INNOVATION, PROSPERITY, QUALITY OF LIFE

26-28 MAY, 2011

NIZHNY NOVGOROD, RUSSIA

supported by the Nizhny Novgorod Regional Government
Foreign companies in Russia: Practice Development

Transfer – Innovation - International
May 28, 2011
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Introduction ICANN

* Established in 1997
* international companies and organizations in the Nizhny Novgorod region
* business, government and social contacts
* lobbies interests of its members
* 35 members, various industries:
  - banking
  - high-tech
  - food & beverage
  - consulting, accounting
  - automotive & other manufacturing
  - education
  - various service sectors
ICANN Members

Alliance Française de Nijni-Novgorod
Ancor
Banca Intesa
Banque Societe Generale Vostok
Branoros
CCA Engineering
Collini
Flaig + Hommel
Freudenberg Politex
Hellmann East Europe
IKEA
Intel Corporation
International Institute of Economics, Law and Management NNGASU
Japan Center in Nizhny Novgorod
Kelly Services
Knorr-Bremse RUS

KPMG
Lear Corporation
LEONI
Liebherr-Nizhny Novgorod
Lufthansa German Airlines
Malojer Austro Engineering
Marchmont Capital Partners
MonsterRussia
Raiffeisenbank
Restaurant IL Porto
Rettenmaier RUS Produktion
RusVinyl
Schneider Electric
SCHOTT Pharmaceutical Packaging
Trosifol
Uhde
Unilin
Wartsila Ship Design Russia
Wolga Consult
**ICANN Members - automotive**

- Branoros
- Collini
- Flaig + Hommel
- Hellmann East Europe
- Knorr-Bremse RUS
- Lear Corporation
- LEONI
- Trosifol
Investment Projects ICANN members

Investors: 15 members companies

Investment: $3.2 bn

New Jobs: 6,300

Large Investors:
• Liebherr
• Intel
• Schott
• Rettenmaier
• RusVinyl
Innovations in the Automotive Sector in Russia
Innovation: high-tech vs. down-to-earth

• High-tech:
  → Nano technology, “Skolkovo”

• Down-to-earth:
  → Implementation of foreign technologies in Russia
Automotive industry:

• High-tech:
  → Airbags
  → Catalytic converters
  → Hybrid cars
  → “Pedestrian scanners”

• Down-to-earth:
  → More & more electronics
  → Better stamping, moulding
Approaches to innovation

• Product (design) innovation
• Process innovation
Product innovation

- Functionality (what for, how to handle it)
- Visual appeal (materials, colors)
- Environmental / Health & Safety (materials)
- Cheaper in price and/or usage
Process innovation

- Production
  - choice of technology
  - relation equipment/labor

- Logistics
  - order speed, availability
  - stock management, internal logistics

- Environmental / Health & Safety
  - ergonomics
  - cleaner production
Innovation Automotive Russia

• Product design
  • Dictated from abroad
  • Few R&D centers in Russia

• Processes
  • Technology mostly driven by experiences from outside of Russia
    \textit{BUT: cost considerations require original solutions}
  
  • Most companies copy logistic methods/concepts from elsewhere
    \textit{BUT: vast distances in RF require original approaches}
Conditions for product innovation

Money, so...

- Production volumes
- Government stimulation
- A strong environmental lobby
Government role in Russian car industry

• “Industrial Assembly”
  (low customs duties in exchange for localization)

• Technoparks
  • Support to concentrate companies
  • Tax breaks
Government role in Russian car industry

• What more can be done?
  • Education in the region
  • Infrastructure
Thank you for your attention

http://www.icann-nn.ru
coordinator@icann-nn.ru