

IN GENERAL

- EXAMINE THE OPTION OF ESTABLISHING A JOINT VENTURE WITH YOUR CUSTOMER FOR THE PURPOSE OF EXPORTING AND IMPORTING THE PRODUCTS IN QUESTION AS LICENSING REQUIREMENTS, TARIFF RATES AND H/C RETENTION QUOTAS ARE MUCH MORE FAVOURABLE.
- IMPRECISE RULES AND REGULATIONS HAVE IN THE PAST ALLOWED BUYERS TO CIRCUMVENT SOME OF THE MORE STRINGENT RESTRICTIONS AND REGULATIONS APPLYING TO NORMAL EXPORTS AND IMPORTS.
- IN ORDER TO DO ANY SUBSTANTIAL BUSINESS, PERMANENT PRESENCE IN THE FORM OF PEOPLE AND AN OFFICE IS SUGGESTED. THIS IS SO YOU CAN NOT ONLY IDENTIFY OPPORTUNITIES BUT ALSO STAY IN REGULAR PERSONAL CONTACT WITH YOUR CUSTOMERS AND BE AWARE OF ANY ATTEMPTS BY COMPETITORS TO WIN THEM OVER. TO SET UP AN OFFICE ACCORDING TO WESTERN STANDARDS EXPECT TO PAY UP TO \$200,000 (US) PER YEAR. UP TO NOW, THREE TO FOUR YEARS HAS BEEN NECESSARY BEFORE ANY REAL PAYBACK ON THIS INVESTMENT HAS BEEN REALIZED.
- LOWER PROFILE OFFICES USING A LOCAL AGENT OPERATING OUT OF HIS/HER APARTMENT CAN BE ESTABLISHED FOR ANYWHERE FROM \$200 TO \$500/MONTH AND UPWARD. FORMER MINISTRY OFFICIALS WITH GOOD CONTACTS ARE BEST IN THIS REGARD.
- CAUTION AND CLOSE MONITORING OF THE ACTIVITIES OF LOCAL AGENTS IS ADVISED.

TRANSPORTATION

GIVEN THE CURRENT CONDITIONS IN THE CIS, TRANSPORTATION IS A KEY AND PROBLEMATIC AREA IN BOTH THE DELIVERY OF YOUR EXPORT PRODUCT AND THE PURCHASE OF THE "COUNTERTRADE" PRODUCT.

- WHILE SHIPPING IS AVAILABLE TO ST. PETERSBURG, THE BALTICS AND THE BLACK SEA, THE PRIORITY GIVEN TO BERTHING OF SHIPS AND THEIR DISCHARGING IS PROBLEMATIC AND SUBJECT TO ADDITIONAL "NEGOTIATION". COMPANIES HAVE COMMENTED THAT ODESSA IS PARTICULARLY BAD IN THIS REGARD.
- IN-LAND TRANSPORTATION ARRANGEMENTS FROM PORTS CAN BE MADE AND PAID FOR IN RUBLES. HOWEVER, THE ARRIVAL OF ARRANGED TRUCKS OR RAIL CARS IS NOT GUARANTEED. TO BE ASSURED OF ARRIVAL, GOOD CONTACTS AND PAYMENT IN US DOLLARS IS RECOMMENDED.
- SECURITY OF YOUR SHIPMENT, EITHER INGOING OR OUTGOING IS PARAMOUNT. THEFT IS COMMON PARTICULARLY FOR VALUABLE SHIPMENTS (ELECTRONICS, FOOD PRODUCTS AND PHARMACEUTICALS).