



# Hot and Cold Spot

WITH THE WINTER OLYMPICS IN THE BAG AND SUPER-RICH RUSSIANS ENJOYING MORE AND MORE LEISURE TIME, **SOCHI** IS FAST BECOMING A HOT SPOT. MARK MOBIUS GETS A TASTE OF THE "RUSSIAN RIVIERA"

**F**OR THE PAST FEW WEEKS, I'VE been in Russia looking for investment opportunities in the growing leisure business. We flew in from Tatarstan to Russia's "riviera," Sochi, situated on the shores of the Black Sea in the foothills of the Caucasus mountains. Expanding Russian wealth and the growing popularity of holiday resorts are having a big impact on Sochi. Although Sochi had a long history as a holiday resort before the Communist period, it was Joseph Stalin who put it on the map for the general public, rather than an elite few. He had his favourite dacha built on the coast and ordered impressive neoclassical Italianate buildings to house holidaymakers from all over Russia, as well as the unwell who were in need of treatment in a warm climate and the nearby natural springs.

We stayed at the Radisson SAS Lazurnaya Peak Hotel overlooking the sea. It had all the characteristics of a regular resort hotel, including huge buffet lunches and dinners and large outdoor and indoor swimming pools. A walk

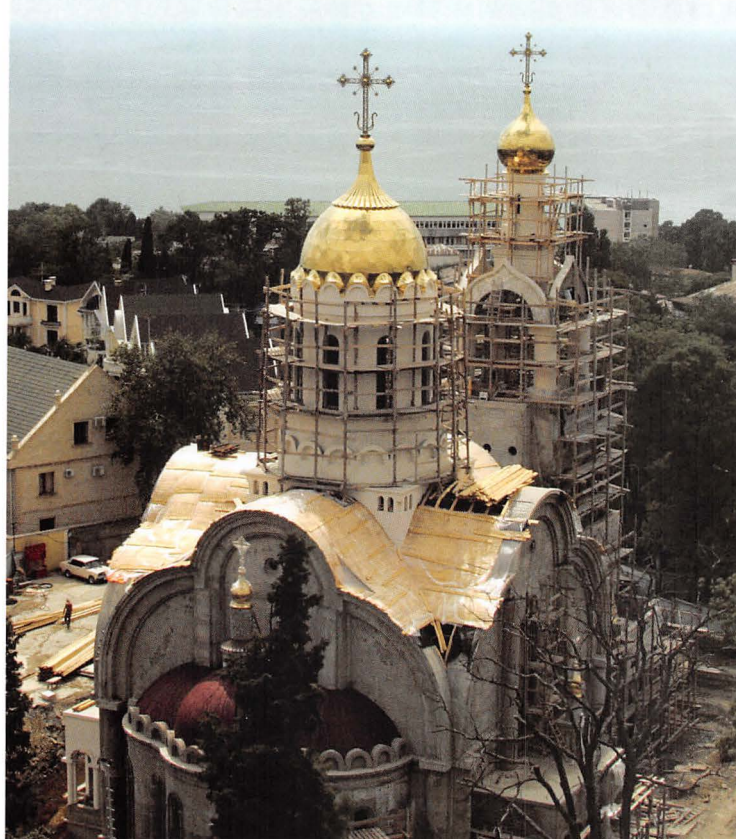
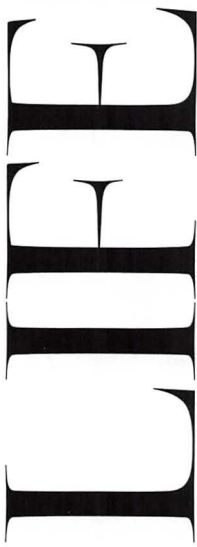
down to the sea reveals something akin to Nice or Cannes: invigorating cool water and pebble beaches providing free acupressure for your feet. The climate is great, with clean ozone-filled air emanating from the Black Sea. Although it has almost a subtropical climate at the seaside, there are ski resorts an hour's drive up the mountains. They say that Sochi is the only place in Russia where you can go skiing in the morning and lie on the beach in the evening but, when we visited, the drive up the mountain to where the Winter Olympics is going to be held in 2014 didn't reveal any snow.

## After Hours

Here, the ornate socialist architecture is juxtaposed with modern Russia's fashionable restaurants and hip discos, filled with young Russians intent on enjoying their new-found wealth. One night, we feasted on fish (the Black Sea has some delicious fish) on the ultra-modern Blue Sea restaurant's open-air balcony. As we stretched on deep luxurious white lounges, beautiful wait-

## REEL FUN

People fish at the harbour in the resort city of Sochi



*Sochi is the only place in Russia where you can ski in the morning and lie on the beach in the afternoon*

grown on 50 hectares of land, starting on the mountainside and sweeping down to the sea. We took the cable car from the beach to the top and then walked down through the incredible collection of trees, flowers and bushes, which even includes a bamboo grove. In the upper part of the garden there are peacocks, ostriches and goats wandering about. This is all interspersed with Greek and Roman statues and classic terraces along the central ornate grand staircase, which leads to the sea. It is a wonderful reminder of the ornate lifestyle the rich led in Russia before the communists overthrew the Tsar.

#### Going for Gold

Sochi's image is looking more attractive by the day after the IOC in July selected the site for the 2014 Winter Olympics, beating off Salzburg, Austria and Pyeong Chang, South Korea. It will be the first time Russia has hosted the Olympics since the Soviet Union hosted the Moscow 1980 Summer Olympics. This is in no small part due to intensive promotion by President Putin, who loves to ski at Krasnaya Polyana. We drove up to that mountain resort, which lies above Sochi on the southern slope of the main Caucasus range, 600 metres above sea level. There, furious construction is underway, and the finishing touches are being made on a new Sochi airport at the foot of the mountain, too. The plan is to spend US\$12 billion in a 60/40 share between the government and the private sector. At an investment conference in Sochi, businessmen made US\$23 billion in investment deals in the region for resorts, apartments and other projects. One Russian oligarch, Vladimir Potanin, has plans for a US\$1.5 billion sports complex. Another, Oleg Deripaska, is spending US\$2 billion for a 220-hectare site in the Olympic village. The Russians don't fool around when it comes to launching such projects and, from what I could see, it's going to be a successful Olympics, provided that global warming doesn't spoil the snow. Some ski lifts are already finished and a number of mountain resorts have been built, with others on the way.

Of course, there are detractors to Putin's dream of making Sochi globally famous. Twenty kilometres from Sochi is Abkhazia, the separatist region of Georgia. Georgia objects to Russians who purchase building materials from suppliers in Abkhazia and who support the Abkhazian rebels. Despite these problems, I certainly want to return to enjoy the new and improved playground that is Sochi. ■



resses served us elegant dishes.

Our tummies filled, we moved on to what is probably the most unique disco in the world, Plotform. It's built on a pier reaching out into the sea, with translucent white sail canopies. What's really unusual is the glass floor. As we danced to the latest disco sounds, we gawked at beautiful bikini-clad Russian models, who writhed on floating lilos below.

Dig deeper into Sochi and you can't miss the references to pre-revolutionary Russia when this was the haunt of the rich and famous. Before the Russian Revolution in 1892, the publisher and editor of a St Petersburg newspaper, Sergey Nikolaevich Khudekov, built a fabulous botanical garden. An example of high landscape art, the garden has more than 2,500 types of plants

#### FROM TOP

Ornate architecture contrasts with trendy nightclubs; Sochi, the Cannes of Russia, enjoys a great climate