

BLCC RUSSIA NEWSLETTER

*JANUARY 2016 MOSCOW №1

BLCCRUS.ORG NEWS

2016 NEW YEAR EDITION

Dear BLCC Russia Member:

Welcome to 2016!

I'm looking forward to serving as your Chairman over this year and I thank you for the opportunity!

As we move into the New Year, we hope to bring as much value as possible to develop BeLux-Russia economic ties and will strive to do everything possible to provide ways to help your business grow.

Our most recent event - Belgium, Luxembourg and Eurasian Economic Union First business forum - is a great example.

Over 200 people attended and it was an excellent opportunity to network with other businesses and officials in Moscow.

Getting involved and attending these types of events is just one way you can help your business grow in 2016.

The next big event - 10th session of the Joint Commission on Economic Cooperation (JCEC) between the Russian Federation and the Belgium- Luxembourg Economic Union (BLEU) in Sochi - is a unique chance presented every two years, to boost your relationship with policy makers and international market leaders of our countries.

I urge you to submit and participate in the delegation of entrepreneurs - which we are now being prepared with three official sides.

Your involvement is important and all useful information about our past and future events is inserted in this newsletter.

I look forward to seeing all of you over the coming year!

Sincerely,

Arkady Arianoff

**BLCC Chairman of the Board
in the Russian Federation
Arkady A. Arianoff**



Belgian-Luxembourg Chamber of Commerce in Russia

The Belgian-Luxembourg Chamber of Commerce in Russia has the role to promote economic and trade relations between the Russian Federation and the Belgium-Luxembourg Economic Union (BLEU). Located in Moscow, it is at your disposal to inform you and support you in your projects.

According to a signed agreement, BLCC in Russia (ТПБ/ЛР) is an Official Partner of the "Belgian-Luxembourg Chamber of Commerce for Russia and Belarus" (CCBLR) situated in Brussels.



BLCC MOSCOW First international Forum

"Prepare for the future & Grow Your Next Big Idea"



In November in Moscow CCI Congress Center 200+ attendees came together to forge key connections and to learn about the tremendous opportunities for business in the fast-growing 5-country EAEU region.

A record number of business, government, diplomatic leaders and experts attended the BLCC MOSCOW First international Forum "Prepare for the future & Grow Your Next Big Idea".

Forum boasted 2 important sessions, with panelists discussing everything from the rules of certification; general conditions of trade to the huge opportunities presented by infrastructure projects.

Attendees and panelists agreed that this is the perfect time to focus on the EU - EAEU economic corridor. With the region of 182,5 million people on the cusp of full economic integration, Investors and the government are both taking notice of it. The Belgian-Luxembourg Chamber of Commerce in Russia is excited to play a major role in this project.

Moscow Open Innovation Forum

In November 2015, BLCC RUSSIA participated in the business delegation of the Luxembourg Chamber of Commerce to the Moscow Open Innovation Forum and Technology Show:

Automation and robotization of technology, new materials, 3D printing, modern engineering, digital technology and artificial intelligence change not only industrial and business models, but also human lifestyle and employment patterns.

The delegation has visited the National Research University of Electronic Technology (Russian technical university in the field of microelectronics) and Kaluga region.



Tatarstan President Rustam Minnikhanov working visit to Luxembourg

On November 19, The President of the Republic of Tatarstan, Mr Rustam Minnikhanov arrived on two-day working visit in Luxembourg, met with Mark Entin, Ambassador of Russia to the Grand-Duchy of Luxembourg, and Pierre Ferring, Ambassador of Luxembourg in Russia. Upon arrival, Rustam Minnikhanov had a dinner-meeting with Deputy Prime Minister – Minister of the Economy, and Co-chairman of the Joint Russian-Belgium/Luxembourg Commission on Economic Cooperation, Mr Étienne Schneider, at Château de Bourglinster. On November 20, Rustam Minnikhanov met Grand Duke of Luxembourg, Henri, Chairman and Director General of Nekton investment company Gerard Lopez, visited the innovative center "Technoparc Belval" and later took part in the Tatarstan-Luxembourg roundtable discussion highlighting the business opportunities between Luxembourg and Russian Republic of Tatarstan.

"BLCC Russia Stock Exchange of New Technologies"

Luxembourg Deputy Prime Minister, Minister of Economy, Étienne Schneider had a meeting with Eugene Kaspersky - cyber security expert and creator of "Kaspersky Lab".

