

Framework for a new dialogue

INTERVIEW WITH HERMAN GREF

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HERMAN GREF graduated in law from the University of Omsk State in 1990. From 1991-98 he was a member of the St Petersburg Municipal Property Management Committee, serving as Chairman from 1997-98. Between 1998 and 2000 he was First Deputy State Property Minister of the Russian Federation and was appointed Minister of Economic Development and Trade in 2000. Mr Gref also serves as Deputy Governor from the Russian Federation on the International Bank for Reconstruction and Development and the Multilateral Investment Guarantee Agency (MIGA).

How would you rate the past success of the St Petersburg International Economic Forum and what are your objectives for the 2007 event?

I would like first of all to welcome participants and guests of the 11th Saint Petersburg International Economic Forum. Recently, the Forum has become an important occasion to strengthen Russia's international economic relations and to highlight the opportunities for investment in our country. It has acquired a reputation for high level debate, where heads of government and business alike can communicate openly in an atmosphere of professional cooperation.

It is an annual event and ten Fora have been held since 1997. Over these years it has enabled an objective assessment to be made of the state of the Russian economy and its place in the world. Last June several thousand people attended the Forum from 46 countries. We expect at least this number this year, as Russia's international commercial links have broadened and strengthened, especially considering the listing of Russian businesses on international markets, London in particular.

In similar manner Russian businesses are having a greater impact on international markets and this generates a keen desire for information among businessmen from many countries. The success of the Forum has been largely due to the relevance of the programmes and themes of successive events that have addressed these strategic issues, especially the challenges of globalisation and its impact on the competitive position of leading developing countries, and new mechanisms to stimulate investment.

Our purpose this year is to continue this process and the format established in previous years will be maintained. The stated objective is to encourage international dialogue and cooperation by assembling government, business and academic leadership from around the world to consider the problems of global economic growth. The first full day's programme is devoted to consideration of the conference themes in a Russian context. The second day's programme has a global and regional focus that will examine the challenges of integrating developing countries into the global economy.

The attendance of a distinguished group of political and business leaders from all over the world is to be welcomed and will ensure a high quality debate of crucial issues affecting all countries. It demonstrates the high regard in which the St Petersburg International

Economic Forum is held.

We are also concerned to ensure that all guests attending the event enjoy themselves too! We are arranging an extensive programme of social and cultural events of which performances by the Scorpions and Robin Gibb of the BeeGees, the performance of Swan Lake under the baton of Valery Gergiev and the Snow Show at the Peter and Paul Fortress are highlights. These events should leave our guests with good memories of the unique character and charm of St Petersburg, which for a few days will become the 'Capital of the World'.

How is the Russian economy currently performing and what are the characteristics of this growth?

Russia holds a leading global position in terms of the speed of economic growth: average GDP growth since 2000 has been 6.8 per cent.

There has been a significant transformation in the model of our economic growth since 2004 which is based on both investment and consumer demand inside the country. These changes provided the country with the opportunity to use efficiently the current favourable situation in world energy markets, to achieve a stable ratio of national debt to GDP, to maintain trade and payment balances, to increase significantly gold and exchange currency reserves, and to stimulate growth in the banking sector and in stock market capitalisation. We have also seen a sharp rise amongst companies auditing their operations according to international standards of book-keeping. It is a sound and widely accepted tendency that covers most Russian enterprises.

We focus on six key issues to ensure that the federal authorities achieve state economic objectives, namely:

- Controlling government spending;
- Promoting economic diversification;
- Modernising industry to world standards;
- Financing social programmes more efficiently;
- Further integration of the Russian economy into the world economy; and
- Increasing the efficiency of state structures.

What policy options exist for Russia to ensure future growth of the economy and how do you encourage investment to modernise the country's infrastructure?

There is no alternative to an open market-based policy. My colleague Mr Alexey Kudrin and I remain firmly in

