

COMMONWEALTH OF PENNSYLVANIA | CENTER FOR TRADE DEVELOPMENT

in cooperation with

THE WORLD TRADE CENTER OF GREATER PHILADELPHIA
THE MID-ATLANTIC – RUSSIA BUSINESS COUNCIL AND
THE U.S. COMMERCIAL SERVICE

TRADE MISSION TO RUSSIA

Moscow and St. Petersburg

June 22 – 26, 2008

pennsylvania
INTERNATIONAL BUSINESS
DEVELOPMENT



*Material collection, design and printing by
the World Trade Center of Greater Philadelphia.*

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Agenda

Sunday, June 22, 2008

- All day Arrival in Moscow
- 7:30pm Informal trade mission kick-off - Reception sponsored by law firm Marks & Sokolov (<http://www.marks-sokolov.com/>)
- Welcome remarks: Bruce Marks & Sergei Sokolov
- Attire – business casual
- Location:* restaurant on the 1st floor

Monday, June 23, 2008

- Morning Breakfast on your own*
- 8:45am Country briefing – Jane Kitson, Commercial Attaché, Commercial Service Moscow
- Presentation on legal aspects of doing business in Russia – Sergei Sokolov, Managing Director, Marks & Sokolov
- Location:* DVINA Hall, Office Tower-2
- 9:40am Coffee break; meeting with you interpreter
- Location:* DVINA Hall, Office Tower-2
- 10:00am Meet with assigned Commercial Specialists to review schedules, planned meetings, and to review market issues
- Location:* DVINA Hall, Office Tower-2***
- 10:30am Company meetings**
- Location:* DVINA Hall, Office Tower-2***
- 6:00pm Dinner on your own; evening available for sightseeing

Tuesday, June 24, 2008

- Morning Breakfast on your own & check-out
- 9:00am Company meetings**
Location: DVINA Hall, Office Tower-2***
- 3:00pm Conclusion of meetings
- 3:45pm Meeting in the lobby & group transfer to the airport
- 7:35pm Moscow – St. Petersburg flight
- 9:30pm Group transfer to the hotel
- 10:30pm Hotel check-in

Wednesday, June 25, 2008

- Morning Breakfast on your own
- 8:30am Meeting with your interpreter
*Location: conference room MEXICO CITY****
- 9:00am Company meetings**
*Location: conference room MEXICO CITY****
- 5-6:00pm Conclusion of meetings and the trade mission
- 6:00pm Dinner and evening on your own

Thursday, June 26, 2008

- All day Departure for Pennsylvania

* Breakfast is not included in the room rate at Crowne Plaza. Full buffet breakfast is available at 900 rubles (approx. USD 38) extra including 18% VAT.

** Schedules will vary by company depending on # of meetings. Lunch breaks will be worked into schedules individually as they fall into place with meetings.

*** Most meetings will take place on the hotel premises. However, in some cases you may need to have meetings outside of the hotel. If a site visit is requested, we will arrange for your transportation. The transportation costs are your responsibility. Be prepared to pay by cash in rubles.

Important Contacts

Moscow

Hotel

Crowne Plaza Moscow World Trade Center
Krasnopresnenskaya emb., 12,
Moscow, 123610 Russia
Tel.: +7 (495) 258-22-22; Fax: +7 (495) 253-20-51

<http://crowneplaza.ru>

Subway station: *Ulitsa 1905go Goda* (The Street of 19005) or *Delovoj Centr* (Business Centre)

U.S. Embassy in Moscow

Bolshoy Deviatinsky Pereulok No. 8
Moscow 121099, Russian - PSC-77, APO AE 09721
Tel.: +7 (495) 728-50-00; Fax: +7 (495) 728-50-90

<http://moscow.usembassy.gov>

Commercial Service in Moscow

American Embassy, US Commercial Service,
23/38 Bolshaya Molchanovka, Moscow, 121069
Tel.: +7 495 737 5030

St. Petersburg

Hotel

Sokos Hotel Olympic Garden
Russia, 190013, Санкт-Петербург
Батайский пер., 3-а
Tel.: +7 (812) 325-22-70; Fax: +7 (812) 335-22-71

<http://shotels.ru>

Subway station: Tehnologicheskyy institute

U.S. Consulate General in St. Petersburg

Ulitsa Furshtadskaya, 15, St. Petersburg 191028
Russia — PSC 78, Box L, APO AE 09723
Tel: +7 (812) 331-26-00, fax: +7 (812) 331-28-52

<http://stpetersburg.usconsulate.gov/>

Commercial Service in St. Petersburg

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25 Nevsky Prospect, St. Petersburg, 191186
Tel.: +7 (812) 326 2560

Participants

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<http://www.nst-usa.com>

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Email: shbuehrer@bionix.com

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<http://www.bio-pharminc.com>

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Email: rjk@haroldbeck.com
<http://www.haroldbeck.com>

Huber Reversible Fans

Lois & Jim Ross
Email: lross@huberfan.com
<http://www.huberfan.com/>

J&J Truck Bodies & Trailers

Bill Riggs

Tel.: +1 (814) 279 0457

Email: br@jjbodies.com

<http://www.jjbodies.com/>

Mike Long

Tel.: +1 (814) 442 6076 (preferably send only SMSs)

Email: m.longchina@gmail.com

QBC Diagnostics

Kenneth Moscone

Tel.: +1 (814) 231 3118

Email: kjmsr@qbcdiag.com

Organizers

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Email: jburke@state.pa.us

<http://www.newpa.com/>

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Mid-Atlantic – Russia Business Council

Val Kogan, President and CEO

Tel.: 484 467 7444

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<http://www.ma-rbc.org>

PA Authorized Trade Representative in Russia

Jim Quinn, Newbridge Group

Tel: +7 495 545 0600

Fax: +7 495 545 0700

Email: jquinn@newbridgegroup.ru

Traveling to and in Russia

Passport & Visa

U.S. Citizens need a passport and a visa when traveling to Russia. It is suggested that you make a copy of these important documents and leave it in a secure place at home in case it is needed when you are overseas.

When entering Russia as a tourist, you may be also required to present the copies of your tourist confirmation, hotel voucher and your return ticket with a fixed date of departure from Russia at the border check point. That is why it is recommended to have copies of all documents you submitted as part of your visa application in your carry-on luggage.

You will need your passport and visa to fill out the Migration Card. Effective February 10, 2003 all foreign nationals entering the Russian Federation are requested to fill in the Migration Card and present it to the Border Control Officer along with their passports. These cards will be handed out to your by a flight attendant together with Customs Declaration. Please fill them out in advance to save time at the Border Control point (*sample migration card is available on page 9*).

What can I bring on a plane when I board in the USA?

The Transportation Security Administration's list of prohibited items, which includes knives, baseball bats and ammunition, remains in effect. All hand luggage will be physically inspected at the departure gate, according to the TSA.¹

The following rules apply to all liquids, gels, and aerosols carried through security checkpoints.

- All liquids, gels and aerosols must be in three-ounce or smaller containers. Larger containers that are half-full or toothpaste tubes rolled up are not allowed. **Each container must be three ounces or smaller.**
- All liquids, gels and aerosols must be placed in a single, quart-size, zip-top, clear plastic bag. Gallon size bags or bags that are not zip-top such as fold-over sandwich bags are not allowed. **Each traveler can use only one, quart-size, zip-top, clear plastic bag.**
- Each traveler must remove their quart-sized plastic, zip-top bag from their carry-on and place it in a bin or on the conveyor belt for X-ray screening. X-raying separately will allow TSA security officers to more easily examine the declared items.

How early should I get to the U.S. airport?

The Philadelphia international airport recommends passengers to arrive **at least** one hour before the scheduled departure of a domestic flight and **two hours prior to the**

¹ Transportation Security Authority. 20 May 2008
<<http://www.tsa.gov/travelers/airtravel/prohibited/permitted-prohibited-items.shtm>>.

scheduled departure of an international flight.² However, please allow extra time for checking in and security screening during peak travel periods. The Transportation Security Administration maintains security checkpoint wait time information to assist travelers in planning for their next flight. You can access it at: <http://waittime.tsa.dhs.gov/index.html>.

Baggage Norms and Regulations: In-Country Aeroflot Flight.

When planning your trip to Russia, please consider that luggage transportation norms for in-country flights are lower than for intercontinental flights. Currently, Economy class passengers can check two bags free of charge, so long as their total weight doesn't exceed 44 lbs (20 kg). According to Aeroflot website, the current tariff per 2.2 lbs (1 kg) of luggage exceeding the limit is 130 rubles (for flights between Moscow and St. Petersburg).

Since March 1, 2007 Aeroflot airline has introduced new norms for carry-on luggage. You can carry one bag plus one personal item per passenger, so long as:

- weighs less than 22 lbs (10 kg) for Economy class passengers or 33 lbs (15 kg) for Business class "Premier", "President", "Trader" passengers;
- its total length, width and height is less than 61 in (155 cm).

In addition to his carry-on, a passenger can take onboard free of charge one of the following:

- a handbag/a briefcase and a paper-folder;
- a bouquet of flowers;
- a laptop;
- a camera; a video camera;
- prints for flight reading;
- baby food and a traveling cradle;
- an umbrella or a walking-stick;
- a coat or a mackintosh;
- crutches (if necessary);
- a "Duty Free" purchase bag, provided that it corresponds to airline norms as regards its weight and dimensions.

The rules, similar to TSA rules listed above, apply to liquids, gels, and aerosols carried through security checkpoints as carry-on luggage:

"Each passenger is permitted to bring on-board just some limited amount of [such] substances as: water and other drinks, soups and syrups; creams, lotions and oils; perfumes; sprays; gels, including hair formulas and shower and body gels; content of containers, including shaving foam, other foams and deodorants; pastes, including tooth paste; mixtures of liquid and solid agents; ink; other similar substances, provided they are packed in containers with volume not exceeding 100 ml. Containers must fit in a transparent plastic bag with a volume under 1 liter. Each passenger is permitted to have only one such plastic bag."³

² "FAQ - Frequently Asked Questions." [Philadelphia International Airport](http://www.phl.org/faq.html#25) 20 May 2008 <<http://www.phl.org/faq.html#25>>.

³ Immigration Regulations. Aeroflot. <http://old.aeroflot.aero/eng/info.asp?ob_no=6293>. June 2, 2008.

