

# RUSSIA

## OVERVIEW

Although the actual size of the market is difficult to estimate, the current transition to a market economy in Russia has led to an increasing number of foreign companies setting up offices in Russia and forming joint ventures with Russian companies. This increased business activity, which has resulted in the construction of new offices and the refurbishing of older buildings, also represents a growing market for Western-style furniture. Political and social unrest, however, have slowed growth somewhat.

## SOURCES OF SUPPLY

The presence of domestically manufactured furniture corresponding to international standards is still limited on the Russian market. Present sophisticated demand is largely met by imported goods from the U.K., Italy, Germany, Finland, etc.

So far, one Canadian company has succeeded in this market. The company intends to set up manufacturing facilities in various locations within the Commonwealth of Independent States for manufacture of tubular furniture.

## BUSINESS ENVIRONMENT

Marketing and distribution channels are generally limited to demonstration halls and advertising in local media.

### Importers/Trading Houses of Office Furniture

- Kolve Company, 49, Leninsky Prospekt, Moscow, Tel/Fax: 135-8210.
- Corporate Image LVS Group, 65 Profsoyusnaya Str., Moscow 117806, Tel: 330-1606, 330-3733, Fax: 330-3693
- Trading House "Erlan", 46, Ozernaya Str., Moscow, Tel: 437-9908, Fax: 437-2910.

The preferred language to do business in is Russian. Printed brochures are an asset.

There is a customs import duty on furniture of 15% and a Value added tax (VAT) of 20%. There are no non-tariff barriers to trade. Possibilities for joint ventures/technology transfer do exist with the key to success being choosing the right partner.

## PROMOTIONAL ACTIVITIES

The following are trade shows in the furniture sector: Bank and Office 94, from November 14-19, 1994; The Fifth International Exhibition on Equipment for Banks and Offices, October 23-28, 1995; and Mebelindustriya 94, November 15-20, 1994. These shows are organized by Expocentr, a/o Expocentr, Firm Mezhevystavka, Sokolnichesky Val, 1-A, Russia, 170113, Moscow, Tel (095) 268-7750, Fax: (095) 288-9537, Telex 411185 Expo.

Post's Overall Opinion: *Some Canadian activity to date, and possibilities exist for joint ventures/technology transfers in this slowly growing market.*