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North-West
Investment Agency



**OECD WORKSHOP
INVESTMENT AND BUSINESS CLIMATE IN THE RUSSIAN FEDERATION:
A REGIONAL PERSPECTIVE**

ST. PETERSBURG, 9-10 NOVEMBER 2005

**OECD INVESTOR SURVEY ON
INVESTMENT POLICY TRANSPARENCY
AND IMPLEMENTATION IN RUSSIA**

1. Introduction and Executive Summary

1. The investor survey was undertaken within the Investment Committee project on Russia's implementation of investment policies, financed by a voluntary contribution from the European Commission. The survey focuses on foreign investors' perceptions of transparency, information access, consultation procedures and investment incentives and thus complements other more general surveys such as the World Bank "Doing Business" database. This survey is intended as a contribution to the report on Russia's investment policies to be submitted for the Investment Committee's peer review in 2006.

2. The survey was conducted in the first half of 2005 by Mr. James Beadle and in co-operation with the Association of European Businesses in Russia and the BIAC. The questionnaire addressed to investors was established on the basis of the *OECD Framework for International Investment Policy* and the *OECD Checklist for Foreign Direct Investment Incentive Policies*. The outcome of the survey thus allows assessment of Russia's progress in adopting and implementing sound investment policies and international practices. Complemented by the Russian government's self-evaluation of its investment policies which was carried out simultaneously, this exercise will be useful to formulate policy options for improving Russia's business and investment climate.

3. One hundred and two companies participated in the survey and many expressed certain dissatisfaction with Russia's investment policy implementation: 63.7% of surveyed firms consider current policies insufficient to attract investors to the country (question 1) and 61.4% of them view available incentives insufficient in relation to the risks and economic shortcomings of investing in the country (question 15). In more specific areas, most companies weighted their problems as "medium" rather than either "minor" or "serious," and qualified the measures as "insufficient" rather than "sufficient." Geographical location, company size, ownership, market orientation and input sourcing all exhibited some effects on company perceptions. Geographical division was most marked in the case of companies from Bashkortostan and in Moscow and the Moscow Region.

4. Wholly and majority foreign-owned businesses, and import-/export-orientated companies were notably more critical over several aspects of the survey, primarily those concerning the availability of information and those pertaining to international transactions (customs, foreign exchange, etc.). The picture was not entirely negative, though, and many answers saw a broad range of responses, with significant if not dominant levels of positive perception.

a) Primary concerns

5. **Consultation over changes to laws and regulations.** 74.7% firms felt there was insufficient consultation prior to implementation, 80% felt consultation procedures were insufficiently open and 82.7% that limitations on consultations are not clearly defined or determined (question 7).

6. **Registration and licensing.** Monetary costs of registration and licensing were a concern for 51% of participants, and delays were a concern for 80.4% of survey respondents (question 8).

7. **Sanitary and administrative controls.** 63.8% considered sanitary and administrative controls to be insufficiently transparent. The same proportion questioned the uniformity and transparency of such rules, while 49.5% had problems with pressure for illegal payments in relation to such controls (question 9).

8. **Customs procedures.** 73.3% questioned the transparency of customs procedures, 79.8% their predictability and transparency, and 56.6% had problems with pressure for illegal payment (question 10).

9. **Appeal and arbitration proceedings.** Opinions over problems with access to appeal and arbitration were divided, yet the transparency, impartiality and effectiveness of such proceedings still met with notable criticism. 62.4%, 69.6% and 83.4% had problems with these areas, respectively (question 11).

10. **Governmental foreign investment bodies.** Participants were divided over the effectiveness of the Foreign Investment Advisory Council (FIAC), but more negative toward the FDI ombudsman. 64% of participants considered this body to be insufficiently effective (question 12).

b) Priorities for improvement

11. The survey proposed several possible means of improving Russia's investment climate, and participants were broadly positive about them. The idea of a **one-stop shop** assisting foreign investors in their set-up and operational issues was welcomed by most participants: 83.5% thought it would be at least a sufficient solution to general FDI policy and implementation problems (question 13).

12. Respondents went on to identify improving the **administrative structure** as their primary concern, followed by training of officials then implementation of new technology (question 14). Pertaining to the identified need to improve administrative structures, feelings were mixed as to whether federal and regional authorities had sufficiently well defined roles in managing and implementing policies affecting foreign businesses (question 16).

13. However, **local authorities and specialised investment agencies** were more critically viewed, 61.7% and 68.8% of surveyed firms considered their respective roles to be insufficiently clearly defined. More negatively still, 76.1% of respondents felt that economic responsibilities were un-clearly defined between different governmental levels.

c) Governmental Performance

14. **Local authorities** were least likely to be positively viewed with regard to their abilities to manage and monitor foreign investment related policies (question 17); 70.7% of respondents felt they were insufficient. Regional authorities were the next most criticised, being viewed as insufficiently capable by 62.8% of respondents. Views were more split over the federal government, with 54.2% considering them to be sufficiently capable to monitor investment policies.

d) Lack of incentives

15. Incentives played little part in the set-up or running of respondent companies. Neither fiscal nor other incentives have been significantly utilised and their impact on foreign investors' position *vis-à-vis* their competitors has been judged insignificant (questions 18 and 19).

e) Oversight of investment policies

16. Finally, foreign investors feel that differing stakeholders have, to greater or lesser extents, been limited in their opportunity to discuss and evaluate foreign investment policies and incentives (question 20).

- 77.2% felt the general public had insufficient opportunity to discuss such issues,
- 74.7% felt the same for industry associations,
- 59.3% for national audit courts,
- 46.8% for parliamentary bodies.

f) International commitment

17. In the final question of the survey, two thirds of respondents said that they feel Russia has a medium or greater problem meeting its international commitments toward foreign investment policy.

2. Survey Design Issues

18. The survey, consisting of 22 multiple choice questions, was sent to senior managers of some 400 foreign organisations operating in the Russian Federation. The replies were received from 102 companies. Several factors can explain a relatively low response rate:

- The questionnaire could only be answered by senior management, who often lack time for such activities.
- The questionnaire was initially distributed in late April, causing the key response period to overlap with Russia's lengthy May holidays.
- Although not long, the questionnaire required a certain degree of attention. The nature of the questions, being tied directly to OECD policy document wording, made the questionnaire more difficult than would have been ideal for a voluntary survey.

19. A further limitation is that the survey is an "analysis of winners." The companies surveyed are all actively operating in Russia, and as such have overcome many of the issues the survey considers, particularly those pertaining to setting up operations. Once operating, companies tend to adapt to their environment, causing them to discount the extent of the difficulties they face. A thorough and more accurate analysis would also need to address companies that had withdrawn from, or decided not to enter the Russian market.

20. It is also conceivable, although the likelihood is limited, that some companies may have a bias toward maintaining the status quo. In cases, where locally established companies view poor foreign investment policies and implementation as a barrier to entry, it may be against their interests to facilitate improvements, which would grant their competitors easier access.

21. A final caveat to the direct analysis of the results to this survey is the nature of the topic. While the questions were very specifically worded, the answers are highly individualised. A respondent's perception will depend greatly on his or her expectation or personal experience; an experienced Russia or

emerging market manager may harbour more realistic expectations than a respondent on his or her first emerging market assignment.

22. Likewise, where legislative and administrative systems are inefficient, it is possible that one person will pass expediently and successfully through the system, while another will face countless difficulties and obstructions. In this way, the consistency of results is clearly a factor of the consistency of policy implementation. All other factors being equal, there are certainly differences in the way that companies and individuals are treated, causing divergent responses without clear justification.

3. Survey Sample: Profile of Participants

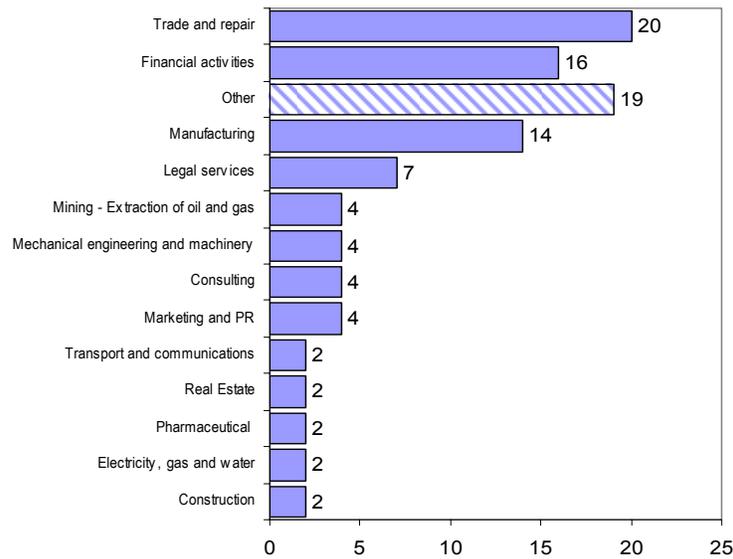
23. Despite these constraints, the survey was completed by 102 companies covering a broad spectrum of business types, sizes and locations.

a) Nature of Business

24. Participants categorised themselves in multiple business lines, but for the sake of analysis, 14 category groups were allocated, including “other,” which was one of the most popular, containing 19 companies. The businesses allocated to the “other” grouping were predominantly holding groups, or companies with multiple business lines, where it was not possible to identify the primary activity. The category was also applied to individual business lines not represented in the standard listing and to companies preferring not specifying their key activity.

25. Of the remaining 13 categories, trade and repair, financial and manufacturing were markedly more popular, constituting nearly 50% of responses.

Figure 1: Nature of Respondent Businesses

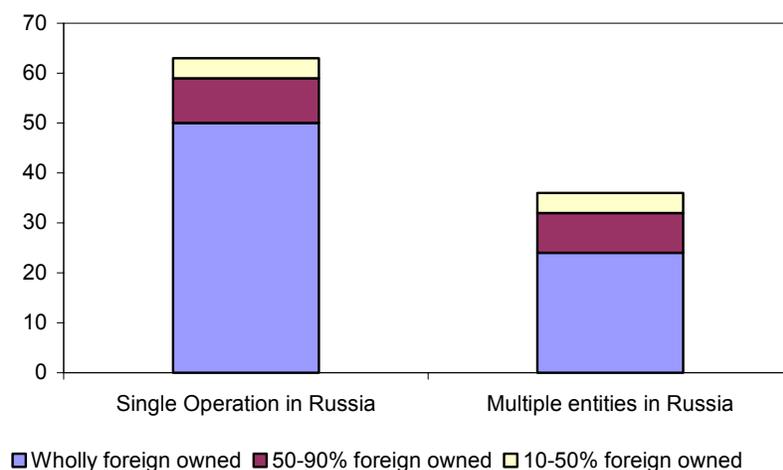


b) Foreign Participation

26. Companies were asked to describe their ownership structure, in terms of the number of entities they have operating in Russia, and the extent of foreign-Russian ownership. The most frequent

combination, cited by 50 respondents, was “single entity, wholly foreign owned.” Wholly foreign owned organisations constituted 74 out of 102 companies, the remaining participants were joint-owned. Foreign controlled firms (50-90% foreign-owned) were twice as common as Russian controlled companies. Likewise, single entities were twice as common as multiple.

