



José Manuel Barroso  
President  
European Commission  
1049 Brussels  
BELGIUM

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Dear President,

The meeting between the European Commission and the Government of the Russian Federation on 24 February 2011 provides an opportunity to further strengthen relations with our 3<sup>rd</sup> largest trading partner.

The business community is encouraged by the positive momentum in EU-Russia relations as a result of the launch of the Partnership for Modernisation during the Summit in Rostov-on-Don in May 2010 and the conclusion of a bilateral deal on Russia's WTO accession during the December 2010 Summit in Brussels. In addition, in recent statements by Russia's leaders a willingness to abolish the visa regime for EU citizens and to create a common market is signalled. This opportunity for a greater dynamic in EU-Russia relations should be seized.

At the same time, BUSINESSEUROPE remains concerned about import duties imposed on a variety of products (transport and farm equipment) during the crisis, export restrictions on raw materials and slow progress in the New EU-Russia Agreement negotiations.

Therefore, we would like you to use this meeting to address some of our outstanding concerns and urge Prime Minister Putin to confirm his commitment to Russia's accession to the WTO in 2011 and the conclusion of an ambitious New EU-Russia Agreement.

The following priority issues are particularly important for BUSINESSEUROPE:

1. **Russia's WTO accession** is the main priority for the European business community. Determined implementation of WTO rules in Russian law, inter alia on intellectual property rights, would be an excellent sign of Russia's commitment to WTO accession. The EU should work with other WTO members to facilitate Russia's WTO accession in 2011. BUSINESSEUROPE also encourages Russia to continue its application for OECD membership.
2. The **negotiations on the New Agreement** between the European Union and Russia remain difficult. This agreement should do justice to the large scale of trade and investment flows between our two economies, and include ambitious provisions on market access, competition and intellectual property rights.

3. **A modern visa regime** is a key factor for the Partnership for Modernisation. A roadmap for visa-free-travel should be developed by the end of this year. At the time of the Football World Championship in Russia in 2018 it should be natural to travel between Brussels and Moscow with just passports. As a first step, travel should be made easier for repeat travellers, by automatically granting maximum stay multiple entry visas for citizens of the EU and Russia who have visited the other economy at least twice before.
4. The **establishment of the Customs Union** between Russia, Kazakhstan and Belarus can create new opportunities for European companies. The governments of the countries involved should be commended on the progress made in a short period, but important concerns remain over technical barriers to trade, the requirement to submit internal EU documents for customs purposes, as well as the level of trademark protection. The multitude of changes in documentation and registration requirements, sanitary and phytosanitary standards and other regulations required by the Customs Union, should be communicated to companies clearly and well in advance, to allow them to adapt without disturbance to the flow of goods. BUSINESSEUROPE also urges that tariffs increased in response to the economic crisis be removed rapidly. Joint efforts are also needed to combat illicit trade, particularly in excisable goods.
5. Russia is an important partner for a **secure supply of raw materials** to Europe. The EU Raw Materials Initiative of January 2010 announced active raw materials diplomacy through strategic partnerships and policy dialogue. Since Russia owns around 20 percent of rare earth resources, a strategic partnership in this field could be part of the answer to China's recent export restrictions. Cooperation on best available techniques for extracting raw materials could be envisaged. At the same time BUSINESSEUROPE is alarmed by export restrictions put in place by the Russian Federation on a number of raw materials (metal ores, ferrous scrap, leather) and urges the EU to address this problem at the upcoming meeting.
6. **Aligning technical regulations** in the European Union and Russia can give a significant boost to trade in technical and technological goods and facilitate cross-border investment in manufacturing and construction. Regulatory convergence is particularly important for issues relating to industrial safety and security. We therefore welcome Russia's intention to apply many international and European standards in Russia and would like to see this as a high priority in the Partnership for Modernisation.

Yours sincerely,

*Best regards*

Philippe de Buck

