The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Moscow Ranked Top for New Business

By The Moscow Times

October 12, 2011



Russia's status as an emerging market keeps the capital the most attractive in Europe for opening a new office. **Vladimir Filonov**

Moscow has been designated the most desirable European city for companies to expand into for the second year running, according to a survey by global property consultant Cushman & Wakefield.

Of the 501 European companies participating in the survey, 57 said they expect to open an office in Moscow within the next five years — up 20 percent from 2010.

"This [rise in corporate development in Moscow] is being accelerated by very strong expansion in consumer spending, with the potential for this to be leveraged up considerably due to the current low levels of penetration of consumer credit, strong growth in B2B [business-to-business] sales and large potential in regional cities beyond the traditional powerhouses of Moscow and St. Petersburg," said Tim Millard, managing director of Cushman & Wakefield in Russia.

“This growth in corporate activity will drive the next commercial property cycle and will give the bold investor the opportunity to earn significant returns from both income growth and capital appreciation,” Millard said.

One of the factors driving Moscow’s popularity as a destination is an increasing focus by European companies on growth markets. Those surveyed viewed “new opportunities from the emerging markets for products and services” as the No. 1 trend likely to impact business over the next five years.

Companies also increased their opinion of Moscow’s ability to provide easy access to markets, moving up to 11th position, from last year’s ranking of 19th.

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