Figure 2: Ownership Structures



c) Market Orientation and Input Origin

27. The majority of companies (77) primarily operated on the domestic market, with just 25 exporting out of Russia. Among the exporters, 11 sent more than 50% of their products to other markets, while 14 exported less than half of their output.

28. However, on the input side, imports were more common, with 45 companies importing more than 50% of their inputs. Considering this bias, it is notable that companies importing less than 50% were in a minority (15 cases); 33 companies drew their inputs from the domestic markets. The most common combination was importing more than 50% while operating on the domestic market (32 instances), followed by domestic orientation of both inputs and outputs (25 instances).

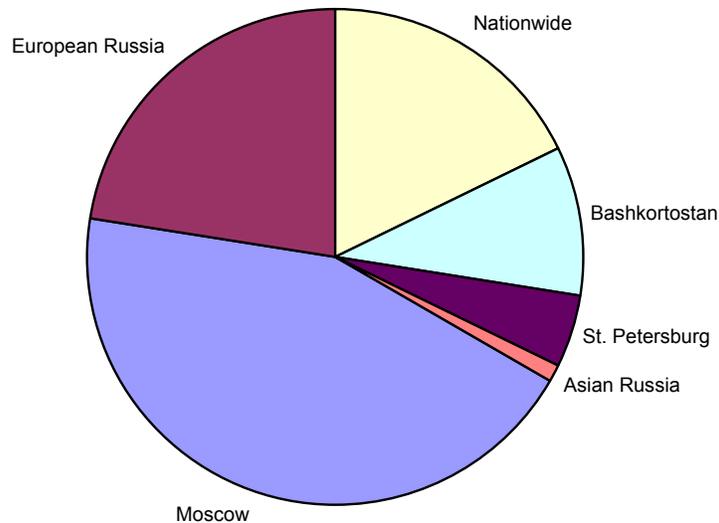
d) Company Size

29. The sample of responses divided quite evenly between small (39.2%) medium (29.4%) and large (31.4%) companies.

e) Location

30. The geographic distribution of the participants was more complex. The largest group of companies was based only in Moscow or the Moscow Region (45 businesses). Companies reporting operations in both Moscow and St Petersburg were included in the “European Russia” category, which consisted of 23 respondents. Eighteen companies were nationwide, operating in both Asian and European Russia, but only one company was based exclusively in Asian Russia.

Figure 3: Location of Respondent Companies



31. Given the aforementioned survey design issues and the desire to achieve the maximum possible level of responses, several regional authorities with connections to the OECD were asked to lend their support and distribute questionnaires to foreign businesses operating within their region.

32. A group of ten responses were received via the Bashkortostan regional authority. These companies were given a separate classification as their views differed significantly from other participants. They have been included in the survey, but their responses have been highlighted on the occasions when they were notably divergent from consensus, or tipped the balance of the survey's opinion. A further response, which was received via the St Petersburg regional authority, showed similar tendencies.

33. Direct communications with representatives of these companies sought to verify their responses. However, the opportunity to resubmit surveys was not taken up, and the impression gleaned from telephone conversations with these businesses was that although they may operate with foreign capital, they are Russian managed. It is natural that such companies should differ in their opinions and experiences to genuinely foreign businesses.

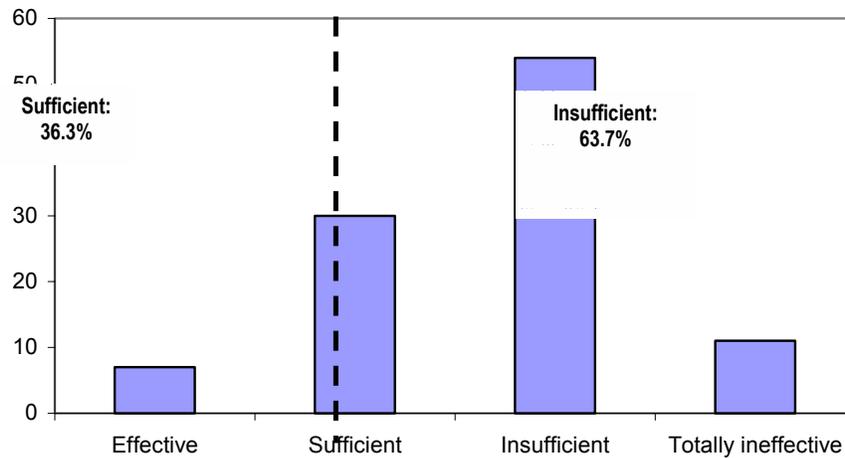
34. On a more general level, geographical analysis was restricted by the complexity of the Russian Federation, the limited number of responses and the distribution of respondent companies. St. Petersburg companies offer little by way of fair assessment as there are only five in the group, Asian Russia is an even more difficult category, including just one company, and European Russia inevitably contains both companies operating in the regions and those in the major cities (particularly Moscow and St. Petersburg), where experiences are quite different.

4. Questions Analysis

Question 1: In your opinion, how efficient are Russian government policies (affecting your business) to attract and promote foreign investment in Russia?

35. The majority of companies (63.7%) described Russian government policies to attract and promote foreign investment as insufficient or totally ineffective.

Figure 4: Efficiency of Government FDI Policy



36. All of the participants responses obtained through regional authorities (one in St Petersburg and 10 in Bashkortostan) responded with positive assessments (8 for sufficient and 3 for effective). Consequently, eliminating these results creates a more critical response profile: 71.4% of negative replies. Four of the five exclusively St Petersburg-based companies (including the response obtained via the regional authority) viewed government policies positively, but the clear trend across all other geographical divisions (except Bashkortostan of course) was negative.

37. Certain groupings (those with multiple entities in Russia, wholly foreign owned organisations, and those heavily engaged in import or export) were more likely to express negative positions, but the overall picture is essentially weighted negatively enough to reflect the extent of concern.

Question 2: How easily available have been the following types of information for your company?

38. The majority of information types addressed in question 2 showed mixed results (less than 60% of respondents considering information to be either easily attainable or difficult to acquire). Responses were notably higher at the national level, with fewer respondents confident to answer questions about access to information at the regional level. The average number of answers for each question at the national level was 92, compared to 79 at the regional level.

39. However, respondents tended to answer similarly at both governmental levels, suggesting that a competency to find information nationally also helped regionally, and vice-versa. The following exceptions were found to the above conclusions:

- a) Questions with clear majority responses:
 - 68.6% of respondents said that information on the establishment of branches was readily available at the national level.
 - 79.4% said that information about foreign exchange regulations was easily available at the national level.

- 67.6% considered information about regional and local taxes easily available at the national level.

b) Businesses from Bashkortostan reported that information was readily available in every single instance.

40. However, with limited exceptions (for example financial firms being less likely to find customs information readily accessible) no other profile group showed any major divergence from the overall results. Such confusion about the availability of information may reflect different levels of expectation, or different capacities among those seeking the information. For example, non-Russian speakers may have great trouble finding information easily available to Russian speakers.

Question 3: For your company, how difficult is obtaining information on changes in governmental policy and regulations (at the national and regional levels) concerning foreign investors?

41. Responses about the availability of information on changes at the national level favoured the “Minor” and “Medium” answers (34 responses each). However, despite the significant weighting in the “Minor” response, the net conclusion was negative: 51.9% of respondents considered the problem to be medium or worse, and only 14.7% answered “Not a problem”.

42. Only one of the 10 companies from Bashkortostan considered the problem of medium weight. The other nine were positive on the issue. Without the Bashkortostan results, 87.9% identify a problem (minor or worse) at the national level and 55% consider the problem to be medium or worse.

43. The distribution of answers to the same question at the regional level was normal, centred around the “Medium” response, which was cited by 35 respondents. 91.2% of all respondents recognise a problem (minor or worse), two-thirds say it is medium or worse. Without the Bashkortostan surveys, the results are 94.5% and 71.4% respectively. Responses to this question showed no significant divergence when broken down by the various profile factors.

Question 3b: In which areas (among those mentioned in question 2) has your company met most serious difficulties obtaining information in changes on relevant legislation and regulations?

44. This question invited participants to elaborate on question 2 in relation to question 3. A total of 37 companies provided responses to question 3b, the most frequent responses related to immigration and work permit issues, including registration problems, 12 companies cited these as primary concerns.

45. Tax legislation, specifically tax exemption, was close second, cited by 11 companies. Customs duties were noted by eight companies and VAT and environmental requirements were each cited three times. Other issues mentioned included repatriation of profits and rep/branch office restrictions.

46. Answers to Question 3b deserve extra consideration as they were actively provided by respondents, rather than chosen from multiple choice listings.

Question 4: How easily has your company been able to find information about the different types of legislation?

47. Question 4 presents company experience finding information in English and their own countries. Results showed confusion about the availability of information about primary legislation, with opinions divided about whether such information is produced in English (48% reported finding it, while 40.2% only found it – or perhaps only looked for it – in Russian).

48. Such divided opinions might reflect irregular availability of information (e.g. information being made available in some but not all foreign countries, or in English in some Russian regions but not in others), differing levels of effort to gain information and/or inconsistent communication about what information is available.

49. Financial (85.7%) and legal (100%) companies were more likely to find information in English. It is unclear why these types of companies should be more successful obtaining such information, but expertise, relative importance and resources available to search might be considered factors.

50. Three quarters (31) of the participants located only in Moscow had accessed primary legislation in English, while the figure for all of other regional areas was less than 50%. Access to primary legislation information in English appears to be more difficult if you are not located in Moscow. Moscow-based businesses were also more likely to gain access to information on secondary legislation in English (12 instances) or their home countries (2 instances). However, the clear pattern for all levels of legislative information below primary is that it is at best available in Russian, reflecting a limitation for non-Russian speaking management.

51. The problems are more severe at lower administrative levels; 18 respondents, including 10 from Moscow, were unable to find any information on legislation and regulations issued by local authorities.

Figure 5: Availability of Information on Primary Legislation

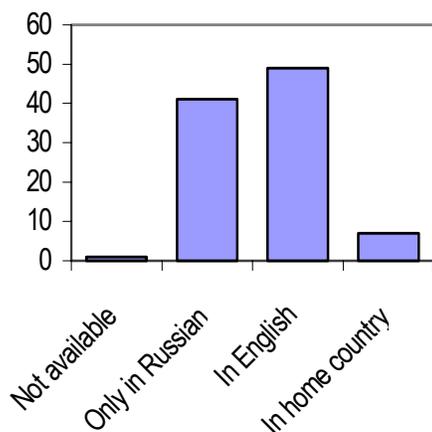
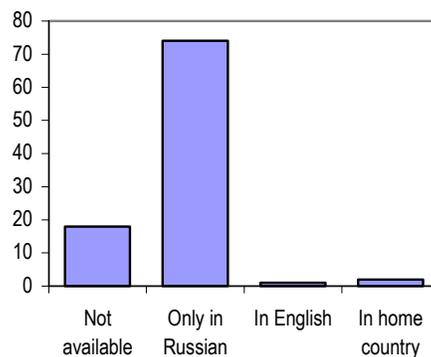


Figure 6: Access to Information on Legislation from Local Authorities



52. Perhaps surprisingly, companies' size did not impact companies' abilities to obtain information: Medium sized companies (51.7%) were more likely than large (37.5%) to find primary information in English. In each of the other questions (secondary legislation, regional, local etc.) company size showed no deviation from the overall distribution of responses.

