



Doing Lighting Business in Russia

Lighting Business Consulting...

...The only Russian consulting company specialized in assisting Foreign companies in entering and dealing with the Lighting market of the Russian Federation and CIS countries

...Owned and managed by the lighting professionals who have been shaping the Lighting industry in Russia over the last 16 years

...Maintains all-encompassing market intelligence process on the Lighting market of Russia to assist decision making for Lighting Stakeholders



Vladimir Gabrielyan

President

Successful experience since 1991 in General Management positions in Russia, Central and Eastern Europe with leading multinational companies in healthcare, lifestyle and lighting industry sectors. Strong expertise in B2G, B2B, B2C and FMCG.

15 years of work for Philips Lighting in various functions and geographies;
Since 1997 has been building leadership position of Philips Lighting:
in Russia as Regional Sales Manager, National Sales Manager, General Manager;
in Central and Eastern Europe as GM for Russia & CIS and Vice-President & General Manager for Market Group C&EE.

MS in Languages and Communication, Moscow Linguistic University
EMBA UFSIA, Antwerp, Belgium INSEAD
Wharton



Sergey Borovkov

Managing Partner

10 years of work for Philips Lighting Russia in various functions: GR, sales, strategic sourcing, marketing.
Broad business experience. Wide network of contacts among local and international lighting companies, governmental organizations, business associations and NGOs.

Achievements

Participation in the Parliament working group (WG) on energy saving and energy efficiency legislation;
Participation in the Ministry of Economic Development WG on energy efficiency stimulation;
Participation in WGs of several business associations on waste management legislation lobbying;
Introduction of the ESCO model in lighting business in Russia; Localization of Philips lighting products in accordance with EU standards and specifications.

Membership

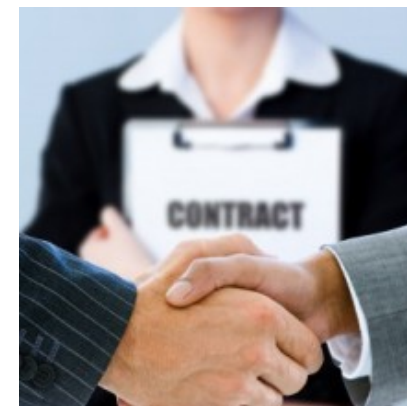
Expert of the UNDP Program for Energy Efficient Lighting
Expert of Skolkovo Fund (Cluster of Energy Efficient Technologies)

Education



Moscow Power Engineering Institute, Engineer
All-Russian Academy of Foreign Trade, Economist

Take aways...

