

Small business in Russia – trends, problems and prospects

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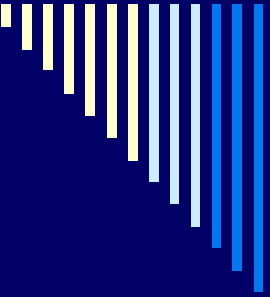
Outline

1. the definition of small business and the main criteria of small business in Russia
 2. the main characteristics of small business connected with its Russian specifics
 3. the analysis of the main problems of small business in Russia
 4. conclusion
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Small business in Russia

- **1 million 137 thous.** – small enterprises
 - Number of employees in SE –
16.7 million people or
25% of total number of employees
 - **~ 17%** in structure of GDP
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- **The object:** researching small business in general
 - **The subject:** analyzing the main problems, trends and prospects
 - **The aim:** understanding the current state of small business in Russia
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Small business in Russia

(Criteria set by the Federal law)

□ Number of workers



Micro – till **15** employees
Small – till **100** employees
Medium – till **250** employees

□ Turnover



Micro – till **60** mil. rubles
Small – till **400** mil. rubles
Medium – till **1** billion rubles



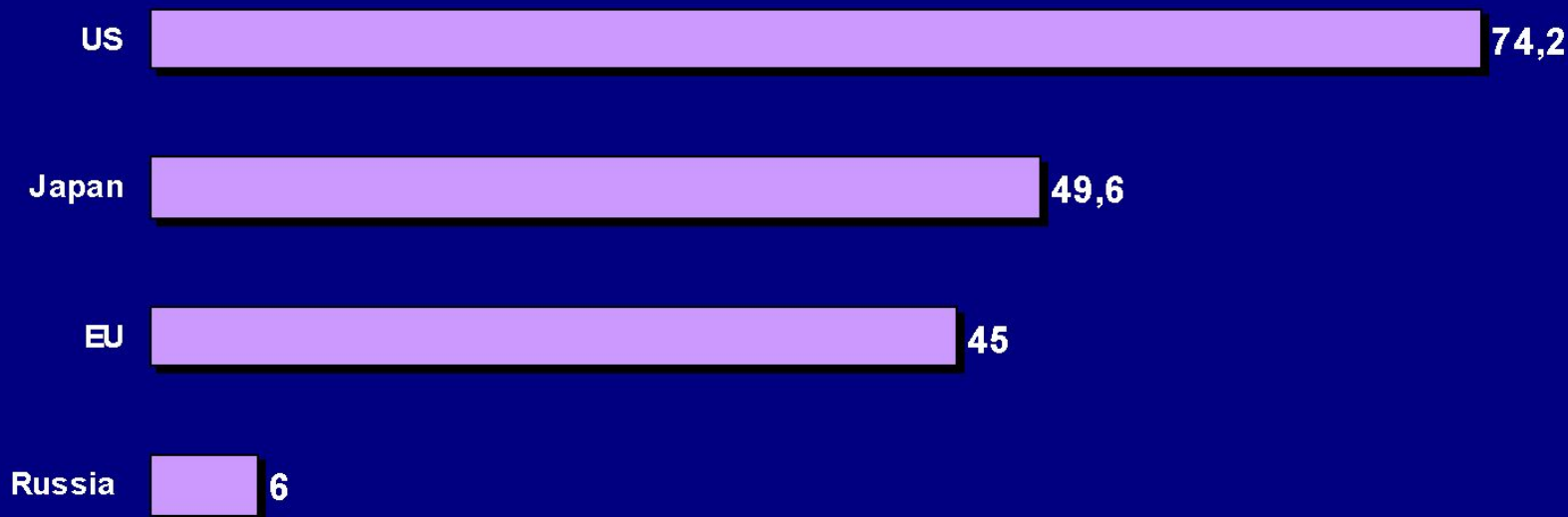
The latest World Bank's survey :

10 key subcategories	
starting a Business	65/181
with construction permits	180/181
employing workers	101/181
registering property	49/181
getting credit	109/181
protecting investors	88/181
paying taxes	134/181
trading across borders	161/181
enforcing contracts	18/181
closing a business	89/181



