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INDEPENDENT NEWS FROM RUSSIA

City Seeks Targeted Investments

By The Moscow Times

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Moscow is looking to tap Western health care companies to build diagnostic centers, the city government's chief for foreign investment said Wednesday.

"Few people trust domestic diagnostics," Sergei Cheryomin said at a meeting with predominantly foreign press. "Those who have money travel abroad."

The problem is acute in Moscow despite its plethora of state and private clinics, he said.

The city will also support foreign investment in affordable hotels, he said. There's no need for more large shopping malls, he said.

Cheryomin moved into his post in November from billionaire Yevgeny Yevtushenkov's Sistema company, where he most recently was deputy board chairman.

Moscow attracted $3.8 billion in foreign direct investment last year, Cheryomin said. That is down 19 percent from the previous year.

Russia drew $13.8 billion in foreign direct investment last year, down 13 percent from the previous year, the State Statistics Service reported in February.

The numbers show that Moscow accounted for more than a quarter of the entire country's take of this type of investment last year.

A large proportion of this money, however, is of Russian origin because many Russian companies are registered in Luxembourg, the Netherlands, Cyprus or the Cayman Islands, chosen for their lower corporate taxes or more advanced legislation. These countries rank as some of the top sources of foreign direct investment in Moscow, Cheryomin said.

The situation is similar with foreign direct investment nationwide.

Moscow raked in the most foreign direct investment on record in 2007, when the amount reached $15 billion.

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