

Recommendations to the 2014 EU-Russia Summit

Strengthening EU-Russia economic relations

As parts of the global economy continue to recover, trade and investment between the EU and Russia is becoming even more important. While the EU remains the biggest trading partner for Russia, Russia is the second most important import partner for Europe. Given the enormous potential to further develop the EU-Russia business interaction, IRT members agree on joint priorities for strengthening mutual trade and investment. We therefore call on the political leaders of EU and Russia to strengthen further the EU-Russia economic cooperation with the following crucial steps.

1. **Expedient progress in adopting a New EU-Russia Agreement**, building on Russia's WTO accession. The New Agreement should provide a comprehensive framework for bilateral relations with stable, predictable and balanced rules for trade and investment relations among the two countries. IRT urges the political leaders to prioritize the finalization of these negotiations in 2014, given the importance of the mutual trade and investment as well as the economic gains to be realized.

The New Agreement should be based on the WTO rules and focused on improving the regulatory framework for EU-Russia trade and investment cooperation, including in spheres not covered by WTO rules. Adoption of the agreement would require decisive steps to

- simplify administrative and customs procedures,
- harmonize technical standards and technical regulation,
- bring closer regulatory norms in specific sectors, such as finance, food & beverage, transportation, ICT, etc.;
- create an open and transparent procurement regime,
- ensure investment protection based on the 'best practice' principles in existing bilateral investment treaties.

The IRT will revert to the political leaders with more in-depth recommendations to the concrete negotiations in early 2014.

2. **Cooperation between the EU and the Common Economic Space between Russia, Belarus and Kazakhstan should be enhanced** with a view to harmonize business practices and unlock new business opportunities. The Common Economic Space (Customs Union) comprises a population of 170 mln people and a total GDP exceeding \$2,700 bn, and should be seen as an important part of the whole context of EU-Russian economic relationship.

The IRT notes so far economic cooperation between the two blocks remains limited. The IRT would welcome steps to improve this relationship, through the establishment of the mechanism of regular consultations between the officials of the Eurasian Economic Commission and the European Commission on the issues of trade and investment cooperation, harmonization of technical standards and administrative regulations.

3. **Finalization of the long-awaited Visa Facilitation Agreement.** While important progress has been made to facilitate the free movement of people across EU and Russian borders, the IRT regrets that the Visa Facilitation Agreement has yet to be adopted. The Agreement would be of great significance to both European and Russian companies, and the IRT urges political leaders to complete the agreement in 2014, allowing any citizen who has crossed the EU-Russia border at least twice to be eligible for a multiple long-term entry visa.

4. **Russia's accession to the OECD. Adopting** OECD rules and best practices will improve the business climate and provide a common playing ground with opportunities to develop new practical mechanisms of regulatory cooperation in such fields as investment protection (incl. bank deposits) and mutual recognition of the GMP compliance. The IRT calls for the EU to continue supporting Russia in advancing through accession process and implementing all the necessary reforms. The IRT would expect further development of the dialogue between Russia and OECD ultimately leading to overpassing remaining steps towards Russia's membership in the OECD.