Matrioshka Dialogue with Viktor Vekselberg

Organized by the Swiss Russian Forum at Switzerland Global Enterprise

November 27, 2019

On Wednesday evening, around 80 people interested in a flourishing relationship between Switzerland and Russia gathered at Switzerland Global Enterprise in Zurich. The Swiss Russian Forum had invited to another edition of its by now well-established Matrioshka Dialogues, at which outstanding personalities sit down for a conversation on topics of public concern. This Wednesday, the outstanding personality was no less than the Russian entrepreneur and investor Viktor Vekselberg. Vekselberg successfully invests in real industry, and he is the founder of Skolkovo, the largest Technopark in Russia. Vekselberg is known in Switzerland not only because of his success and because he has been a Swiss resident since 2004, but also because the US imposed sanctions on him in April 2018. These sanctions affect his international business the most. As we will see, however, not only his business is affected by the sanctions.

The Matrioshka Dialogue organized by the Swiss Russian Forum aims at getting expert insights into current issues. Vekselberg was refreshingly open during the dialogue. He was most interested in talking about Skolkovo Technopark. Skolkovo is a rapidly growing Technopark on the outskirts of Moscow. Its goal is to offer an ideal environment for fostering technological innovation by uniting startup companies, investors, industrial companies, and research establishments in one single location. Over 2,000 startup companies have been set up at Skolkovo since its foundation, a third of which are IT companies. Investors have pushed research and innovation with over USD 400mn, and industrial companies support and maintain over 45 Research & Development centers on site. Skoltech University, whose main building was designed by the Swiss Architects Herzog & de Meuron, currently hosts 85 professors teaching over 600 international MA and PhD students from all over the world in English. Skolkovo is one of Vekselberg’s life projects, and he pointed out at the Matrioshka Dialogue that he was “really happy” to be engaged in creating opportunities for young and innovative people.

Vekselberg explained that also his personal background as a mathematician had been a major motivation for him to get involved in Skolkovo. Technological innovation in Russia was slowed down in the 1970s, and today, young technology leaders lack the incentives that are necessary to market their products. Skolkovo therefore offers a truly entrepreneurial environment where technology and innovation are not only generated but also made marketable. Investors support startup companies financially and excellent students with grants, and they offer hands-on support in their R&D centers. Lawyers provide legal support in the foundation and organization of the companies, and by now, around 2,100 startups counting over 30,000 full-time employees are located at Skolkovo, and over 1,500 national and international patents for innovative technological products have been issued. One of the most important incentives for these startups are the legal regulations that help them bring their innovative products to the (mostly international) market. Skolkovo startups enjoy certain fiscal advantages in that they are relieved from specific taxes to facilitate their market entry. For example, Skolkovo startups pay neither import nor export taxes. These specific and innovation-
friendly regulations are aimed at supporting the market success of innovative startup companies, because Russians are said to be innovative technology pioneers who still lack the skills to successfully market their products. This is the challenge Skolkovo seeks to resolve.

National and international collaboration is important for both Vekselberg’s business but particularly also for Skolkovo. The Swiss Technopark in Zurich was involved in the early days, and a dozen (costly) MIT scholars significantly shape Skolkovo today. Moreover, apart from investors, there are two main partners: the city of Moscow and Sberbank. The former is interested in the success of Skolkovo to see startups—above all biomedical startups—thrive, because the Russian bureaucracy is a burden and hindrance to innovation in this field. The latter is the biggest bank in Russia and interested in the achievements of Fintech and Cybersecurity startups as well as the enormous data center at Skolkovo. This combination of research and technological innovation coupled with market access facilitation promises to yield outstanding results for both Russia’s scientific as well as economic standing.

There have been, of course, also challenges to this project. While President Medvedev supported Skolkovo’s initial take-off, critical voices also expressed doubts on the fairness of the taxation regulations, as certain companies within Skolkovo were said to profit illegally from the beneficial regulations. Such comments, Vekselberg countered, are common and need to be addressed, though the fact that Russia needs to push its technological innovation keeps him confident that Skolkovo is on its way to become one of the world’s leading Technoparks. He also rejects the comparison of Skolkovo with Silicon Valley in the US, where mostly large industrial companies and even the Army provide support. At Skolkovo, Vekselberg stressed, it is the interplay between the drive of startups and technological innovation that push each other and bring about outstanding results.

The Swiss Russian Forum was involved in Skolkovo during the early days in that it connected its initiators with the Swiss Technopark; this collaboration between Technoparks, however, ended a couple of years later. Vekselberg used the opportunity to express his personal disappointment about this withdrawal.
He was, in fact, generally in a very personal and accessible mood and told the audience that the US sanctions have a profound impact on his personal life. He mentioned that this experience is “very painful”, particularly because his children and grand-children as well as many of his friends and business partners live in the US. Moreover, being Jewish in the Soviet Union, he added somewhat emotionally, was very difficult, and he appreciates the benefits of living in the US and in Switzerland.

Vekselberg ended the *Matrioshka Dialogue* on an even more personal note. He told the audience a family anecdote about his son, who in his rebellious teenage years came in touch with Russian art at an exhibition of Vekselberg’s personal collection together with the Forbes family in New York. His son unwillingly attended the opening event of the exhibition, but when he was encouraged to touch one of the ancient pieces of art stemming from a Russian Tsar family, he froze in awe. This, Vekselberg explained, showed him that in a world of business and competition, art can give us the inspiration and cultural backbone we need to find a balance.

Danae M. Perez, Zurich, 28 Nov 2019