

EU Sees Russia in WTO Within 12 Months

By The Moscow Times

November 25, 2010



The European Union confirmed on Thursday that Russia could join the WTO within the next 12 months, following agreement to phase out Russian export tariffs on raw materials.

"We have ... an agreement on a text on raw materials," First Deputy Prime Minister Igor Shuvalov told reporters after a high-level meeting with EU Commission officials on Wednesday. A phasing-out of export taxes "will be imposed from the time we ratify our accession to the WTO," he said.

Russia's willingness to phase out export duties on raw materials such as timber — which drive up the cost of inputs for European manufacturers such as the Nordic timber and paper industries — removes a European veto on Russia's accession.

"Both sides are confident that this agreement will greatly facilitate the overall process of accession of Russia to the WTO," the delegations of the EU and Russian Federation said in a

joint statement. The largest economy still outside the 153-member WTO could join the body that regulates world trade in the course of 2011, Shuvalov said.

Russia has scaled up pressure for its accession, with President Dmitry Medvedev this month discussing the issue with U.S. President Barack Obama. Under WTO rules, candidate countries must reach bilateral agreements with any existing member that wants one, as well as with a working party representing the entire membership.

There are other hurdles remaining to tackle before accession, such as state payments to farmers and ceilings on beef imports entering the country at low tariffs. At some point Russia and other WTO members also will have to address Georgia's objections to Russian membership of the WTO.

Georgia says Russia cannot join the WTO because of its support of two breakaway regions of Georgia, after a war between the two former Soviet neighbors in 2008, which deprives Tbilisi of control of customs points on its internationally recognized frontier.

Under the WTO's system of decision by consensus, Georgia has an effective veto over Russian membership. It is allowing negotiations to proceed informally but is blocking formal steps.

(Reuters, Bloomberg)

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