinous conditions to fall, be broken morally, and die.

... An employee of the Hermitage Vera Samsonova, ancient art expert, on this day, barely dragged herself home from a scientific conference. First of all, she lighted the fire in a potbelly stove and threw into it pieces of black polished wood - the former piano cover, sawn up to make logs for the fire, then she put the kettle to boil, filled with ice cubes, selected from the Neva ice hole.

Vera threw an empty glance at the bed, on which during the week her mother and father died, and came up to the sofa, where, under a pile of blankets and shawls her eight-year-old daughter Lilia was lying drained of all strength. She had lost consciousness, her face seemed lifeless, but mother's lips snuggled up to it and unmistakably identified: "She's alive!" Vera took out of the bag two small lumps of bread looking like gray clay, and a small piece of wood (edible!) glue. It had been brought to the Hermitage on the eve of the war for restoration work, and now it was given out to employees. Vera ran her hand gently over her daughter's head, and suddenly cried out involuntarily, having noted a grey lock in the girl's dark-brown hair...

Whole families of the Leningraders died of exhaustion. During the 900-day blockade, special funeral teams daily picked up corpses from the city's streets, they also systematically made their rounds in urban apartments, taking up dead bodies. All the deceased were brought to one place - Piskarevskoye cemetery, where a magnificent monument now stands. When in May 1944 the blockade was completely lifted, the death toll numbered in about half a million.

Representatives of all Soviet peoples fought on the Leningrad

front. Many of them had never been to the beautiful city on the Neva River and knew it hearsay. The Leningradskaya Pravda newspaper began to talk about what an extraordinary city the soldiers defended. Alexander Fadeyev, Olga Bergolts Vera Inber, Anna Akhmatova published in the blockade time their essays, poems, stories on its pages... The list is endless. It includes the name of Dzhambul Dzhabayev, who wrote the famous words "Leningraders, my children, Leningraders, my pride..." The poetic message of the Kazakh akyn to the blockaded Leningrad even today remains the gem of military poetry. Leningrad, currently Saint Petersburg, has not forgotten the great akyn - in the city there is a four-meter bronze monument to him with these words on its stone steps: "Leningraders, my children..."

... Composer Dmitri Shostakovich wrote during blockade his famous Seventh Symphony - an anthem to the great city's unconquered spirit. It sounded on August 9, 1942 from the blockaded Leningrad worldwide. The outstanding Soviet musician Karl Eliasberg rehearsed and conducted the first performance. The concert was broadcast by transmitters at full power, and the Germans, of course, realized they would never capture the city...



CASPIAN APPLE OF DISCORD

Valery Tumanov, commentator



The Caspian Sea remains the apple of discord for the five littoral states, and they are trying to resolve the situation at different levels and in different formats. On September 16-17, the Kazakh city of Aktau on the seacoast will host another event devoted to the Caspian problems, the Paradigms of International Cooperation in the Caspian Sea conference.

In the early 1990s, after the breakup of the Soviet Union, disputes concerned division of the water zone. Today, the parties are arguing about rational use of the sea's natural wealth, environmental problems, navigation practices and a pipeline initiative, which is close to becoming a working project.

The debates are getting hotter. Azerbaijan and Turkmenistan are nursing plans to lay a gas pipeline across the Caspian Sea that would transport their energy to countries that need it. By connecting the eastern and western coasts of the sea with a pipeline, Baku and Ashgabat, which have huge gas reserves in their respective parts of the sea, hope to sell it to Europe and Asia, at a large profit, of course.

No wonder that both countries are actively lobbying the idea. To a certain extent, they are supported by Kazakhstan, which is not as rich in gas, but still has some and hopes to benefit from the project.

These plans are vigorously opposed by Russia and Iran. Critics can definitely say that the reason for their stance is that they don't have gas reserves in their parts of the Caspian Sea. However, Moscow and Tehran have forward a fairly solid argument: environment protection. Laying a pipeline across the sea will further aggravate its already serious environmental problems and may even result in an ecological crisis, experts say.

It should be remembered that since the Caspian Sea became a source of oil production after the war, in the late 1940s, the environmental situation here has changed drastically for the worse. At the time, a unique piled town - Neftyanje Kamni - was built 100 km from Baku, in the open

sea. This was the starting point for negative changes in the vulnerable organism of the closed Caspian Sea basin.

First of all, industrial presence affected the sea fauna: many species have disappeared, unable to tolerate the influx of oil, which is harmful for living organisms. The first to suffer were the famous Caspian sturgeons; the equally popular Caspian herring was seriously damaged, and so were other species that in the past had earned the sea the fame of a water body with the ideal natural environment for rare fish.

There is no need to say how much the unmerciful exploitation of oil and gas fields has reduced the reserves of the Caspian black caviar, a delicacy that brought the Soviet Union significant returns on exports. However, the returns on exports of oil and gas - strategic energy resources - were even higher, which made the Kremlin allow the development of Caspian fields.

And now, Baku and Ashgabat want to join the race for windfalls promised by the gas pipeline construction. If the Caspian Sea was their own, it would be their own business. But it washes the shores of another three states, and the problem of the water zone's pollution and the need to preserve the natural integrity of the sea's unique characteristics - something geographers and biologists from all over the world keep calling for - are a common task for all the five littoral states.

Construction of the pipeline, doctors say, may affect even the Caspian Sea's recreation zone: its resorts are used widely for treating and preventing different diseases. Fields development, oil shipments and

oil spills have already spoiled many Caspian beaches. The pipeline would further aggravate the situation.

At an international symposium held a few years ago and devoted to the Caspian Sea, participants emphasized the need to treat it carefully, to develop oil and gas fields sensibly and to preserve precious bio resources. The sea needs efficient treatment facilities that will bring water pollution to a minimum, scientists said. Unfortunately, the way littoral states treat the Caspian Sea and its problems leaves much to be desired.

Another closed sea nearby, Aral, has already been wiped out. It would seem that this horrible example should provide a sufficient lesson. But no, profit rules the world and it is much stronger than the threat of an environmental disaster.

Yes, the energy needs of the present-day economy are enormous, and the Caspian Sea's huge energy reserves may partially meet them. But it should be done with caution, sensibly, without getting euphoric about predatory exploitation of the sea wealth.

It is too early to say whether the five littoral states will agree on the pipeline and other disputed issues. One thing is clear, though: the Caspian Sea has not yet become a sea of understanding, a connecting bridge in relations between the countries whose shores it washes. This unique sea remains an apple of discord, the topic of heated debates on problems that need to be resolved with responsibility to the nature and to future generations.



SECOND “GOLDEN” DECADE OF RUSSIAN-CHINESE FRIENDSHIP

China information center

Strategic trust is extremely important

Relations with Russia hold an important part in China's international relations. China and Russia share a border of 4,300 km. Russia is China's most important neighbor. If it has problems with Russia, its relations with neighboring countries will deteriorate as well.

Since 1949, relations between China and the Soviet Union and then Russia have fluctuated significantly: the parties passed the stages of a “honeymoon”, and then an alliance, overcame significant crises and even serious antagonism. Then, thanks to joint efforts, the relations gradually restored.

The history of their bilateral relations proves the extreme importance of mutual trust for the future. The Treaty of Good Neighborliness, Friendship and Cooperation is based on the historical experience of bilateral relations and symbolizes the peaceful concept of “many-century friendship and rejection of animosity forever”, determining the model of Russian-Chinese partnership, which is crucial for improving political trust between the two countries.

Joint efforts to democratize international politics

Interaction on regional and international issues is an important area of the two countries' strategic partnership. They have a common or similar stance on important regional and

This year, China and Russia will celebrate the tenth anniversary of the signing of the Treaty of Good Neighborliness, Friendship and Cooperation. Over the course of these years, the two countries' strategic interaction has developed significantly, benefitting both nations and contributing to stability in the region and in the world. Now, the second, probably, “golden” decade of Chinese-Russian bilateral relations is beginning.

international issues, advocating democratization of international politics, shaping of a fair and rational political and economic order. The two parties interact closely on important international issues, such as prevention of proliferation of weapons of mass destruction and six-party talks on the Korean Peninsula nuclear issue.

Since the beginning of the new century, the challenges faced by the humankind have been forcing the international community to regulate the world order. The rise of emerging economies led by BRICS has a significant influence on the international system. China and Russia are members of both BRICS and the G20. Obviously, the new world order cannot be established without their participation and contribution. The parties have a positive impact on certain international affairs, which influences the world order.

Broad prospects for developing trade and economic cooperation

China and Russia are becoming increasingly complementary

in the economic sphere. Development of trade and economic cooperation is an important part of their bilateral relations, with mutual turnover having grown six-fold, from \$8 billion in 2000 to \$60 billion in 2010. The parties consider each other a key foreign trade partner and conduct fruitful cooperation in the energy sector. At the moment, China is the world's biggest trading country, its total trade turnover last year being about \$3 trillion and its turnover with the EU and the US exceeding \$300 billion. By comparison, Chinese-Russian turnover is insignificant.

The parties may expand cooperation not only in the oil and gas sector, but also in new power generation, finances, aircraft-building and other promising areas. In the next decade of friendship, the two countries are willing to promote exchange and cooperation in education, culture, healthcare, sports, mass media and tourism. Chinese-Russian bilateral relations will be getting stronger, yielding good results.

InfoSCO, №3, 2011

SCO RESPONDS TO CYBER CHALLENGES

Andrei Vasilyev



Problems of information interaction and information security were discussed at the 7th international InfoForum Eurasia that was held in Moscow. The annual event was attended by

delegations from the CIS countries, representatives of the Collective Security Treaty Organization and the Shanghai Cooperation Organization. It was organized by the State Duma's security committee, the staff of the

Russian Security Council, the Russian Communications and Mass Media Ministry, the Foreign Ministry and the non-profit partnership InfoForum with support from over 20 federal ministries and agencies.

The forum was held for the 7th time, the number of its participants growing every year. This time, the Russian capital welcomed about 1,000 experts from 15 countries, including leading experts on defense, information technology and cyber security, employees of telecommunication companies and web portals, the military, Russian government officials and representatives of special services.