Question 5: What are your company's general sources of information on laws and regulations important for your operations in Russia?

53. Many respondents neglected to only select their three most common sources in this question, and instead marked all of the options they used. The only sources utilised by more than half the respondents were Russian law/consulting firms (59.8%) and business newspapers (56.9%). By contrast, there was a stronger consensus against the use of several sources:

- Home government sources were used by only 9.8%,
- Commercial foreign websites were used by 11.8%,
- Free foreign websites/databases were used by just 13.7%.

54. Only 6.7% of medium-sized companies used foreign consulting firms, compared to 47.5% of small and 46.9% of large companies. Small companies were more likely to use personal contacts (55% said yes), while medium and large were less likely to (33.3% and 43.8% saying yes, respectively).

55. Geographically, government sources were least popular in Moscow, where only 35.6% of respondents used them. 40% of respondents from St. Petersburg used them, as did at least 50% of respondents from each of the other areas.

56. While similar biases can be found analysing the answers to question 5 by other profile factors, the relatively low sample sizes limit the relevance of the results. The overall analysis – finding Russian law/consulting firms and business newspapers most important, and home government sources least popular – best captures the range of results to this question.

Question 6: Which of the following information sources provided by the Russia government does your company usually use?

57. Responses to question 6 should be read with some caution due to format issues experienced: Few respondents took the time to rank their answers 1-7, and the electronic questionnaire didn't allow for "0" responses. Some participants left "1" for every answer and such cases were considered as unanswered; however, it may have been possible, in some isolated cases, that respondents unintentionally ranked sources as "1."

58. Official legal gazettes were the most popular selection for 56 respondents, and used at least occasionally by 82.8% of survey participants. However, all of the Bashkortostan respondents cited these as their most favoured source.

59. English language websites were used at least occasionally by 73.5% of respondents, implying that they are relatively well known and demonstrating a clear demand for information in English. Special enquiry points were less popular, rarely or never used by 60.8% of companies.

60. Considering these responses by company size, 81.8% of companies that never used official Russian gazettes were small companies. This group represented 25% of small business replies. On a geographical basis, official gazettes were least popular among Moscow-based businesses. While the number of Moscow business ranking this source as last was only 17.8%, these 8 companies constituted 72.8% of those doing so. Analysis by other profile factors found no major divergence from the overall results.

Question 7: How do you assess the Russian authorities' effort to consult over planned laws and regulations (important for your business) before their introduction and implementation?

61. Results for the assessment of consultation for laws and regulations prior to their introduction and implementation were very negative. The companies from Bashkortostan all voted "sufficient" for each of the three parts to this question, so two sets of results can be compared:

62. With the Bashkortostan responses included, 74.7% voted that efforts by the government were insufficient or worse. Without the Bashkortostan responses, the figure rose to 84.9%. Questions 7b and 7c, concerning the openness of and accessibility of consultations were more negative still. Even including the Bashkortostan responses, more than 80% of participants considered consultations to be insufficiently open. Meanwhile, 82.7% felt that notification/consultation procedures were insufficiently defined or delimited.

63. While the Bashkortostan responses are totally out of line with trend in question 7, they are not sufficient to conceal the extent of the problem companies identify in consultation over new laws. No clear trend seemed to link the other companies answering any of the consultation questions positively.

Question 8: Please assess your firm's experience with registration and licensing formalities required of foreign investors in Russia.

64. Question 8 addressed both financial costs and delays as possible registration/licensing concerns. Both identified at least medium weighted problems, but delays proved a more serious issue than monetary costs: 80.4% of respondents considered delays a medium or worse issue, compared to 51% identifying monetary problems as such a concern.

65. Instances of corruption, where unofficial payments (causing negative answers about monetary costs) might expedite registrations (creating positive answers to the delays question), imply that the two might be considered as inversely correlated. However, the cross tabulation refutes this hypothesis. Many of the companies responding "not a problem" were the same for both questions.

66. Profile aspects (including location of business) did not reveal significant divergence from overall results for either concern, with the exception of the Bashkortostan participants, none of whom answered more critically than "Medium" for either part of the question.

Question 9: Please assess your firm's experience with sanitary inspections and administrative controls of foreign firms by Russian authorities.

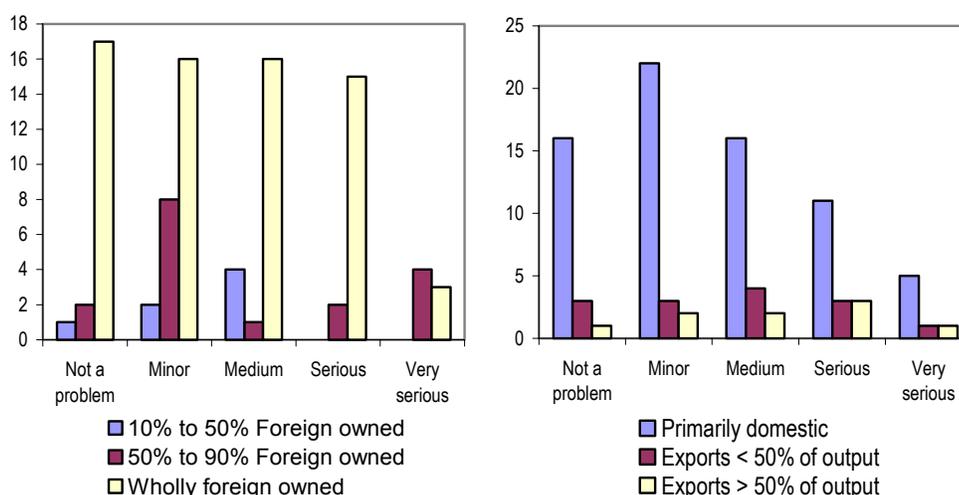
67. 63.8% of respondents identified the clarity and transparency of administrative/sanitary controls as being a medium or greater problem. 82.9% as a minor or greater problem. Bashkortostan respondents weighed on the less negative side of the correlations, with one seeing the problem as "medium" weight and the others either "Minor" (5) or "Not a Problem" (4).

68. The issue of uniformity and impartiality scored similarly. Both sets of results were consistent across company profiles. While "Medium" was the modal answer for questions 9a and 9b (concerning clarity/transparency and uniformity/impartiality) "Minor" was the preferred answer to question 9c, addressing the subject of demand for illegal payments associated to sanitary and administrative procedures.

69. As similarly noted in question 8, company responses tended to be positively correlated in question 9, negating the theory that pressure for payment substitutes for other concerns. None of the firms with majority Russian stakes (10-50% foreign owned) identified the problem with demand for illegal payment related to sanitary or administrative issues as being greater than medium. It is unclear whether

domestic status reduces the pressure for such payments or reduces the perception that they represent a problem.

Figures 7 & 8: Pressures for Illegal Payment Related to Sanitary/Administrative Controls



70. The milder concern about demand for illegal payment, whereby the modal response was “Minor,” rather than “Medium,” was supported across the various company profiles

Question 10: Please assess your firm’s experience with customs procedure in Russia.

71. Overall results for the question about the clarity and transparency of customs procedures show a normal distribution around the medium-weighted problem response. The implication is that most companies have some problems with this issue.

72. Large (28.6%) and small (45.7%) businesses were more likely to identify a “Serious” or “Very Serious” problem with the clearness and transparency of customs procedures, compared to medium sized (only 11.5%). A possible explanation may be that larger volumes require more negotiation and smaller companies have less power to negotiate, while medium-sized businesses manage to enjoy a balance of the two. However, should this be the case, it is notable that even large volumes do not ensure transparent or official treatment.

73. The issue of predictability and impartiality in customs procedures drew similar responses from all company sizes. Overall, 79.8% of respondents felt the problem was medium-weighted or worse. 73.3% questioned the transparency of customs procedures to the same extent and 56.6% had problems with pressure for illegal payment.

74. Again, answers tended to correlate in question 10. A company citing problems with illegal financial pressure did not enjoy better experiences with either transparency/clarity or predictability/impartiality; companies citing problems with transparency were likely to also complain about impartiality and pressure for illegal payment.

75. Foreign ownership again proved a factor in the severity with which companies considered customs issues a problem. For example, one third of wholly foreign owned companies described customs clarity/transparency as a serious or very serious problem, compared to less than 20% of jointly held companies. Interestingly, however, exporters and importers were more balanced in their responses, answering with similar distributions whether they imported/exported or focused on the domestic market.

76. It should again be noted that the Bashkortostan companies responded more positively other groups. The ten companies rated customs issues as being either no problem, minor or medium-sized; thus slightly alleviating the negativity of the conclusions.

Question 11: How do you assess foreign investors' rights to contest Russian authorities' administrative decisions?

77. The clarity/transparency, uniformity/impartiality and rapidity/effectiveness of such proceedings were all criticised at the medium level or greater: 62.4%, 69.6% and 83.4% had problems with these areas, respectively. Results to the question about access to appeal or arbitration procedure were relatively positive, with 46.8% companies citing "Not a Problem" or "Minor," against 18.1% citing "Serious" or "Very Serious."

78. However, the overall results to this question were statistically less determined than those to other questions: While "Medium" answers were clearly dominant as mean and modal, the weighting given to "Serious" and "Very Serious" answers ranged widely, from 35.9% (about the uniformity and impartiality) to 18.1% (about access to appeal and arbitration procedures).

79. Notable caveats to these conclusions were that small companies were the only group that judged the problem to be "Very Serious." The Bashkortostan entries again added their weight to the less negative side of the response distribution; while all other geographical groups ranged from "Serious" or "Very Serious" through to "Not a Problem," the replies from Bashkortostan ranged from "Not a Problem" to "Medium."

80. Importers and exporters were more likely than domestically orientated companies to identify a problem with access to appeal procedures, but wholly foreign owned companies were not markedly more likely to perceive a problem than jointly-held companies.

81. The uniformity and impartiality of appeal and arbitration rules was a greater concern. Ten companies described the problem as "Very Serious," compared to only two companies citing the same for access to appeal and arbitration procedures. Without the mitigating weight of Bashkortostan companies, the results to this question would have skewed more "Medium" to "Serious."

82. The rapidity and effectiveness of procedures met with even more negative response. Only 15 companies (of whom six were from Bashkortostan) saw no problem or a minor problem, while 38 considered the problem to be serious or very serious. Wholly foreign-owned and import/export companies were more negative about the rapidity and effectiveness of such procedures.

Question 12: Do you consider the following functions useful and effective for obtaining information and/or to raise your concerns regarding policies that affect your business?

83. Fifty one respondents considered the Foreign Investment Advisory Council (FIAC) to be sufficient or better (including all 10 from Bashkortostan), compared to 36 who considered it insufficient or less. Companies located exclusively in St. Petersburg (75%) or Moscow (60%) were more likely to respond negative about the FIAC. Wholly foreign-owned companies (50%), exporting (40%) and

importing (63.9%) companies were also more critical of the FIAC. By contrast, 85.7% of majority Russian owned companies responded positively about the body.

