



On November 22 in Moscow in the hotel AZIMUT Smolenskaya Moscow the Sixth Moscow International Financial and Economic Forum “The Eurasian Economic Union and the EU: search for new formats of cooperation” was held.

Traditionally the participants discussed the most crucial financial and economic aspects of Eurasian integration, new market opportunities of the Eurasian Economic Union (EAEU) for the European business and further development of trade and economic cooperation between EAEU and the European Union (EU). The Forum welcomed the representatives of international development institutes, financial associations and organizations, businessmen, financial and economic experts, investment and insurance market representatives of member-states of the Eurasian Economic Union and the European Union.



The plenary session was moderated by **Alexander Murychev**, Chairman of the Coordinating Council of Financial and Banking Association of Euro-Asian Cooperation (FBA EAC), RSPB Executive Vice-President.

In his welcome speech he pointed out that the work alliance of such unions as FBA EAC, RSPB and EEC for the sixth time has made it possible to gather on one platform all those who are interested in the development of trade and economic relations on the Eurasian space. This year the Forum welcomed 200 participants from 22 countries. The largest delegations came from Russia, Korea, France, Germany, China, Kazakhstan, Italy, India and Armenia. A. Murychev also outlined the agenda for the

plenary session and the break-out sessions.

Timur Zhaksylykov, Chairman of FBA EAC Supervisory Board, Member of the Board – Minister in charge of Economy and Financial Policy of the EEC opened the plenary session.

After welcoming the participants of the Forum he shared his views on the prospects of contingency and cooperation of the EU and the EAEU mentioning that they are the largest integration blocks in the world. The European Union is the biggest trade, investment and technological partner of the EAEU and the main buyer of the goods exported from the EAEU member-states (50% of total export). The share of direct investments into the EAEU countries amounts to 65% from the total volume of direct investments. As for the EAEU the largest share of its export to the European Union accounts for mineral fuel (oil and natural gas), metals, chemical products and ceramics. In its turn the European Union attaches crucial importance to the cooperation with the EAEU. The Eurasian Economic Union is the third largest trade partner of the EU after USA and China. In 2018 the share of mutual turnover between the EU and the EAEU amounted to 47% of the EAEU trade with the third parties.

After that T. Zhaksylykov dwelled upon four main aspects of the possible joint actions of the EU and the EAEU which he believes in future could help to build effective and mutually advantageous economic relations. And he gave some details to each of them. The first aspect is the creation of a more competitive private sector, the second one is the simplification of trade procedures, the third – improvement of transport and logistic compatibility and ties, and the forth – integration of financial and capital markets.

In conclusion having changed the famous quotation of Robert Schuman, the European project father, T. Zhaksylykov said: “The partnership between the EU and the EAEU won’t be created at once and won’t be based just on a plan. Let’s create it basing on positive practice and achievements”.





The speech of *Alexander Shokhin*, the President of the Russian Union of Industrialists and Entrepreneurs was mainly focused on the important work of business circles directly interested in the development of constructive relations of the EU and the EAEU. A. Shokhin pointed out the most important areas of further development of Eurasian integration such as fewer trade and investment barriers, better transport infrastructure, cooperation in digital and banking sectors. A. Shokhin underlined that Russian business is highly interested and closely involved in the ongoing Eurasian integration. Businessmen are constantly participating in almost all consulting committees of the EEC Board. Also active are the RSPP Integration Council of cooperation with the EEC and the

EAEU Business Council. “We should create favorable conditions for the development of the “Big Eurasia” and for new players”, - said A. Shokhin. Speaking about the investment climate in Russia the RSPP President told the audience about the federal draft law “About the protection and encouragement for investments in the Russian Federation” as well as about the participation of business in the implementation of the mechanism of “regulatory guillotine”. According to A. Shokhin today there is more than one example of successful work of the European companies, including the ones aimed at export, with wide local content both in Russia and in other EAEU member-states. He also mentioned new areas of cooperation of RSPP with colleagues from Germany and France in high-tech areas for example: the project with MEDEF International “Industry of Future” and the work within the German-Russian Incentive of Digitalization (GRID).

