

DOORWAY TO “THE NEXT CHINA”

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Rising oil prices have helped create a \$1 trillion-plus government surplus in Russia, and the government is discussing options on how to use those funds to attract operations of foreign companies there. Moreover, Putin has protected this surplus during the current financial and economic crisis by requiring the Russian oligarchs to reinvest substantial amounts of their wealth back into the Russian economy.

That’s just one of the opportunities our own Brian Meegan learned of while moderating a panel discussion at an entrepreneurial forum recently in St. Petersburg. Panel members included some of the country’s leading entrepreneurs, including one who sold his company’s Russian operations to Nestle SA and another who runs the country’s largest video game distribution network.

In meetings with business advisors and government officials, including representatives of the US-Russia Chamber of Commerce and US-Russia Center for Entrepreneurship, Brian also confirmed the importance of having local counsel navigate the government’s approval processes. The city and national government agencies are in the process of selling some of their commercial real estate so companies can privately develop them. One industry the government is especially focused on recruiting— auto parts makers. St. Petersburg is in the process of bringing several auto manufacturing plants on-line, but there just aren’t enough reliable auto part makers nearby.

Entrepreneurs from nearly 60 countries attended the forum, many of whom are now exploring new opportunities in Russia. They too believe that Russia is poised to become "The Next China". To learn more about opportunities in Russia, including establishing franchises, contact [Brian Meegan](mailto:bmeegan@irelandstapleton.com) at bmeegan@irelandstapleton.com.