



FEM Congress

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Potential market Russia

Savoie's experience

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Agenda

Presentation of SAVOYE

General remarks about Russia

SAVOYE's experience

Presentation of SAVOYE

SAVOYE Equipment & Turnkey Solutions for Logistics



European leader for engineering and manufacturing turnkey solutions



Industrial connector & fittings for industrial fluids



Equipments & turnkey solutions for the building industry

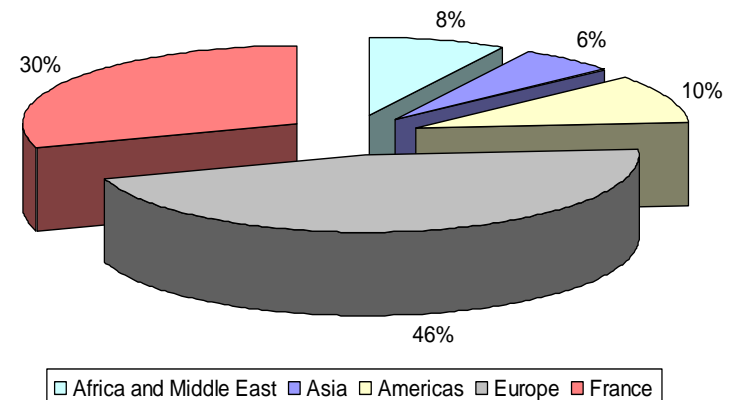


Equipments & turnkey solutions of the food industry

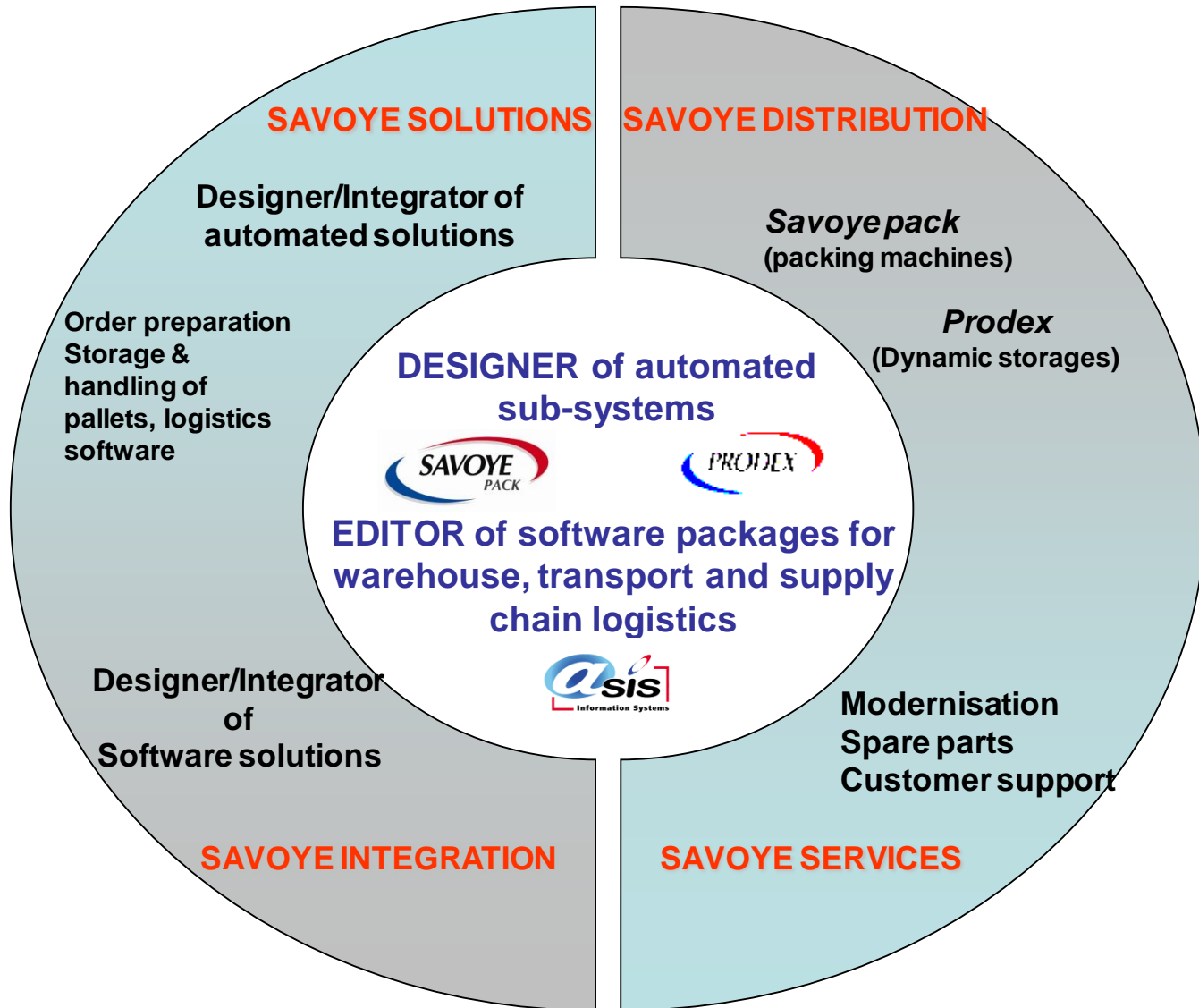


Equipments & turnkey solutions for logistics

709	M€ Turnover
4370	Employees
30	Nationalities
36	Industrial Sites
61	Sales Units



Presentation of SAVOYE



Presentation of SAVOYE

Logistics Software



LM S.C.	LM WMS	LM Direct	LM Tracability	LM WCS	LM Picking Tools
<i>Supply Chain Management</i>	<i>Warehouse Management system</i>	<i>WMS small DC</i>	<i>Tracability & control systems</i>	<i>Warehouse control system</i>	<i>Pick-to-voice, Pick-to-light, RFID</i>