Sample Migration Card

FRONT

«А» (Въезд/Arrival)													
Российская Федерация Russian Federation													
Миграционная карта 1 1 0 3 0 Migration Card													
Фамилия/Surname													
Имя/Given name													
Отчество/Patronymic													
Дата рождения/Date of birth													
Пол/Sex													
Муж/Male	Жен/Female												
День Месяц Год Day Month Year	<input type="checkbox"/> <input type="checkbox"/>												
№ паспорта/Passport No.													
Гражданство/Nationality													
Цель визита/Purpose of visit: <table style="width: 100%; border: none;"> <tr> <td>Служебная/Service <input type="checkbox"/></td> <td>Туризм/Tourism <input type="checkbox"/></td> <td>Адрес (организация) в России</td> </tr> <tr> <td>Коммерческая/Commerce <input type="checkbox"/></td> <td>Учеба/Education <input type="checkbox"/></td> <td>Address (host organization) in Russia</td> </tr> <tr> <td>Частная/Private <input type="checkbox"/></td> <td>Работа/Employment <input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td>Транзит/Transit <input type="checkbox"/></td> <td></td> </tr> </table>		Служебная/Service <input type="checkbox"/>	Туризм/Tourism <input type="checkbox"/>	Адрес (организация) в России	Коммерческая/Commerce <input type="checkbox"/>	Учеба/Education <input type="checkbox"/>	Address (host organization) in Russia	Частная/Private <input type="checkbox"/>	Работа/Employment <input type="checkbox"/>			Транзит/Transit <input type="checkbox"/>	
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	Транзит/Transit <input type="checkbox"/>												
Срок пребывания/Term of stay:													
С/From:	До/Until:												
Подпись/Signature:													
Для служебных отметок/Official use only													
Въезд/Arrival													
✂ Линия разреза													
«В» (Выезд/Departure)													
Российская Федерация Russian Federation													
Миграционная карта 1 1 0 3 0 Migration Card													
Фамилия/Surname													
Имя/Given name													
Отчество/Patronymic													
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Частная/Private <input type="checkbox"/>	Работа/Employment <input type="checkbox"/>												
	Транзит/Transit <input type="checkbox"/>												
Срок пребывания/Term of stay:													
С/From:	До/Until:												
Подпись/Signature:													
Для служебных отметок/Official use only													
Въезд/Arrival	Выезд/Departure												

BACK

Памятка

1. Иностранцы должны заполнить обе части миграционной карты (А и В) и сдать ее сотруднику пограничного контроля вместе с паспортом и иными удостоверениями и проездными документами.
2. Графы миграционной карты заполняются четко и ясно печатными буквами на русском или английском языке.
3. Для обозначения пола и цели поездки пассажира используется значок «Х», проставляемый в соответствующих графах.
4. Согласно действующему закону прибывшим иностранным гражданам надлежит зарегистрироваться в территориальном органе МВД в течение 3 дней после прибытия в пункт назначения или в течение 1 дня при проживании в гостинице или иной организации, оказывающей гостиничные услуги (за исключением иностранных граждан, регистрируемых по линии МИД).
5. Въездная часть миграционной карты (В) должна храниться в паспорте пассажира до прохождения пограничного контроля на выезде из Российской Федерации.

✂ Линия разреза

Attention

1. Foreign nationals are requested to fill in both parts of the Migration Card (A and B) and hand it over to the Border Control Officer along with their passport and other certificates and travel documents.
2. Please, fill in the Card clearly in Russian or English language in block letters.
3. Please, use mark «X» to show your sex and purpose of the visit in the correspondent frames.
4. Keep in mind that according to the law in force you should register yourself in the local office of the Ministry of the Interior within 3 days after your arrival to the point of destination or within 1 day in case of stay at the hotel or other similar organization rendering hotel services (this rule is applied for all foreign nationals except those who are the subject of registration by the Ministry of Foreign Affairs).
5. Please, keep your B Card along with your passport until going through the departure passport control procedure.

Отметки о регистрации по месту временного пребывания

Registration marks on places of temporary stay

AIRPORT TRANSPORTATION

Moscow - Airport Pick-up

You have 3 following options:

1. Greenline Auto

- You can arrange airport pick up service through Greenline Auto, associated with the hotel, greenline@bk.ru. Send Greenline Auto an email with detailed arrival information and requested car make. The charge will go on your hotel bill.
- A driver will meet you in the arrival hall at the Customs exit with a sign indicating your name & Crowne Plaza Hotel logo.
- Usually a normal car of business/medium/economy class accommodates comfortably 2 persons and 2 suitcases.
- Cost:
 - Sheremetyevo Int. Apt to Crowne Plaza Hotel (in RUR per car):
 - business/medium class car - (Volvo S80/60, Toyota Camry New, VW Passat, Ford Mondeo, Opel Vectra) – RUR 2460 (USD 104)
 - economy class car - (Toyota Corolla, Ford Focus) – RUR 2190 (USD 93)
 - Domodedovo Int. Apt to Crowne Plaza Hotel (in RUR per car):
 - business/medium class car - RUR 2850 (USD 120)
 - economy class car – RUR 2580 (USD 120)

2. Official taxi

- You can also go to the official taxi counters (e.g. MosCab) at the arrival zone and take a taxi for approx. USD 70. The price may vary depending on your negotiation skills.
- Be prepared to pay by cash in rubles.

3. Taxi mafia

- When you walk out of the arrival zone there will be many people offering you a taxi, it's the taxi "mafia". They are not dangerous, but they will be sure to charge you a double price. We recommend avoiding them!

Moscow – airport drop-off

We will arrange and pay for group transportation.

St. Petersburg – airport pick-up

We will arrange and pay for group transportation.

St. Petersburg – airport drop-off

Arrange for your individual transportation at the concierge's desk. Taxi cost approx. RUR 1000 (USD 42).

Transfer in Sheremetyevo International Airport (SVO)

If you fly back to the U.S. from St. Petersburg and have to change flights in Sheremetyevo International Airport (SVO), be prepared to transfer between terminals 1 and 2 (SVO 1 and SVO 2 as indicated on your ticket).

The Sheremetyevo International Airport is one of the biggest international airports serving Moscow. The first terminal, Sheremetyevo-1 is used for domestic flights while Sheremetyevo-2 caters more for international flights. If you are an international visitor, Sheremetyevo-2 is most likely the terminal that you will arrive and leave from on your intercontinental flight.

There is no physical connection between Sheremetyevo-1 and 2 and most people find it somewhat odd that these two terminals are located in separate buildings. The two are, in fact, essentially separate airports which make use of the same runways. There are other instances of this sort of airport layout in the world but it is quite rare. It does, however, minimize road traffic and make contact between parties easier since there is less congestion at each building.

You have several options of transfer between terminals:

- Aeroflot courtesy bus;
- Municipal bus, and
- Taxi.

Aeroflot courtesy bus is a service provided by Aeroflot to its transit passengers, as well as transit passengers of other Skyteam members (Aeroflot, AeroMexico, Air France, KLM, Alitalia, China Southern, Continental Airlines, Czech Airlines, Delta, Korean Air, NWA). When you check your luggage in St. Petersburg, ask your airlines representative to have your luggage checked in to your final destination and to have transfer to SVO 2 arranged for you in Moscow. As soon as your flight arrives to Moscow, find an Aeroflot representative and ask them for a transfer to terminal 2. They will take you to a separate Border Control station and have you wait in the waiting area for the next available bus.

Municipal Bus. Even though the actual car ride between the two terminals is less than 10 minutes, the bus ride may take about an hour. The length of the trip depends on the bus's route, whether it travels SVO 1 – SVO 2 – subway station or SVO 2 – SVO 1 – subway station. You must have Russian rubles ready because drivers won't accept other currency.

Taxi. When you walk out of the terminal, you will see a line of taxis waiting as in the U.S. airports. Use your negotiation skills, because you will see that the ride is not worth \$50 that most of the taxi drivers will be asking.

Some comments on Sheremetyevo transfer experiences can be found on:

<http://www.waytorussia.net/TalkLounge/quote-80734.html>.

Useful Tips

Useful Russian Phrases

(stressed vowels are underlined)

One of the major concerns of English-speaking tourists to Russia is the language barrier. Indeed, Russian language is really difficult, besides having another type of alphabet, there are a lot of unusual and uncommon sounds. That is why it is not a language you can pick up after hearing it for a few days. However, if you master just a few phrases in Russian, you will avoid some inconveniences of the language barrier and demonstrate to your potential Russian partners that you are serious about doing business in Russia.

Вы говорите по-английски? (**Vy govo'rite po ang'liiski?**)⁴
Do you speak English?

Я не говорю по-русски. (**Ya ne govo'ryu po russki**).
I don't speak Russian.

Я не понимаю. (**Ya ne poni`mayu**).
I don't understand.

Доброе утро (**Dobroye utro**)
Good morning

Добрый день (**Dobriy den'**)
Good day

Добрый вечер (**Dobriy vecher**)
Good evening

Здравствуйте (**Zdrastvujte**)
Universal greeting, you can use it 24 hours a day, though only once per day to the same person. (formal).

Привёт (**Privet**)
Hi. (informal)

Очень приятно. (**Ochen' priyatno**).
Very nice to meet you.

Спокойной ночи (**Spokoinoi noch**)
Good night (literally, 'peaceful night')

До свидания (**Do svidania**)
Good bye

Пока́ (**Poka**)
Bye.

⁴ "Russian/Useful Words and Expressions." [Wiki Books](http://en.wikibooks.org/wiki/Russian/Useful_Words_and_Expressions) 20 May 2008
<http://en.wikibooks.org/wiki/Russian/Useful_Words_and_Expressions>.

Пожáлуйста (**Pozhálusta**)

Please; also used for saying "you are welcome" as an abbreviation of "please think nothing of it"

Спаси́бо (**Spasiba**)

Thanks

Прошу́ прощéния (**Proshu proscheniya**)

I'm sorry / excuse me

Извини́те (**Izvinite**)

I'm sorry / excuse me (less formal)

Да (**Da**)

Yes

Нет (**N'et**)

No / not

Чуть-чуть. (**Chut'-chut'**).

Just a little bit. (A very helpful phrase in Russia, where most negotiations are sealed with a toast or a few.)

Как дела́? (**Kak dyela?**)

How are you?

Хорошо́. (**Kharasho**)

Fine.

Как Вас зову́т? (**Kak Vas zovut?**)

What is your name? (lit. "What do [they] call you?")

Помогите, пожалуйста. (**Pomogite pozhalusta.**)

Please help.

Как пройти к метро? (**Kak proiti k metro?**)

Where is the subway station? (lit.: "How does one go to a subway station?")

Сколько стои́т? (**Skol'ko stoit?**)

How much?

У вас есть меню на английском? (**U vas est' men'u na angliyskam?**)

Do you have a menu in English ?

Subway Signs

“Вход” (**Vhot**)

Enter.

“Выхода нет.” (**Vyhoda net**) or new versions “Прохода нет” (**Prohoda nyet**)

Please do not enter. (lit: No exit or No pass-through).

There is an abundance of websites offering collections of Russian phrases. An English-Russian phrase book, conveniently organized by topics, is available at:

<http://petersburgcity.com/for-tourists/phrases-english-russian/expressions/#1>.

Money Matters

Rubles come in various colors and degrees of denominations. Currently there are large green 5's, olive-green 10's, blue 50's, red-brown 100's, and pinkish 500-ruble notes (not shown). Also, there are coins of one, five, 10, and 50 kopecks (100 kopecks are equal to 1 ruble).⁵



The best places to exchange currency of any foreign country for rubles are commercial banks, exchange offices and hotels. Most of the banks are open from Monday to Friday from 9 a.m. till 5 p.m. Some exchange offices are open round-the-clock. Currency exchange offices can be found at each major street corner in center city and in the majority of bank branches, Rates at different currency exchange booths vary somewhat, but unless you plan on exchanging thousands there's little point in running around looking for the best rate, though after-hours and weekend exchanges tend to offer lower rates, and some exchange booths might take commission.

Official exchange rate as of June 9, 2008 – 1 USD = 23.52 rubles.