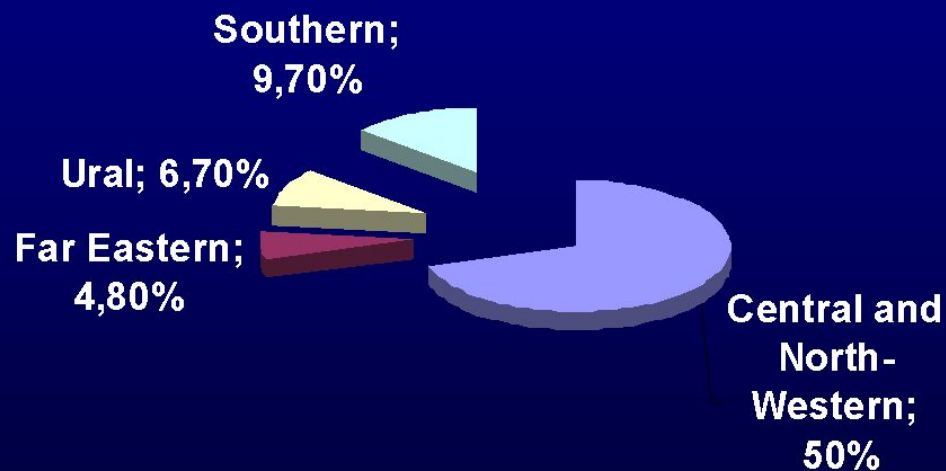
The level of small business development in Russia

The amount of SMEs per a thousand people in different countries



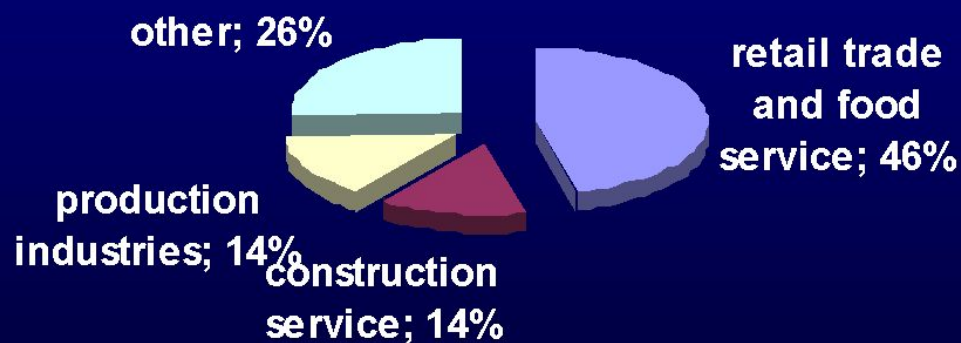
The level of small business development in Russia

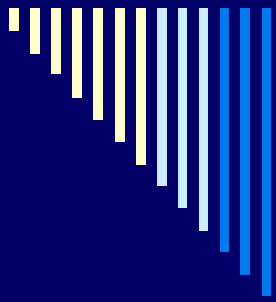
The location of small business in Russia



The level of small business development in Russia

The distribution of small business by fields of activity





The main problems of small business

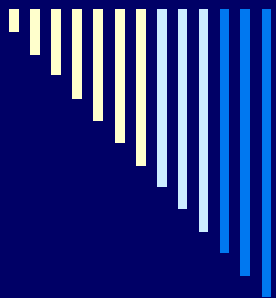
- ❑ Tax regulation
- ❑ Low salaries
- ❑ The distribution of salaries
- ❑ Bribery
- ❑ The insurance contribution



Conclusion

- Concentrated location of small business
- Underdeveloped legal framework
- The large number of problems

Difficult business climate



Thank you for your attention!



References

- Federal law “about small and medium business”
 - “Small business in Russia – trends and outlook”. A.Zhuplev
 - “Can Small Business Survive in Russia?”. I. Dukeov
 - “2011 expects SME crisis in Russia”. O.Barentsova
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