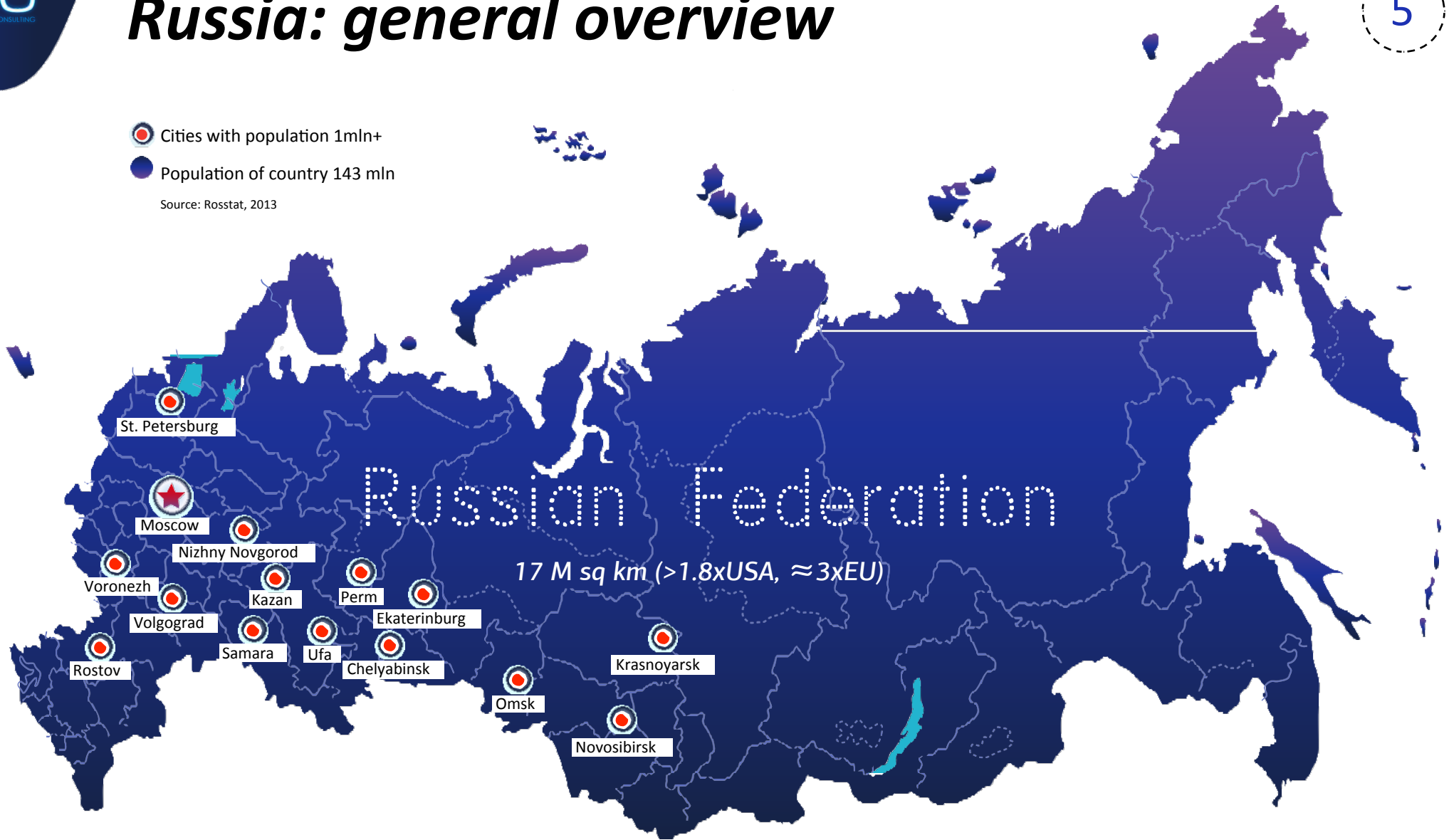
- Negotiation
- Relationship
- Partnership
- Guarantee
- Time
- Staff
- Skills