Most hotels, shops and restaurants accept the major types of credit cards, including American Express, Visa and Diners Club. Sometimes you could be asked to show your passport or identifying documents, using a credit card. Nevertheless, be ready to have some cash at hand in case your credit card won't be accepted, because problems using credit cards are not rare in Russia.⁶

One can get money in local currency, using cash dispensers (ATM's), which are widely spread in Moscow. Note that depending on the Russian bank, which maintains a cash machine, you will be charged a 1%-4% commission fee.

Traveler's checks haven't become popular in Moscow yet, but some exchange offices and banks accept them. Note that you will be charged a commission fee for cashing a traveler's check.

Like in any other major city of the world, visitors should pay extra attention to their personal safety and take care of their belongings in Moscow. Note that in the street or at the metro station you can be stopped by the regular police (the militia), who patrol areas checking some people's documents, and asked to show your passport and registered visa. Be sure to have these or at least copies of these documents with you at all times just in case.

⁵ "Russian Money." Agency "Information Resources". 2 June 2008. <<http://petersburgcity.com/for-tourists/guides/doc132/>>.

⁶ "Money Matters ." [Moscow Hotels](http://www.moscow-hotels.com/ttips/money.htm) 3 Jun 2008 <<http://www.moscow-hotels.com/ttips/money.htm>>.

Business Etiquette

Appearance

- There is an old Russian proverb--"they meet you depending on how you're dressed and they say good bye depending on how wise you seem." Your appearance is extremely important in Russia, a country where families spend a larger share of their income on clothes than in the U.S.
- Men are advised to wear a suit and tie (make sure not to wear the same ones every day) for all your meetings, whether it's in an office or restaurant. A businessman's wardrobe demonstrates the individual's image as a professional.⁷
- Men often do not take off their jackets in negotiations.
- Women should wear a smart business suit. Don't be surprised if Russian businesswomen dress somewhat provocatively. There are no garments or colors that are not recommended, but conservative grey, navy blue and brown skirt suits are preferred.
- For women who plan to visit a Russian Orthodox Church, it is advisable to have a scarf to cover their heads, as it is a long-standing tradition in Russian churches. Formal rules also require women to wear long sleeves and a long skirt, but they are rarely enforced nowadays, especially in places frequented by tourists.
- When attending dinner in a citizen's home, casual dress of slacks and a nice shirt without a tie are appropriate.

Business Meetings

- Age is not a factor in introductions. In Moscow's business world, the most powerful man in the room may be one of the youngest. Be careful, take your lead from the host and notice the body language of people around you.
- Russian names are in three parts: given name, father's name (ending in *ich* for men or *na* for women) and family name (ending in an *a* for most women, though not always). You should try to address a person by their first name and their father's name. So, for example, *Ivan Ivanovich Ivanov* and *Olga Ivanovna Ivanova* would be addressed formally as *Ivan Ivanovich* and *Olga Ivanovna*. If, however, you have difficulty pronouncing the name (a lot of Russian names are long), feel free to address the person as Mr. or Ms., followed by their family name. Never switch to a more informal form of address without being invited to do so. Don't use *tovarisch* (comrade), as this form of address is outdated.
- As a foreigner, you are expected to be on time to all business appointments. However, your Russian counterpart may be late, as this may be a test of your patience. Do not expect an apology from a late Russian, and do not demonstrate any kind of attitude if your business appointments begin one or two hours late. This may also be a test of your patience. Patience is an extremely important virtue among Russians; punctuality is not.
- Russians often seem disconcertingly frosty on first meeting, but they quickly move to the other extreme when you mix socially over dinner, or a drink after your meeting. Then, they can be very tactile.

⁷ "Russia." International Business Etiquette and Manners 3 Jun 2008
<<http://www.cyborlink.com/besite/russia.htm>>.

- Russians are known as great "sitters" during negotiations, this demonstrates their tremendous patience.
- Some 'hard-line' Russians still view compromise as a sign of weakness, and often refuse to back down. To these individuals, compromising is bad business.
- Be sure to have plenty of bilingual business cards. One side should be printed in English, the other side in Russian. Present it with the Russian side up.
- Be alert and open to taking a drink or having a toast after your meeting. Russians like to get to know their business partners in this kind of informal context before signing deals. If you have specific health conditions, be sure to mention them to a person who offers you a drink upfront, as it will be harder to explain it later.
- At a sit-down lunch or dinner, as a rule, you should not drink unless a toast has been said. Your host will traditionally give a lengthy series of vodka toasts to you, the deal, all the women in the room, friendship, etc. You should drain your glass for important toasts and should take a sip for the less important ones. Typically, all men will stand up if drinking for women (Russian: За женщин! - "Za zhenshin!").
- As a foreigner, you should realize that "Final Offers" are often not actually the end of the negotiations and that often times the outcome will be more beneficial and attractive if you can hold out.
- There is a Russian term meaning "connections" or "influences." It is a lot easier to do business in Russia if you find a trustworthy local business partner to help you navigate through the Russian bureaucracy.

Social Events

- Social events are more relaxed. It is acceptable for foreigners to be 15 to 30 minutes late.
- The U.S.S.R. was officially an atheist nation in the days of communism. Now, however, participation in religion is increasing, with many citizens practicing Protestantism, Islam, Russian Orthodoxy, and Judaism.
- If attending dinner at a family residence, it is appropriate to bring a gift, such as a bottle of wine, dessert, or a bouquet of flowers for the hostess. Even numbers of flowers are for funerals only, as are white lilies. Yellow flowers symbolize parting.
- If attending a family residence, be prepared to follow your host's lead and remove your shoes if asked.
- It is always a good policy to send thank-you notes after entertainment, as well as notes of appreciation after business meetings.
- When attending any formal engagements such as the theatre, it is appropriate to check your coat and other belongings at the cloak room of the establishment. In most theater, these rooms are situated on the ground floor.
- In restaurants, where waiters serve visitors, tipping is usually expected. In fast food restaurants, cafes or bars, where you order your food at a counter, there is no need in tipping. Usually tipping can be 10 to 15 % of your total bill.

Communications

- Speaking or laughing loudly in public is considered rude, as Russians are generally reserved and somber.
- Many Russians, especially in major cities, speak English, as it is often taught beginning in the third grade. However, make sure that your host really understands what you're saying and is not just being polite.
- Russians are highly literate, and have almost a 100% literacy rate.
- Russians love discussing politics and are often cynical, but beware of following your host's lead in criticizing Russia—Russians may do so, but foreigners should be careful.

Gender Discourse

- The attitude toward women in Russia may seem sexist and patronizing to visitors. However, this is superficial, as women are respected as much as men in business contexts.
- Don't be shocked if asked to compliment Russian women.
- Overt comments about a woman's attractiveness should be taken as compliments (as they are usually meant), not as patronizing put-downs.
- A woman's marital status doesn't usually affect how she is treated in business, although her age and attractiveness may.

Observed National Holidays

January 1	New Year*
January 7	Christmas (Russian Orthodox)*
February 23	Day of the Protector of the Motherland
March 8	International Women's Day
May 1	Spring and Labor Day
May 9	Victory Day (Over German Nazism in the World War II)
June 12	Day of Russia
November 4	Day of the National Unity

* Sometimes the government signs decrees that unite these two holidays and days in-between into Christmas break that lasts 8-9 days. Late December - early January, as well as early May, are not good times for business travel to Russia.

Climate

Moscow

Moscow has a continental climate, typified by exceedingly cold, long winters and hot summers. In mid-summer, during July and August, temperatures are pleasantly warm, with occasionally hot spells, and humidity tends to be high. Winters differ drastically, with only about six hours of daylight in the middle of the season and temperatures recorded at way below freezing point. Winter snows start in October and the snow blanket persists well into spring. Moscow has little rainfall, most of its precipitation falling as snow.⁸

Average temperature for June 22-24 in Moscow is:⁹

Jun 22	Avg Low: 13°C / 56°F	Avg High: 22°C / 72°F	Avg Precipitation: 0.19 cm / 0.1 in
Jun 23	Avg Low: 13°C / 56°F	Avg High: 23°C / 73°F	Avg Precipitation: 0.19 cm / 0.1 in
Jun 24	Avg Low: 13°C / 56°F	Avg High: 23°C / 73°F	Avg Precipitation: 0.19 cm / 0.1 in

St. Petersburg

St Petersburg's climate is mild, though unpredictable. Winters are cold, with freezing winds and snowfall, and temperatures average about 9°F to 10°F (-13°C to -12°C) in January and February (the coldest months), sometimes dropping lower. June to August is usually the warmest time of year, though temperatures are still relatively low and average in the mid-60s Fahrenheit (about 20°C). Summer tends to be the most popular time to travel to St Petersburg.¹⁰

Average temperature for June 24-26 in St. Petersburg is:¹¹

Jun 24	Avg Low: 13°C / 56°F	Avg High: 21°C / 70°F	Avg Precipitation: 0.16 cm / 0.1 in
Jun 25	Avg Low: 13°C / 56°F	Avg High: 21°C / 70°F	Avg Precipitation: 0.16 cm / 0.1 in
Jun 26	Avg Low: 13°C / 56°F	Avg High: 21°C / 70°F	Avg Precipitation: 0.16 cm / 0.1 in

⁸ "Moscow." World Travels 3 Jun 2008

<<http://www.wordtravels.com/Cities/Russia/Moscow/Climate>>.

⁹ According to "News and Weather" on Msn.com. June 3, 2008.

<http://weather.uk.msn.com/daily_averages.aspx?wealocations=wc:RSXX0063&weai=6>.

¹⁰ "St. Petersburg." World Travels 3 Jun 2008

<<http://www.wordtravels.com/Cities/Russia/St+Petersburg/Climate>>.

¹¹ According to "News and Weather" on Msn.com. June 3, 2008.

<http://weather.uk.msn.com/daily_averages.aspx?wealocations=wc:RSXX0063&weai=6>.

Time Zones

Moscow and St. Petersburg are GMT +3. It means that they are 8 hours ahead of Philadelphia, USA. So once you are in Moscow, at 6 PM local time, it will only be 10 AM in Philadelphia.¹²

International Phone Calls

- When calling from the USA to Russia
 - Moscow: dial 011 + 7 + 495 + Phone Number
 - St. Petersburg: dial 011 + 7 + 812 + Phone Number
- When calling from Russia to USA, dial 001+ Area Code + Phone Number
- A prepaid Russia SIM card with an international tri-band cell phone (wireless phone able to operate in 800 MHz, 900 MHz and 1800MHz frequency bands) is the most convenient and economical solution for staying in touch while you travel in Russia.
- There are several mobile phone operators in Russia. Megafon, MTS и Beeline are the largest.



You can buy sim cards at:

- little kiosks near or in subway stations (these kiosks are hard to miss as they have all three above logos on them and plenty of card samples);
- retail shops selling cell phones and accessories;
- or retail shops owned by individual operators.

Usually you can buy a start-up package with a sim card and certain amount of rubles on your account. Later on you can add money to your account by buying prepaid cards with the logo of the same mobile operator.