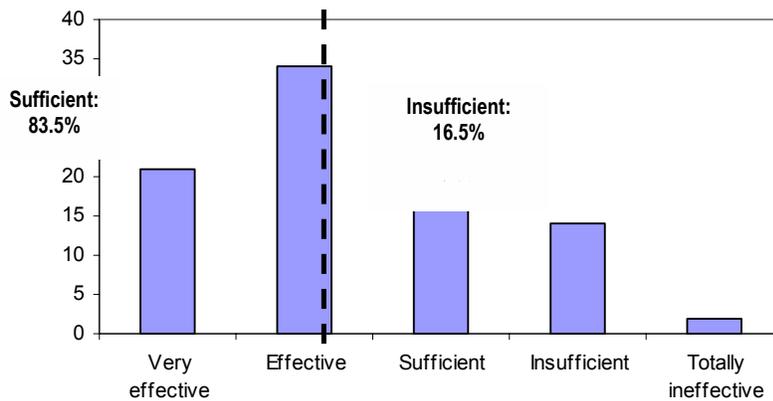
84. Thirty two companies (again, including the 10 from Bashkortostan) were positive about the ombudsman for FDI, while 50 were negative. Again, the companies in Moscow and St. Petersburg, and the wholly foreign owned/import/export companies were more likely to respond negatively.

Question 13: How effective do you think that a “one-stop shop” facility to assist foreign investors prior to their establishment and during their operations in Russia would be?

85. Responses were markedly positive on the idea of a one-stop shop, 83.5% of respondents thought it would be at least sufficient, 56.7% thought it would be effective or better, and only two respondents considered it would be “Totally Ineffective.”

86. Both of the companies that considered the one-stop shop idea as “Totally Ineffective” were trade and repair companies, but represented only 10% of that group. No clear profile-linked pattern supported the few negative replies that were received about this question. Efforts to analyse these results are thus speculative, possible motives for negative responses might include misunderstanding the one-stop shop concept, or unusual experiences of the respondents.

Figure 9: Effectiveness of a One-Stop Shop for Foreign Investment Concerns



Question 14: In which area do you think the government should focus its efforts to improve its policy towards foreign investors and its implementation?

87. While the survey envisaged that respondents would rank the three answers in order of importance, many respondents were unwilling to break the points down in such a manner, and considered several answers deserving of the same weight. In some, but certainly not all, instances this may have been because there was no zero option, so an unchecked point remained a “1” response. In three cases, where all three points had “1” answers, it was assumed the question was unanswered.

88. Despite these concerns, clear consensus can be determined by evaluating which responses gained the majority weightings: Improvements to the administration was considered the first or second priority by 90 respondents making it the greatest concern. Training officials was rated as the first or second priority by

73 respondents, making it a clear second, and investing in technologies was such a priority for 48 respondents.

89. It is interesting to consider whether respondents believe in the positive potential of government officials, or neglected to consider that improved technology (such as online registration or software-enhanced application processing) might remove human weaknesses from the system.

Question 15: Based on your experience, do you consider existing foreign investment-related policies and available incentives effective or sufficient to compensate the economic shortcomings and business risks faced by foreign investors in Russia?

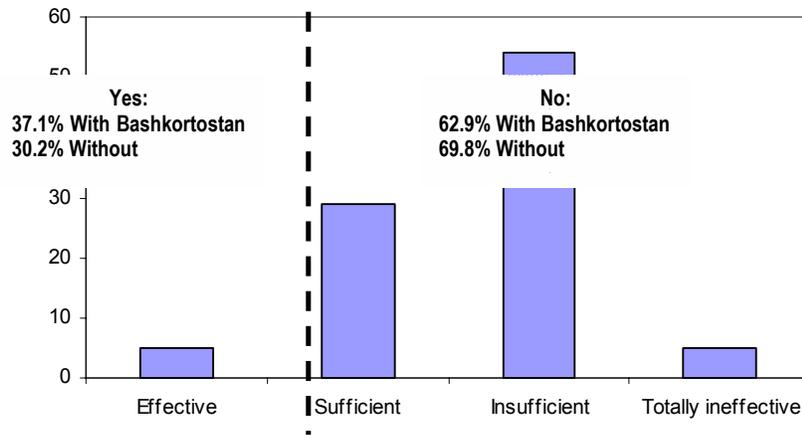
90. In relation to this question, it would have been interesting to also ask how long businesses had been operational in Russia. Such information would enable analysis of the impact of the learning curve and investment payback periods in responses. Fifty four companies complained that the policies and incentives were insufficient, while 34 (24 without the Bashkortostan companies) felt they were positive (Effective or Very Effective). Thus, if we discount the Bashkortostan companies, 69% of respondents have expressed discontentment based on their experience with the Russian market (i.e. despite being an “analysis of winners,” the response was negative).

91. Even without discounting the companies from Bashkortostan, nearly 60% of domestic market orientated companies responded negatively, while the proportion of exporters doing so was over 80%. Aside from Bashkortostan companies, respondents based in Moscow were least critical (nonetheless, 61.9% of them described the foreign investment policies and incentives as “Insufficient” or “Totally Ineffective”). Among the other regions, levels of criticism ranged from 74.5% (for nationwide companies) to 100% (for companies in Asian Russia – of which there was admittedly only one).

92. Other profile factors indicated no significant diversion from the overall response weightings, as cited above. Speaking anonymously, managers answering the survey commented that rather than serving to compensate the business risk through effective regulation, government practises (if not policies) constitute notable risk components in the Russian business environment.

93. Such comments pointedly underline the severity of responses to this key question. Certainly the business environment comprises far more than government policy and incentives, yet in an emerging market these factors are significant. The negativity of responses implies that foreign businesses in Russia note a considerable risk factor, and should thereby demand impressive returns to justify their presence on the market. This is very well while the country is rapidly developing, but will become a major concern over time, if not resolved.

Figure 10: Do Incentives and Policies Compensate Russia Business Risk



Question 16: Do you think that the roles of different levels of the Russian administration in managing and implementing policies and incentives that affect your business are clearly defined?

94. Only at the federal is there a clear consensus (65.3%) view that roles are sufficiently clear or better. As the table below shows, the lower the level of government, the more negative the response.

Table 1: Companies Negatively Viewing the Clarity of Role Definition, %

Level of Government	With Bashkortostan	Without Bashkortostan
Federal	34.7	38.6
Regional	51	57.6
Local	61.7	69
Special agencies	67.8	75
Economic responsibility	76.1	84.1

95. In each question, Moscow-based companies (the largest single geographical group involved in the survey) were more likely to consider the governmental role sufficiently defined. However, it was only at the levels of federal (77.3%) and regional (54.8%) government that the majority of them noted sufficient clarity in role definition.

96. No other profile factor showed any clear divergence from the overall response distribution. Throughout the Putin presidency, the federal government has developed a more decisive role in managing business relations, which might help to explain the consensus among foreign companies about the role of the federal government, as compared to other levels.

97. While Russia operates a highly centralised administration, such that the federal government’s responsibilities may be sufficient to allow effective business, the clear majority were uncomfortable about the distinction of economic responsibilities among the different levels of government. Companies may

understand the central government’s role, and work with it, yet there is clear interest to see more effective economic governance at the local level.

98. Connected with this point, it is notable that even within the capital city – by far the best developed part of the Russian Federation – foreign businesses are unclear about the roles of lower governmental bodies. This conclusion supports anecdotal evidence that the plethora of administrative concerns related to regional and local authorities are as real in the Moscow City and the Moscow Region as they are in more remote locations.

Question 17: When dealing with Russian authorities at different levels of government, how do you consider their capacities to manage and monitor foreign investment-related policies and incentives?

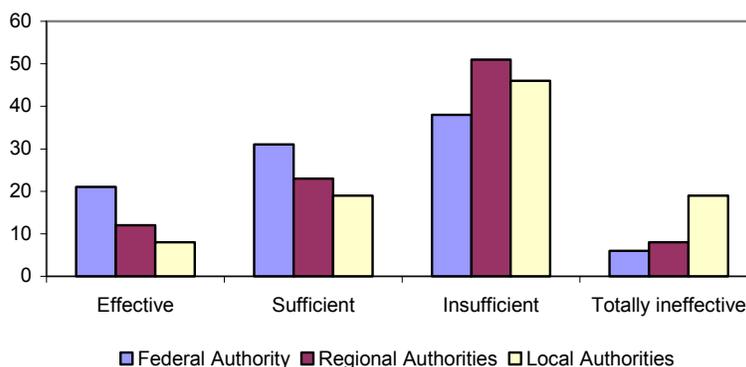
99. As in the previous question, the lower the level of government, the less positively respondents were.

Table 2: Negative Opinion About Administrations’ Managerial Capacities, %

Level of Government	With Bashkortostan	Without Bashkortostan
Federal	45.8	51.2
Regional	62.8	71.1
Local	70.7	79.3

100. Wholly foreign owned companies were most critical at every level, but other profile factors reflected the overall results.

Figure 11: Capacities of the Authorities to Manage FDI Policies/Incentives



Question 18: What has been the duration of incentives made available to your firm?

101. Where fiscal incentives were made available, they were more likely to be long term: 17 companies reported fiscal incentives of more than two years duration, compared to three reporting such incentives for two years and none for one year. However, the clear majority of respondents (70) reported no fiscal incentives of any length.

102. Generally, fiscal incentives given were proportionally distributed among respondents by profile characteristics, although no small companies reported having incentives of two years. 90.4% reported not having received any other (i.e. non-monetary) form of incentive. No medium-sized companies reported receiving other forms of incentive, and other profile factors were consistent with the profile of overall results.

Question 19: What has been the impact of incentives made to your firm vis-à-vis its (potential) competitors?

103. Predictably perhaps, the majority of respondents (73.6%) report no impact from incentives on their firm *vis-à-vis* their foreign competitors. Likewise, 71.2% reported no impact *vis-à-vis* domestic competitors. The former result may seem obvious considering the general absence of incentives (question 18), but at least the latter suggests uniform treatment toward both domestic and foreign investors.

Question 20: To what extent do you think that the following groups are effective, and have sufficient possibilities to discuss and evaluate foreign investment-related policies and incentives in Russia?

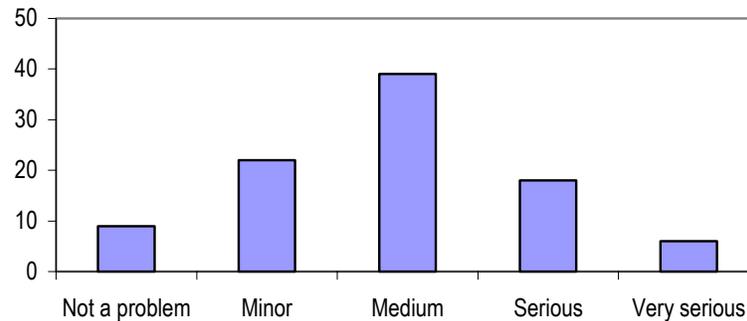
104. 53.2% felt parliamentary bodies are at least sufficiently able to discuss foreign business policies and incentives (46.9% without Bashkortostan). Small business were considerably more likely to feel negatively about this point (64% answering “Insufficient” or worse) compared to 30% of large and 42.9% of medium-sized companies. Wholly foreign-owned businesses also tended to be less satisfied with the opportunities parliamentary bodies have to discuss foreign investment policies and incentives.

- 40.7% felt national audit courts were at least sufficiently able to discuss foreign business policies and incentives (32.9% without Bashkortostan).
- 54.7% felt industry associations were at least sufficiently able to discuss foreign business policies and incentives (49.4% without Bashkortostan).
- Perhaps more worryingly, 73.2% felt the general public were insufficiently able to discuss foreign business policies and incentives (86.2% without Bashkortostan).

