



**DAWNING OPTIMISM AMONG
BUSINESS EXECUTIVES**

BUSINESS BAROMETER 2010 FOR NORTH-WEST RUSSIA



Dawning optimism among business executives

The general economic outlook has weakened clearly in North-West Russia during 2009. While a cautious improvement in corporate outlooks is expected in 2010, the business executives are still anticipating a slight decline in the Russian economic situation for the same year. The Russian economy is viewed more pessimistically in St. Petersburg than in other areas.

The enterprises' general business outlooks have weakened clearly during 2009. The balance figure illustrating this situation dropped by 79 points from the previous year. The balance figures dropped in all areas and branches.

In 2009, the Russian economic situation experienced a dramatic weakening in comparison to 2008. The relevant balance figure dropped by 96 points. The economy weakened significantly across all branches. St. Petersburg was more pessimistic than other areas.

The majority of Russian business executives (72%) believe that the actions of President Medvedev's administration have had no impact on the development of business operations and operational conditions during the past 12 months.

Furthermore, nearly one third of the business executives believe that the actions of President Medvedev's admin-

istration have not improved the investment opportunities for foreign businesses in Russia over the past 12 months.

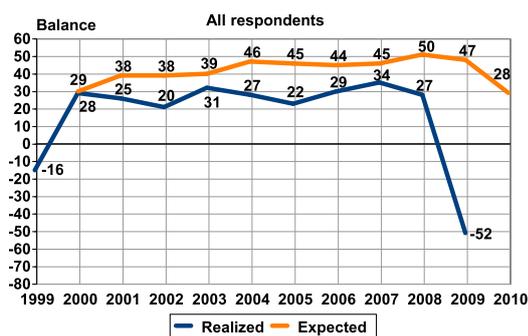
Altogether 61% of Russian business executives believe that the weakening value of the Russian rouble has had a slightly or significantly negative effect on their business during 2009.

A total of 64% of the respondents feel that companies have had more problems than usual in terms of their business financing during 2009.

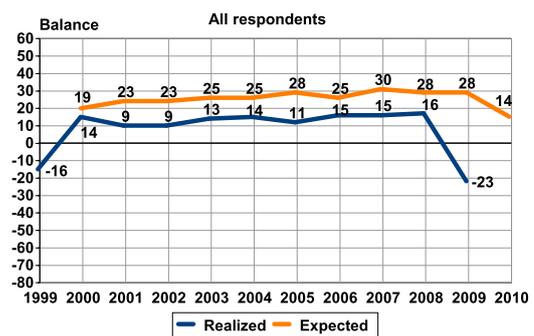
The Russian business executives who responded to the survey are cautiously optimistic about the coming year. All balance figures reflecting these expectations have dropped in comparison to the corresponding barometer figures for 2008. They do, however, remain positive with the exception of the balance figure illustrating expectations for the development of the Russian economy in general.

The business executives believe that the Russian economy will continue to weaken slightly in 2010. Business executives in industry are more pessimistic than those in other sectors. Moscow and other areas of North-West Russia are more optimistic than St. Petersburg.

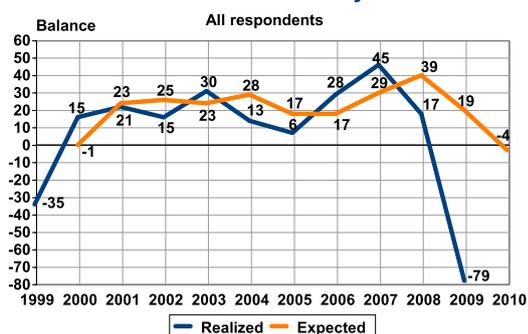
General business conditions



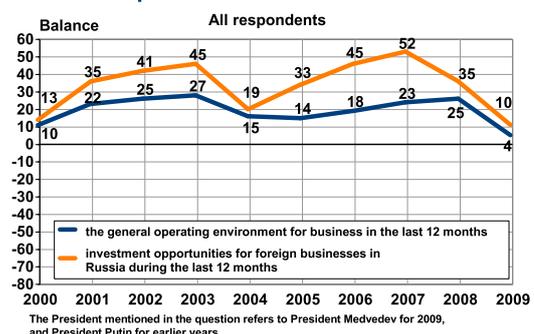
Labour force size



Russian economy



Impact of President's actions



The President mentioned in the question refers to President Medvedev for 2009, and President Putin for earlier years.

Cautious optimism inherent in the expectations for 2010

The Russian business executives who responded to the survey are cautiously optimistic about the coming year. All balance figures reflecting these expectations have dropped in comparison to the corresponding barometer figures for 2008. They do, however, remain positive with the exception of the balance figure illustrating expectations for the development of the Russian economy in general.

Russian business executives expect the general business conditions to fall clearly below the expectations of the previous years in 2010. The balance figure dropped by 19 points, but remained positive (+28). The expectations of the service sector and commercial sector in terms of the development of the Russian economy in 2010 are more positive than those of the industrial sector. The differences in economic expectations between the different areas are minimal.

