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Russia Proposes Trade Talks With U.S.

By The Moscow Times

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WASHINGTON — Russia has proposed a series of bilateral trade negotiations with the U.S. under the umbrella of a hoped-for new trade agenda between the two countries, a senior Russian official said.

He said Russia, in a meeting with top U.S. trade officials on Wednesday, had floated the idea of establishing a framework for talks that could lead to up to five separate deals, beginning with a pact on investment.

"Maybe we will not call it free-trade agreement negotiations, but maybe comprehensive approach and comprehensive trade agenda, which would mean that we could divide the whole agenda into different agreements," the official said.

The proposal was made in a meeting between Russian First Deputy Prime Minister Igor Shuvalov and U.S. Trade Representative Michael Froman, according to the official.

A spokeswoman for Froman said the U.S. looked forward to working with Russia to address

outstanding issues, including those related to Russia's implementation of its World Trade Organization commitments, and "to further realize the significant potential of the U.S.-Russia economic relationship."

"Both sides agreed to work together to address barriers to trade and investment and continue discussions on the possibility of a bilateral investment treaty," the spokeswoman said.

The Russian official said it could take up to 15 years if the two nations wanted to secure a free-trade deal, although that would be the eventual aim under the proposal.

"Ultimately it would mean a comprehensive free-trade zone agreement, but to negotiate that between the U.S. and Russia, it would take 10 or 15 years," he said. "We need something which is practical."

In addition to an agreement on investment, the official said pacts on regulations and standards could be completed within five years. The comprehensive framework Russia proposed would also seek to cover trade and tariffs, and perhaps an agreement that provides benefits for certain regions, he said.

He said Russia did not have trouble attracting investment from big U.S. firms, but wanted to see more investment from smaller companies. "Medium-sized companies do not come over and invest, but that is more important than giants," he said.

The official said the Obama administration was not expecting the proposal, but agreed to further discussions in January aimed at achieving a draft road map.

The U.S. is engaged in two sets of free-trade talks: one with the European Union and another with 11 Pacific Rim nations. Russia is party to neither.

The official said Russia would proceed cautiously in considering joining any Pacific Rim deal, partly because it has been a member of the World Trade Organization for only a year.

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