Question 21: Do you think that Russia’s current foreign investment-related policies and available incentives are consistent with its international commitments, for example bilateral investment treaties?

105. Distribution of responses evaluating the consistency of Russia’s foreign investment policies and incentives relative to international commitments formed a normal distribution around the “Medium” response. Two-thirds of respondents felt that there was at least a medium-sized problem, only 9.6% felt there wasn’t a problem. Without Bashkortostan, these figures were 73.5% and 7.2%, respectively. The distribution of answers about Russia’s consistency with its international agreements was upheld across the every company profile aspect.

Figure 12: Consistency of FDI Policies with International Commitments



5. Conclusion

106. Russia has great potential to increase foreign investment through developing its relevant policies, regulations and implementation practises. Almost every issue addressed in this survey found a medium or greater degree of concern. However, this survey also finds realistic potential for qualitative improvement of the country's investment environment, and so quantitative improvement of investment levels.

107. Divergence in responses to several questions implies that clearer communication or more uniform access to information and support would immediately bring improvement. More open and accessible consultation in legislative change and reform would also help considerably.

108. Attending to the administrative structure is identified as a key priority, with most respondents questioning the clarity of roles in lower levels of government and the division of economic responsibility throughout the administrative structure.

109. Inevitably, there are limitations in this survey; principally they are caused by the complexity and subjectivity of the issue, where measurement is highly dependent on individual expectations. A more thorough analysis would not only incorporate views of companies that have left or not entered Russia, but would also attempt to more clearly quantify problems and remove the scope for differentiation based on expectation and cultural/personal opinion.

110. However, the survey offers an interesting insight into the scope (wide) and depth (moderate to serious) of problems that foreign investors experience.

111. In access to information, a centralised source for information on all types of legislation, available in English and internationally (for example over the internet), would bring great improvement, assuming companies were made aware of its existence.

112. Increased access to information might also improve transparency and impartiality, considering that a lack of awareness of legal rights facilitates the misapplication of legislation. However, the limit of such improvements is exposed by the importance placed on the need to train officials at all levels of government.

113. It is disturbing that companies felt negatively about the government's role at the most fundamental levels, and that they identified governmental behaviour as a risk to be countered, rather than something encouraging their participation in Russia's development (question 15). Nonetheless, survey

responses implied that real progress is achievable, not least through the introduction of a one-stop shop to address foreign business concerns during establishment and while operating in Russia.

114. It should be noted that this survey focussed on specific aspects of Russia's investment environment – primarily policy transparency, access to information and the availability of FDI incentives. As such, these results give only a part of the overall picture and should be viewed within a wider perspective.

ANNEX: SURVEY RESULTS

1. Sample Profile

Nature of business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mining - Extraction of petroleum & gas	4	3.9	4.0	4.0
	Manufacturing	14	13.7	14.0	18.0
	Electricity, gas & water	2	2.0	2.0	20.0
	Construction	2	2.0	2.0	22.0
	Trade & repair	20	19.6	20.0	42.0
	Transport & communications	2	2.0	2.0	44.0
	Financial activities	16	15.7	16.0	60.0
	Real estate	2	2.0	2.0	62.0
	Legal services	7	6.9	7.0	69.0
	Other	17	16.7	17.0	86.0
	Marketing and PR	4	3.9	4.0	90.0
	Pharmaceutical	2	2.0	2.0	92.0
	Consulting	4	3.9	4.0	96.0
	Mechanical Engineering and Machinery	4	3.9	4.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Number of operations in Russia

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A single operation in Russia	63	61.8	62.4	62.4
	Several operations in Russia	38	37.3	37.6	100.0
	Total	101	99.0	100.0	
Missing	System	1	1.0		
Total		102	100.0		

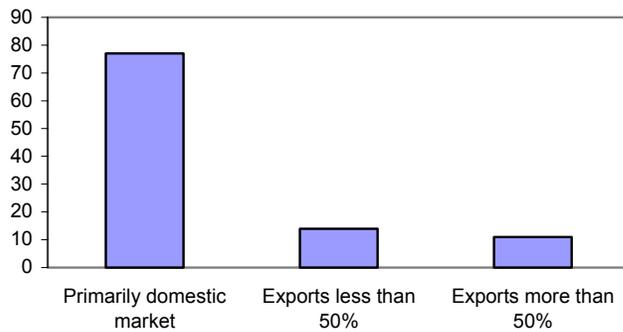
Foreign participation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10% to 50% Foreign owned	8	7.8	8.1	8.1
	50% to 90% Foreign owned	17	16.7	17.2	25.3
	Wholly foreign owned	74	72.5	74.7	100.0
	Total	99	97.1	100.0	
Missing	System	3	2.9		
Total		102	100.0		

Market orientation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primarily domestic	77	75.5	75.5	75.5
	Exports < 50% of output	14	13.7	13.7	89.2
	Exports > 50% of output	11	10.8	10.8	100.0
	Total	102	100.0	100.0	

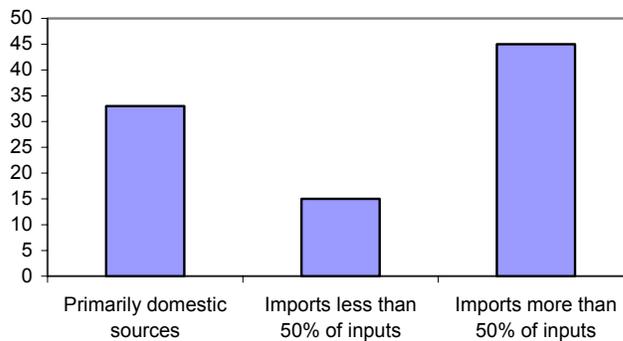
Market Orientation



Origin of inputs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primarily domestic inputs	33	32.4	35.5	35.5
	50% > inputs are imported	15	14.7	16.1	51.6
	50% < inputs are imported	45	44.1	48.4	100.0
	Total	93	91.2	100.0	
Missing	System	9	8.8		
Total		102	100.0		

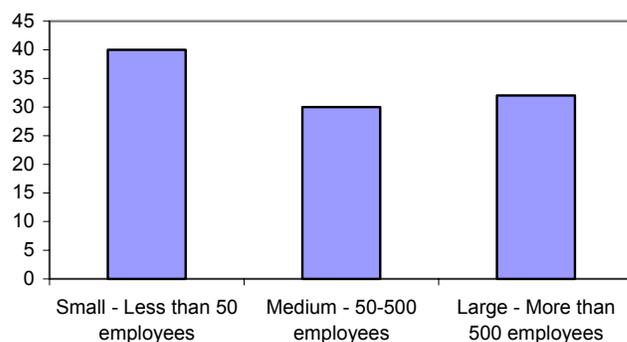
Input Origin



Company size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 500 employees	32	31.4	31.4	31.4
	50 to 500	30	29.4	29.4	60.8
	Less than 50 employees	40	39.2	39.2	100.0
	Total	102	100.0	100.0	

Company Size



Location of business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Moscow and its region	45	44.1	44.1	44.1
	St Petersburg and its region	5	4.9	4.9	49.0
	European part of Russia	23	22.5	22.5	71.6
	Asian part of Russia	1	1.0	1.0	72.5
	Nationwide	18	17.6	17.6	90.2
	Bashkortostan	10	9.8	9.8	100.0
	Total	102	100.0	100.0	

2. Questions

QUESTION 1

How efficient are Russian governmental policies to attract and promote FDI?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	7	6.9	6.9	6.9
	Sufficient	30	29.4	29.4	36.3
	Insufficient	54	52.9	52.9	89.2
	Totally ineffective	11	10.8	10.8	100.0
Total		102	100.0	100.0	

QUESTION 2 (federal level)

How easily available is information on possibility to establish branches, etc.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	70	68.6	72.2	72.2
	Difficult to obtain	27	26.5	27.8	100.0
	Total	97	95.1	100.0	
Missing	System	5	4.9		
Total		102	100.0		

How easily available is information on licensing procedures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	50	49.0	53.2	53.2
	Difficult to obtain	44	43.1	46.8	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

How easily available is information on real estate acquisitions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	39	38.2	44.3	44.3
	Difficult to obtain	48	47.1	54.5	98.9
	3.00	1	1.0	1.1	100.0
	Total	88	86.3	100.0	
Missing	System	14	13.7		
Total		102	100.0		

How does your firm assess the monetary costs of registration/licensing required of foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	16	15.7	16.3	16.3
	Minor	32	31.4	32.7	49.0
	Medium	35	34.3	35.7	84.7
	Serious	12	11.8	12.2	96.9
	Very serious	3	2.9	3.1	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

How easily available is information on forex regulations?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	81	79.4	83.5	83.5
	Difficult to obtain	16	15.7	16.5	100.0
	Total	97	95.1	100.0	
Missing	System	5	4.9		
Total		102	100.0		

How easily available is information on regional and local taxes?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Easily available	69	67.6	74.2	74.2
	Difficult to obtain	24	23.5	25.8	100.0
	Total	93	91.2	100.0	
Missing	System	9	8.8		
Total		102	100.0		

How easily available is information on tax exemptions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	51	50.0	58.6	58.6
	Difficult to obtain	36	35.3	41.4	100.0
	Total	87	85.3	100.0	
Missing	System	15	14.7		
Total		102	100.0		

How easily available is information on customs regulations and procedures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	49	48.0	51.6	51.6
	Difficult to obtain	46	45.1	48.4	100.0
	Total	95	93.1	100.0	
Missing	System	7	6.9		
Total		102	100.0		

How easily available is information on mergers and acquisitions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	49	48.0	54.4	54.4
	Difficult to obtain	41	40.2	45.6	100.0
	Total	90	88.2	100.0	
Missing	System	12	11.8		
Total		102	100.0		

How easily available is information on environmental requirements?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	36	35.3	40.4	40.4
	Difficult to obtain	53	52.0	59.6	100.0
	Total	89	87.3	100.0	
Missing	System	13	12.7		
Total		102	100.0		

How easily available is information on work permits?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	47	46.1	51.1	51.1
	Difficult to obtain	45	44.1	48.9	100.0
	Total	92	90.2	100.0	
Missing	System	10	9.8		
Total		102	100.0		

How easily available is information on rights of shareholders?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	59	57.8	64.8	64.8
	Difficult to obtain	32	31.4	35.2	100.0
	Total	91	89.2	100.0	
Missing	System	11	10.8		
Total		102	100.0		

QUESTION 2 (regional level)

How easily available is information on possibility to establish branches, etc.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	52	51.0	60.5	60.5
	Difficult to obtain	34	33.3	39.5	100.0
	Total	86	84.3	100.0	
Missing	System	16	15.7		
Total		102	100.0		

How easily available is information on licensing procedures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	39	38.2	49.4	49.4
	Difficult to obtain	40	39.2	50.6	100.0
	Total	79	77.5	100.0	
Missing	System	23	22.5		
Total		102	100.0		

How easily available is information on real estate acquisitions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	36	35.3	45.0	45.0
	Difficult to obtain	44	43.1	55.0	100.0
	Total	80	78.4	100.0	
Missing	System	22	21.6		
Total		102	100.0		

