

Managing global trade operations: oao yandgaz in russia

[Economics](#), [Trade](#)



There is common rationale for cultivating a common ground for economic interaction between the Russian federation and European and the Global Community which can serve as roadmap. This has been reflected in the outcome of the “ Russia-EU Moscow Summit in May 2005” (Pankov, 2007) which targeted to develop the future establishment of the concerned parties in the management and the development of framework which would encourage cooperation and lead to development of the free trade spaces within the region.

The process of developing this global scenario has been presented by choosing a Russian company OAO Yandgaz Group, which is an oil and natural gas containers company in Russia. The formalizing of the membership and the encouragement of the negotiations between Russia and the EU members with regard to free trade has been the key in displaying the political and the economic interests of the concerned parties. The economic interested demands preparation to take effective steps which lead to creation of such global free trade scenario which benefits both the concerned parties the sellers as well as the buyers on the global platform.

The development of global network is vital to the sustenance of the economic relationship on which the businesses between the two countries thrives and survives. The development of “ UN Global Trade Point Network (UN GTPNet) is one such step in the right direction. The main idea of the project is to create a network of interconnected trade information and trade facilitation centres (Trade Points) which would serve to simplify realization of trade operations on global , international and domestic levels.

GTPNet is creating a uniform global system of EDI supporting international trade, using UN EDIFACT standards for organization of trade transactions. During several years, the centres of GTPNet were created in more than in 100 UN member countries. "(St. Petersburg Trade Development Centre). The OAO Yandgaz Group is a large seller which has roughly twenty associates worldwide and they arrange supply of products which are well tested and secured before delivery. The delivery of the containers is done proficiently to the upfront buyers with genuine quality control and management of time.

They value their buyers strongly and their strategy is to develop a cordial negotiation with their buyers worldwide which would be enhanced by dialogue and transparent credit and payment mechanism. Their objective is " to commercially develop, operate and market the hydrocarbon resources and associated infrastructure governed by the OAO Yandgaz Group licenses for the sustainable benefit of Shareholders, Brokers, Mandates, Agents or Clients, and the wider of our marketing community. "(OAO-Yandgaz. C).

The hydrocarbons as a resource for worldwide coverage is integral for the economic development of the region and the developmental measures have been encouraged for decades with precision and targeted profitability in sales to meet the economic and socialresponsibilityfor the environmental cause. The business has been operative for the last ten years and has been involved in delivery of the energy products which has been engaged in resourceful use of transportation, production and expo9ration opportunities.

They have evolved an infrastructure which meets the safe delivery of energy products in a more efficient manner.

It addresses the future challenges with systematic and transparent data management which meets the needs of the buyers as well as the sellers. Their role in export and import has been the driving force for ensuring appropriateness of the choice regarding the possibility of developing credible market for energy products. The partnership of Yandgaz necessitates incorporation of state of the art technology and communication device which ascertains accuracy and speed in the realm of monitoring the mission with regard to partner contract. Their communication standards are targeted towards "potential savings and efficiency" (YandgazC).

The company maintains its responsible role as a seller by maintaining sound credit billings and Sales and Purchase Contracts (SPC's) which are based on the fixed price strategy and offers exceptional provision of accommodating changes within the framework of the market place sale and purchase criteria. Yandgaz has "set commission rate, our trade representative's shares 50% of commission on seller's side. Our Sales and Purchase Contracts (SPC's) reflect that we are the Paymaster and our bank issues requisite promise communication in each transaction.

" (OAO Yandgaz Group. B) There are necessary steps which need to be undertaken with regard to the potential client and the specific product which has been required from the buyer. It is necessary to build the strength of the business performance which can boost the long term business relationship with the Russian company. The Russian Law protects the rights of the buyer

to select the product according to their legal requirement. They are engaged in the exploration, acquisition, development, production and marketing of natural gas and crude to international locations.

The corporation ranks as one of independent exploration and production enterprises in the Russian Federation. (OAO Yandgaz Group. C). The precise steps for the management of the method of payment and credit management necessitate: 1. Immediate purchase order form which enable the designated place for the energy product which is for sale. 2. The provision made by OAO Yandgaz to initiate an authorized buyer form to be signed and sealed as letter of Intent 3. Provision made by accurate and authentic information with regard to banking information. 4.

