

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

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Memorandum on the Foreign Trade Régime

The following Memorandum on the Foreign Trade Régime has been received from the Ministry of Foreign Affairs of the Russian Federation. In order that the matter may be examined by the Working Party (L/7259/Rev.1), contracting parties are requested to communicate to the secretariat by 12 April 1994 any questions they may wish to put concerning the matters dealt with in the Memorandum, for transmission to the Russian authorities.

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## TABLE OF CONTENTS

|  |    |
|--|----|
| <b>FOREWARD</b>  | 4  |
| <b>I. THE NATIONAL ECONOMY AND ECONOMIC REFORM</b>                         | 5  |
| 1.1. GENERAL ECONOMIC INDICATORS   | 5  |
| 1.2. ECONOMIC REFORMS  | 6  |
| 1.2.1. Demonopolization of the Economy, Including the Foreign Trade Sector | 6  |
| 1.2.2. Privatization of State Enterprises                                  | 7  |
| 1.2.3. Price Liberalization  | 8  |
| 1.2.4. The Policy for Restructuring the Economy                            | 9  |
| 1.3. BUDGETARY, FISCAL AND OTHER POLICIES                                  | 10 |
| 1.3.1. The Budget and System of Taxation                                   | 10 |
| 1.3.1.1. The Budget  | 10 |
| 1.3.1.2. The System of Taxation  | 10 |
| 1.3.2. Subsidies to Specific Sectors of the Economy                        | 11 |
| 1.3.3. Regime for Foreign Investment                                       | 12 |
| 1.4. GOVERNMENTAL ORGANS REGULATING FOREIGN ECONOMIC ACTIVITIES            | 13 |
| <b>II. FOREIGN TRADE</b>   | 18 |
| 2.1. TRADE AND GEOGRAPHIC STRUCTURE  | 18 |
| 2.2. BALANCE OF PAYMENTS   | 19 |
| 2.3. EXTERNAL DEBT   | 19 |
| <b>III. FOREIGN TRADE REGIME</b>   | 20 |
| 3.1. CUSTOMS TARIFF SYSTEM: IMPORTS  | 20 |
| 3.1.1. Customs Import Tariff   | 21 |
| 3.1.2. Preferential Tariffs  | 22 |
| 3.1.3. Commodity Classification under the Customs Tariff                   | 22 |
| 3.1.4. Customs Valuation   | 22 |
| 3.1.5. Rules for Determining the Country of Origin of Commodities          | 22 |
| 3.1.6. Customs Fees  | 23 |
| 3.1.7. Tariff Exemptions   | 23 |
| 3.1.8. Customs Free Zones and Free Warehouses                              | 23 |
| 3.1.9. Customs Clearance for Goods in Transit                              | 24 |
| 3.1.10. Internal Taxation Relating to Imported Goods                       | 24 |
| 3.1.11. Customs Formalities  | 25 |
| 3.1.12. Anti-dumping Duties, Countervailing Duties and Safeguards          | 25 |
| 3.2. CUSTOMS TARIFF SYSTEM: EXPORTS  | 26 |
| 3.2.1. Customs Export Tariff   | 26 |
| 3.2.2. Rates of Export Duties  | 26 |
| 3.2.3. Levying VAT and Excise Duty on Exports                              | 27 |

|        |  |    |
|--------|--|----|
| 3.3.   | EXPORT AND IMPORT LICENSING AND QUOTAS . . . . .   | 27 |
| 3.3.1. | Basic Principles of the Licensing and Quota Regime . . . . .   | 28 |
| 3.3.2. | General Procedure for Issuing Licences . . . . .   | 29 |
| 3.4.   | EXPORT AND IMPORT OF GOODS PRODUCED BY ENTERPRISES<br>BELONGING TO FOREIGN INVESTORS . . . . .                     | 30 |
| 3.5.   | SUPPLEMENTARY CONDITIONS REGULATING THE EXPORT AND<br>IMPORT OF CERTAIN GOODS . . . . .                            | 30 |
| 3.5.1. | Federal Tenders . . . . .  | 30 |
| 3.5.2. | Centralized Import Procurement . . . . .   | 30 |
| 3.5.3. | State Trading Enterprises . . . . .  | 30 |
| 3.5.4. | Monitoring the Export of Strategically Important Raw Materials . . . . .   | 31 |
| 3.5.5. | Grain . . . . .  | 31 |
| 3.5.6. | Regulation of Imports and Exports for Environmental Reasons . . . . .  | 32 |
| 3.5.7. | Pharmaceutical Preparations . . . . .  | 32 |
| 3.5.8. | Textile Goods . . . . .  | 32 |
| 3.5.9. | National Treasures of Historic, Archaeological or Artistic Value or<br>Works of Art . . . . .                      | 33 |
| 3.6.   | EXPORT REGULATION IN THE RUSSIAN FEDERATION FOR NATIONAL<br>SECURITY REASONS . . . . .                             | 33 |
| 3.7.   | STANDARDIZATION AND CERTIFICATION OF IMPORTED GOODS . . . . .  | 34 |
| 3.8.   | SANITARY AND PHYTO-SANITARY STANDARDS . . . . .  | 35 |
| IV.    | CURRENCY REGULATION AND RELATIONS WITH THE IMF . . . . .   | 36 |
| 4.1.   | FOREIGN EXCHANGE OPERATIONS . . . . .  | 36 |
| 4.2.   | RELATIONS WITH THE IMF . . . . .   | 36 |
| V.     | THE LEGAL BASIS FOR THE ECONOMIC AND TRADE RELATIONS OF THE<br>RUSSIAN FEDERATION WITH FOREIGN COUNTRIES . . . . . | 37 |
| VI.    | STATISTICS AND PUBLICATIONS SYSTEM . . . . .   | 38 |
|        | LIST OF APPENDICES . . . . .   | 39 |

## **FOREWARD**

The transition of the Russian economy from central planning to market principles has been a significant historic event in the final decade of the twentieth century. Starting in November 1991, radical reforms have been made to the economic structure of the Russian Federation with the aim of transforming the economy into a market economy and promoting the full integration of Russia into the international trading system. One of the principal elements of the programme of economic reforms in the Russian Federation has been the reorganization of the foreign trade sector. This sector is one where the process of transition to market principles is most advanced. The Russian Government is strongly committed to the fullest possible participation of the Russian Federation in the international trading system through accession to the General Agreement on Tariffs and Trade ("GATT") and related agreements.

The successful completion of economic reforms in the country depends largely on the development of the foreign trade sector, which in turn is directly linked to the integration of Russia into the international trading system.

The present Memorandum describes existing trade patterns, the current legal and institutional organization of foreign trade and also contains basic information on the economic system and the reform process related to foreign trade.

The process of economic reform in the Russian Federation is both complex and ongoing. Unless otherwise indicated, this Memorandum contains information on the foreign trade regime of Russia as of December 1993. The Government of the Russian Federation undertakes to present to the GATT Contracting Parties additional information on changes in the trade regime which occur after submission of this Memorandum, as well as on those features of the regime which relate to the agreements contained in the Final Act of the Uruguay Round of Multilateral Trade Negotiations.

## **I. THE NATIONAL ECONOMY AND ECONOMIC REFORM**

### **1.1. General Economic Indicators**

In geographic terms, the Russian Federation is the largest country in the world. Despite the fall in industrial output in the last two years, it still accounts for more than 3% of world Gross National Product ("GNP"). The economic potential of the Russian Federation over the longer term is likely to lead to production substantially in excess of this figure. Russia possesses large reserves of natural resources, most types of minerals are produced on its territory and it possesses enormous reserves of energy resources. It has a highly-diversified economy. Many branches of Russian industry have very significant scientific and technical capabilities.

In 1993, the Russian Gross Domestic Product ("GDP") at current prices was 162.3 trillion roubles, industrial production 109.4 trillion roubles, production of consumer goods 36.45 trillion roubles (of which foodstuffs account for 17 trillion roubles), non-food goods 17.1 trillion roubles, services 6.4 trillion roubles and retail turnover 58.8 trillion roubles.<sup>1</sup>

Industrial production in 1992, was as follows: fuel and energy sector 26%, ferrous and non-ferrous metallurgy 18%, machinery sector 20%, chemical industry 8%, light and food industries 17% and other manufacturing 11%.

The population of the Russian Federation, as of the beginning of 1993, was 148.2 million persons including 83.8 million of working age. 99% of the population has received primary and secondary education and 3/4 of the population live in towns or cities.

In the first half of 1993, a total of 71 million people were actively employed and of these, considerably more than 1/3 were occupied in the non-state sector of the economy. The level of unemployment on January 1, 1994 was 3.8 million persons calculated on the basis of International Labour Organization methodology.

A reduction in industrial and agricultural production occurred in the country in 1992 and 1993. As a result, the GDP in 1992 fell by 19% and in 1993, by 12%, as compared with the corresponding period of the previous year. Industrial production fell by 16.2% in 1993.

This is the result of many factors, including, significantly, the disruption of economic links with the other republics of the former U.S.S.R. The economies of the states of the former U.S.S.R. developed over many decades on the basis of a fundamental division of labour within, and between, industries, first and foremost in the metallurgical and engineering sectors. Trade in goods within the former U.S.S.R. is estimated to have accounted for about 25% of Russia's GNP.

Tables presented in the appendices give a more detailed picture of some aspects of the Russian economy.

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<sup>1</sup>In December 1993, the exchange rate was approximately U.S. \$1.00 = 1,200 roubles.

## 1.2. Economic Reforms

As a result of recent reforms, major changes are occurring. Centralized planning of production and distribution for the majority of products has been abandoned and demonopolization of the economy and privatization of state enterprises are being carried out. Centralized purchases for state requirements have been sharply reduced. The majority of wholesale and retail prices have been liberalized. A new tax system has been introduced. The state monopoly on foreign trade has been dismantled and a high degree of liberalization of foreign economic activity has been accomplished. To stimulate the development of entrepreneurship and industrial and trade cooperation between Russian and foreign enterprises, the Government of the Russian Federation is implementing a programme of support for domestic entrepreneurship.

The most important tasks in the economic reform process include stabilizing the economy, restoring economic growth and improving the efficiency of various sectors of the national economy. The main techniques for achieving these objectives are continuation of the processes of privatization, demonopolization, encouragement of competition, liberalization of foreign and internal economic relations, reduction of the state budget deficit and restraint of inflation.

### 1.2.1. Demonopolization of the Economy, Including the Foreign Trade Sector

A legal and institutional framework is being created in this area. Laws have been passed including the Law of the Russian Federation of March 22, 1991 "On Competition and Restriction of Monopolistic Activity in Commodity Markets" and the Law of the Russian Federation No. 2300-1 of February 7, 1992 "On Protection of Consumers' Rights", which take into account international experience in similar privatization efforts. A "State Committee of the Russian Federation on Anti-monopoly Policy and the Support of New Economic Structures" ("Anti-monopoly Committee") has been created and has a network of regional branches.

A federal government programme has been developed entitled "Demonopolization of the Economy of the Russian Federation". This is being complemented by programmes of market demonopolization undertaken on a regional basis, as well as by ministries of different branches of industry. The main purpose of these programmes is the decentralization of production and the creation of favourable conditions for the development of competition. As part of its plan to ensure normal conditions of competition for economic entities, the new legislation prohibits interference with competition on the part of governmental and administrative bodies. This law applies not only to official governmental and administrative bodies, but also to bodies which, while not state bodies, are nevertheless authorized to monitor the economic activity of enterprises.

For the first nine months of 1993, the Anti-monopoly Committee considered more than 8341 submissions relating to infringement of anti-monopoly legislation and instituted 749 cases, issuing 730 orders for elimination of violations. Governmental activity relating to demonopolization of the economy also covers the foreign trade sector.

The elimination of the foreign trade monopoly was proclaimed through the Decree of the President of the Russian Federation No. 213 of November 15, 1991 "On Liberalization of Foreign Economic Activity on the Territory of the Russian Federation" and all enterprises and groups were given the right to carry out foreign economic activities, whatever their form of ownership. At the same time, authority to make export deliveries of vital commodities ("strategically important raw materials" under terminology adopted) was henceforth limited to entities specially registered for that purpose with the Ministry of Foreign Economic Relations ("MFER"). Such entities must be staffed with qualified personnel

possessing the necessary experience in the field of external trade. Accelerated decentralization and liberalization of foreign economic activities have produced certain negative side-effects, including a reduction in prices for most types of export products and a fall in the foreign currency revenue to the budget.

As well, the Government has established a regime of competitive distribution of export quotas and adopted legislation on holding of tenders for distribution of export quotas to meet state needs (Regulations of the Ministry of Justice of the Russian Federation No. 171 of March 4, 1993 "On Qualification Round to Select Bidders for Participation in Federal Tenders for Supply of Products or Goods to Meet State Needs").

#### 1.2.2. Privatization of State Enterprises

The privatization programme initiated in mid-1992 is a central component of the process of economic reform in the Russian Federation. This programme combines the following independent, but closely interrelated processes:

- issuance of shares in medium and large state enterprises, with subsequent sale of their shares to citizens and private legal entities;
- privatization of small enterprises, mainly in the service sector; and
- issuance of privatization vouchers to the population, entitling citizens to a share in state property through the process of privatization ("voucher privatization").

The process of voucher privatization, which gives Russian citizens the right to purchase shares of any enterprise subject to voucher privatization, will be in effect until June 1, 1994. The voucher auctions are held under the supervision of the local unit of the State Property Committee. Of the total 143 million vouchers issued to the population, approximately 62 million have already been utilized.

