

## **Business Leader Stresses Russia's 'Extraordinary' Economic Achievements**

*Russian Senator Suggests Reforms Will Continue*

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WASHINGTON, July 24 /PRNewswire-USNewswire/ -- At a lecture in San Francisco on Friday on the final leg of a five city tour across the United States highlighting the significance of U.S.-Russia commercial relations, U.S.-Russia Business Council President Eugene Lawson underscored the transformation of Russia's economy over the past seven years and how U.S. companies, including many in California, are encountering good business opportunities in the Russian market. The lecture was held at the World Affairs Council of Northern California.

Citing Russia's "impressive and extraordinary" economic achievements, Lawson noted how Russia's economy has grown from being roughly the size of that of Los Angeles County in 1998 to the world's 10th largest economy today. Lawson, who shared the podium with Russian Senator and Chairman of the Federation Council's Foreign Affairs Committee Mikhail Margelov, credited Russia's leaders with sound fiscal management following the country's financial crisis. While high energy prices are largely what has driven Russia's economic success (Russia has the world's largest gas reserves and the world's eighth-largest oil reserves), the economy is diversifying. In fact, Russia's IT sector is the fastest growing in the world, and California companies such as Intel, HP and Cisco Systems are active in the Russian market. Close to one half of California's exports to Russia are from the computer and electronics sector. Additionally, California financial firms such as Visa International are experiencing strong growth in Russia today.

Overall, California's exports to Russia in the past five years grew at a rate of 122 percent, while California's exports to the rest of the world grew only 19 percent.

Russian Senator Mikhail Margelov underlined that the market liberalizations that Russia has engaged in to date in order to aid the economy's recovery have not been popular politically, but he expressed confidence that in upcoming parliamentary elections in December and presidential elections next March, Russia would not turn back from the path it has embarked upon. "Economic reforms will continue in Russia. The good news for business is that the world will see a predictable, transparent and democratic Russia," Margelov said.

This week, Russia continues plurilateral discussions regarding its accession to the World Trade Organization (WTO) at the WTO headquarters in Geneva. A good amount of work remains in the negotiations, and among the most sensitive are rules related to animal and plant health safety and intellectual property protection and enforcement -- two issues that are key to California's economy. Russia must also complete bilateral market access negotiations with Georgia, Cambodia and Saudi Arabia. Russia concluded bilateral negotiations with the United States in November 2006.

Senator Margelov suggested that the U.S. and Russia need each other from a global political and economic perspective. "Greater interdependence between our two countries will solidify the future of our relationship," Margelov said, "from both a security and commercial standpoint."

About the U.S.-Russia Business Council (USRBC)

The U.S.-Russia Business Council (USRBC) represents the interests of its 300 U.S. and Russian member companies, providing business development and government relations support in both Moscow and Washington. The USRBC contributes to the stability and development of a free market in Russia and supports Russia's integration into the global economy. It also serves as the Secretariat for the Coalition for U.S.-Russia Trade (<http://www.usrussiatrade.org>). For more information, visit the USRBC online at: <http://www.usrbc.org>.