



FEELING GOOD

What do the business and senior management communities expect of 2019?

Dmitry Konov,

Chairman of the Management Board at Sibur Holding:



“As the UN proclaimed 2019 to be the International Year of the Periodic Table of Chemical Elements to mark 150 years since its invention by Dmitri Mendeleev, this year should prove successful for everyone who has something to do with chemistry. As a matter of fact, the outgoing year brought many positive results for the Russian petrochemical industry. We are still witnessing a global push to replace conventional materials (such as wood and steel) with advanced polymers, while also seeing the rise of new industries that use exclusively synthetic products for their production needs. This factor that contributed to our strong performance over many years will also remain relevant in 2019 when we complete the construction of ZapSibNeftekhim, Russia's largest petrochemical facility.

The new year will be yet another year of digital transformation, which gains momentum in both economy and social life. In the context of our industry, it takes the shape of digital chemistry that becomes increasingly popular in “hardware” management and influences the generally accepted principles of management making them less intuitive and more cognitive and result-oriented.

My personal expectations traditionally lie in the realm of sports – I sincerely hope that the CSKA basketball team will win the Euroleague.”

Andrey Guryev,

PhosAgroco-owner and CEO:



“Next year will be the year of chemical industry: the UN endorsed Russia’s initiative and proclaimed 2019 to be the International Year of the Periodic Table of Chemical Elements (as we all know, the latter was invented by the great Russian scientist Dmitri Mendeleev). As one of the leading global producers of mineral fertilizers based on phosphorus, the 15th chemical element, PhosAgro has high hopes for our industry to generate new scientific ideas, offer new best practices and come up with solutions for high-tech agricultural businesses.

We expect a greater focus on health and environment both in Europe and globally, gradual reduction of trade barriers for Russian producers, and wider adoption of Industry 4.0. The latter refers to the irreversible penetration of online and IT technologies into every area of our everyday life and industrial production. This process involves end-to-end digital transformation of all physical assets and their integration into a digital ecosystem in partnership with all those contributing to the value creation.”

Dmitry Grishin,

founder of Grishin Robotics, co-founder and Chairman of the Board of Directors at Mail.Ru Group:



“In the outgoing year, I had many business meetings in various parts of the world.

As an investor in robotics, IT and technology, I see how globalised this market has become and how much this new global market needs common ground and equally strong collaboration in the realm of geopolitics.

My greatest wish is to see an increasing number of economies from around the world devote their international efforts in the upcoming year to creating a positive environment and nurturing mutually beneficial cooperation.”

Jeffrey Liker,

Professor of Industrial and Operations Engineering at the University of Michigan:



“The world economy is slowing down and we are going to see more layoffs. Despite that, I believe that most countries will succeed in not sliding into recession. There will be a lot of talk about digital factories, as people still think that fully automated manufacturing is a matter of the near future.

In reality, the evolution of such factories is a very time-consuming process. Companies will keep focusing on lean production, but this term is unlikely to continue causing a stir with lean production being perceived as something outdated or a thing of the past.”

Olga Naumova,
Magnit CEO:



“The upcoming year will hold special significance for Magnit, as the retailer will celebrate its 25th anniversary. We are confident that 2019 will bring a lot of positive changes. We will become even more popular and competitive among customers. Magnit is headed for a bunch of major changes, including a rebranding campaign, introduction of a new category management system and launch of a cross-format loyalty programme.

We are set to review our management system and delegate more authority to the regions. Industry-wise, I pin my hopes on stable legislation, new growth opportunities and closer cooperation between the market players for achieving joint successes.”

Joseph Pine,
co-founder of Strategic Horizons:



“The experience economy will see the birth of new formats. Over the past ten years, we have witnessed the quick rise of a wide variety of new commercially viable experiences, running all the gamut from escape rooms (a physical adventure game in which players solve a series of puzzles to get out of the room – RBC) to board game cafés and stores offering virtual reality shopping. This list is set to expand in 2019 to include a bunch of new formats that are still in the making. Today, most experiences are associated with mass events such as sports matches, concerts, theatre shows and visits to amusement parks. They do not allow for individual participation in staging or designing the event. In 2019, this approach is set to change because event organisers from all walks of life will follow the lead of the event planning industry and recognise the benefits of individual visitor engagement and service customisation. Companies will learn their lesson looking at Carnival Corporation (one of the largest international cruise lines – RBC), which provides its cruise passengers with Ocean Medallion, an IoT device that keeps track of passengers’ drink, food, game and entertainment preferences.

Two years ago, in January 2017, Vogue recognised transformative travel (i.e. travel enabling people to rethink their lives) as the key travel trend of the year. Since then, the transformative trend has been gaining momentum going beyond the realm of travelling, with an increasing number of medical centers and fitness clubs now backing off from isolated services and offering their clients comprehensive programmes designed to change the way people live, work and relax. In 2019, we will see this trend gain further traction.”