As of the end of 1993, there were approximately 86,000 private enterprises in the Russian Federation. Compared with 1992, the number of privatized enterprises has increased by approximately 39,000.

The scale of privatization of enterprises in the trade, public catering and service sectors substantially outstrips that in all other industries. Such enterprises account for more than 2/3 of the number of privatized enterprises. The share of privatized enterprises in other branches of industry vary from 1%-3%, (construction materials industry ) to 8%-9% (light industry).

In the small business sector, including communal restaurants and retail and service enterprises, about 70% of all enterprises have been privatized as of the end of 1993.

Likewise, the privatization of medium and large scale enterprises which are, as a rule, under federal ownership, as a proportion of total privatization, rose from 7% in 1992 to 16% during the period January-October 1993.

The first step in the privatization process of state-owned enterprises involves the creation of individual ownership shares, usually in the form of shares of a joint stock company which are publicly traded. The shares of the enterprise are thereafter sold to members of the public. The Decree of the President of the Russian Federation No. 721 of July 1, 1992 "On Organizational Measures to Convert State-Owned Enterprises and Voluntary Associations of State-Managed Enterprises into Joint Stock Companies" provides for mandatory issuance of shares for all major enterprises. The law provides for

the creation of independent enterprises out of operating units of existing enterprises, at the option of the employees of the unit in question. Under the system of "voucher auctions", shares in 70 major enterprises have already been sold. Shares of 22 other large enterprises have been prepared for sale through the voucher auction system. By the end of 1993, 11,000 small and medium sized businesses had been converted into joint stock companies.

In 1992-1993, the major accomplishment of the privatization programme was the issuance of privatization vouchers to the citizens of Russia, the consolidation of ownership rights by means of closed subscriptions (i.e. private offerings) and voucher auctions. After two years of privatization, the non-state sector of the economy, which now employs approximately 1/3 of the working population, is playing an important role in the process of economic reform. In the course of 1994-1995, the Government intends to continue the privatization process, primarily through the following measures:

- completion of the process of creation of joint stock companies from medium and large enterprises;
- substantial expansion of the volume of shares made available at voucher auctions and an increase in the number of auctions held;
- increase in sales of privatized property through removal of prohibitions on the privatization of particular facilities;
- protection of the rights of private owners;
- promotion of genuine involvement of the private sector in the sale of land of enterprises being privatized; and
- development of an effective system of incentives for the involvement of foreign investors in the privatization process.

#### 1.2.3. Price Liberalization

Starting in 1992, the overwhelming majority of industrial and consumer goods have been selling at free market prices in the Russian Federation.

Fixed prices for petroleum and petroleum products, most food products, rail, air, water and road transport services have been abolished. The prices for petroleum and petroleum products continue to be regulated in that the Government has established limits on profit margins. As a practical matter however, these limits are set at levels which do not result in restrictions on pricing by enterprises in this sector. Price levels in the petroleum industry are otherwise determined on the basis of supply and demand.

Governmental regulation of prices at the retail level, periodically indexed on a monthly basis, has been maintained only for products of natural monopolies - gas, electric power, certain types of energy supply, passenger transport by rail and water and communication services, as well as precious metals and stones. Such price controls are currently maintained for reasons of social policy because of depressed income levels currently prevailing in Russia. Grain, oil seeds and sugar beet, purchased in 1993, were subject to recommended prices. Liberalization of prices has resulted in an aggravation of inflationary tendencies. The December 1993 consumer price index was 940% in relation to the December 1992 index.

The growth of inflation has made it necessary for the Government and Bank of Russia to carry out a restrictive budget and monetary-credit policy. Restraints on the growth in the money supply have led to positive changes in the consumer market, demonstrated in particular by a stable rise in stocks of goods and improved supply-demand equilibrium. However, stabilization of the market remains, as before, a primary concern of governmental economic policy.



#### 1.2.4. The Policy for Restructuring the Economy

The policy of structural adjustment of the economy is another important aspect of the process of economic reform. The primary objective of this policy is the creation of an efficient and competitive market economy capable of ensuring economic and social stability and environmental protection for the Russian population. In line with this objective, the Government sees as its first task in 1993-1995, the stimulation of those sectors which are capable of growth under current economic conditions. This process is carried out within the framework of an overall industrial policy which is currently in development. This policy provides for the elimination of enterprises which have outlived their usefulness and the restructuring of other enterprises.

A principal objective of current industrial policy is to promote the export of processed goods rather than raw materials. A programme of support for small and medium sized enterprises is currently being implemented. Such support includes adoption of comprehensive legislation governing the sector, provision of financial infrastructure to service transactions and provision of industrial production technology and other assistance to companies involved in foreign trade.

An important additional element of the policy is the creation of new structures in the agricultural sector incorporating both private and public property ownership. The agricultural sector contributes about 16% of total GDP and employs about 13% of the labour force. The Russian Federation has in recent years remained a large net importer of food and agricultural commodities. In 1991 for example, Russia imported about 15% of its meat, 17% of its grain, 29% of its sugar and 12% of its potato consumption. State enterprises now only occupy approximately 15% of the agricultural land area. There has been a very significant increase in the number of private family farms (127,000 as of July 1992, covering 5 million hectares of agricultural land). The Decree of the President of the Russian Federation No. 1767 of October 27, 1993 "On the Regulation of Land Relations and the Progress of Agrarian Reforms in Russia" enhanced the rights of individual land owners.

The future development of the agricultural sector will include improvement of pricing mechanisms for production and the elimination of state control of pricing on most kinds of food products. As well, there will be guaranteed minimum prices for essential agricultural products. The new pricing mechanism for agricultural products currently takes one of the following forms:

- state-determined wholesale and retail prices for certain goods which are subject to state monopoly on production and sale;
- guaranteed minimum prices based on the cost of production of the product in the most efficient enterprise in the sector;
- benchmark prices based on supply and demand and cost of production of the goods;
- maximum export prices for goods where world prices exceed domestic prices; and
- "sliding" prices for certain imported goods where the world price is higher than the domestic price.

In view of the importance of agriculture, the Russian Government has undertaken a policy of preferential credits for all enterprises in the sector in 1994. The Government has also provided for the creation of new agrarian cooperative banks and for foreign credits for the agricultural sector.

### 1.3. Budgetary, Fiscal and other Policies

#### 1.3.1. The Budget and System of Taxation

##### 1.3.1.1. The Budget

The Russian budget is comprised of a federal budget and separate budgets for the territories of the Russian Federation. The Government's long-term policy is to achieve a balanced budget.

The consolidated budget for 1993 was drawn up with a deficit of 11 trillion roubles, which was 7% of the GDP for this period. The federal budget had a deficit of 12 trillion roubles. The budget deficit was financed by means of credits. Expenditure exceeded income in more than 20 regions out of the total 89 regions in the Russian Federation.

Revenue in the consolidated budget was 53 trillion roubles. The largest component of this was provided by the profits tax - 36%, followed by value-added tax - 24%, revenue from taxation of foreign trade - 9%, income tax on individuals - 3% and excise duties - 4%.

Expenditure in the consolidated budget was 64 trillion roubles. In particular, 30% was invested in the national economy, 27% on social and cultural measures, 13% on defence and 7% on maintaining bodies of state authority, administration and law-enforcement.

As of January 1, 1994, the total volume of credit inputs to the economy was 30.5 trillion roubles. Centralized credits to support enterprises in the most important sectors of the national economy accounted for 39 % of the total volume of credit inputs. An essential element of the policy of financial stabilization of the Russian Government is the granting of credits to commercial banks at market rates. The total volume of credits granted by the Bank of Russia to businesses has been considerably reduced.

##### 1.3.1.2. The System of Taxation

The taxation system incorporates a range of different taxes which vary according to the sources and forms of income (such as profit, wages, interest, dividends), the means of its transfer (by inheritance, gift), or other factors such as whether income was derived from production or from the process of consumption, import or export of goods across national borders.

Taxes in Russia are divided into three types: federal, republican (including the taxes of territories, regions, autonomous formations) and local.

The taxation system of Russia is implemented through a package of laws which consist of 16 tax laws proper and 3 laws of wider application which also introduce various types of taxes. The primary law is the Law of the Russian Federation No. 2118-1 of December 27, 1991 "On the Fundamentals of the Taxation System in the Russian Federation" which defines the principles on which the taxation system is constructed, its structure and the organization of tax collection and control. There is separate taxation

legislation relating to various spheres of activity, categories of payers, forms of income and accumulation, including:

- Articles 5, 14 and 23 of the Law of the Russian Federation No. 1735-1 of October 10, 1991 "On the Fundamentals of the Budgetary Arrangement of the Russian Federation";
- the Law of the Russian Federation No. 1992-1 of December 6, 1991 "On Value-added Tax"; and
- the Law of the Russian Federation No. 5003-1 of May 21, 1993 "On the Customs Tariff".

The State Taxation Service of the Russian Federation monitors observance of tax legislation, including payment of taxes and other charges imposed by the Russian Federal Government and Russia's republics and regional governments.

In the foreign economic sphere, the main task of the State Taxation Service is to monitor observance of legislation relating to foreign economic activities (including foreign currency, investment and tax legislation) in respect of levying and remitting state taxes. In the sphere of foreign currency control, the State Taxation Service performs the following functions:

- monitoring and collection of tax on income received in foreign currency from foreign economic activity;
- monitoring and collection of tax on income received in foreign currency within the Russian Federation; and
- monitoring and collection of tax on incomes of Russian and foreign individual persons obtained in foreign currency.

#### 1.3.2. Subsidies to Specific Sectors of the Economy

One of the principal objectives of the Government's reforms is to reduce subsidies to specific sectors of the economy. Budgetary subsidies are given only to specific individual industries where the conditions do not permit the withdrawal of traditional subsidies at the present time. Such subsidies act as instruments of the economic and social policy of the Russian Federation.

In the consolidated budget of the Russian Federation for 1993, direct budgetary subsidies comprise 5.9% of GDP and include subsidies to the coal industry - 1.8% of GDP, to agriculture - 1.2% of GDP and to the residential-communal sector and transportation - 2.0% of GDP.

Under current economic policy, the Government is required to limit the growth in subsidies and subsequently to reduce them, first and foremost in the coal industry and agriculture. In September 1993, subsidies for grain used in flour production were abolished but the abolition of the subsidy was made contingent on the introduction of consumer subsidies for persons below a certain income level. Thus, starting from 1994, the Government has proposed changing the system of state support for the agribusiness sector by moving from virtual direct subsidization of producers to a mechanism of guaranteed minimum prices for producers.

Only the most essential subsidies will be retained in the budget due to the general price liberalization adopted throughout the economy. In general terms, there will also be a move to restructure distribution of subsidies away from producers in favour of consumers while reducing the overall proportion of subsidies in the GDP.

"Soft credits" to enterprises have ceased from September 1993. Credits which are now being granted (and extended) from the centralized resources of the Bank of Russia will be given only at its standard lending rate.

An important change in subsidization procedures in the budget is the initiation of a system of regional subsidies. The Law of the Russian Federation No. 3303-1 of June 15, 1992 "On Subsidies to Russian Federation Republics, Territories, Regions, Autonomous Regions, Autonomous Districts and the Cities of Moscow and St. Petersburg" defines the procedure and conditions for the granting of regional budgetary subsidies.

#### 1.3.3. Regime for Foreign Investment

The main objectives of Russian policy in the area of foreign investment are:

- to restructure and stabilize the economy;
- to stimulate importation of modern foreign technology and management techniques in order to promote development of sectors of the economy capable of competing internationally; and
- to create a competitive market environment and combat the formation of monopolies.

The basic conditions for foreign capital investment in Russia are contained in the Law "On Foreign Investment in the Russian Federation" and the Decree of the President of the Russian Federation No. 1466 of September 27, 1993 "On Improvement of Conditions for Foreign Investment". As well, treaties with 23 different countries have been signed in relation to the encouragement and reciprocal protection of investment.

All foreign legal entities and individuals may be foreign investors in the Russian Federation. With certain specific exceptions, the legal regime for foreign investors may not be less favourable than the regime for Russian legal entities and individuals.

The Law "On Foreign Investment in the Russian Federation" provides the possibility of establishing two types of enterprises with the participation of foreign capital - enterprises with 100% foreign capital and joint ventures with capital of mixed origin. Foreign investments on the territory of the Russian Federation may be made in any business not prohibited by law. Certain types of activity are subject to licensing (insurance, banking and certain services).

Foreign investors are guaranteed full and unconditional legal protection. Foreign investments in the Russian Federation are not liable to nationalization, requisition or confiscation, except in exceptional cases which are specifically provided for under Russian legislation. Under the Law "On Foreign Investment in the Russian Federation", foreign investors have the right to be compensated for losses, including loss of expected profit, suffered by them as a result of acts of expropriation by state bodies of the Russian Federation not in accordance with existing legislation.

Under the Law "On Foreign Investment in the Russian Federation", after the payment of the appropriate taxes and fees, foreign investors are guaranteed unhindered transfer abroad of profits, dividends, interest, licence fees and commissions.

In 1992, the Russian Federation acceded to the Multilateral Investment Guarantees Agreement (the "Seoul Agreement" of 1985), as well as the International Convention for the Settlement of Investment Disputes ("ICSID").