The Russian company "Kaspersky Lab" is a world leader in IT security, employing +3,000 professionals. The Kaspersky software is used by over 400 million people and more than 270,000 companies worldwide.

During the meeting at the Ministry of Economy, Étienne Schneider recalled the efforts the Grand Duchy has taken for several years to position Luxembourg as a center of excellence in the field of data security and data protection. As part of the framework of "Digital Lëtzebuerg", Luxembourg aim to provide the best conditions for companies in the ICT sector in general and in the field of cyber security in particular.

Moscow exhibition "Faces and stories"



BLCC board visited the exhibition "Faces and stories", organized by the Representation of the Russian Foreign Ministry in Nizhny Novgorod at the Embassy of the Republic of Serbia in the Russian Federation, Moscow.

Special TNX to Irina Bogdanova!

2nd Eurasian Economic Congress



Head of Belgian-Luxembourg Chamber of Commerce in Russia, Oleg B. Prozorov took part in the opening ceremony of the 2nd Eurasian Economic Congress which has become a unique platform for direct dialogue of the business community with public Authorities of member countries. The main objective of the Congress was to discuss current issues related to the creation of the Eurasian Economic Union and development of Eurasian integration in general.

BLCC RUSSIA took part in 9th Annual IBA "LAW FIRM MANAGEMENT" Conference in Moscow and was the Media Partner of it

The International Bar Association (IBA), established in 1947, is the world's leading organisation of international legal practitioners, bar associations, law firms and law societies. The IBA influences the development of international law reform and shapes the future of the legal profession throughout the world.



On December 1, the Belgian-Luxembourg Chamber of Commerce with the support of the Russian Trade Representative organized a special dinner at the Solvay House in honour of the visit in Belgium of H.E. Alexey Ulyukaev Minister of Economic Development of the Russian Federation.

The ceremony was attended by Alexander Romanov, the Ambassador Extraordinary and Plenipotentiary of Russian Federation to the Kingdom of Belgium, in presence of Vladimir Tkachenko, Director of International Organisations Department of the Ministry of Economic Development of the Russian Federation and Johan Indekeu, Director Eastern, South Eastern and Central Asia for Belgian Ministry of Foreign Affairs.

Among the distinguished guests were the CEO's of Belgian leading companies and investors in Russia: AGC, Ahlers, Air Products, Bekaert, Besix, DEME, Fluxys, Jan Denul, Katoen Natie, Lhoist, RFTR, Solvay.

2015 © Photos by Igor Pliner



ALROSA Diamond Night 2015 in Moscow



On December 9, BLCC Russia participated in an exclusive event in order to affirm and reinforce long-term relationships between the world's most important diamond producer, ALROSA and members of the industry's foremost diamond trading hub, Antwerp.

Ambassador of Belgium to the Russian Federation, H.E. Alex Van Meeuwen had made a welcome speech at the "ALROSA Diamond Night in Moscow" at the residence of the Belgian Ambassador in Moscow.

Organizer of the event was the Antwerp World Diamond Centre (AWDC) in the presence of the Governor of Antwerp, Mrs. Cathy Berx and the President of ALROSA, Mr. Andrey Zharkov.

One of the Belgian-Luxembourg Chamber of Commerce main point of the year 2016, is the Agricultural Sector Investment

On december 12, H.E. Pierre Ferring, Extraordinary Plenipotentiary Ambassador of Luxembourg to Russia visited Republic of Dagestan and was welcomed by H.E. Abdusamad Gamidov, Prime minister of the Republic of Dagestan.

Ambassador of the Grand Duchy was accompanied by a Luxembourg businessman, Mr. Abid Nasir - major investor in the creation of a new high technological modular slaughterhouse for mutton sheep and goats in the Botlikh district of Dagestan.

(Daguestan is a federal republic of Russia, located in the North Caucasus region).

Luxembourg Russia Business Club (LRBC) celebrated its 10th anniversary in the Grand Duchy of Luxembourg

The idea of creating a platform for promoting business contacts between Luxembourg and Russia goes back to the year 2005 when business community started discussing the possibility of founding an appropriate body in Luxembourg.



The project was supported by the Luxembourg's Chamber of Commerce, Belgian-Luxembourg Chamber of Commerce, some important Luxembourg companies and individuals to start the Business Association Luxembourg-Russia a.s.b.l.

