

# EU: Russia Breaking WTO Rules Ahead of Entry

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Russia's trade-restrictive measures include safety regulations on alcoholic beverages, an EU report said. Above, a Baltika beer factory.

BRUSSELS — Russia will probably be in breach of global trade rules when it joins the World Trade Organization this year, the EU executive body said Wednesday.

The comment signals that Brussels would feel justified in filing a case against the club's newest member.

Russia is set to join the WTO once the State Duma rubber-stamps its application. But the European Commission said in a report that Moscow will be in breach of its obligations in several areas if it does not take steps to dismantle the trade barriers it has put up.

"Russia, as an imminent WTO member, still deserves close scrutiny as one of the most frequent users of trade-restrictive measures," the commission said. "Russia is not currently fully living up to its future obligations, as it has undertaken and extended numerous potentially trade-restrictive measures."

These include safety regulations on alcoholic drinks, a ban on the importation of live animals from the European Union, and pending legislation that contains preferences for domestic car producers in public procurement, the report said.

Russia and the EU are deeply intertwined. Europe relies heavily on Russian energy exports, and Russians are hungry for EU products and access to its 500 million consumers.

But the two sides argue over issues as varied as energy supplies, trade and market access and human rights.

Bilateral corporate ties have also frayed in places. BP is embroiled in a row over its plans to sell a stake in its Russian venture, TNK-BP.

The British oil giant's billionaire partners are threatening to block a deal that would help the Kremlin tighten its grip on the country's vast energy sector.

Negotiations between Russia and the EU toward a comprehensive economic and political agreement have also stalled, and Brussels is wary of President Vladimir Putin's plan to develop a "Eurasian union" of ex-Soviet states, including Kazakhstan and Belarus.

At a summit with EU leaders in St. Petersburg on Monday, Putin told them that they would have to deal with this new economic alliance.

Wednesday's report, one of a series launched by the commission to monitor trade protectionism, said other governments are also resorting to protectionism.

Worldwide, only 89 protectionist measures have been removed since October 2008, whereas 534 new ones are in place, according to the commission, which negotiates trade agreements on behalf of the EU's 27 countries.

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