

CANAD EXPORT



Focus on Russia

Russia: An Emerging Market of Enormous Potential Message of Canada's Ambassador to Russia

Dear reader,

Much has been written about Russia since the break up of the Soviet Union. Too many people focus on the difficulties, and overlook the fact that this is still an enormous country, 9,000 km long with 11 time zones, a huge and rich country with 150 million highly educated citizens.

The Russia of today is very different from six years ago. Seventy per cent of the enormous state sector has been privatized, central planning eliminated, prices decontrolled, foreign trade liberalized, and a modern banking system built. All in five years. It hasn't been easy to transfer central decision making to thousands of autonomous businesses

across the largest country on earth, but the market is shaking down and taking hold.

Political events in Russia will continue to fascinate, but the good news is that the democratic process does seem to have anchored itself in society. June presidential elections are the final stage of electoral renewal. Regardless who becomes president, Russia cannot turn back the clock, and it will continue to be a promising place for Canadian companies to do business.

Russia is too important to be ignored from an export standpoint. The country regularly has a merchandise trade surplus due to its abundant natural resources, and it needs everything any

other modern economy needs. Oil and gas equipment, food products, communications equipment, construction materials; in these and other sectors companies from the U.S. Europe and Asia are eagerly positioning themselves in the market.

Russia is also progressively integrating into the international community and world markets. From an investment standpoint, companies from around the world are getting involved in Russia, in the sure knowledge that in 20 years the Russian economy will be a powerhouse. Many Canadian businesses are already active, especially in regional centres. It can still be a complex business environment, definitely not for the fainthearted, but the business consensus is that the application of time and energy will earn major long term rewards.

I look forward with my team to supporting your endeavours in this challenging market.

Jeremy Kinsman

St. Petersburg and North-West Russia

by Ann Collins, Consul General, Canadian Consulate General, St. Petersburg

Dana Wilgress, Canada's first trade envoy to Russia, visited Petrograd — then the capital — during the "white nights" of 1916. He was en route to his post in Omsk and was carrying catalogues from Canadian manufacturers with instructions to identify commercial opportunities. Once again, St. Petersburg has become the gateway to Russia for many Western firms.

A major port, it is the country's second-largest scientific and commercial centre. Today, our Consulate General in St. Petersburg assists Canadian business in this city of 5 million and in other markets of North-West Russia — the Republic of Karelia, and the Leningrad, Pskov, Novgorod, Murmansk and Arkhangelsk regions.

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St. Petersburg*

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