



CeBIT 2007

Forum Russian IT-Parks:

Investment Opportunities

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**IT-Business and IT-parks –
way of partnership**





Information & Computer Technologies Industry Association ("AP KIT")

- Established in 2001
- More than 200 member-companies
- The biggest non-profit organization in Russian IT-industry
- Association members have up to 70% of IT-market share
- The Association works in collaboration with ministries and government commissions
- AP KIT main idea is to maintain umbrella protection for its members



AP KIT Objectives

- Protect vital interests of the member-companies
- Promote interests of members at all levels of government authorities
- Resist monopoly and unfair competition in IT industry
- Support sustainable development of IT companies
- Create favorable financial and economic conditions for AP KIT members
- Represent Association and its members internationally
- Support industry enhancement and balanced development



Russian IT market

- Stable growth over last 6 years
- Russian IT market was about \$12-14 billion in 2006
- Software export was about \$1.4-1.8 billion in 2006
- Two key changes:
 - increasing growth IT-services vs hardware/software sales
 - leaders are growing faster than market average



Russian IT market – main targets till 2010

- Russian IT market is planned to grow to \$40 billion in 2010
- More than 3.5 million of employees in the industry (ca 5% of working population)
- Russia is committed to become one of the top three global outsourcing centers of competence
- Russian market is to become more attractive for global IT companies
- Increase the number of high-skilled specialists in IT industry



IT-Parks – point of competitive advantage

- Make IT companies partners rather than competitors
- Support innovation and sustainable improvement
- Facilitate knowledge sharing
- Skilled human resources development
- Increase social responsibility
- Set up new standard of cooperation between high quality universities, research centers and businesses



IT-Parks – key reasons to move

- Favorable location and transport infrastructure
- High quality of premises and virtual environment
- State-of-the-art infrastructure and facilities (labs, communication, etc.)
- Comprehensive support services
- Access to pool of specialists
- Access to funding
- Entrepreneurial environment
- Favorable tax treatment and other incentives



IT-Parks – the source of local growth

- Advanced relationship between IT-Park and local authorities
- Mutual goals and growth strategy
- Improve living standards and social climate
- Point of growth for the local companies
- Creating innovative image of the region



IT-Parks and business incubators

- Favorable conditions for start-ups
- Consulting in business development
- Relevant facilities and financial support
- Comprehensive funding schemes during incubation period
- Promotion of networking and knowledge sharing among residents



IT-Parks – the next steps

- Set forth relevant procedures of IT-Park launch
- Removal of administrative barriers
- Tax climate improvement
- Rules of access to government funds
- Reform of higher education to meet business' requirements
- Enhance and broaden cooperation with the Ministry of IT and communications



IT-Parks – International aspect

- Improve the image of Russia as innovative country with huge economic growth potential
- Attract global corporations and international venture investors
- Attract world class researchers, technologists and scientists
- Help Russian researchers to participate in world-class international research programs
- Promote innovative start-ups and projects internationally



IT-Parks – Country risks

- High administrative barriers
- Cumbersome and ineffective tax system
- Low country credit rating hinders foreign investors from participation in national projects
- Nascent state of IT-Parks development
- Lack of shared values



IT-Park – an example

Ministry of ICT RF

**Regional
Government**

**Local
Administration**

Investors

DMITROV IT-PARK

IT-community



АП КИТ

Anchor residents



**LANIT Group
R-STYLE
VERYSSELL Group**

Innovative residents



**ARTEZIO
LANIT TERCOM
NORBIT**

Educational institutions



**NETWORK ACADEMY (LANIT Group)
MICROINFORM
MESI, MIREA, MIPT**



The role of AP KIT in IT-Parks development

- Promote the concept of IT-Parks in Russian IT community
- Set trends of further IT-Parks development based on business needs
- Facilitate the networking for sharing the best practices
- Facilitate dialog with international organizations involved in science and technological parks development



Thank you

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