

Skolkovo Innovation Hub Braving the Waters

By Olga Razumovskaya

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The ship known as Skolkovo has set sail, already having onboard 60 companies, including a handful of multinationals — whose brand presence is considered a significant stamp of approval.

Skolkovo, a Silicon Valley-type hub near Moscow, is what President Dmitry Medvedev hopes will be the Noah's Ark for Russian's oil flooded economy: Put the best scientists and engineers, several promising startups and major international corporations in a to-be-constructed town, add global and local technology leaders and Nobel Prize winners to oversee the process, and you have a recipe for a successful new economy.

A year and a half after the president finalized the location of the country's new innovation site, companies that joined the project have continued to remain optimistic, while others have preferred to observe from afar, content with their Russian business and contribution to the economy.

Currently there are several ways for companies of all shapes and sizes to participate.

Participants should be from one of the five areas of innovation outlined by Medvedev in June 2009: nuclear and information technologies, space, biomedical research and energy efficiency.

The primary way for the companies to participate is through "residency" — a commitment to be physically present in the Skolkovo compound once the construction of the innovative city is complete in 2015.

There are now 60 signed residents on the Skolkovo roster split between three sectors: IT, biomedical research and energy efficiency.

Among the first residents to be chosen to participate in the project was Innograd Pushchino, whose project foresees using biotechnologies to discover and neutralize highly dangerous infections.

Residents also include IT companies such as Parallels Research, which will be setting up a cloud-computing center in Skolkovo, and Almaz Capital, which pledged 900 million rubles (\$30 million) to create a business incubator.

Multinationals, research institutions and universities with big names are participating by performing an oversight role as part of the Skolkovo Foundation, the project's advisory council, the board of trustees, the town planning board or by signing memorandums of understanding concerning future cooperation.

Among such companies is global IT giant Cisco Systems, which promised to invest \$1 billion in Skolkovo during Medvedev's visit to California last summer.

Now the company is one of Skolkovo's most faithful promoters, promising to increase its support of local IT education by ramping up the number of its training centers in Russia from 125 to 650 by 2015.

"We also see ourselves as residents in 2011 if everything goes as planned," Andrei Zyuzin, who is driving cooperation with Skolkovo on behalf of Cisco, told The Moscow Times.

"This project is purely commercial for us. The reason we are here is to create ... an ecosystem for innovation in Russia. This, in turn, helps us with our business," he said.

Zyuzin is optimistic and answers skeptics that initial results of the project will be visible in four to five years, and that in seven to 10 years it will be possible to judge whether the company has taken the right course with the project.

Google chairman and chief executive Eric Schmidt decided to get involved by joining the Skolkovo Foundation council. The company's participation might not be limited to Schmidt's chairmanship.

"We are now discussing variants of our participation, so it is much too early to make any conclusions," Alla Zabrovskaya, Google Russia's spokeswoman, told The Moscow Times.

"We support this project and hope to be useful in it," she said.

Companies like Yandex, which triumphantly listed on NASDAQ and is now a poster child for successful innovation ventures, are more cautious when talking about Skolkovo.

"The Skolkovo project is designed for startups, new companies for which special conditions and benefits are needed. Yandex, after all, is a fully formed company with its own unit called Yandex. Factory that helps identify projects that are useful for us," the company's press office said.

Hewlett-Packard, which boasts a large presence in Russia, has so far been reluctant to participate in Skolkovo in any way, telling The Moscow Times in March that Skolkovo has yet to prove that it can compete globally with other innovation hubs.

The Association of Computer and Information Technologies companies, or APKIT, which is an IT lobbying association, has an even more blunt assessment of Skolkovo. It is mostly done "for show" and is a "whim" of the Russian government, similar to Prime Minister Vladimir Putin's famous cross-country drive in a Lada Kalina, said APKIT head Nikolai Komlev.

"Not to be a nihilist — it is good that the government is trying to support a non-natural resources economy," but if it really wants to support the IT industry, it should lower taxes and create conditions for preparing the work force, Komlev said.

