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Putin to Open Russian Pavilion at Hanover Show

By Irina Filatova

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Putin giving a German TV interview. **Alexei Druzhinin**

Foreign investors attending the opening of the Russian pavilion at the international commercial exposition that kicks off in Hanover, Germany on Monday will be greeted by President Vladimir Putin.

He will be there to push for a healthy return on the 50 million rubles ($1.5 million) of federal funds invested in his country's participation in the show.

The organizers of the five-day fair known as Hannover Messe tapped Russia as a general partner for this year's event in a move expected to expand the number of German investors flocking here.

"This exhibition will make our relationship even more dynamic," Industry and Trade Minister Denis Manturov told a news conference Friday.

The organizers of the Hannover Messe — the world's biggest commercial expo that attracts hundreds of thousands visitors annually —

expect that partnering with Russia will strengthen the two countries' business and trade relations.

"The economic ties between Russia and Germany will continue to intensify, and the potential for investment in the Russian market will exude a strong appeal to exhibitors and trade visitors," Jochen Koeckler, member of the managing board of Deutsche Messe, the company organizing the fair, said in a statement

The statement released by Hannover Messe earlier this year cited a survey by the Russian-German Chamber of Foreign Trade, which said that last year's investment commitment by German companies in Russia stood at nearly 1 billion euros.

The survey indicated that trade with Russia might even compensate the losses incurred by German companies in Europe as a result of the debt crisis.

A growing number of potential investors from Europe are showing interest in the Russian economy in the wake of the 2008 economic crisis, Koeckler said.

"This is due, firstly, to the relative proximity of Russia, and secondly, to the long-term attractiveness of Russia as a customer for capital goods intended for the modernization of the domestic economy," he added.

Russia's accession to the World Trade Organization will unleash greater potential for trade cooperation, Hannover Messe said in the statement.

The size of bilateral trade between Russia and Germany increased 2.9 percent last year to reach almost $74 billion, with that number expected to grow to $100 billion in the near future, the Kremlin said in a statement ahead of Putin's visit to Germany that starts Sunday.

Germany is Russia's third largest trade partner after China and the Netherlands, the statement said. The size of overall investment by German companies into the Russian economy has reached $25 billion.

Manturov said the figures indicated that Russia's previous partnership with Hannover Messe back in 2005 had borne fruit.

During his two-day visit, Putin will hold negotiations with German chancellor Angela Merkel and join her to open the Russian pavilion at the Hannover Messe event.

Organizing the Russian exposition cost the federal budget 49.5 million rubles, Manturov said, adding that the companies participating in the fair had also provided funding.

More than 160 companies working in transportation, energy, environmental protection and other industries will represent Russia at this year's fair, according to the Kremlin's statement.

Among those on the list of participants are Gazprom, Rosneft, Russian Railways, Rosnano,

Russian Technologies, Uralvagonzavod and Skolkovo.

At the fair, Russia will sign a number of contracts with foreign companies, Manturov said. He declined to provide details.

But he said a cooperation agreement would be signed between Uralvagonzavod and Canadian aerospace and transportation giant Bombardier after the two companies' joint venture won a 9 billion ruble tender last year to make high-speed trams for Moscow.

Russian companies will also unveil new products in manufacturing of composite materials and medical equipment, Manturov said.

But he refrained from revealing more details in order to maintain suspense.

"Otherwise, you will lose interest," he said.

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