



# Exporting made easy:

Russia is already the UK's 12th largest export market and with it tipped to emerge from the global recession faster and stronger than many Western countries, it could be set to become more important still. **Dai Blatchford attended a West Wales Exporters Association event to find out more.**

It is one thing establishing a successful company locally and making a living from a regional economy. It is yet another to grow a company to be pan-Wales or even pan-UK. But the goal of truly ambitious companies is that step further again: to interact with markets and other countries globally; to successfully export to and import from countries around the world.

That is easier said than done. But there are organisations that can help companies do this. The West Wales Exporters Association provides support to companies with such ambitions. One way the organisation does this is through monthly meetings featuring guest speakers. The committee is chaired by Steve Smith, branch manager of the Swansea office of Handelsbanken.

"The aim is to encourage export activity by providing a forum for exporters to network with others and associated support agencies to

maximise their export potential," Smith explains. "This is achieved through monthly meetings incorporating expert speakers covering a wide range of export markets and sectors.

"The meetings are supported by our website [[www.westwalesexporters.co.uk](http://www.westwalesexporters.co.uk)] which helps the association reach a wider audience and improve access to export related support material. We are also fortunate to have the support of key sponsors both financially and as committee members. They are: International Business Wales (IBW), the City and County of Swansea, the West Wales Chamber of Commerce, Handelsbanken and Vibe TV."

The body's most recent meeting focus on Russia and the guest speakers were Maria Leschinskaya, Trade and Investment Adviser based at the British Embassy in Moscow, and Philip Owen, director of Volga Trading and a specialist in the Russian market.

Leschinskaya also visited several Welsh companies with an interest in exporting to Russia during her trip to Wales. She said there is a real appetite in Russia for British expertise in areas such as interior design, including furniture, and quality food and drink. British beer, whisky and even, perhaps surprisingly, vodka find a ready market in upscale Russian supermarkets. She also explained how she can support UK businesses.

"My role is to support and advise companies exporting to Russia through our Programme Arrangement Service (PAS). Through PAS we can advise on the current political/economic situation, accompany people to meetings, provide translators as required and offer advice on cultural differences.

"At the heart of the programme is the tailor made report that we provide taking their specific needs into account. Russia is the UK's 12th largest export market and there are strong historical links between the two countries. Russians associate UK goods with quality and are well disposed towards imports. I am ideally placed to help firms hoping to expand into this market as I operate as the official point of contact and am based in the British Embassy in Moscow.

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# focus on **RUSSIA**

"My visits to Welsh companies, organised by International Business Wales, will allow me give interested companies a clearer idea of the opportunities that exist in Russia. Obviously Russia has not been immune to the recent economic downturn, but there are signs of improvement and evidence that the economy is stabilising. Access to funding is becoming easier and we are in a good position to increase our links with the UK.

"It is important that potential exporters have a true view of the way Russia is today as sometimes people's views can be out of date. There are a lot of opportunities for Welsh companies to export to Russia and establishing links based on a thorough knowledge of the country and careful research can only help businesses in Wales survive and prosper in difficult times."

Bridgend based company Volga Technology Trading is a contractor to IBW for Welsh firms wishing to investigate or implement export programmes to Russia. The firm has offices in Bridgend and Saratov in Russia. In Saratov, a conurbation of about 1.4 million people, the office has three full time staff and a network of associate consultants. Basing the Russian office in Saratov was the decision of principal consultant Philip Owen who worked there for an opto-electronic company in 1994 exporting goods from Russia.

"I can speak to anyone at provincial level in an afternoon. There is also nothing like the competition that would be found in Moscow or Petrograd and we are able to serve a large local

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market as well as all Russia markets," he explains. "I started importing to Russia in 2005 using a large network of people I'd built up. They saw me as someone to be trusted as originally I had sold their goods overseas. I teamed up with a local firm of accountants and eventually formed my own firm 'Volga Trading.'

"In my opinion the Russians are the best educated poor people in the world but the system didn't allow them to be productive. Since 2004 economic growth has not depended on oil. Oil is taxed and the money taken into the Sovereign Wealth Fund to avoid inflation. This gives the Russian Government one of the largest cash surpluses in the world. Growth has come through productivity by giving educated people the chance to work productively.

"The birth rate is rising, marriage is on the increase and divorce is decreasing. The social indicators suggest that the Russian people are confident and the economy will recover faster than Western Europe or China because essentially growth is internal. For Swansea firms there is a good cluster of skin care markets as Russians use health spas much more than Europe or the USA. Household goods are selling strongly and cars are doing well though subject to the world economy.

"The Russian wife is getting her kitchen before the husband gets his car. The economy does not depend on credit which is hard to come by. Russian people save cash for the goods they want and so are not subject to credit fluctuations. In the next 10 years I expect Russia to achieve the equivalent of 30 years of economic growth."

Appropriately enough the meeting on Russia was held at the premises of an extremely successful Welsh company that already exports its award winning beers to Russia as well as the US, Hong Kong, Spain, Singapore and Dubai. Hurns Brewery, although only established in 2002, has made massive strides under the stewardship of its chief executive officer Connie Parry, her brother Phil and, of course, head brewer David Campbell.

Already a multiple award winner the company produces quality beer that is coveted as much in countries like Russia and the US as it is here. A new bottling line is on the horizon for November to keep pace with the demand for the bottled version of 1879 lager (brewed to commemorate Rorke's Drift) and with strong export links the brewery is on course to become the top Welsh brewery over the coming years. ♦