How easily available is information on forex regulations?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	55	53.9	71.4	71.4
	Difficult to obtain	22	21.6	28.6	100.0
	Total	77	75.5	100.0	
Missing	System	25	24.5		
Total		102	100.0		

How easily available is information on regional and local taxes?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	60	58.8	69.8	69.8
	Difficult to obtain	26	25.5	30.2	100.0
	Total	86	84.3	100.0	
Missing	System	16	15.7		
Total		102	100.0		

How easily available is information on tax exemptions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	40	39.2	46.0	46.0
	Difficult to obtain	47	46.1	54.0	100.0
	Total	87	85.3	100.0	
Missing	System	15	14.7		
Total		102	100.0		

How easily available is information on customs regulations and procedures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	36	35.3	46.8	46.8
	Difficult to obtain	41	40.2	53.2	100.0
	Total	77	75.5	100.0	
Missing	System	25	24.5		
Total		102	100.0		

How easily available is information on mergers and acquisitions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	37	36.3	48.7	48.7
	Difficult to obtain	39	38.2	51.3	100.0
	Total	76	74.5	100.0	
Missing	System	26	25.5		
Total		102	100.0		

How easily available is information on environmental requirements?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	31	30.4	39.7	39.7
	Difficult to obtain	47	46.1	60.3	100.0
	Total	78	76.5	100.0	
Missing	System	24	23.5		
Total		102	100.0		

How easily available is information on work permits?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	37	36.3	46.8	46.8
	Difficult to obtain	42	41.2	53.2	100.0
	Total	79	77.5	100.0	
Missing	System	23	22.5		
Total		102	100.0		

How easily available is information on rights of shareholders?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Readily available	39	38.2	54.2	54.2
	Difficult to obtain	33	32.4	45.8	100.0
	Total	72	70.6	100.0	
Missing	System	30	29.4		
Total		102	100.0		

QUESTION 3

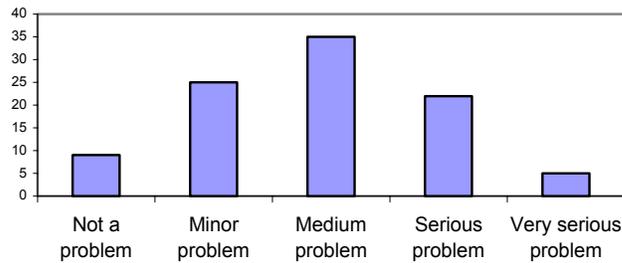
Obtaining information on government policy and regulation changes relevant to foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	15	14.7	14.7	14.7
	Minor problem	34	33.3	33.3	48.0
	Medium problem	34	33.3	33.3	81.4
	Serious problem	16	15.7	15.7	97.1
	Very serious problem	3	2.9	2.9	100.0
Total		102	100.0	100.0	

Obtaining information on regional government policy and regulation changes relevant to foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	9	8.8	9.4	9.4
	Minor problem	25	24.5	26.0	35.4
	Medium problem	35	34.3	36.5	71.9
	Serious problem	22	21.6	22.9	94.8
	Very serious problem	5	4.9	5.2	100.0
Total		96	94.1	100.0	
Missing	System	6	5.9		
Total		102	100.0		

Obtaining Information on Regulation Changes



QUESTION 4

How easily available has been information on primary legislation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not available	1	1.0	1.0	1.0
	Available in Russian	41	40.2	41.8	42.9
	Available in English	49	48.0	50.0	92.9
	Available in home country	7	6.9	7.1	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

How easily available has been information on secondary legislation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not available	3	2.9	3.1	3.1
	Available in Russian	70	68.6	72.2	75.3
	Available in English	21	20.6	21.6	96.9
	Available in home country	3	2.9	3.1	100.0
	Total	97	95.1	100.0	
Missing	System	5	4.9		
Total		102	100.0		

How easily available has been information on legislation and regulations issued by regional authorities?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not available	7	6.9	7.3	7.3
	Available in Russian	86	84.3	89.6	96.9
	Available in English	2	2.0	2.1	99.0
	Available in home country	1	1.0	1.0	100.0
	Total	96	94.1	100.0	
Missing	System	6	5.9		
Total		102	100.0		

How easily available has been information on legislation and regulations issued by local authorities?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not available	18	17.6	18.9	18.9
	Available in Russian	74	72.5	77.9	96.8
	Available in English	1	1.0	1.1	97.9
	Available in home country	2	2.0	2.1	100.0
	Total	95	93.1	100.0	
Missing	System	7	6.9		
Total		102	100.0		

QUESTION 5

Most frequently used sources for information on laws/reg - Russian governmental sources?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	47	46.1	46.1	46.1
	No	55	53.9	53.9	100.0
	Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - Russian consulting/law firms

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	61	59.8	59.8	59.8
	No	41	40.2	40.2	100.0
	Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - free Russian websites/databases?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	32	31.4	31.4	31.4
No	70	68.6	68.6	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - commercial Russian websites/databases?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	51	50.0	50.0	50.0
No	51	50.0	50.0	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - home government sources

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	10	9.8	9.8	9.8
No	92	90.2	90.2	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - foreign consulting/law firms

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	36	35.3	35.3	35.3
No	66	64.7	64.7	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - free foreign websites/databases?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	14	13.7	13.7	13.7
No	88	86.3	86.3	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - commercial foreign websites/databases?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	12	11.8	11.8	11.8
No	90	88.2	88.2	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - business newspapers?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	58	56.9	56.9	56.9
No	44	43.1	43.1	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - business associations?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	39	38.2	38.2	38.2
No	63	61.8	61.8	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - local partners?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	31	30.4	30.4	30.4
No	71	69.6	69.6	100.0
Total	102	100.0	100.0	

Most frequently used sources for information on laws/regs - personal contacts?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	46	45.1	45.1	45.1
No	56	54.9	54.9	100.0
Total	102	100.0	100.0	

QUESTION 6

Rank the frequency with which you use official legal gazettes provided by the Russian government?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 extremely often	57	55.9	57.6	57.6
2 very often	10	9.8	10.1	67.7
3 often	6	5.9	6.1	73.7
4 occasionally	9	8.8	9.1	82.8
5 rarely	5	4.9	5.1	87.9
6 almost never	1	1.0	1.0	88.9
7 absolutely never	11	10.8	11.1	100.0
Total	99	97.1	100.0	
Missing System	3	2.9		
Total	102	100.0		

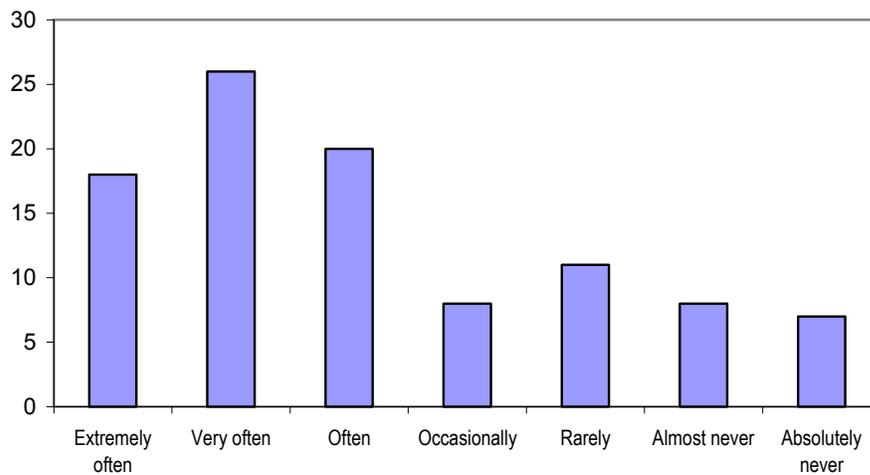
Rank the frequency with which you use international agreements provided by the Russian government?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 extremely often	11	10.8	11.2	11.2
	2 very often	19	18.6	19.4	30.6
	3 often	13	12.7	13.3	43.9
	4 occasionally	9	8.8	9.2	53.1
	5 rarely	13	12.7	13.3	66.3
	6 almost never	14	13.7	14.3	80.6
	7 absolutely never	19	18.6	19.4	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

Rank the frequency with which you use websites in English provided by the Russian government?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 extremely often	18	17.6	18.4	18.4
	2 very often	26	25.5	26.5	44.9
	3 often	20	19.6	20.4	65.3
	4 occasionally	8	7.8	8.2	73.5
	5 rarely	11	10.8	11.2	84.7
	6 almost never	8	7.8	8.2	92.9
	7 absolutely never	7	6.9	7.1	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

Use of English Language Websites Provided by the Russian Government



Rank the frequency with which you use websites in Russian provided by the Russian government?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 extremely often	15	14.7	15.6	15.6
	2 very often	4	3.9	4.2	19.8
	3 often	15	14.7	15.6	35.4
	4 occasionally	18	17.6	18.8	54.2
	5 rarely	18	17.6	18.8	72.9
	6 almost never	8	7.8	8.3	81.3
	7 absolutely never	18	17.6	18.8	100.0
	Total	96	94.1	100.0	
Missing	System	6	5.9		
Total		102	100.0		

Rank the frequency with which you use special enquiry points provided by the Russian government?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 extremely often	8	7.8	8.2	8.2
	2 very often	3	2.9	3.1	11.3
	3 often	6	5.9	6.2	17.5
	4 occasionally	18	17.6	18.6	36.1
	5 rarely	16	15.7	16.5	52.6
	6 almost never	19	18.6	19.6	72.2
	7 absolutely never	27	26.5	27.8	100.0
	Total	97	95.1	100.0	
Missing	System	5	4.9		
Total		102	100.0		

Rank the frequency with which you use formal contacts with the Russian government?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 extremely often	13	12.7	13.3	13.3
	2 very often	14	13.7	14.3	27.6
	3 often	18	17.6	18.4	45.9
	4 occasionally	10	9.8	10.2	56.1
	5 rarely	15	14.7	15.3	71.4
	6 almost never	16	15.7	16.3	87.8
	7 absolutely never	12	11.8	12.2	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

Rank the frequency with which you use informal contacts with the Russian government?

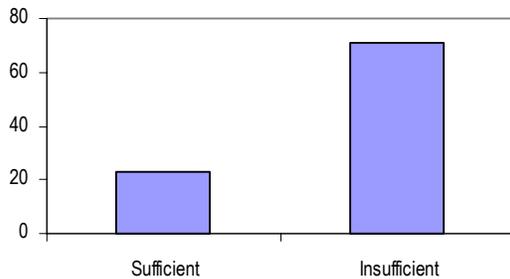
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 extremely often	12	11.8	12.2	12.2
	2 very often	8	7.8	8.2	20.4
	3 often	18	17.6	18.4	38.8
	4 occasionally	9	8.8	9.2	48.0
	5 rarely	10	9.8	10.2	58.2
	6 almost never	12	11.8	12.2	70.4
	7 absolutely never	29	28.4	29.6	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

QUESTION 7

Do the Russian authorities consult over planned laws and regulations sufficiently before the introduction of new measures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sufficient	25	24.5	25.3	25.3
	Insufficient	74	72.5	74.7	100.0
	Total	99	97.1	100.0	
Missing	System	3	2.9		
Total		102	100.0		

Do Authorities Consult Sufficiently Before Introducing New Measures?