One of the forum's main sessions was devoted to the 10th anniversary of the SCO. Its participants paid special attention to the relevant goals and tasks of developing information support to the SCO's activities and to expanding cooperation between its member states in counteracting cyber threats, which pursue criminal, terrorist and military-political purposes.

Speaking at the meeting, Andrei Krutskikh, deputy head of the Russian Foreign Ministry's department for new threats and challenges, recalled that information security was fully in line with the SCO's anti-terrorist concept and was one of the organization's main goals.

Terrorism adjusts fast to information globalization and the important task of the international community is to find an adequate response to new challenges. The understanding of this danger makes the leaders of SCO member states to get mobilized in counteracting cyber terrorism, to hold bilateral and multilateral talks, including at the top level. As a result, at the summit in Yekaterinburg in 2009, they signed an agreement on interaction in the sphere of information security.

Krutskikh told the audience

that the agreement had already been ratified by four of the SCO members and it came into force on June 2, 2011. "So the SCO has been a pioneer in this sphere. Other countries should follow suit. All the more so, as the agreement is open for other parties to join. It has every chance of going beyond the SCO borders. Notably, a similar document has recently been signed between Russia and Brazil."

The problem of threats in the IT sphere is one of the most serious in today's world that is undergoing globalization, it was said at the meeting. New powerful tools are emerging today that can result in unprecedented destruction, disrupt the work of the manufacturing and economic sectors, social infrastructure and state administration and threaten lives of millions of people.

Being definitely a benefit for the humankind, the Internet has a huge destructive potential at the same time. This includes both psychological wars and its use for propaganda of extremism, racism and xenophobia and also for purely criminal purposes - such as hacking the electronic networks of banks and government websites. Today, international terrorist organizations use the worldwide web to assert themselves.

Participants of the event shared their views of these problems and potential ways to unite the global community in front of information threats. They were: Sergei Kanavsky, executive secretary of the SCO Business Council and president of the SCO Business Club; Denis Tyurin, CEO of the InfoSHOS web portal; Gennady Perekopsky, secretary of the CSTO Parliamentary Assembly's

permanent committee for defense and security; Mikhail Kuznetsov, head of the Russian Union for Science Towns' Development; and others.

At the forum, experts pointed to the need to educate the population with regard to issues of protection against all kinds of cyber fraud and to train personnel for the computer security sector, alongside drafting international legislation to regulate the information sphere.

The forum also raised such issues as relevant aspects of international information security and information cooperation between Eurasian countries; programs for development of information society, strategies of state support to national infrastructure and international cooperation; issues of trans-border personal data transfers; international cooperation to counteract IT crime; and problems of information security and information interaction when holding the APEC 2012 summit.

All participants agreed that fight against terrorism in general and cyber terrorism in particular is doomed to fail without broad international cooperation and support from the public, political and business communities and mass media.

THE PROBLEM OF THREATS IN THE IT SPHERE IS ONE OF THE MOST SERIOUS IN TODAY'S WORLD THAT IS UNDERGOING GLOBALIZATION

THE IMPORTANT THING FOR PARTNER-SHIP IS SETTING RIGHT PRIORITIES



Ms Cai Guiru, chair of the non-profit organization Chinese Entrepreneur Association, talks to InfoSHOS

Q.: For many businessmen in Russia and China, your name has become synonymous with entrepreneurial talent and success. Tell us how your business career began and what events were the most important.

InfoSCO, №3, 2011

A.: Thank you. I began working in Russia in 1998. The first step was, of course, the setup of the Druzhba trading house in the Novoslobodskaya street. This year, Druzhba will turn 11. Looking back, I see how much has

been done and what results have been achieved. Today, Druzhba is a modern shopping center that is daily visited by thousands of people.

The next milestone was my appointment president of the Chinese

Entrepreneur Association in Russia. The Association does a lot to improve contacts between the Russian and Chinese business communities.

Since 2010, I have been presiding over the development of the Greenwood business park, China's biggest investment project in Russia in the trade sphere.

Q.: Last year, Russian-Chinese turnover almost reached the pre-crisis level. What has made it possible in such a short period of time, in your opinion?

A.: The crisis definitely affected Russian-Chinese trade, but Russia and China have traditionally been good neighbors and have stable partnership relations. The success of trade and economic relations between our countries is predetermined by cultural, political, economic and many other factors.

I believe the reason for this quick recovery of pre-crisis turnover is first of all the dynamic development of the two economies and, of course, setting of the correct priorities when choosing each other as a partner. Today, China is Russia's strategic trade partner. We actively interact within APEC, BRICS, the SCO and other organizations.

Q.: What is the role of small and medium-sized businesses in business contacts between Russia and China and what can we expect in the near term?

A.: The role of small and medium-sized businesses in developing inter-state relations should not be underestimated. The development of this sector contributes to the growth of the countries' GDP, industry and economy in general. In China, we actively support development of

small and medium-sized companies at the state level: there are programs to train personnel, offices are set up within the common system of support to small businesses, and entrepreneurs are given tax preferences.

Small and medium-sized businesses have a major part in the development of Russian-Chinese trade and economic relations. After all, it is thanks to small businesses, which are the drivers for bigger firms, that the current turnover has been reached and maintained.

Small and medium-sized businesses represent business contacts between Russia and China. It suffices to look at the number of Chinese businessmen working in Russia (their number keeps growing steadily) or the number of Russians coming to different Chinese cities to visit various industry exhibitions and find business partners.

Q.: It would be interesting to learn about the geography of Chinese businessmen's activities in Russia. Are they slanted towards bigger cities? Do businessmen succeed in finding a common language with their Russian colleagues?

A.: The geography of Chinese businessmen's activities in Russia is fairly broad, but you are right that at present they are mainly concentrated in cities with a population of over a million people. There are several reasons for this, including a better qualified workforce, a high purchasing power, better developed infrastructure and necessary conditions for doing business. However, the Russian economy has been growing fast and steadily in recent years, which means that Chinese businessmen will soon start coming to Russian regions, offering

Russian consumers higher quality products.

Chinese and Russian businessmen learn to understand each other better with each year; mutual needs are becoming clearer. They are helped by many years of experience, a better understanding of each other's cultural peculiarities. The sphere of business services is developing as well. Business tourism is growing fast. There are companies that offer services of translation, logistics and assistance in customs clearance.

Q.: The opening of the international trade and exhibition center Greenwood is an important event in the history of Russian-Chinese trade and economic cooperation. Could you tell us more about it? What makes it special? What are its prospects?

A.: First of all, I would like to point to the truly enormous scale of the project. Greenwood is China's biggest investment project in Russia. The Chinese state-owned corporation Chengtong invested \$350 million in the project. Greenwood is the new concept of a platform to promote trade and economic relations between the two countries, both quantitatively and qualitatively.

Greenwood offers Chinese companies protection of their interests on the foreign market and provides numerous services, both in drafting the necessary documents and in expanding their sales markets, establishing contacts with big Russian wholesalers. On the other hand, Greenwood is of interest for Russian companies since it gives them an opportunity to contact leading Chinese manufacturers directly. One of its advantages is centralized promotion of all goods it represents on the Russian market.

We employ experts that are ready to provide assistance on legal, financial and marketing issues, to provide services of customs clearance and logistics, to organize a business trip to China, and so on. Remarkably, the center has comprehensive infrastructure: its territory accommodates food outlets, a laundry, a bank office, an air ticket office, a beauty shop, a printing office, an advertising agency, etc. The concept of the center's development envisages that services are provided under the "one-stop" principle.

Greenwood is also engaged in educational activities. In cooperation with the People's Friendship University of Russia and the Moscow Stankin State Technology University, we have founded the Greenwood Institute. Its goal is to teach Chinese businessmen the specifics of the Russian culture and mentality and to give them skills in such applied sciences as, for example, law and customs procedures. Besides, the Institute will, of course, offer language courses, both of Russian and Chinese, the latter for Russian businessmen. Our main goal is to provide comprehensive training in all the necessary areas for adequate doing business in Russia. So Chinese entrepreneurs will enter the Russian market prepared, they will already know a lot of details and nuances related to engaging in economic activities here. All this is done in order to raise the standards of interaction between our small and medium-sized businesses.

Q.: Some experts believe that trade turnover between our countries may reach \$100 billion already by 2015. How can this be possible?

A.: As you know, we recently

celebrated the tenth anniversary of the signing of the Treaty of Good Neighborliness, Friendship and Cooperation between Russia and China. This document gave a powerful impulse to bilateral cooperation and to stabilization of many political and economic issues. Over the course of ten years, Russian-Chinese bilateral turnover has grown seven-fold. In 2010, it reached \$60 billion. This year, it may reach a new high, experts say. In the first eight months of 2011, the turnover already grew by almost 50%.

Regular meetings of our heads of state and government and the growing number of promising joint projects provide us with good reasons to be optimistic. For example, the memorandums on cooperation in the IT sphere and on setting up a Russian-Chinese investment fund, which were recently signed in Beijing, are the reserves for continuous growth of Russian-Chinese trade turnover.

Q.: What are the most important advantages and disadvantages of the Russian and Chinese economic models, in your opinion?

A.: Any economic model has advantages and disadvantages, all the more so, as China and Russia are developing countries. Russia and China have established a good business dialog and they continue improving their trade and economic relations. As Russian Deputy Prime Minister Alexander Zhukov said, when speaking at the opening of the 6th Russian-Chinese economic forum in Beijing, "the main vectors of Russia's and China's development are close or similar."

Q.: What other impressive Russian-Chinese joint projects can emerge in the next few years?

THE MARKET IS MATURING, AND SO ARE CHINESE BUSINESSMEN. MOREOVER, THE AVERAGE INCOME OF RUSSIAN CONSUMERS IS INCREASING, AND THEY ARE BECOMING MORE PARTICULAR ABOUT THE QUALITY OF PRODUCTS.

