

# Parties Become a Luxury as Businesses Tighten Their Belts

By [The Moscow Times](#)

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Companies have become more thrifty and are reluctant to spend money on traditional New Year's Eve parties. **Vladimir Filonov**

As experts predict a new wave of global economic crisis, businesses are cutting expenses on New Year's parties, Vedomosti reported.

Many companies have slashed spending on corporate events since the 2008 financial crisis, said Yegnenia Kurbatova, a managing partner at event management agency Angels.

The market for corporate events has contracted, said Alexander Shumovich, a partner at event management agency Eventum Premo.

"There were hopes that our segment would grow, as the economy is expanding and the gross domestic product is increasing, but people have decided not to boost expenses on corporate events," he said.

Customers have become more thrifty and seek to increase spending efficiency, Kurbatova said.

Businesses' spending on corporate events has become more rational, Shumovich said.

This year, some companies canceled New Year's parties or changed their format to cut spending. For example, companies often buy theater tickets for their employees, Shumovich said.

State-controlled and state-linked companies reduced their spending on New Year's parties 30 to 40 percent year on year in 2012, sources at an event management agency said.

"I don't think 2013 will bring us some global economic turmoil," said Sergei Gromak, CEO of asset management company Eladi. "But all of humanity will have to tighten their belts for many years. That's why we deem it right to invest in core activities, not in celebrations or luxury gift sets."

But some businesses have not cut their expenses and still hold traditional corporate parties, Shumovich said.

"The corporate New Year's party is the company's only spending item that cannot be cut," said Zafer Ustuner, CEO of Turkish consumer electronics producer Beko in Russia.

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