Are notifications/consultation procedures open to all interested parties, including foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sufficient	20	19.6	20.0	20.0
	Insufficient	80	78.4	80.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Are exceptions to accessibility to notification/consultation procedures clearly defined and delimited?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sufficient	17	16.7	17.3	17.3
	Insufficient	81	79.4	82.7	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

QUESTION 8

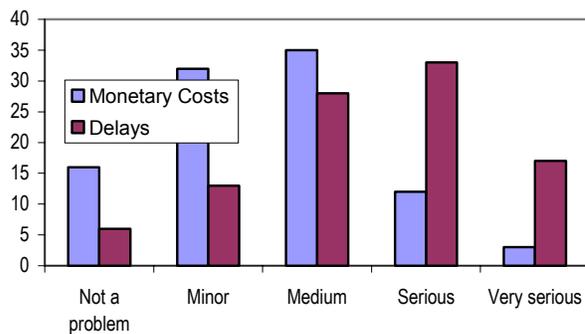
How does your firm assess the monetary costs of registration/licensing required of foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	16	15.7	16.3	16.3
	Minor	32	31.4	32.7	49.0
	Medium	35	34.3	35.7	84.7
	Serious	12	11.8	12.2	96.9
	Very serious	3	2.9	3.1	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

How does your firm assess the delays in registration/licensing formalities required of foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	6	5.9	6.2	6.2
	Minor	13	12.7	13.4	19.6
	Medium	28	27.5	28.9	48.5
	Serious	33	32.4	34.0	82.5
	Very serious	17	16.7	17.5	100.0
	Total	97	95.1	100.0	
Missing	System	5	4.9		
Total		102	100.0		

Experience with Registration/Licensing Formalities



QUESTION 9**Do you consider the general rules for sanitary inspections/administrative controls clear and transparent?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	16	15.7	17.0	17.0
	Minor	18	17.6	19.1	36.2
	Medium	31	30.4	33.0	69.1
	Serious	24	23.5	25.5	94.7
	Very serious	5	4.9	5.3	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

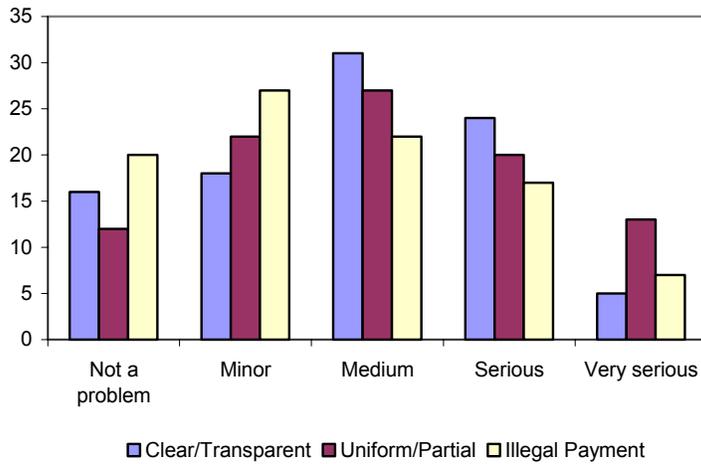
Do you consider the general rules for sanitary inspections/administrative control procedures uniform and impartial?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	12	11.8	12.8	12.8
	Minor	22	21.6	23.4	36.2
	Medium	27	26.5	28.7	64.9
	Serious	20	19.6	21.3	86.2
	Very serious	13	12.7	13.8	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

How do you assess the pressure for illegal payments in conjunction with inspection/administrative control procedures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	20	19.6	21.5	21.5
	Minor	27	26.5	29.0	50.5
	Medium	22	21.6	23.7	74.2
	Serious	17	16.7	18.3	92.5
	Very serious	7	6.9	7.5	100.0
	Total	93	91.2	100.0	
Missing	System	9	8.8		
Total		102	100.0		

Experience with Sanitary Inspections/Administrative Controls

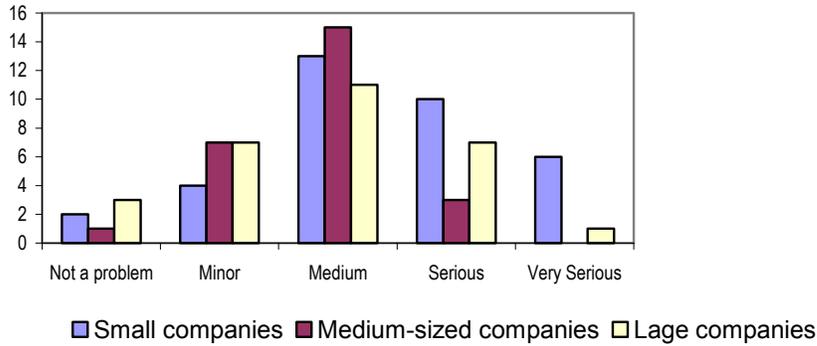


QUESTION 10

Do you consider the general rules for customs procedures clear and transparent?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	6	5.9	6.7	6.7
	Minor	18	17.6	20.0	26.7
	Medium	39	38.2	43.3	70.0
	Serious	20	19.6	22.2	92.2
	Very serious	7	6.9	7.8	100.0
	Total	90	88.2	100.0	
Missing	System	12	11.8		
Total		102	100.0		

Are Customs Procedures Clear and Transparent?



Do you consider the general rules for customs procedures predictable and impartial?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	5	4.9	5.6	5.6
	Minor	13	12.7	14.6	20.2
	Medium	39	38.2	43.8	64.0
	Serious	21	20.6	23.6	87.6
	Very serious	11	10.8	12.4	100.0
	Total	89	87.3	100.0	
Missing	System	13	12.7		
Total		102	100.0		

How do you assess the pressure for illegal payments in conjunction with customs procedures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	14	13.7	16.9	16.9
	Minor	22	21.6	26.5	43.4
	Medium	25	24.5	30.1	73.5
	Serious	16	15.7	19.3	92.8
	Very serious	6	5.9	7.2	100.0
	Total	83	81.4	100.0	
Missing	System	19	18.6		
Total		102	100.0		

QUESTION 11

How do you assess access to appeal and arbitration procedures by foreign firms seeking to contest Russian authorities' administrative decisions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	25	24.5	26.6	26.6
	Minor	19	18.6	20.2	46.8
	Medium	33	32.4	35.1	81.9
	Serious	15	14.7	16.0	97.9
	Very serious	2	2.0	2.1	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

How do you assess the clarity and transparency of the rules and proceedings of appeal and arbitration bodies?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	14	13.7	15.1	15.1
	Minor	21	20.6	22.6	37.6
	Medium	33	32.4	35.5	73.1
	Serious	21	20.6	22.6	95.7
	Very serious	4	3.9	4.3	100.0
	Total	93	91.2	100.0	
Missing	System	9	8.8		
Total		102	100.0		

How do you assess the uniformity and impartiality of the rules and proceedings of appeal and arbitration bodies?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	10	9.8	10.9	10.9
	Minor	18	17.6	19.6	30.4
	Medium	31	30.4	33.7	64.1
	Serious	23	22.5	25.0	89.1
	Very serious	10	9.8	10.9	100.0
	Total	92	90.2	100.0	
Missing	System	10	9.8		
Total		102	100.0		

How do you assess the rapidity and effectiveness of appeal and arbitration bodies?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	6	5.9	6.7	6.7
	Minor	9	8.8	10.0	16.7
	Medium	37	36.3	41.1	57.8
	Serious	24	23.5	26.7	84.4
	Very serious	14	13.7	15.6	100.0
	Total	90	88.2	100.0	
Missing	System	12	11.8		
Total		102	100.0		

QUESTION 12

Do you consider the Foreign Investment Advisory Council useful and effective for obtaining and/or to raise your concerns regarding policies that affect your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	1	1.0	1.1	1.1
	Effective	18	17.6	20.7	21.8
	Sufficient	32	31.4	36.8	58.6
	Insufficient	31	30.4	35.6	94.3
	Totally ineffective	5	4.9	5.7	100.0
	Total	87	85.3	100.0	
Missing	System	15	14.7		
Total		102	100.0		

Do you consider the ombudsman for FDI useful and effective for obtaining and/or to raise your concerns regarding policies that affect your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	7	6.9	8.5	8.5
	Sufficient	25	24.5	30.5	39.0
	Insufficient	43	42.2	52.4	91.5
	Totally ineffective	7	6.9	8.5	100.0
	Total	82	80.4	100.0	
Missing	System	20	19.6		
Total		102	100.0		

QUESTION 13

How effective do you think a one-stop shop would be, to assist foreign investors prior to and during their operations in Russia?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	21	20.6	21.6	21.6
	Effective	34	33.3	35.1	56.7
	Sufficient	26	25.5	26.8	83.5
	Insufficient	14	13.7	14.4	97.9
	Totally ineffective	2	2.0	2.1	100.0
	Total	97	95.1	100.0	
Missing	System	5	4.9		
Total		102	100.0		

QUESTION 14

How do you rank the importance of improving administrative structure to improve the governmental policy towards foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Most important	75	73.5	75.8	75.8
	2 Important	15	14.7	15.2	90.9
	3 Less important	9	8.8	9.1	100.0
	Total	99	97.1	100.0	
Missing	System	3	2.9		
Total		102	100.0		

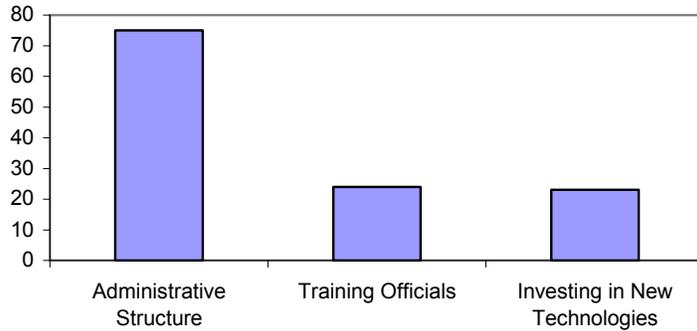
How do you rank the importance of training officials to improve the governmental policy towards foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Most important	24	23.5	24.2	24.2
	2 Important	49	48.0	49.5	73.7
	3 Less important	26	25.5	26.3	100.0
	Total	99	97.1	100.0	
Missing	System	3	2.9		
Total		102	100.0		

How do you rank the importance of investing in new technologies to improve the governmental policy towards foreign investors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Most important	23	22.5	23.2	23.2
	2 Important	25	24.5	25.3	48.5
	3 Less important	51	50.0	51.5	100.0
	Total	99	97.1	100.0	
Missing	System	3	2.9		
Total		102	100.0		

Priorities for Improvement



QUESTION 15

Do you consider the foreign investment-related policies and available incentives effective or sufficient to compensate the economic shortcomings and business risks faced by foreign investors in Russia?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	5	4.9	5.2	5.2
	Sufficient	31	30.4	32.0	37.1
	Insufficient	57	55.9	58.8	95.9
	Totally ineffective	4	3.9	4.1	100.0
	Total	97	95.1	100.0	
Missing	System	5	4.9		
Total		102	100.0		

