

**Executives Concerned by Conflicts**

**Newspaper “The Moscow times”, 26 January 2007**

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Russian executives are overwhelmingly concerned that cultural clashes and political interference from abroad may weaken their ability to do business, according to a **PricewaterhouseCoopers** survey.

Sixty-seven percent of Russians surveyed said cultural “conflicts” might get in the way of cross-border mergers and acquisitions, compared with 45 percent of executives worldwide, according to preliminary findings of a **PricewaterhouseCoopers** poll of 1,084 chief executive officers from 50 countries.

Another 33 percent of Russians are concerned foreign governments may block takeover plans, while 17 percent of CEOs overall feel the same way. The full survey results will be released in March.

Cash-rich metals and energy companies are stepping up their foreign expansion as the country enters its ninth consecutive year of economic growth. Companies in other industries are set to join in, though the country's image may provide obstacles.

Russian companies “don't have much experience with expanding abroad,” said Andrei Kuznetsov, the head of the international relations department at the Russian Union of Industrialists & Entrepreneurs, said Thursday. “The process is just beginning to gain momentum.”

Russia's turbulent transition to a market economy in the early 1990s earned its companies a reputation for having a murky ownership structure and dubious accounting practices. The country passed two major milestones when it was removed from the list of money laundering countries and the U.S. Department of Commerce awarded it with market economy status in 2002, said Peter Westin, chief economist at MDM bank.