Work is in the final stages on three fundamental laws in the field of foreign investment: a new version of the law "On Foreign Investment in the Russian Federation", a law "On Free Economic Zones" and a law "On Concessions". In addition, work is underway on a government programme to promote foreign capital participation in the privatization process and in defence conversion. These new laws will provide a comprehensive legal basis for the regulation of foreign investment, and take account of international experience in investment regulation.

The creation of enterprises with participation of foreign capital is a primary vehicle for attracting foreign capital into the Russian economy. To date, foreign investors have participated in the creation of more than 12,000 such enterprises in the Russian Federation. Investors from China, the U.S.A. and Germany have played leading roles in the creation of both joint ventures and wholly-owned subsidiaries in this area.

#### 1.4. Governmental Organs Regulating Foreign Economic Activities

The President of the Russian Federation is, on the basis of Article 80(1) of the Constitution of the Russian Federation, the head of the state.

The President appoints the Chairman of the Government of the Russian Federation with the consent of the State Duma, accepts the resignation of the Government of the Russian Federation, introduces draft laws in the State Duma and signs and publishes federal laws.

The President defines the basic domestic and foreign policy guidelines of the state in accordance with Article 80(3) of the Constitution and federal laws and also represents the Russian Federation in international relations. The President supervises the conduct of foreign policy, conducts negotiations and signs international treaties.

The Federal Assembly (Parliament) of the Russian Federation is the representative and legislative body of Russia. The Federal Assembly consists of two chambers - the Council of the Federation and the State Duma.

The State Duma is competent to:

- consent to the appointment of the Chairman of the Government of the Russian Federation by the President;
- decide on the confidence in the Government of the Russian Federation; and
- appoint and dismiss the Chairman of the Bank of Russia.

Federal laws are passed by the State Duma. Laws adopted by the State Duma must be passed to the Council of the Federation for review within five days. In the event the State Duma disagrees with the decision of the Council of the Federation, the federal law shall be considered to be adopted, if in the second vote, at least two-thirds of the total number of the deputies to the State Duma vote in favour of the law.

A federal law adopted by the State Duma is to be considered by the Council of the Federation on a mandatory basis if the law deals with issues of:

- the federal budget;
- federal taxes and other payments;
- financial, monetary, credit and customs regulations and money emission;

- ratification and denunciation of international treaties of the Russian Federation;
- status and protection of the state border of the Russian Federation; and
- war and peace.

The Government of the Russian Federation (sometimes referred to as the Council of Ministers) consists of the executive and administrative bodies of the Russian Federation. The Government:

- develops and submits the federal budget to the State Duma and ensures compliance therewith;
- ensures the implementation of uniform financial and credit policies and monetary emission in the Russian Federation;
- manages federal property; and
- exercises any other powers vested in it by the Constitution of the Russian Federation, federal laws and the decrees of the President.

Articles 71, 72 and 73 of the Constitution define the respective jurisdictions of the federal and regional governments. The federal government has exclusive jurisdiction in the following areas:

- adoption and amendment of federal legislation, including the Constitution and enforcement of federal legislation;
- administration of federal state property;
- elaboration of basic federal policy in the area of economic and social development;
- development and implementation of the federal budget, including the taxation system as well as federal spending programmes and regional assistance; and
- foreign relations of the Russian Federation in the political and economic spheres, including the negotiation and ratification of international agreements.

Article 72 of the Constitution provides for shared jurisdiction between the federal government and specified regional governments in the following areas:

- ownership of land, water and surface and sub-surface resources;
- environmental protection and enforcement of ecological safety standards;
- implementation of a uniform system of taxation; and
- coordination of external relations.

Article 73 of the Constitution assigns jurisdiction for those areas not specifically confided to either exclusive federal or shared jurisdiction, to the regional governments.

Articles 8 and 74 of the Constitution guarantee the unity of the Russian economic space and the free movement of goods within the boundaries of the Federation.

A number of ministries and other state bodies are associated with the development and implementation of different elements of foreign economic policy. These are primarily the Ministry for Foreign Economic Relations, the Ministry of Foreign Affairs, the Ministry of Economics, the Ministry of Finance, the State Customs Committee, the Agency for International Cooperation and Development, the Bank of Russia, the State Committee for Anti-monopoly Policy and the Support of New Economic Structures, the State Committee for Industry, the State Committee for Administration of State Property, the Ministry for Economic Cooperation with the Member States of the Commonwealth of Independent States ("C.I.S.") and the Federal Agency for Monetary and Export Control. The Chamber of Commerce and Industry is extensively involved in the development of economic relations with foreign countries.

The Ministry for Foreign Economic Relations is the central body of the federal executive of the Russian Federation responsible for the foreign economic relations sector. MFER ensures the development and realization of state foreign economic policy and the coordination and regulation of foreign economic activities in accordance with the decisions of the higher organs of state power and administration of the Russian Federation.

MFER also has its own representatives in the republics, territories, autonomous regions, autonomous units and special regions of the Russian Federation. As well, the Ministry incorporates former external trade organizations and other agencies.

The basic tasks and functions of MFER include:

- formulation of foreign economic policy for the Russian Federation, a state programme for the development of foreign economic links and a mechanism for their regulation by the government, including changes in procedures and rates of customs duty on goods;
- monitoring and regulation in the field of foreign economic activities, including export control and the issuing of licences;
- registration of enterprises and organizations having the right to export arms, military hardware, work and services in the field of military cooperation agreements and strategically important raw materials;
- participation in the organization of insurance for export projects;
- organization of promotional work in attracting and placing foreign investments within the Russian Federation;
- formulation of policy on the conclusion of international agreements of the Russian Federation relating to questions of commercial and economic cooperation, including questions of payments and credit relations, external indebtedness of the former U.S.S.R. and debts of foreign states to the Russian Federation;
- preparation, on the instruction of the Government, of proposals on the use of sanctions in relation to states which have introduced discriminatory restrictions in relation to the Russian Federation;
- participation in the work of international economic and financial organizations and bodies;
- informational work on the development of foreign economic relations of the Russian Federation with foreign countries through various media, including publication of normative-reference literature; and
- publication of the journal "Foreign Trade".

The Ministry of Foreign Affairs ("MFA") is responsible for the coordination and implementation of foreign policy of the Russian Federation. The main functions of MFA are:

- coordination and monitoring of the work of other Ministries, committees and departments of the Russian Federation when the Federation participates in international organizations and forums;
- dissemination of official information relating to all questions concerning Russian foreign policy; and
- approval of all drafts of treaties and agreements to be concluded in the name of the Government of the Russian Federation.

The Ministry of the Economy participates in shaping the foreign economic policy of Russia and in developing the mechanisms regulating foreign economic activity. It sets delivery quotas for the main types of raw materials and products and participates in international negotiations in connection with foreign credits.

The Ministry of Finance is the consolidating link in the financial and credit system of the Russian Federation. It bears responsibility for the development and implementation of the strategic objectives of the uniform state financial policy and also for elaboration of the monetary and financial aspects of the foreign economic policy of the Russian Federation.

The State Customs Committee ("SCC") is the central customs body of the Russian Federation. The SCC is responsible for implementation of Russian customs policy and ensures observance of legislation on customs matters and the effective operation of the state customs control system of Russia.

The SCC, regional customs administrations, customs houses, enterprises and organizations, which are subordinate to the Committee, constitute the unified system of the State Customs Committee of Russia.

The main functions of the State Committee on Anti-monopoly Policy and the Support of New Economic Structures (the "Anti-monopoly Committee") include introducing legislative initiatives in the field of anti-monopoly activity, developing and executing measures on demonopolization of production and distribution, monitoring compliance with anti-monopoly requirements in the establishment, reorganization and liquidation of economic enterprises and preventing the operation of cartels and the abuse of dominant position in specific markets.

The Anti-monopoly Committee conducts a preliminary review of the establishment and mergers of unions, associations, concerns, groups of enterprises from different industries and regional groups of enterprises. In accordance with the Decree of the President of the Russian Federation No. 915 of August 24, 1992 "On the State Committee of the Russian Federation on Anti-monopoly Policy and the Support of New Economic Structures", the Committee has the authority to issue mandatory orders concerning the termination of infringements of existing legislation and the compulsory division, rescission or modification of agreements which are not in accordance with the Decree.

The State Committee on Industrial Policy occupies one of the central places in the system of governmental bodies concerned with the development and realization of structural policy. The main functions of the Committee include:

- coordination of the activities of federal bodies which carry out measures in the field of state industrial policy;
- determination of priorities and protection of the interests of Russian industry;
- stimulation of investment activity, including the attraction of foreign investment;
- preparation of measures relating to the development of entrepreneurial activity and support of small and medium-sized businesses; and
- coordination of work involved in the restructuring of industry.

The Ministry for Economic Cooperation with C.I.S. Member States is the central body of the federal executive responsible for coordination of Russian economic cooperation with the states of the Commonwealth of Independent States and also with states which were subjects of the former U.S.S.R. but have not joined the Commonwealth. The Ministry is responsible for the development and implementation of a uniform economic policy in relation to these states and coordinates the activities of the central bodies of the federal executive when engaged in economic cooperation with them.



The Bank of Russia is the central bank of the Russian Federation. The Bank of Russia was established on the basis of the Law of the Russian Federation No. 374-1 of December 2, 1990, "On the Central Bank of the Russian Federation (the Bank of Russia)". The main responsibilities of the Bank of Russia are:

- to regulate the money supply;
- to ensure a stable national currency;
- to implement a coordinated federal monetary and credit policy;
- to organize settlements and cash supply;
- to protect the interests of bank depositors;
- to supervise the activities of commercial banks and other credit institutions; and
- to regulate operations relating to foreign economic activity.

Within the above framework, the Bank of Russia:

- elaborates and implements regulations for the issuance and withdrawal of licenses for banking operations in the Russian Federation, including those for joint banks and wholly-owned subsidiaries of foreign banks and their branches;
- maintains the official register of the charters and articles of incorporation of registered banks; and
- issues banking licenses for operations involving foreign currency.

The Bank of Russia is the principal body for monetary regulation and exchange control in the Russian Federation.

The Federal Service on Currency and Export Control is an agency of the federal executive responsible for the implementation of controls on currency and exports. Its principal objective is the implementation of government policy respecting export and import operations involving foreign currency.

## II. FOREIGN TRADE

### 2.1 Trade and Geographic Structure

During the period 1991-1993, the Russian Federation's foreign economic relations were affected by economic difficulties at home and abroad. The rupture of existing economic ties between producers, regions and former U.S.S.R. republics, a fall in the output of energy (oil, coal and gas) and other raw materials, a decline in industrial output, rapidly rising inflation and a range of other destabilizing factors, adversely affected the foreign trade performance of Russian exporters and importers.

Conditions abroad also adversely affected the development of foreign economic activities. The winding-up of the Council for Mutual Economic Assistance ("CMEA") radically altered foreign economic relations with its former members, resulting in a sharp fall in the volume of trade with those countries and the end of cooperative economic links. Abroad, trade barriers against a range of Russian exports continued as before, though sometimes in different forms. The growth of foreign trade was also held back by the worsening situation of the world market in the early nineties. The terms of trade worsened for Russia: prices for Russian exports of raw materials fell while prices for most imports, and in particular food, held their ground or increased.

In 1993, Russian exports (excluding exports to C.I.S. countries) stood at \$43 billion<sup>2</sup>, an increase of 1.4% as compared to 1992. Imports (excluding C.I.S. countries) amounted to \$27 billion, a decline of 27% from 1992 levels.

Detailed information on trends in exports and imports in Russia, their geographical distribution and the commodity structure of foreign trade is given in the appendices. There have been significant difficulties in statistical reporting on foreign trade flows from 1992 onwards, as a result of the break-up of the U.S.S.R. and the independence of republics of the former unified customs territory.

At the present time, a system of statistical accounting is being created for trade between Russia and the states which were former republics of the U.S.S.R. However, cost accounting for this trade is still carried out in roubles. In addition, statistical accounting is carried out not for the whole range of goods but only for specific, significant commodity groups. All this causes difficulties in determining the total volume of Russian foreign trade with both C.I.S. and non-C.I.S. countries. However, the measures which are being adopted by the state statistics and customs service bodies of Russia (including the establishment of a customs border and introduction of customs documentation for all goods) will make it possible to carry out unified accounting for all foreign trade operations of the Russian Federation in 1994, using unified methodology and units of measurement.

The geographic distribution of Russian foreign trade has changed over the past few years. For example, trade with developed countries has increased and now accounts for 60% of all Russian exports and imports; trade with developing countries has also increased to 14% of total trade while trade with former CMEA countries has decreased to 17% of total trade as against 20% in 1992.

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<sup>2</sup>Unless otherwise noted, dollar amounts are quoted in U.S. dollars.

## 2.2. Balance of Payments

A general illustration of the situation in the sphere of foreign economic relations is given by the data on the balance of payments of Russia, contained in Table 5.

An analysis of the balance of payments of the Russian Federation demonstrates the basic problem which Russia's foreign trade has encountered in 1992 and 1993. With an overall positive balance of \$7.4 billion in 1992, the balance for operations in freely convertible currency does not exceed \$1 billion and becomes negative if operations with gold are not taken into account. This situation has persisted in 1993.

## 2.3. External Debt

The Government of the Russian Federation recognized and confirmed its obligations for the external indebtedness of the former U.S.S.R. as well as its intention to fully repay such indebtedness.

