



Moscow Fair Offers Business Souvenirs

EXHIBITION

By Bojan Soc
The Moscow News

Nikolai Dolbin runs a business with an annual turnover of 1 million.

"Dollars?" I ask.

"No, rubles," he replies, laughing heartily at my assumption that we're talking the U.S. currency.

The small business launched five years ago by the young entrepreneur from Russia's fourth-largest city of Yekaterinburg may be generating only \$40,000 in annual revenue per year, but it keeps growing, he adds.

His company, named Original for all the right reasons, employs five people who help produce and market what he calls "original souvenirs" and souvenir weapons.

"We want to be a bright spot in an ocean of Chinese merchandise, which has swept the country," explains Dolbin.

He did choose his market niche smartly – it is hard to imagine Chinese souvenir producers making plaques with inscriptions citing famous Russian

and foreign writers, philosophers or just wise people saying wise things.

Bankers and traders definitely appreciate the one about "Money is minted freedom," or another one suggesting that "Down payment is the guarantee of good relations."

Asked about the company's biggest order to date, Dolbin replies instantly.

"Some time ago we shipped 2,000 boxes with *nagaikas* (Kossack whips) and *pryaniks* (gingerbread) to a Moscow publishing house," he says.

The two represent the Russian equivalents of stick and carrot, and boxed together make a perfect present to a rookie manager.

Dolbin's firm is just one of about 600 companies – including 200 from abroad hailing from 20 countries – showcasing their merchandise these days at Moscow's Gifts Expo Autumn 2007 Exhibition. The fair opened on Tuesday at Gostiny Dvor and Manezh exhibition halls and closes today. It is held twice a year, in spring and autumn.

The companies specializing in business souvenirs and corporate-branded gifts make up just a fraction of all

exhibitors, but demand for their products is continually rising.

Take Russky Khrustal (Russian Crystal), for instance.

According to general director Vitaly Yakovlev, the customers' taste is becoming more delicate as demand gradually shifts from the economy sector to business, elite, VIP, you name it.

His company, the maker of exquisite tableware and glassware, is the top choice for many clients looking for unique gifts for their business partners. Corporate clients make up for 90 percent of all orders.

"Let's take [state-owned arms trader] Rosoboronexport, for example. Visiting delegations number 300 people on average and each of them needs a gift. The company's protocol officials pen strict requirements and we work to meet their demands," Yakovlev says.

Gifts are selected meticulously, with special care, taking into account the visitors' national customs and habits.

"It would be offensive to present an Arab with a set of vodka glasses and a decanter. One needs to be careful with such issues," he says.

For one of its partner companies,

Elite Book, Russky Khrustal casts plates that adorn their elegantly designed book covers.

Measuring success in this business isn't easy.

"If the contacts made here generate talks in 20-30 percent of cases, and you sign five to six contracts through these talks, that's considered an average success rate. Our success rate is significantly higher than that," he says.



Need a gift for your business partner? Exhibitors at Gifts Expo Autumn 2007 may have an answer for you

If paying several thousand dollars for a decanter is setting back your corporate budget, you may think of more practical options.

The Moscow-based Studiya Korporativnogo Dizaina (SKD, Corporate Design Studio) caters to a wide array of businesses, applying a flexible pricing policy and maintaining a neat performance track record.

These people know the true value of time, just as do their clients who place orders for corporate-branded watches and clocks. The clientele ranges from businesses, government agencies,

advertising firms, media organizations, sports clubs, and others.

"Large orders are usually placed on the eve of big holidays, such as New Year's Day or Women's Day. Watches are always in demand, especially those that carry a logo," SKD development manager Yuri Nikolayev says.

The company's product range also includes corporate-branded mugs, pens, baseball caps, T-shirts and other textile products.

So if you're looking to establish your identity among business peers and need to do it quickly, this may be an option for you. All you need is some cash and... a logo! ■



TIME IS ON HIS SIDE: SKD development manager Yuri Nikolayev

GEOLOGY

By Bojan Soc
The Moscow News

The Russian government needs to be more generous when it comes to funding academic institutions that train geologists. Otherwise, already underfunded geology schools will have trouble providing good-quality training for those who will help discover minerals and metals deeply buried in the subsoil of the world's largest country, a panel of scientists from the Moscow-based Russian State University for Geological Exploration (RGGRU) told a press conference Monday.

"We are entitled to 60,000 rubles in budget funds per student annually, and we need at least 120,000 rubles to provide good training. And still, compared with the cost of geology training abroad, this is just a fraction of that money," said

Russia's Geology in Dire Straits

Schools need more funds to provide good-quality training for future specialists in geological exploration

RGGRU provost for science Oleg Bryukhovetsky. He added that the ongoing switch by Russia's universities to the Western, two-degree system is not going to work at RGGRU.

"There is simply not enough time to train a bachelor of geology within four years," he said.

According to RGGRU rector Anatoly Korsakov, Russia experiences a shortage of young, well-trained geologists, whose main shortcoming is the lack of practical training in expeditions. If nothing changes, the aging generations of geologists who started working in the Soviet Union will be hard to replace.

"Some of them grew old, some others quit and took up jobs at private companies, taking with

them abundant knowledge," Korsakov said.

The shortage of qualified geologists, coupled with the trend of the past decade when oil companies pumped as much crude as possible neglecting exploration, have brought about a crisis in oil reserves replenishment, thinks Yevgeny Kozlovsky, head of RGGRU's Optimization Chair.

Kozlovsky, who formerly served as the Soviet Union's geology minister, called today's situation critical, forecasting that Russia's current oil reserves will be exhausted in 50 years, gas reserves – in 75.

"Over the past 15-17 years oil companies have been producing Soviet-era reserves, but that cannot go on forever," Kozlovsky said.

According to him, Russia's "Subsoil Law," which was passed in 1992, had certain good points, but due to the Soviet oil industry's dismantling it failed to work as the majority of lucrative oilfields had already been awarded to private companies emerging at the time. These, in turn, put a major stress on production, investing next to nothing into the discovery of new reserves.

The scientist added that new owners bothered only about skimming easily accessible reserves, never bothering to maximize recovery.

"In Soviet times the oil recovery factor used to be 0.35 percent, today it is 0.23 percent. We are losing billions of dollars because of such attitude," Kozlovsky said.

He also lamented what he called the low level of competence among government officials who have failed so far in putting together a viable policy on geological exploration. As long as Russia doesn't have one, geology will not drive the oil industry, he thinks.

"Now we have a new government and I am eager to see if it will be more responsive to experts' advice," concluded Kozlovsky. ■