Veronika Nikishina, Member of the Board, Minister for Trade of the Eurasian Economic Commission shared some figures of the EAEU and the EU turnover. During 8 months of 2019 the turnover of the two unions amounted to more than \$ 212 billion. At the same time the EU countries account for 47 % of the EAEU trade turnover while in 2014 this figure was 52 % (in 2014 the EAEU countries accounted for 9.7% of the EU trade turnover, in 2018 – for 7.4%). According to the minister the rehabilitation of trade is still going on today.



The direct dialogue of the two unions is also necessary. Here the trigger is the joint work of business circles directly interested in the development of constructive relation of our organizations. In summer, 2019 there was a meeting of delegations of the EEC trade block and the General Directorate of trade of the European Commission which launched a technical dialogue between the commissions. At the same time, regardless of the need in such dialogue V. Nikishina warned the Forum participants not to overestimate this format of interaction. She underlined that in future the parties will have to consider some changes in the regulation and the conditions of mutual access to the markets. This is the main aim of today’s regional trade agreements which considering the WTO system crisis are becoming the most popular instrument to promote trade and investment between the countries.

“We are open to any kind of cooperation our partner strives for, but this cooperation will be constructed basing on businesses’ demands. Even within the recently created frameworks of cooperation with the EU we expect ideas and information from business regarding any problems in order to seek for the most effective solutions”, - said the EEC Minister.



Bakhytbek Baiseitov, FBA EAC President, President of the Association of Banks of the Republic of Kazakhstan, Chairman of the Board of Directors of Bank CenterCredit argued that business is enthusiastic about the active dialogue of the EAEU and the EU. However there are factors today that hinder this dialogue, such as politics, inequality of economic development of the countries on the Eurasian territory, internal problems of the old and the new Europe. Nevertheless in every EAEU member-state it is necessary to create favorable business situation, to support entrepreneurship, to develop and protect competitiveness, to expand target markets, to widely introduce state and business partnership without excessive pressure from the state, to raise the financial stability of domestic companies. Also FBA EAC President turned the attention to the aims and advantages of the “Astana” International Financial Center (AIFC) established in Kazakhstan, to the prospects and the existing barriers of the joint-stock investment funds of speculative investment, located in Kazakhstan.

Pascal Lorot, Special Representative of France for Central Asia also found receptive audience. He described his mission as the renewal of the dialogue between the governments in the region, joint defining of cooperation ways and strategic areas in economic and financial sectors as well as the promotion of the interests of the French companies in the region and their support. Speaking about his activity P. Lorot stressed that France already has a considerable representation in the Central Asia. For example in Kazakhstan since 2008 the volume of French investments has reached 12 billion Euros. Among the foreign investors in the country France ranks third. Besides there are a number of joint French-Kazakh projects in railway construction, satellites and oil products. Among the strategic cooperation areas are energy, agriculture, product processing, transport, digital technologies, “smart” cities and tourism. As for Russia P.Lorot mentioned that France is one of the largest employers of the country and also is among the three largest foreign investors in the country. He also dwelled on the work with Africa pointing out the high representation at the summit Russia-Africa in Sochi in October this year. According to P.Lorot “We can build affective trilateral partnership with this continent: EAEU, Africa, EU”.



Petr Bystron, Member of the German Parliament said it was a great honor to speak as a representative of the German Bundestag and the party Alternative for Germany at such a large Forum. “Our goal is to connect politics and business for the benefit of those both”, - said the deputy. P. Bystron dwelled upon the political situation in Europe and the whole world as well as the political and global economic crisis. He criticized the influence of the sanctions struggle on the financial and economic figures in Europe. As for Germany itself P.Bystron pointed out that the crisis seriously struck the industry in the country and such sectors as atomic industry, electric plants, coal sector are seeking investors today. The main driver in

Germany is the small and medium business. P. Bystron told the participants of the Forum that there are 2.4 million SME in Germany, many of them are innovative and real market leaders (“the hidden champions” as they call them). Now there is a study of credit reform in Germany saying that 45% of the owners of those small and medium enterprises are looking for successors of their business and investments. He also said that while previously the main money flows were coming to Germany from the USA now China prevails as well as Easter. Thus the deputy urged the Russian business and the EAEU countries to invest into the German economy and make use of the existing economic crisis as a good chance for a new development stage.



