

Russian IT Parks – Opportunities for Western Investors

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7 Comments

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Russia as seen by investors

- Booming economy
- Oil, gas, and other raw materials
- Real estate development projects with fast return on invest

- Macroeconomic risk still high
- Volatile market

- IT ?

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IT locations in global competition

- Moscow, St. Petersburg, Novosibirsk, ...

in competition with

- Bangalore, Malaysia MMC,
Silicon Valley, Sophia Antipolis,

Dresden, Cologne, Stuttgart, Munich...

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Key success factors for IT park program

- Sufficiently high amount of state subsidies (e.g. hundreds of MEUR in case of Sophia Antipolis)
- Attractive conditions for companies (e.g. tax exemptions, excellent infrastructure)
- Attractive conditions for personnel (e.g. "working where others spend their holidays")
- Clear, transparent, and reliable policy (e.g. legal framework, guarantees, irrevocable commitments ...)

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IT parks as PPP model

- Clearly separated and balanced distribution of tasks and responsibilities, e.g.
 - Infrastructure provided by the state
 - Venture capital by private investors
 - Risk sharing
 - Substantial financial involvement of both sides
- Triple helix structure of companies, administration, and science

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Opportunities for investors and funds

- Real estate development mainly a task of state program
 - Infrastructure is prerequisite
- Venture capital investment
 - State support required for
 - Higher education
 - Research funding
 - Protection of IPR
 - Procurement of services
 - Creating and opening the market
 - Market regulation and antimonopoly policy

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R&D cooperation Russia and EU

- EU programs as well as national programs open for participation of Russia
- Western partners still fear insufficient protection of IPR in Russia
- Transaction costs of cooperation often reported as too high

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Lisbon strategy and territorial agenda

- Europe as most competitive region in the world could include Russia as partner
- Transnational IT clusters to be built
- “Lighthouse projects” to be connected to existing centres of excellence rather than rural development by artificial high tech nodes

Conclusions

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Questions

- Clear strategy – clear commitment ?
- Regional development vs. sectoral development ?
- Transparent and easy to handle benefits for investors ?
- Infrastructure provided by the state ?
- Balanced risks and profits ?

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Thank you for the audience.