

Business in Russia

With its rich natural resources, a well-educated workforce and a reforming industrial base Russia has the potential for substantial future growth.

Russia is the largest country in the world. It is the eighth largest retail market in the world and the fourth-largest market in Europe. Despite slowing growth, and reduced public and private investment programmes, opportunities do remain due to the Russian oil and gas boom. It remains a long term market of great potential for British exporters and investors. UK-Russia economic relations remain strong.

Russia is the UK's fastest-growing major export market and the third-largest export market outside Europe and North America, with favourable cross-sector opportunities, some unique in scale. The government's economy modernisation and infrastructure development agenda, underpinned by 140 million consumer's appetite for quality services and goods, produces a need for international expertise and products. UK exports to Russia in 2011 increased by 39% from 2010, and equalled £4.78 billion. Since 2001 UK-Russia trade has been growing by an average of 21% year on year.

What are the opportunities?

Western goods and expertise remain in demand. The most promising opportunities for UK companies are in the Advanced Engineering, Financial Services, ICT, Power/Energy, Sports & Leisure Infrastructure (particularly the Sochi 2014 Winter Olympics), Airports, Construction, Creative Industries, Rail and Water.

Biotechnologies and Pharmaceuticals sector in Russia

Russia is the largest market in Central and Eastern Europe, and among the ten largest pharmaceutical markets in the world (it took 7th place at the end of 2012)

Market overview

- According to the DSM Group, the value of Russian pharmaceutical market in 2012 amounted to 921 billion roubles in consumer process, which is 12% more than in 2011. Russia was ranked third in the world for growth rate.
- This market heavily depends on imports. The value of pharmaceuticals import to Russia in 2012 amounted to 14.4 billion US dollars, which is 9% higher than in 2011 (DSM Group Data)
- Russia's entry to the WTO should provide a clearer regulatory pathway for foreign original drug makers through strong intellectual property (IP) legislation.

Key opportunities

- Russian pharmaceutical producers will have to switch to Good Manufacturing Practice (GMP) standards starting from January 1, 2014. This opens opportunities for UK providers of GMP compliant technology and equipment.

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

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Contacts:

Elena Anisina (British Consulate General in Ekaterinburg), Tel: +7 343 253 5605;

Email: elena.anisina@fconet.fco.gov.uk

Maria Semchenkova (British Embassy Moscow), Tel: +7 495 956 7372 or

email: maria.semchenkova@fco.gov.uk