Denis Ivanov, Chairman of the International Bank for Economic Co-operation stressed that the Bank today pays much attention to the cooperation between the EU and the EAEU. Recently the European Union has started to realize that the EAEU is a similar economic union, not a political one. De-dollarization is going on not only on the territory of the EAEU but in the European Union too. “The contractors in Europe are eager to shift to Euro in the settlements” – said D. Ivanov. Blockchain settlements are also popular.



Frank Schauff, CEO of the Association of European Businesses spoke about the Association which is one of the main investors in Russia and the EAEU uniting more than 500 largest European companies investing in Russia. The flow of mutual investments is constantly growing. Since the last year the flow from Russia to the EU has increased considerably. “The European companies strongly believe in the economic potential of the EAEU states and the advantages of the space from Lisbon to Vladivostok. That is the reason why the Association of European Businesses has developed fruitful cooperation with the governing bodies of the EAEU”, - said F. Schauff. According to him the EU countries are interested in the development of ties with the EAEU due to a

number of reasons: lucrative investments, access to the advanced technologies, human resources, geographic proximity, common cultural heritage. Speaking about the future of the EAEU-EU relations F. Schauff underlined that a free economic zone between the two unions could promote trade and export. With this regard it is necessary to speed up the harmonization of the European and the Eurasian technical standards which would lead to stronger interaction of the two regional blocks and to mutual market inroad.

In conclusion F. Schauff pointed out that joint work of the European Commission and the Eurasian Economic Commission is pushing the pace saying that it is a good practical step towards communication on the Euro-Asian continent. He also mentioned positive work of RSPP, FBA EAC and other associations aimed at closer economic potential of the Euro-Asian countries.

John Reade, Managing Director, Chief Market Strategist of the World Gold Council thanked the organizers of the Forum and informed about the situation on the world gold market and about the work of the World Gold Council which unites 26 largest gold-mining companies and aims to promote this sector encouraging central banks to buy gold, to ensure access to the gold market to a larger number of countries, to make relevant reports and researches. Speaking about the gold market John Reade mentioned that Europe including Russia accounts for 14% of the world market. While the main producers of gold are Russia, CIS countries and Asia. The main idea for the development of the sector is the relations with central banks. From the beginning of the economic crisis central banks buy more and more gold every year. Such countries as Russia, Kazakhstan, Uzbekistan, Tajikistan are the largest buyers of gold.

According to John Reade among the reasons encouraging central banks to buy gold are four main factors: growth in total reserves, increased demand for diversification of assets, role of gold as a strategic asset and the upcoming changes in the international monetary system. Speaking about the EAEU he mentioned that the region plays an important role not only with regards to the purchases of gold by the central banks but also due to the production of gold. EAEU produces about 380 tons of gold per year, and together with CIS countries it accounts for 470 tons. Altogether it makes 14% of the world production of gold. In conclusion John Reade said that there is a strong possibility that the citizens



of the region will become the largest investors in gold. Such combination of the production, gold reserves increase and stronger potential for private investments will make the Eurasian region the largest hub for the world gold market.



Kyou-Hyun Kim, Deputy Director of the Korea-Russia Innovation Center (KRIC) welcomed the Forum participants and thanked the organizers. Speaking about the work of KRIC he mentioned that today Korea is quickly developing and Russian companies play here an important role. The Korean partners are ready to make efforts to develop Russian-Korean business relations and assist Russian companies via commercialization of their know-how and innovative ideas. In fact that is the aim of KRIC – to support and promote technological cooperation of Russia and Korea. In conclusion Kyou-Hyun Kim informed the participants that in June this year the Center signed a MOU with FBA EAC and expressed hope that it would result in many successful stories of cooperation

between the Russian and Korean.

After the plenary session the Forum participants continued their work in panels:

«EU – EAEU: prospects of investment cooperation»

Moderators of the session were **Philippe Delmotte** – CEO of POD Consulting (France) and **Vladimir Kotenev** – Managing Director of Euroasian Strategic Consulting Ltd. (Germany).

