

Putin Advisor Takes State Business People Beyond The Stereotypes

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By: Scott Whipple

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HARTFORD - Mikhail Margelov had some startling news for 75 area business people at Monday's Hartford Club luncheon: Connecticut exports to Russia have grown 608 percent since 2001. Margelov, a high-ranking economic advisor to Russian President Vladimir Putin, was in Connecticut to speak with business leaders about export opportunities to Russia.

Connecticut companies already benefiting from expanded trade with Russia include Farmington-based Otis Elevator and Standard Manufacturing of Bristol. Otis was awarded contracts for the Auchan hypermarket in Moscow, the Metropolis office and shopping mall complex, also in Moscow, and the Sony Trade Centre in Yekaterinburg.

Standard rebuilds machines and computerized equipment, and has a machine tool shop making precision tools and gauges. Following its expansion into the former Soviet Union, the company has grown from 25 to 60 workers.

In a telephone conversation following the luncheon meeting, Margelov, who chairs the committee on foreign affairs of the council of the Russian Federation, attributed the expanded trade to dispelling the myths of stereotypes about Russia: the Russian Mafia, widespread corruption and the black-market, and KGB (secret service) officers constantly eavesdropping on conversations.

"That's why it's important to speak to Americans directly," said Margelov, "to show them that all Russians don't look like bears."

Margelov on a goodwill tour to Hartford, Cincinnati, Detroit, Minneapolis and San Francisco, said he co-chairs an economic committee with Sens. Ben Nelson, D-Neb., and Trent Lott, R-Miss. This trip is his first experience talking to business people. "Mostly, I talk to politicians," he said.

"During the '90s some American companies doing business with Russia complained it was like playing chess only to switch to soccer in the middle of the match," he said. "The rules suddenly changed. Business in Russia is not like that any more - the Wild West days are gone."

Margelov said they have been replaced by stability and predictability, and that the 13 percent flat tax on the Russian individual helped normalize taxation.

"I know my trip will be a success by the number of letters and emails I receive from business owners wanting to do projects in Russia," he said, "also the growth in the number of members in the council."

Eugene Lawson, president of the U.S.-Russia Business Council, is accompanying Margelov. While he was vice chair of the Export-Import Bank in 1989, Lawson was George H.W. Bush's point man on negotiations to conclude the \$2 billion oil and gas framework agreement with Russia.

Lawson said the council currently has 300 members including Alcoa, Dow Chemical, General Electric, United Technologies Corp., and Xerox.

"There is such a disconnect between workers in Russia and people on the outside in U.S. policy think tanks, the media and academia," he said. "I wanted to impress people here that commercial opportunities in Russia are genuine and growing. In 1998, the Russian economy was the size of Los Angeles County; today's it's the tenth largest in the world. That's nothing short of miraculous."