

Sharonov Examines City's Financial Center Future

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January 22, 2012

The  Moscow Times

Deputy Mayor Andrei Sharonov said there are serious obstacles to the government's plans to transform Moscow into an international financial center, but that the aspiration is realizable.

"It's not a fantasy," the city's point man for economic policy told a meeting of businesspeople and investors convened by the Association of European Businesses on Friday.

President Dmitry Medvedev first articulated his desire to build an international financial center in Moscow on the eve of the 2008 economic crisis. The concept has been greeted with some skepticism by observers who doubt Moscow's capacity to ever rival London or New York.

Sharonov divided the Moscow as an International Financial Center initiative, or MIFC, into three key focus areas: fundamentals (from rule of law to the general investment climate),

creation of a specialized financial infrastructure and quality of life. City Hall, he said, had the biggest contribution to make to quality of life issues, while the other areas largely fell under the purview of the federal government.

"If we create a brilliant investment climate, build a civilized infrastructure including good stock exchanges and depositaries ... but, despite this, it is dangerous to be in the city, the doctors don't speak English and you can't get to the airport," Sharonov said, "it will be impossible to create an international financial center."

He added that Moscow, which had a GDP of 11 trillion rubles in 2011 and a projected budget of 1.5 trillion rubles in 2012, was using MIFC as an "important benchmark for the quality of infrastructure, the quality of health care, the quality of education, tourism infrastructure, transport problems and so on."

Some experts maintain that quality-of-life issues are actually the most important facet of MIFC. The head of U.S. investment bank Goldman Sachs, Lloyd Blankfein, said last year that Moscow's traffic was the city's biggest obstacle.

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