



Association
of European
Businesses

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Representatives of European companies discussed Moscow's investment attractiveness with Alexander Prokhorov, Director of Department of Investment and Industrial Policy, Government of Moscow

On June 16, 2020 Alexander Prokhorov, Head of the Department for Investment and Industrial Policy of Moscow, and his colleagues - Leonid Kostroma, Director, City Investment Management Agency, and Irina Degtyareva, Head of the Agency for Industrial Development - participated in an online meeting with representatives of the Association of European Businesses (AEB).

While opening the meeting, which was the first of a planned series of events "European Business meets Moscow", AEB CEO Tadzio Schilling said that "the AEB has been maintaining close working relations with the Moscow City Government and its structures for many years. Moscow is a key and strategic partner for us, we see how it has changed radically in recent years, becoming an innovation platform. Many AEB member companies, such as European banks and car manufacturers, hotels, retail chains and manufacturers of construction materials, IT companies and pharmacists have been successfully operating in Moscow. We are glad that we can rely on the Moscow City Government and appreciate your openness in communicating with foreign investors".

Speaking about opportunities that Moscow offers to European investors, Alexander Prokhorov noted that "Moscow has shown itself as a reliable business partner, which is expected to affect the level of confidence of Russian and foreign investors in the city. This is confirmed by the stable growth in fixed capital investments. Thus, in 2019 the volume of investments grew by 8.9% (in comparable prices) compared to 2018 and amounted to 2.86 trillion rubles. And the volume of accumulated foreign direct investments as of January 1, 2020 amounted to \$260 billion".

According to Alexander Prokhorov, Moscow accounts for about half of foreign direct investments in the country, including through existing support mechanisms, such as investment tax deduction, incentives for job creation, offset contracts, etc.

In addition, Moscow is actively developing public-private partnerships (PPP). As Director of the City Investment Management Agency Leonid Kostroma noted, that the most common forms of PPP in Moscow are life cycle contracts, concessions, corporate agreements.

Irina Degtyareva, Head of the Industrial Development Agency, told in detail about concrete steps to support localization of production in Moscow.

The participants of the meeting also touched upon the impact of the pandemic on the attraction of investments: the representatives of the Moscow City Government noted that no major investment projects have been frozen, and long-term support measures have not been sequenced. However, it is likely that the assessment of projects by investors will become "more rigorous".

Furthermore, representatives of European businesses and the Moscow government discussed a wide range of issues related to the advantages of economic zones, commercial real estate construction, etc.

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