The external debt of the U.S.S.R. and the Russian Federation, as of December 31, 1992, was \$80.8 billion (excluding interest on servicing of this debt, the balance on clearing accounts in freely convertible currency, barter operations, lend-lease arrangements and the external debt to the countries of Eastern Europe, including the former German Democratic Republic). Of this sum, \$78.7 billion was the external debt of the U.S.S.R. and only \$2.1 billion was the external debt incurred by the Russian Federation, its legal successor (without taking into account International Monetary Fund "IMF" credits of \$1 billion). During "perestroika", the external debt of the U.S.S.R. rose from \$28.9 billion in 1985 to \$65.3 billion at the end of 1991. The situation was made worse by the fact that as early as 1989, the U.S.S.R. began to experience difficulties in meeting its obligations, which led to a sharp increase in the proportion of short-term credits and the creation of overdue indebtedness. The problem of external indebtedness is thus a problem inherited from the U.S.S.R. and particularly from the "perestroika" period.

The peak period of payments for servicing external debt occurs in 1992-1995. Thus, in 1992, it was necessary to pay approximately \$21 billion, including overdue payments of \$4.9 billion relating to imports in previous years.

Because Russia lacked the necessary hard currency funds to meet the payment obligations of the former U.S.S.R., its creditors agreed to provide from the beginning of 1992, renewable three-month payment deferrals for a specified category of the U.S.S.R. debt.

On the other hand, there is still a very significant level of indebtedness of foreign states to Russia. On September 1, 1993, it was estimated to be \$146 billion. Possibilities are being studied at the present time for securing the return of these credits, including use of available international experience in this field.

### III. FOREIGN TRADE REGIME

In accordance with Article 71(k) of the Constitution, all authority in the field of regulation of foreign economic activity is the prerogative of the Russian federal authorities.

The legislative basis for regulating foreign economic activity was developed during 1992 and 1993.

At the present time, the basic parameters of the system for regulation of foreign economic relations are defined by federal laws approved by the Russian Parliament and normative acts of the Council of Ministers of the Federation and individual ministries and departments. Customs tariffs are the main instruments of foreign trade regulation in the Russian Federation.

The basic policy objectives of the customs tariff regime of the Russian Federation are as follows:

- tariff protection in appropriate cases for Russian producers;
- rationalization of the structure for the importation of goods;
- achievement of an equilibrium between merchandise imports and exports with a view to stabilization of balance of payments; and
- creation of conditions permitting structural adjustment in the economy.

An additional function of the customs tariff regime is revenue collection for the Russian Government.

#### 3.1. Customs Tariff System: Imports

The legislative bases for the customs tariff system of the Russian Federation are contained in two federal laws: the Law "On the Customs Tariff" and the Customs Code of the Russian Federation (the "Customs Code").

The Law "On the Customs Tariff" defines the structure of the customs tariff, commodity classifications and the procedures for determining the customs value and the country of origin of goods. There are also provisions providing a basis for the application of anti-dumping and countervailing duties and for the possibility of making tariff exemptions. In particular, the Law establishes that the maximum rates of import customs duties to be used in relation to countries enjoying the status of most-favoured-nation ("MFN"), will be set by the Federal Assembly of the Russian Federation. The rates of customs import duties, within the limits set by the Federal Assembly, are established by the Government of Russia.

The Customs Code classes the customs service with other law-enforcement bodies and gives it the right to carry out investigations and inquiries into questions which fall within the ambit of customs activities.

The Customs Code regulates in detail the various aspects of customs activities and the rights and obligations of persons carrying out customs control. The Customs Code establishes 15 customs regimes, sequentially enumerating the operations which come within the competence of the customs authorities.

### 3.1.1. Customs Import Tariff

The current customs import tariff has been implemented by the Decree of the President of the Russian Federation No. 340 of March 15, 1993 "On Import Customs Tariff of the Russian Federation". Revisions to the customs tariff are currently under preparation and are scheduled to come into force in the first half of 1994. It is expected that new tariff rates will be calculated within the framework of existing tariff legislation, with moderate increases, from a current average weighted tariff rate of approximately 8% to an average weighted tariff rate of between 12% and 14%.

The customs tariff contains "base rates" (rates for countries enjoying most-favoured-nation status in the Russian Federation). Unless otherwise provided under the customs tariff, the rates of customs duties are identical for all persons moving goods across the customs border. The rates of duty used in relation to goods originating from countries which have not been granted most-favoured-nation status by Russia and also goods of which the country of origin is unknown, are subject to duty at rates which are twice the base rates.

By a Resolution of the Supreme Soviet of the Russian Federation No. 5005-1 of May 21, 1993 "On the Coming into Force of the Law of the Russian Federation On the Customs Tariff", the maximum import tariff is set at 100% of the customs value of the goods. Within these limits, the Government is entitled to fix the import tariff rate at the appropriate level.

Duty rates are set by the Government on the basis of a number of factors including the relative importance of the goods to the national economy, rational supply of goods within the economy, import-export equilibrium, national requirements for development and trade relationships with other countries. At the present time, approximately 70% of imports to Russia are subject to import duty.

From April 1, 1993, duty-free import applies to live animals, meat and meat food sub-products, most types of fish, milk, eggs, honey, vegetables, coffee, tea, cereal grains, flour and grain milling industry products, animal and vegetable fats and oils, sugar and most sugar products, ores, slag, ash, pharmaceutical products, toilet soap, natural rubber, lead, zinc and tin and articles thereof, railway locomotives, trams, tankers, refrigerator ships, fishing vessels and tugs, certain types of medical apparatus and furniture.

Weed and pest-killing chemicals and agricultural machinery have also been freed from import duties as of June 20, 1993. There is an autonomous base rate duty of 5% for a number of types of goods (including ferrous metals, copper, nickel, aluminium, crude oil, salt, most plastics, rubber articles and various instruments).

Autonomous base rates of duty of 15% have been set for the majority of goods which are not essential for the development of the national economy, while duty rates of 25% - 30% are applied in respect of a range of consumer goods. The highest duties are levied on the import of alcohol and strong alcoholic beverages, articles for entertainment, games (up to 100% for the above-mentioned articles), precious metals and stones, watches and certain other items.

Individuals are permitted to import, free of duty, goods for personal consumption in accompanied baggage up to \$2000.

At the present time, only ad valorem rates of duty are utilized in the customs tariff, although the Law also permits the use of specific and combined rates.

### 3.1.2. Preferential Tariffs

The Russian Federation extends the benefits of the General System of Preferences to developing countries. Goods imported from developing countries are subject to duty at half the most-favoured-nation rate. Goods from the least-developed countries are imported into the Russian Federation duty-free. The national system of preferences is set by the Government and is reviewed at least once every 5 years.

### 3.1.3. Commodity Classification under the Customs Tariff

The customs tariff for imported goods is based on the basis of the Commodity Classification for Foreign Economic Activity ("CC FEA"), effective in Russia from January 1, 1992. It is based on the Harmonized Commodity Description and Coding System ("Harmonized System"), developed by the Customs Cooperation Council, of which Russia has been a member since 1992. The Harmonized System is officially applied in Russia for classification, customs and statistical purposes.

The classification code for commodities includes nine digits and is being further developed in accordance with the rules of classification of the Harmonized System.

### 3.1.4. Customs Valuation

The procedure for determining the customs value of an imported commodity, contained in the Law "On the Customs Tariff", is based on GATT Article VII and the Customs Valuation Code. The Customs Tariff provides for six successively applied methods of customs valuation:

- according to the stated price of the commodities being imported (transaction value);
- according to the price of transaction with identical commodities;
- according to the price of a transaction with similar commodities;
- the value subtractior. method;
- the value addition method; and
- the "reserve" method.

### 3.1.5. Rules for Determining the Country of Origin of Commodities

The rules for determining the country of origin of commodities are based on generally accepted principles applied in world trade. In this respect, a "country of origin" is defined as a country, group of countries, customs unions, a region or part of a country .

The origin of commodities from developing countries which enjoy preferences must be certified under the procedure defined by the "Agreement on Unified Rules Determining the Origin of Commodities from Developing Countries", of June 5, 1980, which is used when granting tariff preferences within the framework of the General System of Preferences. If the conditions provided for by the Agreement are not met, then duty is levied on the commodity at the maximum rate. If during this procedure, it is established that the commodity originates from a country with which Russia has concluded an agreement on application of MFN status, then the base rate is used.

The rules of origin established by the Law "On the Customs Tariff" are applicable in relation to countries other than developing countries. A commodity is considered to originate from a given country if it has been fully produced there, or if it has undergone sufficient processing on that country's territory.

To benefit from applicable preferences, goods must be shipped directly from the country of origin which benefits from such preference.

Sufficient processing of a commodity is considered to have occurred if:

- its CC FEA classification code has changed at the level of any of the first four digits;
- production or processing operations have been carried out sufficient for the commodity to be considered as originating from the said country;
- the percentage of use of materials and added value of the said country has reached a fixed level in the value of the commodity; or if
- the conditions for determining the origin of the commodity have not been specially stipulated. In that case, the first criterion is used - a change in the commodity item number according to the CC FEA classification code.

#### 3.1.6. Customs Fees

In addition to import customs duties, in accordance with Article 114 of the Customs Code, an importer must pay a fee for customs clearance of the goods, which at the present time is 0.15% of the value of the goods, of which 0.1% is to be paid in roubles and 0.05% in the currency of the account, provided that the Bank of Russia quotes an exchange rate for such currency. This fee is placed at the disposal of the customs authorities and is used to finance customs operations and improvements to the customs system.

#### 3.1.7. Tariff Exemptions

The Law "On the Customs Tariff" makes provision for tariff exemptions. Tariff exemptions are granted in particular:

- to goods being temporarily admitted into the territory of Russia and remaining under customs control in accordance with customs legislation, as defined by the Customs Code; or to
- goods being imported as a contribution to the initial capital of enterprises with the participation of foreign capital.

In addition, in accordance with the provisions of a number of international agreements to which Russia is a party, transport vehicles utilized in international delivery, goods being imported for the official or personal use of representatives of foreign states and goods being shipped under customs control through Russian customs territory under transit conditions to third countries, are free from customs duties.

#### 3.1.8. Customs Free Zones and Free Warehouses

The customs legislation permits the creation of customs free zones and free warehouses, within which foreign goods may be placed and used without customs duties and taxes being levied and from which they may be exported to third countries. The territory of free zones and warehouses is considered as being outside the customs territory of the Russian Federation. At the present time, there are very few such zones in existence.

#### 3.1.9. Customs Clearance for Goods in Transit

The movement of goods in transit over the territory of the Russian Federation is regulated in respect of each type of transport by the current customs legislation and international agreements of the Russian Federation. Such agreements include multilateral and intergovernmental agreements on movement of goods in transit, and on cooperation of customs authorities, with all the former republics of the U.S.S.R.

At the present time, goods in transit move freely over the territory of the Russian Federation.

The fee for customs formalities relating to goods in transit is 0.1 % of their customs value. Goods being imported into the territory or exported from the territory of countries which were former republics of the U.S.S.R. (except for the Baltic countries), in transit through the territory of the Russian Federation, are free from the levy of fees for customs formalities in accordance with the multilateral intergovernmental Agreement of the Commonwealth Governments of February 8, 1992 "On the Procedure for Transit".

Goods in transit may be moved by Russian and foreign carriers provided that customs safety in transit is ensured. Customs authorities may require that transport vehicles be equipped in accordance with the rules for shipment of goods in transit and also that a customs escort be provided at the carrier's expense.

#### 3.1.10. Internal Taxation Relating to Imported Goods

In accordance with the Law of the Russian Federation No. 4178-1 of December 22, 1992 "On the Introduction of Modifications and Additions to Certain Laws on Taxation of the Russian Federation", the Law "On Value-added Tax" and the Law "On Excise Duties" were amended so that commodities imported into the customs territory of the Russian Federation after February 1, 1993 are subject to the imposition of value-added tax ("VAT") and excise duty. Levying of VAT and excise duty on goods imported into the customs territory of Russia is conducted by customs authorities at the time of customs clearance.

VAT is levied on the majority of imported goods. The range of goods free from payment of VAT includes most food products, medicines, many items of clothing, footwear and furniture imported for general distribution.

Excise duties are levied on certain types of goods imported into the customs territory of Russia for general distribution (luxury items, tobacco articles, alcoholic beverages) at rates set by the Government (from 10% to 250% of the customs value of the goods). In practical effect the incidence of excise duties is not greater for foreign goods than for domestic.

VAT and excise duties may be collected in roubles, or in any foreign currency whose exchange rate is quoted by the Bank of Russia. These amounts are remitted to the federal budget.

At the present time, VAT is levied at a rate of 20%. When calculating the VAT on imported goods, the tax base comprises the customs value of the goods, import duty and excise duty if the goods are liable to excise duty. VAT is levied at the same rate for foreign and domestic goods.



3.1.11. Customs Formalities

Customs formalities are defined by federal legislation and normative acts of the State Customs Committee. They are not complex in character.

In order to bring imported goods into the customs territory of the Russian Federation, it is necessary to deliver the goods to a place specified for this purpose, to inform customs of this and to submit to customs the following documents:

- a customs cargo declaration (the Russian form is modelled on the single administrative document in use in the European Union);
- for goods subject to licence - a licence;
- for goods which come under the supervision of a state body - with the permission of such body;
- for goods, the safety of which must be certified before entry - a safety certificate (as described in paragraph 3.7 of the Memorandum);
- for exported goods, the transaction identification document ("passport sdelki") from the Russian authorities; and
- documents confirming the payment of customs duty, value-added tax, excise duty and fees for customs clearance and documents containing guarantees of payment of such fees.