Major Companies Participating in Skolkovo

Name of company (Corporate Headquarters)	Role/Activity
Vneshekonombank (Russia)	Bank head <u>Vladimir Dmitriyev</u> is on the board of trustees of the foundation; the bank is a partner in venture capital projects and a project investor
LUKoil (Russia)	Company president <u>Vagit Alekperov</u> is a member of the Skolkovo Foundation
Nokia Corporation (Finland)	Company executive vice president Esko Aho is member of the Skolkovo Foundation; Nokia plans an R&D center focused on: · Mobile computations and high performance platforms · Mobile sensors and solutions for data analysis, and related research in health care, social networks and environmental monitoring · Nano- and quantum technologies for future mobile devices and solutions · Consumer trends and business models for mobile solutions
Industrial group Bouygues (France)	Co-chairman <u>Martin Bouygues</u> is a member of the Skolkovo Foundation
Almaz Capital Partners (United States)	Managing partner <u>Alexander Galitsky</u> is a member of the Skolkovo Foundation; \$30 million investment to create a business incubator
Siemens (Germany)	President and chief executive <u>Peter Loescher</u> is a member of the Skolkovo Foundation; MoU signed on organizing a research centre on energy effectiveness and biology
Siberian Coal Energy Company (SUEK) (Russia)	Chairman <u>Vladimir Rashevsky</u> is a member of the Skolkovo Foundation
Tata Sons (India)	Chairman <u>Ratan Tata</u> is a member of the foundation council staff

Cisco Systems (United States)	Chief executive <u>John Chambers</u> is a member of the Skolkovo Foundation; a 10-year \$1 billion investment is committed
Rusnano — Russian Corporation of Nanotechnologies (Russia)	Chief executive <u>Anatoly Chubais</u> is a member of the Skolkovo Foundation
Google (United States)	Chief executive <u>Eric Schmidt</u> is a member of the Skolkovo Foundation
Bosch (Germany)	Deputy chairman <u>Dr. Siegfried Dais</u> is a member of the Scientific Advisory Council
Teva Pharmaceutical Industries (Israel)	Board chairman <u>Dr. Phillip Frost</u> is a member of the Scientific Advisory Council
Ericsson (Sweden)	Development of the Skolkovo Innovation Center
Intel Corporation (United States)	Innovations in cloud computing, parallel and multicore computing and MeeGo mobile platform development; establishing and supporting existing research laboratories in Russia's leading universities
Microsoft (United States)	Establishment of a Microsoft Software Development Center at Skolkovo; collaborative research projects cooperation with Russian and foreign universities; extended Russian innovative startups assistance program; establishment of a technology center to provide collaborative access to IT technologies in Skolkovo; support of the creation of the Technological University at Skolkovo.

— MT, Skolkovo Foundation

List of Companies as of June 2011 with Resident Status at the Skolkovo Innovation Hub

Name of company	Date of joining Skolkovo	Field of Activity
ABBYY InfoPoisk	06/14/10	Strategic computer technologies and software
APM Research and Software Development Centre	04/22/11	Strategic computer technologies and software
ASK-Labs	05.11.11	Strategic computer technologies and software
Asteros Labs	04/21/11	Strategic computer technologies and software
Bazelevs Innovation	06/14/10	Strategic computer technologies and software
BioHart	05.11.11	Medical technologies for equipment development, medicines
Biosoft.ru	05.11.11	Medical technologies for equipment development, medicines
Biosten	06/23/10	Medical technologies for equipment development, medicines
Cloudmach	06/14/10	Strategic computer technologies and software
Datadvance LLC	06/14/10	Strategic computer technologies and software
Elton	06/23/10	Energy efficiency and conservation, including the development of innovative energy technologies
Evanty	03/28/11	Strategic computer technologies and software
Farmalyans	05/25/11	Medical technologies for equipment development, medicines
Fidesis	05/25/11	Strategic computer technologies and software

