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EC COMMISSION ENVISAGES EVENTUAL FREE TRADE AREA WITH RUSSIA

Commissioners Leon Brittan and Hans van den Broek, in a joint communication to the EC Council of Ministers today, proposed a revised mandate for the EC Commission's negotiations towards a new partnership and cooperation agreement with Russia and the other republics of the former Soviet Union. The changes proposed would enable the European Community, where appropriate and when economic and political circumstances in the countries concerned permit, to envisage an eventual free trade agreement.

The Commission believes that by expressing a willingness to go beyond traditional trade and cooperation and eventually achieve free trade with Russia, the Community would be sending an important signal to Moscow that it fully supports the reform process.

Last October, the Council of Ministers approved a mandate for the Commission to negotiate partnership and cooperation agreements with the 12 republics of the former Soviet Union. Three rounds of negotiations have already been held with the Russian Federation, while talks are now beginning with Ukraine, Belarus and Kazakhstan. On March 8, EC Foreign Ministers decided to speed up the negotiation process with Russia in order to reach a conclusion in time for the European Council in Copenhagen on June 22. The Commission is now proposing amendments to the existing negotiating directives for an agreement with Russia and the other former Soviet states, so that EC Foreign Ministers may approve the changes at their April 5-6 Council meeting. The Commission would then be able to begin its negotiations with Russia on a new, broader basis.

One of the principal requests from Russia during past negotiations has been the inclusion of an evolutionary clause, opening the possibility at a future stage for free trade in goods and for national treatment for the establishment of companies and cross-border trade in services. This would depend on political and economic conditions in Russia and on the Russian Federation's compliance with General Agreement on Tariffs and Trade obligations.

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