Customs duties and taxes are, as a rule, paid in roubles (duty may be paid in foreign currency only if the importer wishes). The duty is paid either at the time of presenting the customs declaration or no later than 15 days after such presentation. Customs offices have the right to grant a postponement of the payment of duty and taxes for a period of not more than 60 days from the date of acceptance of the declaration.

3.1.12. Anti-dumping Duties, Countervailing Duties and Safeguards

The Law "On the Customs Tariff" provides for special duties regarding the import of particular types of goods. These duties can be introduced by the Government of the Russian Federation as protective or retaliatory measures. The Law "On the Customs Tariff" provides the framework for the application of the following types of duties:

- anti-dumping - to be applied in the event that a commodity is imported into Russia at prices lower than its normal cost in the country of export;
- countervailing ("compensatory") - to be applied in the event of the import into Russia of a commodity when subsidies have been granted directly or indirectly in its production or export; and
- "special" - to be applied in the event that a commodity is being imported into Russia in an amount, or under conditions, which cause or threaten to cause substantial injury to Russian producers or, in response to discriminatory or other actions of foreign countries which are detrimental to, or which infringe the interests of, the Russian Federation.

Specialized legislation is currently being developed on the basis of relevant multilateral disciplines.

### 3.2. Customs Tariff System: Exports

The current export tariff regime is defined by the Law "On the Customs Tariff", the Decree of the President of the Russia Federation No. 629 of June 14, 1992 "On the Partial Change in the Order of Obligatory Sales of Part of Currency Earnings and the Collection of Export Duties" and the Decision of the Council of Ministers of the Russian Federation No. 1103 of October 30, 1993 "On Establishment of the Customs Export Tariff Rate and the List of Goods Subject to the Tariff".

#### 3.2.1. Customs Export Tariff

Export duties have been introduced in order to promote the orderly marketing of non-renewable natural resources and of specific semi-processed goods on export markets.

The customs export tariff is applied only to specified goods. From July 1, 1993, the rates of customs duties are uniform, with specific exemptions.

Export tariff rates may be amended by the Council of Ministers.

Duty is levied on 150 commodity items in 29 commodity groups, including certain raw materials, fuel, ferrous and non-ferrous metals, chemicals, timber products, foodstuffs, aviation engineering products, armaments and military materials. In accordance with the Resolution "On the Coming into Force of the Law of the Russian Federation On the Customs Tariff"

#### 3.2.2. Rates of Export Duties

Two types of export duty rates are applied in Russia:

- ad valorem duties, calculated as a percentage of the customs value of the dutiable goods. The highest rates of ad valorem duties are set for iodine (30%) and propylene (40%). For aviation engineering products and armaments, a rate of 15% is set; and

- specific duties, calculated on unit weight or quantity of the dutiable goods. Relatively high specific duties are levied when exporting silver ore (64000 ECU per t.), intermediates and articles of germanium (33600 ECU per unit), and certain rare metals (21000 ECU per unit). The rates of specific duties on the majority of goods named in the export tariff do not exceed 100 ECU per unit.

In addition, the Law "On the Customs Tariff" allows for composite duties which combine both types of customs duties.

An export duty is levied in roubles and duty may be calculated in ECU or in any other currency converted into roubles at the conversion rate quoted by the Bank of Russia on the date of customs registration of the transaction.

Under present conditions, 75% of Russian exports by value are subject to imposition of export duties.

Tariff benefits may only be granted, in accordance with Articles 34-37 of the Law "On the Customs Tariff", in the form of refunds of previously paid duty, a reduction in the rate of duty, or in

exceptional cases, an exemption from duty in relation to goods which are being exported. Such benefits may not be individual in nature other than in the cases specifically described in the above articles.

### 3.2.3. Levying VAT and Excise Duty on Exports

Goods exported from the customs territory of Russia are exempt from levy of VAT and excise duties at the time of customs clearance of the goods in question.

### 3.3. Export and Import Licensing and Quotas

The shortage of certain goods on the home market, coupled with significant inflation, obliged the Russian Government to introduce, in addition to customs tariffs, other forms of foreign trade regulation, primarily in the form of licensing and quotas for particular goods. These measures are being implemented on the basis of mechanisms generally accepted in international practice, including the relevant provisions of GATT and the Agreement on Import Licensing. Export licensing and quotas are to be phased out by January 1, 1996.

The main objectives of these regulatory measures in the foreign trade sector are:

- regulation of exports of strategically important (in the sense of vital, rather than militarily important) raw materials, items having particular value for the country and items deemed to be national property;
- maintenance of trading resources in which the home market is experiencing an acute shortage; and
- assistance in export and foreign currency control.

The Decision of the Government of the Russian Federation No.854 of November 6, 1992 "On Licensing and Setting Quotas for the Export and Import of Goods (Work, Services) on the Territory of the Russian Federation" and the Decision No. 1102 of November 2, 1993 "On Measures to Liberalize External Economic Activities" create a unified mechanism and provide a legal basis for licensing and setting quotas for foreign trade activities.

From January 1, 1993, a uniform procedure has been established on the territory of the Russian Federation for licensing and setting quotas for the export and import of goods (work, services) including deliveries to the countries of the former U.S.S.R.

In line with international practice, the issue of import and export licences, with the exception of a number of specific commodities, is exercised by a single governmental body, MFER.

A nine-digit CC FEA number is used when carrying out licensing and quota operations. The list of goods subject to export licensing is contained in Table 15.

### 3.3.1. Basic Principles of the Licensing and Quota Regime

The licensing regime is based on schedules of goods subject to licence and a uniform system for setting and allocating quotas and issuing licences.

The procedure for licensing and setting quotas for export and import relates to all entities engaged in business on Russian territory, whatever the form of ownership, affiliation and place of registration.

Export and import licences are issued by authorized representatives of MFER in the regions.

Goods, the export and import of which are licensed and subject to quota restrictions, are allowed to cross the border only on presentation of the appropriate licences. Goods subject to licence are grouped in three schedules.

The first schedule includes goods for which only a set quota of licenses are issued. The schedule includes fuel and energy commodities and hydrocarbon raw materials, non-ferrous metals and raw materials for their production, fish and fish products and cellulose.

The second schedule includes specific goods (work, services) which are licensed for export without limitations on quantity. The schedule includes raw materials of plant and animal origin for use in the production of pharmaceutical products, wild animals, crustaceans, horn, hooves, corals, mineralogical and palaeontological collection materials, information on ores, semi-precious stones and articles thereof.

The third schedule includes goods, technology and scientific/technical information which may only be exported and imported under licences issued pursuant to a special procedure determined by the President and the Government of the Russian Federation. This schedule includes armaments and military hardware, gunpowder and explosive substances, nuclear materials, precious metals and stones, narcotics and psychotropic substances, toxins, dual-purpose materials and technology.

The global export quotas for goods are set by the Ministry of Economics, with the agreement of relevant Russian ministries and government departments, based on forecasts of supply and demand for the goods subject to licence.

During the period January-November 1993, the following goods were removed from the quota list: anionia, synthetic rubber, potash fertilizers, ammonium sulphate, unrectified methanol, calcium phosphates, wood and certain types of non-ferrous metals.

The quota allocation system is a composite system and includes both administrative and competitive allocation.

Global export quotas take the following forms:

- quotas for state needs (allocations are subject to federal tenders);
- quotas for enterprises;
- regional quotas; and
- quotas for sale by auction.

The delivery of products for export in order to meet international economic obligations (including those related to foreign currency credits) of the Russian Federation are classified as deliveries for state needs.

Quotas for sale by auction are sold by MFER, based on current supply and demand conditions. Unused regional quotas and quotas of enterprises may be offered at auction. The granting of an auction quota is confirmed by a certificate. The regional authorized representative of MFER will issue a licence based on the certificate, provided that the applicant possesses a signed or initialled contract.

Control over the export of goods subject to licence from the territory of the Russian Federation, and their import into its territory, is exercised by the State Customs Committee. Imports are not subject to quota and are not licensed, with the exception of plant protection chemicals and industrial waste, as well as goods which fall under the export control system (armaments, nuclear technology, precious metals).

The export of all types of machinery, equipment and services for civilian use and of other finished articles is not subject to quota or licensing.

Beginning January 1, 1994, goods specified in the Decision of the Government "On Measures to Liberalize External Economic Activities" are to be subject to export quotas. The procedure for quotas and licensing has not however been modified by this Decision.

### 3.3.2. General Procedure for Issuing Licences

Licences are issued by MFER through its authorized representatives within the Russian Federation. Once issued, such licences are not transferable to other legal entities. The type of licence issued depends on the type of product. For goods subject to quota, a document is required to confirm delivery of the goods in accordance with a quota allocated under established procedures. If the exporter is an intermediary organization, an agreement for delivery of the goods is required.

For specific goods, the permission of the appropriate ministry or government agency of the Russian Federation may be required.

When exporting armaments or dual-use materials and technology, which are subject to state control, the authorization of the Federal Agency for Currency and Export Control of the Government of Russia is required.

In all cases, the presentation of a signed or initialled contract is an essential condition for the issuance of a licence. When the fundamental conditions of the contract are altered, the licence issued in connection with the contract must be modified.

Applicants may apply for multiple-use or single-use licences. The term of a single-use licence may be extended in response to a request, with reasons, from the applicant. A multiple-use licence is valid for a period of one calendar year. Such a license allows for performance of export operations relating to deliveries of products for state needs, particularly for the construction of industrial facilities abroad and the fulfilment of other international obligations.

Export or import operations under a multiple-use licence may be undertaken in one or several transactions. The supplier of the goods is responsible for the accuracy of the information in an application for a licence.

### 3.4 Export and Import of Goods Produced by Enterprises belonging to Foreign Investors

Article 25 of the Law "On Foreign Investment in the Russian Federation" provides that enterprises in which the participation of foreign capital exceeds 30%, may export or import goods of their own production or for their own needs, without licence. In order to qualify for the benefits conferred under this Law, enterprises must obtain certification from the Chamber of Commerce and Industry of the Russian Federation, that the goods are of their own production or are being delivered for their own needs, as the case may be. The procedure for obtaining the certification has been established for all goods.

### 3.5 Supplementary Conditions Regulating the Export and Import of Certain Goods

#### 3.5.1. Federal Tenders

MFER holds federal tenders to select enterprises and organizations which will provide exports of goods subject to quotas for state needs.

During the course of 1993, mechanisms were established for carrying out the competitive allocation of such quotas. A Tender Committee has been formed at MFER whose main task is to organize tenders for supplying goods for export, in which both private and state sector enterprises may compete.

#### 3.5.2. Centralized Import Procurement

Centralized import procurement is divided into two types:

- centralized credit import procurement, utilizing foreign commercial and bank credits guaranteed by the Government of the Russian Federation or credits from foreign governments which are repaying credits previously obtained from the U.S.S.R. and Russia; and
- import procurement carried out with centralized foreign currency funds, i.e. foreign currency allocated by the Ministry of Finance.

Only authorized businesses engaged in foreign trade, identified on a competitive basis under the procedure established by MFER, may purchase imported products under the centralized procedure.

#### 3.5.3. State Trading Enterprises

Russian legislation makes no clear distinction between government procurement of goods and purchase of goods for state needs, including for resale to the general population. Many of the state enterprises previously engaged in procurement for state needs are being privatized. The basic law governing the purchase of goods for state needs is the Law of the Russian Federation no. 2859-1 of May 28, 1992 "On the Delivery of Products for State Needs".

#### 3.5.4. Monitoring the Export of Strategically Important Raw Materials

A list of vital commodities ("strategically important raw materials" in Russian) has been adopted through the Decision of the Government of the Russian Federation No. 434 of June 26, 1992 "On Approval of the List of Strategically Important Primary Commodities Whose Export is Made by the Enterprises and Organizations Registered by the Ministry of Foreign Economic Relations of the Russian Federation", the Decision of the Government of the Russian Federation No. 707 of September 9, 1992 "On the Export of Minerals, Fertilizers, Ammonia, Methanol, Raw Materials and their Manufacture", the Decision of the Government of the Russian Federation No. 226 of March 15, 1993 "On Partial Changes in the Decision of the Government of the Russian Federation No. 434 of June 26, 1992" and the Decision "On Measures to Liberalize External Economic Activities". The list includes crude oil and petroleum products, gas, electric power, cellulose, non-ferrous metals, certain mineral fertilizers, grain, soya and sunflower seed, fish and crustaceans, caviar and spirits (ethyl and non-denatured). In addition, ores destined for the production of ferrous metals, wood, rare metals, rough and sawn coniferous lumber and wooden sleepers are also classified as strategically important items after January 1, 1994.

For the export of strategically important raw materials, licences are issued only to enterprises, both private and state sector, registered for these purposes at MFER. Only those exporters which qualify and are selected by a special committee of MFER can be registered. This does not release the enterprise concerned from the need to obtain necessary quotas. Registered exporters are obliged to pay export duty and to sell foreign currency relating to export operations with strategically important raw materials only through the bank accounts specified by them at the time of registration. The list of registered exporters is contained in Table 17.