In the capacity of speakers were:

Askar Kishkambaev – Head of the Office of the Member of the Board – Minister in charge of Economy and Financial Policy of the EEC (EAEU);

Frank Schauff – CEO of the Association of European Businesses (EU);

Bakhytbek Baiseitov – President of Financial & Banking Association of Euro-Asian Cooperation, President of the Association of Banks of the Republic of Kazakhstan, Chairman of the Board of Director of the Bank CenterCredit (Kazakhstan);

Petr Bystron - Member of the German Parliament (Germany);

Sergey Krasilnikov – Vice-President - Managing Director of International Cooperation and Integration RSPP (Russia);

Christophe Pelisson – Chief Financial Officer of VICAT Russia and CIS, Vice-President of the French chamber of commerce in Kazakhstan (France);

Florian Willershausen – Director Business Development of Creon Capital (Luxembourg);

Amina Turgulova - Adviser to the Manager, International Finance Centre Astana (Kazakhstan).

All speakers were solid in their meaning of the need to build a so-called “Greater Eurasia”, a single economic space from Lisbon to Vladivostok, in connecting the economic potentials of the two largest integration associations of the EU and EAEU that in the long run will lead to an increase of added value and create a multiplier effect, will have a positive and beneficial impact on the lives of more than 700 million people in Europe and Eurasia.

In the second part of the section, the heads of leading companies of the Republic of Bashkortostan made a presentation of investment attractiveness of Bashkortostan: **Vladislav Platonov** – Director of Finance and Investment of NefteChemConsult LLC, **Gyuzel Ishmiyarova** - Project Manager, Premium LLC, **Ruslan Syrtlanov** - Project Manager AlmazGroup LLC. Their speeches excited interest among potential investors. Further negotiations continued in B2B mode.

«Gold-mining and jewelry industries– new opportunities and technologies»

The session was moderated by **Valeriy Kryachko** – Corresponding member of the Academy of geopolitical problems, Candidate of geological and mineralogical sciences and **Tatiana Fic** – Director of World Gold Council, WGC.

The session included reports and presentations of the leading experts of the industry.

T. Fic opened the session and presented a report of the world gold market and its current trends. The key message of her speech was “Gold as an investment asset”.

Oleg Gorbunov – representative of GEOSCAN LLC demonstrated the use of Earth observation UAV.

General Director of PROMTECH LLC **Alexander Kotlyarskiy** covered the topic of digital technologies to raise the productivity.

Irina Rys - Deputy Chairman of the Board of Lanta Bank JSC surveyed new possibilities and technologies of the gold-mining and jewelry sectors and also spotted the main factors of demand for the current gold.

Gennadiy Teslenko - Director of geology of the Engineering Center “Gubkin-Innovations” of National University of Oil and Gas “Gubkin University” ensured the theoretical part of the session with his report of technological solutions

for the fragmentation of different precious metals deposits of different genetic type and the moderator of the session **Valeriy Kryachko**, who spoke about peculiarities of the minerals of precious metals due to the advanced technologies of extraction.

Andrea Boldi - President of the Italian NEMESI S.R.L. covered the world scenarios on the precious metals market.

Sergey Pynzar – Project Manager of J-PASS presented an advanced technology of integration of a touch-free mark point into jewelry items.

Lamjav Bolbaatar – Director of mining, investment and cooperation of the company Mondulaan Trade XXX presented a brief review of the gold-mining sector of Mongolia.

The session was conducted at a high scientific and practical level and covered most problems and achievements of the industry.

«Innovation technologies as a promising investment»

The organization and conduct of this section aimed to determine the order of interaction and develop basis approaches to the implementation of projects, based on common interests of both the owner of an innovative technology and the investor, as well as to highlight some innovative technologies that can be implemented in different economy's sectors.

Igor Sinchyrin, Head of Center of innovative technologies of FBA EAC, was a moderator of the section.

The section was opened by **Istvan Lengyel**, Secretary General of Banking Association for Central and Eastern Europe with the topic "European experience in using alternative sources of financing for innovative business". The report covered the issues of innovation funding by the European Union, national programs and market forms of innovation process support, innovation incubators and the role of banks in financing of innovation process.

Alexandra Matveeva, Director of Client Department of International Bank of Economic Co-operation (IBEC), addressed with the theme of financing of innovative business. The speech outlined approaches and domestic experience in financing innovative projects.