The foundation date is the 7th of December, 2005. Francis Hoogewerf became the first Secretary General of the Association. Enjoying the support of the founding members the Association quickly became a reference address for people interested in developing business contacts between Russia and Luxembourg.

BLCC Russia Chairman Mr. Arkady Arianoff is one of Directors of LRBC board since 2005

BLCC RUSSIA helped to organize the 2015-2016 Christmas market with the spotlight to Belgian-Luxembourgish delights and confectionery at the winter festival "Christmas Fairy Tales" in Moscow.

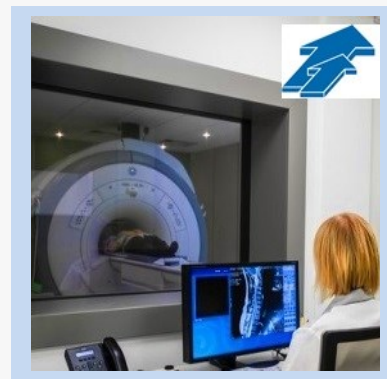


New proton therapy center in Russia

Belgian company IBA (Ion Beam Applications S.A.) and the Government of Samara Region (Russia) have signed an agreement on the construction of the new proton therapy center in the area.

Proton therapy is a form of radiotherapy considered by many specialists to be the most advanced and targeted cancer treatment. Because of its precision to target the tumor without affecting healthy tissues, proton therapy results in fewer side effects for the benefit of patients.

More than half of proton therapy facilities worldwide are IBA systems.



Rosneft increased its production

Rosneft increased its production of hydrocarbons by 0.8% to 254 million tons of oil equivalent, the Russian company's head Igor Sechin said in a comment and New Year address. "Oil processing by all the refineries of the company totaled almost 97 million tons in conditions of the new tax regime," a statement on the company's website said.

In 2015, Rosneft signed a contract with PKN Orlen for the additional supply of 18 to 25.2 million tons of crude oil to Poland, TASS reported.



Presentation of the first antitrust compliance system in the Russian market

The first System of Antimonopoly Compliance on the Russian Market has been unveiled to the Russian Federal Antimonopoly Service.

On 8 December 2015 at the office of mobile operator MTS, a presentation was held dedicated to the system of antimonopoly compliance.

This system was devised specially for MTS by Pepeliaev Group's lawyers and their colleagues from the company, in cooperation with Ernst & Young audit firm.



What awaits Russia's economy in 2016 – collapse or recovery?

Analysts have reacted to the latest collapse of oil prices with varying forecasts. Some believe oil prices are on their way down to the critical level of \$35, which would keep the Russian economy in recession. Others, however, including Western analysts, are of the opinion that 2016 may see the first shoots of recovery.

The collapse of oil prices in December has divided officials and analysts into pessimists and optimists, with Russian Finance Minister Anton Siluanov predicting on Dec. 12 that the price of oil in 2016 will fall below \$30 per barrel in some periods, according to the TASS news agency.

According to Siluanov, demand and the price of oil will continue to decline over the next year and Russia needs to start preparing for the worst.

"We need to draw up backup plans now – on what would happen if the prices will fall further," said Siluanov, recalling that the 2016 budget is based on a price of \$50 per barrel, while the macroeconomic situation is currently showing no signs of changing for the better.

Russian GDP forecasts for 2016

Fitch +0.5%

S&P +0.3%

MED +0.7%

OPEC +0.3%

CB -2-3%

IMF -0.6%

WB -0.6%

An oil price of below \$40 is considered a risk scenario in the government's macroeconomic development plan for 2016. In this case, the economy will lose another 2-3 percent, the investment slowdown will continue, and inflation will fall to 7 percent by the end of 2016. According to Central Bank head Elvira Nabiullina, "the relevance of this scenario has recently increased."

50 percent of Russian budget revenues are dependent on oil and gas returns. In the next year, the budget deficit should not exceed 3 percent.

However, according to a review by Bank of America-Merrill Lynch, if oil prices were to fall to \$35 a barrel, however, then in order for Russia to fulfil its 2016 budget with a maximum deficit of 3 percent, the dollar would have to cost about 94 rubles (in relation to the ruble-dollar exchange rate in mid-December, this means the ruble would drop by another 34 percent – RBTH).

