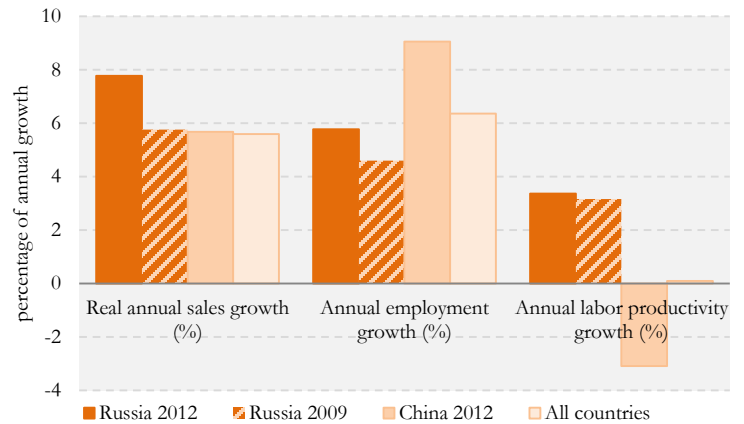


The World Bank interviewed a representative sample of the private sector composed of 4220 business establishments during August 2011 and June 2012 across **Russia**. The Enterprise Survey covers several topics of the business environment as well as performance measures for each firm. Below are the main highlights from the survey.

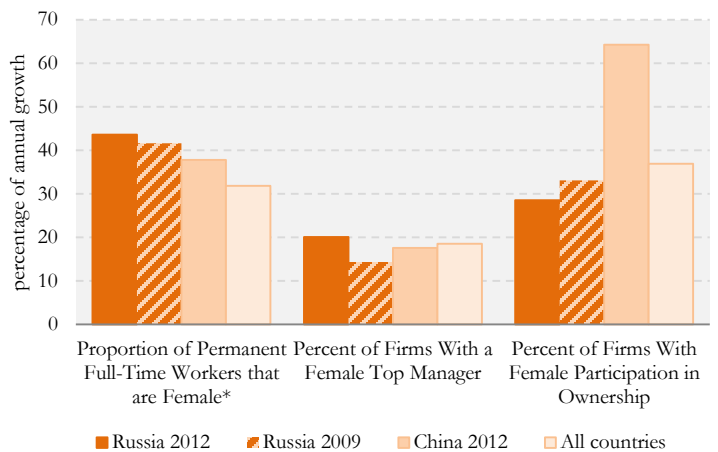
Firms in Russia exhibit robust and accelerating growth

Comparing the **performance** of Russian firms in 2012 by sales, employment and labor productivity growth with those of other countries the results show that firms in Russia exhibited higher real annual sales and labor productivity growth. The growth figures for Russia 2012 are higher than those reported in a similar survey for Russia implemented in 2009, indicating an accelerated growth performance of the private sector in the country over the three years.



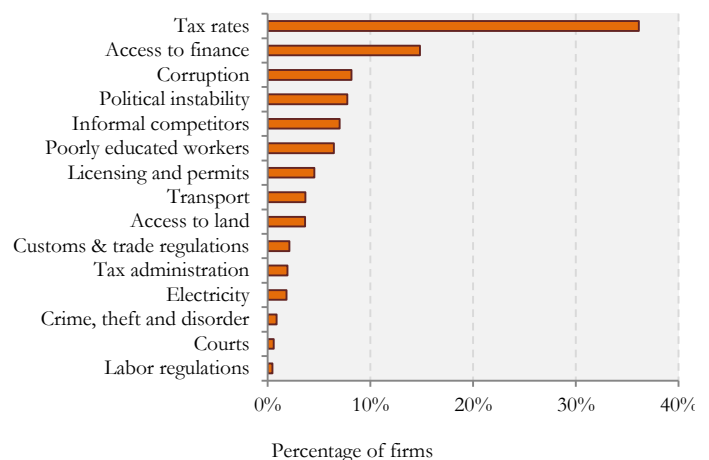
Firms in Russia show higher female participation in the workforce and top management, but less in ownership

Firms in Russia show higher **female participation** in the workforce and top management compared to those in other countries. However, Russian firms lag behind in terms of female participation in ownership. Only about a quarter of the firms report female participation in ownership, less than half the figure for China. Although female participation in the workforce and management slightly increased over its 2009 level, female participation in ownership has declined over the three years period.



