

Putin Tells Officials to Disregard WTO Rules

By The Moscow Times

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ST. PETERSBURG — Prime Minister Vladimir Putin said Friday that the country would not abide by any World Trade Organization rules until it became a member and was free to slap duties on cheap machinery imports from China.

Russia is growing increasingly frustrated with its 18-year bid to join the global trade watchdog, and the rules it has already implemented during the accession process have been criticized by domestic manufacturers.

"Why the hell should they take us in if we are implementing all the rules anyway?" Putin said at a government meeting in St. Petersburg.

"We should not do that [implement the rules]. And we should tell our partners that we will not implement anything."

Russia's \$1.5 trillion economy is by far the largest outside the 153-member body. Russia had hoped to wrap up negotiations before the spring session of the WTO's ruling council at the start of May 2011, but that now looks increasingly unlikely.

Putin's WTO comment interrupted a speech by Deputy Economic Development Minister Andrei Klepach, who had complained about problems in the machinery building sector caused by cheap Chinese imports.

Klepach said Russia's hands were tied by its WTO accession obligations on the use of import duties to block Chinese imports.

"Tied by what? I told you all a hundred times. We will implement these rules when we become a fully fledged member. Until then our hands are free," Putin said.

Putin took the WTO by surprise in 2009 when he suspended entry negotiations and said a customs union with ex-Soviet neighbors Kazakhstan and Belarus took priority. He repeatedly spoke out in favor of protectionist measures.

President Dmitry Medvedev has led negotiations on the issue with the United States, seen as the key decision maker in the WTO.

Another problem facing Russia is the hostility of Georgia, which has said it will block Russian WTO accession if the two countries, which fought a brief war in 2008, cannot agree on the question of customs posts in two breakaway Georgian republics.

Putin earlier praised the progress achieved by Medvedev and Russian WTO negotiators, but his comments Friday indicate that Russia's most powerful politician is again losing hope of joining the organization this year.

Medvedev is due to attend the BRIC summit in China this week where the issue of Russian protectionist measures against Chinese machinery imports can be raised.

U.S. President Barack Obama and Vice President Joe Biden have expressed their support for Russia's WTO membership, but a senior Russian government source close to the negotiating process said he believed that the U.S. had not yet made up its mind.

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