

iPhones, Gaming Consoles Enter Russia As 'Parallel Imports' – Kommersant

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The first shipments of smartphones and game consoles under Russia's so-called "<u>parallel import</u>" scheme have arrived in the country, Kommersant newspaper <u>reported</u> Thursday.

The scheme was designed as a way to maintain imports of consumer goods into Russia despite Western sanctions and an exodus of Western firms from the Russian market.

Mobile retailer Svyaznoy was the first company to publicly announce it has taken advantage of "parallel imports," according to Kommersant, topping up its inventories with the latest iPhone and Samsung smartphones, as well as PlayStation, Xbox and Nintendo game consoles.

Russia's parliament <u>passed</u> legislation this week removing penalties for importing goods on a government-approved list – including cars, clothes and raw materials – without approval from trademark owners.

Other Russian retailers have declined to acknowledge if they, too, have imported consumer

goods not originally intended for the Russian market.

Electronic manufacturers in South Korea, Japan and the U.S. suspended sales in Russia after Moscow's invasion of Ukraine in February.

The items that have arrived in Russia were likely originally intended for export to one of the other four ex-Soviet members of the Moscow-led Eurasian Economic Union – Armenia, Belarus, Kazakhstan or Kyrgyzstan.

Svyaznoy, according to Kommersant, promised that Russian consumers would not experience issues with activating the devices.

But the cost of the "parallel import" goods will likely be significantly higher than the equivalent products sold in Russia before the start of the war.

Electronics prices could go up by as much as 20%, according to an unnamed industry source quoted by Kommersant.

However, Svyaznoy vowed to take on the warranty costs.

"The costs were previously covered by the manufacturer, and now it's the distributor who will pay," Svyaznoy was quoted as saying.

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