Even at \$50 per barrel in 2016, the economy will continue to decline by another 0.5-1 percent, according to Central Bank forecasts. In this scenario, the regulator expects the recovery of real income and consumption no earlier than in 2018. The International Monetary Fund and the World Bank have made similar forecasts – a continued economic downturn at the price of \$50-53 per barrel.

Cautious optimism

However, the assessment by the Russian Ministry of Economic Development is more optimistic. According to the ministry's head Alexei Ulyukayev, the period of volatility in oil prices is about two-three quarters.

"Somewhere in the middle of 2016, a new balance is highly likely to be found, a balance between supply and demand on the oil market," he said.

The Ministry of Economic Development, meanwhile, is still expecting an oil price of \$50 a barrel in 2016. Accordingly, the ministry predicts a "recovery" in GDP growth, based on figures for the last quarter of 2015: In September-November, GDP showed a tiny return to growth, rising by 0.1-0.2 percent.

Western analysts also express cautious optimism that Russia may return to growth in 2016. Bloomberg consensus estimates for 2016 are \$55.5 per barrel, with only five out of 27 analysts expecting the average annual price below \$50.

Meanwhile, international rating agencies also do not see the risk of a new collapse of the Russian economy: Fitch and S&P anticipate a GDP growth in the range of 0.5 to 0.3 percent.

Anna Kuchma, © RBTH

Call:

Belgian Vlerick students looking for a project in Russia



Dear readers, we are two students currently enrolled in a Master in General Management programme at the Vlerick Business School, in Belgium, after obtaining a law degree at the Katholieke Universiteit Leuven. One of us is already experienced in working in Moscow. Vlerick Business School has a high international ranking and a campus in Sint-Petersburg. As a part of this programme we are expected to do a project at a company called an 'in-company project (ICP)'. The project would last for 8 weeks (May to June 2016) and would be executed by 2 or 3 persons. An ICP really has an added value for the company, given that we work out a concrete project while being backed by our professors. At the end of the ICP, we will deliver results which can be implemented directly. If you would like more information about us, please contact us at Pieter.Deleersnyder@edu.vlerick.com

Information about the ICP can be found on the following website: goo.gl/8TvP2j

Sistema sells 23.1% of Detsky Mir

Sistema JSFC ("Sistema" or "the Company"), a publicly-traded diversified holding company in Russia and the CIS, announces that its subsidiary CJSC DM Finance has sold 23.1% of JSC Detsky Mir ("Detsky Mir" or "Detsky Mir Group" or "the Group") to the Russia-China Investment Fund ("RCIF") for a total consideration of RUB 9.75 billion.

Sistema is a publicly-traded diversified holding company in Russia and the CIS, which invests in and is a major shareholder of companies serving over 100 million customers in the sectors of telecommunications, high technology, radars and aerospace, banking, retail, mass-media, tourism and healthcare services.



Russian export of polyvinyl chloride increased

Russia's imports of suspension polyvinyl chloride (SPVC) fell three-fold to 91,900 tonnes in the first 11 months of 2015, while export sales of Russian resin increased six-fold.

Cacao-Trace™ by Puratos

Puratos, a global leader in bakery, patisserie and chocolate products has announced an innovation in the world of sweet goods: premium compound coatings made with 100% sustainable cocoa powder. In 2012, Puratos started to exclusively use sustainable vegetable oil, certified by RSPO, in its compound products (branded Carat). Now Puratos is setting a new standard in the industry by introducing a great tasting, sustainable cocoa powder from its Cacao-Trace™ program.



The 21st Century Data Center

ASTRON Building has received an order worth approximately \$5.7 million to deliver high-quality pre-engineered Astron-building to Supernap in the Milan region of Italy.

Sverdlovsk region launched new electric substation



Power supply was built for a new production of lime which would be operated by the joint venture of Russian "TMK" and Belgian "Lhoist".

The total cost of the power facility amounted to about 250 million rubles. In addition, work was done on the reconstruction of the nearby centers of power and transmission lines.

Construction of lime production was announced in early 2014. The Joint Venture will develop local deposits of limestone. The project will attract more than 2 billion rubles of investments to Urals region.