A.: During a few days in October, all attention was on Vladimir Putin's visit to China, where on the sidelines of the leaders' meetings, the two countries' companies signed \$7 billion worth of agreements. They cover different issues of cooperation in the energy sector, technology, economic modernization, etc.

"We have discussed economic development, summed up the results of joint work and outlined development prospects," Putin said. "We hope that the plans the Chinese and Russian governments have developed for the near term will be supported."

Soon, the Russian-Chinese investment fund will start functioning. The agreement on its setup was also signed during the Russian prime minister's visit to China. I believe that it will result in a growth of direct investment in the Russian economy and we will witness the launch of many joint projects.

As head of the Greenwood business park, which is currently China's biggest investment project in Russia, I want to say that we plan to expand it throughout Russia, so we will be opening branches in Russian regions.

AMERICANS LEAVE AFGHANISTAN... TO STAY

Andrei Serenko, expert, Centre for Modern Afghanistan Studies

This year's anniversary of Russia's pullout from Afghanistan is approaching amid broad discussion of the prospects of another pullout from that conflict-ripped country - the U.S. forces' withdrawal. The issue seems to top the debates in the expert community focused on Afghanistan. Although it does not seem appropriate to trace direct analogies between 1989 and 2011, certain similarities still cannot be ignored. It is clear that the US exodus from Afghanistan will repeat the Soviet experience in some aspects.

What similarities could be found in the organization of the Russian and American forces' withdrawal from Afghanistan, exactly? Firstly, the routes they used to move their task forces. Just like the Soviet forces before them, the U.S. troops will be probably transported along the "northern corridor" through the north of Afghanistan - to the states of Central Asia. That "corridor," in turn, consists of two routes - the west route leading to Turkmenistan (near Kushka) and the east one to

Uzbekistan (near Termez). Therefore, a large part of the U.S. forces will be relocated to Turkmenistan and Uzbekistan, creating the Turkmen and Uzbek groups of American troops - one major result of the U.S. forces' withdrawal from Afghanistan.

The timeframe for the pullout is another similarity. The Soviet troops pulled out in several stages. The bulk of the limited contingent crossed the Soviet-Afghan border from May to August 1989, which is the best time in the local climate. It

is obvious that the busiest phase of the U.S. withdrawal will be spring or summer too. However, unlike the Soviet troops, the United States will probably take several years to pull out, so troops will have to march all year round.

The third similarity is how the pullout is organized. The Soviet High Command began with redeploying its remote garrisons located in eastern and southern provinces of Afghanistan. Those were followed by garrisons stationed in provincial

centers and then by those from western and northern Afghanistan. The U.S. pullout is likely to be organized in the same way. As in 1989, they will try to retain control of its old strongholds in the provinces of Khost, Paktia, Nangarhar, Kandahar, Zabul, Helmand, Herat, as well as in the northern province of Kunduz. It will be of fundamental importance to U.S. forces (and the Afghan security forces) to keep control of the cities of Khost, Gardez and Jalalabad that cover Kabul from the east (where the Haqqani group is now operating), as well as Kandahar, Lashkar Gah and Herat that ensure the control over the southern and western areas of the country.

The next similarity is special security regime that will be maintained in Kabul. The Afghan capital has a symbolic significance for the fragmented country and it plays an important role in the Afghan political process. As long as the central government sits in Kabul, no opposition can declare a victory, even though it controls most of the country.

The Soviet leadership made every effort to keep President Najibullah in control in Kabul after the withdrawal of troops. It is obvious that the U.S. command will also help Hamid Karzai's government maintain security of the Afghan capital.

And the fifth similarity is the post-pullout cooperation. As the Soviet leadership after 1989, the Americans will have to significantly increase the volume of military and nonmilitary supplies to Afghanistan to provide a «safety cushion» for the local officials after the withdrawal of troops is final.

However, despite all the similarities between the Soviet and American withdrawal from Afghanistan, there

are important differences between them - mainly political ones.

First of all, the global political situations in which the decisions to pull out were made were totally different. The Soviet Union in 1989 entered a system-wide social, economic and political crisis. Moscow abandoned its geopolitical ambitions, giving ground in Eastern Europe as well as other regions. Therefore, the Soviet Union could not fulfill its commitments to the Afghan government. At the same time, the political crisis in Kabul showed the government's inability to suppress an armed opposition with force. Moscow and Kabul did not have a position of strength in the negotiations they initiated with the Mujahideen.

This time around, an armed opposition has failed to take over the country and has no power to recapture the military-political initiative. The Taliban got restricted to particular borderline areas and, unlike the Mujahideen of the 1980s, they cannot launch a major offensive against Kabul or other major centers of the country from those areas. As a result, militants cannot do more than stage terrorist attacks, which cannot bring down the political regime in Afghanistan.

Public opinion is largely anti-Taliban and supports a Western-style modernization of the country. Finally, the United States, although struggling with the repercussions of the global economic crisis, remains a stable country interested in strengthening its influence in Afghanistan and neighboring states of Central and South Asia.

Therefore, the U.S. troops' withdrawal is just a regrouping of forces aiming to establish a more effective U.S. control over one of

the key enclaves of the Middle East. America is leaving Afghanistan to stay in the region.

Secondly, unlike 1989 when the Soviet pullout from Afghanistan triggered a withdrawal of Russian forces from the Central Asian republics (i.e., cut Moscow's sphere of influence), the withdrawal of the U.S. troops from Afghanistan will in fact extend the zone of U.S. influence in Central Asia.

While keeping control over Afghanistan through a system of military bases, the U.S. forces will be able to gain footholds at least in two former Soviet republics, Turkmenistan and Uzbekistan. There is no doubt that the subsequent expansion of the American sphere of influence in Kyrgyzstan and Tajikistan will be only a matter of time.

Finally, the Soviet withdrawal in 1989 increased Moscow's geo-political isolation. While it abandoned some of its allies, the Soviet Union failed to attract any new partners. The United States, on the contrary, seems to be successfully combining the pullout from Afghanistan with building new coalitions in the region, gaining new allies under the guise of fighting international terrorism and radical Islamism. No one wanted to help Moscow in Afghanistan in the 1980s. Americans have no problem finding allies who wish to help them with the Afghan mission. The Soviet Union's withdrawal from Afghanistan hastened the collapse of the Warsaw Pact. The U.S. pullout from Afghanistan may culminate in the establishment of a new Washington-led military-political bloc including Afghanistan and Central Asian countries.

SKOLKOVO: THE NEW CITY OF THE SUN

Tatyana Georgiyevskaya



Skolkovo, a five-hundred-year-old village near Moscow, has recently made an incredible career. No longer a drowsy village hidden in the woods two kilometers from the capital, it is now a newly-emerging innovation center, a cutting-edge research and technology hub built to foster research and commercialize innovations, with a great mission and a bright future. The project immediately got nicknamed the City of the Sun after Tommaso Campanella's famous utopia.

Skolkovo's first owner, Grigory Fyodorov, nicknamed the Second, who bought this village in the second half of the 16th century from the royal family, could not even dream of such a bright future for his quiet patrimonial estate, a 'skolk' (the Russian for

'fragment') of Russia's vast expanse. In the 21st century, the life of this green and picturesque village was changed overnight by a turn of Fortune's wheel.

As the project sponsors were looking for the best place to build a Russian Silicon Valley, they considered

ambitious economic and academic 'heavyweights' in the west and east of the country such as Tomsk, Novosibirsk, St. Petersburg, Obninsk, and Dubna. But the lucky ticket was won by Skolkovo, which has never dreamed of any glory. Whatever the pros and cons to the

InfoSCO, №3, 2011

choice, the decision was made by an act of political will: “We will build an innovation hub in Skolkovo,” President Medvedev said drawing the line under the debate.

Now everyone in Russia and even many outside the country have heard of Skolkovo, because the science town project will involve foreign investors. Branches and laboratories of leading Russian universities and companies will operate in the new technology hub, and foreign and transnational giants will set up shop here. This new science town has been conceived as an international hub in the first place, expecting the best experts from around the world to come to work there. It seems that the finale of Beethoven’s Ninth Symphony (“Be embraced, millions!”) would be a good anthem for the new Russian science town.

Skolkovo is an open source project. It has a clear mission to create an innovative environment. At the same time, there is also a very flexible strategy to be drafted and adjusted by outstanding scientists, engineers and business executives involved in the project rather than by government officials.

Construction of Skolkovo is due to begin in the second half of 2011. The construction team comprised of creative professionals promised to complete it in five to seven years. They say that public curiosity inspired by the idea has in fact already jump-started the project. The initial decisions have been made and primary documents have been adopted. Work is now underway to get the land legally registered for the project and a business plan is also in the pipes. The government is deliberating on a special legal status for the Russian Silicon Valley. Starting next year, the Skolkovo project will be included as a separate item in the federal expenditures: in the first 2.5 years, federal allocations for the innovation hub’s development

may reach 60 billion rubles (\$2bn).

The participants of the project may be exempt from income tax, VAT and other financial duties.

The future high-tech hub is planned as a relatively small town, formally under the Moscow government’s control but having a pass entry system, a separate administration, a special legal status, a special law-enforcement system, and various tax and customs preferences. All this bears little resemblance to the U.S. Silicon Valley, rather looking like a scaled-down version of Hong Kong, albeit Russian-style.

The project will be managed by a team of outstanding scientists and business executives: top business leaders, distinguished scientists, and Nobel prize winners have been invited. This remarkable team will be supervised by Dmitry Medvedev himself.

Viktor Vekselberg, head of Renova Group, has been chosen to manage the Skolkovo project. The working group for the Russian Silicon Valley’s construction is headed by First Deputy Chief of Staff of the Presidential Executive Office Vladislav Surkov. A scientific council has been formed, which will include Russian and foreign scientists, engineers and experts. The council will be chaired by Russian Nobel prize winning physicist Jaures Alferov and Stanford University’s Roger Kornberg. Alferov was also appointed the science town supervisor.