Material Handling Equipment



Packing Machines

Pac 600/Jivaro



Goods to man solutions

PTS



ASRS

Magmatic®

Modulo®



**Conveyors/
Sorters**

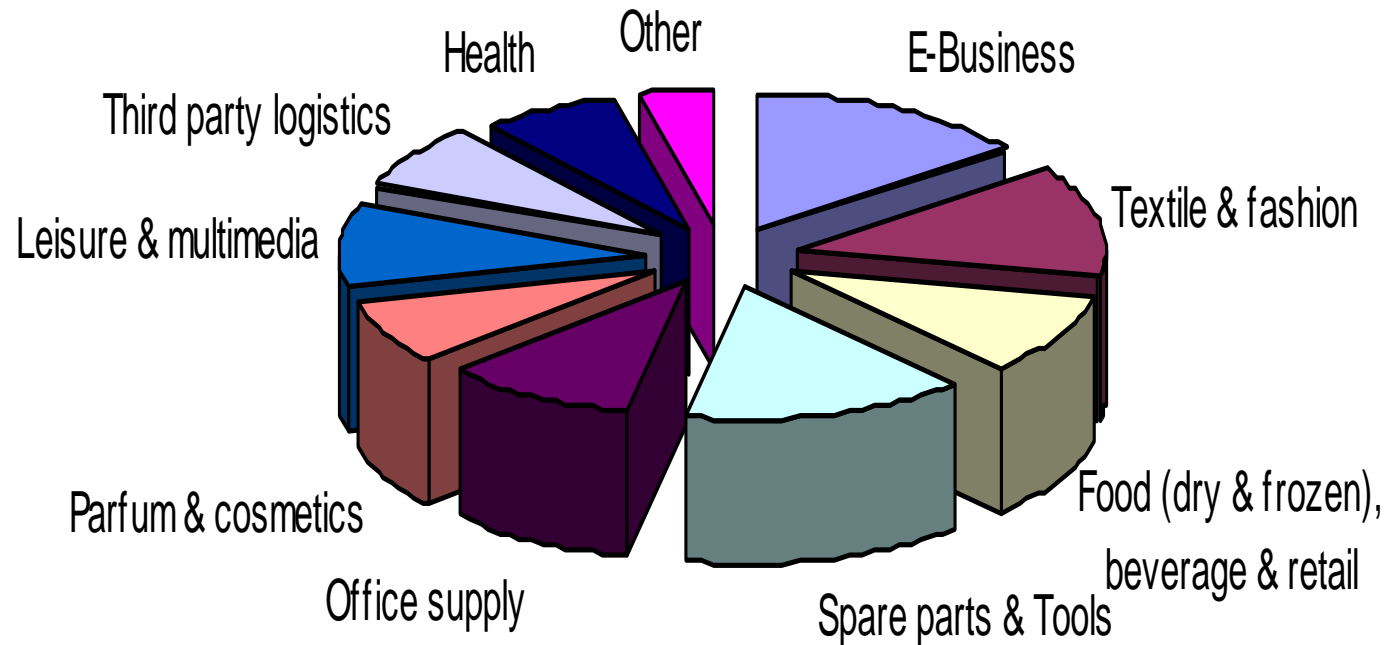


Dynamic Storage

Pick to light

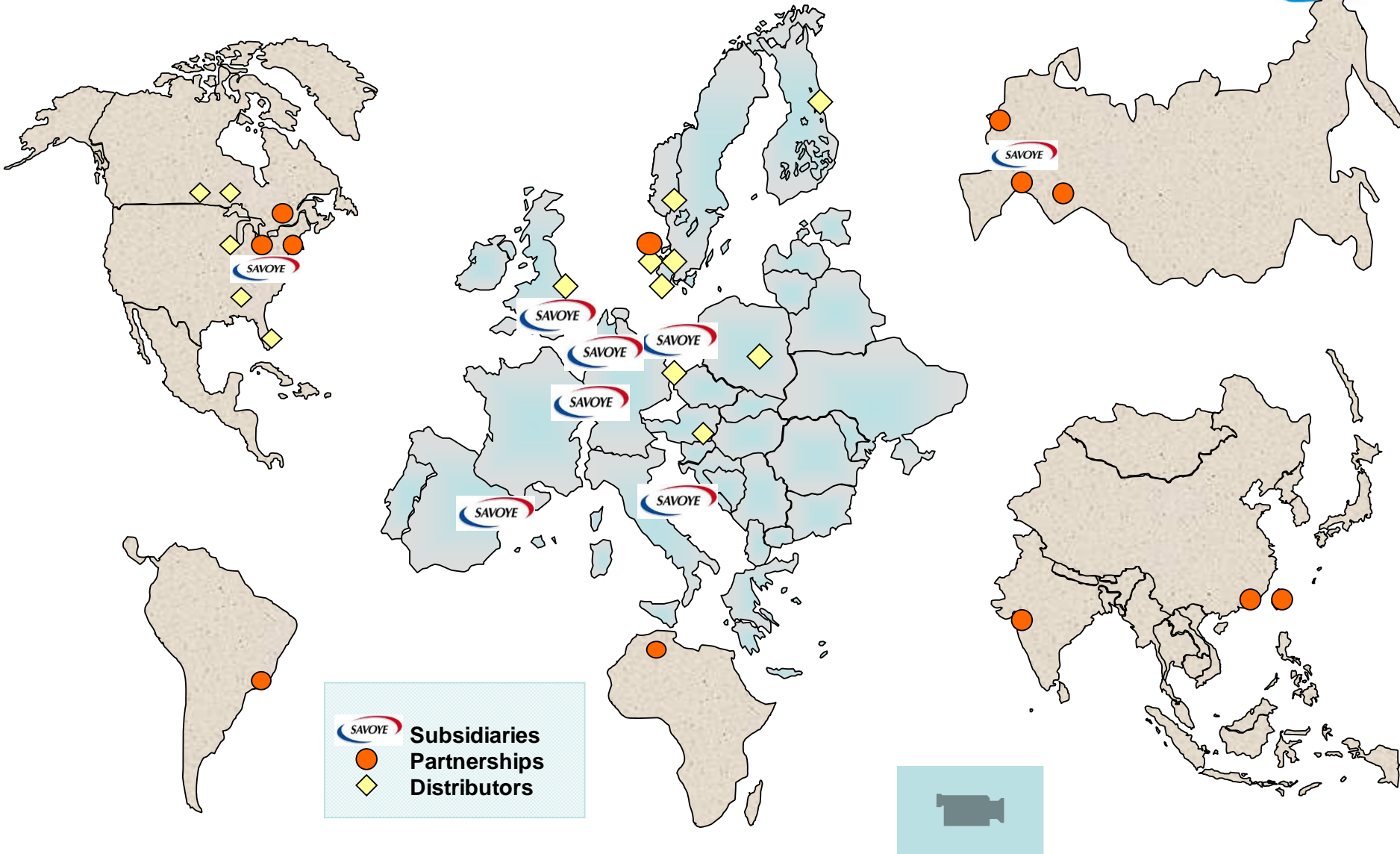
Presentation of SAVOYE

Projects carried out over the last 3 years



Installed base of 600 logistics sites around the world

Presentation of SAVOYE





General remarks about Russia

17 Mio km² (30 times France)

142 Mio inhabitants (France + Germany)

- 80% of the Russian confederation is situated in Europe
- 10 towns with more than 1 Mio inhabitants = 18% of the total population
- Moscow 10.4, St-Petersburg 4.6, Novosibirsk 1.4, 8 towns between 1 and 1.3 mio inhabitants
- Life expectancy: 59 years (men) and 72 years (women)

Market

- Moscow = 40% of the Russian market
- St-Petersburg = 8 to 12%
- Les 5 following towns: 5 to 8 % each
- Total: 80% of the market on 7 towns

Administrative composition

- 21 national republics
- 6 territories (kraï)
- 49 historical regions (oblast)
- 2 important federal towns: Moscow or/and St-Petersburg



General remarks about Russia

Politics

- President : Dmitri Medvedev

Economic release