The further work of the section was continued by the speeches of the owners of innovative technologies. Nanotechnologies in construction - this is how **Alexey Golik**, General Director of "Renovation Center" LLC, introduced his presentation and report. The proposed technology of non-autoclave foam concrete provides minimum costs for the construction of various civil and industrial facilities with the preservation of existing standards in the industry.

Valentin Karamzin, General Director of "Agromash" LLC, announced the topic of new materials based on aluminum alloys obtained in the gravitational fields. Products obtained as a result of gravitational impact on aluminum melt have physical and mechanical properties of steel and can be used in construction, transportation and mining.

Leonid Ivanov, Vice-President of the International and Russian Engineering Academies, spoke about the activities of the Academy. In his speech, he focused on the main goals and objectives of the Academy and interaction with its branches and partners.

Oleg Bogomolov, General Director of Engineering company "Interblock", presented innovative products of the company in his presentation and report "Innovative Technologies of Engineering company "Interblock". The presentation focused on energy and waste disposal equipment. That is, the technologies that are relevant not only today, but also in the long term. Also of interest is the experience of developing a company that uses its own resources without the participation of funding agencies.

Mikhail Zernov, Vice-President of International Fund for Sustainable Peace and Development (IFSPD), made a presentation on technological solutions in the field of waste management and global trends in this area. He summarized and announced the developments of his partners.

Georgy Sviridov, General Director of "Ecospas 2050" LLC, made a report on "Innovations in the environmental sphere" and presented the equipment produced. The equipment for disposal of solid domestic waste on the basis of high-temperature impact, allowing to dispose of waste with high hazard class, was presented. The participants of the section showed interest in the water treatment and desalination unit.

At the end of the section, **Andrey Merzlyakov**, Deputy Chairman of the Commission on Innovations and Investments, spoke on the topic "Russian innovative technologies as the subject of effective investments". Financial calculations on the proposed directions of work were presented, as well as the technology of climate management was voiced.

All the participants of the section highly appreciated the level of discussion and the degree of preparedness of the speakers.

«Technologies and finance: from services to ecosystems»

Section of the Forum was moderator by **Ernest Žejn**, Vice-President of Chamber of Commerce and Industry of Slovenia and **Andrey Lisitsyn**, Director of the Center of financial policy and financial markets RSPP.

In his opening speech, **Andrey Lisitsyn** noted the important role of digitalization in the development of any integration processes, including those in the EU-EAEU-China, and drew the attention of participants to the need for detailed discussion and coordination of positions on all issues in this section.

Zhanna Pisarenko, Assistant Professor of Saint-Petersburg State University, noted that the interdependence of all participants of the global financial market is increasing. Financial organizations of different types (insurance corporations, pension funds, commercial banks and investment funds) are united into global conglomerates. Representatives of non-financial businesses - service companies - are included in the work of the conglomerates.

Natalia Kuznetsova, Professor of Saint-Petersburg State University added that clients becomes an active element of the financial ecosystem. She dedicated her report to the sphere of bank-insurance. In the financial conglomerate, the "risk of infection" increases due to the synergy of risks of different companies and products, said the professor.

Wang Qiang, Doctor of Natural Sciences, Professor of Management of Institute of Economics and Management, China Petroleum University, informed about the gradual de-dollarization of the global oil industry, a policy that is carried out at the level of oil-producing countries' governments. In the future, payments between the countries can be made in digital currencies, *Wang Qiang* is convinced.

Roman Zhukov, Director of the Center of information security competence of "Garda Technologies" LLC, reminded that ensuring cyber stability is one of the priorities of the Russian mega-regulator - the Bank of Russia. In November, the Central Bank warned of the danger of hacker attacks through the Rapid Payment System (RPC), which is the financial ecosystem. "Hackers are no longer hooded characters who sit somewhere in the basement, but rather respectable people. There are already 100 millionaire hackers in the world," *R.Zhukov* said. One of the vulnerabilities of the financial ecosystem, according to *R.Zhukov*, is a temptation for managers to connect customers to unnecessary services (often without their knowledge) in pursuit of KPIs. "We're joking among the safe people: if you haven't been hacked yet, you probably just don't know about it yet," *R.Zhukov* said.