Dr. Alferov, a member of the Russian Academy of Sciences, is a truly remarkable scientist, winner of the 2000 Nobel Prize in physics. He headed the St. Petersburg Physical Technical institute for 20 years (until 2006). In the early 2000s, he opened a Russian Academy of Sciences’ nanotechnology research and education center at the institute.

Craig Barrett, former chairman of Intel, has agreed to co-chair the Supervisory Board of the project, and

Roger Kornberg, structural biologist at Stanford University and Nobel Prize winner (his candidacy was proposed by Alferov) agreed to co-chair the scientific council. The American biochemist’s studies produced a number of fundamental discoveries on operating principles of copying of genetic information in cells; his works will certainly benefit Russian biomedical research which is one of the major drivers of Russia’s economic modernization.

Nokia chief executive Olli-Pekka Kallasvuo said at last summer’s meeting with Dmitry Medvedev that the company would like to participate in the Skolkovo project. Nokia would also like to open a coordination center for software development projects there. Medvedev reacted very positively to the Finnish initiative. Later, Germany’s Siemens said it was joining the Skolkovo project, after signing the relevant documents. Siemens intends to establish a biology and energy efficiency research centre there.

Switzerland extended the Skolkovo partners’ lineup on September 7, 2010, when a memorandum of cooperation was signed between Swiss Technopark Zurich, which operates at the Swiss Federal Institute of Technology Zurich (ETH), and the Skolkovo Foundation. The Swiss company will help build a system within the Skolkovo center to commercialize new technologies. And on the first day of November, Skolkovo Foundation President Viktor Vekselberg and Microsoft chief executive Steve Ballmer signed a cooperation agreement.

Importantly, Russia’s emerging analogue of the Silicon Valley was not named the Skolkovo valley; it is referred to as a science town. This was done for a reason. A valley is usually big, while Skolkovo has a smaller area (about 4 sq. km); and the area allocated for technology projects is only 3 sq. km. For comparison: the

Silicon Valley occupies about 700 sq. km; China's Shenzhen Hi-Tech Industrial Park more than 300 sq. km, and the Indian band in Bangalore, 500 sq. km. A large area has obvious advantages: it certainly enables companies to build larger premises as they grow, without having to open branches or move to another place.

Skolkovo seems like a tiny facility by comparison. However, it must be noted that the Moscow Region with its huge financial resources, intellectual potential, research and academic institutions is a perfect infrastructure and environment for Skolkovo, its 'nutrient broth.' The innovation hub will not entirely focus on IT like Silicon Valley; the idea is to emphasize applied research. The innovation town will have five zones, each focusing on a different area of research: IT, nuclear, biomedical technologies, energy, and space research.

The Skolkovo project envisages a significant government involvement in its implementation. The government will help ease various requirements and regulations, provide financial assistance, and have a voice in project selection. The total funding value of the project is \$4-6 billion. In 2010, more than 4 billion rubles was invested to support the selected projects and to design the science town. The federal government will provide financing for the local infrastructure development. It will also help with project specifications for non-commercial sites, as well as with the scientific infrastructure. The other projects will be commercial and will have co-financing plans.

Experts are well aware that innovation is an inherently risky business. "Not all venture projects get successfully implemented; investors call this 'a valley of death'. So, we will have to work in the 'valley of death', Viktor Vekselberg warns.

I might as well clarify the dark

metaphor here: with reference to venture or innovative business, a 'valley of death' means a place where most technology ideas end - the initial phase of the project when there is no demo product sample available yet. Newly invented technology is all there is and it requires huge investment. Capital risk is high at this stage. It is common knowledge however that fortune favors the daring.

So what has kindled this flame? Why did Russia get enthusiastic about the innovation hub idea in the first place? Is it trying to race more advanced economies again? But it already has excellent research centers. Certainly,

Drafting the new policy requires innovative thinking, creative ideas, and high technologies.

The resource-based economy will not be able to sustain Russia for long, despite all the mineral wealth the country has. We must save something for future generations too. "What we have in our heads is much more valuable than what can be found in the soil: Russia has a lot of talented people, and this is its main resource," Surkov said. "To maintain a strong international position and be respected, Russia needs to move to the next step of civilization, a higher level of technological development, where the



Skolkovo does not depreciate them; moreover, the 'newcomer' will be integrated with all of them. But, as Vladislav Surkov put it, our goal is not to renovate the old house we have inherited from the Soviet Union and make it Western-style. We want to build a new house. But to do that, one often has to go out into the wild and start building from the ground up.

President Dmitry Medvedev unveiled a plan to build a cutting edge technology hub to develop and commercialize innovations in February 2011. He explained then that the centre will be a prototype of a town of the future and the biggest testing ground for the new economic policy.

economy relies primarily on intellectual advantages, knowledge, and the ability to invent new technologies. This is an issue of political influence too," Surkov added.

Some even say that one such center in Skolkovo will not be enough, and that Russia should launch several projects of the kind because it is a large country which needs large projects, such as Skolkovo, proportional to the country's dimensions, for stable development.

CHINESE ALTERNATIVE

Andrei Ilyashenko, political commentator



China has broadly celebrated the 90th anniversary of its Communist Party. The party has been in power for over 60 years and it has achieved a lot over this period. The country has put an end to its position of a semi-colony, brought at least 400 million of its people out of desperate poverty and has become the world's second biggest economy and a leading player in international politics.

Beijing has offered the world a model of efficient development that is an alternative to the Western one. Western critics are actively lashing China out for lack of democracy, apparently, understanding that the Communist Party's monopoly for power has been about the most important factor in the country's recovery and fast development.

Once, in a private conversation about China's current problems, an influential journalist from Beijing told me that over the course of the last 5,000 years almost all ruling dynasties in China had been overthrown by peasant rebellions, hinting that if the party wanted to stay in power, it had to ensure social stability.

For China, devastated after the civil war and Japanese occupation, harassed with economic experiments of the Great Leap and the ten-year rampage of the "cultural revolution",

the most important goal was to simply feed its people: almost one third of the population was starving. The Chinese economic reforms began in the agricultural sector. Going over from the agricultural commune to the family contract and long-term land lease has resolved the problem. At the moment, the country's population totals 1.3 billion people, and 97% of them have "full stomachs," Newsweek writes.

Another problem was employment. The Chinese began with the so-called local industries: the light industry, production of mass consumption goods, i.e. everything that uses local resources. It did not only saturate the empty consumer market. It also created jobs that absorbed the country's excessive workforce. And it generated income. This way, the Chinese ended poverty. At present, the IMF estimates China's average

per capital income at \$6,000 a year. Actually, all of the world's achievements in fighting poverty in the post-war period have been made possible by China.

Finally, confidence and stability require a feeling that everything moves in the right direction, that life is getting better, the future is bright and there are prospects in it. The prospect is provided by the 10% annual economic growth China has been witnessing for the last 30 years. It would have been impossible to achieve this result without technology and capital. The country didn't have it, so it borrowed it abroad. At first, it engaged Chinese immigrants, whom the country has never pushed off and never declared cast-offs. Then followed bigger players from the United States, Japan and Europe.

The most famous quote of Chinese reformer Deng Xiaoping goes, "It

doesn't matter if a cat is black or white, so long as it catches mice." It can be interpreted as an explanation of the departure from orthodox dogmas in the economy that was addressed to the domestic audience and sought to calm the minds after decades of leftist experiments. I, however, suspect that the slogan targeted foreign investors, who were told: the red cat would catch mice as well as any other. Investment attractiveness is measured by profit. Long-term profit can be guaranteed either by occupation or by social and political stability. The latter was offered to investors by the Communist Party of China, which has no alternative.

According to some estimates, total foreign investment in China has exceeded \$500 billion. Besides, there has been an influx of technology and experience of managing modern production facilities. As a result, China became the world's No.2 country for the size of its GDP, leaving Japan behind in 2010, and No.1 in world trade, pushing aside Germany. For ordinary Chinese, a bicycle as the sign of its owner being a good catch has been replaced with a car.

The economic reform required adjusting the ideology, and not only in order to explain how the socialist planned economy could be combined with competition and the market. Scientific socialism admits turnover of goods, i.e. the market, and competition is a usual thing in an overpopulated country. However, it was necessary to reconcile the country with its complicated past and to get rid of the inequality implied by the key dogma about the proletarian dictatorship.

So about the first thing the Communist Party did was to quickly give a clear assessment to the Mao Zedong period: 70% was right and 30% was mistakes. This way, China managed to avoid tarnishing its own history, which could demoralize society, and at the same time give

up the dogmatism and extremities of the previous period.

Another point is that the socialism is being built with Chinese specifics. This in advance rebuffed all accusations of departure from the classics of Marxism and simultaneously mobilized feelings of patriotism, which in China have always been fairly strong.

An important innovation was the thesis of three representations offered by Chinese president Jiang Zemin. He said, "Our party should constantly represent the requirements for developing China's advanced productive forces, represent the progressive movement of China's culture and represent the intrinsic interests of the broadest strata of Chinese people." In other words, the ruling party does not distinguish between party members and non-partisan citizens, representatives of all economic orders - state-owned and private - and all classes of the Chinese society. Businessmen are now joining the Communist Party in great numbers, but business ventures among party officials is not encouraged, to put it mildly. It's seen as corruption.

The next move was to declare the goal of harmonization, which was done by China's incumbent leader Hu Jintao. Over the years of reform, China has accumulated a lot of disproportions. They are obvious in the economic development of littoral and western regions of the country; the gap between the newly rich and long-time poor is increasing dangerously, environmental problems are multiplying and threaten to overpower the joys of prosperity.

In order to prevent these distortions from increasing the conflict potential as the economic development progresses fast, China is getting harmonized: energy- and resource-saving technology receives special support from the government, the economic policy

is focused on leveling the living standards in different regions. Finally, at its latest congress, the Communist Party set the goal of creating a "medium prosperity society" by 2020, boosting GDP fourfold compared to 2000. This tangible prospect is supposed to correct Deng Xiaoping's other statement made at the initial stage of the reform: "Someone has to get rich first." In fact, China is building a society dominated by the middle class, which has always served as a stabilizing factor.

