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B7-0461/2012

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 110(2) of the Rules of Procedure

on EU-Russia trade relations following Russia's accession to the WTO
(2012/2695(RSP))

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on behalf of the Committee on International Trade

B7-0461/2012

European Parliament resolution on EU-Russia trade relations following Russia's accession to the WTO (2012/2695(RSP))

The European Parliament,

- having regard to its previous resolutions on Russia, in particular its resolutions of 14 December 2011¹ on the EU-Russia Summit of 15 December 2011 and of 9 June 2011² on the EU-Russia Summit of 9-10 June 2011,
- having regard to the Partnership and Cooperation Agreement (PCA) between the EU and the Russian Federation³, and to the negotiations initiated in 2008 on a new EU-Russia agreement, as well as to the 'Partnership for Modernisation' initiated in 2010,
- having regard to the Report of the Working Party on the Accession of the Russian Federation to the World Trade Organisation⁴ and the Addendum thereto⁵ of 17 November 2011,
- having regard to the Council Decision of 14 December 2011 establishing the position to be taken by the European Union within the relevant instances of the World Trade Organisation on the accession of the Russian Federation to the WTO⁶,
- having regard to the draft legislative resolution on the draft Council decision on the conclusion of the Agreement between the European Union and the Russian Federation relating to the preservation of commitments on trade in services contained in the current EU-Russia Partnership and Cooperation Agreement⁷,
- having regard to the draft legislative resolution on the draft Council decision on the conclusion of the Agreement between the European Union and the Government of the Russian Federation on trade in parts and components of motor vehicles between the European Union and the Russian Federation⁸,
- having regard to the draft legislative resolution on the draft Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Russian Federation relating to the introduction or increase of export duties on raw materials⁹,
- having regard to the draft legislative resolution on the draft Council decision on the

¹ Texts adopted, P7_TA(2011)0575.

² Texts adopted, P7_TA(2011)0268.

³ OJ L 327, 28.11.1997, p. 1.

⁴ WT/ACC/RUS/70; WT/MIN(11)/2.

⁵ WT/ACC/RUS/70/Add.1; WT/MIN(11)/2/Add.1.

⁶ OJ L 6, 10.12.2012, p. 6.

⁷ 16815/2011 – C7 0522/2011 – 2011/0328(NLE).

⁸ 16806/2011 – C7 0517/2011 – 2011/0324(NLE).

⁹ 16827/2011 – C7-0520/2011 – 2011/0332(NLE).

conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Russian Federation relating to the administration of tariff-rate quotas applying to exports of wood from the Russian Federation to the European Union and the Protocol between the European Union and the Government of the Russian Federation on technical modalities pursuant to that Agreement¹ ,

- having regard to the report from the Commission to the European Council entitled ‘Trade and Investment Barriers Report 2011 – Engaging our strategic economic partners on improved market access: Priorities for action on breaking down barriers to trade’ (COM(2011)0114),
 - having regard to the report from the Commission to the European Council entitled ‘Trade and Investment Barriers Report 2012’ (COM(2012)0070),
 - having regard to Rule 110(2) of its Rules of Procedure,
- A. whereas the Russian Federation concluded its multilateral negotiations on accession to the WTO after 18 years of negotiations on 10 November 2011 and was officially accepted as a member on 16 December 2011;
- B. whereas the EU is a strategic trade partner of Russia, ranking as its first and still growing source of imports, its main export destination and a key investment partner (in terms of inward foreign direct investment), accounting for 47.1 % of Russia’s overall trade; whereas this relationship is still growing, while Russia has also become the EU’s second source of imports (EUR 158.6 billion) and its fourth export destination (EUR 86.1 billion) (2010 figures);
- C. whereas, while imports from Russia are mainly energy and mineral fuels products (79.5 %), the EU’s exports to Russia are diverse, covering nearly all categories of machinery and transport equipment (44.7 %), manufactured goods, food and live animals (2010 figures);
- D. whereas at the Khanty-Mansyisk Summit of 26-27 June 2008 the EU and Russia launched negotiations for a New Partnership and Cooperation Agreement, to replace the existing one and provide an updated contractual framework for EU-Russia relations in the years to come, including substantial and legally binding provisions on trade, investment and energy;
1. Welcomes Russia’s accession to the WTO, as ratified by the Russian State Duma on 10 July 2012; believes that Russia’s anchoring to the multilateral trading system and its rules represents a further step in improving the bilateral EU-Russia relationship;
 2. Notes with concern, however, 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 or extended 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

¹ 16775/2011 – C7-0515/2011 – 2011/0322(NLE).

sugar, and new legislation on a recycling scheme for vehicles;

