

British to Leverage Reputation

By [Roland Oliphant](#)

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Chris Gilbert, director of the Russian-British Chamber of Commerce, mentioned Jaguar Land Rover as an example of a company “doing it right” by playing on Russian respect for British workmanship. **Vladimir Filonov**

Trade relations between Britain and Russia are slowly improving because of inherent commonalities and high level exchanges, said Chris Gilbert, director of the Russian-British Chamber of Commerce. But he emphasized that there are still bureaucratic hurdles to overcome.

Speaking ahead of a meeting of the Foreign Investment Advisory Council, chaired by Prime Minister Vladimir Putin and scheduled to take place Monday, Gilbert called on the Russian government to slash red tape for both Russian and British firms trying to do business here.

“You can't make people innovate — you have to allow them to innovate,” he said Friday in an interview with The Moscow Times, referring to the government's push to modernize the economy and diversify away from oil and gas dependency. “And if you talk to businesspeople working here, the main complaint is not even about corruption — it's the bureaucratic

burden.”

Asked whether British businesses were expecting things to get easier after Foreign Minister William Hague's visit last week, Gilbert answered cautiously: “No, I don't think they are. I don't think one visit is enough. But it's a positive first step.”

Joint commercial activities should get another boost at the end of November, said Gilbert, with the visit of British Business Secretary Vince Cable, who will co-chair, with Finance Minister Alexei Kudrin, a meeting of the intergovernmental steering committee on trade and investment.

“The U.K. wants to create a knowledge-based economy; Russia wants more innovation. There's a lot of interchange there,” Gilbert said.

London has signaled its readiness to help Moscow with its ambition to become a global financial center. The two ministers are also expected to compare notes on Olympic preparations.

In Russia, Gilbert said, being British is a distinct advantage, both in business and in personal situations. “Russian consumers like British stuff, and at a personal level, being British is an instant advantage ... over the Americans for sure.”

“There's more respect for British engineering in the Russian consumer base than in the British consumer base,” he said.

It's a perception that Gilbert believes not enough British companies have taken advantage of. He highlighted Jaguar Land Rover; Barclays Bank, which entered the Russian market with the acquisition of Expo Bank in 2008; and Sly Filters, a producer of ventilation equipment from England's east midlands; as “doing it right” by playing on Russian respect for British workmanship.

But for Russian companies trying to penetrate British markets the question of how they position their national identity is a delicate matter.

“The last thing most British consumers remember coming out of Russia was Lada cars,” which Gilbert says have long been associated with shoddy production.

That is slowly changing, however. The software company Kaspersky Labs recently became a sponsor of the U.K.'s national weather service, which is a move that should help improve the Russian brand.

Bilateral relations took a dive after the poisoning death of Alexander Litvinenko in London in 2006, which was blamed on a former Russian spy. Moscow refused to extradite the suspect.

Gilbert said the diplomatic strife between Russia and Britain in recent years “didn't have an enormous effect” on the business relationship, “but it definitely didn't help.”

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