All this doesn't mean that the Communist Party has only excellent grades in the recent history's report card. One thing is clear, though: the party has learned the lessons of the Soviet Union and other former socialist countries. It is not afraid of new challenges and is positive that it is pursuing the correct policy. There is some food for thought in this.

The economic crisis of 2008-2010 put a lot into perspective. Analyzing the consequences of the crisis, Francis Fukuyama, a guru of global political analysis, wrote, "The American version of capitalism, if not completely lost its reputation, is at least no longer dominating." And, he continues, "governments of both the developing and developed worlds admired China's remarkable ability to recover from the crisis, which was based on the rigidly controlled mechanism of decision-making built from top downwards. It allows avoiding delays typical for the complicated democratic process. As a result, political leaders of the developing world now tie the efficiency and possibilities to autocratic political systems." This is the result the Communist Party of China has achieved by its anniversary. This is why there is no alternative to it.

RENMINBI TO OVERTHROW DOLLAR FROM CURRENCY THROWN

Dr Alexander Volkov



The Chinese currency, renminbi, is becoming a serious rival of the US dollar. Kazakhstan has already announced that it will consider using it as a reserve currency. China is actively working to introduce pure swaps (a type of foreign currency transactions) all over Southeast Asia. The Chinese currency is conquering more and more territory here and is even going beyond the region, notably, to Latin America.

At the end of March, China signed an agreement on using the renminbi in trade settlements with Argentina (to an amount of \$10 billion or RMB70 billion). More importantly, the BRICS summit passed decisions that have the potential of overhauling the structure of the global economy. Opening of mutual credit lines in national currencies and the principled decision to give up mutual settlements in US dollars are yet another step towards ousting the American currency from the position of the world's reserve unit.

The framework agreement on ending settlements in dollars on mutual loans and on providing loans in natural currencies was signed on the sidelines of the summit by heads of the development banks from Russia, China, India, Brazil and South Africa. The document does not offer a specific timeframe for giving up the dollar completely, but Vladimir Dmitriyev, chairman of the Russian Development Bank, has already said that this year, Moscow would borrow at least \$500 million worth from China in renminbi. "We have developed a mechanism with the State Development Bank of China that would allow using offshore renminbi for guaranteeing swaps in convertible currencies, therefore making borrowing cheaper," he explained.

In practice, Russia and China have been going over to settlements in national currencies for two or three years already. In border regions, trade has been conducted for roubles and renminbi for a long time, and the

fact that the Russian and Chinese Central Banks have signed an agreement on mutual pure swaps means that Russian and Chinese businessmen that conclude deals with each other have received an opportunity to remove two transactions from their operations, i.e. they do not need to convert the renminbi in dollars and dollars in roubles, or vice versa, which was the case earlier.

Let me add that Americans charge a percentage - even if a minor one - for each transaction with their currency. In their best years, before the 2008 crisis, the windfalls from the use of the dollar in the world reached as high as 4% of America's GDP.

It is important to bear in mind that drastic changes in the currency system are not easy to make and they take some time. What is the most likely scenario in the changes of the global reserve system? First of all, it will be evolution, not revolution. Second, it will be a multi-currency system, with two or three currencies serving as reserves on the global level plus several regional currencies having the same function on the periphery of the global economy.

The medium-term forecast of the Russian financial system's development in 2010-2015, which was prepared by the Institute of Financial and Economic Research, forecasts this gradual development for global currencies, with the share of the US dollar in settlements dropping and several regional currencies emerging.

It seems that the euro will remain a global currency alongside the dollar. In the CIS, the rouble

could become a reserve currency. The prospects of the renminbi are very good. However, it is unlikely to replace the dollar in the near term, since it is still not a freely convertible currency and will hardly become such soon. Besides, China has a problem with tough administrative restrictions on foreign currency transactions and capital movements.

On the other hand, China has proved its ability to adjust flexibly to changing circumstances and to persistently move towards the goals it considers strategic. The forecast made by the OECD that by 2015, China will outrun the US for economic might and become a leading global power is of significant importance. Maintaining its current growth pace, China will account for 23% of the global economy by 2030.

However, one cannot but agree with experts that say that the increasing complexity of the global economy as a system and acuteness of conflicts of interests require several reserve currencies and make it impossible to create a supranational reserve currency. What is needed is a free global currencies market and gradual strengthening of the international financial regulations. Only such a disperse system will be able to bear the requirements to liquidity of the global economy, which is multi-polar, extremely complicated, volatile (due to it being innovative) and requires free movement of capital and streamlining of markets.

HOMER OF THE EAST

Anatoly Vasilyev



Persian poet Ferdowsi spent all his life creating the nine volumes of his epic poem Shahnameh. This is a phenomenon of world literature, a work of an outstanding philosopher who had set himself the enormous task of collecting and polishing all Iranian myths and tales of his time.

A thousand years ago, the Persian poet Abul-Qasem from the city of Tus, who later became known as Ferdowsi (“man of paradise) completed the second, final version of his

grand poem, The Book of Kings (Shahnameh). Although close to court, Ferdowsi was a genius, which made his work eternal.

The poem consists of 50 “padishahs”, or reigns. These

parts are different in length, from several dozens of verses to several thousands. The work represents the popular history, mythology and heroic epic of Iranian people from the first

king till the 50th. It is a poetic retelling of the Avesta, which for the Iranians was the same as the Torah for the Jews and the Bible for Christians, plus a cycle of poems about the age of heroes and, finally, an inspired narrative about the real history of Iranian kingdoms in the time of Darius's conquests. The story of Darius is connected to that of Alexander the Great, who overthrew him.

This enormous epic has several outstanding tales, including six masterpieces: *Zahl and Rudabe*, *Rustam's Seven Deeds*, *Rustam and Sukhrab*, *Siyavush*, *Isfandiyar's Seven Deeds* and *Rustam and Isfandiyar*. All these poems are connected only nominally, although, of course, they are all written by Ferdowsi's prophetic hand, in lapidary wording, without the traditional oriental grandiloquency; on the contrary, they are laconic and passionate; finally, they are all deeply tragic and together offer an impressive panorama of human passions.

For example, the hero of "Rustam and Sukhrab", the mighty Rustam, unknowingly fights his own son, and although Sukhrab suspects that he is fighting his father, Ferdowsi ends the tale with the son's tragic death from his father's hand. He doesn't give justice a chance to triumph.

The fate of the ideal man is portrayed even more gloomily. This is the brilliant *Siyavush*, who bears

resemblance to young Prince Gautama, i.e. Buddha himself. Simultaneously, it is a retelling of the story of the biblical Joseph, who, when sold into slavery by his brothers, found himself in the house of Egyptian official Potiphar and became the object of passion of Potiphar's wife, who fell in love with the young slave.

In Ferdowsi's version, the cunning villainess is the main character's stepmother, *Sudabe*, whom his father married after his first wife had died. If in Joseph's story, the main character, having passed all the ordeals, becomes a pharaoh's favorite and right hand, in *Shahnameh*, the life of the good man turns into a succession of betrayals, the triumph of deceit, meanness, infamy and slander, which drive this angel in flesh to grave.

The poem was a huge success and was copied by grateful readers hundreds of times. This way, a lot of errors, corruptions and later additions made their way to *Shahnameh*. So it was necessary to compare the countless copies and restore the original. Europeans were the first to take up this task, and it was only in 1829 that English philologist Turner Macan published his researched version of *Shahnameh* based on 17 copies of the poem. Seven years later, the French researcher Jules Mohl published a version based on 30 copies, and the work climaxed with nine volumes of *Shahnameh* with commentary that were prepared by the collective

effort of Russian researchers from the Institute of Oriental Studies, the Soviet Academy of Sciences, and were published over the course of ten years (from 1960 till 1971). Iran declared this version canonic and all publications of the poem afterwards have been based on it.

A thousand years ago, Russia did not have a figure equal to Ferdowsi. Our young country was just emerging, but it already had its heroic epic, and the characters of *Ilya Muromets* and *Svyatogor*, the tales of *Solovei the Whistler-Robber*, of the mighty *Sadko* and *Czar Vladimir Red Sun* are consonant with *Shahnameh*. They are also about fight of the good and the evil, a cult of an ordinary man that becomes a hero, an ode to a peasant's son *Ivan*, to peasant *Mikula Selyaninovich* who defeated a troop of knights; they praise freedom, honor and love, fear of God and loyalty to friends.

Miraculously, the heroes of our epics have never met on the battlefield like the soldiers of Alexander the Great and Darius on the pages of *Shahnameh*. Hopefully, this forebodes a peaceful future for the two great nations sharing the coast of a sea.



A PRICELESS GEM OF TAJIKISTAN

Zafar Yusufjanov



Istaravshan, located in the Sogd region of Tajikistan, bears traces of civilizations that have emerged and grown here for over 2500 years. This is a museum city, an ancient center of architecture, culture, science, trade, and crafts. One of the oldest centers of the Middle East, Istaravshan was founded in the VI century BC by Cyrus, an Achaemenid King.

The city had a citadel, defended itself with three rows of walls, whose length was 6000 meters. In the south of the citadel there was a gate with two towers. Archeological investigations revealed the ancient core of the city - an ancient settlement Mugteppa having area of 6 hectares, which occupied this place from II to VII centuries BC. In V-VIII centuries, not far from Mugteppa aristocrats and landowners erected numerous castles with expressive architecture. Bundzhikat and Chilhudzhra complexes were found here - with well-fortified constructions, palace structures and buildings for public worship decorated with paintings and carved panels.

In the years of Arab rule, new

types of architectural structures get a boost (mosques, madrasas, mausoleums, minarets, etc.) based on portal-dome structures. In addition to adobe brick, burnt brick and ceramic tiles become more common, which gave impetus to improving the dome structures.

The rapid development of Istaravshan is associated with the rule of the first ethnic Tajik Samanid dynasty (IX-X century). It was a period of extraordinary prosperity of urban culture, and Istaravshan grew up, being improved. The second period of prosperity falls on the XIV century, when the powerful Timurid Empire was formed.