#### 3.5.5. Grain

The Russian grain harvest in 1993 was slightly more than 100 million tonnes, down from 107 million tonnes in 1992. Total grain consumption peaked in 1990 at about 218 million tonnes and by 1992, had declined to about 200 million tonnes. Wheat consumption fell from 109 million tonnes to 99 million tonnes in 1992 and is expected to decline further to 95 million tonnes in 1993. Consumption of coarse grains fell from about 114 million tonnes in 1989 to 98 million tonnes in 1992. Statistics compiled from the State Committee of the Russian Federation for Statistics ("GosKomStat") and Statom SNG (C.I.S. Statistical Service) report 29,500,000 tons of imported grain for 1992 (19,000,000 tons in 1991), sourced from beyond the borders of the former U.S.S.R.

Grain is imported into federal stocks, under licence, under a centralized procedure via a state customer in accordance with a decision of the Government of the Russian Federation, approved by the Russian Parliament. The republics forming the Russian Federation, autonomous regions, autonomous provinces, territories and regions, foreign trade and other organizations, enterprises and institutions have the right to make independent purchases of grain abroad using their own foreign currency resources. The export and import of grain are regulated by the Law of the Russian Federation No. 4973-1 of May 29, 1993 "On Grain".

There have been substantial changes in the structure of grain purchasing and distribution. In 1992, the State Committee for Grain Products was disbanded and the Law "On Grain" created the Federal and Regional Grain Funds. A new organization called Roskhleboprodukt controls state storage facilities. The Government, represented by Roskhleboprodukt, engages Exportkhleb, a joint stock company, as its exclusive procurement agent for imports of foreign grain made on concessionary terms. At the current time, grain imported into Russia is being financed through credits or concessionary financing from the exporting country.

At the end of November 1993, the Government announced that from that point onwards, Roskholeboprodukt would pay world prices for the grain it purchased from Russian farmers. Farmers will, in 1994, no longer be required to sell their grain to this state agency. Private traders are permitted to engage in purchase and importation of grain from abroad without restriction for the first time, if they are able to finance such purchases independently.

#### 3.5.6. Regulation of Imports and Exports for Environmental Reasons

Foreign trade activities by legal entities and individuals on the territory of the Russian Federation in environmentally sensitive products of animal and plant origin and industrial waste are regulated by the Law of the Russian Federation No. 2060-1 of December 19, 1991 "On Protection of the Environment", by the Resolution "On Licensing and Setting Quotas for the Export and Import of Goods (Work, Services) on the Territory of the Russian Federation" and by the Decision "On Measures to Liberalize External Economic Activities".

Goods of plant and animal origin are divided into three groups:

- Specific goods, export licences for which are granted by decision of the Ministry of the Environment and issued by MFER. These include species of flora and fauna registered in the Red Book of Russia held by the Ministry of the Environment, and also entered in the appendices of the "Convention on International Trade in Endangered Species of Flora and Fauna" ("CITES");
- Specific goods, export licences for which are issued by decision of the territorial environmental protection bodies of the republics territories, regions and autonomous units of the Russian Federation; and
- Pharmaceutical materials of plant and animal origin.

#### 3.5.7. Pharmaceutical Preparations

Permission for import and export operations involving pharmaceutical preparations is granted by the Ministry of Health. Licences for import of such goods are issued by MFER after the Ministry of Health has given its approval.

#### 3.5.8. Textile Goods

The Russian Federation does not maintain a system of import quotas for textile products. The export of textile goods is regulated by the Agreement on Trade in Textile Products between the European Economic Community and the Russian Federation, initialled June 14, 1993. This Agreement sets the volume of yearly quotas of export of Russian textile products. The Agreement provides a system of dual control over observance of the established limits, both on the part of MFER and also on the part of the Commission of the European Communities.



### 3.5.9. National Treasures of Historic, Archaeological or Artistic Value or Works of Art

Historic and archaeological objects, works of art and ancient books which come under the Law of the Russian Federation No. 4804-1 of April 15, 1993 "On the Export and Import of Valuable Cultural Objects" are cleared through customs of the Russian Federation upon presentation of a certificate of the right to export valuable cultural objects, issued by the Federal Service for the Protection of Valuable Cultural Objects.

### 3.6. Export Regulation in the Russian Federation for National Security Reasons

An export control system has been established in order to protect the security interests of the Russian Federation in foreign trade and in conversion of the defence industry to civilian activities, and also to fulfil international obligations to prevent the proliferation of weapons of mass destruction and other dangerous types of armaments. This system, which involves a number of governmental bodies, aims to prevent damage to Russia's security interests which could result from the export to foreign countries of particular types of materials, equipment, technology, and scientific and technical information and services which are used, or could be used, in the creation of armaments and military hardware, including nuclear, chemical and other types of weapons of mass destruction.

In order to ensure a uniform governmental policy in this area, a Federal Agency for Currency and Export Control has been set up by the Government.

The President of the Russian Federation has approved:

- a list of materials, equipment, technology and scientific and technical information which are used, or could be used, for the creation of armaments and military hardware, the export of which is controlled; and
- a list of materials, equipment and technology which have a peaceful purpose but which could be used in creating rocket, nuclear, chemical, bacteriological (biological) and toxin weapons, the export of which is controlled for the purpose of fulfilling the international obligations of the Russian Federation in relation to preventing the proliferation of weapons of mass destruction.

These lists are based on the control schedules of the corresponding international control regimes. The export control procedure provides for obligatory export licensing.

Licences are issued by MFER on the basis of a decision by the Federal Agency for Currency and Export Control.

In addition, monitoring of the use of dual-purpose goods and technology sold by foreign companies to Russian companies, as well as the re-export of such dual-purpose goods and technology, is carried out by MFER.

### 3.7. Standardization and Certification of Imported Goods

Government policy of the Russian Federation in the areas of standardization, metrology, certification and resale of imported goods on the domestic market is defined in the Law "On Protection of Consumer Rights"; Articles 2, 4, 9 and 11 - 13 of the Law of the Russian Federation No. 5154-1 of June 10, 1993 "On Standardization"; the preamble and Articles 3, 4 and part of 15 of the Law of the Russian Federation No. 4871-1 of April 27, 1993 "On Uniform Measurement"; the Law of the Russian Federation No. 5151-1 of June 10, 1993 "On Certification of Products and Services"; Articles 2, 3 and 14 of the Law of the Russian Federation of April 19, 1991 "On the Sanitary-Epidemiological Well-being of the Population"; and the Law "On Protection of the Environment". These laws are applied equally to products of domestic and foreign origin.

The aims of the said laws are respectively:

- to establish norms ensuring legal regulation of protection of the life, health and property of citizens and also of the environment;
- to establish norms requiring state regulation on the territory of Russia to ensure that products, work and services are safe for the environment and for life, health and property;
- to create a uniform mechanism for carrying out government policy of the Russian Federation in relation to questions of standardization, to define the competence of state administrative bodies and also the rights and obligations of enterprises and individual persons;
- to prevent the manufacture and sale of products which are hazardous to life, health, property and the environment, as well as to assist consumers in the informed selection of products; and
- to ensure that hygienic, anti-epidemiological and other relevant standards are met, and that there is compliance with hygiene standards.

In accordance with the Law "On Standardization", the present range of state standards must comply with the generally recognized international system of standards.

The national certification system in Russia - the "GOST R Certification System" - is based on the Law "On Protection of Consumers' Rights" and the Law "On Certification of Products and Services". The rules of the system comply with international ISO/IEC documents, including series 9000 ISO standards. The GOST R Certification System places no restrictions on the use of voluntary certification and is open to the participation of other countries and organizations.

The national certification body is the State Committee for Standardization, Metrology and Certification.

The applicable rules are contained in the Law "On Protection of Consumers' Rights".

The range of products for which confirmation of safety is required includes goods for children, food products, goods which come into contact with food products, chemical products for domestic use, perfumes, cosmetics, domestic electronic products, electrical measuring instruments, chemical weed and

pest-killers, mineral fertilizers, petroleum products, transportation vehicles, hunting and sporting weapons and furniture.

Foreign goods must comply with the safety requirements set by the State Committee for Standardization, Metrology and Certification. The same safety standards are applied for foreign and domestic products. Goods must have appropriate confirmation of compliance. Such confirmation can be provided in two ways:

- certification of the product being supplied to Russia in accordance with the rules of the Russian certification system; or
- submission of a certificate by the exporter, obtained abroad and which is recognized in Russia in accordance with international, regional or bilateral agreements, through issue of a certificate of recognition of such standards. This certificate is submitted to customs by the declarant or by the recipient of the goods and is checked before the goods are cleared through customs.

### 3.8 Sanitary and Phyto-Sanitary Standards

Unless otherwise provided by intergovernmental agreement, or by standards of international organizations such as the FAO/Codex Alimentarius or WHO, specified products imported into the Russian Federation must meet Russian national sanitary and phyto-sanitary standards. The State Committee for Standardization, Metrology and Certification and the State Sanitary and Epidemiological Committee are responsible for exercising sanitary and phyto-sanitary control on imported products. Certificates of hygiene must be obtained for the importation and sale on the domestic market of goods potentially dangerous to health. These certificates constitute official acknowledgment of the safety of the imported product and must be affixed to any product of potential danger during production, storage, transportation or utilization. These requirements are applied equally to domestic and foreign products.

The following products must have certificates of hygiene:

- raw and processed foods, food additives and preservatives;
- materials coming into contact with food products;
- children's goods;
- polymers and synthetic materials for the production of children's goods;
- materials utilized in water supply;
- cosmetics and perfumes;
- petrochemical products for industrial and household use;
- chemical products for the agricultural sector including fertilizers;
- polymer and synthetic materials, yarns and threads;
- synthetic leathers and textiles for shoes;
- machine and engineering equipment for industrial and non-industrial use; and
- chemical substances coming into contact with human skin.

The certificate of hygiene must be obtained before the import transaction is concluded. The certificate may be issued upon presentation of proof that a similar certificate has been obtained in the country of origin and/or upon presentation of the results of an analysis of the product carried out in the Russian Federation.

#### **IV. CURRENCY REGULATION AND RELATIONS WITH THE IMF**

##### **4.1. Foreign Exchange Operations**

Currency regulation in Russia is carried out in accordance with the Law of the Russian Federation No. 3615-1 of October 9, 1992 "On Currency Regulation and Currency Control", which has been in force since October 1992. To carry out the provisions of this legislation, the Council of Ministers adopted Decision No. 205 of March 6, 1993 "On Strengthening Currency and Export Control and Developing the Currency Market". This Decision provides for further regulation of the repatriation of currency assets to the Russian Federation. The principal bodies regulating the national currency and exercising exchange control are the Bank of Russia and the Government of the Russian Federation.

The basic objectives of exchange control and regulation are to increase the foreign exchange reserves of the state, to strengthen the national currency and to achieve full convertibility of the rouble.

At the present time, the uniform exchange rate for foreign currencies to the rouble, utilized in all settlements, is based on the exchange rate established at the interbank currency auctions held in Moscow and published by the Bank of Russia.

Under existing legislation, non-residents are permitted to import, transfer and export currency in conformity with customs procedures and to repatriate profits arising from business activities in the Russian Federation.

##### **4.2. Relations with the IMF**

In June 1992, Russia became a member of the IMF, obtaining at the same time an executive director post in this organization. The initial capital contribution of the Russian Federation to the IMF was 2,876,000 Special Drawing Rights ("SDR's"). On November 25, 1992, the capital contribution was increased to 4,313,000 SDR's. The IMF has recommended to the Russian Government that it follow the standard IMF program for economic stabilization and settlement of external debt. In accordance with the Articles of Agreement of the International Monetary Fund, Russia undertook to maintain a single rouble exchange rate and to carry out a range of economic measures aimed at achieving rouble convertibility. Russia also bound itself not to introduce additional currency restrictions without prior consultations with the IMF.

The IMF has assumed the role of main coordinator of financial assistance to the Russian Federation. Financial assistance is only provided after preliminary consultation between the IMF and the Russian Government. As of the end of 1993, the total amount of assistance given amounted to \$43.4 billion. This sum included financial assistance in the form of restructuring and rescheduling of debt in the amount of \$29 billion.

At the beginning of 1993, the IMF granted the Russian Federation a first stand-by credit in an amount equal to 719 million SDR's, which is 16.7% more than its quota. This credit must be repaid in 1997.

In 1993, the IMF stated that Russia would be granted a \$3 billion credit under the Systemic Transformation Facility ("STF"). In the first half of 1993, an amount equal to 1.078 billion SDR's was disbursed under the STF, accounting for 25% of the total amount of the credit. This first tranche must be repaid in 2003.

## **V. THE LEGAL BASIS FOR THE ECONOMIC AND TRADE RELATIONS OF THE RUSSIAN FEDERATION WITH FOREIGN COUNTRIES**

The Russian Federation has international trade agreements (commercial treaties and free trade agreements) with 138 countries (see Table 12).

Most-favoured-nation clauses are contained in treaties and agreements with 126 states.

The international treaties of the Russian Federation make provision for the normal exceptions from most-favoured-nation treatment: exemptions and advantages stemming from agreements on the creation of customs unions and free trade zones, privileges granted to neighbouring countries with the aim of facilitating frontier traffic and preferences granted to developing countries within the framework of the General System of Preferences. A number of commercial treaties provide for measures to prevent market disruption. The treaties provide that in adopting market protection measures, the parties must give preference to those which have the least adverse effect on commercial and economic relations.

As is usual, the treaties also establish the right of the parties to undertake any actions to defend the interests of national security, to protect the life and health of humans, animals and plants and to protect items of artistic, historic and archaeological value.

