



Moscow Foresight



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Andrey Guryev:
**"SOCIAL RESPONSIBILITY HAS BECOME
 A TOP PRIORITY FOR DOMESTIC BUSINESS"**

On 26 March, at the annual Congress of the Russian Union of Industrialists and Entrepreneurs (RUIE), Russian President Vladimir Putin noted that Russian businesses are increasingly focused on the environmental conditions in cities and regions, the quality of life of company employees and regional and urban development. We spoke with Andrey Guryev, a member of the RUIE Board of Directors and head of the RUIE Committee on Sustainable Development and Demographic Policy, about how social responsibility is becoming an integral part of corporate development strategies in Russia.

Andrey Andreevich, have you seen any significant changes recently in how Russian businesses are approaching the social agenda?

It is clear that social responsibility has become a top priority for Russian businesses. This could be seen at the RUIE Social Forum, held as part of Russian Business Week, which attracted a record 400 participants.

We are witnessing a profound transformation in how businesses view and practise their social responsibility. Whereas the focus was previously on talking about ESG, it has now shifted to action, including the implementation of comprehensive social programmes. Large businesses are actively carrying out initiatives to promote regional development, environmental protection, public health and sustainability.

The National Development Goals set by the Russian President serve as a guiding principle for shaping of portfolios of social projects. Employers, in particular, are playing an increas-

ingly important role in addressing demographic challenges.

Is it essentially a form of charity for businesses?

No, this isn't charity. Research shows that whenever employers introduce family support programmes – such as childcare or eldercare assistance – it has a direct impact on staff retention and their level of engagement.

According to an international study by BCG and Moms First, the return on investment from such initiatives can reach 425%, while unplanned absenteeism is, as a result, reduced by up to 16 working days per year. When parents are confident that their children are receiving proper care and have opportunities for development and to acquire a vocation, this directly affects their loyalty, productivity and ability to focus on their professional development.

In Russia, family support is already becoming the norm. The RUIE's corporate practices library contains over 1,200

social programmes from 256 companies. Employers actively support young families and parents, contribute to the development of the healthcare and education systems, and participate in promoting children's and youth sports.

I know this from my own experience as the Chairman of the Coordinating Council of the Education, Health and Spirituality for Russian Children project (DROZD), which enables thousands of children in the country's industrial regions to take part in sports activities free of charge, while receiving patriotic education. The DROZD programme has been awarded the Leaders of Responsible Business National Prize.

During the RUIE Congress, Russian President Vladimir Putin highlighted that human capital development has become a central focus for businesses. Why is this happening, and how is it reflected in corporate social programmes?

There is now a universal understanding that human capital, which encompasses skills, the ability to learn quickly, technological proficiency and innovation, has become the primary driver of competitiveness.

In the context of profound technological transformation and demographic challenges, knowledge, information and innovation have become key factors in boosting production. Research by the Organisation for Economic Co-operation and Development (OECD) shows that up to a third of productivity differences between countries is due to differences in skills and education. Without investment in these areas, even the adoption of the most advanced technologies will fail to deliver the expected gains. According to an analysis by Bain & Company, companies globally lose between 30% and 50% of their productivity potential if they do not invest in new technologies.



Without a strategic approach to staff training and support, industrial and high-tech sectors risk squandering their growth momentum. For this reason, responsible employers are already changing their approaches, starting from the very beginning of the recruitment process. Increasingly, companies are focusing on specific skills and competencies over formal qualifications.

As a result, the development of human capital is no longer just a social objective, but a strategic necessity, reflected in real corporate programmes focused on training, adaptation and long-term support for employees.



Andrey Guryev meets with Russian President Vladimir Putin (July 2025).

Has business in Russia become more actively involved in developing talent?

Yes, according to a study by the ANCOR recruitment agency, about 62% of Russian companies now provide internships to students, and for large enterprises this has become a key channel for recruiting staff. Leading Russian companies actively partner with universities and vocational institutions, signing agreements for targeted training and creating and shaping joint educational programmes.

Dual training models, where students simultaneously study at an educational institution and gain practical workplace experience, are becoming popular. Graduates of such programmes adapt to the workplace more quickly, and companies can then count on job-ready professionals. President Vladimir Putin highlighted the importance of this model during his visit to the Cherepovets Chemical and Technological College, which trains personnel for the mineral fertilizer industry.

Career guidance and training programmes are starting earlier, meaning that leading corporations are engaging with future professionals from a very young age. This is fully justified for Russia, since there is a worrying gap between the level of training of young professionals and the actual requirements of the labour market.

Companies are developing specialized educational programmes, sponsoring competitions and contests, and organizing summer camps and schools to identify and attract promising young people. These initiatives enable young people to learn about in-demand professions in regions across Russia, bolster talent pipelines and encourage young people to play an active role in their local communities.



Andrey Guryev with Fyodor Konyukhov and Ivan Menyailo, who dedicated their record-breaking balloon flights to DROZD students.



The DROZD social programme, a subsidiary of PhosAgro, was named a winner of the Leaders of Responsible Business National Award, established by order of the President of Russia.

In this way, human capital development begins long before young professionals enter the job market and encompasses education, health, sports and family support. Companies that invest in both their current employees and the next generation are not only more sustainable but also more competitive in the long run.

The winners of the Leaders of Responsible Business National Awards received their prizes at the RUIE Congress. For the third consecutive year, the top prize of the competition, established by order of the President of Russia in 2023, was given to PhosAgro and Norilsk Nickel, which are implementing a number of significant social projects. How can their positive experience be scaled across the business environment as a whole?

First of all, the growing number of award participants from year to year is a clear sign that companies are increasingly engaging with social responsibility and recognizing its strategic importance.

To promote the widespread adoption of best practices, government incentives should be provided to support their dissemination. In this regard, I would like to highlight the introduction of the Business Social Capital Standard in February this year, which incorporates best practices and international standards for disclosure of non-financial information and supplements them to highlight the private sector's contribution to achieving national development goals, particularly in the social sphere.

The Standard will make it possible to measure companies' real impact on public welfare, rather than merely their formal compliance with reporting requirements. It paves the way for a transparent assessment of the effectiveness of social initiatives, and it will enable government agencies and the public to properly recognize responsible businesses, provide support and make the most of the experience gained within national programmes. [BM](#)





ROUBLE SPLIT



**Alexander
Nekipelov**

Director of the Moscow
School of Economics
at the MSU

According to the Central Bank data as of the beginning of 2026, the volume of cash in circulation in Russia has reached ₺19.7 trillion. To protect this vast mass from depreciation and thus solve an important social (rather than just financial-economic) task, the state could, as it were, “split” the national currency into two components – into standard roubles for everyday transactions and indexed “Rouble-Assets”. The initiative was proposed by Academician Alexander Nekipelov, Director of the Moscow School of Economics at the MSU.

Nekipelov proposes pegging the value of such money to a basket of exchange-traded commodities, with quotation updates performed by the Bank of Russia on a near-daily basis. According to him, such a mechanism would not only minimize devaluation risks but also make the Russian currency more attractive and, consequently, more efficient for international settlements.

We have talked to the scholar, opening up with the question of what is the key distinction of the “Rouble-Assets”, proposed by him, from bonds and other financial assets.

– The idea of splitting up the RF national currency into “Rouble-Asset” and “transaction rouble” was for the first time presented by me in June of 2024 at an inter-academic forum, – says Nekipelov. – Later, in March of last year, I presented my views at an annual conference hosted by the ACRA credit rating agency. Alexei Zabolotkin, Deputy Chairman of the Bank of Russia, who also participated in the conference, noted that the market had already offered instruments with similar functions: specifically, inflation-linked bonds (OFZ-IN), enabling economic agents to hedge against rising prices effectively.

Indeed, that is true, but my proposition refers not to securities, into which economic agents invest funds to receive interest, but to money itself. This financial instrument can be effortlessly converted into any goods or services at any moment. In other words, it possesses absolute and infinite liquidity. Let me remind you that for employees, income receipts and expenditures are not synchronized in time. For example, a person gets paid every two weeks but has to buy goods and services every day. Consequently, they need to keep a certain amount of cash on hand at all times. In science terms this is called the “demand for money”. That won’t work with bonds: you’d have to buy them first (using that same salary) and then sell them on the stock market every time before going to the grocery store.

Tsarist Russia and 1990s Cases

So what is the core idea, to provide people with a tool that enables them to hedge against the risk of asset depreciation?

The objective is broader: it will enable all economic agents to navigate and operate with confidence in a high-inflation environment. The trend toward higher inflation is a natural outcome of the processes accompanying a long-term and intensive structural economic transformation. Russia has entered precisely such a period due to a combination of factors – ranging from sanctions to the realization of the need to modernize the economy.

By the 21st century, it has become well-established in economic theory that transformations within the production sector impact macroeconomic processes, specifically affecting the rate of inflation. In this context, the subject of the study was so-called 'idiosyncratic shocks'—one-off disruptions in specific production sectors, such as supply chain breakdowns. Focus on these events intensified particularly during and after the pandemic. However, I am currently referring to a situation that is not documented in any academic works or textbooks. Although there were reasons to consider the consequences of long-term structural transformations. One clear example is the transition from a socialist planned economy to a market economy. Back then, a massive systemic shock triggered a radical change in the production structure, a surge in economic activity, and, at the same time, persistently high inflation.

What causes inflation to surge under these circumstances?

This trend is related to a well-known property of prices in the modern economy: their downward rigidity. Everyone is happy to raise prices when demand grows, but extremely reluctant to lower them in the opposite case. Under conditions of restructuring, the relative prices of various goods are bound to change. This is precisely where the danger of a simultaneous decline in output and an acceleration of inflation lies.

By the way, it's not that hard to find historical parallels for this, however distant they may be. Let's say, in Tsarist Russia, not only the gold rouble was in circulation, but also state assignation roubles (paper money), which were exchanged for it at a floating rate. Back in the 1990s, when inflation was rampant in the country, the US dollar effectively replaced the Russian rouble as a unit of account and a store of value. In essence, this concept underpins my proposed mechanism: "Rouble – Asset" is intended to enable the national currency to fulfill its roles as a unit of account for exchange value and a store of value. Make no mistake: I am not suggesting that economic agents should be coerced into using this tool. Quite the opposite, it should be entirely up to them. Moreover, I believe that as inflation naturally cools down, the appeal of the "Rouble – Asset" will go down.

There is no question of a parallel currency

What is the potential scale of the technical implementation costs?

There is no need to fear this. Commercial banks will simply open another type of account where funds will be credited in "Asset-Roubles". In turn, the Bank of Russia will open relevant accounts for commercial banks. As a result, any individual or legal entity will be able to convert ordinary roubles into indexed ones at any time, at a rate which is automatically re-

viewed daily. The reverse process, converting indexed roubles back into 'transactional' ones should also be trouble-free. The concept is straightforward: a "Rouble-Asset" linked to a commodity basket. The basket's weightings must be structured to reflect market price fluctuations with maximum accuracy. Otherwise, the Central Bank's task is purely technical: the regulator must daily record the changing cost of the corresponding set of exchange-traded goods and, on this basis, establish the ratio between the "Transactional Rouble" and the "Asset Rouble". In either scenario, the expenditures will remain substantially below those faced by Western Europe and Israel during the 1970s–80s as they adjusted to the global oil market's price surge.



I want to stress that we are not talking about a parallel currency here. Instead, it is about enabling the single Russian rouble to exist seamlessly in two forms. It's fitting to describe this as the development of a peculiar "two-headed" monetary system. For me, the potential upsides speak for themselves. Inter alia, this will boost the standing of the domestic currency in foreign trade, allowing foreign suppliers to convert their standard rouble proceeds into "Rouble-Assets".

How do you see the mechanism of the "Asset-Rouble" in purely practical terms? Where will the consumer access these two distinct yet inseparable facets of the national currency? Will it be via a mobile banking app?

There are no major issues here. Depositing or withdrawing funds from "Rouble-Asset" accounts can be done either through a physical visit to the branches of the respective banks or via online applications of the commercial banks that will manage such accounts. Given the current general level of financial literacy and communication, there is nothing extraordinary about this. Incidentally, algorithms designed for the digital rouble could be applicable here. The "Asset-Rouble" is linked to it by the following factor: it is also a specific form of cash, since it is not involved in the so-called "deposit multiplication". Deposit multiplication occurs when a bank keeps one part of depositors' money as a reserve and lends out the other part.

So, in the case of the "Asset-Rouble", the bank has neither the right nor the ability to use the money to lend to anyone. It is the same story with the digital rouble, which is stored in special user wallets, not on deposits. I would add that the issue of indexation falls entirely within the competence of the Central Bank and has nothing to do with the Ministry of Finance, the budget, or the executive branch as a whole.

Alexander Larin

MOSCOW'S MECHANICAL ENGINEERING INDUSTRY OUTPUT INCREASED ALMOST 50% IN A YEAR



In 2025, the production of machinery and equipment in the city increased by 40.2% compared to 2024. This was reported by Maxim Liksutov, Deputy Moscow Mayor for Transport and Industry.

Over 260 companies, employing approximately 20,000 people, are involved in the mechanical engineering industry in Moscow. These companies manufacture machine tools, pumps, robotic systems, elevators, and conveyors.

Furthermore, the production of conveyors quadrupled in a year. Last year, Moscow virtually developed the production of water filtration and purification equipment from scratch, increasing from 9,400 items in 2024 to over 1 million in 2025.

In 2025, shipments in the mechanical engineering industry also showed growth. In particular, machine tools and metalworking solutions almost doubled. In just one year, the volume of delivered engineering products increased by 15%, amounting to 294 billion rubles.

SRI LANKA TO SIGN LONG-TERM TRADE AGREEMENTS WITH RUSSIA IN COMING MONTHS

Sri Lanka plans to execute long-term trade agreements with Russia in the coming months to deepen their bilateral partnership. This was announced by Sri Lankan Foreign Minister Vijitha Herath following a meeting with Deputy Foreign Minister of the Russian Federation Andrey Rudenko.

Relations between the countries are generally showing positive trends, Rudenko stressed. According to the Sri Lankan Foreign Minister, now there is a perfect opportunity to

strengthen bilateral cooperation. During political consultations in Colombo, the parties discussed promising areas for developing cooperation. They are energy, agricultural products, and mineral fertilizers. Furthermore, there are plans to strengthen ties in the humanitarian sphere and education.

Russia and Sri Lanka have outlined plans to mark 70 years of diplomatic relations between the countries next year, the Russian Deputy Foreign Minister also announced.

SOBYANIN: MOSCOW TO STRENGTHEN ITS STATUS AS LEADER OF RUSSIA'S FILM-MAKING INDUSTRY

In 2025, 870 projects of various formats were implemented at Moscow Film Cluster venues and on the city streets with the help of the Moscow Film Commission and the Moskino platform. This figure represents a 38% increase compared to 2024. Moscow Mayor Sergei Sobyenin wrote about it on his channel in the messenger MAX.

Moscow plans to further strengthen its position as a leader in the domestic film industry and a center for world-class movie production, Sobyenin stressed. Moscow International Film Week has become a key event for the industry in the city. It brought together over 700,000 participants and 150 delegates from over 20 countries. Another significant event in 2025 is the release of the first feature film produced by Maxim Gorky Film Studio with the support of the Moscow Government.

Large-scale reconstruction of the movie studio will continue. As a result, the total area of existing pavilions will increase more than tenfold, from nearly 10,000 to 106,000 square meters. Furthermore, the stage II of the Moskino Cinema Park was completed in August 2025. As a result, the infrastructure area has nearly doubled, from 180 to 356 hectares. The Mos-

cow Mayor also announced plans to complete the creative cluster at the Moskino Cinema Chain. It will house a unique underwater filming pavilion, a technology and innovation center, and a phygital arena for multi-format events.



ASYMMETRIC WAR:

ALGORITHMS VS. GLOBAL ENERGY SHOCK

The wars of today represent a confrontation between artificial intelligence and legacy weaponry, in some cases from significantly earlier eras. Iran's battle against US-Israeli aggression illustrates all aspects of such wars. Indeed, AI-driven operations utilizing state-of-the-art weapons systems enable decisive superiority over legacy military hardware: a symbolic example of such a victory is the destruction by the US-Israeli coalition of the last remaining F-14 fourth-generation fighters, which were discontinued back in 2006 but remained in service in Iran until now.

Given the disparity in military and technological might between the coalition and Iran, the Islamic Republic was clearly destined for defeat. The Trump-Netanyahu alliance, in addition to advanced US Navy Carrier Strike Groups (CSGs) and powerful allied air forces, possesses absolute technological superiority in space intelligence (satellites with resolution down to 10 cm), electronic warfare (capability to jam navigation and suppress radar systems across dozens of kilometers) and network coordination (Link-16 and JADC2 systems that integrate all sensors into a single, unified network). Broad real-time datasets are transmitted to command centers for aggregation and AI-powered simulation, accelerating decision-making from days and hours to minutes and seconds.



Yekaterina Borisova

Senior Research Fellow at the Institute of Oriental Studies of the Russian Academy of Sciences, Ph.D (History)

With the current disparity in technological access, one might assume that the coalition's success is predetermined. All of this suggested that the loss of Iran's navy and air force, combined with the decapitation of the country's military and political leadership, would lead Tehran to a swift and unconditional surrender. American strategists, guided by AI calculations, were counting on exactly this outcome. After all, that's exactly how it works in computer games—which, by the way, pro-Trump channels love to use to illustrate their 'victories' over Iran. However, reality proved to be a bit more complex.

Could AI have predicted that an adversary might employ asymmetric countermeasures—actions that are, in a sense, even ‘illogical’ within a digital frame of reference? It couldn’t, not at its current development phase (however, it cannot be ruled out that it would be able to do this in future). Could military analysts have developed such scenarios? They could have, however, the Trump administration placed their hopes on machine algorithms, as faith in American technological leadership in developing new military technologies, including AI, is incredibly high among the President’s team and his Secretary of War, Pete Hegseth.

In this situation, the CNN report, citing senior U.S. administration officials, that Trump’s inner circle did not expect Tehran to block the Strait of Hormuz, seems quite logical. Washington was confident that such a gesture would harm Iran more than the U.S. Furthermore, it was not expected that the Iranians would “take out” American oil infrastructure in the Middle East or the export terminals of alternative hydrocarbon routes in the Gulf states. The systematic destruction of the UAE’s oil export terminal in the Port of Fujairah, located outside the Strait of Hormuz, by cheap Iranian drones is a perfectly logical move by Iranian strategists in a war that seems ‘illogical’ to American AI and its proponents.

In their strategy of asymmetric warfare, Iranian leadership has relied on triggering a global energy shock and logistical disruptions, potentially leading to widespread economic and food crises, which, in turn, are capable of triggering political resistance to the actions of the American administration both on the part of Asian countries, which are maximally dependent on supplies of hydrocarbons and fertilizers from the Middle East, and within the collective West, which is also experiencing a shortage of energy resources.

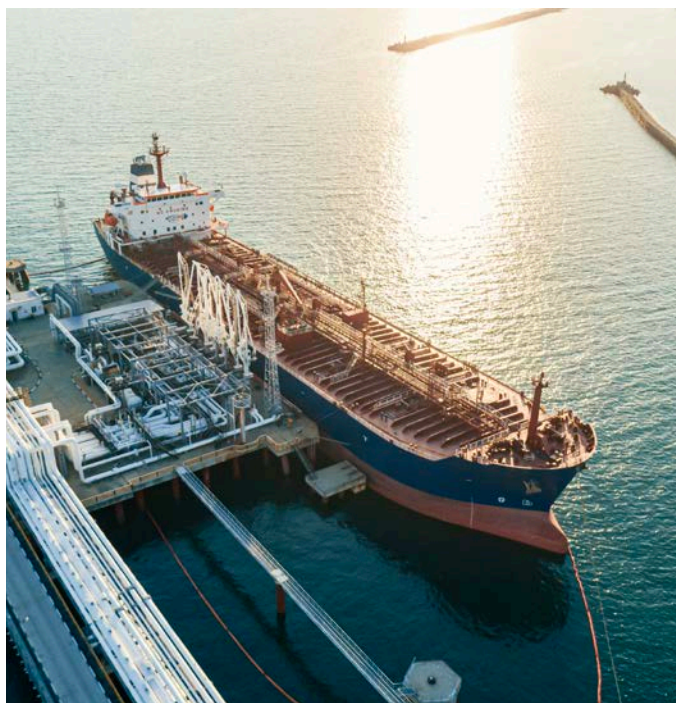
At the same time, Iran does not intend to give up on other fronts of the confrontation. Despite the overall superiority of the AI-driven US military machine, Iran continues to secure local victories by countering intelligent systems with kinetic impact measures. In early March 2026, the targets of the attacks included not only U.S. military bases and the oil infrastructure of neighboring countries but also Amazon Web Services (AWS) data centers in the region. Drone strikes on server farms in the UAE and Bahrain have collapsed banking apps across the Gulf, exposing the AI era’s ultimate vulnerability: a flying missile “doesn’t give a damn” about encryption levels. The Fars News Agency, which is linked to the Islamic Revolutionary Guard Corps (IRGC), stated at the time that the strikes specifically targeted Amazon and Microsoft facilities, which dominate the global cloud services market. Physical destruction and power disconnection were accompanied by the activation of fire suppression systems, which finished off the equipment by flooding the remaining servers with water. One could assume that for Iran, this was merely a ‘test of the waters’: There is still plenty of infrastructure in the region controlled by American high-tech corporations.

There has been a tectonic shift in the understanding of digital security: while hackers and viruses were once considered the primary threats to “machines”, kinetic warfare—the physical destruction of servers—has now come to the forefront. Furthermore, reports have begun appearing in the press that the IRGC submarine forces have gained access to telecommunication cables on the seabed of the Strait of Hormuz and

the Red Sea. It seems this type of warfare by Iran was also not accounted for by the US military.

It is premature to determine the ultimate winner of this war. Nevertheless, Iran has clearly won the first round. It put its opponent in an awkward position, causing confusion and a loss of initiative. Iran exposed the US-Israeli coalition’s inability to offer new solutions for their goals, which, it should be noted, were never clearly defined in the first place, leaving them to fend off a growing roar of discontent from former allies. The blitzkrieg failed, and there were no options for a months-long war in the American military plans at all.

The war in the Middle East, unleashed by the US-Israeli coalition, has presented Russia with unexpected opportunities. There is widespread discussion regarding the easing of US sanctions on Russian hydrocarbons, the reduction of



price discounts, and certain instances where Urals crude has been trading at a premium over Brent. All this stems from a reduction in physical oil and gas volumes on the global market. However, the closure of the Strait of Hormuz has also restricted the supply of other significant resources – fertilizers and helium, which is crucial for high-tech production.

Russia is the world’s largest exporter of mineral fertilizers and the third largest supplier of helium. Our country is capable of partially replacing the lost trade flows from the Persian Gulf states. This will not only provide additional revenue for the national budget but also mitigate the threat of a global food crisis that could arise from fertilizer shortages and disruptions to the sowing season. According to an analysis by the UN World Food Programme, if the war between the US, Israel, and Iran continues, an additional 45 million people worldwide will face starvation.

Developments in the Middle East also present an opportunity for Russian (along with Chinese) tech companies to displace American business in the region. In a sense, Iran is clearing the field here for new players. Thus, Moscow-based IT companies need to be ready for potential opportunities to expand their sales markets. **BM**

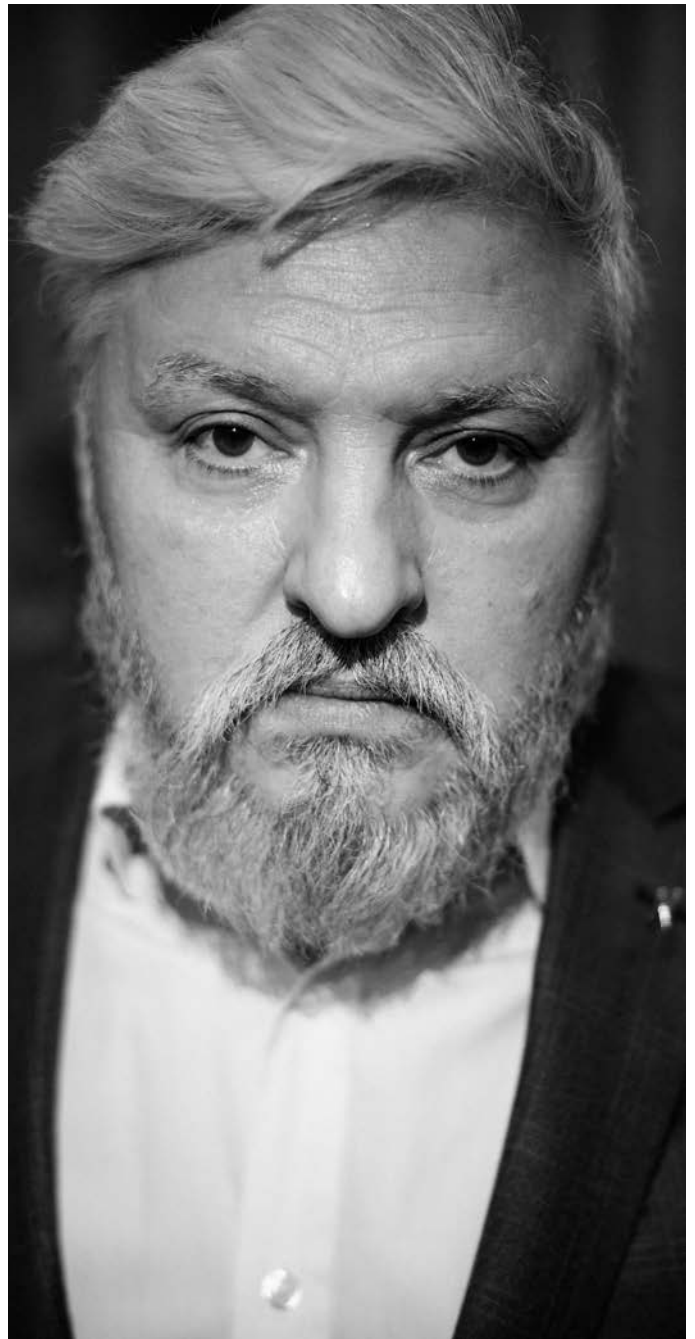
Igor Bukharov: "STATISTICS SHOW A 25% INCREASE IN INCOME, BUT RESTAURATEURS AREN'T SEEING IT"

The restaurant industry is in turmoil: while statistics show record revenue growth, market players are complaining about falling profits and rising costs. Igor Bukharov, President of the Federation of Restaurateurs and Hoteliers of Russia (FRiO) in his interview to BM.Moscow Foresight spoke about the real state of the industry, how supermarket chains are 'taking a bite out of the market' from traditional restaurants, and why coffee shops have become the main beneficiaries of consumer saving habits.

Igor Olegovich, in January, you dismissed 'panic' sentiments regarding mass restaurant closures, calling it a natural process. However, according to statistics, about 35,000 catering enterprises were liquidated in 2025. Does this still qualify as 'natural selection'? And isn't there a traceable negative influence from regulatory intervention?

I am generally opposed to fear-mongering, as the source and the motives of those behind it remain unclear. As for the restaurant business, I insist that natural factors have the greatest impact: seasonality, the right or wrong choice of location, and shifting customer preferences ... Let me clarify this.

For example, every restaurant owner on the Black Sea coast understands that operating during the winter is futile: the lack of tourists results in zero foot traffic and no revenue. Big cities have their own seasonality, with 'fat' and 'lean' days. You have to learn how to calculate for many factors ...



I can tell you all about the consequences of picking the wrong location from my own experience. Once I opened a restaurant in the center of Moscow, right next to Petrovka 38 – the Main Directorate of the Ministry of Internal Affairs. Seemed like a perfect spot. It turned out that whenever there were meetings at the Ministry of Internal Affairs, the whole area would be blocked off, and people couldn't get to the restaurant. I had no choice but to shut down the business.

You also have to keep in mind that people feel differently about mass gatherings now: restaurants can't make big money there like they used to. Corporate events have moved into the office, with teams ordering in food and streaming music from their phones through speakers.

Inflation is also heavily shaping consumer preferences; there's a growing interest in ready-to-eat meals from supermarkets. Meanwhile, some people have simply tried it all and just don't feel like dining out anymore. The weather also

impacts foot traffic: in colder months, people tend to stay in rather than go out to eat.

Of course, the overall situation with tax hikes, including property taxes and rising rents, is having a negative impact. We can't just hike prices or shrink portions overnight, because customers often take it personally. It feels like a personal insult to them, and that leads to a drop in revenue. At the same time, the situation for restaurateurs isn't quite as dire as in other sectors: our industry benefits from certain tax breaks.

Overall, you don't observe any systemic negative effect, do you?

We are facing a serious issue. Our industry peers report a downward trend: restaurant closures are rising, consumer traffic is declining, and spending power has weakened, leading to a significant drop in turnover. Yet according to Rosstat data, catering businesses seem to be doing great: even after adjusting for inflation, they show a 25% growth! With inflation factored in, it's a full 35% (!?), but we're just not seeing it. How is that possible? ... As the saying goes, there are lies, damned lies, and statistics, which is why we always treat statistics with great skepticism.

And which formats currently have the greatest chances for survival?

Look at all the coffee shops popping up. Coffee shops, tea houses, and cafes usually feature a very limited menu. People aren't ready to splurge on a full meal, but they've already built a habit of going out for a coffee, a tea, and a quick snack... Coffee shops cater exactly to this need, which is why they have such high survival odds.

The FRiO has recently addressed the State Duma on the issue of unfair competition with retail chains (selling ready-to-eat meals). What is the essence of the problem?

Supermarkets have started producing and delivering ready-to-eat meals, yet they are rejecting the existing classifications for these activities: OKVED 56 (Food and beverage service activities) or OKVED 10 (Manufacture of food products). Instead, they claim a new class called "Ready-to-Eat Meals" should be created for them. In other words, they want to operate like restaurants but with lower taxes and fewer regulatory requirements. This is the issue.

At one time, McDonald's used similar tax avoidance schemes by taking advantage of the reduced VAT rate on bakery and dairy products. In their tax reports, burgers were classified as bakery items. However, the Federal Tax Service eventually issued a back-tax assessment, proving that a burger is a prepared dish rather than a bakery product.

Supermarkets today are simply changing the way they serve customers, but the essence of the products remains the same; no new class is created. At the same time, we clearly see that they are taking a bite out of our market share and claiming additional tax cuts.

Do restaurateurs have a safety net to weather all the changes mentioned above?

The financial safety net deflated when the Covid-19 pandemic hit. People are still paying off loans they took out back then. Since then, we've been living through non-stop crises. As an association with a 30-year history, we (FRiO) have evolved into professional crisis managers. We are constantly overcoming new challenges, engaging with government authorities, securing benefits, and proving the vital importance of our industry. My 45 years of experience in the field tells me that every problem can and must be addressed. [BM](#)



RESTAURANT MARKET IS ENTERING TIGHT BALANCE PHASE



**Dmitry
Motorin**

Director of the Restaurant
Complex AT World Trade
Center Moscow (WTC)

THE RESTAURANT MARKET THAT EARLIER WAS CONCERNED ABOUT STAFF SHORTAGES IS NOW FACING A DIFFERENT CHALLENGE: RISING COSTS ARE OUTPACING THE ABILITY TO INCREASE PRICES. MOSCOW FORESIGHT APPROACHED MR. DMITRY MOTORIN, DIRECTOR OF THE RESTAURANT COMPLEX AT WORLD TRADE CENTER MOSCOW (WTC), TO QUERY WHETHER STAFF SHORTAGES ARE NO LONGER THE INDUSTRY'S MAIN CONCERN, AND ASK IN WHAT WAY PROCUREMENT, DEMAND, AND CORPORATE EVENTS ARE CHANGING BUSINESS PATTERNS.



Mr. Motorin, last year you highlighted the exacerbating issue of the growing qualified personnel deficit. Has anything changed in this domain since then?

At present, there is a premonition that the market environment is getting tough and it is focused on freeing itself from high costs. Employees are sacked, accordingly, and announced vacancies reap the highest responses. For instance, I am witnessing the emergence of a certain balance, since the market is no longer complaining about the shortage of personnel.

What constitutes the most burning issue is the burden of soaring costs triggered by the continuous rise of prices for food products, production inventory and equipment, which is happening against the background of declining demand.

Has anything changed in the WTC's approach to finding, motivating, and, most importantly, retaining frontline staff?

We have strengthened our potential in recruitment of personnel by hiring a qualified specialist in human resources mechanisms who focuses on training and motivating frontline staff, who are directly involved in interacting with WTC's guests and clients and, on top of that, play a crucial role in creating a caring and welcoming environment.

How does the government's migration policy, particularly related to the invitation of gastarbeiters from India, affect the restaurant business?

For the moment, we do not have the opportunity to involve these migrants in our business processes. As far as I know, the mechanism for organizing work visas and providing permits has not yet been fully developed.

You manage a system that purchases about 500 tons of products per year. How do you manage your suppliers in the face of constant increases in raw material and logistics prices? Are you able to maintain profitability without compromising quality?

Today, suppliers are not shy about indexing the prices of their products, but restaurants do not have the room for maneuver so as to up the prices on their menu.

It is especially important to constantly explore the choices of alternative products and new suppliers in order to reduce costs, but without compromising quality or taste of meals. Unfortunately, these searches often do not yield substantial results.

In order to save money, we purchase standard frozen products in bulk at many retail outlets through tender procedures to achieve the optimal balance between price and quality. Here we are talking about frozen meat, poultry and fish with the fixed delivery of volumes from five to ten tons in the time period of three to six months.

How we do it: we announce a tender, we receive commercial offers from companies, we take samples, we check the quality of raw materials, waste for cleaning and processing, we hold a taste test, and then we process the purchase making preference for the best quality for the best price.

First of all, such products are purchased for restaurants with a buffet format and corporate canteens.

Against the background of a slowing economy and shrinking budgets, there is a trend towards simplifying menus while major corporate clients refuse to hold entertainment events. For how long do you envisage this decline in business activity?

It's only getting more intense: demand for private events is still quite high, but they are mostly minor in terms of the number of participants and the allocated budget. Large companies are organizing events less frequently and with smaller budgets than before. Quite often, up-market customers pay for the business part of a forum or conference but reduce food catering to a minimum, leaving it up to the participants to take care of it.

Another global trend is the development of a healthy lifestyle and interest in healthy food, which you support. However, with the decline in purchasing power, is the focus of guests shifting from health to satiety and price?

Nowadays, this topic is losing its former popularity and is becoming just a part of a business's marketing strategy. Yet, this does not mean that it should be neglected.

Those who truly embrace a healthy lifestyle do not switch to heavy, high-calorie meals; instead, they are likely to consider ways to save money and order from online retailers or do the cooking at home.



The news agenda is full of reports about restaurant closures. According to various sources, about 35,000 restaurants were closed in 2025, and in Moscow alone, twice as many restaurants closed in January 2026 compared to a year ago. What do you attribute this wave to, and how resilient is the WTC restaurant segment?

- The reason for this trend is obvious: costs are rising, and demand is decreasing. For some businesses, the margin has become negative. This is reflected in the alarming statistics of closures. If the political and economic situation does not improve, this trend will persist.

The WTC restaurant business is largely focused on guests from the outside, but our key target audience, residents and guests of the complex, are not different and they have the same concerns. Therefore, our restaurants are just as sensitive to these challenges as others.

Only those institutions who can be flexible and motivate their team to maintain a solid look and endearing atmosphere and consistently maintain sustainability of all the restaurant's work processes, standards, and technologies, as well as can provide delicious and appealing meals, will remain in our business. **BM**



RUSSIA-MALAYSIA: COOPERATION DESPITE GLOBAL CHALLENGES

Sometimes you come across figures that are mind-boggling. This is one of these – 40%. This is the exact dynamic demonstrated by the growth of trade turnover between Russia and Malaysia in 2025.

This figure is not due to the low base effect. This represents a concrete outcome of bilateral cooperation, notwithstanding the global challenges characterizing the present-day world. Our countries have found a way to quickly ramp up the scope of their partnership.

The second notable figure: Moscow-based companies account for nearly one-third of over \$4 billion in trade turnover between the two countries.

At Accelerated Pace

By all means, Moscow's leading position in the Russian-Malaysian trade turnover is natural to a certain degree. The metropolitan city is traditionally a major economic hub of the country. Its enterprises manufacture an extensive range of in-demand products. Over the past decade, the city has been purposefully building a new industrial structure, based on high technologies, innovations and sustainability.

The outcome is the accelerated development of digital and space technologies, robotics, biotech, unmanned and modern transport systems, new energy sources, aerospace, and advanced healthcare.

Today, there are about 4,6 thousand industrial enterprises operating in Moscow, and every third of these is a high-tech enterprise.

Over the past five years, manufacturing production has grown 2,3 times. Manufacturing of computers, electronics and optics increased by 5,4 times, production of machinery and equipment, primarily industrial robots – by 7,5 times,

medical devices and equipment – by 3,4 times and so on. The metrics for Moscow exceed the Russian national average.

The Special Economic Zone (SEZ) Technopolis Moscow has become a key hub for innovative industry. This hub produces microelectronics, medical equipment, and pharmaceuticals—including unique drugs developed in Moscow—as well as transportation systems, new materials, energy-efficient solutions, and software.

Six cross-industry clusters have been created and are actively developing on the basis of the Moscow SEZ: photonics, microelectronics and information technologies, pharmaceuticals, medical equipment, and the Federal Center for Unmanned Aerial Systems etc. By 2030, there will be at least 13 such clusters.

In total, Moscow exports products and services to 155 countries.

High-Tech Fueled Growth

High technologies are a specific feature of both Moscow and Russian economies and a gateway to understanding one of the reasons for the impressive growth of the Russia-Malaysia trade turnover.

In 2024, Malaysia ranked 33rd in the global innovation index, significantly ahead of Russia, but it lagged far behind in the Information and Communication Technology Development Index. Last year, Russia joined the ranks of global leaders, while its capital city ranks in the top five cities worldwide for technological and spatial development.

These data are not meant to stroke the egos of Moscow or Kuala Lumpur. It speaks volumes about the significant potential for states to develop productive high-technology cooperation, about common interests. High technologies are of interest both to Russia and Malaysia, and these two nations have a lot to offer each other.

Malaysia is one of the largest producers of electronics and electrical equipment, measuring equipment, as well as chip components. The share of these products in Malaysian exports is over 35%. The country is the world leader in chip manufacturing. Russia's innovative development requires Malaysian products.

On the other hand, Malaysia's interests go far beyond "hardware". The nation is striving to move from the position of an observer in advanced areas of global research and development and to play a major part in this development. The national leadership regards science, technology, and innovation as a crucial factor in ensuring the country's sovereignty.

Russia can help Malaysia with this, because, first of all, Russia is back as a global state, setting science and technology progress trends. Second, unlike Western companies, Russia is eager to conduct joint development activities.

Western countries, which created the modern high-tech industry of Malaysia, adhere to the "black box" principle. They built their production facilities in the country, but never shared relevant competencies. Malaysians were trained to do manual operations, but were kept away from developing new products.



Beyond Production To Creation

Another business mission to Kuala Lumpur, arranged by the Moscow Export Center (MEC) at the end of last year, illustrated the profound difference between Western and Russian approaches to cooperation. 15 Moscow-based IT, analytical instrumentation, neurotechnology and healthcare companies showcased their solutions to potential partners in Malaysia.

"Moscow and Kuala Lumpur are not just exchanging experiences. A strong practical partnership is developing between our capitals. The Mayor of Kuala Lumpur, for instance, is interested in our „digital city twin" project. This is a 3D-model



Over the past five years, manufacturing production has grown 2,3 times. (Source: Department of Investment and Industrial Policy of the City of Moscow)

of all urban infrastructure, used for planning, monitoring and real-time control, including utility networks, transport hubs and built-up areas. Moscow is ready to share its developments with Malaysia”, - says Tatyana Kasatkina, Director of the Digital Economy Department of the Moscow Department of Information Technologies.

Natalia Murina, Vice-Rector for Technological Development and Commercialization of the Russian Biotechnology University also named use of biotechnologies to increase agriculture productivity and sustainability as a promising area for cooperation. “We proposed to develop together with Malaysian universities biopreparations resistant to tropical climates, and also to create a competitive fermentation technology for waste from palm oil and rice production”.

“Russia has a strong chip design sector, whereas Malaysia specializes in semiconductor testing and packaging. Thus, if a chip is designed in Russia, tested and packaged in Malaysia, and then a finished product is assembled for ASEAN country markets, costs will be reduced by about 20-25%”, - Mikhail Labudin, Director of the Association of Clusters, Technology Parks and SEZ of Russia, shared his assumptions.

And Russian Ambassador to Malaysia Nail Latypov said that Russia is ready to offer Malaysia solutions for the construction of high-power nuclear power plants and small modular reactors. Russia has unique expertise and technologies. The Akademik Lomonosov floating nuclear thermal power plant (FNCP) has been successfully operating for five years in the port of the Russian city of Pevek, above the Arctic Circle.



Moscow-based companies account for nearly one-third of over \$4 billion in trade turnover between the two countries. (Source: Department for External Economic and International Relations of Moscow)

Under Favorable Conditions

“Development of digital urban infrastructure, commercialization of innovations in vaccines, carbon capture and storage, clean energy—including nuclear—and the application of nuclear technologies in healthcare and agriculture are promising areas of cooperation between our countries”, - says Chang Lih Kang, Minister of Science, Technology and Innovation. The Minister also included in the list joint development of technology ecosystems, start-up accelerators and artificial intelligence education.

To boost cooperation, Malaysia is fostering an ever more favorable environment for Russian companies. These changes facilitate the expansion of Moscow and Russian companies into the Malaysian market and further into Southeast Asia.



An office of the Moscow-based SPLAT Global company has been operating in Malaysia since 2022. From Kuala Lumpur, the company reached out to 11 South-East Asian countries. Regional operations of the company had been so successful that it managed to take 3% of the online commerce market in the region. “Everyone is amazed at how quickly SPLAT managed to capture such a large market share, - says Yevgeni Demin, SPLAT Global co-founder. – It took 15-20 years for such corporations as Colgate and Sensodyne”.

“Kaspersky Lab” set up its Malaysian distribution network in 2023. The company offers its cybersecurity solutions for government agencies, businesses and private users. Today, an anti-virus platform by Kaspersky is used, for example, in the municipality of Kulim.

Softline, a leading system integrator specializing in software engineering, QA, business/system analysis, and IT support services, is opening its office in Malaysia as well.

And during a recent business mission, Steplife company has signed an agreement with a Malaysian partner to supply of high-tech components for prosthetic and orthopedic products. The agreement is for more than ₱100 million (about \$1,5 million) over the next three years.

“High technologies and innovations are the most promising areas for Russian-Malaysian cooperation, - Vladimir Ilyichev, Deputy Minister for Economic Development of Russia. – Today, it’s important to diversify our trade turnover. Russian companies are ready for this. We see genuine interest and willingness of our Malaysian partners to move forward in this direction”.

Alexander Chertkov



Malaysia is one of the largest producers of electronics and electrical equipment, measuring equipment, as well as chip components. The share of these products in Malaysian exports is over 35%.

MOSCOW RANKS AMONG TOP 3 WORLD'S CITIES FOR CULTURAL EVENTS

Moscow has been ranked among top 3 cities in the world for the number of cultural events and sights, according to the annual Global Power City Index. The ranking was prepared by the Japanese Mori Memorial Foundation. Moscow Mayor Sergei Sobyenin wrote about it on his channel in the messenger MAX.

In 2025, Moscow saw a record number of visits to Moscow's cultural institutions and parks — over 340 million. Parks and recreation centers were visited 282.5 million times, cultural centers and libraries 26.3 million times, museums and exhibition halls about 19 million times, theaters over 5 million times, concert venues 2.4 million times, and the circus 900,000 times.

According to the results of the "Experience Economy Analysis" study carried out by the Creative Industries Agency (AKI) in 2024, tourists visiting Moscow are primarily impressed by cultural heritage and architecture (33%), museums and exhibitions (26%), parks (22%), and theatrical performances and concerts (17%).



IN MOSCOW EVERY SECOND TECHNOLOGICAL RESIDENT WANTS TO EXPAND THEIR SPACE



Every second resident of Moscow's technoparks requires to expand their facilities. These are the results of a study by the Moscow Innovation Cluster (MIC) Analytical Center, presented at the Technological Infrastructure Forum.

Fifty-seven percent of residents surveyed expressed a desire to expand their facilities. Meanwhile, 38% of companies need to expand their production facilities, and 15% lack specialized laboratory spaces.

Among companies not yet resident in technology parks, 85% of respondents indicated a need for new space. In this category, 46% of companies are interested in space for production lines, and 26% are interested in modern laboratories.

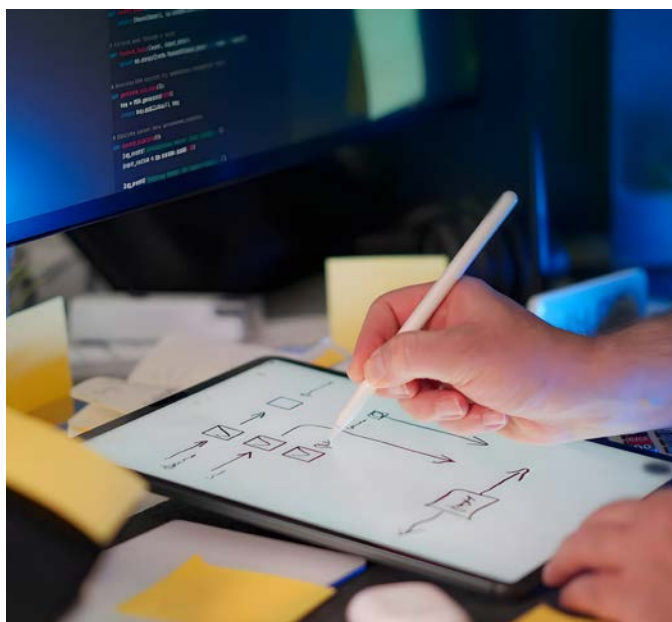
High-growth industrial and scientific companies with annual revenues ranging from 50 to 500 million rubles significantly stimulate the demand for technoparks. There are 7,900 such companies operating in Moscow that are not yet residents in technoparks. According to the MIC Analytical Center, demand for space in Moscow will only increase due to the rapidly growing number of new high-tech companies.

IT SALES IN RUSSIA EXCEED 5 TRILLION RUBLES

Sales of domestic IT products and services exceeded 5 trillion rubles. This figure has quadrupled over six years. This was announced by Russian Prime Minister Mikhail Mishustin during a tour of the Digital Qazaqstan 2026 exhibition.

The IT industry's contribution to Russia's gross domestic product has doubled over six years, reaching 2.7%. According to Mishustin, these results were achieved via systematic cooperation between the government and business, as well as Russia's overall commitment to technological development. One of the key goals is to expand the industry's talent pool. Qualified engineers, developers, and data analysts are the IT sector's most valuable asset, Mishustin stressed.

Technology, particularly digital technology, is the foundation of countries' development, that is why giving the Russian IT sector a strong boost is of high importance, the Prime Minister emphasized.



RUSSIAN COOPERATION WITH NON-ARCTIC ACTORS: OPPORTUNITIES AND PROSPECTS



The Arctic is increasingly becoming a focal point of international interest, offering vast opportunities for bilateral and multilateral engagement, spanning such key areas as sustainable development, the economy, environmental safety, and the protection of the distinct cultural heritage of indigenous communities in the North. At the same time, the conflict potential in the region is increasing due to the more active military presence of a number of Western states. Due to the escalating tensions between Russia and the West over the past few years, most Arctic cooperation formats—which had been developed over decades and proved their effectiveness have been suspended. Against this backdrop, more opportunities are opening up for interaction between Russia and non-regional, Russia-friendly states.

China positions itself as a “near-Arctic state.” However, the Arctic is not among China’s top foreign policy priorities. For instance, the level of China’s attention to the Arctic is significantly lower compared to the scale of Beijing’s activities in Africa or Latin America. China’s Arctic interests span multiple sectors, including scientific research, economic development, energy, and transportation and logistics. Beijing’s interests are served by the advancement of science, the intensification of cargo transportation via the Northern Sea Route (NSR), and the expansion of technology and equipment exports designed for operation in extreme sub-zero temperatures. The development of cooperation regarding the Northern Sea Route (NSR) is of mutual interest to Moscow and Beijing. Cooperation on the NSR is becoming increasingly institutionalized. In 2024, a Subcommittee on Cooperation for the NSR was established, and a decision was made to set up three working groups focusing on the development of navigation, safety, and Arctic shipbuilding. It is important to note that Chinese companies fear falling under secondary Western sanctions, which in turn hinders potential cooperation regarding the NSR and economic collaboration in the Arctic.

India is also showing a growing interest in the Arctic region. Indian experts note that as an emerging power, India has interests and a desire to maintain a presence in all regions of the world, including the Arctic. India’s priority in the Arctic is scientific research, in particular the study of climate issues. The following sectors stand out as promising areas for bilateral interaction between Russia and India: joint scien-



Konstantin Sukhoverkhov

Program Manager,
Russian Council on
International Affairs (RCIE)

tific research, along with cooperation in logistics, transport, energy, and economic development.

Other non-regional states, particularly the BRICS nations and Turkey, are interested in conducting scientific research activities in the Arctic region. Most often, this activity is their top priority, especially research related to climate change. They are also drawn to the logistical advantages of the NSR and the opportunities associated with Arctic natural resources. The fact that these countries regard Moscow as their primary partner is beneficial for Russia.

Thus, notwithstanding the curtailment of Russia’s cooperation with other Arctic Council members, which was not of Moscow’s choosing, substantial prospects remain for cooperation in the region with non-regional, external powers. This cooperation is currently most promising in terms of developing the Northern Sea Route and increasing cargo traffic through it — a goal shared by both Beijing and New Delhi. However, it is crucial to consider the inherent risks, ranging from Russia’s national security concerns to the threat of secondary Western sanctions against companies willing to partner with Moscow. Moreover, despite the confrontational nature of Russia’s relations with the West, the parties maintain a sense of Arctic community embodied in the so-called Ilulissat spirit. This spirit is one of the reasons why the Arctic Council remains operational today. Despite disagreements among the Arctic states, joint statements are being issued in which all Arctic nations emphasize the importance of this body. This shows that the Arctic continues to be a region for cooperation in various fields and with various actors (regional and non-regional). **BM**

CHAIN REACTION: HOW THE MIDDLE EAST CONFLICT FRACTURES SUPPLY CHAINS FOR RUSSIAN EXPORTERS

Global supply chains are currently undergoing severe disruption due to the ongoing escalation of the conflict in the Middle East, directly affecting the interests of Russian exporters. The decline in Russia's foreign trade turnover at the beginning of the year was no mere coincidence, but a clear alarm signal. Current events highlight the main structural challenge facing Russian foreign trade: we have yet to secure fully reliable logistical routes for our exports. Exporters face the risk of losing accumulated profits unless they rapidly restructure their logistics chains.

The active phase of the conflict in the Strait of Hormuz has plunged the transportation market into a state of acute crisis. Carriers are incurring hundreds of thousands of dollars in additional costs per voyage due to multi-fold increases in spot rates and port terminal congestion across most major routes. Insurance premiums for vessels passing through the conflict zone have surged to 3% of the vessel's value per voyage. For Russian exporters, this adds up to some unpleasant math: for instance, shipping from Novorossiysk to Southeast Asian countries—which used to cost between \$2,000 and \$3,000—now exceeds \$10,000 per TEU.



Land alternatives were also hit hard: on March 12 the Kremlin announced that Iran was unable to proceed with the implementation of the International North-South Transport Corridor (INSTC) project, which signifies a de facto freeze of the strategic route intended to become a seamless railway artery to Asia. Construction of the key Rasht–Astara section, despite the agreements signed in 2023, is now postponed indefinitely. The situation was further aggravated by an incident on the Azerbaijan–Iran border, where truck traffic was halted due to the crash of Iranian drones. Traffic along this corridor has already been halted for timber exports, and now chemical companies are facing significant logistical challenges.

In this context, while the new railway route for fertilizer deliveries to Armenia opened by the Freight One Company does not offer a complete solution, it represents a commendable example of long-term planning and a strategic approach to maintaining business operations during a crisis.

Among other achievements in Russian international logistics at the start of the year, the performance of the stevedore Port Alliance stands out: by March of this year, the company increased its total cargo turnover by 5,54% to 3,36 million tons, rebounding from an 8,5% decline in January. The key driver of the holding – the Osterra coal terminal in Khabarovsk Krai increased coal handling by 37,5% to 1,87 million tons. Murmansk Commercial Sea Port and Murmansk Bulk Terminal joint throughput exceeded 1 million tons (fertilizers, apatites, coal), confirming the sustainability of the Arctic shipping route. Ammonia exports from the Port Favor terminal in Ust-Luga grew by 2,9% year-on-year, reaching 53,26 thousand tons in February 2026.

Year-over-year data for southern destinations shows a positive trend: for example, NUTEP Container Terminal increased its container turnover by 1,9% to 624 000 TEU in 2025, maintaining its leadership in the Black Sea basin, and



By March of this year, the stevedore Port Alliance increased its total cargo turnover by 5.54% to 3.36 million tons, rebounding from an 8.5% decline in January.

Novorossiysk Grain Terminal, advancing a new investment project to increase grain transshipment volumes from road transport, exported nearly 5.5 million tons of grain crops by the end of the year. These figures emphasize adaptation of the Black Sea infrastructure to new logistic reality, however, it is still unclear what the year of 2026 would bring.

Overall, the majority of the Russian logistics community experts think that the situation, unfolding in the Middle East, is by no means the end of the world, but more of an opportunity for decisive and forward-looking players to reinforce positions. Recommendations to completely abandon 'Suez dependence' and actively increase the share of rail and multimodal routes to Asia through land corridors and close cooperation with partners in the Eurasian Economic Union are growing louder. China, India, and Turkey are expressing interest in fixed-rate, Russian-exported commodities, aimed at mitigating currency volatility through accessible freight hedging tools.

It is crucial to consider two key scenarios. If the active phase of the crisis ends before Iran's adversaries exhaust their current energy reserves, Russia's export logistics in this direction will gain a breathing space: the Strait of Hormuz will open for commercial traffic; freight rates could drop by 40-50%. Under these circumstances, the ongoing pivot towards Eastern markets will solidify long-term competitive advantages for Russian suppliers. But if the conflict drags on, the consequences will be far more serious: a literally total blockade of the Persian Gulf is possible, paralyzing about 20% of world trade, insurance payments will skyrocket 5-10 times, and for Russia, the risks of losing significant export volumes could increase, particularly in the energy sector. In this case, it will be necessary to urgently expand land routes and Arctic

routes at any cost, which will require urgent significant investments in infrastructure.

Practical recommendations for Russian and Moscow-based exporters are simple and concrete: Unfortunately, it must be admitted that the Iranian section of the North-South Transport Corridor (INSTC) cannot currently be considered a reliable or fast route, and the Northern Sea Route, as a foundation for a Trans-Arctic transport corridor, currently remains merely a hypothetical possibility for regular commercial shipping, as icebreaker assistance is still very expensive and there are not enough vessels of the appropriate ice class. For exports to the EAEU and Southeast Asia countries, a significant share of trade volumes (in some sectors, at least 50%) should be oriented towards railway and road transport. When selecting carriers and freight forwarders, it is advisable to execute long-term contracts with reliable and stable operators, as freight rates may continue to rise in the coming months. Regular monitoring of logistics risks is essential, including formerly exotic threats such as the hijacking of transport and cargo by state-sponsored 'privateers'.

Consequently, failure to restructure immediately could see February's cargo turnover growth turn into a March downturn, resulting in the loss of major contracts. However, companies that manage to promptly adapt their supply chains to the new geopolitical order will certainly have a chance to end the year in profit. Russian exports are traditionally tempered in such crises and emerge from them only stronger, confirming their resilience on the global stage.

Leonid Shurilinov,
Infranews Agency Expert



Valery Vorona: “WITHOUT GREAT TEACHERS, THERE CAN BE NO GREAT PERFORMERS”

Valery Iosifovich Vorona is widely known as a talented musician, conductor, and rector of the M.M. Ippolitov-Ivanov State Musical Pedagogical Institute. His entire life's work is devoted to preserving Russia's musical heritage and fostering musical culture at large. However, experts believe that today we are experiencing a certain crisis in the music education system: as teachers leave, the standard of the Russian school of performance, which is of global significance, is declining. How much of a threat is this to our national culture? V.I.Vorona, Honored Artist of the Russian Federation, Professor, answered these and other questions in his interview to BM.Moscow Foresight.

What does the institute you lead mean to you: is it just a workplace or perhaps a second home?

The Ippolitov Institute is my fate! I came to this place 45 years ago, but I never planned to become its rector. And when I was offered to head the Institute in 2004, I resisted for a long time before accepting. At that time, I was engaged in extensive social activities under the auspices of the Russian Performing Arts Foundation, founded by us in 1992. I only came to the institute a few times a week to teach students. I hadn't even set foot in the former rector's office. Two candidates from the provinces were sent to replace the rector in the elections: one was a retired colonel, and the other was an athlete. I remember we were all terrified at the institute back then, and they started coaxing me to run for election. In that situation, I couldn't refuse my colleagues, even though I was absolutely sure I wouldn't be elected. When the election results were announced, I was simply dumbfounded. I

went outside and stood like a statue on the corner of Ippolitovka for twenty minutes, thinking with horror: what happens now? This is a completely different lifestyle, a colossal responsibility! And I left my performance and creative ambitions, as well as my concert life, outside the institute.

And I have been the rector of the M.M. Ippolitov-Ivanov State Musical Pedagogical Institute for 22 years.

What do you enjoy more — being an administrator, teaching, playing the violin, or conducting?

Teaching has always been the main thing in my life. No matter how great a mentor is, or who they associate with, their students are always their closest companions.

Shostakovich once said: "There are no generals in music. We are all its soldiers". Here at the Ippolitov Institute, we are all united. We create, build, and innovate as one. We uphold the principle that there are no superiors and subordinates,



Valery Vorona and Mstislav Rostropovich

but rather friends, associates, partners, and defined spheres of responsibility

I don't feel like a rector or a leader. I am part of a common creative process and a collective mind.

Can an orchestra play without a conductor?

An innovative experiment took place in Moscow in the early 1930s. The first conductorless symphony orchestra was called "Persimfans", which stood for "First Symphonic Ensemble". This experiment did not last long.

Musicians can play without a conductor in principle, but it would feel like artificial intelligence — completely soulless.

Some skeptics claim that being a musician in Russia isn't as prestigious as it used to be. Would you agree?

Despite the Russian Civil War raging in the 1920s, our founder, Mikhail Mikhailovich Ippolitov-Ivanov, who was then the Rector of the Moscow Conservatory, continued to create and establish new educational institutions, including our institute. He laid the foundation for the national system of musical education, which is now recognized as the best in the world.

During the 1990s, music culture found itself sidelined in the public eye. As the economy crumbled, the profession lost its status, leading to a decline in young people entering the field of music pedagogy. This is a rare profession. It's hard to compare it to anything else in terms of the time, energy, and intellectual effort required to master it! The thread of time has snapped. In our profession, experience is passed down exclusively by word of mouth, and that is our greatest vulnerability. Not a single link in the chain of generations can be lost. Otherwise, the school's centuries-old heritage might just disappear right in front of us.

It must be understood that great performers are born of great teachers. Likewise, without a great interpreter, we cannot truly grasp the composer's genius

Today, only a few professors of the outgoing generation maintain world-class standards in the country!

Isn't there any solution to tackle the growing crisis in our national music education?

The main recipe lies in recognizing, across all levels, that musical culture is a fundamental element of the national cultural code. In 1992, we established the "Russian Performing Arts" Public Charitable Foundation, with the legendary Ms-

tislav Rostropovich serving as its Honorary President. Our mission was to unite the musical community to preserve and develop the great traditions of the Russian school of performing arts.

In the 2000s, the Foundation provided financial support to young musicians, educators, and cultural figures. To this end, it established scholarships, prizes, and grants awarded on a competitive basis to the top students and teachers of music institutions. This had a positive impact on identifying a new generation of young musicians.

It is crucial to fine-tune the system of passing knowledge to future generations and to live up to the standard of our great teachers, who invested so much in us.

Russian performing arts are a priceless cultural heritage of the country. The Russian school of performance represents an entire era in world culture. Its creation is the result of centuries of 'crystallizing' the very best and most valuable aspects of global experience.

Russia possesses undisputed authority in musical culture, and losing it is not an option. It would be unethical, indeed criminal, to our great predecessors and to generations to come.

How does music education compare in other countries—take China, for example?

The Chinese authorities consider music education a top priority. In recent years, the country has placed a strong emphasis on developing cognitive abilities, which experts believe is primarily fostered by music education.

The Chinese have taken children's musical education very seriously. Drawing on Soviet experience, Beijing is implementing universal music education, and it has already become prestigious.



Valery Vorona and Grand Duchess Maria Vladimirovna of Russia

Everywhere in China where I've given masterclasses and performed with the Moscow Youth Chamber Orchestra, magnificent concert halls have been built and continue to be constructed, boasting excellent acoustics and high-tech equipment.

The Chinese aren't simply creating classrooms for musicians; they're building cutting-edge high-tech hubs. They are way ahead of us in this field.

Western outlets are highlighting that the Japanese government is now prioritizing the integration of academic culture into the lives of its citizens ...

A decade ago, our youth orchestra toured Japan. Despite being unknown there, we performed to full houses at every venue.

I asked the organizers how they manage to fill the halls and where all these classical music lovers come from. "In our country, - the Japanese told me, - employers encourage attending classical concerts by providing employees with free or discounted tickets. They understand well that exposure to high-quality music fosters personal growth, which in turn has a positive impact on career advancement".

Tokyo alone has 10 conservatories with 2,000 students each! That's three times more than in Moscow, where people already feel there are too many.

In Russia, every city with a population of over a million is expected to have its own opera house, symphony orchestra, and music college or conservatory. If we use that as a benchmark, then Moscow, with its 15 million people, should have at least fifteen conservatories!



Valery Vorona and Andrea Bocelli

Young talents from the provinces flock here to receive world-class professional polishing. Without it, they won't reach the global stage.

In the meantime, our expertise is under the international spotlight. Our methods are being widely embraced, and our teachers are in high demand abroad, receiving generous offers.

I asked some fellow teachers in Tokyo if all conservatory graduates work in their field. They told me that employers from all kinds of industries literally hunt for people with a musical background. It's believed that they are creative thinkers with faster reflexes, better imagination, and stronger intuition.

Education in Japan is expensive, but I've been told that most students don't study music to become professionals—they do it for their own personal growth.



Valery Vorona and Maxim Vengerov

Valery Iosifovich, you once said that "Sadly, the vast majority of Russians are cut off from classical music". Is that still the case today?

If fifteen years ago classical music concerts across the country saw half-empty halls, today the situation is changing for the better.

Not long ago, our scholarship recipients were actively performing in remote areas, where entire generations had grown up without ever seeing classical musicians. I was told they were received with standing ovations! It was hard to believe. I soon decided to visit and play at the local music school. Imagine my surprise when the crowd of classical music fans was so huge that they had to move the show to the town's biggest 600-seat venue. It was packed to the rafters! It just goes to show that people are hungry for genuine art.

However, the fact remains that the bulk of the Russian population is disconnected from our academic cultural achievements, as they receive little coverage on federal TV channels or in the media.

Have you played any concerts in 'unfriendly' countries as a conductor or violinist since February 2022?

Yes, I have performed with my orchestra and a small group of soloists in many countries, including 'unfriendly' ones like France, Austria, and Italy. We gave concerts dedicated to the 80th anniversary of the Great Victory, the jubilee of Fyodor Chaliapin, and the 300th anniversary of the Russian Academy of Sciences. Once again, we saw for ourselves that Russian culture is 'indestructible'!

Do you believe there is a shift in the general European perception of Russia?

Just a year ago, everything Russian was treated with caution, if not outright hostility, in Europe. Many of our artists were being "turned away," but things have improved now. Even Pope Francis was inspired by our concerts and Russian music, stating: "The unification of nations must begin from below!" He wanted to receive us at the Vatican, but unfortunately, he didn't have the chance—he passed away.

At the same time, Zelensky is on every subway monitor in Rome and on every billboard. In other words, anti-Russian propaganda is everywhere. Yet, people living in the West still treat us like family. They truly love Russian music in Europe.

The tour of our youth orchestra in Algeria and Dubai, supported by the Moscow City Government Department for External Economic and International Relations (DEEIR), was a

triumphant success. It featured a concert of classical masterpieces alongside a multimedia performance showcasing Moscow's grandeur as a major global musical capital.

Our artists were welcomed like cosmonauts! The stage was decked out in Russian flags, and the crowd was chanting 'Russia! Russia!'. They wouldn't let the musicians leave the stage for fifteen minutes. Tears welled up in our eyes — we felt like representatives of a truly great country!

I don't recall such a roaring reception for musicians from Russia, even back in peaceful times.

Do you have a lot of international students at your institute today?

We're seeing a lot of interest from Eurasia right now. Most of our students come from China, the CIS, and even African countries.

Even before the pandemic, we were visited by the president of an American university. As it turns out, our degree is highly sought after everywhere because the Ippolitov-Ivanov Institute holds the status of a lead federal music-pedagogical institution. Internationally, having a pedagogical degree is a very strong advantage. The Americans were even interested in creating a joint program with us; perhaps a time will come when this prospect becomes relevant again.



Valery Vorona with Chinese students

How many future musicians are studying at Ippolitov-Ivanov Institute?

We currently accommodate about 700 students, but the demand is much higher. To meet this need, we are looking to expand our property assets and acquire a dormitory.

Excuse me, but where do out-of-town students live?

For now, they have to find housing options on their own ...

Originally, the Ippolitov-Ivanov Institute was a municipal institution under Moscow's authority and catered only to locals. Consequently, the building plans failed to incorporate a dormitory or a professional-grade concert hall.

Today, we are a university of federal significance. As Rector, I often host foreign guests who view our institution — named after Mikhail Ippolitov-Ivanov, one of the founders of the Russian musical education system — as the "Russian Harvard".

They'll finish their tea in my office and then go, "So, where's the institute anyway?" (laughs). They mistake it for my private office or just another admin building.

The 100th anniversary of our institution was recently celebrated across the nation. The Institute has written glorious chapters in the history of our country's musical culture, pro-

ducing numerous stars and national icons. However, figuratively speaking, it has long outgrown its old clothes. The time has come to bring its facilities and infrastructure in line with its status as one of the country's leading musical universities.

Today, as the world faces a new civilizational choice, the significance of Russian culture and education is growing dramatically. Furthermore, maintaining the leading position of the Russian performing arts school requires embracing the revolutionary transformations in digital technology. In this regard, the field of music education is in urgent need of an innovative platform to explore and implement new technologies within the learning process. Without this, we will be unable to maintain our leadership or expand the influence of Russian culture and music education.

In your opinion, what is the best way to assist the institute?

To achieve the goals set by the state and our related strategies and plans, it is essential to consolidate society as a whole and support the initiatives of all individuals and organizations concerned about the fate of the country and its culture.

Given the nature of the times we live in, we've adopted the 'sink or swim' DIY approach (laughs). We're focused on rallying public resources to fuel our own initiatives.

Valery losifovich, have you considered actively developing ties with Moscow?

We have long-standing ties with Moscow. It's worth noting that from our founding until the mid-1980s, our institution was under Moscow's jurisdiction.

We have developed the concept for the "Russia: A Musical Superpower" program, which includes projects designed to reflect the significance and mission of Moscow as a major global cultural capital.

This program includes the creation of the Moscow Musical Hall of Fame, the establishment of an International Award on behalf of Moscow and Russia to honor top achievements in global musical culture—an initiative we previously implemented with the legendary Maestro Rostropovich—and the development of the "City of Arts" cultural, educational, and outreach cluster. This cluster will bring together the capital's finest creative talents and serve as a major hub for education and leisure, connecting youth, residents, and visitors with the greatness of Russian culture. It will showcase the very best of Moscow's creative community.

If we succeed in bringing this project and our forward-looking strategies to life, we can say that our time in this world was not spent in vain. **BM**





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InterMediaCom Ltd
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The magazine is registered with
at the Federal Authority
of Legislative Control in Mass Media
and Cultural Heritage Protection.
Media registration certificate
FS77-52596 issued January 25, 2013.

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BM Moscow Foresight #2, April 2026

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Private archive: Igor Bukharov, Yekaterina Borisova, Valery Vorona
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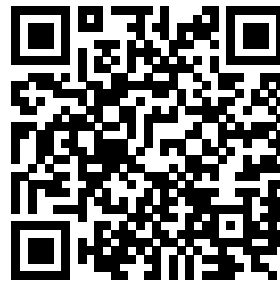


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