The city turns into a large, very dynamic center of new state. Residential neighborhoods are expanding, urban space is

improved, and its water supply is established by irrigation ditches, pipes and structures. In each quarter, recreational areas with ponds and closed tanks with water are created. In the XVI century, the city is experiencing a new stage of development - a Kok-Gumbaz Mosque is erected here and a new garden - Chorbog is laid out.

The old town has preserved a large fragment of late medieval buildings - mosques, madrasas, mausoleums, baths, hamams and markets. The glaze that covers their arches and domes is painted in golden brown hues.

The most significant structure of the surviving monuments of Istaravshan is a mosque and madrasa of Kok Gumbaz. The arches, decorated with

stalactites, walls with murals, carved doors and the majestic dome make the building unique. The mosque Bobo Tago was also built in the XVI century. In 1899, a four-column aiwan was attached to it. Compact, strict forms of the building in the ensemble with a minaret provide a unique architectural composition.

In Istaravshan, the holy shrines of Islam are represented by many monuments of memorial architecture. Sarah Mazor Mausoleum is a simple building, modest in decoration, which impresses with its monumental architectural forms. Another Abdulkadir Gilani mausoleum is characterized in that its interior decoration incorporates many types of ornamental decor: stalactites, wood and ganch-stucco carving, painting.

In the XVII century, Istaravshan is expanding and improved. At that time, the city occupied an area of 527 hectares. Here was located an ancient citadel, mosques, madrasas, six baths and numerous teahouses operated. Among the surviving monuments of that period, a mausoleum to Hudayar Vallami within the funerary complex of Hazrat Shah should be mentioned above all.

In 1868, Central Asia was part of the Russian Empire. The architecture in Istaravshan at that time has a great diversity. One notable example is Rustambek madrasa built in the middle of the XIX century of brick and decorated with majolica, mosaics with lions on the tympanum. Unfortunately, in the first half of last century the madrasa was destroyed.

Domes in mosques of Istaravshan are usually of wood, covered with reed, which is typical for the architecture of northern regions of Tajikistan. Ceramic tubes in the walls created good ventilation. The ornamental decoration often was to create pictorial compositions on the dome and walls, as well

as the carved wooden details.

As an example of this architectural solution can serve suburban mosque of Hazrat Shah (the end of XIX century), which has carved wooden pilasters. Its walls are painted in folk style. Another mosque - Havzi Sangin (Stone House) - was built in 1910 by master Mir Sayyid. The wooden elements of the dome, ceiling, chapter and aiwans are covered with murals. Clear proportions and decoration give the building a special charm.

A traditionally urban area was divided into two parts; the boundary between them passed by a sai. In the 60s of the XIX century, the city had 60 quarters; artisans lived in most of them. In Istaravshan 122 mosques were functioning. In the last third of the XIX century, the so-called Russian part of the city was formed here. It had its own style, different from the traditional, and was very reminiscent of European settlements which, of course, contrasted with the existing appearance of the city.

An old residential building deserves close attention. In contrast to the official court architecture, the folk architecture has never experienced periods of crisis. The houses of townspeople for centuries maintained a traditional layout. You can find in the architecture of Istaravshan's residential buildings many local characteristic features. All the buildings usually had flat roofs. Living spaces, separated into male and female parts, formed a courtyard. There was a fireplace in the house, and kitchen with a hearth was located separately in the yard.

A variety of colorful interiors reflected the social conditions and characteristics of climate in the foothills. The focus was always on a high multicolumn aiwan (verandah). It was erected in front of a large guestroom. Aiwans were decorated with

ganch carving, stalactites, and various ornaments. Important components of the decoration were wooden columns, wall paintings, small niches in the walls of rooms.

An important part of the living environment was nature - vineyard, garden, flowers, bubbling water, and house. Wood was also widely used, in addition to stone, clay and brick to create roofs, gate, and columns. These elements had a different configuration, and their design was ingenious. Common decorative elements were panjara (carved lattice), carved architraves and door panels.

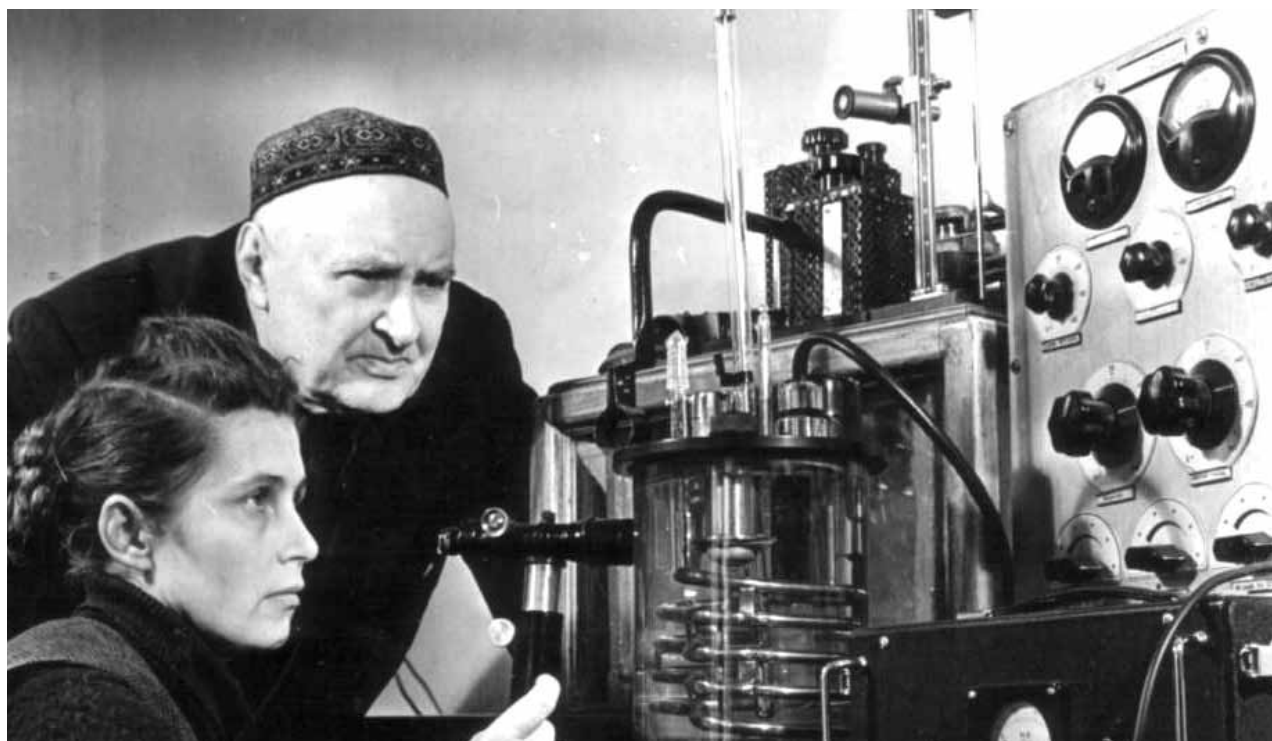
Istaravshan is a city of masters. Until recently, there existed quarters of weavers, potters, blacksmiths, etc. Samples of artistic decoration of houses and mosques show the high craftsmanship of local artisans.

Today Istaravshan is an architectural reserve. In the late 80s of last century, it was decided to preserve the unique part of the old town, and to build a museum on its base. In the city, 15 historic monuments were restored and renovated, including Sarah Mazor Mausoleum, Namazgah, Hazrat Shah, and Chorgumbaz mosques, Mugteppa fortress; streets and squares were landscaped, roads were put in order.

The modern Istaravshan, which has grown prettier and expanded its borders, is an important economic and cultural center in Tajikistan. The ancient city is looking to the future; it develops and at the same time honors its history, and unique architecture.

HE WAS FIRST TO SENSE GAS IN UZBEK LAND

Igor Rogov



Few people remember today that it was Alexander Uklonsky, an outstanding Russian scientist, who was in love with Asia and devoted his life and work to Uzbekistan, who first “sensed” the country’s oil and gas riches and gave a scientific justification to their presence. Working on paragenesis of sulfur and oil, the 40-year-old professor came up with the hypothesis about the presence of hydrocarbons under the loess soils of Asian deserts in 1928. It was he who pointed to Gazli as a place that held natural gas.

...In 1920, a special train arrived in Tashkent, with books and scientific instruments as cargo and humanitarian missionaries and teachers, mainly from Moscow and St Petersburg, as passengers. At the time, the Turkmen State University was being founded in compliance with Vladimir Lenin’s decree.

Among the passengers on the “train of knowledge” was 32-year-old geology professor Alexander Uklonsky. He was born on November 5, 1888, in Gomel, to a priest’s family. It is unknown what made his father leave his native land to go to Asia, to the distant outskirts of the Russian

empire. After the difficult at the time journey from the West to the East, the Uklonsky family arrived in Tashkent in spring 1901. Alexander, then 13, entered the First men’s lyceum, from which he graduated with honors. The young man went to continue his education at the Moscow University. He studied

geology at the natural sciences department and was patronized by professor Vladimir Vernadsky, the outstanding Russian scientist.

Uklonsky was lucky to work under the guidance of another guru, academician Andrei Arkhangelsky. The young researcher studied the Asian soil, loess. His first research paper was titled “On petrography of the Chimgan area” and was based on information he had collected during his summer holiday in Tashkent. Having graduated with honors, Uklonsky was offered to stay at the university.

World War I took the young scientist to Nizhni Novgorod, where he headed the department of mineralogy and crystallography of the Nizhni Novgorod university till 1920. Having learned that a university was being set up in Tashkent and the “train of knowledge” was to leave for the city, Uklonsky volunteered as the humanitarian mission’s participant. So he returned to the place where he had spent his youth.

At the new university, he became professor of the mineralogy department and later headed a related department at the Tashkent Polytechnic Institute. Over the fifty years of his work, the talented scientist taught hundreds of specialists in mineralogy and geochemistry of metallic and non-metallic minerals.

Student of the prominent naturalist Vernadsky, Uklonsky developed mineralogy and geochemistry in Central Asia.

