

## Joint Statement on EU Enlargement and EU-Russia Relations

Brussels, 27 April 2004

The European Union and the Russian Federation acknowledge the opportunities to further strengthen their strategic partnership offered by the enlargement of the EU. We reaffirm our commitment in this regard to establish the four common spaces agreed at the St Petersburg Summit in May 2003. The interdependence of the EU and Russia, stemming from our proximity and increasing political, economic and cultural ties, will reach new levels with the enlargement of the EU.

We take note of the Protocol to the Partnership and Cooperation Agreement (PCA), signed today, extending the PCA to the new Member States of the EU. Taking into account the substantial work which has already been done, we agree to step up our efforts to address a number of outstanding issues.

We acknowledge that, overall, the level of tariffs for imports of goods of Russian origin to the new Member States will decrease from an average of 9% to around 4% due to the application by the enlarged EU of the Common Customs Tariff to imports from Russia, as of 1 May 2004, leading to improved conditions for trade. The EU confirms that Russian exports of non alloyed aluminium into Hungary will benefit from a gradual alignment to the Common Customs Tariff until 1 May 2007 as set out in the Treaty of Accession. Furthermore, the EU confirms that Russian exports of aluminium manufactured products benefit as of 1 January 2003 from the EU GSP and will thus be subject to a customs duty rate of around 4% in the enlarged EU. EU also confirms that compensatory tariff adjustments accorded in the context of EU enlargement through modifications of the EU tariff schedule will be applied on an MFN basis to the advantage of Russian exporters.

Agreement has been reached to adapt the EU-Russia agreement on trade in certain steel products to reflect traditional Russian exports to the acceding countries. This will result in an overall increase of the quota. In a related effort, the EU will allow Russian investors into the Community steel industry to benefit from additional quantities of certain steel products for two joint service centres for steel processing in Latvia and Lithuania. These agreed measures will allow Russian exporters to additionally increase their deliveries of steel products to the enlarged EC market by 438 thousand tons to the end of the year 2004.

We have agreed that special measures concerning the most significant existing EU antidumping measures on Russian exports will be adopted. The purpose of the transitional special measures will be to prevent a sudden sharp negative impact on traditional trade flows. The products subject to the antidumping measures concerned are potassium chloride, ammonium nitrate, grain oriented electrical sheets and products subject to measures incorporating quantitative thresholds, notably silicon carbide, aluminium foil. Reviews of other measures, such as steel wire ropes and cables, may also be initiated on the basis of justified requests by Russian interested parties. These reviews shall be treated as a priority. Furthermore, we note that as from 1 May all trade defence measures currently applied by the acceding countries on imports from third countries, including Russia, will cease to exist.

We confirm our intention to complete the procedures to introduce new veterinary certificates for exports of products of animal origin from the EU to Russia in the nearest future and to continue negotiations on a veterinary cooperation agreement, which will facilitate trade in goods of animal origin between Russia and the enlarged EU. Both sides commit themselves to address outstanding issues with regard to the ongoing EU authorisation process for import of Russian products and the certification requirements for EU exports of animal products to Russia. We reaffirm our commitment to avoid any unnecessary disruption of trade in these products. We also settled the specific situation of the transit of animal products to and from Kaliningrad.

We note that the EU is currently examining the market access conditions for Russian exports of agricultural products to the enlarged EU. We reconfirm our wish to conduct mutual consultations on bilateral tariff quotas of agricultural goods introduced by both parties, including the question of a country allocation for the Russian Federation. We will also conduct mutual consultations, in accordance with our obligations under the PCA, before introducing measures which could negatively influence the conditions of trade.

The EU confirms that current contracts for the supply of nuclear materials with the acceding countries, a person or an undertaking, concluded before accession will remain valid on terms and conditions provided therein if duly communicated by the new Member States to the Commission in accordance with the normal rules of notification under the Euratom Treaty. In this context, Russia has drawn the attention of the EU to the existence of agreements concluded with the acceding countries in the field of nuclear cooperation. The EU expects the acceding countries to duly notify the Commission of the contents of those agreements in order to confirm them or request modification in accordance with their provisions. We agree to launch negotiations on an Euratom-Russia agreement on trade in nuclear materials.

We recall the Joint Statement of the EU and the Russian Federation on Transit between the Kaliningrad Region and the rest of the Russian Federation of 11 November 2002 which acknowledges the unique situation of the Kaliningrad region, a part of the Russian Federation separated from the rest of the territory of Russia, and take note of its implementation. In this regard, we welcome the smooth introduction and running of the FTD/FRTD scheme on transit of persons.