Over one third of firms in Russia cite tax rates as the biggest obstacle to their growth

Out of 15 areas of the business environment, the private sector in Russia cites tax rates as the **biggest obstacle** to its operations, followed by access to finance and corruption. Over 36% of firms in the country report tax rates as their biggest obstacle, compared to just about 10% of firms in other countries. For access to finance, 15 percent of the firms in the country rank it as the biggest obstacle. Over 8% of firms cite corruption is their biggest obstacle in the business environment.



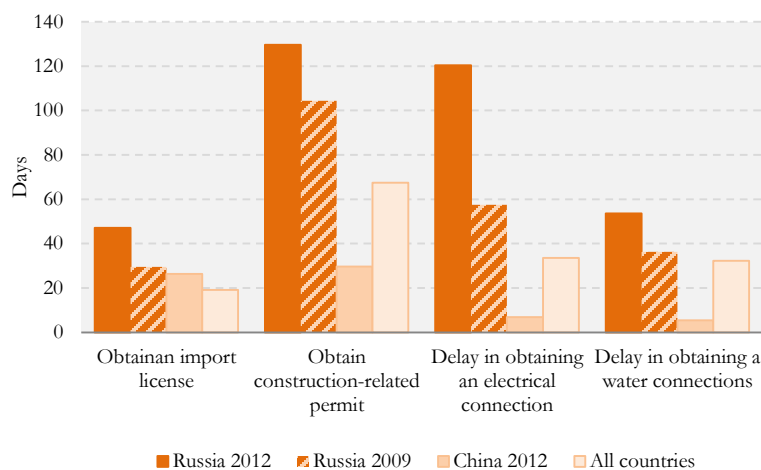
Firms in Russia face higher costs of regulation compared to those in other countries

The cost of **regulation**, measured by senior management's time spent dealing with government regulations, is higher in Russia compared to other countries. For an average firm, 15% of the senior management's time is consumed complying with regulations, considerably higher than the world average but much lower than the one experienced by Russian firms in 2009. In 2012 there was also large regional variation within Russia, with regulation cost taking about 25% of senior managements' time in some regions and nil in others.



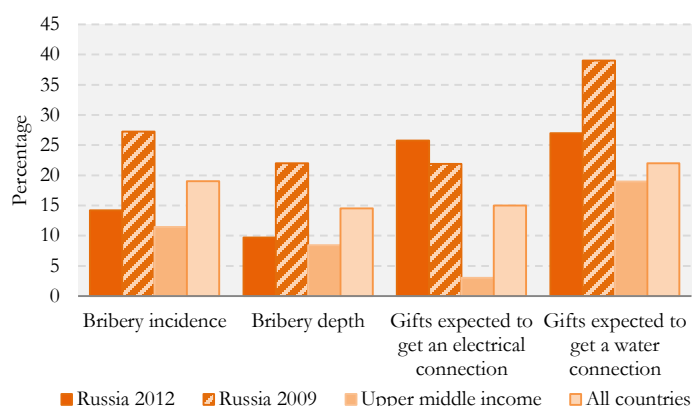
Firms in Russia face a relatively inefficient public service delivery

Obtaining **key public services**, such as import licenses, construction permits and electricity and water connections is more difficult in Russia than it is in other countries. An average firm in Russia waits for over 4 months to secure a construction permit, twice (four times) the figure for other countries (China). The problem appears to have worsened over the last 4 years, as delays in obtaining these services have increased compared to results reported in 2009.



Not surprisingly, informal payments are indispensable to get some key public services

Firms in Russia face a lower incidence and **depth of bribery** compared to their counterparts in other countries (although higher than firms in upper middle income countries), and saw substantial improvement over the 2009 level. Nevertheless, gifts and informal payments are still indispensable to obtain key public services – water and electric connections. Over 25% of firms in Russia report that informal gifts are needed to get electricity connections, about nine times the figure reported for Upper Middle Income countries and slightly higher than in 2009 in Russia.



The Enterprise Analysis Unit is a joint World Bank and IFC team of economists, survey experts specialized in private sector development. Surveys implemented by the team reveal what businesses and firms experience across the world by interviewing representative samples of the formal, non-agricultural, non-extractive, private sector with 5 employees or more. The resulting globally comparable firm-level data is used to construct business environment indicators and measure firm performance. The findings and recommendations help policy makers identify, prioritize, and implement policy reforms that support efficient private economic activity.

For more information on the survey visit <http://www.enterprisesurveys.org>