His departments researched mineralogy, geochemistry and crystallography. The area of geological survey and research kept growing. Gradually, the university’s geology department set up the necessary structures: the geological committee, the geological survey committee of the Polytechnic Institute, the Institute of Geology and Geophysics of the Uzbek Academy of Sciences, etc.

Uklonsky actively organized geological expeditions and prospective works at deposits of calcium fluoride (Aurakhmat), marble (Gazgan), sulfur (Shorsu), etc. In 1928, at the 3rd All-Soviet congress of geologists, he delivered a report on paragenesis of sulfur and oil. He published a manuscript on the subject in 1940. A harmonious research of natural interconnections between oil and sulfur became one of the crucial preconditions for searching for oil fields by the presence of sulfur and vice versa. This discovery is still broadly used by oil workers all over the world.

During World War II, Uklonsky worked hard to find raw commodities for plants that had been evacuated to Central Asia. In 1943, when the Academy of Sciences of Uzbekistan was set up, he became one of its first members.

Uklonsky published a total of 170 scientific works that became an important contribution to Soviet geology. They included two big studies (“Mineralogy” and “Paragenesis of Sulfur and Oil”) that covered numerous

problems of hydrogeology, hydrochemistry, mineralogy, geochemistry, crystallography, etc. Years before the Great Patriotic war turned out the most productive for the scientist, and he came up with summaries on many important problems of mineralogy and geochemistry. In his geochemical analysis of Uzbekistan, he singled out the most important geochemical areas: Nizhneamudaryinsky, Kenimekhsko-Nuratskiy, Shirabad-Kugitanskiy, Karatyube-Malguzarskiy, of the Fergana Valley, Karamazarskiy and Chirchikski.

The scientist was always interested in new methods of research and in instruments that allowed detecting unusual qualities of minerals. He created the method of mineral metachromatism, which allowed diagnosing a majority of color minerals with the help of infrared rays. He invented the diploscope, a device for detecting monocrystals, and mercury volumeters (a primitive device for determining the volume of mineral flakes), etc.

Uklonsky went down in the history of science as Central Asia’s biggest geochemist and mineralogist. The climax of his research was the theory of paragenesis of sulfur and oil, a fundamental scientific discovery of the 20th century.

The works of the academician and his students covered in detail over 400 minerals and discovered new ones. One of them was named after the researcher, uklonskovit.

«GREENWOOD»: INVESTMENTS IN RUSSIA



«Greenwood» Business Park is an international wholesale trade and exhibition center opened in 2011 in Krasnogorsk district of Moscow region. The main task of «Greenwood» Business Park is to create a modern, convenient and efficiently functioning business platform for the development of trade and bilateral economic relations between Russia and China. «Greenwood» Business Park realizes this important and ambitious goal successfully, creating the unique conditions for rational conduct of business and building up partnership for entrepreneurs of the both countries. «Greenwood» Business Park not only provides comfortable office premises, elegant exhibition halls and showrooms, but also a complex of logistic, legal and financial services, including search for business partners, reliable supplier of high-grade goods, as well as measures intended for expansion of market outlets.

«Greenwood» Business Park has no parallel in Russia: it

Cai Guiru, the President of the Chinese Entrepreneurs Union in Russia, the director of «Greenwood» Business Park, says: «This year is particular for the relations between Russia and China: we celebrate 10 years from the date of signing of the agreement about good neighborliness, friendship and cooperation between our countries. This is a serious milestone: now we may summarize interim results, estimate the scale of the work done and shape plans for the future. Political trust between our countries is growing, strategic cooperation is developing. Russia and China intend to continue to follow the principles of the cooperation agreement for the sake of creation of a bright future for peoples of the both countries».

combines office premises and permanent exhibition of goods supplied directly by producers, offering simultaneously the opportunity to purchase those goods right there and then. There are 15 freestanding buildings with office

«Greenwood» Business Park in figures:

20 hectares - the total area

15 modern freestanding buildings

The total floor space of trade and office premises is **132 000** square meters

The parking area floor space is **110 000** square meters



and trading premises in the territory of «Greenwood». The buildings are intended for specific production branches, including high-tech products, clothes, textiles, furniture, building materials, electronics. The Business Park realizes a complex approach: the best consumer goods, high quality equipment and machines, high technology and medicine will be presented in its territory.

«Greenwood» placed its stake on the segment of high-end goods and the assortment width: the task of the Business Park is to open for Russian wholesalers, which means for the final customer also, high quality and high-tech Chinese goods, to ensure simple and easier access to high-ranked products at international market outlets. Now «Greenwood» is the largest platform for wholesale international trade.

PROJECT OF NATIONWIDE SCALE

Creation of «Greenwood» Business Park became a logical continuation and implementation of fundamental ideas of the Agreement on bilateral cooperation between the People's Republic of China and the Russian Federation. Mutually profitable development and permanent advancement of economical mutual relations: the management of the Business Park considers realization of those tasks resulting from the agreement signed between our countries as its objective. «Greenwood» Business Park was created under the aegis of the Center for Development

Li Feng, the commercial director of «Greenwood» Business Park, has said: «Trade relations between China and Russia are distinguished with stable dynamics of intensive growth during many years. The trade turnover between the two countries reached the pre-crisis level amounting. USD 8.5 billion trade contracts were signed, Russian ruble was allowed to be traded at the currency exchange of China, and China became the main trade partner of Russia. This is only a part of our bilateral achievements in this decade».

of Trade and Management of Investments in Europe and «Chengtong» group of companies, a commercial and industrial conglomerate with state capital. As of today, «Greenwood» is the largest investment project of the People's Republic of China in the territory of the Russian Federation. One of the tasks of the Business Park is to create a platform, a base for further growth of Chinese investments in the economy of Russia.

Opening of «Greenwood» positively affects the growth of investment attractiveness of Moscow region, the activities of the Business Park is directly connected with the prospects of strategic development of the economy of Moscow



region. The work of «Greenwood» will facilitate a marked increase in tax revenues to both the regional budget and the federal budget: the growth of receipts will ensure economic activity of large Chinese and multinational companies, on a conservative estimate their number will exceed 1000. The purpose of «Greenwood» is to facilitate creation of about 10 000 new jobs in its territory, which will affect positively both economic and social climate of Moscow region. Experts are convinced that the strategy of complex promotion of well-known Chinese brands will strongly stimulate development of the economy of Moscow region.

UNIQUE INTERNATIONAL PROJECT

The uniqueness of the Business Park is in the fact that «Greenwood» works for the purpose of establishment and support of partnership economic links between businessmen of China and Russia. If you wish to come to a new, international level, to open up the emerging markets, if you need reliable suppliers of high-quality goods, if you wish to enlarge assortment or to find new customers, then the possibilities, obtained results and commercial resources of «Greenwood» Business Park are the optimal solution of those tasks.

«Chengtong» (China Chengtong Group) is a state giant company, trade and logistic conglomerate created in 1992. «Chengtong» group of companies is among the top 500 enterprises in China.

The motto of «Greenwood» is «Giving The Green Light for Your Business». Owing to a system of showrooms acting as permanent exhibitions of diversified commodities with permanently renovated assortment, it is always possible to select products meeting the highest quality standards in «Greenwood». With the logistic and customs advantages of the Business Park, goods delivery is timely and doesn't give rise to unfavorable criticism. Owing to well-developed infrastructure and a wide range of additional services, it is comfortable and simple to do business in «Greenwood». The Business Park is one of the most efficient channels for wholesale selling of Chinese and Russian goods of high quality.

Unlike most of hypermarkets, «Greenwood» Business Park provides not only ready-to-use offices and showrooms. The Business Park implements practically the “one-stop service” idea: entrepreneurs merely place goods at a show-room, and «Greenwood» takes upon oneself any and all concerns and complexities: juridical, logistic and customs, personnel, even some issues of financing. For example, owing to a separate customs terminal, complex approach and its business standing «Greenwood» can speed



up and optimize considerably customs clearance of goods. Aspiring to create the most comfortable conditions for the work of leaseholders, «Greenwood» pays great attention to the issues of security and protection of both office and trading premises.

«Greenwood» may be named «a business town», the Business Park's infrastructure impresses really and truly: an excellent hotel is built for convenience of clients in its territory, banks and insurance companies operate, there are cafes and restaurants, public service establishments and shops, a printing house, Chinese medical center, fitness club and beauty parlor, enormous parking area, free transportation from «Skhodnenskaya» underground station. «Greenwood» may boast with excellent location: several convenient approach roads, the 69th kilometer of Moscow Circular Road in the vicinity of large satellite towns of Moscow, not far from Sheremetyevo International Airport.

Comfortable and modern office premises of the Business Park, as well as the level of consumer services and complex approach to solution various business and daily tasks of leaseholders, were appreciated deservedly by «CRE», a magazine dedicated to commercial real estate. «Greenwood» Business Park ranked first in its category in the annual competition conducted by the magazine among commercial real estate object in 2011 and was awarded with «The Golden Brick», a symbol of high quality and responsible attitude towards own business.

PROJECT OF DEVELOPMENT AND GROWTH

The strategic objective of «Greenwood» Business Park is to facilitate the permanent growth of exchange of goods between China and Russia. On the one hand, it is necessary to increase the sales volume, on the other hand, it is required to market in Russia new and interesting goods produced in China, to make commodity circulation more differentiated, diversified, to expand cooperation in all branches of production. Besides trade, logistic and office infrastructure, the Business Park possesses also other resources for implementing this goal.

«Greenwood» Business Park is an active member and an integral part of the Chinese Entrepreneurs Union in Russia, owing to which it possesses special possibilities for strengthening of mutually profitable bilateral cooperation. The Business Park put into effect a number of measures, which stimulate establishment of strong trading relations and economic links between entrepreneurs of Russia and China helping them to solve topical problems of strategic and tactical development of business.

