

Russia to Proceed with WTO Accession and Customs Union in Parallel - Medvedkov

*Coalition for U.S.-Russia Trade
October 19, 2009*

Russia will continue to pursue accession to the World Trade Organization (WTO) as a high priority goal, while simultaneously devoting resources to other trade-bolstering efforts, Russia's chief trade negotiator Maxim Medvedkov said today.

Speaking in Washington at a conference on Russian trade relations, Medvedkov stated that Russia still intends to pursue its plans to set up a customs union with Belarus and Kazakhstan, but he emphasized that work on the customs union would be conducted in parallel with the three countries' WTO negotiations and would complement, rather than conflict with, WTO rules.

These statements follow meetings in Geneva last week, at which time Medvedkov announced that Russia, Belarus and Kazakhstan had decided to proceed with their WTO accession negotiations on an individual basis rather than seeking joint accession as a customs union, as previously announced.¹

Talks on WTO accession for Russia, Belarus and Kazakhstan were thrown into confusion in June, when Russian Prime Minister Vladimir Putin announced that the three former Soviet republics had decided to abandon their individual WTO membership talks in order to seek joint accession as a single customs union. While there are several customs unions operating under WTO rules, the accession of a pre-established customs union to the WTO is unprecedented, and many WTO members and trade policy experts indicated that the joint accession plan would significantly delay WTO membership for all three countries.

Although Russia, Belarus and Kazakhstan now intend to conduct their WTO membership talks separately, they hope to accede to the organization on the basis of a common customs tariff, which is to be implemented upon activation of the three-country customs union², and certain common regulations. Medvedkov said that details of the customs union's tariff regime would be provided to the WTO in the coming weeks.

According to Medvedkov, WTO accession will bring stability and predictability to Russia's trade policies and will benefit trade partners like the United States. Furthermore, Medvedkov noted that the so-called "reset" in U.S.-Russia relations may have established a more cooperative atmosphere in which Russia's WTO accession process could finally be completed. He added that the current environment could also provide opportunities for progress in creating a bilateral framework for collaboration in the field of energy, and for resuming talks on a U.S.-Russia bilateral investment treaty.

¹ *Financial Times*, October 15, 2009.

² *Ibid.*