QUESTION 16

Do you think that the role of the federal authorities in managing and implementing policies and incentives that affect your business is clearly defined?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very clear	2	2.0	2.0	2.0
	Clear	21	20.6	21.4	23.5
	Sufficiently clear	41	40.2	41.8	65.3
	Insufficiently clear	30	29.4	30.6	95.9
	Totally unclear	4	3.9	4.1	100.0
	Total	98	96.1	100.0	
Missing	System	4	3.9		
Total		102	100.0		

Do you think that the role of the regional authorities in managing and implementing policies and incentives that affect your business is clearly defined?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very clear	2	2.0	2.1	2.1
	Clear	14	13.7	14.6	16.7
	Sufficiently clear	31	30.4	32.3	49.0
	Insufficiently clear	43	42.2	44.8	93.8
	Totally unclear	6	5.9	6.3	100.0
	Total	96	94.1	100.0	
Missing	System	6	5.9		
Total		102	100.0		

Do you think that the role of the local authorities in managing and implementing policies and incentives that affect your business is clearly defined?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very clear	3	2.9	3.2	3.2
	Clear	6	5.9	6.4	9.6
	Sufficiently clear	27	26.5	28.7	38.3
	Insufficiently clear	42	41.2	44.7	83.0
	Totally unclear	16	15.7	17.0	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

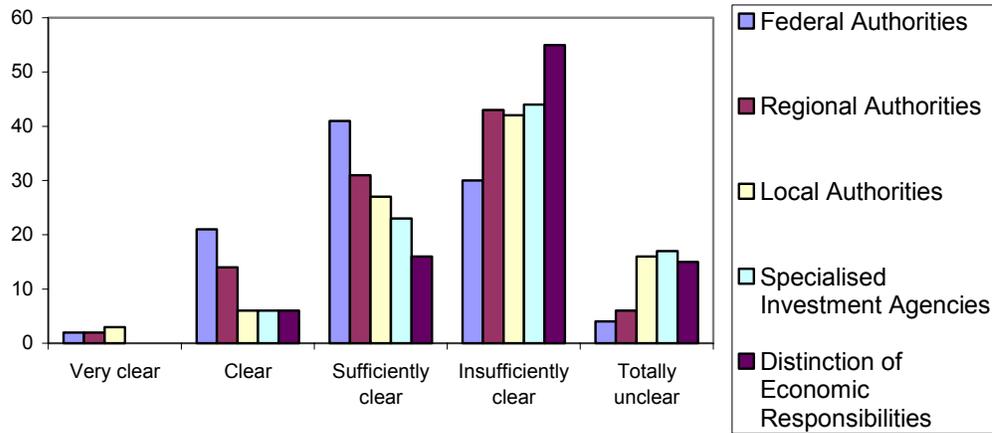
Do you think that the role of the specialised investment agencies in managing and implementing policies and incentives that affect your business is clearly defined?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Clear	6	5.9	6.7	6.7
	Sufficiently clear	23	22.5	25.6	32.2
	Insufficiently clear	44	43.1	48.9	81.1
	Totally unclear	17	16.7	18.9	100.0
	Total	90	88.2	100.0	
Missing	System	12	11.8		
Total		102	100.0		

Do you think that the distinction of economic responsibilities among different levels of government in managing and implementing policies and incentives that affect your business is clearly defined?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Clear	6	5.9	6.5	6.5
	Sufficiently clear	16	15.7	17.4	23.9
	Insufficiently clear	55	53.9	59.8	83.7
	Totally unclear	15	14.7	16.3	100.0
	Total	92	90.2	100.0	
Missing	System	10	9.8		
Total		102	100.0		

How Clearly Defined Are FDI Policy/Incentive Roles?



QUESTION 17

How do you consider the capacities of the Russian authorities at the federal level to manage and monitor foreign investment-related policies and incentives?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	21	20.6	21.9	21.9
	Sufficient	31	30.4	32.3	54.2
	Insufficient	38	37.3	39.6	93.8
	Totally ineffective	6	5.9	6.3	100.0
	Total	96	94.1	100.0	
Missing	System	6	5.9		
Total		102	100.0		

How do you consider the capacities of the Russian authorities at the regional level to manage and monitor foreign investment-related policies and incentives?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	12	11.8	12.8	12.8
	Sufficient	23	22.5	24.5	37.2
	Insufficient	51	50.0	54.3	91.5
	Totally ineffective	8	7.8	8.5	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

How do you consider the capacities of the Russian authorities at the local level to manage and monitor foreign investment-related policies and incentives?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	8	7.8	8.7	8.7
	Sufficient	19	18.6	20.7	29.3
	Insufficient	46	45.1	50.0	79.3
	Totally ineffective	19	18.6	20.7	100.0
	Total	92	90.2	100.0	
Missing	System	10	9.8		
Total		102	100.0		

QUESTION 18

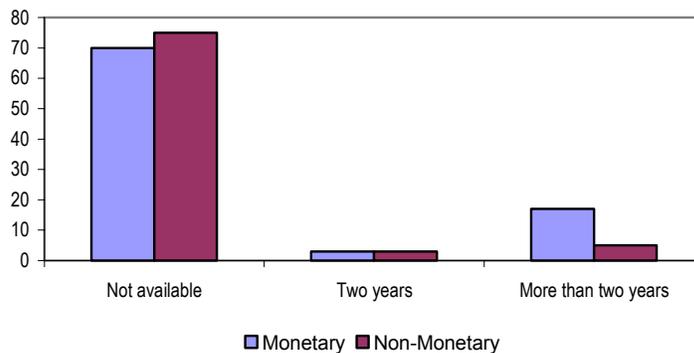
What has been the duration of fiscal incentives made available to your firm?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not available	70	68.6	77.8	77.8
	Two years	3	2.9	3.3	81.1
	More than two years	17	16.7	18.9	100.0
	Total	90	88.2	100.0	
Missing	System	12	11.8		
Total		102	100.0		

What has been the duration of other incentives made available to your firm?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not available	75	73.5	90.4	90.4
	Two years	3	2.9	3.6	94.0
	More than two years	5	4.9	6.0	100.0
	Total	83	81.4	100.0	
Missing	System	19	18.6		
Total		102	100.0		

Duration of Incentives



QUESTION 19

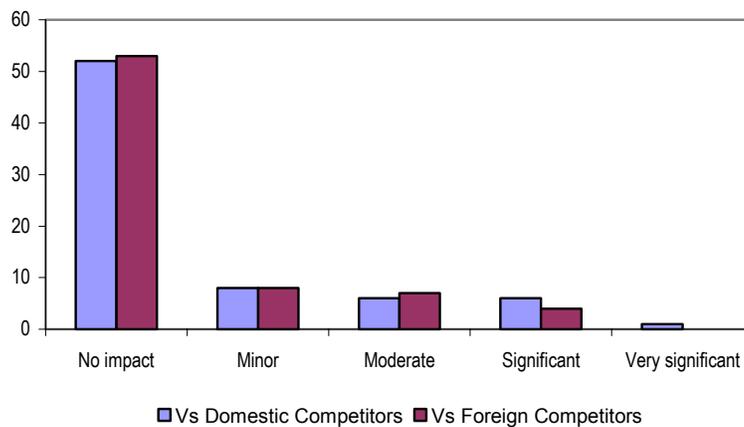
What has been the impact of incentives made available to your firm on its position *vis-à-vis* its (potential) domestic competitors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No impact	52	51.0	71.2	71.2
	Minor	8	7.8	11.0	82.2
	Moderate	6	5.9	8.2	90.4
	Significant	6	5.9	8.2	98.6
	Very significant	1	1.0	1.4	100.0
	Total	73	71.6	100.0	
Missing	System	29	28.4		
Total		102	100.0		

What has been the impact of incentives made available to your firm on its position *vis-à-vis* its foreign competitors entering the market?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No impact	53	52.0	73.6	73.6
	Minor	8	7.8	11.1	84.7
	Moderate	7	6.9	9.7	94.4
	Significant	4	3.9	5.6	100.0
	Total	72	70.6	100.0	
Missing	System	30	29.4		
Total		102	100.0		

Impact of Incentives



QUESTION 20

To what extent do appropriate parliamentary bodies have the opportunity to discuss and evaluate foreign investment-related policies and incentives, and how effective are they?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	3	2.9	3.2	3.2
	Effective	21	20.6	22.3	25.5
	Sufficient	26	25.5	27.7	53.2
	Insufficient	35	34.3	37.2	90.4
	Totally ineffective	9	8.8	9.6	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

To what extent do national audit courts have the opportunity to discuss and evaluate foreign investment-related policies and incentives, and how effective are they?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	10	9.8	12.3	12.3
	Sufficient	23	22.5	28.4	40.7
	Insufficient	37	36.3	45.7	86.4
	Totally ineffective	11	10.8	13.6	100.0
	Total	81	79.4	100.0	
Missing	System	21	20.6		
Total		102	100.0		

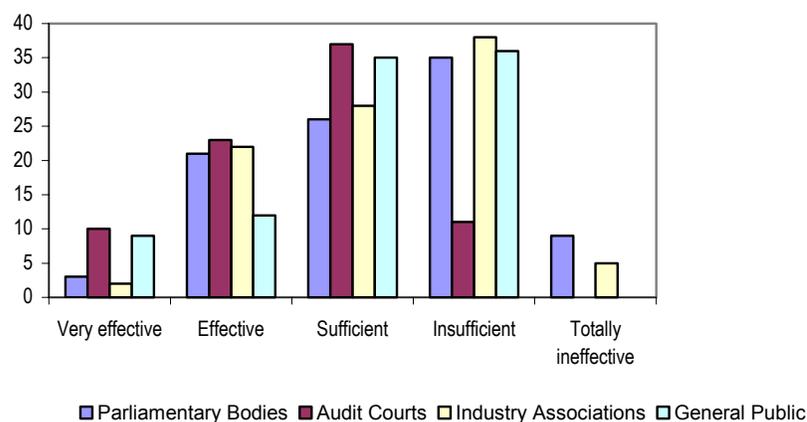
To what extent do industry associations have the opportunity to discuss and evaluate foreign investment-related policies and incentives, and how effective are they?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very effective	2	2.0	2.1	2.1
	Effective	22	21.6	23.2	25.3
	Sufficient	28	27.5	29.5	54.7
	Insufficient	38	37.3	40.0	94.7
	Totally ineffective	5	4.9	5.3	100.0
	Total	95	93.1	100.0	
Missing	System	7	6.9		
Total		102	100.0		

To what extent does the general public have the opportunity to discuss and evaluate foreign investment-related policies and incentives, and how effective are they?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Effective	9	8.8	9.8	9.8
	Sufficient	12	11.8	13.0	22.8
	Insufficient	35	34.3	38.0	60.9
	Totally ineffective	36	35.3	39.1	100.0
	Total	92	90.2	100.0	
Missing	System	10	9.8		
Total		102	100.0		

Opportunities to Discuss FDI Policies and Incentives



QUESTION 21

Do you think that Russia's current foreign investment-related policies and available incentives are consistent with its international commitments, for example bilateral investment treaties?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a problem	9	8.8	9.6	9.6
	Minor	22	21.6	23.4	33.0
	Medium	39	38.2	41.5	74.5
	Serious	18	17.6	19.1	93.6
	Very serious	6	5.9	6.4	100.0
	Total	94	92.2	100.0	
Missing	System	8	7.8		
Total		102	100.0		

Are FDI Policies Consistent with International Commitments?