- *Some US companies sell prepaid cards that allow you to make long-distance calls from Moscow and St. Petersburg to the USA, by dialing a local access number and your password. For example, a Massachusetts company LDPOST lists rates for its *GlobalPapa* card users of 5.5 cents for calling from Moscow and 8.5 cents for calling from St. Petersburg to the USA.¹³ You can buy these prepaid cards at www.ldpost.com.*

Food

Russian cuisine derives its rich and varied character from the vast and multicultural expanse of Russia. Its foundations were laid by the peasant food of the rural population in an often harsh climate, with a combination of plentiful fish, poultry, game, mushrooms, berries, and honey. Crops of rye, wheat, barley, and millet provided the ingredients for a plethora of breads, pancakes, cereals, kvass, beer, and vodka. Flavorful soups and stews centered on seasonal or storable produce, fish, and meats. This wholly native food remained the staples for the vast majority of Russians well into the 20th century. Lying on the northern reaches of the ancient Silk Road, as well as Russia's close

¹² "Russia Homestays." [Russia Ukraine](http://www.russia-ukraine-travel.com/russian-time-zones.html) 3 Jun 2008 <<http://www.russia-ukraine-travel.com/russian-time-zones.html>>.

¹³ More information: <http://www.ldpost.com/>.

proximity to the Caucasus, Persia, and the Ottoman Empire has provided an inescapable Eastern character to its cooking methods.¹⁴

Examples of Russian Cuisine

- **Appetizers (Закуски)**
 - **Salad (Салаты)**
 - *Olivier Salad (Оливье)* is a flexible salad composed of boiled potatoes, vegetables, meat and mayonnaise.
 - *Crab Stick Salad (Салат из крабовых палочек)* is a salad mixed with rice (or pasta), boiled eggs, sweet corn, and diced crab with mayonnaise.¹⁵
 - *Herring Under a Fur Coat (Сельдь под шубой)* is a Russian favorite. It is a layered salad, which includes herring fillets, potatoes, carrots, beets, eggs and mayonnaise.
 - **Cold starters (Холодные закуски)**
 - *Kholodets (Холодец)*: pieces of chopped meat in a set jelly with spices and garlic. Russians eat it with mustard or horse radish sauce.
 - *Salo (Сало)* Ukrainian delicacy that is widely consumed by Russians. Salted and seasoned pork fat.
 - *Meat Assortment (Мясное ассорти)*: different meats that can include tongue, boiled pork, fore shank, chicken roll and bacon.
 - **Hot starters (Горячие закуски)**
 - *Pancakes with Caviar (Блины с икрой)*: red or black caviar.
 - *Pancakes with Meat (Блины с мясом)*: crapes with meats varying from ham, sausage and chicken.
 - *Mushrooms Baked in Smetana (Грибы запеченные с сметаной)*.
- **Russian Soups (Супы)**
 - *Borscht (Борщ)*: A vegetable soup most commonly made with beets, cabbage and meat. Russians add sour cream to it.
 - *Okroshka (Окрошка)*: cold soup based on kvass, green onion, herbs and spices such as black pepper, mustard or horse radish
 - *Shchi (Щи)* is a type of cabbage soup.
- **Main Courses (Горячие Блюда)**
 - *Goluptsi (Голубцы)*: Seasoned ground beef and rice filling stuffed inside boiled cabbage rolls.
 - *Shashlyk (Шашлык)*: Shish kebab - Marinated meat cooked on a skewer. Meat choices are beef, veal, mutton, chicken and fish.
 - *Blini with Tvorog (Блины с творогом)*: Pancakes with cottage cheese curds.
 - *Pelmeni (Пельмени)*: A traditional Russian dish made with minced meat filling, wrapped in thin dough dumplings. Usually served with sour cream or vinegar.
 - *Pirozhki (Пирожки)*: Small dough buns or pies stuffed with variable fillings. Traditional fillings include Pirozhki with fish, meats, potatoes or cabbage.

¹⁴ "Russian Cuisine." [Wikipedia](http://en.wikipedia.org/wiki/Russian_cuisine) 5 Jun 2008 <http://en.wikipedia.org/wiki/Russian_cuisine>.

¹⁵ "Russian food and drink." [Russia-Ukraine-Travel](http://www.russia-ukraine-travel.com/russian-food.html) 5 Jun 2008 <<http://www.russia-ukraine-travel.com/russian-food.html>>.

- *Vareniki* (**Вареники**): Ukrainian dumplings made with different fillings including mashed potatoes, sour cabbage, cottage cheese and berries.
 - *Chebureki* (**Чебуреки**): Chebureki consist of a thin layer of dough and seasoned ground meat filling, deep-fried in a pan of oil.
 - *Draniki* (**Драники**): Draniki are basically potato pancakes, usually served with a rich serving of smetana (sour cream).
 - *Beef Stroganoff* (**Говядина по-строгановски**): Sautéed pieces of beef served in a sour cream sauce.
 - *Grechka*: porridge made from buckwheat.
- Typical Russian drink:
 - *Kvass* (**квас**) is mildly fermented alcoholic beverage made from black or rye bread.

Electricity

Everywhere in Russia 220 Volt and 50 Hz AC current supplies are used. Most of the sockets are standard European-size for double round-pin plugs, the same as in France or Germany. Appliances from the US, Canada, Britain will need adaptors (it's better to buy them in your own country, as it's very hard to find them in Russia).

Power cuts are not very common, but the electricity current is not as quality as in Europe (power surges), so if you have a sensitive device it's better to get a stabilizer for it, especially if you are traveling.

Most trains have electricity sockets where you can charge your mobile telephones or plug in a shaver, but it is not recommended to use them for sensitive devices (such as laptops) without a stabilizer.¹⁶

¹⁶ Information is gleaned from: <http://www.waytorussia.net/Practicalities/Facts.html>.

Moscow Subway Map

Note: Several new stations, including "Delovoj Centr" near Crowne Plaza hotel have been added since this map was put together. On June 6, 2008, the Moscow government announced that "Delovoj Centr" will be renamed into "Vystavochnaja." Please ask the Crowne Plaza concierge for an updated map.



Moscow subway is the fastest and safest alternative to the jammed Moscow ground transportation. You can reach almost any district of the city by subway, including all major places of interest. To enter a subway station, you should buy a ticket. You can choose from one-way, round-trip, five- or ten-trip tickets (unlimited monthly passes are also available).

It is worth familiarizing yourself with the metro map before arriving in Moscow. Signs in the metro are primarily in Russian, but the map in the stations and on the trains is in both Cyrillic and Latin letters. The Moscow Metro is all one zone.

Current fares are:

- one-way – 19 roubles
- round-trip – 38 roubles
- 5 rides – 84 roubles
- 10 rides – 155 roubles
- 20 rides – 280 roubles

Useful tip: Unlike in the U.S., you don't have to buy a separate ticket for each person. Because you need to run a ticket through the machine just to enter the station, you can buy one multi-trip ticket and run it for each person in your party who enters the station. You need cash to buy tickets, however. Also, when planning to buy tickets remember that the closer the station is to center city, the more people will be in a queue to buy tickets.

St. Petersburg Subway Map



St. Petersburg's Metro is some 105 km long (total length varies according to criteria applied) and has 60 stations (average station distance 1770m). Like in Moscow, older stations are elegantly decorated whereas newer stations show a more functional design. The metro works between 6 a.m. and 1 a.m. and trains pass every 95 seconds during rush hour and every 4 minutes the rest of the day.

Due to the geological difficulties (swamp), 54 out of 60 stations were built very deep (30-100 m). Some stations on the St. Petersburg Metro boast an interesting feature: to reduce construction costs, the passenger platform is separated from the tracks by steel doors which open simultaneously with the doors of the arriving train, but these doors did not prove so successful, so that later stations were built without them.¹⁷

You can buy subway tickets at ticket counters. Current fares are:

one-way – 17 rubles

10 rides (valid for 7 days) – 140 rubles

20 rides (valid for 15 days) – 268 rubles

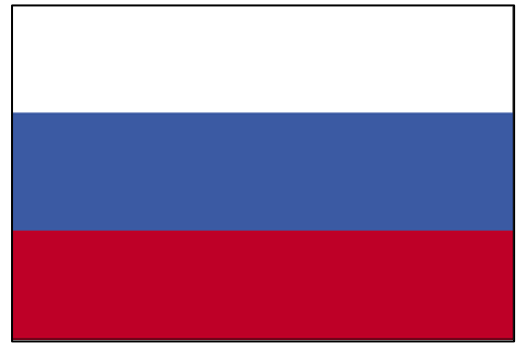
25 rides (valid for 15 days) – 330 rubles

You can also buy subway tokens at the stations in sets of five. Each token costs 17 rubles. You will need a 100-ruble banknote to use the vending machine.

¹⁷ Information in this section is gleaned from “St. Petersburg” by UrbanRail.Net. <<http://www.urbanrail.net/eu/pet/petersbg.htm>>. June 3, 2008.

Doing Business in Russia

Russia at a Glance



- Official name: **Russian Federation**¹⁸
- Population: **141.3 million**
- Official language: **Russian**, many minority languages
- Currency: **Russian Ruble (RUB)**
 - Exchange rate: 23.52 RUB per US\$ (June 8, 2008)
- Location: Northern Asia, bordering the Arctic Ocean, between Europe and the North Pacific Ocean
- GDP: **\$2.076 trillion** (2007 est.)
- GDP – real growth rate: **8.1%** (2007 est.)
- Imports: **\$260.4 billion** (2007 est.)
 - Machinery and equipment, consumer goods, medicines, meat, sugar, semi-finished metal products
 - Germany 13.9%, China 9.7%, Ukraine 7%, Japan 5.9%, South Korea 5.1%, **US 4.8%**, France 4.4%, Italy 4.3% (2006)
- Exports: **\$365 billion** (2007 est.)
 - Petroleum and petroleum products, natural gas, wood and wood products, metals, chemicals, and a wide variety of civilian and military manufactures
 - Netherlands 12.3%, Italy 8.6%, Germany 8.4%, China 5.4%, Ukraine 5.1%, Turkey 4.9%, Switzerland 4.1% (2006)
- Inflation rate: **11.9%** annual average
- Unemployment rate: **5.9%** (November 2007 est.)
- Labor force: **75.1 million** (November 2007 est.)
 - By occupation:
 - *agriculture*: 10.8%
 - *industry*: 28.8%
 - *services*: 60.5% (November 2007 est.)
- Government¹⁹
 - Type: Federation.
 - Independence: August 24, 1991.
 - Constitution: December 12, 1993.
 - Branches:
 - *Executive*--president, prime minister (chairman of the government).
 - *Legislative*--Federal Assembly (Federation Council, State Duma).
 - *Judicial*--Constitutional Court, Supreme Court, Supreme Court of Arbitration, Office of Procurator General.
 - Subdivisions: 21 autonomous republics, 47 oblasts, 2 federal cities (Moscow and St. Petersburg) and 14 autonomous territories and regions.
 - Suffrage: Universal at 18 years.
- Agriculture: grain, sugar beets, sunflower seed, vegetables, fruits; beef, milk

¹⁸ "CIA - The World Factbook." [Russia](https://www.cia.gov/library/publications/the-world-factbook/print/rs.html) 15 May 2008 20 May 2008
<<https://www.cia.gov/library/publications/the-world-factbook/print/rs.html>>.

¹⁹ "U.S. State Department." [Background Note: Russia](http://www.state.gov/r/pa/ei/bgn/3183.htm) 28 May 2008
<<http://www.state.gov/r/pa/ei/bgn/3183.htm>>.

