

## Fact sheet – Skolkovo

**Skolkovo Innovation City – a new science hub – is currently rising southwest of Moscow. Covering an area of 380 hectares, the city is the centerpiece of an ambitious modernization program that aims to make Russia a technology leader once again.**



### Russia drives research

- The end of the Soviet Union marked a break in the successful tradition of Russian science: R&D investment declined substantially, some 80,000 Russian scientists left the country for positions abroad.
- For about the last ten years, the Russian government has been fostering R&D more intensively again in an effort to recover lost ground. The government plans to increase R&D expenditures from the current level of about one percent of GDP to 2.5 to 3 percent by 2020. By comparison: German investment in R&D totaled nearly three percent of GDP in 2011.
- Today, Russian scientists still enjoy an excellent reputation – for example, in mathematics and physics. In addition, Russia focuses its technical efforts in areas like mathematics, physics and material sciences.
- With over 450 institutes, the Russian Academy of Sciences plays a central role in Russia's science system. In 2011, the academy received some 65 percent of all state expenditures for basic research.
- Apart from institutions connected to some big companies, nearly two-thirds of all research institutions in Russia are state-owned and employ more than half the country's R&D personnel. Relatively few R&D activities take place at universities.
- In Russia, government support plays the key role in R&D. In 2011, some 67 percent of all R&D investments in Russia originated with the government compared to an average of 31 percent in the OECD countries.

### Skolkovo – Russia's Silicon Valley

- The Russian government is currently building an R&D innovation center – the Skolkovo Innovation Center (picture 1). In the future, up to 40,000 people will study and carry out research at the center, which covers an area of some 380 hectares.
- The project was launched in 2009 by former president Dmitry Medvedev in order to keep young specialists in the country and help create an internationally linked research network of scientists and businesses.
- The Skolkovo Foundation, headed by Viktor Vekselberg, is responsible for implementing the Skolkovo Ecosphere and provides relevant investment incentives like co-financing and tax reductions.

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- When completed in 2017, the city now on the drawing board will utilize high-efficiency infrastructure technologies: at least 50 percent of the electricity consumed at Skolkovo will come from renewable energy sources.
- Skolkovo is intended to be an open and transparent project in which non-Russian investors can also participate. In addition to Siemens, current partners include RUSNANO, Boeing, Google, Microsoft and other companies.
- Skolkovo focuses primarily on companies in the IT, energy, biotechnology, aerospace and nuclear sectors. There are also partnerships with investors and research institutions.
- Non-Russian companies and startups will not be obligated to pay Russian taxes for up to ten years and are expected to rapidly convert new scientific discoveries into products and services.
- Skolkovo Institute of Science and Technology (SIT) – a research center focused on energy efficiency, medical technology, information technology, biotechnology, nuclear systems and aerospace technology – is the heart of the city. The plan is to build a community of 200 professors, 300 postdoctoral associates and 1.200 students at Skolkovo by the end of the decade.
- As of January 2013, 49 companies had locations in Skolkovo, and 24 are planning to set up R&D centers there.

### **Siemens – A pioneer in Skolkovo**

- Siemens was the first major German company to enter a strategic partnership with Skolkovo. Established on July 15, 2010, the partnership includes cooperative activities in the areas of infrastructure, R&D and consulting.
- Siemens intends to establish one of its international research locations in Skolkovo. The location will have up-to 150 people in staff. Fifteen Siemens employees are currently working on microwave based components to make accelerators used in medical applications more efficient – the first project supported by the Skolkovo fund.
- In the upcoming years, Siemens will spend roughly €40 million for development at Skolkovo.
- Siemens' R&D activities in Skolkovo will mainly focus on energy efficiency related topics (for example smart grids or waste heat recovery) and software intensive systems for monitoring and control.
- Under the cooperative agreement for infrastructure development, Siemens will design, build and operate the innovation city's complete power distribution grid.
- In the Hyper Cube (picture 3), the first building constructed in Skolkovo, Siemens technologies in the areas of power transmission and management, building technologies and lighting have already been installed. The technologies are the first step toward a smart grid.