

Press Release

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Committee on Eastern European Economic Relations: Use this opportunity to ensure Russia gains accession to the WTO

- Cordes called on all participants to be prepared to compromise
- Elections in Russia threaten to cause delays of several years

The Committee on Eastern European Economic Relations calls on all participants to bring the current negotiations in Geneva on Russia's accession to the WTO to a successful conclusion this summer. "On the occasion of the German-Russian government consultations in Hanover we were given clear signals that it would be crucial to achieve agreement now. Otherwise the parliamentary elections in the autumn and the presidential elections in spring 2012 would probably cause significant delays in Russia's accession to the WTO", commented the Chairman of the Committee on Eastern European Economic Relations Eckhard Cordes.

The main bone of contention between Russia and the EU is still "local content": Russia has committed companies from various economic sectors, such as the automotive industry, to produce larger quantities and would like to get foreign producers to use local suppliers. Otherwise higher import duties would be due. Whereas WTO directives for such practices tolerate transitional periods of two years, Russia is considering a transitional period of six to eight years. Moreover, Georgia has still not approved Russia's accession to the WTO. Negotiations are being held in Geneva on this issue too.

**Ost-Ausschuss
der Deutschen Wirtschaft**

Postanschrift
Breite Straße 29
10178 Berlin

Besucheranschrift:
Gertraudenstraße 20
11053 Berlin

Telekontakte
Tel.: (030) 2028 - 1441
Fax: (030) 2028 - 2441

E-Mail
A.Metz@bdi.eu

Internet
<http://www.ost-ausschuss.de>

"Russia's WTO accession has been ongoing for over 18 years. We were never as close to a conclusion as today. Everything should be done to make the most of this opportunity", said Mr. Cordes. "If the talks fail, everyone will lose out. However, a successful conclusion would make everyone winners", said the Chairman of the Committee on Eastern European Economic Relations.

Russia's WTO accession is the prerequisite for further negotiations between Russia and the EU to create a free trade zone as well as integrate Russia into the European Economic Area. "Many investors are waiting for Russia's accession. Yet another disappointment would burden the investment climate in Russia and damage the European economy", said Mr. Cordes.

The Committee on Eastern European Economic Relations was founded in 1952 and is the oldest regional initiative of German business. The Committee on Eastern European Relations organises a large number of information events, business delegations and conferences every year, both in and on 21 Central and Eastern European countries. The organisation, based in Berlin, regards itself as a centre of expertise for Eastern European and Central Asian markets of the future. Major business associations and 170 companies are members of the Committee on Eastern European Economic Relations.

Press contact:

Committee on Eastern European Economic Relations (OA)

Andreas Metz

Tel. 030 / 2028 – 1441

Mail: A.Metz@bdi.eu