International Tax Review Recognizes Baker & McKenzie's Global Tax Practice

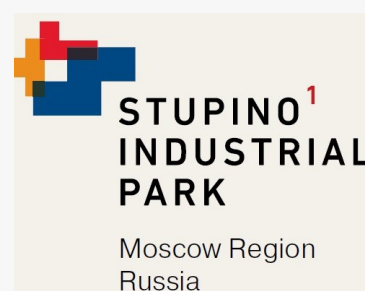
International Tax Review, the premier publication for tax professionals, has recently recognized the market-leading strength of Baker & McKenzie's global tax practice in five directories, as well as at ITR's 2015 Americas Tax Awards.

BAKER & MCKENZIE

The "Stupino experience" is unique

80.000 m2 of facilities to be partitioned into smaller warehouse and production space will provide turn key solution for companies that want to delegate real estate construction to experienced professionals.

Stupino Pro offers built-to-suit industrial buildings in minimum time upon clients' request. Alternatively, Stupino Pro offer a choice of readily available modules of 440 m2, 670 m2, 960 m2, 1480 m2 which can be combined.



2016 action plan of the Belgian-Luxembourg Chamber of Commerce in Russia (Preliminary version) *

Nº	EVENT	DATE	EVENT VENUE
1.	CCBLR Brussels office reception 2016 <i>Topic: Presentation of Vladivostok and the Khabarovsk Region</i>	25 January	Brussels
2.	Gaidar Forum 2016 <i>BLCC at the Panel Discussion: RUSSIA AND EUROPE: ECONOMIC PERSPECTIVES</i>	13 January	Moscow
3.	BLCC Council of Experts Meeting <i>Unique opportunities for pharma companies in the Moscow-Capital District</i>	February	Moscow
4.	Krasnoyarsk Economic Forum 2016	18-22 February	Krasnoyarsk
5.	Joint Commission on Economic Cooperation between Russia and the Belgian-Luxembourg Economic Union (BLEU) <i>Roundtables between BLCC members and officials of the three countries, participation of delegation members in the open parts of the Commission, and a "Gala reception" dedicated to the 2016 February anniversary of the BLCC in Russia.</i>	18-19 February	Sochi
6.	V International Ecological Forum	3-4 March	Marbella
7.	BLCC roundtable with "Titanium Valley" Special Economic Zone <i>New conditions for attracting investment into the region's industry</i>	March	Moscow
8.	InvestRus International Conference	14-15 April	Moscow
9.	TRANSRUSSIA <i>21st International Exhibition for Transport and Logistics Services and Technologies</i>	19-22 April	Moscow
10.	St. Petersburg International Economic Forum	16-16 June	St. Petersburg
11.	International Industrial Trade Fair INNOPROM-2016	11-14 July	Ekaterinburg
12.	Joint Be-Lux Mission to Freeport of Vladivostok <i>Free Port of Vladivostok is the most ambitious project to stimulate the economy of the Russian Far East and the integration of Russia into the international economic relations system of the Asia-Pacific region.</i>	October	Vladivostok
13.	2nd International Business Forum Belgium, Luxembourg – EAEU <i>Belgium and Luxembourg Economic Union's business leaders are invited to participate in the 2nd International Business Forums in Moscow. These one-day forums will provide a unique and unprecedented opportunity to meet and network with senior business executives from Eurasian Economic Union. The invitation-only, high-level dialogue will engage decision makers for strategic discussions about trade and investment policies between EAEU and BLEU, as well as offer extensive business-to-business meetings.</i>	November	Moscow

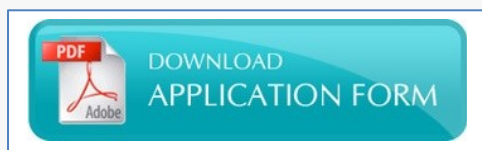
***action plan is provisional, date and subject of the event can be modified.**
Members of the Belgian-Luxembourg Chamber of Commerce in the Russian Federation are invited to make suggestions for activities.

JOIN THE Belgian-Luxembourg Chamber of Commerce in Russia TODAY!

Please send your completed application by email to : Moscow@CCBLR.com

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Business Name: _____
Contact Person: _____
Phone: _____ Fax: _____
Address: _____
Email: _____
Website: _____
Business Category: _____
Business Description: _____



*We welcome you to become a member of BLCC Russia and become an active participant in our community.
The benefits you receive are in direct proportion to your involvement. A strong coalition of businesses working together will provide you with many benefits.
If you would like to become a member of the Belgian-Luxembourg Chamber of Commerce in Russia, but you still have questions, please contact us.
We look forward to working with you!*

OUR 2016's VIP MEMBERS:

