BUSINESS INVESTMENT GUIDE TO MOSCOW

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MASTER-PLAN AS TOOL FOR FUTURE: **FROM STRATEGY TO REAL CHANGE**

HOW HAS THE APPROACH TO TERRITORIAL DEVELOPMENT MANAGEMENT CHANGED IN RUSSIA? WHY HAS MASTER-PLAN BECOME A KEY TOOL FOR REGIONS AND CITIES, HOW IS IT DIFFERENT FROM THE USUAL SOCIO-ECONOMIC DEVELOPMENT STRATEGIES, HOW IS THE REGULATORY FRAMEWORK FOR ITS IMPLEMENTATION ADOPTED AND WHY THIS APPROACH UNLOCKS NEW OPPORTUNITIES – FROM HIGHER QUALITY OF LIFE TO RAISING INVESTMENTS AND INTERNATIONAL COOPERATION. EVGENIYA MURINETS, ARCHITECT AND URBAN DEVELOPMENT POLICY EXPERT, MEMBER OF THE EXPERT COUNCIL ON COMFORTABLE URBAN ENVIRONMENT DEVELOPMENT UNDER THE MINISTRY OF CONSTRUCTION OF RUSSIA, LECTURER ON MASTER'S PROGRAM OF PRESIDENTIAL ACADEMY, ADVISOR TO THE GOVERNORS OF ASTRAKHAN AND ULYANOVSK REGIONS, TELLS BM.MOSCOW FORESIGHT READERS ABOUT ALL OF THESE ISSUES

Evgeniya, let's talk about the subject that seems to involve all spheres of the economy of any city, region, country - about the comprehensive development of territories. Today in Russia we hear more and more often such concepts as "comprehensive development", "integrated approach to development", "development master-plan", "development strategy". What do experts mean by these concepts, are they identical?

Yes, all these concepts are about how to manage development of territories, which steps need to be taken by municipal, regional and federal administrators and under which sequence, in order to achieve set goals. The goals have been defined by the President, we are well aware of them, since the achievement of these goals is expressed literally in every task set for all government bodies. These goals form the basis of Russia's socio-economic and spatial development strategies, of Russian region strategies. High-level goals are added up with detailed non-conflicting goals for local communities, because despite the general similarity of the problems of the current quality of life in the country, there is nevertheless local specificity based on geographical, climatic, and national characteristics etc. Simply put, these notions primarily denote a way to achieve a decent standard of living in a specific area, and this way incorporates all aspects of life: from federal conditions and tasks to city-specific and even district-specific tasks and challenges: starting from quality of federal highways, major universities, cultural centers and ending with construction of a kindergarten or a polyclinic, and even local park improvements. The latter, by the way, is one of the most frequent requests from residents – improvement of both public and courtyard areas. At one time we, the federal government jointly with the professional community and development institutions, launched the federal territorial improvement program - DCUE (note - development of comfortable urban environment), and today every city in our country could demonstrate a space, improved under the program.

And when did this story begin?

By and large, we inherited excellent standards from the Soviet period, and these standards accounted for a required volume of social, engineering and transport infrastructure. The only, but very important difference between this approach and the current one is that back then estimates were based on labor needs of the existing and prospective factories in a specific region and housing requirements to create proper living conditions for worker families. In 2010 Russia's first master-plan was developed for the city of Perm – our "guild" considers it to be the very first comprehensive development plan. But if we dig a bit deeper, then it would look more like a concept of architectural and urban development rather than the strategy of socio-economic development (SED). The first modern SED strategies had emerged a little earlier, back in the 2000s, when the first industry law "Urban Planning Code" was devised, giving structure to urban planning principles. And just over the latest five-seven years we have been developing master-plans as symbiosis of "general" plans and SED strategies, understanding the deep interdependence of these documents.

What makes a master-plan document so special?

In its current format, a master-plan is an inter-industry document and this is a crucial point. This puts a master-plan above even a SED strategy, because once the plan is in place, a region has to adjust its strategy in line with the novelties, spelled out in the master-plan.

Looks like a victory of some "strata" over others ...

Not quite so. A master plan is the main tool in managing territorial development, available to a governor, the prime minister and the president. A master plan prioritizes sectors in a specific city. This is why it is not a victory of some "strata" over others, but a tool for top tier executives, developed at the instruction of the President, who promptly developed such a comprehensive vision. And going back to the point in time, the year of 2016 would be a more accurate time, when our President and Prime Minister of Japan Shinzo Abe at the sidelines of the Eastern Economic Forum, working to improve relations and achieve the goal of signing a peace treaty between the countries, had agreed on cooperation in several areas, spatial development being one of these. At the same time, at the suggestion of Mr. Abe, the countries agreed to work together on the development of Vladivostok, being the closest to Tokyo major Russian administrative center and a key Russian port in the Far East. Our President forwarded these instructions to DOM.RF, which in its turn developed a master-plan in collaboration with Japan's largest design and engineering company. This master-plan was the first one to revise, apart from the architectural conception, the potential for the city's socio-economic development as a whole, to identify priority areas and development directions for the urban district, to calculate financial models for these priority areas and to propose ways to achieve them, or, as they say today, a "roadmap" with timelines, costs and responsible parties. It must be admitted that some of the solutions proposed by Japanese experts, for example, removal of port and warehouse facilities from the city center, raised many questions from the city administration, as they seemed too large-scale and revolutionary, though supported by the regional administration. Overall, this was a new approach for the country. At the same time, there was no legal framework in place to accommodate this approach, which had complicated its implementation, at least in this specific iteration, though the master-plan was presented at all levels in both countries.

But there is still no regulatory framework in place for master-plans today ...

It is indeed so, but since then the master-plan concept has got many supporters both from state executives and from the professional community and residents. Moscow has done a great deal of administrative and institutional work for this. This work involved the Government of Moscow, particularly, the Moscow General Planning Research and Project Institute with 70 years of experience in planning very large territories, the team of DOM.RF, a federal development institution, uniting under its roof leading Russian specialists in territorial development, VEB.RF and private industry developers from Moscow and Saint-Petersburg, our federal ministries such as the Ministry of Construction of Russia, the Ministry of Economic Development. Over the latest three-four years this pool was joined by the Presidential Administration, acting as an initiator,

coordinator, controller and assistant in the development of such documents, particularly for Far Eastern cities. Ultimately, we see this term in presidential orders more frequently, which gives governors and mayors an opportunity to develop, though for now with extrabudgetary funds only, and follow master-plan novelties in their current activities and for making important strategic decisions to develop the territories under their authority. Moreover, the so-called master-plan bill is already prepared and pending approval in the near future.

And what will happen after its approval? Will all regions have to develop master-plans for all their cities?

First, when a document becomes legitimate (that is, its definition and specifics appear in the federal legislation), this creates an opportunity to allocate state budget funds for its implementation, something that is very difficult to do directly today. Second, according to the bill, the development of a master-plan is a right of the region, not an obligation. This is the most crucial aspect. This, I believe, is a compromise between the de facto traditional management system and an innovative, more complex approach that is not yet feasible for everyone. Third, according to the President's instructions from March 2024, the Russian government, together with the heads of the federal subjects, must identify 2,000 pilot settlements, for which long-term development programs should be developed, and to select two hundred "test" cities and metropolitan areas out of these two thousand, and prepare master-plans under the new law for these test cities. I should say that contrary to general expectations, now there is a queue of cities to get on the "200" list, and now there are about 280 cities in the queue. The advantage for the listed territories is that federal co-financing and extra-budgetary funds from development institutions will be allocated for the development of their master-plans. Also, numerous programs of the National Project "Infrastructure for Life" will be supported by activities, included in these master-plans and development programs.

There is a lot of work to be done... Is there an ultimate goal for it?

The question is purely philosophical, on the one hand, and very specific on the other. This is what we started our dialogue with: the country operates a system of national goals and tasks, supported by national projects that are intended to help achieve these goals. The upcoming timelines feature the year of 2030 with continuation prospects up to 2036. All goals and objectives are focused on the well-being of the population, on improving living conditions, on increasing the population and life expectancy, and on increasing the technological level of the economy etc.

So, a master-plan is more of a social project?

Indeed, bot social and investment project, since it determines socio-economic potential of a territory. And this would be a good basis for raising both domestic and foreign investments into development.

Essentially, this is a tip for investors on where and what to invest money in?

Yes, it is a great tip, since a master-plan would give them all the information on what is planned for construction/refurbishment, where it is planned and how much money would be allocated for this, the source of financing and what is most important, what would be the expected outcome of a specific activity for residents, for city, regional and federal economies and for investors as well.

And which master-plans today, in your opinion, are the closest to the "standard" you described?

Such projects exist in the Petropavlovsk-Kamchatsky agglomeration, the city of Grozny, the Murmansk agglomeration, Yakutsk, _ Ulan-Ude etc. There are master-plans for smaller, but no less important cities of the country: Suzdal, Derbent, Mendeleevsk etc. Considerable experience has been gathered. The new draft law is based on this experience, particularly on these cities.

This is a really large-scale approach. Generally speaking, is this our domestic "invention" or has it been borrowed from the West? It seems unlikely that "master-plan" is of Russian origin.

Indeed, "master-plan" is a foreign word. But it has less significance abroad. This is more of an architectural and urban planning concept than the first Russian master plan for Perm we discussed earlier. In the early 2000s, numerous innovations were introduced into the Russian regulatory framework, and into the field of urban planning and architecture as a whole. Even the Urban Planning Code was based on the American urban planning model of governance. Back then there was also active exchange with Western experts in other urban planning areas, architecture, construction materials and technologies. We got financial and political opportunities for easy travel abroad and to learn, and also many expats came to Russia to work at Russian sites. It is they who had brought us the word "master-plan" in the context of architectural and urban planning concept. In Moscow, our pilot region in almost all industries, back then almost every architectural concept and draft featured master-plans. At the time we started to replace "general plan" with "master-plan" out of fashion, to make these layouts more visually attractive for customers. However, the master-plan under the current reading of the draft law features practices that are unique for the global market. And we are glad that we can offer our developments to the world in this rather significant sector of the economy.

And who can develop such a complex inter-industry document? What skills does a developer need? Is there a corresponding professional standard?

Yes, this is indeed one of the key issues on which the quality of the final result is dependent. As you defined it, a master-plan is an inter-industry document, so its developers should be consortia, including architects, sociologists, economists, historians, financiers, and other professionals as needed for a specific project. The leader of such a consortium can be a representative of any industry. Managerial experience and the ability to negotiate with all participants, authorities, residents come first here. Such experience can be found in architects, sociologists and lawyers alike. Here I would also emphasize the importance of customer competencies and his proactive support for development, rather than just formally responding to developer inquiries on the one hand, and reports from federal authorities on the other hand.

To conclude our dialogue, I would like to ask to what extent this development area could become another point of common ground in our cooperation with BRICS countries and other international partners.

Yes, it is a great tool for such purposes. In the era of reforming global value chains, a master-plan can become an applied platform to offer options for foreign investment, export potential, based on a specific territory potential. For instance, numerous border cities exist that, nevertheless, fail to take full advantage of their potential. And a master-plan can literally show us the way to fruitful cooperation. BM

HIGH-SPEED PARTNERSHIP

RUSSIA AND INDONESIA ARE STRENGTHENING COOPERATION IN ALL AREAS, ENSURING STABILITY AND PROSPERITY FOR BOTH

Over the last three years, Russia and Indonesia have experienced a surge in their trade and economic partnership. In 2022 the volume of trade turnover increased by 40%, compared to the previous period, and in 2023 it grew by 22%, climbing by 11% more the next year. Based on the results of the first quarter of 2025, the trade turnover increased by another 40%.

It is noteworthy that Moscow's trade with Indonesia is growing at almost the same rate, and Moscow is Russia's largest regional economy. Over the first half of 2024 the volume of the mutual trade of the Russian capital with this South-Eastern Asian country grew by two times compared with the corresponding period of 2023. At the same time, Moscow's non-resource, non-energy exports increased nearly tenfold.

Special Year of 2022

Cooperation between the two countries began exactly 75 years ago. During this time there were ups and downs, Nikita Khrushchev, First Secretary of the Central Committee of the Communist Party of the Soviet Union and Chairman of the Council of Ministers of the USSR, became friends with Sukarno, the first President of Indonesia. The Soviet Union politically supported the Indonesian people in their fight for independence, it was one for the first countries to recognize Indonesia as a sovereign state, and Soviet specialists built the "Friendship" hospital, a stadium, many roads and interchanges, as well as many other facilities.

But the surge of 2022 became special due to several factors, the first one being general destabilization in the world. The old unipolar system, with the West on one side and all others on the other, is disintegrating. New strong economies have emerged that can no longer be content with serving Western interests. It has become perfectly clear that within this framework, the principles of democracy, equality, liberalism, and assistance to poor countries, promoted by the West, are not effective. All declarations of this kind serve only as a cover for the consolidation of inequality.

The second factor is the beginning of a process of growing feelings of national dignity and sovereignty. It is reminiscent of the similar shifts in global sentiment following World War II. Back then, it had led to the collapse of the colonial system.

The current stage of sovereignty is a natural continuation of the decolonization of the last century. Not all the tasks of liberating the peoples were fully resolved at that time. Essentially, in the XX-th century, the colonial system was reborn into a postcolonial one. The West's dominance has only strengthened in the global economy, finance, and technology, and through this dependence, also in politics.

Finally, Russia's promotion of the idea of a polycentric world order also played a role in the current global changes. And it's not that Russia provoked these changes. Moscow's interests, like those of most countries, are contradicted by the West's desire to dictate terms. In 2012, Alexander Dugin, philosopher and political scientist, formulated the concept of a multipolar world.

The main message of the concept is that there should not be a single center of influence that imposes its interests on everyone and dictates its own rules. Every state has the right to respect, consideration of its interests, and comprehensive development. These and other principles of polycentricity are in line with the aspirations of most states and even a number of international organizations today, for example, EAEU, BRICS, SCO, OAS and others.

The positions of Russia and Indonesia are particularly close. Almost from the day of its foundation, Jakarta formulated the concept of a "free and independent foreign policy". The concept's meaning lies in the country's desire to cooperate with all international partners, with fundamental and mutual respect of each party's national interests. This applies to both the world's largest powers and small states.

Similar political philosophy, interests and mutual respect of Moscow and Jakarta have resulted in the current "explosive" growth in the relations of the country. Today Jakarta considers Russia to be a "strategic partner with special status".

This definition was coined by Budi Santoso, Indonesia's Minister of Trade, during his recent visit to Russia. The definition reads as follows: "strategic" means important for steady and stable development of Indonesia. Russia has entered Jakarta's top five partner countries in a number of areas. As for "special status", this means a tried and true friend, reliable and respected.

"The diplomatic relationship between Indonesia and Russia, including trade and economic cooperation, continues to strengthen in a constructive and positive manner, - Budi Santoso said. – For Indonesia, Russia is more than just an alternative market. Russia ensures our food and energy security". He also emphasized that the economies of the two countries are "complementary" – both countries exchange marketable products and competencies.

Large and Rich Market

Indonesia's consumer market is one of the largest in the world, fourth after China, India and the USA. Indonesia has shown high growth rates over the past 15 years. The country's gross domestic product (GDP) grew by an annual average of 4.75% over this period. The country has entered the top twenty largest economies by GDP, and the adopted "Golden Indonesia 2045" program is intended to make it one of the top five largest economies in the world, with a GDP of approximately $30 trillion.

It is a very interesting partner, and soon it will be even more attractive for Russia, following removal of the existing restrictions, hindering development of the Russian-Indonesian cooperation.

As a result of the talks in Saint-Petersburg, the leaders of Russia and Indonesia signed a Declaration on Strategic Partnership, focused on trade and economy. This April a memorandum was signed to provide access of halal Russian products to the markets of Indonesia. By the year's end, Jakarta plans to sign a free trade agreement with the Eurasian Economic Union (EAEU). Just this step alone, according to the estimates by Andrei Slepnev, Trade Minister of the Eurasian Economic Commission, over the next 3-5 years will double the trade turnover between the EAEU member states, including Russia, and Indonesia.

Last, Indonesia expressed its readiness to transition to settlements with Russia in national currencies. And in June the Russian Direct Investment Fund (RDIF) and Danantara Indonesia sovereign fund signed an agreement to set up a Russian-Indonesian investment platform for €2 billion.

The result of all these steps will be the elimination of constraining factors in Russian-Indonesian cooperation in all areas, including digital and high technologies of particular interest to both states.

Focus On High Technology

"Indonesia is focused on modernizing its economy via effective industrial development, implementation of modern technologies, artificial intelligence and increasing agricultural productivity. These are the specific fields where we have identified strong opportunities for partnership", — says Artyom Senik, founder and managing partner of DATA ARMS AI Technology group & NPO LABS group of companies.

According to the rating developed by Digital Economy ANO, Indonesia is a Top-10 country for priority promotion of Russian digital solutions.

Of course, entering the Indonesian market won't be easy. IBM, Cisco, Google, Huawei, Microsoft, ESRI, Autodesk have been operating here for a long time. However, the "special status" of the strategic Russian-Indonesian partnership offers some opportunities to break through. "Indonesian enterprises are seeking alternatives to expensive Western IT solutions", - says Ivan Dronov, "digital attache" of the Trade Representation of Russia in Indonesia. Along with this, he emphasized, Russian systems, particularly video-analysis systems, are implemented in many countries and highly praised by foreign users.

Moscow, being Russia's leader in the high-tech and IT sphere, according to experts, has particularly encouraging prospects for expansion in Indonesia. The city is home to the highest number of IT companies in Russia – almost 51 thousand. Last year the city got more than 60 digitalization awards and ranked second in the global rating of smart cities. The Russian capital got 53,9 points out of 60, losing to Singapore just by one tenth of a point. Moscow is implementing about 100 artificial intelligence (AI) projects. AI is already in operation in the spheres of transport, healthcare, education, construction and other areas.

A number of Moscow-based IT companies have entered the Indonesian market. In 2023 Sberbank signed a memorandum of understanding with the state-owned telecommunications company PT Industri Telelomunikasi Indonesia (INTI). The bank will provide assistance in digitalization of the financial sphere, utilizing artificial intelligence technologies.

Data protection solutions by SearchInform company have been listed in the national online directory of Indonesia.

Montrans company is developing its own satellite monitoring system for areas with no cellular service. The Thousand Island Country, as they call Indonesia, has lots of such places.

Softline was the first Moscow company to have established its office in Jakarta for the promotion of promising products and services, including proprietary and third-party ones. The company plans to focus on cyber-security and industry solutions.

These are just some of the Moscow IT companies ready to take part in Indonesia's programs, including, of course, the large-scale project to move Indonesia's capital to the island of Kalimantan to the city of Nusantara. The project is being implemented on an area of 324 thousand hectares. The first phase will involve an investment of $35 billion. Edi Prio Pambudi, Deputy Coordinating Minister for Economic Affairs of Indonesia, has confirmed that to implement the project, the government plans to engage cutting-edge Russian technologies for digitalization of urban environment management processes.

Alexander Chertkov

Stefan Dürr:
"THE HUMAN FACTOR PREDETERMINES EVERYTHING"

EKONIVA-APK GROUP OF COMPANIES IS THE LEADING VERTICALLY INTEGRATED HOLDING, RANKING FIRST IN THE RANKING OF THE LARGEST PRODUCERS OF RAW MILK IN RUSSIA AND EUROPE AND THIRD IN THE WORLD. SPECIALIZATION - DAIRY FARMING, BUT THE COMPANY IS DYNAMICALLY DEVELOPING IN OTHER SECTORS, SUCH AS CROP PRODUCTION, BREEDING AND SEED PRODUCTION, PEDIGREE CATTLE BREEDING, ORGANIC PRODUCTS, MILK PROCESSING. THE HOLDING ALSO SUPPLIES AND MAINTAINS AGRICULTURAL AND ROAD CONSTRUCTION EQUIPMENT OF WORLD AND DOMESTIC BRANDS. BM MOSCOW FORESIGHT MAGAZINE TALKED ON THE SIDELINES OF THE XVIII VERONA EURASIAN ECONOMIC FORUM HELD IN ISTANBUL WITH THE FOUNDING FATHER AND PRESIDENT OF THE EKONIVA-APK COMPANY STEFAN DÜRR.

Dear Stefan, please name three sources, three components of your success, or rather, the success of Eco-Niva.

Success, first of all, depends on the attitude towards people. This is my most important principle. Secondly, you need to plan ahead of time and for the future, but not lose soil under your feet. Third, do not get lost when difficulties arise. Times happen different. There are obese years, there are skinny years, and they alternate. In the second case, you need to focus and go forward, overcoming difficulties.

What does the human factor matter to you? Do you invest in expanding your knowledge, mastering new skills and abilities of your staff?

The main thing is the culture of work and the workers themselves. Everything is predetermined by the human factor. Last year, around 3000 trainees studied and explored the values of our company. So we have been established for 15 years. Usually about a third of the trainees then stay with us to work.

We pay attention to improving the qualifications of all personnel. I also adhere to this principle: every young specialist has the right to make a mistake, and every employee of the company has the right to disagree with his superiors if he believes that an incorrect decision has been made.

We are promoting educational agriclasses, including for schoolchildren, where we explain that agriculture is one of the most successful sectors of the economy in Russia. The previous image of those who are busy on the ground was unattractive. There was a perception that this is work without days off and vacations, salaries are small, and labor is mostly manual. In fact, the agricultural sector today is one of the high-techest, the working day is rationed, and wages are no worse than in other industries.

As in the space field, Russia, being an agrarian superpower, today plays in the highest world league.

How diversified is EkoNiva's product line?

Over 70% of our revenue comes from milk business. A small segment was allocated for meat animal husbandry products. We produce about one million tons of grain, which is also important for us. We grow lentils, peas, and soybeans. We process about a quarter of our milk ourselves. Raw milk is good, but commercially, fixation on it creates vulnerability. There is a lot of price volatility in this market. Therefore, we also offer ready-made dairy products, both traditional as well as cottage cheese, cheeses, and dessert groups of goods.

Is the geography of supplies within Russia and abroad changing?

We understand that Russia together with Belorussia has already achieved complete self-sufficiency in milk, and therefore it is important to work for export now. We already supply drinking milk to China...

So it seems milk wasn't part of their diet before?

... now it is already coming in, they even have a program to promote milk as an element of school nutrition - after all, a growing organism requires calcium. Moreover, they add to

PERSONALITY IN FOCUS

Stefan Dürr, a Russian entrepreneur with German roots, was born in 1964 in the city of Eberbach in southwestern Germany (Baden-Württemberg). He graduated from Bayreuth University with a degree in soil agronomist and geoecologist. In 1994, Stefan Dürr founded the EkoNiva company. He started with growing and exporting organic buckwheat and millet to European countries.

In December 2013, Stefan Dürr became a citizen of the Russian Federation: the decree was signed by President Vladimir Putin. In 2024 he was awarded the Order of Friendship for services in the field of agriculture and many years of conscientious work.

FACTS ONLY

EkoNiva-Seeds company is the largest producer of field crop seeds in Russia based on one agricultural holding. The company sells about 75,000 tons of certified seeds with high genetic potential annually. Its varietal portfolio is represented not only by the best foreign genetics, but also by the most popular varieties of domestic breeding. Since 2015, the company has been developing its own breeding programs. 16 varieties of winter wheat, soybeans and lentils of EkoNiva selection are included in the State Register of Selection Achievements approved for use.

tea. Imagine if every Chinese (for reference: the population of the PRC is approximately 1 billion 400 million) will drink a cup of tea with milk at least once a week... we simply will not be able to cover this demand. We also started supplying milk powder to Africa and the Middle East.

Is environmental friendliness one of your priorities?

Absolutely. Initially, I created Eco-Niva for organic farming. Unfortunately, real life makes its own adjustments. Nevertheless, I keep the ideas of organic farming in my soul and still believe that it has a great future.

FACTS ONLY

EkoNiva-APK Group is comprised of three independent holdings: agricultural, processing, and technical. More than 183,000 of its employees work in more than 40 regions of the Russian Federation. The company owns 632 400 hectares of land, over 250 000 cattle, including 120 000 cows of high-yield breeds. EkoNiva farms produce over 4000 tons of milk per day.

FACTS ONLY

EkoNiva-APK Group manages five milk processing enterprises receiving milk from its own farms: four dairy plants and one cheese factory. Here the company produces natural dairy products on a field-to-counter basis. It meets high quality standards thanks to careful control of all indicators of raw milk at each stage of production, as well as an uncompromising approach to the naturalness of all ingredients in the final products.

Today, when we have decided to eradicate hunger, when the agricultural sector has become one of the drivers of economic development, when export potential is growing from year to year, and our agricultural raw materials and finished food products are sold in dozens of foreign countries, Russia has a moral obligation to contribute to ensuring world food security. Do you agree with that?

I agree. Recently visited Algeria. Cool country. The population is growing, incomes are increasing. But the task of feeding everyone hearty and healthy food remains among the priorities. Russia, on the other hand, has favorable conditions - climatic, soil, and so on, which allow the dynamic development of the agricultural sector. Yes, I agree that Russia has a moral responsibility to help ensure that people in other countries do not go hungry.

What three life principles are you ready to practice? What words could be inscribed on your knight's coat of arms?

Honesty, modesty and down-to-earth approach.

Down-to-earth approach?

In the sense of following peasant practical common sense.

Vladimir Mikheev
Istanbul – Moscow

DIAMOND TREND: **DEMAND FOR INVESTMENT DIAMONDS GROWING IN RUSSIA**

INVESTMENT IN DIAMONDS IN RUSSIA IN 2025 MAY BECOME A TOP TREND FOR THE DIAMOND MARKET. DEMAND FOR THEM WAS UP 20% IN THE FIRST NINE MONTHS VERSUS THE SAME PERIOD LAST YEAR. THIS WAS REPORTED TO BM.MOSCOW FORESIGHT BY THE PRESS-SERVICE OF ALROSA.

Analysts claim that the deal volume has already reached ₽45 billion per year at a yield of 3–5%. Amid geopolitical uncertainty, investors are turning to timeless assets. As gold prices hit record after record this year, market participants started looking for other profitable investment options, and their attention was quickly captured by precious stones. The interest in such investments was also fueled by Alexey Moiseyev, Deputy Head of the RF Ministry of Finance, who advised Russians to keep their savings in investment diamonds as well.

“Open, Sesame!”

Russia’s investment diamond market started to take off rapidly in October 2022 — at that time, the authorities made an important move to support it by cancelling the VAT on the purchase of these precious stones by private persons. This measure immediately revived the interest of private investors: the stones had become not just a luxury item, but a full-fledged financial instrument. And soon Russians also got the opportunity to trade these precious stones through domestic banks.

Moreover, the Moscow Exchange had launched two special diamond indices at once, which is yet another proof of the fact that this instrument, previously considered as exotic, had become an integral part of the national savings landscape.

However, regulatory changes alone were not enough to spark a surge in interest in “girls’ best friends”. The demand for precious stones has risen sharply amid heightened geopolitical uncertainty. Gold is a traditional safe haven for investments in such times, however, when its price is breaking record after record, many people have turned their attention to investing in diamonds. Alexey Moiseyev, Deputy Head of the RF Ministry of Finance in his September interview recommended that Russians keep their savings, among other things, in these precious stones, which are definitely more reliable than the dollar savings, previously common among savers.

“The second area [the first one is gold, — ed.note], which we are developing, are investment diamonds, — noted Moiseyev in his interview with RT. — The VAT for these has been canceled, and they can be purchased just the same for savings purposes. We believe it’s forever. And these paper notes [US dollars — ed.note] — these could be in circulation today and out of it tomorrow”.

Let us remind you, that investment diamonds are considered gemstones created from natural diamonds, the volume and availability of which are limited or reduced due to lower production volumes. Savings in lab-grown diamonds cannot be considered investments. However, only a professional gemologist — a specialist in such precious stones — can distinguish artificial from natural diamonds.

An ordinary person will not notice any difference between two outwardly similar stones, which look identical to the untrained eye. However, investment diamonds have secondary liquidity, as the producer is obliged to buy them back from the buyer at any time at market value. The fact is, though, the price can fluctuate. For example, after the appearance of synthetic diamonds on the market for precious stones, the price of natural ones also went down due to a decrease in demand.

Sharp Edges Of Favorite Stones

The investment diamond market is complex, making investment in these stones a challenging task with both significant upsides and downsides.

According to Natalia Milchakova, lead analyst at Freedom Finance Global, the advantages of such investments are, first, that diamonds do not depreciate over the years, unlike rouble deposits, moreover, there are fewer natural diamonds in the world, diamond deposits are being depleted, but demand is not falling, which means their price will rise over time.

Second, unlike a gold bar or an unallocated metal account, a diamond is easy to buy and sell, a diamond can be sold not only to a bank with a special license, but at various platforms — to the manufacturer, at an auction or even at a marketplace, if it is a jewellery item, the price being the only issue. Third, a diamond, unlike a gold bar, is easy to store.

"The upsides of investing in diamonds are the acquisition of a reliable physical asset, independent from any infrastructure, for example, energy, like cryptocurrencies, —Mikhail Gordienko, professor of the Sustainable Development Finance Department, Plekhanov Russian University of Economics, continued the discussion. — A precious stone can be physically touched and is free from blockages or restrictions on the movement of financial resources. Precious stones are quite liquid, especially if they have an international certificate. Moreover, this asset offers confidentiality, and if you do not engage in systemic trades, you won't even need to declare it".

There are downsides to investment diamonds too. According to Yaroslav Kabakov, strategy director of FINAM investment company, the domestic gemstone market is suffering from structural problems, primarily from the lack of competent expertise. "The world is experiencing a real revolution: synthetic diamonds are rapidly replacing natural ones, especially in the jewellery segment, — he said at an October press-conference at NSN. — An engagement ring with a large diamond used to cost tens of thousands of dollars. Today a similar lab-grown stone would cost ten times less. Strong brands, offering beautiful jewellery with synthetic diamonds, have already emerged in Russia. But it would be extremely hard to verify, what's in a gift box — a natural stone or a lab-grown copy". According to him, in the absence of transparent standards and independent certification even shopping at a prestigious jewellery store turns into a lottery. Talking about the investment value of such stones would be a gross exaggeration. This segment of the Russian market is not only risky: it could be catastrophic for a private investor, says the analyst.

As explained by Milchakova, when buying a diamond, it's easy for an inexperienced investor to make a mistake and become a victim of fraudsters, or fail to take into account all market specifics, therefore, when making such a purchase, you need an experienced consultant whom you trust, and it is important to always ask the seller for a certificate confirming the authenticity of the diamond. Accordingly, when purchasing such an asset, one should immediately take into account the high transaction cost, including trading platform fees, costs for assessment, certification, etc.

The second major downside is that the price of diamonds is rising slowly, the profitability of reselling an investment diamond rarely exceeds 5% per year, and a rouble deposit would be more preferable in this context. "The value of natural stones is under pressure from modern technology," — stated the stock market expert

Andrey Smirnov, BCS World of Investments expert, says that synthetic diamonds are increasingly used as an alternative to natural diamonds. Meanwhile, synthetic analogues can be tens of times cheaper than natural ones, while having the same purity and color.

The volume of investment in diamonds has already reached 45 billion rubles per year with a yield of 3–5%.

High Entry Barrier

The third downside to diamond investments is that a diamond, unlike a deposit or a security, provides no guaranteed income in interest or dividends, only you can ensure your profit by selling your purchase for as much as you can.

"To earn a large sum on such investments, you need to invest from ₽800 thousand up to ₽1 million and more into diamonds, because this is how much larger precious stones cost, you won't be able to turn a profit on selling smaller stones, to be more precise, you could if you sell a ring with small diamonds, purchased for less than ₽100 thousand, but the yield will be very small", —Milchakova noted.

However, there is a more daring analysis. So, experts from major banks assess recommended investments at over ₽2 million.

"Lower value of a stone could indicate average quality, which will be the determining and problematic parameter during its sale", — warns Gordienko. And even that's not the limit. So, in Smirnov's opinion, one should invest at least ₽2-3 million into physical diamonds, otherwise high fees and spreads (this is what they call the difference between purchase and sale prices — ed.note) will "eat up" potential yield. The allocation to this instrument should not exceed 5% of the portfolio. Consequently, the portfolio should amount to at least ₽50 million.

We should again emphasize that the investment horizon is expected to be a minimum of 3-5 years. For investments less than the specified amount, it is wiser to consider alternatives with better liquidity and smaller spreads, for example, gold and other precious metals.

It is also important to remember that, given the current circumstances in Russia, diamond investments are not a viable alternative to a bank deposit and its yields.

"Taking into account associated transaction costs and the time it takes to complete transactions, replacing bank deposits with investments in diamonds seems impossible — Smirnov declared unequivocally. — Diamonds are a long-term tool for preserving, not increasing, capital. Deposits are often a way of short-to-medium term investment for free liquidity at a risk-free rate".

In the first nine months of 2025, demand for diamonds increased by 20% compared to the same period in 2024. (Source: ALROSA)

Thus, a deposit and the purchase of investment diamonds are different capital management tools that cannot be considered interchangeable. They are only good for their specific purposes.

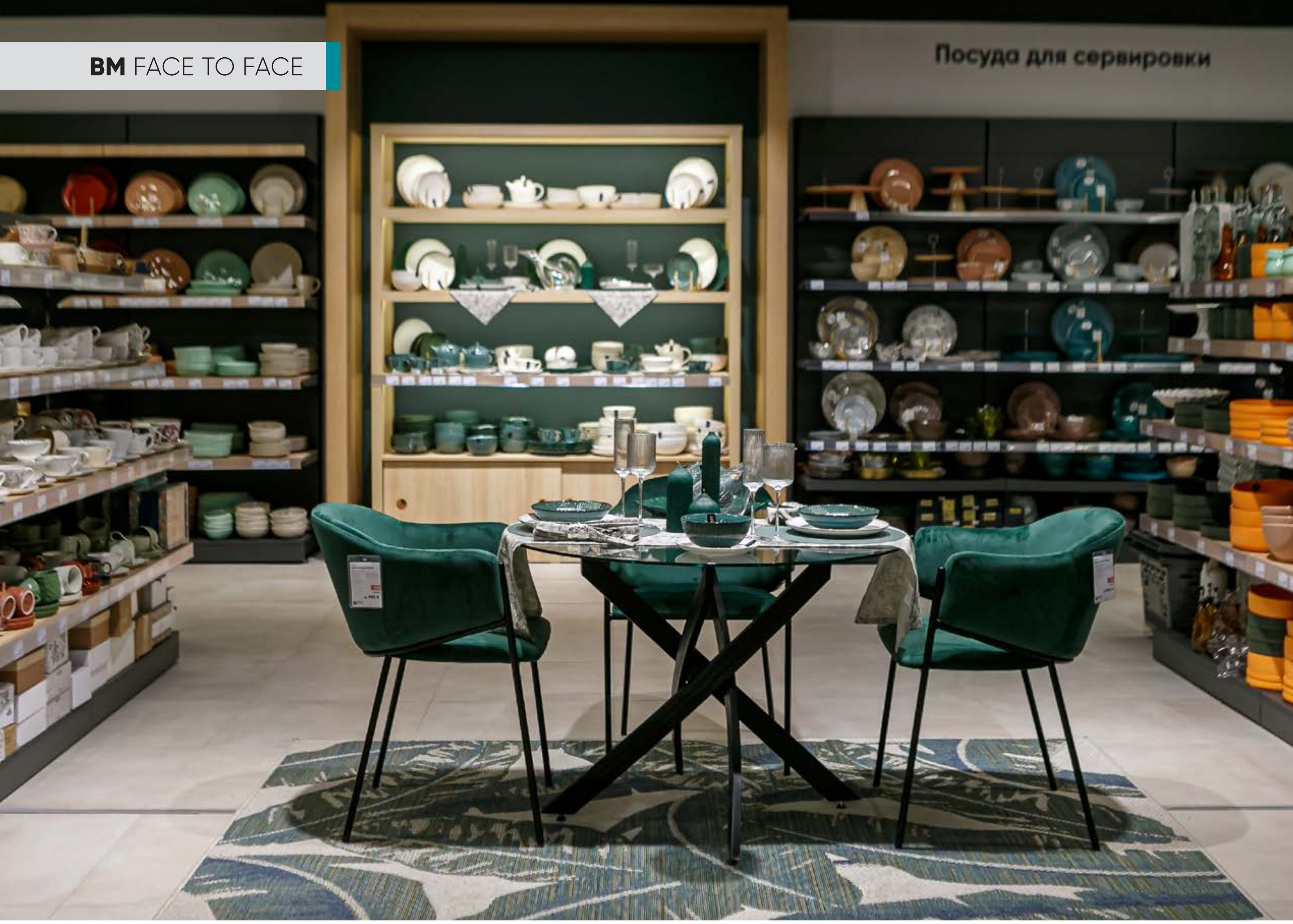
Alluring Glitter Of Luxury

However, with the right amount of capital, due diligence and investment talent, diamond returns could exceed wildest expectations. According to Igor Feinman, financial and investment advisor, investing in these precious stones can increase your investment by almost a third. It would be true, but only if the stone in question would be authentic and invested into over a period of five to ten years.

"Over the long term, the yield for a properly selected stone can actually approach 30% per annum, — said the expert at the NSN press-center. — But don't expect a miracle in one year: the market is volatile, and expertise is crucial. It's easy to get it wrong without expert advice". He also cooled the ardor of many potential investors by the price of the "entry ticket" to this market: entering this segment for real would require tens of millions of roubles — that's how much a real investment diamond costs. "Therefore, the Ministry of Finance's recommendations sound somewhat optimistic, to put it mildly, — the expert added. — In fact, less than 1% of Russians invest in investment diamonds. It's a niche tool for wealthy clients, not a mass savings option".

Currently, the most valuable assets are historical jewelry and pink diamonds. According to Marina Kudrina, President of the Association of Russian National Jewellery Brands, only these diamonds could be considered investment-grade. All other options are only good for saving available funds. "We often see and hear of collections being sold, — she emphasized in her conversation with Feinman. — For example, a pink diamond is considered unique today, with a cost of $3 million per carat. Indeed, this is an investment. But what we see at a store, this is just sort of for saving funds, saving money".

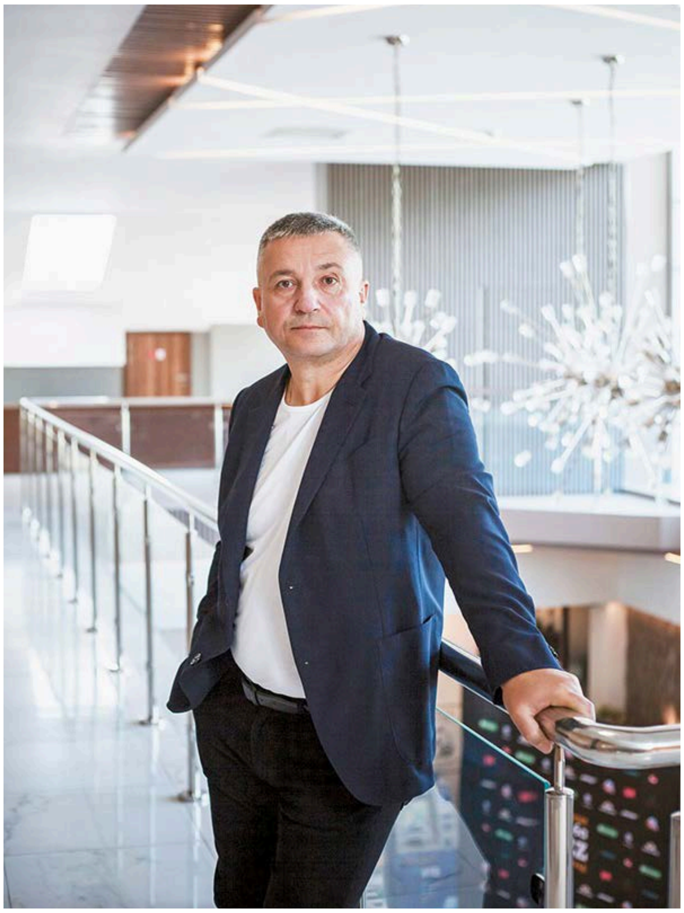
Anna SOLNTSEVA



FROM SMART MATTRESS TO THE CITY OF THE FUTURE: **ASKONA LIFE GROUP'S DEVELOPMENT PHILOSOPHY**

WHEN A MATTRESS MANUFACTURER BEGINS TO CONSTRUCT CITIES, FORM MEDICAL AND EDUCATIONAL CLUSTERS IT IS NO LONGER A MERE BUSINESS ENTERPRISE, BUT A PHILOSOPHY. IN AN EXCLUSIVE INTERVIEW, VLADIMIR SEDOV, FOUNDER OF ASKONA LIFE GROUP, REVEALS THE COMPANY'S TRANSFORMATION STRATEGY FROM A MANUFACTURER OF SLEEP PRODUCTS TO A DIVERSIFIED HOLDING THAT DIGITALIZES THE CUSTOMER EXPERIENCE, CREATES INNOVATIVE PRODUCTS WITH ARTIFICIAL INTELLIGENCE, AND FOUNDS DOBROGRAD, A UNIQUE CITY DESIGNED TO CATER FOR AN INDIVIDUAL PERSON. FROM WINNING THE BIG TURNOVER AWARD TO ENTERING THE UAE MARKETS AND PLANNING TO CREATE A NEW GENERATION OF ADAPTIVE MATTRESSES – THESE ARE VARIOUS FACETS OF THE COMPANY'S ECOSYSTEM, WHERE SLEEP, HEALTH, EDUCATION AND A COMFORTABLE ENVIRONMENT ARE MERGED INTO A SINGLE CONCEPT OF QUALITY OF LIFE

Askona won the prestigious Big Turnover award and become the best in the Client Service nomination, presenting its Mattress Picker project. Participation in this contest indicates that the company is taking full advantage of the possibilities opened up by digitalization. Please reveal how the company is progressing on this terrain.



For Askona, digitalization, first of all, means the digitization of the client experience. We strive to understand what happens to a person at every stage of interaction with a brand: online, offline, and on the "last mile" of delivery. This approach allows collecting and analyzing large amounts of data so that communication with the company turns out to be personal, simple, and as convenient as possible.

Online, the unit team already understands well what type of a client knocks at our door, what are his or hers demands and income level, what kind of products he or she is looking for in our and other companies. Based on this information, the system generates personalized offers varied from price tag to assortment of products. If a client enters the store offline, the consultant uploads the previous purchases records or products examined on the web site, and therefore can make a relevant offer, rather than starting the dialogue from scratch. If a person has a problem with an order, the manager already knows about it and provides assistance ASAP, without requiring the client to make a detailed explanation.

Ascona is actively developing digitalization in client loyalty programs. The entire customer base is divided into categories listing the most vigorous buyers and those who have not made purchases for a long time. For each group, a different

Ascona production

communication scenario has been elaborated: personalized offers are sent to some customers, others might receive bonuses, and clients who have maintained sort of a "sleeping mode" are invigorated with appealing suggestions and promotional materials.

A separate track of digitalization is related to delivery. Customers can track the status of their order online, that is, see where the cargo is at a particular moment, as it is in the taxi services. Also at Ascona, communication has been automated: bots call customers with a request to evaluate the service (NPS and CSI), reach agreement on a convenient delivery timeline, or send a link for self-selection of a slot.

In offline stores, the benefits of digitalization are conspicuously apparent. For example, the Mattress Picker project is based on artificial intelligence (AI) technologies: the system scans the human body and automatically selects the optimal mattress and pillow without the participation of a consultant. Ascona also uses digital panels for life-size 3D furniture and kitchen layouts and creates "smart sleep rooms" where the voice assistant can control light, climate, and other comfort sleep parameters.

A similar picker works on Ascona's website: the client answers a few simple questions, and the system forms a customized selection of mattresses, beds and accessories. This AI solution saves time and eliminates the manual search for what the client needs among hundreds of products.

Another important advantage is the capability to avoid paper work. Now all financial documents and contracts are formed in electronic form: after the purchase, the client receives them by mail along with a coupon for the next pur-

Ascona production

chase. This is not only expedient, but it also enables to build ties and ensure client's comeback.

Ascona's team is also actively introducing digitalization in marketing: it analyzes the client's identity, selects effective communication channels and increases the conversion from each marketing campaign. QR codes have been introduced in stores providing additional information about the product, arrangement of payment in instalments or piecemeal payment.

All of these tools form a unified ecosystem of digital customer experience from first contact to post-sales service. This integrated approach allows us to be leaders in the field of customized approach and innovation.

The company is not only engaged in the production of mattresses. Askona Life Group is a diversified holding. What are the company's development priorities at present?

Indeed, Askona Life Group has long gone beyond a manufacturer of sleep products. Today, it is a multidisciplinary holding that is actively developing in three key areas: Ascona, medicine and Dobrograd.

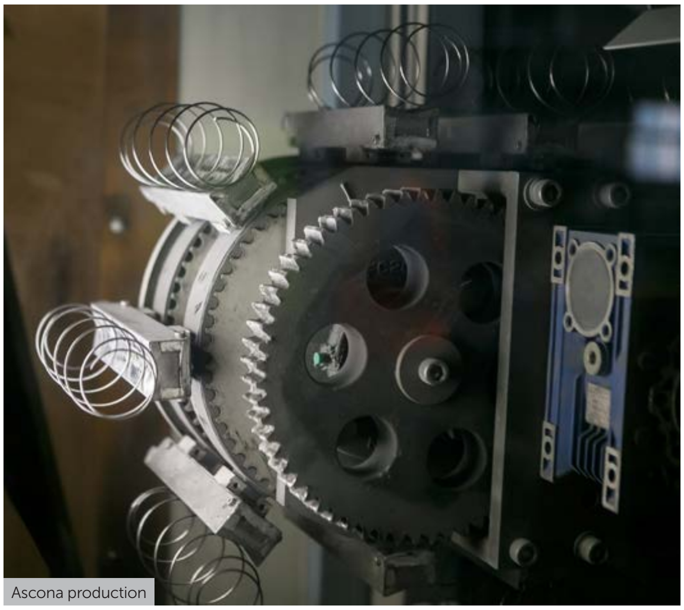
Ascona production

We continue to invest in the development of our medical cluster. Now, a new building is being under construction, it will be commissioned in January 2026. It will have new directions of medical services, both outpatient and inpatient. We remain part of the Compulsory Health Insurance (CHI) system and are energetically evolving in this area. After the opening of the medical complex, over a hundred new doctors will join the team.

We pursue a separate vector is investments in technology, including those based on artificial intelligence. We integrate AI solutions into all businesses of the group in order to speed up processes, improve the quality of service, and make the customer experience even more personalized.

Large-scale infrastructure development continues in Dobrograd. We are investing in resort, sports and entertainment facilities: a new line of golf courses is being built, new hotels are being designed, and a congress hall and a Sleep Museum are being created. Residential development is dynamically growing, and, consequently, the number of residents is going up.

We make big emphasis on the educational upgrade. A full-fledged educational cluster has already been formed in Dobrograd: spanning from nurseries to vocational education. We are elaborating a system of comprehensive education: preschool, school, secondary, higher and additional educa-



Ascona production

tion for adults. City College has already opened, and we are completing the agreement on the creation of a higher educational institution. The Gorki School project will become a platform for the development of entrepreneurial and managerial competencies of adult specialists.

In addition, the company implements projects in the field of food security. A modern greenhouse complex has been commissioned; it will expand the range of agricultural products and provide the region with fresh products of its own making.

In all these projects, the priority for us is to create an ecosystem providing a person with comfortable living and working conditions with ample opportunities to receive medical treatment, to study and to rest. Therefore, despite the high cost of borrowed money and the tight macroeconomic environment, we continue to dynamically invest and create new jobs both in our offices and at our production sites.

Ascona production

Dobrograd is a rather ambitious endeavour. What is the original concept at the core of the project?

The main hallmark of Dobrograd is that it was established not as an offspring of an "energy flow pipeline" and not as a by-product of a huge "production facility", but specially targeting an individual. This is a city that was designed not as a springboard for economic growth, but as a point of growth in the quality of life.

At the same time, Dobrograd is not a utopia or a positive image build-up project. This is a spreading economic model of a modern city, where private investment in sports, tourism, education and real estate is returned in the form of taxes, jobs, and sustainable development of the region.

At the heart of Dobrograd is a human-centred approach, with the life of the family at the core of it. The city is not built around cars and industries, but around the needs of three consequent generations: children, parents, and elders (senior citizens). Everything is close at hand here: school, garden, medicine, sports, nature, and services – everything is located within a 15 minutes walk. This gives people the opportunity not to spend their lives always on the road, but to live their lives in a paced manner.


Ascona production


Ascona production

Our fundamental principle is to build the infrastructure ahead of sales: first, roads, sports facilities, public spaces, restaurants, and hotels, that is, the "framework of life." And only then comes housing. This is the main indicator of the seriousness of the project: a person should not see a rendering, but a lively and functioning city.

Special care is rendered to ecology and preserving harmony with nature. We build fitting into the landscape, we preserve forest zones, and we do not cut down trees, but bypass or replant them. Lakes and parks are not "remnants of greenery", but a frame of urban planning.

Manufacturability is also in the DNA of the city. In Dobrograd, digital services and security tools have been introduced: video surveillance, biometrics, transparent regulations for the work of management companies, a single all-in-one application with payment for housing and communal services, a pass system, a chat concierge, and event posters.

The community occupies a special place. We set up neighbourhood centres, introduce event calendar, and support micro initiatives of residents. All this is put into place not after settlement, but simultaneously with construction.

Perhaps, most importantly, it is the social impact. Dobrograd strengthens family values, affects demographics, and increases fertility and life expectancy. This is a city where you would want to live, raise children, and age gracefully.

All this forms the economic stability of the territory. The goal is simple: to create a self-sufficient city with jobs of a high added value, and a vibrant comprehensive economy.

Askona is also developing with focus on international dimensions. Could you share the details of this expansion?

Several years ago, Askona began expanding into the CIS countries: Kazakhstan, Belarus, Azerbaijan, and Uzbekistan. There, the company now has a full-fledged multi-faceted business with our own stores, e-com, and partner networks. In 2023, we made the next step – we went beyond the CIS, opening a business in the UAE. Now, we have e-com and stores in Dubai and Abu Dhabi, and we already see confirmation of all the hypotheses that we tested: the project shows positive operating results and is ripe for scaling up.

We work with the same assortment of products as in Russia, the trade format has also been preserved, and it has proved itself perfectly. Customers like it: the share of Rus-

sian-speaking buyers, which at the beginning was dominant, has now dropped to 30-40%. It means we are already confidently engaging both local residents and expats.

At the end of 2024, the share of international revenue reached 9%, and we profess for sure that in 2025 this figure will go up since the pace of growth abroad is higher than in Russia. E-com is expanding remarkably: Askona has set foot on Emirati marketplaces; we apply digital tools and performance marketing.

In the CIS countries, for example, in Kazakhstan and Belarus, Askona has already become the most recognizable brand in the mattress category. This was facilitated by systematic promotion of the brand and the energetic application of digital tools.

Separately, I want to highlight the teamwork. We build international business on the principle of combination of "the best of the two worlds." It means that key managers are relocated from Russia to transfer brand's DNA, and local specialists help adept the processes to the specifics of the local market.

Next year we plan to scale further up to the GCC coun-

tries: Saudi Arabia, Qatar and other markets in the region. In the Emirates, we are simultaneously developing a franchise. We are confident that we have found a sustainable business model that allows us to develop globally, while maintaining Askona's basic principles.

Dobrograd is associated with the development of domestic tourism and hotel and restaurant business. How successful is this line of business? What is the priority: increase in the number of residents of the city or in the number of tourists?

For us, tourism is not an absolute goal per se, but a point of first contact with the city. The resort and hotels work as a funnel of involvement: people come here for the weekend, relax, get acquainted with the environment, enjoy the scenery with a view on the waterscape, embankments, golf course, wake park, and often come back not as tourists, but as potential residents.

The balanced approach here is simple: we do not strive for mass tourism. The priority is the quality of life for residents, and the tourist flow is a neat, manageable component that supports businesses, enlivens events and gradually converts into the purchase of real estate.

Why does it work? The city has strong "magnets": a good wake park, golf course, water stage, sports complex, restaurants, family activities. These are not mere attractions, but a way of life. Therefore, such a "funnel" has a high confidence conversion.

Our task is not just to "fill in the numbers", but to let a person absorb the city with his inner self. Hotels, restaurants, events and "guest weekends" are a kind of test drive of life. In 2-3 days, a person can feel the rhythm of the city and might

decide to move in. Up to 20% of real estate transactions today come from this "guest" traffic.

Priority No. 1 is residents. Tourism is a tool that helps the family consciously decide to relocate. Priority No. 2 is a steady tourist flow that ensures the loading of services and the development of infrastructure.

In 2026, we plan to increase the hospitality capacity to 300 rooms and continue the development of resort infrastructure. Already in Dobrograd there are three 4-star hotel buildings, five restaurants, a powerful sports cluster: a golf course, an arena, a wake park, tracks, and an activity park.

By the end of 2025, we expect up to 500,000 tourists. But the strategic goal is not just to grow in numbers. We are creating the largest resort in Central Russia outside the zone of traditional sea resorts. We create a place where rest, health, education and comfortable living are well combined.

How is the city's industrial block developing?

The industrial cluster is one of the key drivers of the development of the territory. A Special Economic Zone (SEZ) of the industrial-production type "Dobrograd-1" was created in 2020 for a period until 2069, and today, it demonstrates stable dynamics. It is located in the Vladimir region, just 2.5 hours from Moscow along the M-12 highway, and occupies 211 hectares: two plots of land, 136 and 75 hectares. The first area is fully equipped with engineering infrastructure: gas, electricity, water, roads, and medical treatment facilities are supplied.

At the beginning of 2025, eight business residents were registered in the SEZ, including companies specializing in the field of mechanical engineering, lighting, medical products, sleep products, climate equipment, and food. Among them are Intex, Home Electro Systems, Dobrograd Agro, International Furniture Technologies, Svetogor Laboratory, Dobromash, Remakom, and others. The total investment flow exceeds 30 billion rubles, and the total number of jobs will amount to over 2,000.

The entire engineering infrastructure has already been commissioned; the first production facilities have been launched. One of the largest projects under implementation is the Data Processing Center of one of the leading banks with an investment volume of 27 billion rubles. The Dobrograd-1 management company has invested over 2 billion rubles in the creation and development of the site.

Today, the Dobrograd-1 SEZ is recognized as one of the most dynamically developing private zones of the Central Federal District. Its creation forms a new point of industrial and technological growth in the Vladimir Region, stimulates the development of small and medium-sized businesses and creates modern jobs.

Going back to the basic activities, what key technological or material science trends in the sleep industry Askona considers the most promising for the next 3-5 years?

One of the key vectors is the development of sleep monitoring technologies. Askona is already creating solutions that allow you to monitor quality of sleep using trackers built into a mattress or pillow, and as a result articulate personalized recommendations for improving your sleep. Moreover, we are talking not only about sleep, but also about an integrated approach to health in general, that is, we analyse the relationship between sleep, nutrition, activity, and, among other things, emotional state. After all, if a person's eating habits are incorrect or if a person experiences stress, this directly affects the quality of recovery and, consequently, impacts the level of energy and well-being.

The next step is to digitalize this experience. We are developing our own Askona Sleep application: this AI somnologist has already been launched. This application is an intelligent assistant that communicates with the user, analyzes complaints and offers personal recommendations, even if the individual does not possess smart gadgets.

The second direction is adaptive mattresses of a new generation. Askona introduces adjustable support technology based on air pumps: the mattress adjusts to the human body and allows changing the level of rigidity using a remote control or application. The first samples have already been tested, and now the unit team is preparing to scale this technology.

And finally, the third direction is the formation of an ecosystem of healthy sleep and recovery. This is the combination of a smart mattress, pillow, climate control and lighting into a single system controlled by an AI assistant. Such an assistant will be able not only to regulate comfort, but also to suggest when to adjust the regime, consult with a specialist or undergo an examination.

We are confident that the future of the sleep industry lies in personalized solutions that help a person not just sleep, but also recover and manage state of health in general. BM

"WHITE" METAL'S INVESTMENT APPEAL

SILVER ON GLOBAL EXCHANGES REACHED AN ALL-TIME HIGH OF $53,43 PER OUNCE IN MID-OCTOBER. MEANWHILE, GOLD REACHED A RECORD HIGH OF $4374,9 PER OUNCE IN THOSE SAME DAYS. HOWEVER, IF WE PUT ASIDE ABSOLUTE INDICATORS, THE "YELLOW" METAL IS CLEARLY INFERIOR TO THE "WHITE" ONE IN TERMS OF ROBUST AND AGGRESSIVE PRICE DYNAMICS.

This means that silver, viewed as an investment tool, which has been underestimated even by the expert community, could become more attractive to retail customers. But how can private persons invest in it, which tools are available for this purpose?

Let's start with the big picture. According to the U.S. Geological Survey (USGS), the global production of silver in 2024 amounted to 25 thousand tons. Mexico tops the rating of silver producers (6300 tons), followed by China (3300 tons) and Peru (3100 tons). Russia shares the fifth position with Chile - 1200 tons, and up to 70-80% from this volume are exported to China, India, Turkey, UAE. It is difficult to say how well this data corresponds to Russian ones: the RF Ministry of Finance stopped publishing relevant data back in 2022.

Industrial Driver

Silver, like gold, is a safe haven asset, but the demand, and correspondingly the price are growing for a different reason: continuous ramp-up of industrial applications. For example, silver is a key component in solar panel manufacturing, accounting for almost 20% of its consumption in 2024. Silver's physical properties include the highest reflectivity of all metals, thermal and electrical conductivity, as well as photosensitivity of its compounds, are in great demand in electronics, electrical engineering, automotive engineering, photography. Therefore, the price is determined by the industrial factor, not the investment one. As a result, over the course of a year, the "white" metal rose in price on the London Stock Exchange by 70%, when gold went up by 30%.

According to market experts, the domestic consumption of silver in Russia is below 80 tons per year, which is absolutely incomparable with the volume of production. The consumption structure is approximately as follows: 30% – jewellery, 55% – electronics, including defense industry complex needs, and only 15% are used as an investment metal primarily in the form of coins and bars.

"Silver, like gold (to a lesser degree), has become one of the key beneficiaries of the geopolitical turbulence of the latest few years, – as Andrey Lossan, "Sravni" financial marketplace analyst, pointed out. – After exchange prices crossed a psychologically important mark of $50 per ounce, investors are shifting their focus to this asset. Silver is rising in price largely due to the development of green technologies such as solar panels and batteries. Increased production in China and India is boosting global demand and, correspondingly, its price".

According to Lossan, there are enough mechanisms that allow individuals to invest in silver, and these are generally similar to those used for gold. The most direct way would be to buy physical silver in the form of investment coins and bars of various weights. These are offered by banks, however, it should be taken into account that bullion is subject to VAT, and its storage requires much more space. As an alternative, many private investors highly liquid financial instruments such as exchange-traded funds (ETF/ETC), tracking silver spot price, and also mining company stocks, which allows you to avoid the issues of physical storage and tax burdens.

The global production of silver in 2024 amounted to 25 thousand tons (Source: U.S. Geological Survey (USGS)

Most Conservative Approach

"While there are fewer options for investing in silver compared to gold, they do exist, - says Alexander Shneiderman, head of Alfa-Forex customer support and sales department. - First, Banks offer investment and commemorative coins, as well as bullion, issued by the Central Bank. This would be the most conservative approach. Another option would be to purchase silver on a bullion account (OMS). This is a very simple operation through apps of major banks. The key advantage of this option is that there is no need to organize the storage of bars and coins, which will require certain efforts and costs. Moreover, the Moscow Exchange offers futures (linked to the dollar and global prices), and also mutual funds focused on precious metals. Plus, it is possible to acquire stocks and bonds of companies that are engaged in the industrial-scale production and sale of silver".

Don't forget about silver jewellery — this is a least liquid option, with high manufacturing mark-up. Shneiderman pointed out, that silver is highly volatile, which is largely related to the specifics of demand: the demand, unlike the "yellow" metal, is supported by investors, industry and retail customers, but not by the central banks. Back at the start of 2025 nobody had expected silver to skyrocket — objective values pointed to a rise to a maximum of $40 per ounce. Now this mark has been long gone from the rearview mirror.

Coins In Suitcases

"Because silver is many times cheaper than the rapidly rising price of gold, losing its appeal with increasing numbers of retail investors, the demand is shifting towards silver, - reasons Alexey Vyazovsky, Vice-President of Zolotaya Plata company. – In Russia, banks and dealer companies offer, particularly, Georgy Pobedonosets silver investment coins. They also have foreign coins, like Austrian Philharmonikers. Generally, the whole range, offered for gold, is available for silver. As for bullion, it is subject to 20% VAT, and their storage requires much more space".

The VAT factor for bullion does make the market a bit special, because it does not apply to coins, and the standard for the metal is the same in both cases. This is why people sometimes buy dozens of coins and buy wheeled suitcases to haul all this weight around. Moreover, Vyazovsky says, because 999 fine silver has a tendency to darken (through oxidation with air and moisture), smart investors have learned to use vacuum sealers to prevent the process. If a person buys a single coin, a dealer could seal it in a capsule on its own account, but it's a different thing when it's about dozens of coins.

According to Vyazovsky, this form of silver is a better fit for those with risk appetite. While the "yellow" metal's price can rise by a maximum of 1% per day, the "white" one can rise by 2-3%. It is very illustrative, that when the "Hedgehog in Fog" one ounce (31 grams) coin was released in Russia in 2024, the Central Bank had offered it for ₽14 thousand per coin, and today the coin is worth ₽30 thousand. This means its price has gone up much higher than the exchange price of silver. So, make your own conclusions.

Alexander Larin

WTC'S GASTRONOMIC EMPIRE: **FROM BUSINESS LUNCH TO CHEF'S FANCY DINNER**

TODAY, THE WORLD TRADE CENTRE (WTC) RESTAURANT COMPLEX IN MOSCOW IS THE PERFECT EMBODIMENT OF A LARGE-SCALE GASTRONOMIC ECOSYSTEM THAT SERVES BUSINESS FORUMS WITH THE PARTICIPATION OF TOP GOVERNMENT OFFICIALS AS WELL AS GUESTS OF THE LARGEST FIVE-STAR HOTEL IN THE CAPITAL CITY AND MUSCOVITES LOOKING FOR AN INTRIGUING GASTRONOMIC EXPERIENCE. DMITRY MOTORIN, DIRECTOR OF THE WTC RESTAURANT COMPLEX, SPOKE TO BM MOSCOW ABOUT CORPORATE BANQUETS AND CHEF'S DINNERS COMPLEMENTING EACH OTHER AT WTC, IMPORT SUBSTITUTION AS A DRIVER OF SUSTAINABLE DEVELOPMENT AND ALSO HIGHLIGHTING THE MAIN COMPETITIVE EDGE OF THE COMPLEX'S RESTAURANTS.

WTC is focused on business audiences, but not exclusively. What portfolio of brands and catering concepts manifest themselves today in the WTC restaurant area? Do you have plans to expand the spectrum?

We have a wide range of restaurant activity. Our catering service is mainly focused on the business people audience, which assembles during all the events held in our Congress Center. Often these are large-scale forums and conferences with the number of participants usually ranging from one to

three thousand people, often with the participation of top government officials, like it happens during VTB Investment Forum "Russia Calling", International Housing Congress, major IT and medical conferences. This is truly a business function so we organize coffee breaks, dinners, gala banquets, and gala dinners. Probably, this segment of corporate catering for employees and tenants of WTC amounts to preparing and serving about 2,000 meals per weekday.

The other dimension of our services remains outside business format: breakfasts for guests of the hotel, the largest five-star hotel in Moscow (720 rooms); restaurants of different concepts, including our flagship lava-grilled healthy food restaurant RFR Grill and the modern bistro Plaza Garden Café with chef's fusion menu. Our own large confectionery, which, in addition to modern desserts, prepares, using preserved old

GOST recipes, pastries and cakes (e.g. Leningradsky, Lily of the Valley, Gift, Prague, Abrikotin – my favourites, since they preserve the original recipes), without using a gram of dyes, flavours and preservatives, but using 100% natural ingredients. We also do a lot of small private events (catering for 10 or up to 150 people). Among our projects is the well-known wedding concept "WTC Wedding" in Moscow. Over the past year, for example, we have held about 270 wedding ceremonies and received very high ratings from customers.

So WTC is not only about "business," but also, in many respects, it is about "distraction and savouring an interesting gastronomic experience and pleasure."

It is a priority for us to make consumers enjoy the taste, feel emotionally warmed up and cosy.

What new food event formats is becoming popular?

In addition to traditional events, gastronomic collaborations with brands from other industries, hybrid, and virtual, immersive formats appear. A healthy lifestyle penetrates the menu and gastro events. All this is created to generate unusual impressions, memories and good reasons for lively talk in social networks.

For example, we have been organizing the cultural and gastronomic club "The Art of Food" at the site of the WTC Restaurant Complex for the third year in a row. This is an author's program developed in partnership with the information agency of the Union of Architects "Architect." Club meetings embrace thematic presentations on the world of art and architecture,

gastronomic research on famous haut couture recipes, as well as exclusive dinners offered by the WTC brand chef Mikhail Kuznetsov. Events are held in the format of a discussion club in an atmosphere of lively friendly interaction during the meal.

One of the main problems of Russian business is the lack of qualified personnel. Do WTC restaurants face a shortage of chefs, sommeliers, and managers?

We have an established motivated strong team of chefs and managers. Yet, the situation is rather tense in respect of frontline personnel. We've been struggling for two years now. It is difficult to find and keep professionals who genuinely want to work, and are ready to learn, and to observe discipline. People often come to fill in vacancies; yet, they do not know what they actually want but demand to earn a lot at once, without being ready for dedication at the job. We wait and hope that the situation will change, and the employer's market will come back again, as it once did. So far, unfortunately, the opposite is the case.

How prominent today is the topic of sustainable development (reduction of food waste, use of environmentally friendly packaging) among ITC restaurants and their guests? Is the issue still on the agenda or has the pendulum swung the other way? How acute is the issue of import substitution in premium restaurants today?

Development is not entirely sustainable now, unfortunately. For political and economic reasons, as you understand. Nevertheless, there was a significant movement forward on the issue of local and farm products, when the fashion trend transformed into necessity. Previously, the use of farm products was a marketing ploy and a way to attract a

"progressive" audience; this was the "special feature" of some restaurants.

Today, it is a conscious manifestation of strategic necessity. Forced import substitution helped make local producers and farmers the main partners of restaurants and encouraged the use of more environmentally friendly products that do not need processing for preservation, conservation and long-range transportation. The statement that cheese was brought from a farm from the Kaluga region, Michurinsky apples, and vegetables were collected this very morning in the Moscow region, now sound more convincing than "delivered right away from Europe."

Premium beef in Russia is now grown of certified high quality. Although we once had no alternative to meat products made in the USA and Argentine, now, we are doing no worse.

Moreover, many domestic brands of wine have come to the market! Winemaking in the south of the Russian Federation is now developing in a vibrant manner. We expect vineyard areas and production volumes to reach a certain level when our prices will become more competitive against the New World wines. Already today, in many restaurants a significant share of wine lists is filled with wines Made in Russia.

When solving import substitution issues, you automatically fall in line with the trend of sustainable development, which implies the use of local farm products. And how about reducing food waste, using environmentally friendly packaging?

As for reducing food waste, we always observe this rule, because this is a direct issue of the economy: the lesser waste, the lower the losses, and higher the margin. We use vegetable peelings for broths (do not be alarmed – they are thoroughly washed), fish trimmings for sauces, and bread unclaimed on the buffet after breakfast – for breadcrumbs and breading. Even when we bake thousands of cakes by Easter, if we don't sell something, we cut it into slices, dry it, and we get great side crackers for the same breakfast buffet.

As for environmentally friendly packaging, we do use it, like many others, for take-away and delivery, although craft

bags and food boxes, if you immerse yourself in the topic, could hardly be called completely environmentally friendly.

WTC is positioned as a premium business platform. What do you think is the main competitive advantage of the restaurant zone of your Complex over other gastronomic entities of the city, in addition to your unique location?

In addition to the fact that our food is of premium taste, it is also absolutely safe. Taking into account that we regularly organize meals for large groups as part of events under the patronage of government agencies (recent example: children and youth from the Movement of the First, participants in the Intervision 2025 competition), we are regularly and extremely carefully checked by Rospotrebnadzor for compliance with Sanitary rules and regulations (Russian legislation) and HACCP (Hazard Analysis and Critical Control Points). We always pass their checks with flying colours. It means that we manage control and provision of cleanliness, freshness and sanitary safety of products – from the supply chain of raw materials to the finished dish – at a very high level. Accordingly, you can come to us for food experience without worrying about possible unpleasant consequences. BM

Alexey Pastukhov: “BUSINESSMEN CHOOSE ICS CONSULTING”

ICS CONSULTING, A RUSSIAN COMPANY FOUNDED IN 2011, HEADQUARTERED IN MOSCOW, OPERATES IN THE KEY INDUSTRIES OF THE DOMESTIC ECONOMY. IT SPECIALIZES IN MANAGEMENT AND STRATEGIC CONSULTING, OPERATIONAL EFFICIENCY, CORPORATE GOVERNANCE, DIGITAL TRANSFORMATION AND AI IMPLEMENTATION, SUPPORT TO INTERNATIONAL PROJECTS. THE CORPORATE MOTTO IS “WITH YOU ALL THE WAY TO THE OUTCOME!”. ALEXEY PASTUKHOV, FOUNDER AND CEO OF ICS CONSULTING ANSWERED BM MOSCOW FORESIGHT’S QUESTIONS.

What is the definition of "consulting" in Russia?

Consulting is a professional service at the intersection of strategy and operational management. It is not an "expert opinion", a set of proven solutions and management practices that help owners and management teams achieve specific goals: from stabilization and growth to entering new markets and restructuring supply chains. It's essentially architecture ("data → models → procedures → control"), bringing the concept to P&L metrics (Profit and Losses, profit and loss statement - ed. note.).

We follow the outcome /ROI approach: we set the goal in measurable quantities (for example, "–7–10% OPEX in procurement", "+3–5% service margin", "–15% unfinished projects") and support the project till we see a quantified outcome.

Your company provides an integrated approach to business problem-solving. What exactly does the offer package consist of?

Our "solution tool kit" comprises three layers: strategy, processes, management.

The strategic layer features realistic goals and scenarios, compatible with industry capabilities and constraints.

The process layer provides for data and workflow management: specification normalization, TCO metrics, scenario modeling, cycle and loss reduction.

The management layer deals with roles and responsibilities, decision-making regulations, SLA (Service Level Agreement - ed. note), management reporting and the improvement cycle.

There is a separate block for AI and digital solutions: we start with the operational architecture - drift monitoring, "sandboxes" for updates, internal certification of solutions, clear responsibility mechanisms. We practically work in short 10-12 week waves with strictly defined artifacts at the finish (data map, regulations, dashboards, retroactive effect) and "fast gateways" for integration— minimal required standards for formats and metrics to get suppliers and customers connected in weeks, not months. The legal analytical framework covers risks and provides support for implementation. The industry focus is on manufacturing, oil and gas, chemistry, machine engineering and transport.

Why would business people choose ICS Consulting? What are your corporate competitive advantages?

I am a mathematician by education, and this is evident in my approach to work: "hard" analytics are combined with human factor insights — culture, motivation, communications. We translate strategy into operational decisions and bring them to metrics — from hype to manageable numbers.

The second reason is responsibility for the outcome. Our guiding principle "ICS Consulting — with you all the way to the outcome!" means implementation support until a measurable effect is achieved.

The third reason is our integration role: we do not compete with vendors, but rather integrate data architecture, models and work organization. The work formula is 10×10: one priority metric, a small cross-functional team with the metric owner, 10 weeks for pilot implementation and 10 required artifacts as the outcome. This discipline allows us to win tenders from major players where speed, flexibility and responsibility for implementation matter the most.

Could you please explain, why would major industrial corporations, running successful businesses, need to engage consultants?

There are two typical situations: "things are complicated" and "things are OK". In the first case, consultants enhance controllability: they eliminate chaos in data and procedures, align cycles, and reduce losses.

In the second case, consultants help you reach the next level of efficiency and agility without disrupting what works. Industry typically has three types of requests. The first one usually involves "external optics": compare yourself with best practices and remove the "blurring". The second type calls for accelerated change: an external team sets up the pace and methodology, ensuring neutrality in complex HR and structural decisions. The third type is about technologies and new markets: AI, data analytics, supply chains, independent from imports, localization.

We engage small businesses through educational tracks: a businessman is learning and growing, and when his company would require strategy and scaling, we get involved on project basis.

Could you reveal a secret: how much does a full package of consulting services you're your clients?

The cost varies depending on the scale and horizon. Let's look at this example: a machine-building plant with ₽6–7 billion in revenue, with the market share of 20%, hits growth limits. We run preliminary analytics, hold a strategy session with the key team and generate a roadmap: where exactly does the effect in money lie and what artifacts reflect changes in the routine. The cost for such products ranges from ₽2,5 to ₽9 million. This is an investment in managed growth: 12

weeks for the first ROI section, then scaling up to adjacent processes; the budget includes "fast gateways" for integration, operating regulations and a controlled safety framework (data provenance, decision logs, escalation procedure).

For a plant with ₽6–7 billion in revenue, our consulting package is very inexpensive.

Where does the work of consultants begin? Do you first study the company and gather as much information as possible, and then begin to develop solutions?

We work only within the legal framework and on the basis of data agreed upon with the customer — no "industrial espionage" or imposition of services. We start with a benefit hypothesis, a metric, a metric owner, and a deadline; then comes a data and source map, quality assurance, minimal required architecture. Ethics and security are in place by default: data provenance, logging of model decisions, fail-safe mechanism and manual escalation, retroactive cost leakage. This "cultural operating system" sounds boring, but it is precisely this that makes scaling predictable and reduces risks. Confidentiality and responsibility are our key intangible assets.

Your press-release states, that ICS Consulting was founded by specialists with extensive experience. Who are these people?

I founded the company in 2011 as a private business and built the team by myself from the very beginning. Today we have people from consulting, research, government agencies and business. What they all have in common is critical thinking, in-depth subject matter knowledge and the ability to speak about the state of affairs directly and respectfully. A modern consultant has a multidisciplinary background in production management, marketing, and economics, combined with strong "soft skills": negotiations, public speaking, conflict management. The formula for the profession is straightforward: understanding, speaking, listening — and performing with dignity and respect.

Could you please name your largest customers in Russia?

Our key customers include LUKOIL and Rosneft. Both corporations have their in-house consulting services, but our tasks do not overlap. We occupy our niche and complement internal competencies. What is more important than a list of big corporate logos is that we bring projects to measurable results—and for this, we are invited back for further collaboration.

Is it true that outside of Russia you only work with Russian companies?

It is true. We do not work with the so-called unfriendly countries. We live and work in Russia and act in its interests. At the same time, we are well aware of the practices of the Middle East and Southeast Asia: we help Russian companies put together local teams, adapt their processes to ethical and religious norms, build "fast gateways" for integration (unified data and metric formats, solution certification procedures), and also create logistics and insurance corridors.

The geography of ICS Consulting includes Malaysia, Indonesia, Vietnam, Iran, Belarus, and Latin America is looming on the horizon. Our clients are people of action; In foreign countries, they require a high level of culture and professional training — and this need is supported by universities, business schools and our applied programs.

How are Russia's relations with countries in Asia, Africa, and Latin America viewed today, in your opinion??

The legacy of Soviet specialists still works today: many countries keep good memories of joint projects. Plus, thou-

sands of graduates from Soviet and Russian universities today hold high positions in business and government. These connections help us build pragmatic and respectful relationships and quickly agree on standards of interaction.

This June Saint Petersburg hosted the Public Anti-Extremist Forum "Business, Government, and Religion", co-organized by ICS Consulting. Why is there so much interest in this event?

The forum brought together representatives from business, public organizations, government structures, and religious denominations, becoming a platform for open dialogue and a joint search for solutions on security and stability issues. This shows how religious organizations, the business sector, and civil society can collaborate to achieve shared objectives like peace, sustainability, and development. Dialogue and cooperation become the foundation for responsible decisions and a safe environment, where everyone's security is a practical task.

For what merits before the Russian Orthodox Church did the St. Petersburg Metropolitan award you with a consecrated battle standard?

The official statement says: "For implementing a corporate culture that aligns with traditional Russian values and Orthodox principles".

The standard is a personal award, but for me it means recognition of the fact that ICS Consulting is not only building an efficient business, but also an environment, based on fundamental values: integrity, responsibility, respect and striving for the common good. Russian values not only help to survive in the multipolar world, but also to grow in our turbulent times. We are human-centered; we focus on developing new markets, but human dignity and professional culture remain our constant guidelines.

Is there a connection between the company's management and the Departments of Moscow Government?

There is no systemic dialogue with the city authorities for now. We are open to substantive discussion and would like to outline a joint action plan. Moscow is the most important communications, logistics and financial center of the country; we, as Muscovites, care very much for what's happening in the city. As the head of ICS Consulting, I would like to be useful to Moscow and its residents through deeds, not words. BM

MAINTAINING AN "UNSTABLE EQUILIBRIUM"

TIGHT MONETARY POLICY AND ECONOMIC UNCERTAINTY HAVE BROUGHT ALL SEGMENTS OF THE COMMERCIAL REAL ESTATE MARKET INTO “UNSTABLE EQUILIBRIUM.” THE WAREHOUSE SEGMENT OF THE MOSCOW REGION IS STRIVING FOR A BALANCE, WHILE DEMONSTRATING GROWTH OF NEW CONSTRUCTION GOING ON AGAINST SLOWING TAKE-UP. THE MOSCOW OFFICE REAL ESTATE MARKET IS MAINTAINING A FRAGILE BALANCE: WITHOUT SHARP FLUCTUATIONS, THOUGH GETTING READY FOR THE UPCOMING CHANGES. POLINA AFANASYEVA, ASSOCIATE, HEAD OF RESEARCH AND ANALYTICS AT THE COMMONWEALTH PARTNERSHIP (CMWP), COMMENTS ON MAINSTREAM TRENDS, THE IMPACT OF THE HIGH KEY RATE, AND THE PROSPECTS FOR DEVELOPMENT IN GENERAL.

After a period of turbulence and adaptation, what are the basic dynamics of the office and warehouse real estate markets?

Although the Central Bank has started the key rate reduction cycle, the overall economic backdrop still weighs on the key indicators of the warehouse market. By the end of Q3, the warehouse real estate market in the Moscow Region recorded growth in new construction and a decrease in take-up. Thus, new construction in the Moscow region totaled 1.1 million sq. m over the first nine months of 2025, exceeding the figure for the same period last year by 38%. One of the factors behind the increase is the commissioning of BTS facilities (built-to-suit, for a specific tenant), with deals concluded in 2024. Take-up in warehouse real estate in the Moscow Region over the first nine months of 2025 decreased by 32% compared to the same period in 2024 and amounted to 1.8 million sq. m.

By the end of Q3 2025, against a backdrop of muted business activity, the Moscow office real estate market continued its slowdown and entered a phase of "unstable equilibrium," meaning there are no sharp fluctuations in the key indicators' values, yet the market is on the verge of changes that will alter these metrics. Over the first three quarters of 2025, the take-up declined compared to the same period last year, while the weighted average rental rate increased, and the vacancy share rose moderately. In Q1–Q3, the total area of purchased and leased office spaces was 44% lower than in the same period of 2024. The vacancy rate at the end of Q3 2025 amounted to 4.7%, which is 0.7 percentage points higher compared to 2024. The key factor holding back the indicator growth is the commissioning of already contracted assets and headquarters. Despite overall weighted average rental rate growth during the year, Q3 2025 showed a slowdown in growth. Limited take-up and low vacancy share indicate the exhaustion of further growth potential.

The direction of Russian exports and imports is changing; port utilization is changing: the role of ports in the South and in the East of the Russian Federation is mounting. How does this affect the regional demand for warehouse real estate? Can we say that the North-West of the country is losing its prominence?

The warehouse real estate market of Russia shows trends similar to those in the Moscow Region: an increase in new construction and a reduction in take-up. New construction in the first nine months of 2025 increased by 59% compared to the same period of 2024, while take-up declined by 55%. Increased costs of debt financing are the key pressure factor for the market activity.

Although the e-commerce sector retains the largest share of take-up in Russia (46%), the pace of warehouse space expansion in this segment is expected to slow in Q4 this year, which will further contribute to subdued demand.

The high key rate "froze" many projects. How much has the profitability of development changed in the current environment?

Indeed, tight monetary conditions have led to a decrease in construction activity, particularly in regard to speculative projects and projects pursuing a rental-led strategy. For resuming construction activity of speculative projects pursuing rental-based schemes more typical for the market, the key rate needs to be in the "low teens", since at this level it lets developers achieve acceptable returns of new projects even with a substantial use of debt financing.

In the classic development model, the share of equity usually accounts for about 20–30%. However, at current lending rates, a similar distribution of funding does not allow new projects to achieve positive dynamics within the required planning horizon.

In recent years, the warehouse real estate market has been one of the fastest growing. Are the first signs of "overheating" observed?

The consequence of the warehouse market stabilization after "overheating" in 2024 is the compression of the requested rental rates range. 33% of offers are marketed at the requested rental rates of 11,000–13,000 RUB / sq. m / annum, which is 7 pp. higher than in the first quarter of 2025. Over Q3 2025, the share of proposals at rates below 11,000 RUB / sq. m / annum increased by 19 pp. compared to the first quarter of this year, reaching 33%. BM

***Note:** All data covers the state of play on the commercial real estate market over the Q3 2025.*

GROWTH POINTS: WHY "NEW" LOGISTICS ARE THE FUTURE OF RUSSIAN EXPORTS

THE PRACTICE OF SUPPLY CHAIN MANAGEMENT THAT HAS DEVELOPED OVER THE PAST FEW YEARS SHOWS THAT THE RUSSIAN EXPORT TRADE REMAINS IN THE BLACK BY FOCUSING ON ASIAN MARKETS AND PROPER ROUTE ARCHITECTURE. DESPITE FALLING COMMODITY PRICES, RUSSIAN EXPORTS MAY STRENGTHEN FOR THE ACCOUNT OF PRODUCTS OF DEEP PROCESSING, MACHINERY, AND AGRO-INDUSTRY, ESPECIALLY TO THE ASIA-PACIFIC (APR) AND MIDDLE EASTERN COUNTRIES. THIS CONFIRMS THAT THE FOCUS ON ASIA AND THE CREATION OF SUPPLY CHAINS, CAPABLE OF QUICKLY RESPONDING TO GEOPOLITICAL AND INFRASTRUCTURAL CHALLENGES, REMAINS KEY. FOR RUSSIAN BUSINESSES, THE PATH TO GROWTH LIES OUTSIDE OF TRADITIONAL MARKETS, AND THE FUTURE WILL BE WON BY THOSE WHO INVEST IN SUPPLY CHAINS, LOGISTICS, AND PARTNERSHIPS.

Meanwhile, the demands for the quality of logistics services are growing. The demand for freight and logistics services is increasing, especially for those that could offer comprehensive "turnkey" support and settlements in friendly jurisdictions. This is accompanied by a rise in domestic warehouse rental rates, which reflects the limited new warehouse capacity and high utilization of existing facilities. For us, as an industrial exporter, this means we need to stay ahead of the curve: plan logistics capacity, reserve warehouses and routes in advance, and actively use outsourcing to optimize costs.

As the year draws to a close, it demonstrates that Russia is confidently and methodically moving from reaction to strategy, from adaptation to creation. If the previous years focused on searching alternatives and building sustainable channels, then the year of 2025 is about their institutionalization and reinforcement.

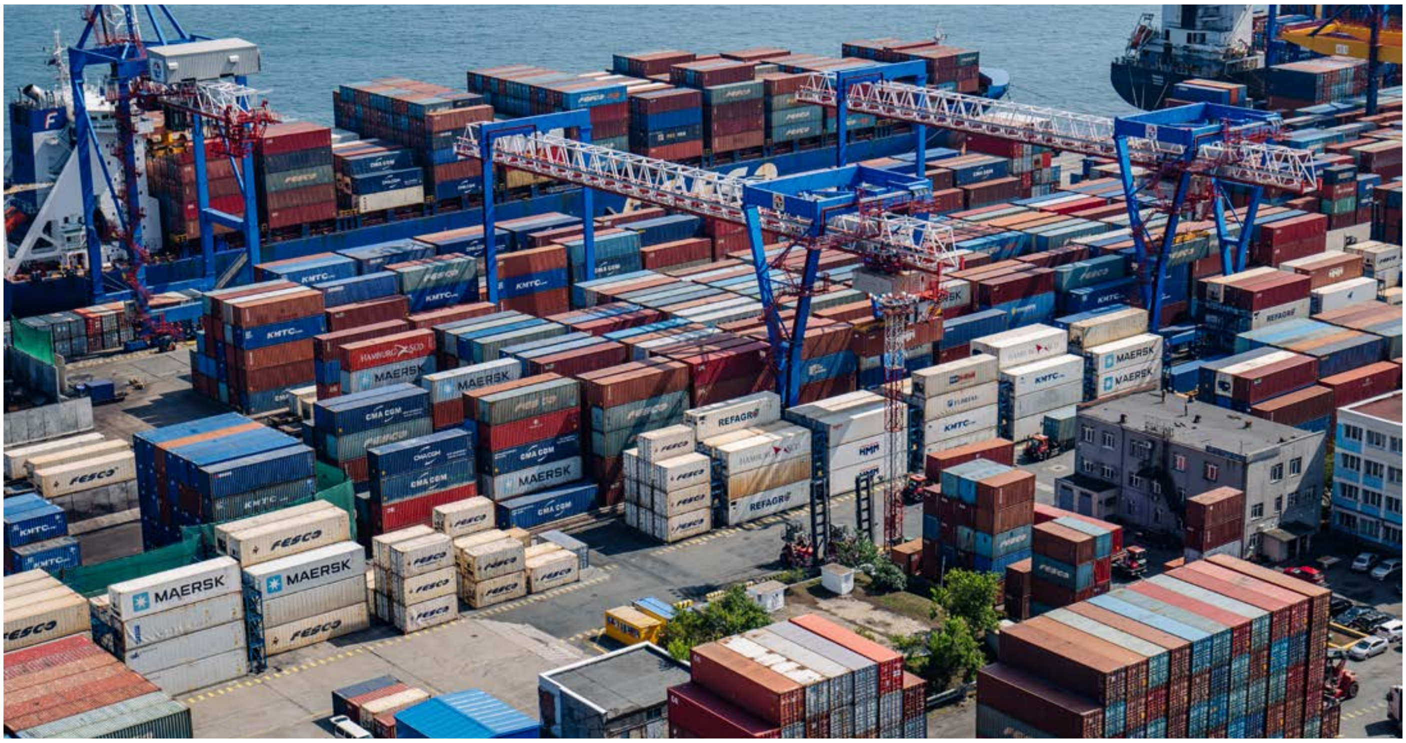
One of the landmark events of the year was the signing of the Agreement on the Promotion and Mutual Protection of Investments between Russia and China. For Russian businesses, such an agreement means reduced uncertainty for large projects with a long-term horizon. Thus, for instance, Russian companies considering joint projects with Chinese partners in the Russian Far East and Siberia can now focus on more transparent terms: investment protection, clear rules for cross-border activities, and long-term guarantees from both states.

Under Russian efforts to bolster Eurasian integration logistics, the Joint Action Plan for the period up to 2027, focused on deepening cooperation in economics, transport, energy, industrial cooperation, digitalization, and logistics, was adopted at the "Russia-Central Asia" summit, the plan will provide for greater delivery route opportunities, elimination of barriers and increased predictability for product transportation along the Central Asia – China – Southeast Asia line.

In addition to infrastructure, the state continues to develop its systemic support for logistics. Russian exporters can take advantage of a government support program for product transportation, when they are reimbursed for up to 80 % of the delivery costs to Russia's border. Full-cycle transportation services are available – from plant gate to the final destination abroad – as well as free logistics consultations, providing indicative costs of services and routes. These measures allow exporters, even those with small trade volumes, to enter international markets with reduced risk and less working capital strain.

Based on the assessments of domestic and foreign experts, the trends of 2023-2024 still persist: multimodal transport in the eastern direction remains the most in-demand, especially to China and Southeast Asia. Due to the unstable situation in the Red Sea, container shipping rates to the Persian Gulf and South Asia continue to rise, making land routes through Iran and Central Asia more competitive. These solutions help minimize sanctions risks and increase supply flexibility.

One of the notable practical steps in this direction was the launch of a route through Iran. RZD Logistics sent the first container train from Russia via Kazakhstan and Turkmenistan to the Iranian dry port of Aprin, delivering 62 forty-foot containers with sulfate pulp for recipients in Iran and Iraq; the transit time was 13 days. This is a prime example for exporters of how new transport corridors are no longer just projects on paper and become real working routes. The option to transport goods via Iran provides a new gateway to the Middle Eastern and South Asian markets, which is particularly important in the context of diversifying trade routes.



A positive case study of an operational supply chain under new conditions in a real-world scenario is presented by SVEZA corporation, a Russian exporter of pulp and wood products, which has increased the volume of its railway container shipments to the Middle East by 45%. This fact reflects how the manufacturer was able to build a logistics chain: from on-site production, loading into containers, delivery to own storage site, transfer of cargo to a railway operator, transit across Russian railway corridors to an exit point and further on to a foreign customer. For us, this case is not just a growth value, but a model: systematic inventory management, containerization, strict control of logistics hubs, utilization of railway routes and multimodal combinations boosted competitiveness of the company.

It is impossible not to mention the "northern" logistics. In 2025 the construction of the Lavna universal year-round port in the Murmansk region is nearing completion (test export shipments have been carried out since March). This port is intended to play a key role in the reorientation of the cargo base towards domestic capacities and in the development of trade routes to Asia-Pacific countries. This is not just a new point on the map, but an opportunity to ship goods year-round, which is especially important for northern shipments. Implementation of such projects ensures that the Russian Arctic logistics and the Northern Sea Route are transitioning from a backup to a strategically vital corridor. Here, prospects for stable supplies to Asia and the domestic market via northern hubs are opening up.

Central Asian cooperation backed at the Dushanbe summit, the launch of the Iranian corridor, the formation of northern ports, and the return of the Arctic to focus — all of this creates a new infrastructure reality for exporters. We see how balanced, multi-vector logistics is being formed, where each route – from Lavna to Aprin – becomes part of an integrated Eurasian transit network.

For Russian business, this year has become a year of systemic development: Logistics has ceased to be just a supply tool and has become the basis for competitiveness. New infrastructure projects, diplomatic agreements, and regional partnerships have made it possible not only to maintain but also to develop exports, focusing on the markets with rising demand and space, available for industrial growth. In summary, we can confidently say: Russian international trade is becoming an integral part of a large Eurasian system, backed by its own resources, routes and strategic interests.

Leonid Shurilinov,
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