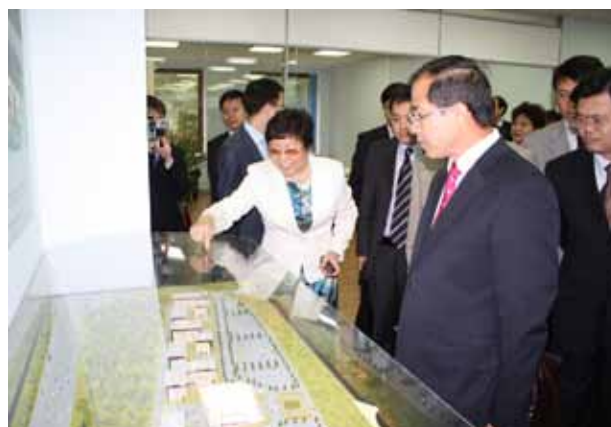
One of the tasks of «Greenwood» is to reveal and show to Russian entrepreneurs the modern business China: China of high-quality products and reliable customer service, China of innovative technologies, China of unique economic prospects. In the context of solving that problem

«Greenwood» arranges regularly business trips of Russian entrepreneurs to China, in the course of which it helps the Russians to find new suppliers and business partners.

Possessing a unique base of Chinese producers, experts find out individual solution for the problems facing your business, whether it is a start-up or an enterprise existing in the market for a long time. As for the search for partners and suppliers, diversification and the conquest of new outlets, production cheapening and complex cost reduction, business standing and resources of «Greenwood» permit to do this quickly, safely and efficiently. In the first place, the Business Park pays attention to the guarantee of quality of goods and reliability of partnership relations.

IDEAS AND PROSPECTS

«Greenwood» Business Park constitutes a breakthrough in the cause of strengthening bilateral economic cooperation between the People's Republic of China and the Russian Federation. On account of government support of the two states, as well as orientation towards the urgent needs of wholesale establishments, «Greenwood» creates in Moscow region the largest international business park for entrepreneurs working in various branches of economy, a business park with the most up-to-date and high-tech infrastructure, the most perfect range of services and the highest quality of the offered products.



CROCUS EXPO



The opening of the first pavilion of the Crocus Expo exhibition center was held on March 18, 2004, and became a major event in the exhibition business that attracted great attention from public officials, media and business community.

The ceremony was attended by President of JSC Crocus International, Aras Agalarov, Moscow Region Governor, Boris Gromov, and president and CEO of Sberbank, Andrei Kazmin.

The International Crocus Expo Exhibition Centre is designed and constructed in accordance with the highest international architectural standards with the use of modern building materials. It is primarily designed for holding major international exhibitions of different profiles with participation of Russian and foreign companies.

Organizations that coordinate the development of

exhibitions and fairs in Russia have made special mention of the exhibition centre. The Crocus International Company including the Exhibition Centre is a member of the Russian Union of Exhibitions and Fairs, the Moscow Chamber of Commerce, and the Guild of MCCI exhibition and fair organizations.

Since 2008, the Crocus Expo IEC has been a member of the International Association of Congress Centers (AIPC), representing more than 150 major congress centers of the world. The AIPC membership is a sort of quality mark testifying that quality of services provided by the exhibition center is in compliance with international standards.

Currently, the Crocus Expo is one of the largest and most perspective exhibit areas in the world.

The three pavilions of the Exhibition Center include nineteen exhibition rooms, whose technical equipment meets the latest international standards, 49 conference rooms equipped with everything

necessary for congress events, presentations, workshops, and an ultramodern congress concert Crocus City Hall for 6200 seats, as well as break-out rooms.

The third pavilion of the Exhibition Center, whose total area is more than 300,000 m², began work in August 2007.

It is in this hall that the Crocus City Hall is located - a unique two-tiered concert hall, designed for the activities of various scales and directions: from major congresses, business forums, conferences and workshops to concerts of Russian and the world of show business stars, festivals, performances, and company parties.

The Concert Hall bills are constantly updated; in 2011, the Crocus City Hall guests are in for a lot of pleasant surprises.

In the building there is also a "Hotel Aquarium" - a three star hotel for 225 rooms of various categories:

- 102 standard rooms;
- 47 standard rooms with view of the Moskva River;
- 64 studios;
- 12 suites.



Now, guests of the city will not have to waste time searching for hotels and to spend considerable sums to pay bills for accommodation!

For the convenience of visitors, a covered way is made between the Crocus Expo pavilions, equipped with travolators (a speedwalk) to save time for seeing expositions placed on the whole exhibition area.

The IEC Crocus Expo has a well developed infrastructure: in the pavilions of the exhibition center there are offices of Sberbank and Crocus Bank, service centers, food courts, cafes and restaurants, taxi, cloakroom, customs station, and rigging services.

At the entrance of each exhibition hall and food courts there are universal multimedia terminals enabling the Crocus Expo visitors to easier navigate both in the pavilions of the exhibition center, and in each exposition.

The latest security systems provide for organizers and exhibitors calm working conditions during the exhibition holding, mounting and dismounting. Security services apply to the whole exhibition, but at the same time exhibitors can order individual protection for their stand.

The IEC Crocus Expo is located



on the outside of the Moscow Ring Road (65-66 km). Some convenient exits lead to the pavilion complex.

Moreover, in December 2009, directly on the exhibition area a new metro station Myakinino (Arbatsko-Pokrovskaya line) was opened. Since then communication with the center of the capital for the guests of the exhibition complex became the most accessible

It is worth mentioning the IEC Crocus Expo free parking: opposite the complex there is a parking lot for 20,000 cars, and the third pavilion has additional parking lots for 6,000 cars.

THE IEC CROCUS EXPO'S FACILITIES TO HOST AND HOLD EVENTS OF ANY FORMAT AND SCALE ARE UNIQUE

The spacious showroom covering an area from 4,000 to 18,000 square meters in combination with conference halls of 50 to 9,000 square meters in area will help to find the optimal solution for your event.

The IEC Crocus Expo's services and general partners provide the following on site services:

- rent of space;
- space development;
- arrangements for feeding;
- rental of necessary equipment;
- guards;
- transport;
- hotel rooms reservation.

BUSINESS ACTIVITIES

Business activities are featured in the broad scope of our capabilities because the IEC Crocus Expo has Europe's largest conference center (Room 20): 36 flexible conference rooms of

162 square meters each in area. The unique system of space transformation allows arranging premises of various shapes and sizes for holding events for 150 to 5,400 people.

Also on the exhibition area there are Blue and Red conference halls designed in the classic manner of an amphitheatre and intended for 600 people each.

For training, workshops, and other activities it will be convenient to use standard conference halls of 50 to 1000 square meters in area.

Such a combination allows to host any format business event, both for 20 persons and more than 5,000 participants. It will be convenient and comfortable for both large congress participants and a small seminar audience. You will be able to select just those facilities that comply with Your demands, even if Your budget is very limited.

The IEC Crocus Expo personnel will take over organizational issues and give recommendations for involving third-party services and conducting activities.

The IEC Crocus Expo has not only exhibition and conference halls, but also a vast open area (parking area). The total area of open exhibit areas is more than 100,000 square km. The complex has repeatedly hosted corporate events, festivals, filming, test drives, and racing competitions.

Open areas are equally in demand all year round: thanks to the professional work of operational services, no weather will interfere with Your event!





PROTEC is a company, located in FRIULI VENEZIA GIULIA at the North-East of Italy, that has been established by a group of professional engineers, who collected together the complementary experiences in process plant design and production of steel components to offer engineering, consulting and procurement services for process equipment and piping components employed in the oil and gas, petrochemical, chemical and power generation industry.

The technicians, joining the company, are chemical and mechanical engineers with a wide background in the process design of petroleum refining and petrochemical units, in the production of steel castings and forgings and in the manufacturing of equipment and components for the above mentioned industrial sectors.

PROTEC can provide procurement operations, including expediting, final inspection and testing on behalf of the customer for the above mentioned equipment and piping components. Manufacturers are primary Italian companies, with whom the company holds technical cooperation supplying engineering services, metallurgy consulting and procurement of high integrity castings and forgings from top quality steel foundries and forging shops, where some of our technicians spent over 20 years of their working life.

PROTEC is in the position to offer the best technical and economical solutions to the Customer's inquiries, providing top quality combined with competitive price end on time delivery.

DESIRED COOPERATION

PROTEC is in the position to offer the best technical and economical solutions to the Customer's inquiries, providing top quality combined with competitive price end on time delivery. The equipment (vessels, heat exchangers, coolers, distillation towers, reactors on the process data sheet and specification of the customer and referenced codes (API-ASME, ASME Boiler code section VIII, TEMA, PED 97/23, EN 13445, etc.).

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JSC «PILOT PLANT OF ELTCROCOAL PRODUCTS»

In 1966 pilot production of "All-Union scientific research institute of electrocoal products" as an experimental base for elaboration of new production technologies of electrobrush-type and for production of small serial parties of electrocoal and electrobrush-type products was organized.

Principal activities of JSC « PILOT PLANT OF ELTCROCOAL PRODUCTS » are: production of serial electrocoal products, semifinished products and materials; rendering of technological and other types of services to foreign enterprises, organizations and citizens; development of new and advanced technological processes; realization of own production and services.

JSC « PILOT PLANT OF ELTCROCOAL PRODUCTS » has closed-loop production cycle on the manufacture of products on the basis of carbon and metal-carbon, from warehousing raw material till finished goods production. At the plant there is a stored area, areas of heat processing and machine processing. The basic part of production of the plant is presented by electrobrushes of own patents. Among them are brushes of model ЭГ61М and ЭГ84М on the basis of domestic middletemperature pitch.

JSC « PILOT PLANT OF ELTCROCOAL PRODUCTS » possesses the technologies on the manufacture of over than 30 models of brushes for electric cars. At present JSC « PILOT PLANT OF ELTCROCOAL PRODUCTS » specializes on the manufacture of import-substitutional products and brushes of common industrial purpose for the underground, nuclear, hydro- and thermal power plants, railway and municipal transport, heavy dumpers and household products.

DESIRABLE COOPERATION

We invite all the firms and state enterprises concerned to cooperation.

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