The labour force size is expected to see a further increase, albeit moderate, in 2010. The labour force size is expected to increase more in Moscow and St. Petersburg than in other areas of North-West Russia.

The Russian economy is expected to develop similarly within the commercial and service sectors during 2010. Business executives in the industrial sector are more pessimistic in terms of the development of the Russian economy. The balance figure dropped more in the industrial sector than in the commercial and service sectors. Enterprises based in St. Petersburg anticipate the Russian economy to worsen to a greater extent than is expected by those enterprises operating in Moscow and other areas of North-West Russia.

Actions of President Medvedev have minor impact on business operations

The majority of Russian business executives (72%) believe that the actions of President Medvedev's administration

have had no impact on the development of business operations and operational conditions during 2009. The balance figure for all respondents was +4.

Of the Russian business executives, 31% believe that the actions of President Medvedev's administration have not improved the investment opportunities for foreign businesses in Russia.

Of the respondents, 19% believe that the actions have brought about an improvement in investment opportunities for foreign businesses in Russia during the past 12 months; in contrast, 9% believe the actions have weakened the investment opportunities. The balance figure for all respondents was +10.

The availability of funding and weakening of the rouble have slowed business development

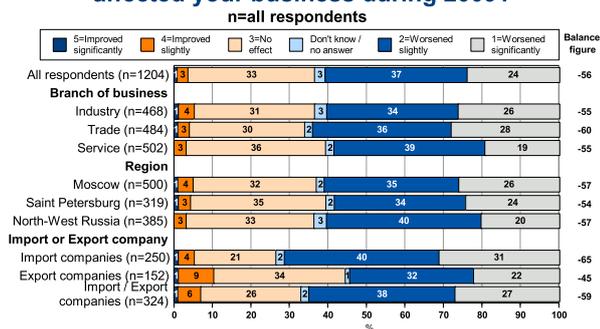
Of the Russian business executives who responded to the survey, 64% believe that companies have had more problems than usual in terms of their business financing during 2009.

One third of the companies have not experienced any special problems in terms of the availability of funding. Industrial enterprises in Moscow and St. Petersburg that carry out export trade have experienced slightly more problems than others in terms of their normal business funding.

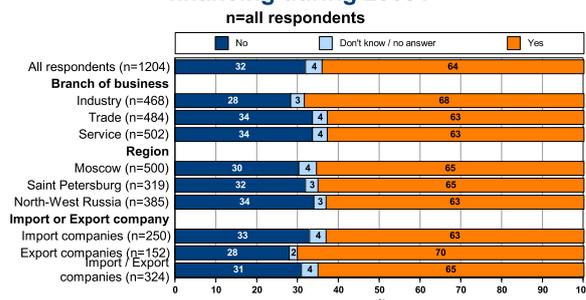
Altogether 61% of Russian business executives believe that the weakening value of the Russian rouble has slightly or significantly worsened their business during 2009.

One third of the respondents stated that the weakening of the Russian rouble has had no impact on their business. The weakening of the Russian rouble has particularly affected those enterprises in the commercial sector that carry out import activities. The differences between the different areas are minimal.

How has the weakening value of the Russian rouble affected your business during 2009?



Has your company experienced more problems than usual in terms of its business financing during 2009?



Source: The Central Chamber of Commerce of Finland/Taloustutkimus Oy

Description of the barometer

The Central Chamber of Commerce of Finland has conducted Business Barometer surveys for North-West Russia using the same parameters since 1999. For the most recent barometer, a total of 1,204 Russian business executives were interviewed. Of the respondents, 500 were from Moscow, 319 from St. Petersburg, and 385 from other areas of North-West Russia. A total of 42% of the enterprises surveyed operated in the service sector, 40% in the commercial sector and 39% in the industrial sector. Some of the enterprises represent more than one sector. The respondents hold senior management positions.

The executives were asked to compare the development of the current year to the previous one and to predict the outlook for the year ahead. The survey was qualitative. For each variable, the respondents were asked to estimate whether the situation had improved, remained the same, or deteriorated. The results are given as balance figures, calculated by subtracting the proportion of answers indicating a deterioration from the proportion that saw an improvement.

The executives were to consider the following variables: the company's turnover, size of labour force, and investments; general business conditions; the personal financial situation of the executive; and the Russian economy. In addition, the respondents were asked to consider the impact of President Medvedev's administration on the business environment. The business executives were also asked to assess how the weakening of the Russian rouble has affected their business during 2009. Finally, the respondents were asked whether they had experienced more problems than usual in terms of their business financing during 2009.

Commissioned by the Central Chamber of Commerce, TOY Opinion, the Saint Petersburg Subsidiary of the Finnish market researcher Taloustutkimus, conducted the interviews during the period of 20 July – 6 August 2009.



The Central Chamber of Commerce of Finland is the central organisation of 19 Chambers of Commerce, which have about 16,700 members. Membership is voluntary. The Chambers of Commerce promote free competition, market economy and free world trade. For more information, visit www.chamber.fi and enter the homepage of the Central Chamber of Commerce of Finland.

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