3. Calls on 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;
4. Emphasises that the EU and Russia are interdependent trading partners, especially with respect to raw materials and vital energy sources; considers that their economic relations have a strong potential that the WTO accession will help tap into;
5. Reckons that Russia's WTO schedules of commitments feature a very substantial lowering and binding of tariffs in goods and services; calls on Russia to fully implement without delay all its commitments in order to derive all available benefits from its WTO membership;
6. Is deeply concerned at the continuing problem of the production and sale of counterfeit products in Russia; calls on the Russian Federation to take measures in the field of intellectual property rights (IPRs), and to implement, as soon as possible and to its fullest extent, its WTO commitments in the TRIPS agreement;
7. Believes that Russia would thereby evidence its strong commitment to enhancing its role and its companies' involvement in the multilateral trading system; 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;
8. Calls on the Commission and the EEAS to support Russia's efforts to join the OECD, a process which entails committing to a set of trade-related guidelines and principles covering, inter alia, market openness, fighting bribery, credit export agencies and governance of state-owned enterprises; urges Russia to join other WTO agreements, in particular the Government Procurement Agreement, for which it will already have observer status;
9. Urges Russia to contribute to relaunching the bilateral negotiations for the New Partnership and Cooperation Agreement; insists that such negotiations must take place between the EU and Russia only; considers that involving other members of the Customs Union which are not in the WTO would hamper the negotiations;
10. Regards full compliance with WTO rules and gradual implementation of its commitments by Russia as being a necessary precondition for sustaining such further negotiations aimed at establishing common rules in twelve major regulatory aspects, including mutual non-preferential commitments in trade in goods and services, sanitary and phytosanitary measures (SPS), IPRs, public procurement, competition, energy and investment, and eventually a Free Trade Agreement;
11. Calls on the Commission to defend as essential elements in these negotiations:
 - use of European technical regulations, standards and conformity assessment

procedures; calls for an agreement between European and Russian standard-setting bodies and for the fast establishment of a unified system of conformity assessment accreditation in Russia;

- a substantial and legally binding chapter on energy, building on the goodwill shown in the signature of the Early Warning Mechanism in 2011 and based on clear principles of transparency, fair competition, reciprocity and non-discrimination; asserts that the objective should remain 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, in order to enhance investment by such EU companies in Russia;
- the large untapped market for public procurement; calls on the Commission to secure fair reciprocal rules and procedures for the attribution of public tenders in both markets at national and subnational 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, in full respect of the principles of proportionality, transparency, non-discrimination and scientific justification;
- a Sustainable Development chapter, based on the United Nations Universal Declaration of Human Rights and the relevant ILO core conventions, to underline the need to fully respect and enforce human rights and labour rights, as well as a commitment to the implementation of the relevant international environmental standards; calls, to this end, for the establishment of dialogue with relevant stakeholders and civil society;
- a comprehensive chapter on the protection of all forms of IPRs; calls for this chapter to include 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;

12. Calls, in addition, for the easier movement of capital between the parties, on the basis of respect for the international conventions on money laundering; supports the negotiations for a Bilateral Investment Treaty between the EU and Russia, including provisions on state-investor and, where appropriate, investor-state disputes, harmonising the level playing field between EU investors and enhancing and stabilising the legal framework for European investments in Russia;

13. 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, and urges the Commission to actively engage with Russia to ensure it does fully enforce its WTO commitments after becoming a fully-fledged member; considers, in this regard, that the Commission should revert to WTO-compatible trade defence instruments (TDI) where appropriate;
14. Is of the opinion 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; underlines the need for the European Commission and the Russian Government to ensure an efficient use of the funding of projects implemented under the PoM; is of the view that by fostering synergies between both parties' trade and investment strategies, the full potential of Russia's economic modernisation and diversification can be more effectively realised;
15. Considers the implementation of the 'Common Steps towards visa-free travel' as an element of the EU-Russia trade and investment relations and notes the latest developments in negotiations on an EU-Russia Visa Waiver Agreement;
16. Expresses its 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;
17. Calls on Russia to capitalise on its membership of WTO to join forces with the EU and other Eastern European countries parties to this multilateral trade organisation in assisting Belarus in implementing WTO compatible trade rules and practices with the aim of joining in at the earliest possible opportunity;
18. Is of the opinion that the accession of Russia to the WTO can facilitate trade flows between the EU and Russia, while stimulating economic growth and jobs creation on both sides; sees the possibility of concluding a New Partnership and Cooperation Agreement as a further opportunity to contribute to an enhanced partnership between the two parties, while fostering sustainable development in their joint neighbourhood;
19. Instructs its President to forward this resolution to the Council and the European Commission and to the Government and the Parliament of the Russian Federation.