The Russian Federation has concluded bilateral free trade agreements with a number of countries which previously formed part of the U.S.S.R. Such agreements have been signed and brought into effect with Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tadjikistan, Turkmenistan, Ukraine and Uzbekistan. In addition, an Agreement on Economic Union containing a declaration of intent on the future development of economic relations among signatories was signed by eight republics of the C.I.S. on September 24, 1993.

As a basic principle, the free trade agreements in effect with former republics of the U.S.S.R. provide for the abandoning of the levy of customs duties or taxes, and fees having an equivalent effect, on the export and import of goods from the customs territory of one party to the agreement to the customs territory of the other party. At the same time, each specific agreement contains a list of goods to which the free trade regime does not relate. At the present time, protocols on exceptions to the free trade regime have been signed with all the countries with which free trade agreements have been concluded. Most-favoured-nation treatment is applied to goods which do not come under the free trade regime.

Free trade agreements provide for a non-discriminatory regime in relation to internal taxes and fees and to non-tariff measures.

Under these agreements, the parties undertake to refrain from applying quantitative restrictions to the export and import of goods, with the exception of cases mentioned in the agreements. The use of quantitative restrictions is permitted however, where bilaterally agreed between the parties, to limit non-authorized re-exports of goods or to protect the internal market or the balance of payments.

The agreements provide for measures aimed at stimulating competition and to this end, limit the use of state subsidies.

A descriptive table of the existing economic arrangements with C.I.S. countries is included in Table 16.

## **VI. STATISTICS AND PUBLICATIONS SYSTEM**

The system of foreign trade statistics used at the present time in the Russian Federation is based on state statistical reports submitted by the Russian participants in foreign trade transactions to the offices of the State Committee for Statistics.

Current statistical reports on foreign economic activity contain trade figures on export shipments of products by enterprises, on fulfilment of contracts and agreements, on the volumes of actual export and import over a cross-section of goods and countries, on the movement of currency resources in the accounts of enterprises and organizations and on provision of technical aid and assistance in the construction of facilities abroad.

On the basis of the primary statistical reports of enterprises and organizations, the state statistical offices prepare summary statistical reports on a predetermined range of Russian foreign trade indicators. The state statistical offices also receive copies of customs cargo declarations ("CCD") from Russian customs offices. On the basis of the CCD data, the statistical offices calculate the volumes of export-import operations of enterprises and organizations which have not submitted statistical reports.

MFER maintains constant contact with the State Committee for Statistics in reviewing statistical reporting relating to foreign trade activity, analyzing its summary statistical data to determine the reliability of the data, and also providing assistance to State Committee on Statistics to ensure reporting discipline by participants in foreign trade activity.

At the present time, the State Customs Committee is working on setting up a system of statistical accounting for exports and imports based on the data from customs cargo declarations.

Publication of statistical materials on foreign economic activity is carried out by the State Committee for Statistics in monthly statistical bulletins (summary information on the volume of exports and imports as a whole and in relation to major commodities) and in quarterly "Russian Foreign Trade" statistical handbooks (which contain more extensive information on a range of countries and goods). The most complete statistical information on the foreign economic activity of Russia is published in the annual "Russian Foreign Trade" statistical handbook.

Legislative and normative acts regulating foreign economic activity are published by the "Yuridicheskaya Literatura" publishing house in the following periodical publications: "Collection of Acts of the President and Government of the Russian Federation", "Bulletin of International Treaties", "Bulletin of Normative Acts of Ministries and Government Departments of the Russian Federation", subscriptions to which can be obtained easily at local post and telecommunications offices in the Russian Federation. Legislative acts are published officially in the "Rossiiskaya Gazeta" (Russian Gazette) which appears six times per week.

## **LIST OF APPENDICES**

|           |   |
|-----------|---|
| Table 1:  | Volume and Structure of Gross Domestic Product  |
| Table 2:  | Output of Essential Industrial Products   |
| Table 3:  | Wholesale Price Indices for Industrial Enterprises in the Russian Federation                            |
| Table 4:  | Indices of Consumer Prices  |
| Table 5:  | Balance of Payments   |
| Table 6:  | Balance of 1985-1993 External Trade of Russia   |
| Table 7:  | Export - Import Structure of Russia in 1992   |
| Table 8:  | Comparative Exports of Selected Major Products from the Russia Federation                               |
| Table 9:  | Comparative Imports of Selected Major Products into the Russian Federation                              |
| Table 10: | Russian Trade With Other Countries and Territories in 1992  |
| Table 11: | Trends in Export Tariff Rates for Certain Goods Exported From Russia in 1992 - 1993                     |
| Table 12: | List of States with Which the Russian Federation has Trade Agreements                                   |
| Table 13: | Legislation Governing External Economic Activity Translated into English                                |
| Table 14: | Examples of the New Import Duties Expected to be Introduced in 1994                                     |
| Table 15: | List of Goods Subject to Licensing and Quotas   |
| Table 16: | Current State of Negotiations with Former U.S.S.R. Republics on Trade Relations (as of January 3, 1994) |
| Table 17: | List of Registered Exporting Enterprises As Of December 31, 1993 ("Spetsexporters")                     |

TABLE 1

| Volume and Structure of Gross Domestic Product*<br>(billions of roubles, current prices not adjusted) |                |                |                 |                 |                 |                 |                 |                 |                 |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 1991<br>Yr end | 1992<br>Yr end | 1992<br>1st qtr | 1992<br>2nd qtr | 1992<br>3rd qtr | 1992<br>4th qtr | 1993<br>1st qtr | 1993<br>2nd qtr | 1993<br>3rd qtr |
| 1. Gross output   | 2463           | 31361          | 3396            | 5438            | 8197            | 14330           | 28733           | 53361           | 82181           |
| industry  | 1286           | 17703          | 2006            | 3281            | 4457            | 7959            | 13145           | 20971           | 34691           |
| construction  | 195            | 2180           | 188             | 370             | 550             | 1072            | 1334            | 3057            | 6413            |
| agriculture   | 263            | 2661           | 379             | 558             | 1163            | 561             | 2050            | 4647            | 8874            |
| transportation and communication  | 117            | 2493           | 210             | 249             | 586             | 1448            | 4548            | 11780           | 10646           |
| trade and other sectors   | 253            | 2245           | 218             | 342             | 502             | 1183            | 2646            | 3244            | 6396            |
| non-industrial services   | 349            | 4079           | 395             | 638             | 939             | 2107            | 5010            | 9662            | 15161           |
| 2. Consumption  | 1214           | 14933          | 1718            | 2791            | 3695            | 6729            | 14029           | 25807           | 43233           |
| 3. Net taxes  | 51             | 1658           | 156             | 118             | 401             | 983             | 1097            | 2458            | 5192            |
| 4. Gross domestic product<br>( 1 - 2 + 3 )  | 1300           | 18086          | 1834            | 2765            | 4903            | 8584            | 15801           | 30012           | 44140           |
| 5. Consumer price index   | -              | 2600           | -               | -               | -               | -               | 124.7           | 121.3           | 123.7           |
| 6. Rates of exchange at the end of the<br>corresponding period (rouble to USD)                        | 59             | 414.5          | 160.3           | 161.2           | 254.6           | 414.5           | 684.5           | 1060.2          | 1168.2          |

\* Source of Information: State Committee on Statistics (GosKomStat)



TABLE 1 (CONT'D)

| Volume and Structure of Gross Domestic Product<br>(as a percentage of gross output) |                |                |                 |                 |                 |                 |                 |                 |                 |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 1991<br>Yr end | 1992<br>Yr end | 1992<br>1st qtr | 1992<br>2nd qtr | 1992<br>3rd qtr | 1992<br>4th qtr | 1993<br>1st qtr | 1993<br>2nd qtr | 1993<br>3rd qtr |
| 1. Gross output   | 100            | 100*           | 100             | 100             | 100*            | 100             | 100             | 100             | 100             |
| industry  | 52             | 56             | 59              | 60              | 54              | 56              | 46              | 39              | 42              |
| construction sector   | 8              | 7              | 6               | 7               | 7               | 7               | 5               | 6               | 8               |
| agriculture   | 11             | 8              | 11              | 10              | 14              | 4               | 7               | 9               | 11              |
| transportation and communication  | 5              | 8              | 6               | 5               | 7               | 10              | 16              | 22              | 13              |
| trade and other sectors   | 10             | 7              | 6               | 6               | 6               | 8               | 9               | 6               | 8               |
| non-industrial services   | 14             | 13             | 12              | 12              | 11              | 15              | 17              | 18              | 18              |
| 2. Consumption  | 49             | 48             | 51              | 51              | 45              | 47              | 49              | 48              | 53              |
| 3. Net taxes  | 2              | 5              | 5               | 2               | 5               | 7               | 4               | 5               | 6               |
| 4. Gross domestic product<br>( 1 - 2 + 3 )  | 53             | 57             | 54              | 51              | 60              | 60              | 55              | 57              | 53              |

\* Some figures in these columns are rounded.

| <b>OUTPUT OF ESSENTIAL INDUSTRIAL PRODUCTS</b><br>(in absolute terms and in % relative to corresponding period of 1992) |                        |          |       |                |       |                |       |
|---|------------------------|----------|-------|----------------|-------|----------------|-------|
|   |                        | 1993     |       | 1st six months |       | 2nd six months |       |
|   |                        | Absolute | Rate  | Absolute       | Rate  | Absolute       | Rate  |
| 1   | 2                      | 3        | 4     | 5              | 6     | 7              | 8     |
| <b>Energy complex</b>   |                        |          |       |                |       |                |       |
| Electricity   | billion kWh            | 893      | 91.7  | 469            | 91.2  | 426            | 92.2  |
| Oil, gas condensate   | million tons           | 349      | 88.8  | 176            | 86.1  | 173            | 91.7  |
| Natural gas   | billion m <sup>3</sup> | 627      | 98    | 320            | 98.7  | 307            | 97.3  |
| Initial processing of oil   | million tons           | 221      | 87.8  | 111            | 84.9  | 110            | 91    |
| including:  |                        |          |       |                |       |                |       |
| diesel fuel   | million tons           | 56.5     | 87.1  | 38.6           | 86    | 27.2           | 88.5  |
| heating oil   | million tons           | 79.5     | 90.6  | 40.3           | 87.4  | 39.2           | 94.1  |
| Coal  | million tons           | 311      | 92.5  | 161            | 91.8  | 150            | 93.3  |
| including: coking coal  | million tons           | 68.3     | 94.7  | 33.5           | 89.6  | 33.8           | 100.3 |
| <b>Ferrous metals</b>   |                        |          |       |                |       |                |       |
| Iron ores   | million tons           | 90.3     | 100.8 | 32.5           | 98.3  | 41             | 103.3 |
| Coke 6%   | million tons           | 28.6     | 94    | 14.6           | 91.6  | 14             | 96.5  |
| Finished rolled iron  | million tons           | 44.7     | 95    | 22.7           | 91.5  | 22             | 98.9  |
| Steel tubes   | thousand tons          | 6853     | 84.8  | 3504           | 84.2  | 3349           | 85.3  |
| <b>Chemical industry</b>  |                        |          |       |                |       |                |       |
| Mineral fertilizer  | thousand tons          | 10974    | 99.8  | 5338           | 85.9  | 5636           | 118   |
| Sulphuric acid  | thousand tons          | 9472     | 97.7  | 4642           | 87.9  | 4830           | 109.3 |
| Synthetic ammonium  | thousand tons          | 11289    | 105.9 | 5599           | 96.4  | 5690           | 117.4 |
| Soda calcinated   | thousand tons          | 1988     | 73.4  | 1105           | 82.4  | 883            | 64.6  |
| Soda caustic  | thousand tons          | 1414     | 77    | 750            | 76.4  | 664            | 77.8  |
| Polystyrene and co-polymers of styrene  | thousand tons          | 153.5    | 91.6  | 82.1           | 83.5  | 71.4           | 103   |
| Poly-vinylchloride tar  | thousand tons          | 430      | 101.3 | 201            | 92.8  | 229            | 110.2 |
| Polyethylene  | thousand tons          | 674      | 106.3 | 357            | 106.6 | 317            | 105.9 |
| Polypropylene   | thousand tons          | 7045     | 63    | 3787           | 86.5  | 3258           | 47.9  |
| Chemical fibres and threads   | thousand tons          | 385      | 84.4  | 210            | 81.8  | 175            | 87.7  |
| Thermoplastic tubes and other products  | thousand tons          | 34.4     | 50.5  | 20.6           | 48.3  | 13.8           | 54.3  |
| Poly-vinylchloride plastics   | thousand tons          | 117.9    | 85.6  | 53.7           | 75.4  | 64.2           | 96.5  |
| Synthetic rubber  | thousand tons          | 1195     | 74.2  | 631            | 67.8  | 564            | 83.1  |
| Tires for trucks  | thousand               | 14451    | 85.5  | 7581           | 88.5  | 6870           | 82.5  |
| Tires for cars  | thousand               | 16594    | 99.9  | 8177           | 104.3 | 8417           | 96.1  |
| Tires for agricultural machinery  | thousand               | 2392     | 59.4  | 1266           | 47    | 1126           | 84.5  |