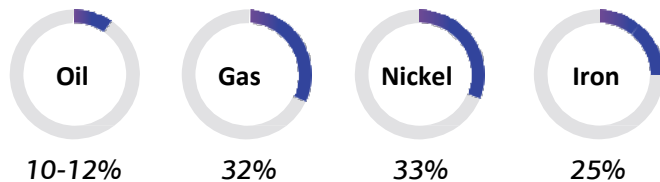
Russia: general overview

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

Source: Rosstat, 2013



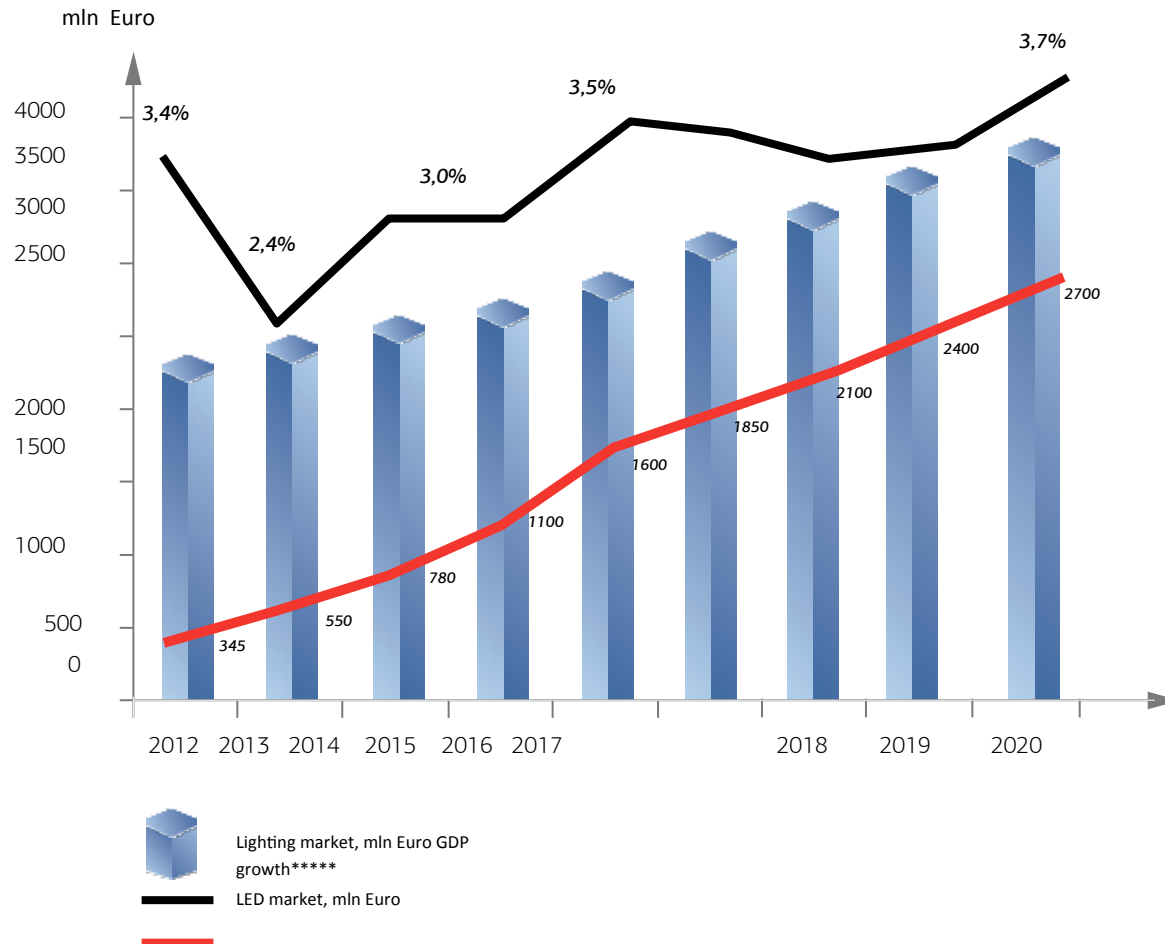
RUSSIA'S SHARE IN WORLD RESERVES:



KEY ECONOMIC SECTORS:



The Lighting market in Russia in 2012 was estimated at 2,199 bln Euro



- Russian lighting market will grow 35% faster on average than will the global market, reaching a 3.6 bln Euro mark in 2020.
- Share of LED-based products (in value terms) was 15,7 % or 345 mln Euro in 2012 and will reach 75% or 2,7 bln Euro in 2020.

