

COUNTRY: RUSSIAN FEDERATION**FACTS:**

Area: 17.125.191 km²

Population: 146.745.098

Government: Presidential-parliamentary republic with a federal structure

Language: Russian

Religion: De jure Russia is a secular state. There is no official statistics on different religions in Russia. Christians (mainly Orthodox), Muslims, Buddhists, Jews, as well as representatives of other religious movements live in Russia. According to the latest data from All-Russian Center for the Study of Public Opinion (VTSIOM), the share of Russian citizens who consider themselves Orthodox is about 75%.

Currency: Russian ruble

Time difference from CET: +1 for Kaliningrad, + 2 for Moscow, + 9 for Vladivostok

Climate: The territory of Russia is located in the Arctic, subarctic, temperate and partially in subtropical climatic zones. The predominant part of the territory is located in the temperate zone.

Capital: Moscow

National Day: The 12th of June

TIME:**HOLIDAYS AND VACATION:**

The state holidays are

- New Year, Christmas (January 7)
- Defender of the Fatherland Day (February 23)
- International Women's Day (March 8)
- Spring and Labor Day (May 1)
- Victory Day (May 9)
- Russia Day (June 12)
- National Unity Day (November 4)

Russians are enjoying winter holidays usually lasting from Jan.1 to Jan.8. In addition, summer months are popular for vacation.

OFFICE HOURS:

9-18

MANNERS AND CUSTOMS:

COURTESY:

At the first meeting it is quite common to shake hands introducing yourself and exchanging visit cards. Be ready to start with some general questions not related to a subject of negotiations, for example about weather, your way of travelling, whether it is your first visit to Russia etc.

Very important thing to know is that it is a common practice in Russia to follow the first day of meeting with a lunch at a restaurant, where hard drinks can be on table. However, the ability to stay sober and modest is appreciated.

DRESS:

Russians are rather flexible in dressing. Formal suit with a tie is dressed at a formal event, while jacket and shirt without tie for an informal meeting are quite suitable.

BODY LANGUAGE:

Be stick to modest, not too relaxed behavior and try to pay more attention to your partner. Be polite to everyone. It is undesirable to look away from a partner that is eye contact is important. Avoid giving evasive answers.

NEGOTIATION:

BUSINESS MEETING:

Following timeline is important. Moreover, it is advisable to be five to ten minutes early for scheduled time. Very little small talk on general topic before starting negotiations is quite common. At the first meeting a short introduction is common.

NEGOTIATION SKILLS:

Detailed offer including price list and other provisions of a negotiated deal are very important. Start the negotiation with clarification whether you are a decision-maker. In case the decision-making process will be long it is important to identify when a final decision can be taken and what you need from the Russian partner to achieve a positive result. Avoid high-pressure tactics in negotiations as it may make a partner to become more closed to negotiations. Do not get distracted by other topics when discussing business proposals. Sometimes decision may be taken before the meeting and in this case, there must be serious causes to change it.

INVISIBLE CODES:

Be punctual. Although a 5-minute late for the meeting is usually considered acceptable, it's much better to be five to ten minutes well in advance before the scheduled time. If not, let your partner know that you will not be able to make it in time.

ETHICS:

Usually the Russians don't like to talk about politics, freedom of speech, human rights, to less extent religion with foreigners being aware of differences Russia and the western countries have in these fields. They prefer to be focused on working talks rather than discussing politics, especially regarding internal life in Russia.

COMMUNICATION:

Not all Russians speak and write English, not to mention other languages. Therefore, referring to interpreters is acceptable. Although, there is an increasing belief in Russian business community that people involved in international cooperation are required to at least speak English. Therefore, the language barrier in communication with Russians is gradually disappearing.

GIFTS:

It is better to avoid giving gifts at business meetings. Sometimes Russian partners can give you small trinkets with the symbols of their company or Russia, for example, Russian doll (*matreshka*). And on the contrary, such kind of small gifts are acceptable from the foreign partners. Of course, it is not the case with the precious gifts, which are now strongly unwelcomed in business relations in Russia.

REPRESENTATION:

AT A RESTAURANT:

As mentioned above, it is quite common to follow one of the meeting days with a lunch time in a restaurant. All kinds of alcohol, including beer, wine and hard drinks are usually offered to guests. However, not drinking alcohol at all is quite acceptable. In any case, despite the reputation of Russians as big lovers of Russian vodka, drinking a lot of alcohol at a meeting with partners is considered a bad behavior.

IN THE HOME:

Being invited to a Russian home a bottle of wine and flowers to a hostess are welcomed.

OTHER:

COUNTRY AND PEOPLE:

Russia is a very big multinational country where people might differ significantly in mentality, culture and their traditions. For example, doing business in Kaliningrad region and in the Caucasus are quite different things. However, there is one common characteristic about Russians, which should be taken into consideration: Russians are fond of joking on themselves, about their shortcomings and everyday difficulties, but they don't like it when foreigners joke on these topics. However, good sense of humor is highly appreciated.

CHALLENGES:

Rules and regulations for business activity in Russia differ significantly from the EU business laws. In addition, there are several territories in Russia, where a special economic zone regime is implemented with customs and tax benefits for the companies involved in the international business activities. One of such territories is Kaliningrad region.

Some uncertainty and unpredictability of the country's business law is also a feature to be taken into consideration when entering into Russian market.

WHAT IS THE WORST THAT CAN HAPPEN:

Not knowing Russian business rules and regulations may cause big losses and even make it impossible to extend your business activity to Russia.

WHEN IT WORKS WELL - WHAT HAS TO BE IN PLACE:

Be well prepared for doing business in Russia. Make research on national business laws and regulations. Moreover, it is strongly advisable to have Russian consultant on spot given rather complicated for foreigners domestic business law. Have your goals of doing business in Russia quite clear and understandable. It is very important to show that you are committed to a long-term cooperation. Visa issues can also be a significant obstacle to be tackled when establishing business in Russia.

INFORMATION AND/OR KNOWLEDGE AND/OR SKILLS:

Information and knowledge of the Russian market, national business laws as well as skills in the selected fields are very important for doing business in Russia.

WHAT MAKES THE INFORMATION AND/OR KNOWLEDGE AND/OR SKILLS IMPORTANT:

Neither knowing Russian business laws, nor having access to professional consulting service on spot will most likely prevent you from succeeding in establishing good business cooperation in Russia. You should

also be skillful and competent in the selected for business field, being ready to share your knowledge, expertise and know-hows with a Russian partner in order to make Russia-based business competitive.

SITUATION - BEHAVIOUR - RESULT:

Behaving in the above described way one could be accepted and trusted to start and develop business in Russia and it will probably go well.