Gas Isotopes for Medicine	06/30/10	Medical technologies for equipment development, medicines
Helix Ventures	04/21/11	Medical technologies for equipment development, medicines
Hivex Technology	03/28/11	Strategic computer technologies and software
Hydromash Ecology	06/23/10	Energy efficiency and conservation, including the development of innovative energy technologies
Inaplatek	06/23/10	Energy efficiency and conservation, including the development of innovative energy technologies
Infectex	05.11.11	Medical technologies for equipment development, medicines
Innograd Pushchino	06/14/10	Medical technology in equipment manufacturing and pharmaceuticals
Innovation Development Center CTM	06/14/10	Energy efficiency and conservation, including the development of innovative energy technologies
Innovative Company Metacon	06/23/10	Energy efficiency and conservation, including the development of innovative energy technologies
Innovatsionniye Tekhnologii	06.10.11	Medical technologies for equipment development, medicines
International Center for Quantum Optics and Quantum Technologies	06/14/10	Strategic computer technologies and software
Introvision Research and Development	05.11.11	Strategic computer technologies and software
Kintekh laboratory	05.11.11	Strategic computer technologies and software
Kletochniye Innovatsii	05/25/11	Medical technologies for equipment development, medicines
Kuznech	04/21/11	Strategic computer technologies and software
Lexsystems	03/15/11	Medical technologies for equipment development, medicines
Lithium-Ion Technologies at the A.F. Ioffe Physical Technical Institute	06/23/10	Energy efficiency and conservation, including the development of innovative energy technologies
M-Power World	06/14/10	Medical technology in equipment manufacturing and pharmaceuticals
Metabar	05.11.11	Strategic computer technologies and software
Multiclet	05/25/11	Strategic computer technologies and software
New Energy Technologies	03/28/11	Strategic computer technologies and software
New Metallurgical Technology	06/14/10	Energy efficiency and conservation, including the development of innovative energy technologies
News360	05.11.11	Strategic computer technologies and software
NewVac	06/14/10	Medical technologies for equipment development, medicines
Noviye Kremniyeviye Doliny	05.11.11	Energy efficiency and conservation, including the development of innovative energy technologies

OnkoMaks	22.04.11	Medical technologies for equipment development, medicines
Optiflame Solutions	06/23/10	Energy efficiency and conservation, including the development of innovative energy technologies
Parallels Research	03/15/11	Strategic computer technologies and software
Pharma Bio	06/14/10	Medical technologies for equipment development, medicines
Quantum Pharmaceuticals	05/25/11	Medical technologies for equipment development, medicines
Research and Development Center of Thin-Film Technologies in Power Engineering at A.F. Ioffe Physical Technical Institute	06/14/10	Energy efficiency and conservation, including the development of innovative energy technologies
Runapark	01/17/11	Strategic computer technologies and software
Russian Superconductor Corporation LLC	06/14/10	Energy efficiency and conservation, including the development of innovative energy technologies
Satellite Innovation	06/14/10	Strategic computer technologies and software
Science and Production Alliance Premium Engineering	05/25/11	Energy efficiency and conservation, including the development of innovative energy technologies
Science and Production Center Amfion	05.11.11	Medical technologies for equipment development, medicines
Strategic Technologies of Risk Analysis and Integral Security Research Center	06/30/10	Strategic computer technologies and software
T-smart	03/23/11	Strategic computer technologies and software
Team of Energetic Entrepreneurs	06/14/10	Energy efficiency and conservation, including the development of innovative energy technologies
Transgenpharm Biotechnology —enter for Transgenesis in the Pharmaceutical industry	03/15/11	Medical technologies for equipment development, medicines
Tridivi	05/25/11	Strategic computer technologies and software
TsRT Innovatsii	05.11.11	Strategic computer technologies and software
Universalniye BioSistemy	05/25/11	Medical technologies for equipment development, medicines
Urals BioPharmaceutical Technology Center	06/14/10	Medical technologies for equipment development, medicines
Urals Medical Nuclear Center	06/23/10	Medical technologies for equipment development, medicines
Vostokpharm Innovations	01/19/11	Medical technologies for equipment development, medicines

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