Procedure which necessitates the probing of authorization which encourages the issuance of the Purchase order. 5. The provision which allows for the proceeds of the company with full issuance and finalization of the sales to be included in the purchase contract with the buyer. 6. Having some detailed and accurate information with regard to the Product, origin, grade, product type, contract periods, contract rate, shipment quantities, packaging destination port, discharge rate, payment tool and instrument, targeted prices Commissions, company, contact name, position, address, phone, fax, e-mail, zip code, city, country and other requirements.

It is important for the company to take effective sequential steps in the right direction to achieve effective result and outcome from the global trade which encourages participation of the industrial companies to boost business enterprises in Ethiopia, Addis Ababa. The process necessitates participation

of the efficient and effective development of credit liability and short term financial obligations. There is need to categorize and document display of all products which involve business interaction and involvement.

The Russian company OAO Yandgaz has been engaged in developing relationships with its Ethiopian counterparts to boost business enterprise and trade at the global level. This calls for involvement of Ethiopian businessmen who are interested in export to participate fully in the procedural involvement. The Russian company needs to focus on selecting the right representatives who can address the discussion with regard to the financial commitment and the potential opportunities for furthering trade and investment in Russia as well as Ethiopia.

The objective is to receive documents with regard to credit with full consideration for the financial implication as well as quality control and procedural efficiencies. The consideration for long standing cultural ties and the potential for growth has been the driving force which as the trend to increase at the rate of 15% per year. The balance of the import and export is significant in the long term development of trade relations. Yandgaz engages in business wide range of hydrocarbons which range from gasoline containers to gas oil, crude oil, fuel oil etc. Ethiopia on the other hand focuses on flowers, coffee seeds and oil seeds.

The Russian expertise in fertilizer and machinery has been overpowered by the chemicals and oil in the recent economic trend. The arm race has also attracted immense interest. The chief interest of Russian investors seems to be restricted to energy and mining; other industries and telecommunications

advancement has encouraged the interest in global trade and the impact of global recession has to be considered when evaluating the outcome of the seller and buyer involvement between the two countries. There is also need to strengthen the traditional cultural industries which may encourage multi-dimensional cooperation between the two countries.

The current level of trade between Russia and Ethiopia has to be linked on the global trade operational business standards which addresses the emergence of the financial crisis and tries to achieve steps which can boost the business as well as the economy. The economic stability and the trade cooperation has to be sustained by sound credit documentation and identification of the potential for further improvement. There is also need for effectiveness in initiation of activities which involve inter-governmental commissions to effectively promote healthy economic ties based on the size of the business.

The political and economic considerations have to be developed with the leading companies to help create a dynamic socio-economic cooperation which addresses the cooperation and helps create a regional unity which is boosted by trade exhibitions and exchange of business information. The successful operation on the global platform necessitates strengthening can be achieved by active participation in the trade fair and development of fiscal system with an international banking which can help support and sustain the operation in accordance with the global requirement.

The businesses operation has to be developed on the above mentioned credit and financial requirement which can identify, document and

implement the operational strategy of the company. The respective business operations in the two countries with their economic and socio-cultural considerations have to be integrated with the operational strategy at the global level. The right research and operational strategy will ensure the movement of the trade from seller's perspective to the buyers with the secured system of financial liability which meets international banking standards.

The corporate authority has to be implemented with a sense of responsibility which is protected by due penalty and the commodity and the specifications of the items are determined in quantifiable terms to meet the framework of time. The demand of the company has to meet the terms and the conditions which have been agreed upon mutual verification and evaluation based on documentation procedure. The trade forms have to be developed and initiated for progressive monitoring. The main objective of " OAO Yandgaz Group is an end seller (provider/producer), we have over twenty (20) Associates and Counterparts around

the world, we are proficient to arrange and supply products with full comfort and security for the real and genuine deliver in upfront for the buyer's. OAO Yandgaz Group strategy is to maintain commercial increase through dialogue negotiation with our buyers. " (OAO Yandgaz Group. B). The transaction and securities are the key to the successful trade relationship over a periods of time. It has to be effectively and sequentially developed. References Economic research and analysis, (2010) World Trade Organization

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