

Davos to Raise Awkward Questions

By [Anatoly Medetsky](#)

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Davos, Switzerland, which will host the World Economic Forum next week **World Economic Forum / Twitter**

Russian delegates at this week's World Economic Forum in Davos could have to field uneasy questions about the country's economic slowdown at a time when Western economies are regaining their confidence.

Russia's economic aid to Ukraine is also likely to surface during discussions at the Swiss alpine resort, in a flashback to one of Europe's hottest scandals of last fall.

Deputy Prime Minister Arkady Dvorkovich is leading the Russian delegation to the Jan. 22 to 25 forum just weeks after the country completed a year of the weakest economic growth since the crisis year of 2009, managing only an estimated 1.5 percent. The poor performance belied assurances by Russia at the previous Davos meeting that the country would sustain its not-so-bad 2012 growth rate of 3.4 percent.

"We will have to answer some uncomfortable questions about why that did not happen," said

Andrei Nikitin, a delegate and chief of the Agency for Strategic Initiatives, a government-sponsored business advocacy group.

The Russians in Davos, he said, would be looking around for new ways to attract investment.

Oleg Kuzmin, an economist at Renaissance Capital investment bank, said the country would present a contrast to many other major economies where things are actually looking up.

“Everybody will talk about making progress but Russia will have to focus on other things,” said. “This will make the situation awkward for our representatives.”

Dvorkovich and the other members of team Russia in Davos, such as Deputy Prime Minister Dmitry Kozak and Economic Development Minister Alexei Ulyukayev, will communicate measures to attain a greater upturn this year, Kuzmin said.

Russia's aid to Ukraine in the wake of Kiev's abrupt refusal to come closer to the European Union could also raise questions, he said. Russia has not yet voiced any demands for Ukraine to streamline its economy in exchange for the \$15 billion loan — something that the International Monetary Fund wanted in return for bailing out the country.

But this year's meeting in Davos convenes at a time that calls for “further structural reforms in emerging and developed markets,” according to a statement from its organizers.

A bright spot for Russia might come in the form of showcasing its best regional achievements. Governors from the regions of Ulyanovsk, Kaluga, Voronezh, Tula and Tatarstan will speak about how they supported investors in a way that brought the provinces to the top of various business climate rankings. The World Economic Forum will present a report of its own that will urge the spread of the practices across the entire country as an engine of growth.

“The situation in the country on the whole in the previous year might put off potential investors but there are points of growth,” Kuzmin said. “That these regions will be able to draw attention to themselves is great.”

The Russia Outlook session will take place on Wednesday afternoon local time and last just more than one hour, according to the forum's agenda.

Fon Mathuros, head of the media department of the World Economic Forum, said the session would follow a private working meeting on Russia to take place earlier in the day. That meeting will hear a report on Russian regions by a forum's council and will seek to engage regional governors and members of federal government and business in a discussion on how to take regional success stories to the national level.

Dvorkovich has said that regional development would be the key issue at the forum. He also pointed out the session that will delve into the economic slowdown in the largest emerging economies of Brazil, Russia, India, China and South Africa, known as BRICS. Another priority for Russia will be the discussion of global energy security, he said.

On the sidelines of the Davos conferences, Dvorkovich plans to meet with U.S. Trade Representative Michael Forman to talk about the prospects of Kazakhstan joining the World Trade Organization.

The deputy prime minister said he was not going to take questions at Davos about the recent Russian-Iranian oil agreement, but said the Iranian president, who was attending the forum, might address the issue.

Russian representation at the forum this year is a notch lower than the previous year, when Prime Minister Dmitry Medvedev made an appearance there. But then it seems to follow the pattern that puts the head of state or Cabinet at the head of the delegation only every other year.

First Deputy Prime Minister Igor Shuvalov flew to Davos in 2012, while Medvedev, as president, made a visit the previous year. Finance Minister Kudrin traveled to the forum in 2010, and Prime Minister Vladimir Putin made a speech there a year before.

Of the event's more than 2,500 participants that will convene at the 44th World Economic Forum annual meeting, more than 40 will be heads of state or government. They include Tony Abbott, Prime Minister of Australia and 2014 chairman of the G20; Shinzo Abe, Prime Minister of Japan; David Cameron, Prime Minister of Britain; Enrico Letta, Prime Minister of Italy; Enrique Pena Nieto, President of Mexico; Park Geun-hye, President of the Republic of Korea; and Dilma Rousseff, President of Brazil.

Participants will also include more than 1,500 business leaders.

Some of the highlights in the forum's program are sessions on climate change, the future of health care, the pressing youth unemployment challenge, economic prospects in major emerging economies including China, India, Brazil, Mexico and Russia, as well as the future of North Africa and the Middle East.

Contact the author at medetsky@imedia.ru

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