

Pest russia

[Finance](#), [Financial Analysis](#)



Political – The political risks are the same in any emerging market and all have to be considered by the possible new organisation. ? Russia has a reputation for organised crime and corruption which has long been an issue for any investors.

? There are very strict laws in Russia to do with mode of entry and so the country usually prefers to trade with its former Soviet allies. Potential tourists could be eliminated from entering Russia due to the strict rules on visas for all tourists entering the country. ? There are a number of policies, laws, marketing and advertising, and health and safety requirements which all international organisations must adhere to – if they do not they will be punished and may not be able to expand within Russia. Economical – Economic growth, population size and income are some of the factors which affect the choice location of firms. This transitional economy is known for high rate of inflation, foreign trade deficits, high rates of unemployment and high costs of capital. ? Although the low labour costs are often what attracts organisations to this emerging market there are a number of hurdles which they must get over before they even get to that stage. ? The global economic crisis has caused the price of oil and gas to ‘dwindle’ which has caused huge fluctuations in the Rouble.

‘The EIUU forecasts 2.5% GDP growth for 2010 and 4.1% for 2011, which represents a stronger and quicker rebound than in Western Europe’ (Geieregger, Chawala and Veller 2009) ? ‘Russia has undergone significant changes since the collapse of the Soviet Union, moving from a globally-isolated, centrally-planned economy to a more market-based and globally-integrated economy’ (Central Intelligence Agency 2010). Social Russia has

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the largest land mass in the world pning over 17, 000, 000 square kilometres. ? Russia has a low populations growth at -0. 465%

Technological ? Certain parts of Russia are improving on their infrastructure.

For example Sochi are developing the local rail network as well as redeveloping one of their airport terminals in order to be able to hand the pressure from visitors at the 2014 Olympic Games