

Russia's Bogor Goals Progress Report (as at 8 August 2014)*

Highlights of Achievements and Areas for Improvement

- Russia became a full WTO member in August 2012.
- Tariffs were reduced for many commodities as part of Russia's accession to WTO.
- Russia became part of the WTO Information Technology Agreement in September 2013.
- Import licenses are required for some products. Tariff-rate quotas are applicable to some agricultural products.
- Reforms in regulations concerning services sectors. The number of services sectors in which Russia made GATS commitments is high.
- Efforts to reduce administrative barriers and improve investment climate. Foreign investors face restrictions in some areas.
- Implementation of new regulations in standards and conformance, intellectual property rights and government procurement.
- Some concerns about technical regulations that may be affecting trade.
- Russia became a full participating member of the APEC Business Travel Card in 2013.

Summary of Topics

Tariffs

Russia, Belarus and Kazakhstan are part of a Customs Union. A new version of the Common Customs Tariff was approved in July 2012, in order to adjust the import duties of the Customs Union with Russia's commitments in WTO as part of its accession to WTO. This involved a reduction of import duties on 5,100 commodity items. For many agricultural and industrial products, MFN tariffs were already lower than the bound tariffs. However, some tariffs were raised to levels allowed by the Russia's commitments in WTO.

In addition, Russia also became part of the WTO Information Technology Agreement on 16 September 2013, to eliminate tariffs in certain information technology products.

Non-Tariff Measures

Import licensing on alcohol and ethanol were abolished in August 2012. Import licenses are required for some products such as pharmaceuticals and goods with encryption technology, among others. Some agricultural products, for example: meat and milk products, are subject to licenses and tariff-rate quotas.

Services

Domestic legislation in Russia was brought in conformance with WTO commitments under GATS. Market access has been improved. In fact, the number of services sector with GATS commitments (122) is high in comparison to other WTO members.

* This brief report was prepared with information from Russia's submission of 2014 APEC Individual Action Plan (IAP) template; the WTO World Trade Profiles 2013; the Report of the Working Party on the Accession of the Russian Federation to WTO; and information from the Federal Antimonopoly Service of the Russian Federation website.

Investment

Russia is implementing measures to eliminate excessive administrative barriers, as part of the strategy to attract more investment. In this regard, roadmaps to reduce these barriers have been developed in the period 2012-2013 in the following areas: construction, customs administration, access to power networks, property registration, company registration, competition development, export assistance, SME access to government procurement and quality improvement in business environment regulations. At present, the government has implemented 45 per cent of the proposed measures and another 15 per cent of the planned measures have been approved.

Foreign investment in some sectors/activities are restricted and require previous approval. These are the cases of sectors considered of strategic importance for defense and security matters. 42 sectors/activities were listed, including television and radio broadcasting, fixed telephone communications, aviation equipment and printing activities, among others.

Standards and Conformance

Russia continued the implementation of domestic policies including amendments to the Federal Law on technical regulations, changes to the conformity assessment of new products, and new rules concerning the registration of declaration of conformity, among others. The amendments to the Federal Law on technical regulations were issued on 27 December 2012 and aim to improve standardization at the national and regional levels, simplify standardization procedures, and have a more active involvement of companies in the standardization process.

Russia is participating in cooperation activities with the EuroAsian Interstate Council for Standardization, Metrology and Certification, and the Customs Union with Belarus and Kazakhstan. At the Customs Union, there is an agreement to harmonize domestic legislations in the area of technical regulations, develop technical regulations at the Customs Union level, implement common rules for conformity assessment, and use of international standards as basis for elaboration of technical regulations.

By the end of 2013, four specific trade concerns raised against Russia at the WTO SPS Committee had not reported a resolution. The most recent unresolved concerns raised in 2013 involved the non-recognition of testing laboratories for meat products and import restrictions on confectionary products. Similarly, four specific trade concerns against Russia raised at the WTO TBT Committee had not reported a resolution. Eight of them appeared during the period 2011-2013 and involved technical regulations and standards covering alcoholic drinks, light industry products and confectionary products.

Customs Procedures

Russia has been implementing measures to reduce administrative bottlenecks at customs and facilitate trade. During the period 2012-2013, Russia reported the elimination of documents to be submitted (e.g. transaction certificates for exports) and the development of a system to declare goods by electronic means. Currently, 28 customs posts have implemented this system.

In addition, the information system for customs authorities was modernized. Now, it is possible to obtain information faster and easier from other governmental bodies.

Intellectual Property Rights

Amendments on the regulations concerning patents, utility models and industrial designs, trademarks, service marks, appellation of origin and others, were in force on the date of Russia's accession to WTO. Some amendments to the Civil Code have been introduced for consideration at the State Duma in order to make more effective the enforcement of IPR.

Competition Policy

Russia approved in December 2012 the road map on "Developing Competition and Improving the Antimonopoly Policy". The intention of the government is to develop competition in particular sectors. In this sense, some of the initiatives are related to the SME, tourism and education sectors.

Government Procurement

A new federal law on public procurement was adopted by the State Duma and entered into force on 1 January 2014. The new law establishes the mandates for public institutions in procurement processes, and establishes new rules and procedures.

Deregulation/Regulatory Review

As part of the efforts to modernize the public governance system, Russia has been working in the implementation of guidelines and normative support that help improving the use of Regulatory Impact Assessments (RIA) to analyze proposals for new regulations and amendments, or the impact of existing regulation. The intention is to improve the culture of policymaking and have regulation that helps improve the business climate.

Implementation of WTO Obligations

In August 2012, Russia became a full WTO member and undertook all WTO commitments included in the multilateral WTO agreements. Russia is currently an observer of the WTO Government Procurement Agreement.

Mobility of Business People

In 2013, Russia became a full participating member of the APEC Business Travel Card (ABTC) scheme. Now, Russia is issuing ABTC to Russian citizens meeting the requirements and accepting the application of foreign ABTC card holders for visa pre-clearance.

Visa-facilitation agreements with the United States and Japan entered into force in September 2012 and October 2013, respectively.

Transparency

An official website for state and municipal property auctions has been created.

RTA/FTAs

Russia participates in one Customs Union¹ and eight RTA/FTAs². Russia, as part of the Customs Union with Belarus and Kazakhstan, has reported its participation in three RTA/FTA negotiations.

¹ The Eurasian Economic Community Customs Union (1997).

² Russia's RTA/FTAs in force are the following ones: Russia-Armenia (1993), Russia-Kyrgyz Republic (1993), Russia-Georgia (1994), Commonwealth of Independent States (1994), Russia-Ukraine (1994), Russia-Serbia (2000), Russia-Belarus-Kazakhstan-Ukraine (2004), and New Commonwealth of Independent States (2012).