OPINION

of the Committee on International Trade

for the Committee on Foreign Affairs

on Recommendation to the Council and Commission on the new EU-Russia agreement
(2011/2050(INI))

Rapporteur: Inese Vaidere
PA_NonLeg
SUGGESTIONS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. 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 strong potential and that greater economic cooperation and market integration would contribute to the growth and stability of the region, while fostering the principles of sustainable development and environmental protection;

2. Underlines the influence of tensions deeply rooted in historical experiences of the development of trade relations between the EU and Russia, and proposes establishing a permanent discussion group on history in order to address existing fears and prejudices and to analyse different understandings of the past;

3. Highlights the special role and importance that central and eastern European Member States of the EU could have in improving economic and trade relations between the EU and Russia, given their advantage in terms of expertise in overcoming linguistic and cultural barriers between the partners;

4. Welcomes the signature by the EU and Russia of a Memorandum of Understanding on the settling of bilateral issues regarding Russia’s accession to the WTO; believes that Russia’s accession to the WTO is vital to EU-Russia economic cooperation and to the negotiations on a possible Free Trade Agreement in the long term; expects that, in the framework of the multilateral negotiations, a satisfactory solution can soon be found to issues that are still to be settled, including the new Russian rules on investment in the automobile sector;

5. Regards full compliance by Russia with the WTO rules as a necessary precondition and minimum standard for a free-trade agreement between the EU and Russia;

6. Aware of Russia’s interest in WTO membership, calls on the Russian Government to eliminate temporary import duties, as they contradict WTO regulations;

7. Expresses its concern that the Russia-Kazakhstan-Belarus Customs Union will impose additional duties, thus going further against WTO regulations and undermining the current will of the Russian Government with respect to WTO membership;

8. Urges Russia not to press any other country to join the Customs Union;

9. Points out that Russia could become a highly relevant partner for the European Union’s trade interests not only in a bilateral dimension but also in a multilateral dimension through its importance in the BRIC(SA) cooperation process;

10. Hopes the Commission will negotiate a comprehensive and ambitious new agreement, based on the four common spaces and with clear indications on regulatory and legislative issues and enforcement instruments; calls on Russia to ensure that its legislation is compatible with EU law, including on food safety; underlines that the EU is the first
trading partner and the source of 75% of FDI of Russia and therefore emphasises that a legally binding agreement on trade and investment, signed when Russia has committed to the international trade rules by acceding to the WTO and laying the foundations for a dispute settlement regime and improving the transparency and non-discrimination of the investment climate in Russia, is essential;

11. Is convinced that the development of Russia and the economic success of its society will also have a strong influence on the security and economic development of the European Union and that consequently a qualitatively new level of economic and trade partnership should be developed, including joint efforts to address common challenges ranging from climate change to stable and sustainable social, financial and economic development;

12. Is deeply concerned about the continuing problem of the production and sale of counterfeit products in Russia; insists that improvements in legislation and law enforcement must be made as regards the protection of intellectual, industrial and commercial property rights, in order to increase competitiveness and make the investment climate more attractive;

13. Supports the Commission’s efforts to include a comprehensive chapter on the protection of the rights of all forms of intellectual property, including technology transfers, in the new agreement; calls on the Commission to monitor EU high-technology transfer and know-how in order to avoid piracy, counterfeit and unfair competition; takes the view that the Russian Government should consider ratifying the Anti-Counterfeiting Trade Agreement (ACTA), which would substantially contribute to the coordinated international fight against counterfeiting and piracy;

14. Calls for the agreement to include a substantial legally binding chapter on energy, which on the basis of clear rules and enhanced transparency would secure a reliable and cost-efficient energy supply to the EU by ensuring that Russia is applying fair energy pricing structures based on equal treatment towards all EU countries; believes that, in order to restore the confidence of EU citizens in the security of energy supply, the EU and Russia should establish an energy partnership in which the principles of transparency, fair competition, reciprocity and non-discrimination prevail;

15. Is convinced that a precondition for the development of stable and prospering trade relations with Russia is to address unresolved questions relating to energy supply to Poland, Czech Republic, Slovakia and the Baltic States;

16. Welcomes the Partnership of Modernisation as a concrete, project-driven initiative for working together with Russia; encourages the Russian side to implement much-needed internal reforms and remove obstacles to a mutually beneficial agreement by improving the local environment for business and investment, especially SMEs, by reforming the energy sector, by reducing the state authorities’ influence in the private sector’s activities, by fighting corruption, by removing protectionism, including unilateral tariff increases, by protecting intellectual, industrial and commercial property rights, and by strengthening the rule of law and respect for human rights;

17. Emphasises that trade and economic relations between the EU and Russia should go beyond the activities of a limited number of major corporations and should be expanded
with the aim of involving large numbers of small and medium-sized enterprises and much larger segments of society; points out that statistics on poverty in Russia show a dramatically high incidence and that overcoming this problem is a key to stability and must be in the core interest of the European Union;

18. Believes that the EU should ensure that respect for fundamental human rights does not lag behind trade and economic aspects in the negotiations on the new agreement with Russia;

19. Encourages Russia to join forces with the EU in order to tackle the effects of climate change;

20. Calls on the Russian Government to remove barriers to open and fair trade and access to markets, as identified in the Commission’s Trade and Investment Barriers Report 2011, and in particular to put an end to the unilateral temporary tariff increases which Russia enacted in reaction to the financial and economic crisis and which have done great damage to EU exporters;

21. Welcomes the announcement by the Russian Government that it will be lifting the ban on imports of fresh vegetables from the European Union and calls on it to do so without delay; urges it to cooperate closely with the European Commission on finalising in due course the details of the certification scheme for EU vegetables exports to Russia and vice versa;

22. Calls on the Commission in its negotiations with Russia to point out the need for it to reform its cumbersome and expensive customs procedures as quickly as possible, in order to improve market access for small and medium-sized enterprises in particular;

23. Regards the improvement of visa regulations between the EU and Russia as very important for the development of broadly based trade relations; acknowledges the road map approach pursued by the EU with regard to the Western Balkan countries as a positive example of a way of reaching a visa-free regime with Russia one day.
### RESULT OF FINAL VOTE IN COMMITTEE

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<th>Date adopted</th>
<th>21.6.2011</th>
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<td><strong>Result of final vote</strong></td>
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<td><strong>Members present for the final vote</strong></td>
<td>William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Kader Arif, David Campbell Bannerman, Daniel Caspary, Marielle De Sarnez, Christofer Fjellner, Yannick Jadot, Metin Kazak, Bernd Lange, David Martin, Emilio Menéndez del Valle, Vital Moreira, Paul Murphy, Cristiana Muscardini, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Tokia Saïfi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Keith Taylor, Iuliu Winkler, Pablo Zalba Bidegain, Paweł Zalewski</td>
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<td><strong>Substitute(s) present for the final vote</strong></td>
<td>Catherine Bearder, George Sabin Cutaş, Syed Kamall, Maria Eleni Koppa, Elisabeth Köstinger, Jörg Leichtfried, Jarosław Leszek Wałęsa</td>
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