

Dvorkovich Says Georgia Could Ruin Christmas

By [Irina Filatova](#)

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Ivanov says the problem is Georgia. **Igor Tabakov**

Finland said Tuesday that Russia's entry into the World Trade Organization by year's end would be the "best Christmas gift for world trade," but Kremlin aide Arkady Dvorkovich warned that Georgia might spoil the holidays.

Dvorkovich told a forum of Finnish business leaders in Moscow that despite Georgian pressure, Russia would not retract its decision to recognize the independence of Georgia's breakaway regions of South Ossetia and Abkhazia in August 2008.

"Our neighbor's requirements have nothing to do with the WTO at all. They [the requirements] deal with something that we can't agree on and will never agree on," said Dvorkovich, the Kremlin's top economic adviser.

"So, it remains a question whether we'll join the WTO," he said.

If Russia fails to join the organization, "everybody will be worse off," because trade barriers with Russia's foreign partners will remain high and will likely increase as a result of ongoing financial turmoil, he warned.

Finland — one of Russia's major trading partners, with bilateral turnover reaching 14 billion euros (\$19.5 billion) in 2010 — hopes that the country will join the WTO by December.

This "would be the best New Year's and Christmas gift for world trade and for all of us," said Finnish Foreign Trade Minister Alexander Stubb.

Finnish investors at the forum said accession to the WTO would increase predictability for companies operating in Russia and stimulate investment.

"We'd very much like [this] to happen," said Esa Tuomi, senior vice president of Nordea Bank. He said membership would be "a huge plus" for Russia's development.

Finnish companies have invested 8 billion euros in Russia over the last 20 years and hope to increase the total to 10 billion euros in the near future, said Mirja Tiri, chief executive of the Finnish-Russian Chamber of Commerce.

Finnish business is largely represented by small enterprises, with five to 10 opening locally every year, Tiri said.

Discrepancies with Georgia remain the only problem hampering the 18-year WTO bid, with Russia reaching an agreement with the European Union late last week on meeting the trade body's norms.

Georgia, which as a WTO member has the right to block Russia, has demanded that international observers be put on the borders with South Ossetia and Abkhazia and the introduction of an information exchange on moving cargo across the borders.

"We think that everything has been determined regarding this," Dvorkovich told reporters on the sidelines of the forum.

He said negotiations largely dealing with customs issues were under way and could result in decisions based on "good will from both sides."

The sides failed to come to an agreement during the latest round of negotiations last week.

Meanwhile, Deputy Prime Minister Sergei Ivanov, who also participated in the forum, echoed Dvorkovich's concerns but said it remained "quite realistic" to obtain WTO membership this year.

"We've completed negotiations with the European Union as well as the United States," he said. "There's one issue left, which is not about trade but of a purely political nature. The name of this problem is Georgia."

He said failure to find agreement would not be the end of the world. "If the issue isn't solved, we'll live like we've lived for the past 20 years," he said.

Stubb, the Finnish minister, said only one dispute would remain after Russia joins the WTO.

"The only controversial issue that could remain here is that we believe the real Santa Claus lives in Finland," Stubb said, jokingly.

Ivanov parried: "I think this will never damage trade between Russia and Finland."

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