

U.S. Small Business Administration
Ron Johnson Interview with Andrei Sharov

Ron Johnson: Russia may be the land of opportunity for those U.S. small businesses looking to increase sales and profits. With over 140 million consumers, a growing middle class and almost unlimited infrastructure needs, Russia remains one of the most promising markets for U.S. exports.

Hi, I'm Ron Johnson with the U.S. Small Business Administration, *Your Small Business Resource* and with me today to discuss exporting to Russia is Andrei Sharov. He's the Director for the Small and Medium Enterprise Development Department of the Ministry for Economic Development of the Russian Federation. Speaking on behalf of Andrei Sharov is his interpreter. I'd like to welcome you to the program.

Andrei Sharov: Thank you, too. I'm very glad to be here.

Ron Johnson: The goal of the President's National Export initiative is to double U.S. exports in the next five years. What are the market opportunities for exporting to Russia and what types of U.S. products or services are in demand there?

Andrei Sharov: We're launching in Russia today a modernization project the scale of which to be compared to the modernization effort that occurred 100 years ago. And I would like to remind you that the modernization project in the last century was aided in great part by the U.S. companies. The companies have a very good chance of repeating the success of last century. Russia's market needs automobiles, machinery and equipment, manufacturing, medical equipment, pharmaceuticals and bio-technologies. So, you may want to start coming to the Russian market today because it could be late tomorrow.

Ron Johnson: Andrei, what businesses or sectors have you been impressed with during your visit here to the U.S.?

Andrei Sharov: During this visit, we've been attending mostly meetings with innovation companies. The companies that manufacture laser equipment, the companies that make medical equipment and what we have been a witness to, during this visit, is that the United States is a very good place for creating global companies that develop intellectual property. And it has been a pleasure for us to have met the management of these companies who are former Russian patriots.

Ron Johnson: Now Russia is a geographically vast market stretching over 11 time zones and encompassing over 17 million square miles. English is not widely spoken so what can U.S. businesses do to prepare themselves for exporting to Russia?

Andrei Sharov: In my standpoint the English language is very popular now to Russian business community and I don't foresee any problem communicating to Russian counterparts. And those entrepreneurs who would want to establish long term contact with Russia, they may start learning Russian. If they use Russian in negotiations they're most likely to get discounts and breaks.

Ron Johnson: Now Andrei, are there any particular business customs that U.S. businesses should be aware of when considering exporting.

Andrei Sharov: I would like to answer with a joke here. When a group of English entrepreneurs were selecting a region to invest, they asked only two questions. The first question was whether or not they sell good English beer in local pubs and the second whether they broadcast the English soccer league matches. So when they learned that it was yes to both of the

questions, only then they began the negotiations for investing in the region.

There are no problems that cannot be resolved in setting up exports to Russia. And we are building a network of support for foreign exporters from all countries of the world to Russia including the United States. Welcome to all of you.

Ron Johnson: I understand that you are here in the U.S. as part of a delegation to discuss a new agreement between the Small Business Administration and the Russian Federation Ministry of Economic Development to strengthen ties in the area of small business development in both countries. What do you hope to accomplish during this visit?

Andrei Sharov: Here on this trip, we would like to establish partnership ties with partner organizations here in the United States, another to address the issues of supporting small and medium-sized businesses in four major areas. One of which is the regional support for small and medium-sized entrepreneurial organization, second area is financial support for small and medium-sized businesses, the third area is partnership between innovative companies that are small and medium-sized businesses and also support of small businesses that do exports.

Ron Johnson: Well, I'd like to thank Andrei Sharov for joining us today and if you'd like more information about exporting go to www.sba.gov/international or www.export.gov. So until next time, this is Ron Johnson with the U.S. Small Business Administration, *Your Small Business Resource*.

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