Igor Shekhterman,
X5 Retail Group CEO:



“I strongly hope that the new technologies and big data that we are currently actively working on will help us to predict and exceed our customers’ expectations next year.

I also wish that all of our store employees were proud of their jobs and every customer left our store in uplifted spirits.

I hope that the consumer regulations will be consistent, based on unbiased data and professional expertise, and take into account the interests of all market players.”

Dmitry Kostygin,

co-owner of Ulmart, Rive Gauche, Ulybka Radugi, Wild Orchid, and Lyubimy Krai:



“In line with the best Christmas tale traditions, I really want to believe that in 2019, forces of good will set accounting in Russia free from the yoke of the Ministry of Economic Development – or any branch of power for that matter. After that I hope to see the RAS [Russian Accounting Standards] knocked down by the business community and miraculously turned into IFRS or GAAP, at the very least. And so we will be spared from distorting mirrors where we cannot tell a macro-level flaw from a minor mishap. I also hope that the Optoclub RYADY retailer will erect two, or better three, of their great stores in St Petersburg and just as many in Moscow, spreading joy and happiness all over.

Personally, next year I intend to teach my fourth kid how to skate – that will make us into a full-fledged hockey team of five field players.”

Vyacheslav Murugov,

CEO of CTC Media:



“Television worldwide is facing new and varied challenges. The unstoppable wave of this global transformation shapes my first and foremost expectation for 2019 – will CTC Media and all its assets be able to live up to the challenges? Live up just fine and emerge

unscathed is our definite answer. My second expectation is personal. As 2019 rolls in, I will be celebrating my 50th birthday, a milestone when it is time to think back on what you have achieved so far and review your strategy. With some of your ambitions already fulfilled, others are yet to follow suit, and still others are never going to be on your victory list. Over time you take a different view on your work and family life balance, seeking and finding new harmonies. And, finally, my third expectation is that of a surprise that I know my life has in store for me. We work with people, which means emotions, and emotions are always about unpredictability and being ready for whatever may come.”

Sergey Dankvert,

Head of the Federal Service for Veterinary and Phytosanitary Surveillance:



“My expectation for 2019 is about solid performance of Mercury, an electronic veterinary certification system. I hope to see dairy producers and suppliers get access to the electronic certification procedure. I rely on the system to emerge as a tool against dishonest producers and counterfeited products, especially considering that one in five products in the dairy market is fake, according to our statistics.

Also, I expect a new system for product traceability to be created across the Eurasian Economic Union. This move will address risks and new fraud schemes embedded in product transportation, while also helping to crack down on smuggling and providing support to consumers.

Finally, I do hope that in 2019, all agencies will join their efforts to tackle antibiotic resistance, a major threat to global health. The reasons behind that are many, including over-the-counter sales of antibiotics, obsolete self-medication schemes popular with people, especially in Russia, misdiagnosed conditions and prescription of antibiotics as a prevention measure, lack of resources for regulation, and also application in agriculture, when antibiotics are misused to prevent and treat diseases in animals. To address the problem, we need to combine the forces of all agencies responsible for human and veterinary use of antibiotics. We need to create a framework that makes sure the entire handling of antimicrobial products is monitored and no unsupervised use and OTC sales are allowed. We also need to come up with the rights rules for medications in human and veterinary use alike, and keep electronic records of all stages in antimicrobials production, transportation, and sales.”

Maxim Shubarev,

Chairman of the Board of Directors of Setl Group:



“2019 marks yet another anniversary for our company, making it a year of looking back, reflecting, and planning ahead. Second, it is going to be a year of new and very exciting projects for us. In the St Petersburg housing market, we will be commissioning new projects in some very special and unusual locations that make the best use of the city’s high-end and established neighbourhoods. I do think that the projects will be a major success in terms of sparkling consumer attention. Third – and it is a hope rather than an expectation – I believe in 2019 as a year of greater stability, fewer conflicts, and consistent economic growth for our nation. I guess it is something that a lot of people want and look forward to.”

Alexey Kornya,
MTS President:



“In 2019, we will put great emphasis on the development of convergent digital capabilities, as they are the top strategic priority for MTS.

The IT and product teams of MTS will focus on a basic set of innovations, including big data analytics, artificial intelligence, 5G development and the up-and-running nationwide IoT network operated by MTS.

By leveraging these technologies, we intend to expand our presence in the fintech market and increase our visibility in the sectors of digital entertainment, cloud B2B solutions and e-commerce.”

Olga Paskina,
CEO of National Media Group:

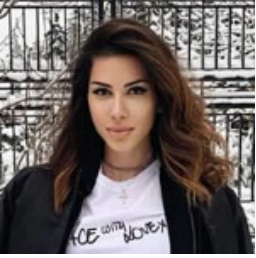


“The media industry will see further consolidation, mainly through partnerships and JVs in adjacent segments as technology companies move closer to the media and media players drift towards technologies and direct contact with the user. Traditional broadcasters of linear TV will be evolving into content providers with greater diversification in distribution and monetisation.