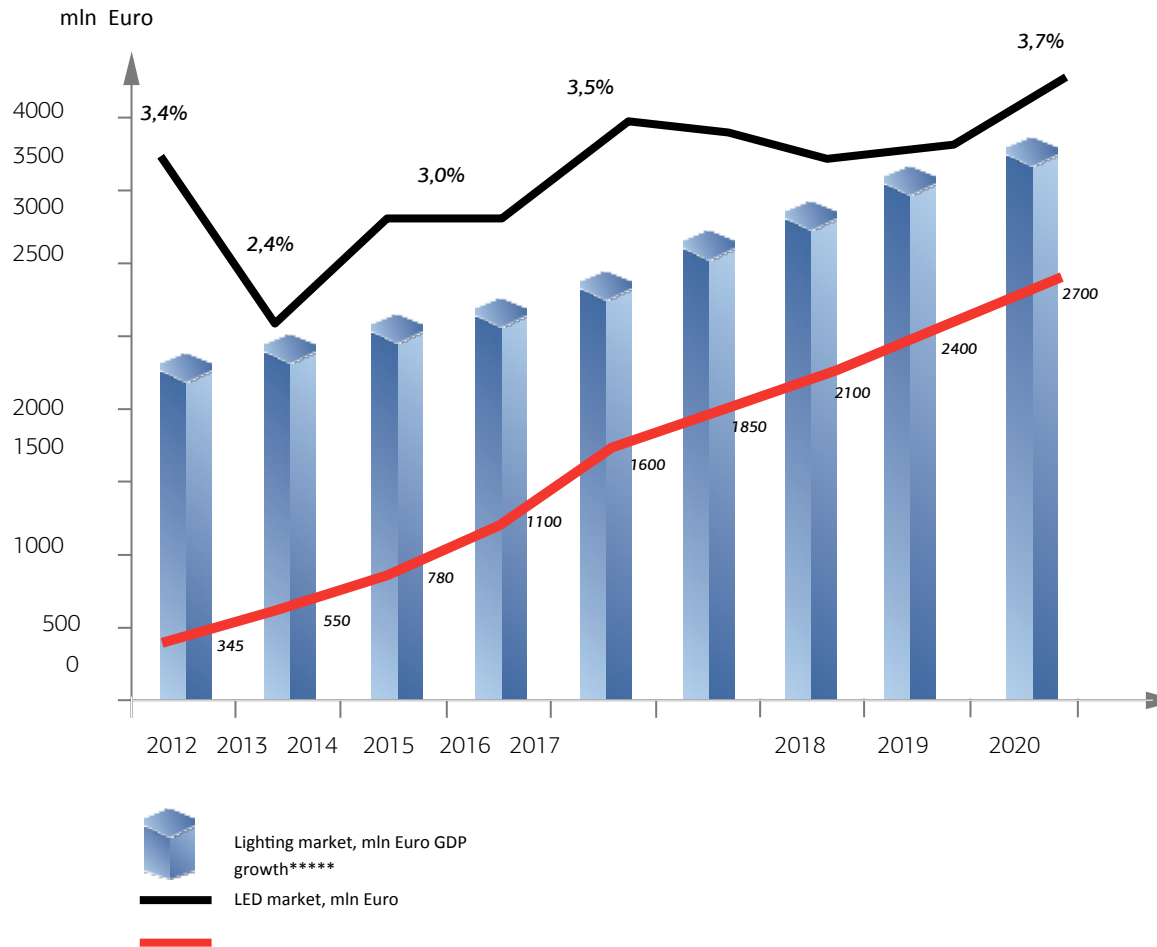
Government initiatives in lighting

- 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 8.4 bln Euro
- 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 are to grow from 15% in 2011 to 83% in 2020
- Share of energy-efficient industrial luminaries to grow from 37% in 2011 to 73% in 2020
- The share of energy-efficient street luminaries to reach 99% in 2020



- Accession to WTO
- Healthy demand for commercial real estate
- Forthcoming International sport events
- Major infrastructure projects:
 - High speed railways: 20 bln Euro to be invested by 2018
 - Development of the Far Eastern Region: 13 bln Euro to be invested by 2017
 - Central Moscow Ringroad: 8 bln Euro to be invested in 2014-2022

Lighting market in Russia



That is why Russian Lighting market is worth dealing with!

- 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.



- 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 nation and even regions of Russia!



Lighting market in Russia

The Russia lighting businesses – do not stereotype!

○ Wholesaler

○ Installer

What role do you play?

○ Integrator



○ ESCO

○ Architect

○ Lighting designer

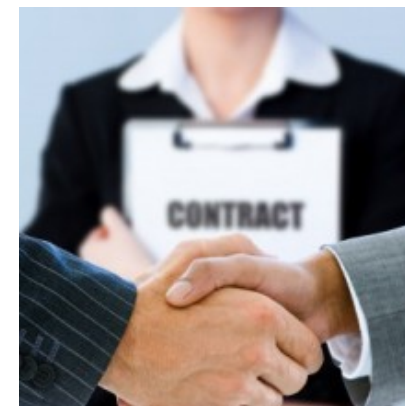
○ OEM

Players want to be everything!

Sometime the same Name – but often unexpected Role!

Who to choose or who to bet on?

- Negotiation
- Relationship
- Guarantee



How to be successful?

Two ways You can do it...

1. You do it Yourself



2. You can find a Partner



Your 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



Lighting Business Consulting
– is Your Business Partner in Russia