- Industries: complete range of mining and extractive industries producing coal, oil, gas, chemicals, and metals; all forms of machine building from rolling mills to high-performance aircraft and space vehicles; defense industries including radar, missile production, and advanced electronic components, shipbuilding; road and rail transportation equipment; communications equipment; agricultural machinery, tractors, and construction equipment; electric power generating and transmitting equipment; medical and scientific instruments; consumer durables, textiles, foodstuffs, handicrafts.

Economy

The Russian economy underwent tremendous stress in the 1990s as it moved from a centrally planned economy to a free market system. Difficulties in implementing fiscal reforms aimed at raising government revenues and a dependence on short-term borrowing to finance budget deficits led to a serious financial crisis in 1998. Lower prices for Russia's major export earners (oil and minerals) and a loss of investor confidence due to the Asian financial crisis exacerbated financial problems. The result was a rapid and steep decline (60%) in the value of the ruble, flight of foreign investment, delayed payments on sovereign and private debts, a breakdown of commercial transactions through the banking system, and the threat of runaway inflation.²⁰

Still, Russia has weathered the crisis well. In the nine years following the financial crisis, GDP growth averaged 7% due to a devalued ruble, implementation of key economic reforms (tax, banking, labor and land codes), tight fiscal policy, and favorable commodities prices. Household consumption and fixed capital investments have both grown by about 10 percent per year since 1999 and have replaced net exports as the main drivers of demand growth. Inflation and exchange rates have stabilized due to a prudent fiscal policy (Russia has run a budget surplus since 2003). The government created a stabilization/rainy day fund (\$156 billion at the end of 2007), and has the third-largest foreign exchange reserves in the world (close to \$476 billion at the end of 2007), which should shelter it from commodity price shocks.

Russia's balance of payments continues to show dynamic growth. The current account balance fell slightly, from \$95.3 billion in 2006 to \$78.3 billion in 2007, as imports increased rapidly. Large amounts of capital moved into Russia in 2007. The capital account balance was \$84.3 billion, compared to \$6.1 billion in 2006. In addition, net private capital flows continued to increase in 2007 to \$81.2 billion from \$40.9 billion in 2006. Foreign direct investment (FDI) flows continued to improve in 2007 to \$52.5 billion compared to \$32.4 billion in 2006. As of July 1, 2006, the ruble is convertible for both current and capital transactions. Russia prepaid its entire Soviet-era Paris Club debt of \$22 billion in late 2006. Russia maintains relatively small amounts of sovereign debt. In 2007, total sovereign foreign debt was \$36 billion, or about 3% of GDP, down from \$45 billion at the end of 2006. Russia's total public and private foreign debt at the end of 2007 was \$460 billion, or 34% of GDP. Russia currently has a sovereign investment-grade rating from Standard and Poor's of BBB+.

Although the economy has begun to diversify, the government budget remains dependent on oil and gas revenues; consumption and investment are, however, contributing to an increasing share to GDP growth. While currently sheltered from external price shocks, the government realizes the need to intensify reforms that will

²⁰ "U.S. State Department." Background Note: Russia 28 May 2008
<<http://www.state.gov/r/pa/ei/bgn/3183.htm>>.

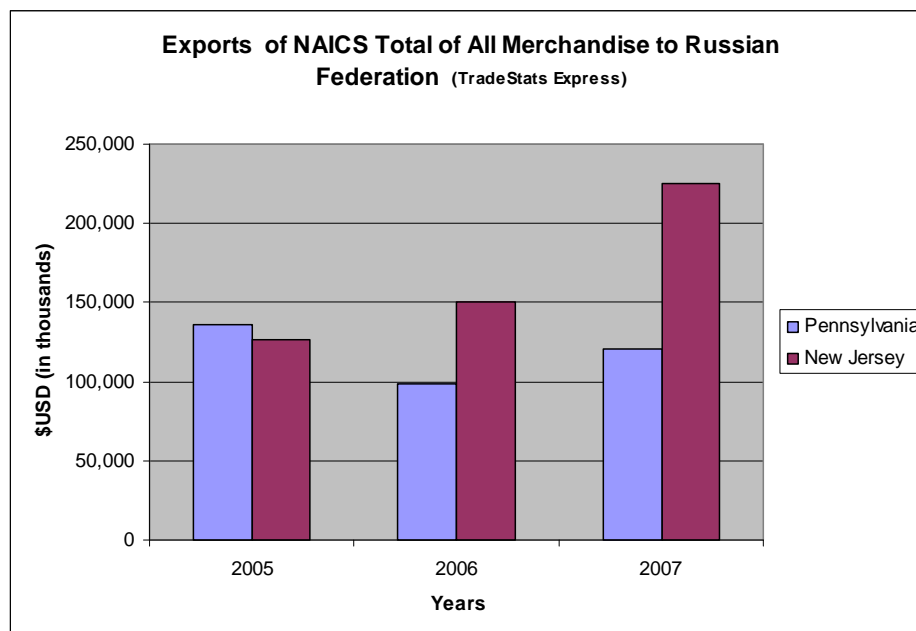
promote new investment in aging infrastructure and continued productivity gains. The government believes it can do this by creating state-sponsored investment funds, special economic zones, and by exercising control of strategic enterprises (a law defining strategic sectors was passed by the Duma in March 2008). Although investors are returning to Russia, excessive bureaucracy, corruption, insufficient and insufficiently enforced legislation, selective interpretation of laws (particularly tax laws), unclear limits and conditions on foreign investment, obsolete infrastructure, and stalled economic reforms still remain a problem. In 2005, the government announced reform programs in four priority areas (health, education, housing, and agriculture), but further work is needed on them as well as in financial regulation, civil service reform, and reform of government monopolies, such as railroads, gas, and electricity.

Trade

The U.S. exported \$7.4 billion in goods to Russia in 2007, a 57% increase from the previous year. Corresponding U.S. imports from Russia were \$19.4 billion, down a slight 2%. Russia is currently the 20th-largest export market for U.S. goods. Russian exports to the U.S. were fuel oil, inorganic chemicals, aluminum, and precious stones. U.S. exports to Russia were machinery, vehicles, meat (mostly poultry), aircraft, electrical equipment, and high-tech products.²¹

Russia's overall trade surplus in 2007 was \$132 billion, roughly equal to the \$139 billion surplus in 2006. World prices continue to have a major effect on export performance, since commodities--particularly oil, natural gas, metals, and timber--comprise most of Russian exports. Russian GDP growth and the surplus/deficit in the Russian Federation state budget are closely linked to world oil prices.

Russia is in the process of negotiating terms of accession to the World Trade Organization (WTO). The U.S. and Russia concluded a bilateral WTO accession agreement in late 2006, and negotiations continued in 2007 on meeting WTO requirements for accession. Russia reports that it has yet to conclude bilateral



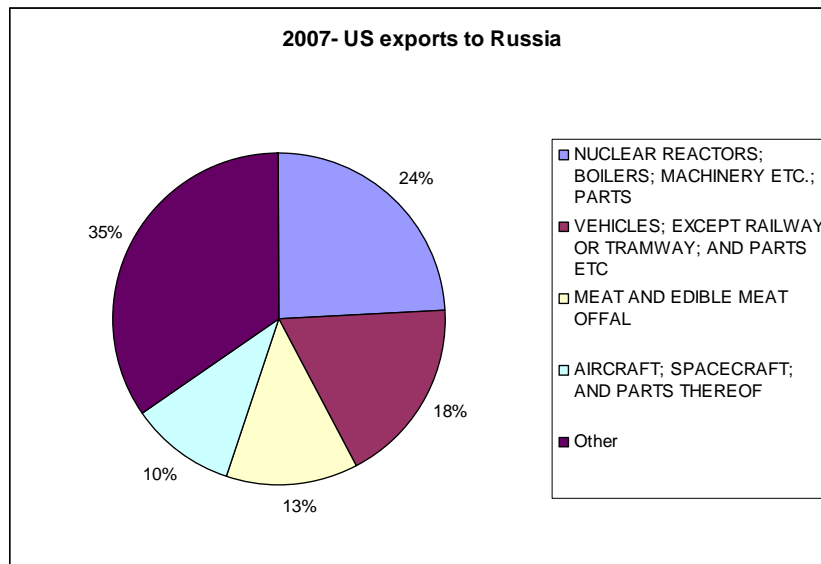
²¹ "U.S. State Department." Background Note: Russia 28 May 2008 <<http://www.state.gov/r/pa/ei/bgn/3183.htm>>.

agreements with Saudi Arabia and Georgia.

According to the 2005 U.S. Trade Representative's National Trade Estimate, Russia continues to maintain a number of barriers with respect to imports, including tariffs and tariff-rate quotas; discriminatory and prohibitive charges and fees; and discriminatory licensing, registration, and certification regimes. Discussions continue within the context of Russia's WTO accession to eliminate these measures or modify them to be consistent with internationally accepted trade policy practices. Non-tariff barriers are frequently used to restrict foreign access to the market and are also a significant topic in Russia's WTO negotiations. In addition, large losses to U.S. audiovisual and other companies in Russia owing to poor enforcement of intellectual property rights in Russia are an ongoing irritant in U.S.-Russia trade relations. Russia continues to work to bring its technical regulations, including those related to product and food safety, into conformity with international standards.²²

U.S. Exports to Russia

Year	Exports in thousands (\$USD)
2002	2,398,543
2003	2,450,199
2004	2,958,648
2005	3,942,345
2006	4,717,041
2007	7,365,345



²² "TradeStats Express." National Trade Data 20 May 2008
 <<http://tse.export.gov/MapFrameset.aspx?MapPage=NTDMapDisplay.aspx&UniqueURL=f21zpk3ttzn020e0m4tqck45-2008-5-20-10-26-12>>.

Market Overview

- As previously stated, gross domestic product grew by 8.1% in the year 2007. Russia is among the top ten economies of the world.²³
 - The growth has been largely dependent on the higher world prices for oil and natural gas.
 - Russia is also very dependent on other extractive sectors such as timber, precious metals, and non-ferrous metals and steel.
 - Overall balance of trade continues to register healthy surpluses
 - Meanwhile, US exports to Russia have increased 55% to \$8.3 billion in 2007 compare to 2006.
- Russian consumers have more disposable income for foreign products
 - Per capita GDP is estimated to have reached \$9,050 in 2007 as compared to \$7,170 in 2006.
 - In 2007, the American Chamber of Commerce surveyed U.S. companies currently operating in Russia:
 - 50% report sales increases of 200% from 2001.
 - 67% expect sales growth for more than 50% through 2008.
 - A significant amount of corporations are finding that a presence is very profitable and express optimism for continuing profitable business opportunities now and in the future.

Market Opportunities

- There are strong growth possibilities in a range of consumer goods and services, fueled by increases in disposable income in Moscow, St. Petersburg and the growing regional centers.²⁴
 - Telecommunications equipment and services especially wireless
 - Autos and parts
 - Computer hardware and software
 - Safety and security equipment
 - Cosmetics and toiletries
 - Building products
 - Franchising.
- There is strong growth in the energy, transportation, machinery and healthcare sectors
 - Oil & gas equipment and services
 - Aircraft parts
 - Medical equipment
 - Pharmaceuticals
 - Agricultural machinery
 - Construction equipment.