- Nominal GDP multiplied by 3 since 1998 (760 billions US\$), industrial production = + 60%
- 6 à 7% annual growth
- 50% of the population is active ; 7,6% unemployment
- Growth of the available income = 10% per year, Moscow = 24%
- Growth of the consumption = 10% per year
- Inflation = 10% per year

Taxes

- Reduction of the tax on benefits (max = 24%)
- Reduction of the income tax (flat rate 13%)



General remarks about Russia

Dynamic markets

- Engineering contracts = 50% per year and more
- 1st European market for some consumption products (mobile phone)
- Dynamic development in many activities (textile, shoes, cosmetics, perfumes, ...)

Customs

- 11.000 tariff lines
- Complex, long lasting, and obscure procedures
- Reform of the tariff table, reduction of the customs tariffs in elaboration (from 16 to 11% in average and more recently less than 10%)

Certification of the products

- GOST-R mandatory for electric, industrial, and electronic material as well as for spare parts
Certification for one shipment, for 1 year, for 3 years
- Labeling in Russian language mandatory
- Conformity mark on the products



SAVOYE's experience

Our entrance to Russia...

Having performed a first reference
which allowed us to be approved and admitted
in the top 100
of the distribution leaders in Russia



SAVOYE's experience

The complex administrative ways...

- Homologations to obtain
- Contractual aspects
 - Delivery of material
 - Local services
- Management of transit, customs fee and taxes
 - DDU or DDP?
 - Complex customs rules
 - Import VAT 18%: difficult to recover for the final customer



SAVOYE's experience

The organization and mandatory attitudes to apply...

- Have a steady establishment in Russia
- Have internal administrative specialists/experts
- Create an ecosystem with local companies
- Accept the transfer of competencies (with the associated risks)
- ... and have strong nervous system and have a lot of patience!



SAVOYE's experience

The Russian customer = an exacting customer...

He wants:

- The best technological solutions and that immediately
- A maximum availability and vicinity on the part of the suppliers
- A perfect realization as he does not accept approximation



SAVOYE's experience

Conclusion

Russia today means:

- A promising market but... for how long (political and economic risks)
- A complex market

But when handling its complexity, this market represents interesting opportunities in a worldwide moving economic context.