

# Russia's New Financial Architecture, BRICS and the SCO: Vladimir Putin and Sergei Katryn

By [Pres. Vladimir Putin](#)

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*Vladimir Putin had a working meeting with the President of the Russian Chamber of Commerce and Industry Sergei Katyrin to discuss the organisation of international business forums, particularly within the framework of the SCO and BRICS, and prospects for the development of the exhibition industry in Russia.*

PRESIDENT OF RUSSIA VLADIMIR PUTIN: Mr Katyrin, you are heading the business councils of two international organisations – the [Shanghai Cooperation Organisation](#) and [BRICS](#) – that bring together business community representatives of the organisations' member states. How are things going there? Do you need any support from presidential agencies or the Government?

PRESIDENT OF THE CHAMBER OF COMMERCE AND INDUSTRY OF THE RUSSIAN FEDERATION SERGEI KATYRIN: Thank you, Mr President.

You are right. We have a unique opportunity this year both on the political level and on the Business Councils in connection with our presidency of the two organisations. We would like to make use of this primarily in the interests of Russian business. Therefore, our proposals are somewhat unusual.

We have an extensive programme both for the SCO Business Council and BRICS, though we would like to divide the main events into two parts.

First, we would like to hold the SCO and BRICS business forums simultaneously and invite businessmen to the St Petersburg International Economic Forum (SPIEF). Before the Forum will begin its work, we suggest holding a meeting of the business circles on the forum's sidelines on its first day.

The second thing we would like to do is also not quite usual, though it may become a tradition. In addition to the traditional working groups functioning within BRICS and the SCO, we would like to invite representatives of the member states' main exhibition sites.

We have set several targets here. First, we would like to establish an information exchange on who is holding exhibitions and when. Then, based on this information exchange, we could synchronise our activities, adjust our schedules so as not to stand in each other's way at major international exhibitions and congresses, especially when these are held in neighbouring countries. Thirdly, we would like this meeting of the exhibition community to consider any joint exhibitions that could be arranged for SCO and BRICS states, or possibly both, by joining our efforts in areas that are of interest to the business community. The

countries could take turns hosting some of the exhibitions. This could apply to the existing schedules of the main exhibitions venues and sites in our countries.

And fourthly, we would like to discuss the possibility of establishing a council that would coordinate exhibitions, congresses and fairs both within BRICS and the SCO.

We are currently working on these programmes and discussing them with our colleagues. I believe we will succeed, but apart from that, we will offer our colleagues attending this meeting the opportunity to take part in the SPIEF's key events that will begin on the following day.

Naturally, we would like to invite not only businessmen from the BRICS and SCO states and members of the business councils, but also our partners from the SCO observer nations. We could invite them to this meeting via our partners' chambers of commerce and industry or via the main unions and associations we cooperate with. This would offer great opportunities for Russian businesses and new contacts for the visiting entrepreneurs. I hope they would like to meet both Russian business representatives and those who come to attend the SPIEF.

We suggest holding the second part of this event in Ufa – that is the BRICS and SCO Business Council meeting itself. And here we have a request for you. There is a tradition, as you may know, for the BRICS leaders to meet with the BRICS Business Council. We want to ask you to include a meeting with BRICS business representatives on the Ufa event's agenda. They made this request as well. We support it and we would like you to schedule this meeting.

VLADIMIR PUTIN: Do you mean a meeting of the heads of BRICS member states' delegations?

SERGEI KATYRIN: Yes. I am sure our colleagues on the business councils would like to have this meeting as much as we do.

As you may remember, at our previous [meeting](#) in Fortaleza this year we presented all the leaders with the annual report. The next report will also be prepared. In February, we are meeting with our partners in Brazil. Their presidency is not over yet, they will pass it on to us in February and among other things, we will discuss the annual report that we intend to present to state leaders in Ufa.

We also maintain remote contact with our BRICS colleagues – they are rather far away and it is not so easy to communicate with them. As was suggested by the Russian delegation last year, when we were working with the South Africans on a number of issues, we agreed to communicate using the Internet and telecommunications.

We get together at meetings; we remotely draft documents, including the annual report and its sections, within working groups. Then we meet to discuss them. At the meeting in Brazil in February, we will have such a discussion of everything we will have developed by that time and what we will later present to the heads of state.

In other words, we are working on these two blocks in addition to the existing programmes (for various working groups and so forth). We have coordinated our actions with the Foreign Ministry and had discussions with the Presidential Executive Office. We have reached full mutual understanding and support on these issues, and our only request is to schedule a

meeting with the business community. They would like this very much.

VLADIMIR PUTIN: Fine.

SERGEI KATYRIN: I would also like to discuss a few issues pertaining to exhibitions, if I may.

VLADIMIR PUTIN: Yes, of course.

SERGEI KATYRIN: As you may know, Mr President, in Soviet times the development of exhibition sites and venues in the regions (not only in the Soviet Union, but in Russia as well) was not very active. All the exhibition sites were located mainly in two cities: Moscow and St Petersburg. In Moscow, this was the Exhibition of Achievements of National Economy, the Expocentre and the Sokolniki, and in St Petersburg we had Lenexpo.

Today we have started developing exhibition sites on the territory of the Russian Federation practically from scratch after Soviet times. Our opportunities here are limited so far, firstly because these things take time to build, and secondly because we intend to do it strictly on a public-private partnership basis.

When you took part in the Board meeting of the Chamber of Commerce and Industry, you instructed the Industry and Trade Ministry jointly with the CCI to develop a concept for developing exhibition and fair activities in the Russian Federation. Together with the Ministry, we have prepared the concept and the Government of the Russian Federation approved it.

However, we are currently having certain problems implementing it. Today, property tax (the tax on land and assets) is based on cadastral value. This value nowadays is such that the burden on certain facilities has grown significantly, thus the tax burden on the Expocentre has gone up 2.4 times this year, and it will grow another 2.75 times next year and so on. For taxation purposes, exhibition sites are equal in terms of their cadastral value to commercial, office or residential space. Obviously, the profitability of those spaces and of exhibitions is different.

VLADIMIR PUTIN: Have you discussed this with the Government?

SERGEI KATYRIN: Yes, we have, and not only with the Government. We had a discussion with the Russian Popular Front (ONF) prior to their forum, though we did not have a chance to raise it with you during the meeting.

Cadastral value is a concern for many, for small businesses and others. However, we are raising it in regard to exhibitions...

VLADIMIR PUTIN: I see, the profit rate is different.

SERGEI KATYRIN: Yes, the rate of return is different.

VLADIMIR PUTIN: Have you documented it in any way?

SERGEI KATYRIN: Yes, we have prepared our proposals.

VLADIMIR PUTIN: Let us see them.

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