Market Entry Strategy

- Perform detailed market research to identify specific sector opportunities
- Establish a local presence or select a local partner for effective marketing and sales distribution in Russia. Due diligence is a must.²⁵

²³ "U.S. Commercial Service." [Russia Commercial Guide,Best Market Report,Market Research](http://www.buyusainfo.net/docs/x_6341277.pdf) 20 May 2008 <http://www.buyusainfo.net/docs/x_6341277.pdf>.

²⁴ "U.S. Commercial Service." [Russia Commercial Guide,Best Market Report,Market Research](http://www.buyusainfo.net/docs/x_6341277.pdf) 20 May 2008 <http://www.buyusainfo.net/docs/x_6341277.pdf>.

- Maintain a long-term timeframe to implement plans and achieve positive results
- Be prepared to offer financing to Russian buyers. Both the U.S. Export-Import Bank (Eximbank) and Overseas Private Insurance Corporation (OPIC) have programs to address these needs. Local Pennsylvania banks, such as M&T Bank, for example, are willing to provide financing as well.
- Be prepared also to establish a well thought-out budget plan and include in the entry strategy advertising, market promotion and regular visits to the major cities in Russia.
- Russia continues to be a major, fast-moving and growing economy offering opportunity and challenge in equal measure. While the economy is producing increasingly positive results, the country remains a complex place to do business.

Russia and the WTO

Russia, the only major economy outside the WTO, has been seeking membership in the organization since 1993. So far, Moscow has concluded bilateral talks with over 60 states, but still needs to complete discussions with two WTO members - Saudi Arabia and Georgia.²⁶

With the United States, Russia finally reached an agreement on a bilateral protocol on market access for the country's accession to the WTO, in November 2006. It was a long-awaited bilateral deal. After more than 13 years of on-and-off negotiations, the two countries signed an 800 page document that was to push Russia to lower import tariffs on a range of goods including agricultural and technological products.

The agreement touched over 100 sectors of the economy including the liberalization of trade in medicine, medical equipment, electronics and computer technology. It also covered liberalization of automobile, air and banking industries. In addition, the document contains clauses poised to improve Russia's poor record on intellectual property rights.

²⁵ "U.S. Commercial Service." [Russia Commercial Guide,Best Market Report,Market Research](http://www.buyusainfo.net/docs/x_6341277.pdf) 20 May 2008 <http://www.buyusainfo.net/docs/x_6341277.pdf>.

²⁶ "U.S. Commercial Service." [Russia signs 800-Page WTO Deal](http://www.buyusa.gov/russia/en/wto.html) 28 May 2008 <<http://www.buyusa.gov/russia/en/wto.html>>.

Cultural Notes

History of Russia

Although human experience on the territory of present-day Russia dates back to Paleolithic times, the first lineal predecessor of the modern Russian state was founded in 862.²⁷ The political entity known as Kievan Rus was established in Kiev (present day Ukraine) in 962 and lasted until the 12th century. In the 10th century, Christianity became the state religion under Vladimir, who adopted Greek Orthodox rites. Consequently, Byzantine culture predominated, as is evident in much of Russia's architectural, musical, and artistic heritage. Over the next centuries, various invaders assaulted the Kievan state and, finally, Mongols under Batu Khan destroyed the main population centers except for Novgorod and Pskov in the 13th century and prevailed over the region until 1480. Some historians believe that the Mongol period had a lasting impact on Russian political culture.

In the post-Mongol period, Muscovy gradually became the dominant principality and was able, through diplomacy and conquest, to establish suzerainty over European Russia. Ivan III (1462-1505) referred to his empire as "the Third Rome" and considered it heir to the Byzantine tradition. Ivan IV (the Terrible) (1530-1584) was the first Russian ruler to call himself tsar. He pushed Russia eastward with his conquests but his later reign was marked by the cruelty that earned him his familiar epithet. He was succeeded by Boris Godunov, whose reign commenced the so-called Time of Troubles. Relative stability was achieved when Michael Romanov established the dynasty that bore his name in 1613.

During the reign of Peter the Great (1689-1725), modernization and European influences spread in Russia. Peter created Western-style military forces, subordinated the Russian Orthodox Church hierarchy to the tsar, reformed the entire governmental structure, and established the beginnings of a Western-style education system. He moved the capital westward from Moscow to St. Petersburg, his newly-established city on the Baltic. His introduction of European customs generated nationalistic resentments in society and spawned the philosophical rivalry between "Westernizers" and nationalistic "Slavophiles" that remains a key dynamic of current Russian social and political thought.

Catherine the Great continued Peter's expansionist policies and established Russia as a European power. During her reign (1762-96), power was centralized in the monarchy, and administrative reforms concentrated great wealth and privilege in the hands of the Russian nobility. Catherine was also known as an enthusiastic patron of art, literature and education and for her correspondence with Voltaire and other Enlightenment figures. Catherine also engaged in a territorial resettlement of Jews into what became known as "The Pale of Settlement," where great numbers of Jews were concentrated and later subject to vicious attacks known as pogroms.

Alexander I (1801-1825) began his reign as a reformer, but after defeating Napoleon's 1812 attempt to conquer Russia, he became much more conservative and rolled back many of his early reforms. During this era, Russia gained control of Georgia and much of the Caucasus. Throughout the 19th century, the Russian Government sought to suppress repeated attempts at reform and attempts at liberation by various national

²⁷ "U.S. State Department." [Background Note: Russia](http://www.state.gov/r/pa/ei/bgn/3183.htm) 28 May 2008
<<http://www.state.gov/r/pa/ei/bgn/3183.htm>>.

movements, particularly under the reign of Nicholas I (1825-1855). Its economy failed to compete with those of Western countries. Russian cities were growing without an industrial base to generate employment, although emancipation of the serfs in 1861 foreshadowed urbanization and rapid industrialization late in the century. At the same time, Russia expanded into the rest of the Caucasus, Central Asia and across Siberia. The port of Vladivostok was opened on the Pacific coast in 1860. The Trans-Siberian Railroad opened vast frontiers to development late in the century. In the 19th century, Russian culture flourished as Russian artists made significant contributions to world literature, visual arts, dance, and music. The names of Dostoyevsky, Tolstoy, Gogol, Repin, and Tchaikovsky became known to the world.

Alexander II (1855-1881), a relatively liberal tsar, emancipated the serfs. His 1881 assassination, however, prompted the reactionary rule of Alexander III (1881-1894). At the turn of the century, imperial decline became evident. Russia was defeated in the unpopular Russo-Japanese war in 1905. The Russian Revolution of 1905 forced Tsar Nicholas II (1894-1917) to grant a constitution and introduce limited democratic reforms. The government suppressed opposition and manipulated popular anger into anti-Semitic pogroms. Attempts at economic change, such as land reform, were incomplete.

1917 Revolution and the U.S.S.R.

The ruinous effects of World War I, combined with internal pressures, sparked the March 1917 uprising that led Tsar Nicholas II to abdicate the throne. A provisional government came to power, headed by Aleksandr Kerenskiy. On November 7, 1917, the Bolshevik Party, led by Vladimir Lenin, seized control and established the Russian Soviet Federated Socialist Republic. Civil War broke out in 1918 between Lenin's "Red" army and various "White" forces and lasted until 1920, when, despite foreign interventions and a war with Poland, the Bolsheviks triumphed. After the Red Army conquered Ukraine, Belarus, Azerbaijan, Georgia, and Armenia, a new nation, the Union of Soviet Socialist Republics (U.S.S.R.), was formed in 1922.

First among its political figures was Lenin, leader of the Bolshevik Party and head of the first Soviet Government, who died in 1924. In the late 1920s, Josef Stalin emerged as General Secretary of the Communist Party of the Soviet Union (CPSU) amidst intra-party rivalries; he maintained complete control over Soviet domestic and international policy until his death in 1953. In the 1930s, Stalin oversaw the forced collectivization of tens of millions of its citizens in state agricultural and industrial enterprises. Millions died in the process. Millions more died in political purges, the vast penal and labor system, and in state-created famines. Initially allied to Nazi Germany, which resulted in significant territorial additions on its western border, the U.S.S.R. was attacked by the Axis on June 22, 1941. Twenty million Soviet citizens died during World War II in the successful effort to defeat the Axis, in addition to over two million Soviet Jews who perished in the Holocaust. After the war, the U.S.S.R. became one of the Permanent Members of the UN Security Council. In 1949, the U.S.S.R. developed its own nuclear arsenal.

Stalin's successor, Nikita Khrushchev, served as Communist Party leader until he was ousted in 1964. Aleksey Kosygin became Chairman of the Council of Ministers, and Leonid Brezhnev was made First Secretary of the CPSU Central Committee in 1964. In 1971, Brezhnev rose to become "first among equals" in a collective leadership. Brezhnev died in 1982 and was succeeded by Yuriy Andropov (1982-84) and Konstantin Chernenko (1984-85). In 1985, Mikhail Gorbachev became the next (and last) General Secretary of the CPSU. Gorbachev introduced policies of *perestroika* (restructuring) and

glasnost (openness). But his efforts to reform the creaky Communist system from within failed. The people of the Soviet Union were not content with half-freedoms granted by Moscow; they demanded more and the system collapsed. Boris Yeltsin was elected the first president of the Russian Federation in 1991. Russia, Ukraine and Belarus formed the Commonwealth of Independent States in December 1991. Gorbachev resigned as Soviet President on December 25, 1991. Eleven days later, the U.S.S.R. was formally dissolved.

The Russian Federation

After the December 1991 dissolution of the Soviet Union, the Russian Federation became its successor state, inheriting its permanent seat on the UN Security Council, as well as the bulk of its foreign assets and debt. By the fall of 1993, politics in Russia reached a stalemate between President Yeltsin and the parliament. The parliament had succeeded in blocking, overturning, or ignoring the President's initiatives on drafting a new constitution, conducting new elections, and making further progress on democratic and economic reforms.

In a dramatic speech in September 1993, President Yeltsin dissolved the Russian parliament and called for new national elections and a new constitution. The standoff between the executive branch and opponents in the legislature turned violent in October after supporters of the parliament tried to instigate an armed insurrection. Yeltsin ordered the army to respond with force to capture the parliament building and crush the insurrection. In December 1993, voters elected a new parliament and approved a new constitution that had been drafted by the Yeltsin government. Yeltsin remained the dominant political figure, although a broad array of parties, including ultra-nationalists, liberals, agrarians, and communists, had substantial representation in the parliament and competed actively in elections at all levels of government.

On December 31, 1999 Boris Yeltsin resigned, and Vladimir Putin was named Acting President. In March 2000, he won election in his own right as Russia's second president with 53% of the vote. Putin moved quickly to reassert Moscow's control over the regions, whose governors had confidently ignored edicts from Boris Yeltsin. He sent his own "plenipotentiary representatives" (commonly called 'polpred' in Russian) to ensure that Moscow's policies were followed in recalcitrant regions and republics. He won enactment of liberal economic reforms that rescued a faltering economy and stopped a spiral of hyperinflation. Putin achieved wide popularity by stabilizing the government, especially in marked contrast to what many Russians saw as the chaos of the latter Yeltsin years. The economy grew both because of rising oil prices and in part because Putin was able to achieve reforms in banking, labor, and private property. During this time, Russia also moved closer to the U.S., especially after the terrorist attacks of September 11, 2001. In 2002, the NATO-Russia Council was established, giving Russia a voice in NATO discussions.

