



## STATEMENT

14 December 2011

### **BUSINESSEUROPE-RSPP JOINT STATEMENT ON THE ACCESSION OF RUSSIA TO THE WTO**

BUSINESSEUROPE and Russian Union of Industrialists and Entrepreneurs (RSPP) welcome the agreement on the accession of Russia to the WTO which will take place in Geneva on the 16<sup>th</sup> of December.

The participation of Russia in the multilateral trading system will not only facilitate bilateral relations and cross-border investment, but will also strengthen the strategic partnership between Russia and the European Union.

Currently, Russia is the third largest trading partner of the EU, with 45% of Russia's imports, 55% of its exports and 75% of its foreign direct investment (FDI) originating from the EU. Lowering of tariffs, cutting market access restrictions and regulatory reforms are expected to significantly increase trade in goods and services and help Russia become a more attractive destination for investment.

The adoption and implementation of WTO rules, especially in the fields of Intellectual Property Rights (IPR), trade-related measures on investment as well as market access rules for goods and services will create a more predictable and operational business environment. WTO-compatible legislation could for instance foster investments in high technology sectors, which are of key importance in the process of modernisation in Russia.

European companies have significant activity and exposure to the Russian market, in a great variety of sectors. Through their presence, European companies offer valuable industrial and research expertise to their counterparts and help Russia create a stronger industrial base.

The introduction and implementation of WTO-compatible regulation in key areas, such as legal certainty for investors, alignment of international norms and standards in technical regulation – especially in the field of IPR – transparency and simplification of procedures will facilitate further growth of European



investments in Russia. This will create significant added-value to the Russian economy as a whole, as well as at the local and regional level.

In addition, the accession to the WTO will present more opportunities for Russian companies to enter European markets, be more competitive and reap the benefits of the Internal Market. BUSINESSEUROPE and RSPP would like to see that Russia's WTO accession leads to an expeditious finalisation of the negotiations on the new EU-Russia Agreement to replace the Partnership and Cooperation Agreement.

Russia's accession to the WTO does not replace the necessity of concluding a strategic bilateral economic agreement focusing on promoting mutually beneficial investment across sectors. BUSINESSEUROPE and RSPP would like to see that Russia's WTO accession accelerates the negotiation and conclusion of this agreement.

In parallel with the negotiation of ambitious bilateral agreements it is important to make practical improvements which facilitate development of EU-Russia economic relations. Trade, investment and tourism would greatly benefit from expeditious transition from single and short-term visas to multi-entrance, multiannual visas without invitation requirements. In a similar way business and especially investment would benefit from more liberal work permit regime.

In trade with goods, transition to eCustoms and the introduction of a mutually recognized Authorized Economic Operator regime between the EU and Russia would facilitate cross-border trade and especially high tech manufacturing which very often is highly dependent on just-on-time delivery of raw materials, components, semi-finished and finished products.

BUSINESSEUROPE and RSPP warmly welcome Russia's WTO accession and are ready to give their contribution to further development of EU-Russia economic relations.