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EUROPEAN AND RUSSIAN BUSINESS CALL FOR CONCRETE RESULTS FROM THE EU-RUSSIA ECONOMIC INTEGRATION PROCESS

UNICE - the Union of Industrial and Employers' Confederations of Europe and KSPS - the Coordination Council of the Russian Union of Entrepreneurs, on behalf of Russian Union of Entrepreneurs (Employers), Business Russia, OPORA of Russia, jointly call on their governments to actively adopt the measures needed to facilitate the development of cross-border business activities between the EU and Russia as agreed in the roadmap for the Common Economic Space (CES). Business makes the following proposals to speed up the process and deliver concrete results that will foster growth and jobs in Greater Europe.

Integrate the views of the EU & Russian business community into the priorities of EU-Russian governmental relations.

- The EU-Russia IRT – which UNICE and KSPS actively support – in its conclusions of 3 October 2005 outlined a number of key recommendations for action regarding WTO Accession of Russia, implementing the Common Economic Space (CES), strengthening the Energy Dialogue as well as a number of sector-specific proposals. These recommendations need to be addressed rapidly by the EU and Russian governments.
- We call on Russian and EU governments to provide biannual progress reports on the implementation of the roadmap for the CES outlining their response to the recommendations in advance of EU-Russia summits.

Pursue rapid, step-by-step, progress on EU-Russian economic integration.

- The business community is committed to deeper economic integration and facilitating more extensive cross-border business activities.
- UNICE and KSPS propose that the EU and Russia work on the basis of a concrete calendar to deliver results in process of establishment of a Common Economic Space.

First priority: WTO Accession

- WTO Accession is a vital step for deepening EU-Russian economic relations and as such will be the first major step forward since the 1994 Partnership and Cooperation Agreement (PCA).
- UNICE and KSPS call on Russia and WTO Members to work toward accession to the WTO in 2006.

Second priority: Implement the Common Economic Space (CES) more rapidly

Implementation of the roadmap for the CES should be pursued as a priority. The CES is an important platform to deepen economic integration on a number of key issues for business. Priorities should be:

- Harmonise regulation and regulatory approaches to create a truly “common” economic space.
- Reduce or simplify technical and administrative barriers to trade.
- Enhance the competitiveness and development opportunities of small and medium-sized enterprises (SMEs) through EU-Russian economic integration.
- Improve customs and border procedures based on trade facilitation to reduce costly delays at the border.
- Create a more favourable cross-border investment climate to spur investment in growth and jobs.
- Strengthen measures to protect intellectual property which is vital for EU and Russian industrial and creative development.
- Pursue work on sector issues based on IRT proposals.
- Use the recommendations of the Energy Dialogue to spur investment, innovation and development of this important sector for cross-border trade.

Third Priority: Reflect on deeper EU-Russian economic integration

WTO Accession and implementation of the CES provide the right building blocks for the EU and Russia to pursue deeper integration.

- WTO Accession will render many aspects of the PCA obsolete and the implementation of the CES will take the EU-Russian economic relationship further. Moreover, the initial ten-year period of the PCA will expire in November 2007. Therefore, the EU and Russia will need to reflect on how to deepen economic integration further in the future by modernising or replacing the PCA with another bilateral arrangement.
- UNICE and KSPS are prepared to contribute to the ongoing reflection process on the different options for the post-PCA period. However, UNICE and KSPS do not want this reflection to distract attention from the much needed work on WTO Accession and implementation of the CES. Business will judge the merits of pursuing further integration based on the progress on WTO Accession and the CES in 2006.
- Possible options for a future agreement could include a post-WTO free-trade agreement that covers issues that cannot be appropriately dealt with in the multilateral context and that would build on the CES roadmap.

UNICE and KSPS are committed to working jointly and within the framework of the EU-Russian IRT to achieve real progress on economic integration in Greater Europe.