We also:

- Confirm that, on the basis of Article 12 of the PCA and Article V GATT, we will effectively implement the principle of freedom of transit of goods, including energy between Kaliningrad region and the rest of Russia. In particular, we confirm that there shall be freedom of such transit, and that the goods in such transit shall not be subject to unnecessary delays or restrictions and shall be exempt from customs duties and transit duties or other charges related to transit, except charges for transportation or those commensurate with administrative expenses entailed by transit or with the costs of services rendered and that treatment no less favourable than that which would have been accorded to such goods had they been transported without transiting through the EU territory shall be accorded to goods in transit to and from Kaliningrad region, as it has to be in general for all trade in goods between the EU and Russia.
- Note that, on the basis of Article 19 of the PCA, prohibitions or restrictions on goods in transit can only be imposed if justified, inter alia, on grounds of public security or protection of health and life of humans, or protection of intellectual, industrial or commercial property. We also acknowledge that such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on transit, within the limits of Community competence.
- Welcome the customs arrangement of 17-18 December 2003 with respect to the implementation of an easy and simple customs procedure for the transit of goods to and from Kaliningrad by road and rail across EU territory. We take note that due to the simplified administrative procedures administrative costs for customs transit will be lower on 1 May 2004 than before EU enlargement and in any case shall be in line with GATT principles of proportionality and cost-relatedness.
- Underline that this arrangement can be considered as a starting point and that the experience acquired in that context will be of importance in the perspective of fulfilling the aims of Article 78 of the PCA, including inter alia the further facilitation of trade and transit. We hereby confirm our commitment to conclude, as soon as both sides are ready from a legal and practical point of view, a further agreement on the interconnection of the EU and Russian customs transit regimes, also applicable to the transit of goods to and from Kaliningrad, based on the above mentioned principles.
- Recall that no customs transit formalities, including guarantees, are required for movements of goods through pipelines and that electricity is not subject to customs transit under EC law including in respect of transit between the Kaliningrad region and the rest of Russia.
- Note that the activities of private operators providing transit-related services on a commercial basis will take place under fair competitive and market based conditions in accordance with the

respective applicable legislation.

- In the context of the creation of the EU/Russia Common Spaces, we undertake to continue work to facilitate trade and to support the social and economic development of Kaliningrad region.
- Confirm our readiness to continue to exchange information on changes made to our respective legislation, including that on customs, affecting trade in goods and to address issues related to the transit regime within the PCA structures.
- Look forward to the final report of the study on the feasibility of a high-speed train connection to Kaliningrad by mid-July 2004.

We recognise the fundamental importance and growing potential of EU-Russia co-operation on energy and energy related issues in the framework of the energy dialogue. The EU confirms that it does not impose any limits on imports of fossil fuels and electricity. The EU recognises that long term contracts have played and will continue to play an important role in ensuring the stable and reliable supplies of Russian natural gas to the EU market.

We note that from 1 April 2002, after a ten-year phase-out period, Member States have been allowed to authorise on a case-by-case basis operations of noisy aircraft (chapter 2) non-compliant with the ICAO resolution from 1990 pursuing to the related EU Directive. This will continue following EU enlargement. The EU confirms that an additional phase-out period until 31 December 2004 has been agreed for operations at Lithuania's Kaunas airport and in Hungary, as set out in the Accession Treaty.

The EU and Russia reaffirm their commitment to ensure that EU enlargement will bring the EU and Russia closer together in a Europe without dividing lines, inter alia by creating a common space of freedom, security and justice.

The EU and Russia underline the importance of people-to-people contacts in promoting mutual understanding between our citizens. We confirm that the facilitated visa issuance regimes between Russia and the acceding states existing at the moment of EU enlargement shall be preserved on a reciprocal basis after 1 May 2004, insofar as they are compatible with EU and Russian legislation. We confirm our intention to facilitate visa issuance for Russian and EU citizens on a reciprocal basis and plan to launch negotiations in 2004 with a view to concluding an agreement. We will continue to examine the conditions for visa-free travel as a long-term perspective.

We agree to actively pursue negotiations launched in October 2003 with the aim of timely concluding an agreement on readmission.

Further, the EU and the Russian Federation welcome EU membership as a firm guarantee for the protection of human rights and the protection of persons belonging to minorities. Both sides underline their commitment to the protection of human rights and the protection of persons belonging to minorities.