

# INTOURIST JOINS FORCES WITH THOMAS COOK



Intourist hopes to help develop tourism in Russia with the aid of Thomas Cook and Thomas Cook hopes to break into the sleeping giant. Both parties have set about on this project by creating a joint venture.

Intourist, a well known travel agency, used to be a massive force in the Soviet Union. In fact, it had a monopoly in Soviet territories until 1990 when it was privatized. Then, Russian tourist market has dramatically changed and the development of Intourist is now in full swing after the creation of a joint venture with the British giant Thomas Cook.

Now that Russians are allowed to travel, **Thomas Cook will help to intermediate travel outside Russia and Intourist will help Thomas Cook to break into one of the world's major markets.** It has been generally agreed that Russia will become one of the world's leading tourism markets within 5 to 10 years.

The \$45 million joint venture shall be split almost equally, with Thomas Cook having 50.1% of the deal and their Russian counterparts 49.9%. **The joint venture is focused on tour operations and retail activities**, whereas Intourist hotels are irrelevant to the deal. It has also been agreed that Intourist representatives shall manage the joint venture, yet the director shall be from Thomas Cook.

The major figures from both parties have agreed that **the joint venture is mostly about the fusion of knowledge.** Whereas Intourist needs the knowledge of Western markets, Thomas Cook needs a serious help in breaking the ice in Russia, a market kept in secrecy for so long yet flooded with potential. Thus, the joining of these two entities makes sense for both sides.

Date: 2010-12-06

Article link: <http://www.tourism-review.com/intourist-and-thomas-cooks-joint-venture-news2519>