On March 2, 2008, The Russian Federation held an Presidential election where Dmitry Medvedev won by a landslide of 70.3%. He was the candidate supported by the previous president, Vladimir Putin. Medvedev assumed power on May 7, 2008, while Putin became his prime minister.

Moscow

Business



Muscovites have always been considered as energetic and reliable business partners. Moscow manufacturers of the beginning of the XX century Smirnov and Morozov, Merchants Eliseev and Tretyakov were famous for their enterprise, abilities to organize highly profitable production. The present Pleads of "Luzkov's sons" – bankers, constructors, businessmen are getting strength and they are not inferior in scale and resourcefulness to the previous generations.²⁸

Moscow is a huge megapolis with a labor force exceeding 6 million people, half of whom work in the private sector. One third of working Muscovites are engaged in small business.

Moscow is also a huge town-planning complex with an area of 994 km² (617 mi²) and a population of more than 8.6 million people. "New General Plan of Moscow Development till 2020" restricts construction in certain areas of the city such as the natural and historical areas, Center City or the green areas. In fact, Moscow boasts to have the most parks of any megapolis.

At the same time, the Plan gave carte-blanc for the development of business activities in "Sheremetyevo", "Vnukovo" airport, Khimkinskoe water reservoirs and some others. The investors are being offered class "A" and "B" office space funded by the city. The project includes construction of 60 buildings with 300 000 km² (186 411 mi²) high-class offices within 15 years.

Special attention in the investment plans is paid by the Moscow authorities to the development of tourist and service infrastructures and re-construction of memorials and places of interest the Russian capital. In addition, about 5 million US dollars are allocated to the development of tourism annually.

Moscow government is punctilious to the payment of its debts, including external obligations. "Deutsche Bank", a manager of the syndicate of United Europe, is the leader of Moscow world creditors. By the way, Moscow branch of "Deutsche Bank," which comprises a commercial bank and an investment company, is the largest permanent establishment among foreign banks in the Russian capital. The German bank has already assisted in attracting billions dollars to the Russian economy. Attraction of investments into production and private sector and working in the debt market are the main directions of activity of DB in Russia. It is interesting that German investments amount to nearly one third of the total volume of investments into the economy of the city. As a whole, more than 85 thousand foreign firms and companies prosper in the city.

Moscow government controls the telephone market in the city. As a result of privatization the city administration manages a company "Moscow City Telephone Communication" with the total number of subscribers exceeding 4 million and annual revenue of USD 100 million. Besides, it has about 4 million subscribers of joint net of cable television, more than 250 million users of mobile telephones and more than 200 thousand paging

²⁸ "Business." Visitor guidebook to Moscow 5 Jun 2008 <<http://www.vgp.com/moscow/business.html>>.

operators in Moscow telephone market. More than one third of millions of registered in Russia Internet users live in Moscow.

History in Brief

The first mentioning of Moscow as a settlement in the annals of history dates back to 1147.²⁹ This very year is, thus, considered to be the year of its foundation. Moscow's founder is Yuri Vladimirovitch Dolgorukiy, Prince of Suzdal. His followers in forming Muscovy were the famed Princes and Czars Andrey Bogolubskiy, Ivan Kalita, Dmitry Donskoy, Ivan the 3d, Boris Godunov, Mikhail Romanov and many others. After Peter the Great came to the throne cities and towns of the Russian state were assigned to provinces headed by governors. Till 1917 governors of Moscow faithfully served the city and the Russian state. Muscovites still remember names of many: Boyar Streshnev, Count Tchernishov, Prince Volkonskiy, Count Rostopchin, Prince Golitsin. All in all, there were more than 50 of them.

Since 1917 the functions of the local administration's head were carried out by chairmen of executive committees of the Moscow Soviet of People's Deputies. Lately these functions have been performed by mayors of Moscow. Almost nine centuries have already passed. Moscow was repeatedly conquered and destroyed but again and again it was successfully rebuilt. At present Moscow is one of the largest cities of the world. The exceptionally favorable location of Moscow gave it advantages over other cities of the emerging Russia. From the very beginning the territorial development of Moscow was determined by the need to have a reliable defense. There were constant threats of invasion by nomadic hordes from the South and East and by Lithuanian and Polish conquerors from the West. During that time such famous convent-fortresses as the Simonov, Spaso-Andronikov and Novo-Devichiy ones were built on approaches to Moscow. After the victory in the Kulikovskaya battle (1380) and the 'Ugra standing' (1480) that put an end to the Tartar-Mongolian yoke the might of Muscovy started to quickly grow.

In the 15th century by the size of its territory and population Moscow surpassed London, Prague and other largest cities of Europe. After the abolition of serfdom (1861) and in the course of developing capitalism in Russia rates of Moscow's growth increased and the city became the largest commercial and industrial center. By the end of the 19th century there were over 20 thousand commercial and industrial enterprises. Moscow's industrial structure was dominated by textile, building, woodworking and food sectors. The period of the industrial upsurge was marked by vigorous advances of the foreign capital penetrating the Russian industry. All chemical and electro technical enterprises in Moscow were in the hands of foreign companies. Moscow's machine-building industry gathered momentum in its development after the October coup. The Moscow of calico gave way to the Moscow of machine-building and electrical engineering. Retaining its very important role in producing consumer goods for the country as a whole Moscow became the powerful industrial center.

A great number of historic monuments are being reconstructed and restored. The process to preserve the historic heritage goes on and the Moscow government bodies act as its sponsors and active participants. A lot is done to make Muscovites and visitors feel nice and comfortable in the streets of the capital city. Pedestrian zones are set up, new hotels, cafes and restaurants are opened. Moscow regularly hosts major festivals, Olympiads, sports competitions and various international contests. Moscow is famous

²⁹ "Moscow-City." Tourist Information Center 20 May 2008 <<http://www.moscow-city.ru/>>.

for its museums and such exhibition halls as the Tretyakov Art Gallery, Pushkin Museum, Manege. Those, who already visited Moscow, are sure to wish to come back again. Moscow is considered one of the most beautiful cities of the world.

Places to Visit in Moscow

Red Square

Be sure to visit Red Square for a view of St. Basil's and the Kremlin.

Lenin's Tomb is open for viewing from 10 a.m. to 1 p.m. (except Monday, Friday and Sunday and those periods when the body is sent back for refreshment of the preservatives).

It is easy to get to Red Square by subway stations "Borovitskaya", "Biblioteka imeni Lenina", "Aleksandrovskiy sad", "Arbatskaya", "Teatralnaya", "Ploschad Revolyutsii", "Okhotniy Ryad". The nearest subway stations is "Okhotniy Ryad".



Kremlin

The Moscow Kremlin is situated in the very center of the capital of Russia. Its monumental walls and towers, golden-domed cathedrals and ancient palaces stand high on the Borovitskiy Hill above the Moskva River forming a magnificent architectural ensemble. Since 1991, the Kremlin has been the official residence of the President of the Russian Federation. The ensemble of the Moscow Kremlin has been included in the UNESCO World Heritage List. At the moment "The State Historical and Cultural Museum-Preserve "The Moscow Kremlin" is situated on the Kremlin's territory.



It is easy to get to the Kremlin by subway stations "Borovitskaya", "Biblioteka imeni Lenina", "Aleksandrovskiy sad", "Arbatskaya", "Teatralnaya", "Ploschad Revolyutsii", "Okhotniy Ryad". The nearest subway stations are "Borovitskaya" & "Biblioteka imeni Lenina".

The Moscow Kremlin's territory and museums open daily, except Thursdays, from 10:00 to 17:00. The Armoury Chamber has seances at 10:00, 12:00, 14:30, 16:30. If you want to visit the Kremlin and its museums on your own you can purchase tickets in the ticket offices located at the Kutafiya Tower in Aleksandrovskiy Sad (the Aleksandrov Gardens), in the Armoury Chamber and on Cathedral Square. Ticket offices are open daily, except Thursdays, from 9:30 to 16:00.

Tickets:

Full ticket price for visiting the architectural complex (no discounts) - 300 rub
(The full ticket price for visiting the architectural complex of the Cathedral Square allows free access to all the five museums-cathedrals, the Patriarch's Palace, exhibitions in the Assumption Belfry, One-Pillar Chamber and Cross Chamber of the Patriarch's Palace, as well as to the demonstration of the ceremonial of the equestrian and pedestrian

procession of the President regiment that runs on Saturdays at 12.00 in the Cathedral Square).

Full ticket price for visiting the Armoury Chamber (no discounts) - 350 rub
(*There is a very limited number of tickets, so you have to buy them early in the morning, even if you plan to visit the Chamber in the afternoon).*)

More information: http://www.kreml.ru/main_en.asp.

The State Tretyakov Gallery

The State Tretyakov Gallery is the national treasury of Russian fine art and one of the greatest museums in the world. It is located in one of the oldest districts of Moscow – Zamoskvorechye, not far from the Kremlin. The Gallery's collection consists entirely of Russian art and artists who have made a contribution to the history of Russian art or been closely connected with it. The collection contains more than 130 000 works of painting, sculpture and graphics, created throughout the centuries by successive generations of Russian artists.

It is easy to get to Tretyakov Gallery by subway stations “Tretjakovskaya” or “Polyanka”.

Tretyakov Gallery is open daily, except Monday, from 10 a.m. to 7:30 p.m. (ticket office is open from 10 a.m. to 6:30 p.m.)

Full ticket price: 250 rubles.

More information: <http://www.tretyakov.ru/english/>

Arbat

The Arbat is Moscow's most charming and lively pedestrian street. Once a Bohemian quarter of the city, littered with cafes crammed full of the capital's intellectual elite, the Arbat still retains a vibrant and artistic air today, with souvenir stalls selling traditional Russian gifts, artists offering original canvases and street performers entertaining the shoppers.

The street boasts an impressive selection of cafes, restaurants and bars, where you can sample everything from a decent cup of coffee and a French pastry, to a genuine Lebanese shawerma (kebab) or a tasty thick milkshake in a genuine 1950s American Diner. The Arbat is a symbol of old Moscow and its name is mentioned in the city chronicles as far back as 1493. In that year the whole city was engulfed in a terrible fire, thought to have been sparked by a candle in the Church of St. Nicholas in Peski, which is situated on the Arbat.³⁰

Notable sights around Arbat are Smolenskaya Square, where the western end of Old Arbat leads out onto the Garden Ring road. One of Moscow's skyscrapers, which belongs to the Ministry for Foreign Affairs, stands on Smolenskaya, the twin tower blocks of Intourist Belgrade Hotel rise on opposite side of square. A short walk away from the main road brings you to the Pushkin Apartment Museum (No. 53), the poet Moscow's residence after 1826. The Museum is by guided tour only, every 30 minutes in Russian, or in English, by special arrangement. Open Weds-Sun 11 a.m.-6 p.m., closed last

³⁰ Information in this section is gleaned from: “The Arbat.” [Moscow-Taxi.com](http://www.moscow-taxi.com/sightseeing/arbat.html).
<<http://www.moscow-taxi.com/sightseeing/arbat.html>>. June 2, 2008.