Ernest Žejn in his report drew a parallel between the retail sector and the financial market. A few years ago, people did not understand why to shop online if they are used to going to their favorite store. Now the turnover of online stores has increased many times and, for example, in the U.S. exceeds the turnover of traditional trade. The same thing happens to banks. In this regard, there are numerous attempts to protect the personal data of customers - such as the directive PSD2, which is very "painful" to the business. "Whether this helps or not, we'll see in five to ten years," said *Ernest Žejn*.

Roman Perepelkin, General Director of BIS Ltd., founder of platform ODANT, expressed regret that the vast majority of database management systems (DBMS) have been produced in the USA (400 out of 405 existing DBMS). This poses a certain threat to the countries that use them.

Roman Fadeev, Vice-President of finance of "Silk Way" UCE (Kazakhstan), described the advantages of the exchange mechanism and described an attempt to establish an interexchange consortium between Uzbekistan and Kazakhstan.

Igor Klyuchnikov, Chairman of the Board of Directors of Digital Payment LLC (Sendy payment system) told about specific solutions in the field of building ecosystems, which they implement in the process of digitalization of the cooperative movement (CoopLand) based on the experience of interaction with Chinese ecosystems (WeChat, AliPay).

Roman Prokhorov, Chairman of the Board of Association "Financial investments", said that Russia ranks fifth in the world in terms of e-commerce, and cashless payments have reached a share of 55%, having increased by 2.5 times in 2014-2018. *Roman Prokhorov* described the development strategy and risks of the National Payment System (NPS).

Alexander Suraev, Director of legislation of the Center for digital development of RSPP, Member of RSPP Coordination Council for digitalization, informed participants about the current work of the RSPP on the legal support of the digital rights turnover, as well as on the creation of institutional and infrastructural conditions for the development of a competitive digital rights market in Russia. At the same time, he stressed that "the development of unique "digital" regulation in a given country without international cooperation may be as ineffective as the lack of appropriate regulation in principle".

The participants of the section also touched upon the issues of automation of financial services, digital platforms, spheres of application of financial, stock exchange, production, payment and trade ecosystems, cryptography, modern technologies of payment industry, protection of information of retail financial ecosystems.

Egor Ivankov, Member of Coordinating Council of FBA EAC, General Director of Salus; **Oleg Chanchikov**, Chief Development Officer of APIBANK; **Oleg Litvinov**, Chief Marketing Officer of BCS Financial Group; **Alexander Frolov**, Deputy General Director of "VEB Engineering" and others took part and made speeches within the framework of the digital section.

The organizers of the Forum express thanks to the sponsors of the sessions.



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of software. The company possesses unique information about petrochemicals starting from the primary processing blocks and up to the processing of black oil, as well the technological appliances – compressors, heating stoves, heat-exchange units, waste-heat boilers, reactors of different constructions and purposes, separators, electrical equipment and automation systems (including software), and also about the features of water cycling units and their reactant treatment.

Production support is a large part of the work of the company. It includes technical and technological optimization, mechanical works, urgent incorporations within a limited period of time, isolation work, mechanical, dry and hydro-mechanical cleaning of the equipment and pipe lines.

The Sponsor of the first session «EU – EAEU: prospects of investment cooperation» was the company **NefteKhimConsult**. The company demonstrated its successes at the Forum, showed its investment and innovative potential of the Republic of Bashkortostan, presented a number of interesting investment projects.

The company has huge experience and HR potential for different solutions in industrial processes, analysis and optimization of production stages, modelling and creation



The Sponsor of the second session «Gold-mining and jewelry industries– new opportunities and technologies» was the **World Gold Council** — the organization created in 1987 by the main world gold producers with the aim to stipulate the demand for gold.

Today the members of the World Gold Council are the companies accounting for 60% of the world mining and production of gold.

Uniting the major part of gold producers the Council works to influence the whole structure of gold purchases in different forms: in the jewelry industry, in the industrial production, on the investment markets.

According to the Charter of WGC a company can

become its member if it mines no less than 100000 troy ounces of gold per year.

The head-quarters of WGC is located in London.

B2B communications after the Forum continued at the banquet on behalf of FBA EAC.