

Doing lighting business in Russia



Russian Lighting Information Forum
Guangzhou
June, 10 2014



This is Russia

Take aways

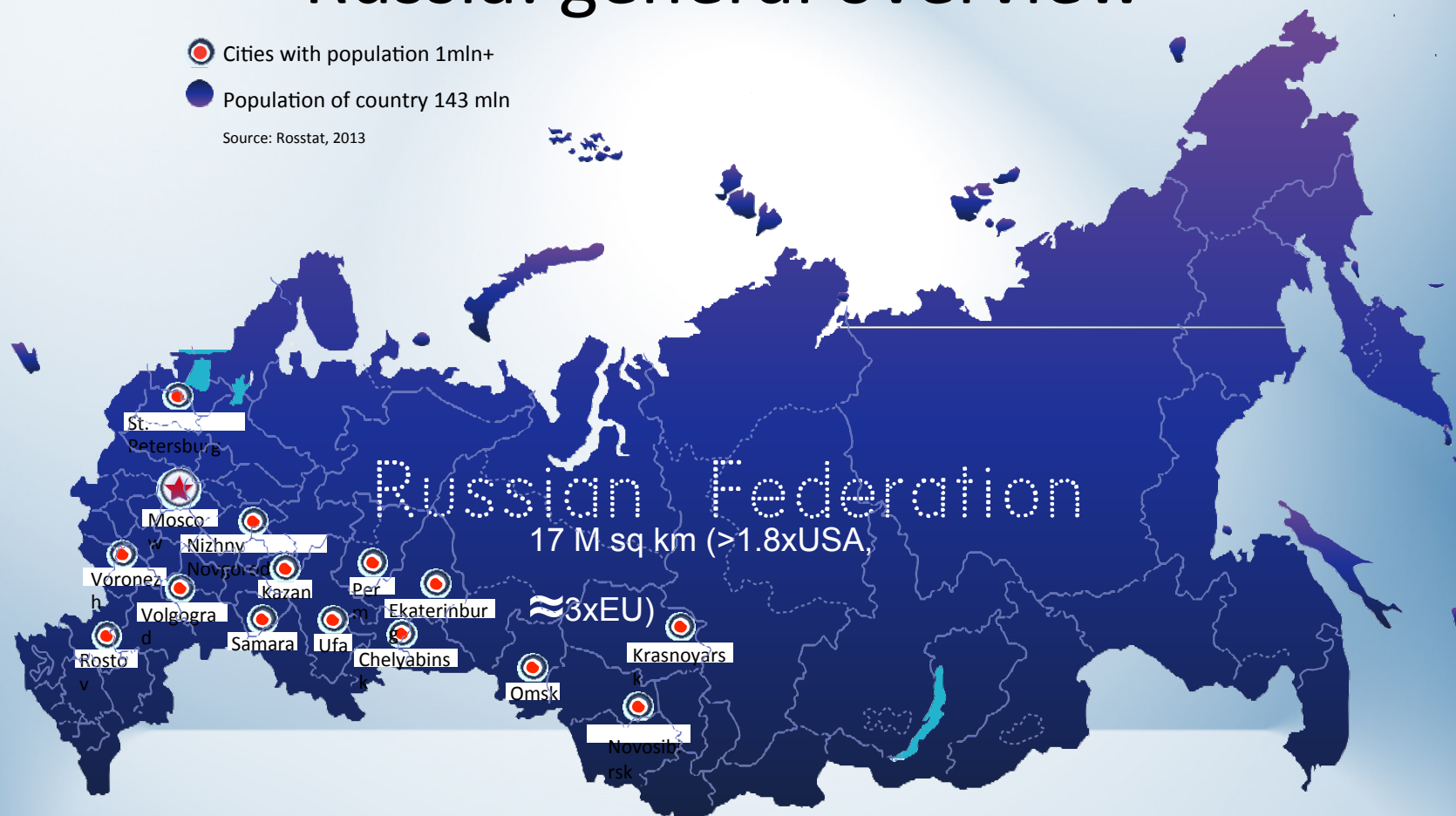
- Negotiation
- Relationship
- Partnership
- Guarantee
- Time
- Staff
- Skills



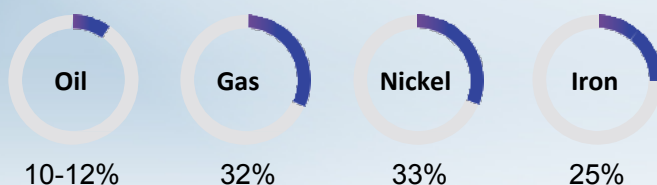
Russia: general overview

-  Cities with population 1mln+
-  Population of country 143 mln

Source: Rosstat, 2013



RUSSIA'S SHARE IN WORLD RESERVES:



KEY ECONOMIC SECTORS:



Government initiatives in lighting

- Lighting is one of the five priorities in “Strategy 2020” of the Russian Federation
- Expected spending on lighting modernization under the State Program on Energy Efficiency 2011-2020 amounts to 9.3 Bln USD
- Number of lighting points with energy-efficient lighting sources in state institutions is to grow from 91 mln pcs in 2011 to 171 mln pcs in 2020
- Share of CFL and LED lamps in households is to grow from 15% in 2011 to 83% in 2020
- Share of energy-efficient industrial luminaries is to grow from 37% in 2011 to 73% in 2020
- The share of energy-efficient street luminaries is to reach 99% in 2020



Market drivers

- Accession to WTO: gradual decrease in customs duties
- Healthy demand for commercial real estate: offices, shopping malls, multifunctional centers, hotels, warehouses
- Forthcoming International sport events
 - 2015 – FINA World Aquatics Championships
 - 2016 – World Hockey Championship
 - 2018 – FIFA World Cup
- Major infrastructure projects:
 - High speed railways: 22 Bln USD to be invested by 2018
 - Development of the Far Eastern Region: 14.4 Bln USD to be invested by 2017
 - Central Moscow Ringroad: 8.6 Bln USD to be invested in 2014-2022
 - China-Russia 400 bln USD deal on gas

Doing lighting business in Russia

- Red Tape - dealing with bureaucrats.
- Dealing with government and state institutions as a customer.
- Market dynamics very volatile be ready for everything.
- Norms and Standards – different.



Doing lighting business in Russia

- Dealing with different parts of market requires different skill set!
- How to import your goods in Russia on time and in full?
- Time has different connotation for different nations and even regions of Russia!



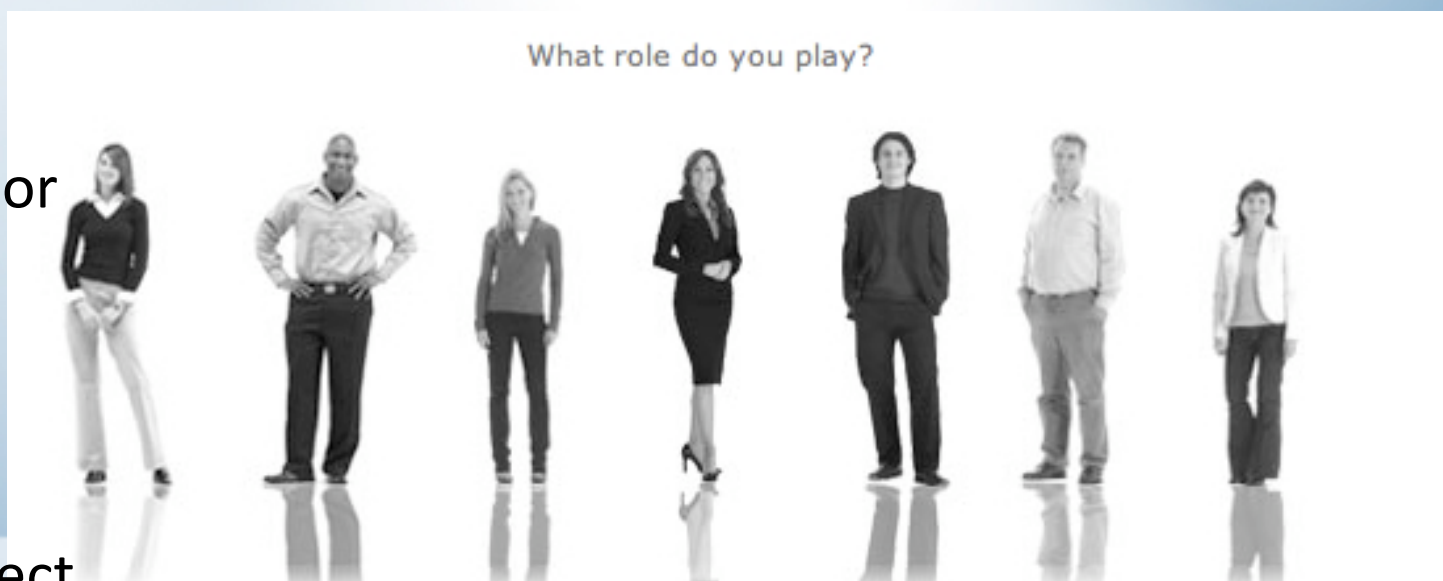
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The Russia lighting businesses – do not stereotype!

○ Wholesaler

○ Installer

○ Integrator



○ Architect

○ OEM

○ Lighting designer

Players want to be everything!

Sometime the same Name – but often unexpected Role!

How to be successful?

- Negotiations



- Relationship



- Guarantee



Who to trust or who to bet on?

Two ways you can do it.....

1. You do it Yourself

2. You can find a Partner



You can go very fast alone

but you can go very far with a partner!

***SO OPEN RUSSIA WITH THE ONE
WHO KNOWS IT THE BEST!!!***





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