Friday of the month. Building No. 42 houses Georgian Cultural Center including Mziuri, a reasonably priced Georgian restaurant. Exclusive and luxury Arbat Hotel stands in quiet surroundings just off the Arbat on Plotnikov Pereulok.

To get to Arbat, take subway to “Arbatskaja” station.

More information: <http://www.transsib.com/moscow/Arbat.html>.

Bolshoi Theater

Bolshoi Theatre has always been and remains one of the major symbols of the Russian nation and its culture. Since the beginning of the 21st century, after a long break, the theatre repertoire started including the masterpieces of Russian composers of the 20th century seen nowadays as the national classical heritage. In the recent years the Bolshoi has introduced the audiences to the operas *The Gambler* and *The Fire Angel* by Sergei Prokofiev, *Lady Macbeth of Mtsensk* by Dmitry Shostakovich. as well as to the ballet *The Bright Stream* by Dmitry Shostakovich. Soon another opera by Sergei Prokofiev, *War and Peace*, will join the repertoire. In the centennial year of Dmitry Shostakovich all three of his ballets, *The Bright Stream*, *The Bolt*, and *The Golden Age*, will be represented in the playbill of the Bolshoi for the first time in history.



Repertoire in June includes:

“Tosca,” opera in three acts – Friday, June 20; Saturday, June 21;
Monday, June 23, 7 p.m.

Libretto by Giuseppe Giacosa and Luigi Illica based on Victorien Sardou’s play of the same name.

“Don Quixote,” Ballet in three acts – Sunday, June 22 at 7 p.m.

Libretto by Marius Petipa after the novel of the same name by Miguel de Cervantes.

Full listing: <http://www.bolshoi.ru/en/poster/>.

To get to Bolshoi Theater, take subway to “Teatralnaya” station. Directions in English are available at: <http://www.bolshoi.ru/en/buy/hfu/>.

More information: <http://www.bolshoi.ru/en/>.

St. Petersburg

Economics & Business

Saint-Petersburg is often called the Northern Capital of Russia. It is the fourth largest megapolis of Europe. Its geopolitical, intellectual, economical, cultural and historical advantages are unique.³¹



The strategic target of the city Government is to turn Saint-Petersburg to the city with European living standards. Framework for dynamic development of economy is created in the city: tax privileges for business organizations, engaged in capital investments; terms of Government guarantee are defined, land fee system was amended to promote the rational land use and transfer land to the market commodity. On average the land ransom value for structure's owners is reduced three times.

The city economy continued to grow rapidly in 2004. High growth was reached due to raise of competitive advantages of regional industry and business.

Increase of investment appeal in Saint-Petersburg derives from a score of reasons. Firstly, Saint-Petersburg is a pioneer in the field of direct investments. Secondly, the city takes an active part in international exhibitions, this is an excellent way to look attractive in the international market. Thirdly, the Government's decision-making process has become transparent. The fourth, it is the first city with launched open auctions for land plots rights.

Volume of foreign investments into economy of the city in 2004 has increased by 40% and has made about \$900 million. Principal European, international and Russian firms have entered the investor base. For example, construction of a multifunctional complex "The Baltic Pearl" by Shanghai Overseas United Investment Company with total investment \$1.5 billion — this is an all-time record in terms of foreign investments volume in Saint-Petersburg. The big projects are also implemented by leading Russian companies. Construction of the plant "Severstal" on manufacturing large-diameter pipes in town Colpino was begun. The total investment is \$430 million.

Correct fiscal policy and low level of debt provide steady growth of Saint-Petersburg under international rating scale. Last year's rating of Saint-Petersburg was raised by international agencies two times. And for the first time it became equal to Moscow's. In addition, the city's rating was awarded an investment status. Thus Saint-Petersburg officially has become investment attraction area that indicates the height of financial solvency.

The fact that large international companies have come to Saint-Petersburg presents Petersburg as leading center for the leaders of Russian business and indicates a new scale in the list of attraction areas of Europe.

³¹ "Economics and Business." St. Petersburg Open City 20 May 2008 <<http://www.st-petersburg.ru/en/economics/>>.

Places to Visit in St. Petersburg

The Hermitage Museum & the Winter Palace

The State Hermitage occupies six magnificent buildings situated along the embankment of the River Neva, right in the heart of St. Petersburg. The leading role in this unique architectural ensemble is played by the Winter Palace, the residence of the Russian tsars that was built to the design of Francesco Bartolomeo Rastrelli in 1754-62. This ensemble, formed in the 18th and 19th centuries, is extended by the eastern wing of the General Staff building, the Menshikov Palace and the recently constructed Repository. Put together throughout two centuries and a half, the Hermitage collections of works of art (over 3,000,000 items) present the development of the world culture and art from the Stone Age to the 20th century.



The main museum is open Tuesdays – Saturdays from 10.30 a.m. to 6.00 p.m.; Sundays from 10.30 a.m. to 5.00 p.m. Closed Mondays. Ticket windows shut one hour before the museum closes. The Winter Palace of Peter the Great shuts one hour before the main museum closes.

Tickets:

One Day Simple Entrance Ticket - \$17.95

Two Day Combined Entrance Ticket - \$25.95

(You can purchase tickets online at the museum's website and pick them up at the museum)

Closest subway station: *Vasileostrovskaya*.

More information: http://hermitagemuseum.org/html_En/index.html

Peter & Paul Fortress

The Peter and Paul Fortress is the original citadel of St. Petersburg, Russia, designed by Domenico Trezzini and founded in 1703. The fortress contains a number of buildings including the Peter and Paul Cathedral, where all Russian tsars from Peter I to Alexander III are interred; the remains of the Imperial martyrs, Nicholas II and his family and entourage, were also interred there, in the side St. Catherine's Chapel, on the 80th anniversary of their deaths, July 17, 1998. Towards the end of 2006, the remains of Dowager Empress Maria Feodorovna, mother of the murdered Nicholas II, who died in 1928 were brought from Roskilde Cathedral outside Copenhagen, Denmark to finally rest next to her husband, Alexander III. The newer Grand Ducal Mausoleum is connected to the cathedral by a corridor. The latest burial there was of Nicholas II's first cousin once removed, Grand Duke Vladimir Cyrilovich, son of Grand Duke Cyril Vladimirovitch. Other structures inside the fortress include the still functioning Mint building, the Trubetsky bastion and the City Museum.³²

The museum is open 10 a.m. – 6 p.m. Thursday through Monday; 10 a.m. – 5 p.m. on Tuesday. Closed on Wednesday.

³² Information in this section is gleaned from "Peter and Paul Fortress" by wikipedia.com. <http://en.wikipedia.org/wiki/Peter_and_Paul_Fortress>. June 4, 2008.

Tickets:

Full price admission for non-Russian citizens – 170 rubles.

Closest subway station: *Gorkovskaja, Sportivnaja.*

The St. Isaac's Cathedral

St. Isaac's Cathedral is an outstanding monument of Russian architecture of the 19th century and one of the greatest dome constructions in the world, smaller in size only in comparison with the Cathedral of St. Peter in Rome, St. Paul's Cathedral in London and Santa Maria del Fiore Cathedral in Florence.³³ Grandness of this temple is shown by its size: the height of the building is 101.5 m (333 ft); the length is 111.2 m (365 ft); and the width is 97.6 m (320 ft). The time when the Cathedral was built coincided with the height of Russian classicism characterized by monumentalism, greatness, austerity of proportions, and a harmonious fit in the environment. Architects frequently turned to traditions of antiquity, and used the motifs of Ancient Greece and Rome, and the Italian Renaissance.



The facades are decorated with porticoes with granite columns 17 m in height, weighing 114 tons each. The columns rest on granite stylobates which incorporate the steps leading to the cathedral. St. Isaac's Cathedral is the only monument of Russian classicism (except for A. Rinaldi's Marble Palace) where polished granite columns and marble are used in the external decoration. St. Isaac's Cathedral is a brilliant example of the synthesis of architecture with various kinds of arts and crafts. Its numerous magnificent pictures, mosaics, sculptures, an effective combination of colored stone and gilding create the rich, deep color palette.

Tickets:

Full price cathedral admission – 300 rubles

Full price admission to go up to the main dome - 150 rubles

Open: 10 a.m. to 8 p.m. (Ticket office closes at 7 p.m.)

Main dome entrance: 10 a.m. to 7 p.m.

Closed: Wednesdays.

At the ticket office, you can purchase tickets for a 4-hour bus tour "Cathedral Ring" to visit four famous St. Petersburg's cathedrals:

- St. Isaac's Cathedral
- The Church of Resurrection (Savior on Spilled Blood)
- The ensemble of Smolny Cathedral of Resurrection for All Educational Establishments
- St. Sampson Cathedral

Subway stations: *Gostinyj Dvor, Nevskij Prospect, and Kanal Grobiedova.*

More information: <http://eng.cathedral.ru/>.

³³ Information in this section is gleaned from the official website of St Isaac's Cathedral <<http://eng.cathedral.ru/>>. June 3, 2008.

Mariinsky Theater

Empress Catherine II issued an imperial edict that "Russian Theatre should be not merely for comedies and tragedies, but also for operas." This decree of June 12, 1783 to the Russian company performing in the specially built Bolshoi (Stone) Theatre envisaged the "production of one or two serious operas and two new comic operas per year." This date is considered the starting point in the history of the Mariinsky Opera Company.

The Mariinsky Ballet Company is closely linked with the entire history of the development of Russian choreographic art which has begun some 250 years ago. Since 1783 the company performed at the stage of the St Petersburg Bolshoy (Stone) Theatre and from 1885 onwards the ballet productions have been staged at the Mariinsky Theatre.

Repertoire for June 24-26

June 24 7 p.m.

Main hall: Graduation performances by the Vaganova Academy (*ballet*)

Concert hall: Bryn Terfel Gala Performance (*concert*)

June 25 7 p.m.

Main hall: "Elektra" (*opera*)

June 26 7 p.m.

Main hall: "Swan Lake" (*ballet*) – *sold out*

Concert hall: Jean Sibelius. Violin Concerto Soloist: Sergei Khachatryan (*concert*)

Closest subway stations: *Sennaya* and *Sadovaya*.

Map available: <http://www.mariinsky.ru/en/info>.

Buy tickets online: <http://www.tickets.mariinsky.ru/index.php>

More information: <http://www.mariinsky.ru/en/opera/history2>

Additional Resources

- "2007 Russian Automotive Industry Newsletter, Vol. 1." U.S. Commercial Service.
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- "Doing Business in Russia: 2008 Country Commercial Guide." U.S. Commercial Service.
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- "Doing business and investing in the Russian Federation." PriceWaterCoopers.
<[http://www.pwc.com/extweb/pwcpublications.nsf/docid/E70BAEC31B0C17D8802571FC005699D4/\\$file/PwC_doing_business_in_russia08.pdf](http://www.pwc.com/extweb/pwcpublications.nsf/docid/E70BAEC31B0C17D8802571FC005699D4/$file/PwC_doing_business_in_russia08.pdf)>. June 4, 2008.
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- "Recent Developments in the Russian Pharmaceutical Market." U.S. Commercial Service. <http://www.buyusainfo.net/docs/x_256436.pdf>. August 2007.
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<<http://www.doingbusiness.org/ExploreEconomies/?economyid=159>>.
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