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War and SPIEF: Russia's Flagship Economic Forum Flatlines

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Pavel Bedniakov / RIA Novosti Photohost agency

The St. Petersburg International Economic Forum (SPIEF), often called the "Russian Davos," opened Wednesday in what is predicted to be the least impressive showing in the event's 25-year history.

Russia's annual four-day economic showcase, which had once drawn crowds of foreign investors to President Vladimir Putin's hometown, has been boycotted by Western countries for a second consecutive year due to the war in Ukraine.

SPIEF organizers and senior businesspeople, who all spoke to The Moscow Times on condition of anonymity, described a diminished event that lacks purpose and fails to draw the high-profile guests it once did.

"The main problem for the 2023 organizers is to scrape together participants," one of the

forum's organizers told The Moscow Times.

Most of this year's attendees come from Commonwealth of Independent States nations, African countries, Cuba and the UAE, the organizer said — with no representation from European countries or the United States.

The leaders of China and India, two countries on which the Kremlin is staking its economic fortunes after its break with the West, will not be attending SPIEF.

"Even [Kazakh President] Kassym-Jomart Tokayev refused to come at the last minute," the organizer said.

"Many of our traditional partners just dropped out," said an employee at a major Russian state-owned company that has for years been involved in international projects.

SPIEF — and its guest list — have always been a key matter for the Kremlin.

In past years, forum attendees have included the chancellor of Germany, the prime ministers of Italy, Japan and India, and the presidents of China.

The forum served as a platform for intensive discussions on the modernization of Russia's economy, often culminating in the signing of blockbuster multinational business deals, such as the Nord Stream gas pipeline, which was blown up last year.

But many of the foreign investors who once attended SPIEF have pulled out of Russia due to the invasion of Ukraine, despite Kremlin efforts to halt the outflow of foreign capital.

In a reflection of Russia's deepening isolation, the main theme of this year's forum is "sovereign development," a term the Kremlin uses to describe growing domestic industries and stimulating local investment.

The Kremlin touted the Hungarian foreign minister, the president of Algeria, the prime minister of Cuba, the president of Armenia and the head of the breakaway Georgian statelet of South Ossetia as the main stars of this year's forum.

Another high-profile guest may be added at the last minute for the keynote event in which Putin is scheduled to speak, likely from a country that has not joined in international sanctions on Moscow.

All international participants of SPIEF were advised to bring dollars and euros in cash, as most foreign bank cards no longer work in Russia because of war-related sanctions.

SPIEF organizers revoked the press credentials of all journalists from so-called "unfriendly" countries just days before the event was set to begin.

Still, organizers had tried luring high-profile Western guests up to the last minute, the Financial Times reported. But this effort backfired — all of the invitees, including former Google CEO Eric Schmidt, refused to accept the invitation and declared their support for Ukraine.

At booths of the four occupied Ukrainian territories, participants could meet the Moscow-installed leaders of the Donetsk and Kherson regions, Denis Pushilin and Vladimir Saldo, who were surrounded by security guards.

The war in Ukraine has loomed large over SPIEF as a whole, with speakers offering rewards for destroyed Western-made tanks used by Ukrainian armed forces and attempting to rally support for the Russian military.

Displays from the Russian automotive industry — the sector worst-hit by Western sanctions — showcased cars like the Lada X-Cross 5, which will be produced according to a Chinese car's blueprints at the former Nissan plant near St. Petersburg, as well as a prototype motorcycle from the maker of Putin's Aurus limousine.

Those wishing to browse these and other exhibits and participate in the forum's sessions, which feature figures like prominent far-right ideologue Alexander Dugin and Russian officials, must pay a steep entrance fee.

While members of state delegations can attend for free, managers at Russian companies must fork over $14,200, while foreign executives are charged $27,100 for attendance.

"It's a nightmare. Paying the price of a car for attendance is excessive since no one is really going to this year's forum," a member of the organizing committee told The Moscow Times.

"It would be more effective to make it free for everyone. And to also give everyone a boat trip," he said.

A top manager at another major Russian state-owned company said there was little point holding the forum while the war in Ukraine continues to rage and Western sanctions batter the Russian economy.

"There aren't many people around, not much to do. The program seems hastily put together to give some semblance of purpose to the trip," he said.

"Although it serves no real purpose, this forum will never be abandoned," the manager continued. "It has become a symbolic representation of everything being fine, a demonstration that we are well-liked and attract visitors."

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