SHORT NEWS

Falk Tischendorf was the moderator of the Q&A session with Vasily Osmakov, Deputy Minister of Industry and Trade of the Russian Federation

On 21 May 2020 there was an online Q&A session with Vasily Osmakov, Deputy Minister of Industry and Trade of the Russian Federation. The event was organised by the Russian-German Chamber of Commerce (AHK), with the participation of the Franco-Russian Chamber of Commerce and Industry (CCI France Russie). Member of the management board of the AHK and Chairman of the Committee for Compliance Issues Falk Tischendorf (BEITEN BURKHARDT) was the moderator of the Q&A session.

The representatives of 120 German and French companies discussed with Vasily Osmakov topical issues related to the impact of the COVID-19 pandemic on Russia's industrial policy.

The Russian Federal State Statistics Service (Rosstat) has <u>published</u> information, which indicates that industrial production in Russia contracted by almost 7% in April of this year. Furthermore, the largest decline was documented in the production of light commercial vehicles, with a decrease of 79.2% compared to the figure for April 2019. The representatives of Volkswagen Group Rus, Mercedes-Benz RUS and Renault Russia and component suppliers mentioned current difficulties in the industry and raised the issue of state support.

One of the most important topics at the meeting concerned Russia's current policy on the localisation of production. Numerous restrictions introduced all over the world in connection with the COVID-19 pandemic have demonstrated a material level of dependence on a globalised economy. Disruptions to supply chains and a shortage of the necessary components are also affecting directly industrial enterprises in Russia. Consequently, there was a lively discussion at the meeting as to whether these changes would affect the new requirements on the localisation of production in Russia and how. In connection with this fact, Vasily Osmakov noted that at present the Ministry of Industry and Trade is proactively working on this issue and plans to support companies during the creation of local supply chains. The participants at the meeting also asked about the new special investment contract 2.0 (SPIC). Vasily Osmakov stated that companies could file applications for the inclusion of their technologies (products) in the government list until 5 June 2020.

In addition, there was a discussion of an issue of particular relevance for virtually all foreign companies - the entry of highly skilled specialists into Russia. To date, the Russian Government has authorised in a <u>resolution</u> the entry of certain categories of foreign citizens into the country, including technical specialists, but this resolution does not include all the people who





You can study the full list of questions and answers by clicking here (PDF in Russian).

More information you can find on the AHK-Website.