Resolution on EU-Russia trade relations following Russia's accession to the WTO

2012/2695(RSP) - 26/10/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution tabled by the Committee on International Trade on EU-Russia trade relations following Russia's accession to the WTO on 16 December 2011. Parliament welcomes Russia's accession and believes that Russia's anchoring to the multilateral trading system and its rules represents a further step in improving the bilateral EU-Russia relationship. However, it notes with concern that in the run-up to the completion of its WTO accession **Russia has not been fully living up to its future WTO obligations**, as it has introduced a number of potentially trade restrictive measures, including a ban on imports of live animals from the EU, legislation including preferences for domestic producers in public procurement, decisions establishing seasonal import duties on certain types of sugar, and new legislation on a recycling scheme for vehicles. **Members want Russia to remove the unjustified temporary bans, unilateral temporary tariff increases and protectionist measures** and barriers to open and fair trade identified by the G-20's biannual report on Trade and Investment Measures and by the Commission's Trade and Investment Barriers Reports, which have done great damage to EU exporters.

Parliament calls on Russia to fully implement all its commitments in order to derive all available benefits from its WTO membership, noting that Russia's WTO schedules of commitments feature a very substantial lowering and binding of tariffs in goods and services. It views the opening of Russia's economy to more international trade and investment as an added incentive for the Russian Government to strongly pursue its ongoing reforms, fighting corruption, implementing the rule of law and enhancing the business climate. Members add they are deeply concerned at the continuing problem of the production and sale of counterfeit products in Russia. They also express concern that the **Russia-Kazakhstan-Belarus Customs Union** will impose additional barriers to trade with Russia, thus going against WTO rules and Russia's WTO commitments.

Urging Russia to contribute to relaunching the bilateral negotiations for the **New Partnership and Cooperation Agreement,** Parliament insists that such negotiations must take place between the EU and Russia only since involving other members of the Customs Union that are not in the WTO would hamper the negotiations. Full compliance with WTO rules and gradual implementation of its commitments by Russia are a necessary precondition for sustaining such further negotiations and Parliament makes a series of recommendations to the Commission regarding the **defence of essential elements** in these negotiations, including the following

- use of European technical regulations, standards and conformity assessment procedures;
- a **substantial and legally binding chapter on energy**, building on the goodwill shown in the signature of the Early Warning Mechanism in 2011 with the objective remaining an open and transparent EU-Russia energy market;
- elimination by Russia of its dual pricing of goods, and clarification and stabilisation of the terms of establishment of services companies;
- the large untapped **market for public procurement, with fair reciprocal rules and procedures** for the attribution of public tenders in both markets at national and sub-national level;

- reform of Russian customs procedures in the light of international conventions;

- an SPS chapter, to ensure that each party can apply only justified temporary bans, in particular for agricultural products, livestock and food products;

- a Sustainable Development chapter, based on the United Nations Universal Declaration of Human Rights and the relevant ILO core conventions;

- a comprehensive chapter on the **protection of all forms of IPRs** including principles for the protection of geographical indications (GIs) and a list of protected GIs;

- an upgrade of the current dispute settlement regime, to ensure greater transparency and non-discrimination in the investment climate in Russia;

- a comprehensive and ambitious **chapter on investment**, including extensive liberalisation provisions (prohibition of a wide range of performance requirements and pre-establishment of national treatment), as well as robust investment protection measures, on the basis of the European Parliament's recommendations concerning the European Union's new competence with respect to investments.

Parliament calls on the Commission to closely monitor the implementation of the various sector-specific plans in Russia to **identify possible trade-distortive and discriminatory provisions** therein, such as elements of subsidisations and local content requirements in public procurement and investment. The Commission should revert to WTO-compatible trade defence instruments (TDI) where appropriate.

Lastly, Members consider that the **EU-Russia Partnership of Modernisation (PoM)** is a useful initiative for enhancing the new economic and commercial relations between the two parties in the WTO and bilaterally, and want the European Commission and the Russian Government to ensure an efficient use of the funding of projects implemented under the PoM.