Content, technology, and people are the three pillars that keep the media industry going. In 2019, National Media Group will continue strategic expansion across all three.

The sheer speed of changes and business transformations fosters demand for new leadership skills, including creativity in systems thinking, decision making amid uncertainty, ability to communicate and get your message across to a variety of audiences. But above all it is about resilience in getting your energy level back to normal and striking the right balance between life and work. Personally, I have outlined points of growth in each of the above for 2019.”

Tatevik Karapetyan,
co-owner and First Vice President of Tashir Group:



“If you set your goals at 200% and have half of that achieved, you may get an ideal result. However, half measures is not something we do, so we usually aim for more. Being careful what you wish for is definitely not about us. As previously, we will be building a lot, erecting houses, hospitals, and kindergartens, creating urban infrastructure, and dreaming and taking action. You may not believe this, but on 31 December we have a traditional shareholders’ meeting.

Is it about looking back at the past year? No, it’s about planning for conquering the world as of January. What will be new at Tashir? Just about anything – that’s what makes it all so exciting.”

Boris Titov,

Presidential Commissioner for Entrepreneurs' Rights, owner of Abrau-Durso:



“I expect the Abrau-Durso brand to further enhance its standing. From day one, we have been very focused on our growth strategy, which apparently has turned out to be a success. I expect that personal skills such as taking the lead, being entrepreneurial, and relying on your abilities will finally cease to be frowned upon by the general public, and that the word “entrepreneur” will regain the proud sound it once had, especially in times as challenging as ours.

Finally, I expect the circumstances to prompt us to drop our wait-and-see attitude, to feel and cause less fear, and to focus more on action while retaining a consistent approach, intelligence, and reliance on our own resources.”



Vagit Alekperov,

LUKOIL President and co-owner:

“I expect stability and predictability in the market. The only reason for the current[late December 2018] oil price decline below USD 50 per barrel is the traditional end-of-year short selling.I

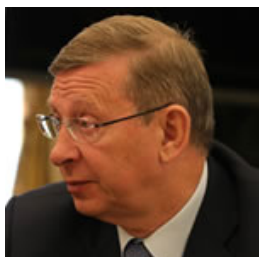
t does not prove anything per se.

Hence, we believe that prices will rise to over USD 60 per barrel as early as in Q1 2019.”



Viktor Vekselberg,
Renova Group owner:

“Now we are witnessing some serious turbulence, with the global market taking a wait-and-see approach and global economy looking apprehensively into the following year. There is a whole lot of unsolved problems, including trade wars, tariff hurdles and sanction challenges. I therefore believe that it will be crucial for businesses to brace up and be ready to face the unavoidable problems. In my opinion, the following year will hardly be any less challenging than the current one. My only wish is that my forecast would prove to be way too pessimistic.”



Vladimir Evtushenkov,
principal shareholder and Chairman of AFK Sistema:

“If I start talking about my expectations for 2019, you will most probably run out of tape in your tape recorder. But no matter what you say, life is the wisest judge. One cannot help but feel fear embarking on a new path.

They say that being a company commander is only hard for the first ten years, after which you just get used to it. We will also get used to 2019.”



Vasyl Latsanych,

“I expect 2019 to become a year of new technological breakthroughs that will significantly improve people’s lives and make today’s dreams tomorrow’s reality.

That said, I do not want to see the digital world becoming a substitution for the real one and hope that all people will be more responsible in using the cutting-edge technologies.”



Ilya Sachkov,

founder of Group-IB:

“Going horse trekking around places where the Russian Civil War took place near the Don River.

Learning to play the guitar.

Meditating every day.”



Ilya Shestakov,

Head of the Federal Agency for Fishery:

“In 2019, I am looking forward to the launch of new fishing vessels built by Russian shipyards as part of investment quotas. I hope those will be put to use in the fishing industry. Another expectation that I have is about testing practices and procedures provided for by the new law On Fishery, which comes into effect in 2019.

As for my personal expectations, I hope to start learning Spanish, to reflect our enhanced ties with Latin American nations.”



Sergey Mikhailov,
CEO of Cherkizovo:

“I expect our company to post a 30% rise in revenue, alongside an all-time high in grain yield, fairly stable FX rates, and the key interest rate reduced to 6.5%.

I also hope that people across the country will enjoy improvements in their wealth and financial health.

On a side note, I really want to spend some of my free time this year on boxing.”



Maxim Basov,
CEO of RusAgro Group:

“I expect 2019 to bring us record high financial results.

Our company will be going global, expanding its share of exports and potentially starting operations abroad.

The digitisation of agriculture will also remain on track in 2019.”



Mikhail Gutseriev,
co-owner of RussNeft and Chairman of its Board of Directors:

“My expectations are highly optimistic.

I hope that [oil] prices will be stable, the country will keep developing, and all of us will be feeling really [good].”

Source: *RBC* (<https://www.rbc.ru/rbcfreenews/5c6567ff9a794739b0816b54>)

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