|  |              | 1993     |       | 1st six months |       | 2nd six months |       |
|--|--------------|----------|-------|----------------|-------|----------------|-------|
|  |              | Absolute | Rate  | Absolute       | Rate  | Absolute       | Rate  |
| 1  | 2            | 3        | 4     | 5              | 6     | 7              | 8     |
| Machine building sector  |              |          |       |                |       |                |       |
| Diesels and diesel-generators  | items        | 11073    | 64.1  | 5982           | 55.1  | 5091           | 79.2  |
| Steam turbines   | thousand kWh | 8792     | 161.7 | 3127           | 100.8 | 5665           | 242.7 |
| Gas turbines   | thousand kWh | 1075     | 55.7  | 619            | 57.7  | 456            | 53.2  |
| Electro-cars   | items        | 9577     | 64.7  | 4918           | 57.2  | 4659           | 75.2  |
| Electric motors on alternating current   | thousand     | 1007     | 88.9  | 523            | 89.6  | 484            | 88.3  |
| Metal-cutting machine tools<br>(including machine tools with digital<br>programmed remote control) | thousand     | 39.8     | 82.4  | 21.5           | 75.8  | 18.3           | 91.6  |
| Metal press machines   | items        | 1795     | 34.5  | 911            | 24.2  | 884            | 61.4  |
| Wool-working machine tools   | items        | 7956     | 51.5  | 4606           | 46    | 3350           | 61.5  |
| Diesel locomotives (long haul)   | thousand     | 18.5     | 70.3  | 10             | 70.1  | 8.5            | 70.6  |
| Electrical locomotives (long haul)   | sections     | 29       | 89.3  | 14             | 83.7  | 15             | 95.3  |
| Cargo vans (long haul)   | items        | 103      | 92    | 54             | 94.5  | 49             | 89.4  |
| Passenger vans   | items        | 13232    | 78.3  | 6910           | 78.2  | 6322           | 78.5  |
| Tractors   | thousand     | 1025     | 109.3 | 568            | 147.6 | 457            | 82.7  |
| Roller and ball bearings   | thousand     | 116.6    | 85.4  | 63.4           | 89.6  | 53.2           | 80.9  |
| Electrical hanging cranes  | million      | 463      | 79.9  | 244            | 71.8  | 219            | 91.4  |
| Mobile cranes on rollers   | items        | 1331     | 78.8  | 688            | 84.6  | 643            | 73.4  |
| Tower cranes   | items        | 958      | 74.6  | 523            | 76.2  | 435            | 72.9  |
| Scrapers   | items        | 546      | 59.3  | 260            | 44.5  | 286            | 84.7  |
| Bulldozers   | items        | 70       | 36.2  | 28             | 16.4  | 42             | 179.8 |
| Roadgraders  | items        | 5818     | 51.8  | 3247           | 60.7  | 2571           | 43.7  |
| Grain harvester combine  | thousand     | 3673     | 106.1 | 1909           | 111.4 | 1764           | 101   |
| Automobiles  | thousand     | 35.6     | 84.5  | 18.9           | 88.1  | 16.7           | 80.8  |
| including:   |              | 1570     | 98.5  | 789            | 98    | 781            | 98.9  |
| cars   | thousand     |          |       |                |       |                |       |
| trucks   | thousand     | 946      | 98.2  | 476            | 97.9  | 470            | 98.5  |
| buses  | thousand     | 576      | 98.9  | 289            | 98.31 | 287            | 99.4  |
| Clocks and watches   | thousand     | 48       | 98.9  | 24             | 96.6  | 24             | 101.2 |
| Washing machines   | million      | 53.7     | 94    | 28.4           | 95.6  | 25.3           | 92.2  |
| Refrigerators and freezers   | thousand     | 4374     | 102.7 | 2172           | 105.1 | 2202           | 100.3 |
| TV sets  | thousand     | 3517     | 110.4 | 1695           | 111.4 | 1822           | 109.4 |
| including: colour  | thousand     | 3852     | 107.7 | 1983           | 111.5 | 1869           | 104   |
| Electric vacuum cleaners   | thousand     | 2077     | 103.4 | 1063           | 103.6 | 1014           | 103.3 |
| Tape recorders   | thousand     | 4082     | 95    | 2160           | 104.7 | 1922           | 86    |
| Video tape recorders   | thousand     | 2555     | 94.6  | 1309           | 86.3  | 1246           | 105.1 |
| Radio tools  | thousand     | 264      | 60.7  | 162            | 72.7  | 102            | 48.2  |
| Radio cassette recorders and<br>cassette recorders   | thousand     | 2871     | 73    | 1581           | 66.2  | 1290           | 83.5  |
| Sewing-machines  | thousand     | 925      | 119.3 | 453            | 115.2 | 472            | 123.5 |
| Photo cameras  | thousand     | 1814     | 111.7 | 866            | 103.1 | 948            | 121   |
| Motorcycles  | thousand     | 1126     | 73.9  | 591            | 71    | 535            | 77.5  |
| Bicycles   | thousand     | 502      | 91.4  | 258            | 90    | 244            | 92.9  |
| Tools and devices for automation   | thousand     | 1960     | 81.2  | 1043           | 79.6  | 917            | 83.2  |
| Computers and technical hardware   | 1990 prices  |          | 62.2  |                | 58.6  |                | 66.4  |
| Equipment:   | 1990 prices  |          | 60.1  |                | 53.6  |                | 67.5  |
| for oil sector, boring   | 1990 prices  |          | 86.9  |                | 85.2  |                | 88.6  |
| for oil and gas processing   | 1990 prices  |          | 84.4  |                | 89.7  |                | 79.9  |
| for rolling process  | 1990 prices  |          | 107.6 |                | 111.9 |                | 104   |
| for foundring  | 1990 prices  |          | 74.1  |                | 64.2  |                | 83.7  |
| for light industry   | 1990 prices  |          | 66.8  |                | 74.3  |                | 60.5  |
| for processing sectors   | 1990 prices  |          |       |                |       |                |       |
| Agro-industrial sector   | 1990 prices  |          | 65.5  |                | 65.5  |                | 65.5  |
| Agricultural machines  | 1990 prices  |          | 79.2  |                | 89.6  |                | 71    |

|  |                         | 1993     |      | 1st six months |      | 2nd six months |       |
|--|-------------------------|----------|------|----------------|------|----------------|-------|
|  |                         | Absolute | Rate | Absolute       | Rate | Absolute       | Rate  |
| 1  | 2                       | 3        | 4    | 5              | 6    | 7              | 8     |
| Forestry, timber-working, cellulose-paper industry |                         |          |      |                |      |                |       |
| Rough lumber                                       | million m <sup>3</sup>  | 117.4    | 72   | 72             | 72.6 | 45.4           | 71.1  |
| Sawn lumber  | million m <sup>3</sup>  | 27.2     | 71.9 | 15.1           | 70.2 | 12.1           | 74    |
| Timber fibreboard                                  | million m <sup>3</sup>  | 349      | 87.7 | 190            | 87.9 | 159            | 87.4  |
| Timber chipboard                                   | thousand m <sup>3</sup> | 3789     | 85.2 | 1966           | 78.3 | 1823           | 94.1  |
| Paper  | thousand tons           | 2951     | 81.9 | 1507           | 75.1 | 1444           | 90.4  |
| Cardboard  | thousand tons           | 1882     | 87.6 | 951            | 76.5 | 931            | 102.8 |
| Constructing materials industries                  |                         |          |      |                |      |                |       |
| Cement   | million tons            | 46.5     | 76.2 | 22.5           | 66.4 | 24             | 88.3  |
| Reinforced concrete                                | million m <sup>3</sup>  | 33.7     | 82.8 | 17.4           | 77.2 | 16.3           | 89.7  |
| Bricks   | billion items           | 17019    | 94.8 | 8387           | 89.5 | 8632           | 100.5 |
| Asbestos boards (slates)                           | million items           | 3469     | 76.4 | 1831           | 73.7 | 1638           | 79.6  |
| Tubes and asbestos coupling sleeve                 | million items           | 6826     | 27.3 | 3480           | 18.3 | 3346           | 56.2  |
| Soft roofing materials and insulation              | million m <sup>2</sup>  | 604      | 74.6 | 312            | 65.6 | 292            | 87.3  |
| Light industry                                     |                         |          |      |                |      |                |       |
| Fabrics  | million m <sup>2</sup>  | 3620     | 71.7 | 1802           | 55.8 | 1818           | 99.6  |
| including: cotton                                  | million m <sup>2</sup>  | 2265     | 69.6 | 1052           | 48.7 | 1213           | 110.6 |
| Socks and stocking goods                           | million pairs           | 512      | 83.1 | 267            | 80.6 | 245            | 86    |
| Knitted goods                                      | million items           | 297      | 67.4 | 163            | 61.1 | 134            | 77.1  |
| Garments   | 1990 prices             |          | 74.1 |                | 82.5 |                | 65.5  |

| WHOLESALE PRICE INDICES FOR INDUSTRIAL ENTERPRISES<br>IN THE RUSSIAN FEDERATION |  |             |            |             |
|---|--|-------------|------------|-------------|
|   | in percentages relative to the<br>corresponding period of the previous<br>year |             |            |             |
|   | January - October  |             |            | October     |
|   | 1991   | 1992        | 1993       | 1993        |
| <b>Industrial Enterprises - total</b>   | <b>238</b>   | <b>2049</b> | <b>988</b> | <b>1109</b> |
| including:  |  |             |            |             |
| Electrical power  | 197  | 2757        | 1404       | 1729        |
| Fuel  | 223  | 3423        | 1745       | 752         |
| Ferrous metals  | 210  | 3185        | 887        | 1214        |
| Non-ferrous metals  | 234  | 2950        | 839        | 788         |
| Chemical  | 209  | 2393        | 1015       | 1028        |
| Petrochemical   | 203  | 2994        | 808        | 923         |
| Machine production, including   | 217  | 1839        | 911        | 1183        |
| Heavy, energy producing and<br>lifting/transportation machinery                 | 217  | 1606        | 827        | 1097        |
| Electrotechnical  | 213  | 3027        | 760        | 957         |
| Chemical and oil industry equipment   | 212  | 1968        | 918        | 1181        |
| Machine tools and instruments   | 164  | 924         | 873        | 1409        |
| Apparatus   | 222  | 875         | 840        | 1067        |
| Automotives and bearings  | 253  | 2016        | 1092       | 1195        |
| Tractors and agricultural machinery   | 182  | 1849        | 1052       | 1570        |
| Forestry, logging and cellulose production, incl.                               | 255  | 1565        | 752        | 998         |
| Lumber  | 241  | 1816        | 708        | 916         |
| Timber processing   | 232  | 1381        | 893        | 1170        |
| Paper production  | 327  | 11579       | 582        | 827         |
| Construction materials  | 247  | 1705        | 1019       | 1350        |
| Light industry, including   | 306  | 974         | 684        | 951         |
| Textiles  | 339  | 967         | 587        | 805         |
| Garment manufacture   | 256  | 842         | 814        | 1231        |
| Leather, fur and footwear   | 250  | 1103        | 1068       | 1376        |
| Food industry, including  | 261  | 1822        | 1152       | 1327        |
| Processed foods   | 215  | 1573        | 1152       | 1148        |
| Meat  | 350  | 2190        | 1300       | 1742        |
| Dairy   | 265  | 2309        | 969        | 1247        |
| Fish  | 238  | 1427        | 1341       | 1128        |

**TABLE 4**

| <b>INDICES OF CONSUMER PRICES COMPARED TO THE CORRESPONDING MONTH OF THE PREVIOUS YEAR</b> |             |             |
|--|-------------|-------------|
| <b>Consolidated Indices of Consumer Prices</b>   | <b>1992</b> | <b>1993</b> |
| January  | 8.5         | 9.5         |
| February   | 11.1        | 8.6         |
| March  | 13.6        | 7.9         |
| April  | 10.1        | 8.0         |
| May  | 11.0        | 8.5         |
| June   | 13.0        | 8.6         |
| July   | 14.3        | 9.5         |
| August   | 15.4        | 11.0        |
| September  | 17.0        | 12.1        |
| October  | 20.2        | 11.8        |
| November   | 23.4        | -           |
| December   | 26.1        | -           |
| <b>Consolidated Indices of Consumer Prices for Essential Goods* Only</b>                   | <b>1992</b> | <b>1993</b> |
| January  | 8.6         | 9.7         |
| February   | 11.6        | 8.6         |
| March  | 14.6        | 7.9         |
| April  | 10.4        | 8.0         |
| May  | 11.3        | 8.6         |
| June   | 12.8        | 8.9         |
| July   | 14.1        | 9.9         |
| August   | 15.2        | 11.4        |
| September  | 16.8        | 12.4        |
| October  | 20.0        | 12.0        |
| November   | 22.9        | -           |
| December   | 25.4        | -           |

- \* Basket of 19 essential goods:  
Rye bread, wheat bread, millet, vermicelli, sugar, vegetable oil, butter, beef, uncooked sausage, smoked sausage, milk, sour cream, cheese, eggs, potatoes, fresh cabbage, onion, apples, cigarettes.

| <b>BALANCE OF PAYMENTS</b><br>(in billions of USD)              |                |             |                   |
|---|----------------|-------------|-------------------|
|   | 1992           | 1993        |                   |
|   |                | 1st qtr.    | 1st &<br>2nd qtr. |
|   |                |             |                   |
| <b>Balance of trade - Total</b>                                 | <b>7.4</b>     | <b>3.5</b>  | <b>7.7</b>        |
| Export (including gold)   | 42.4           | 7.4         | 18.4              |
| Import  | -35.0          | -3.9        | -10.7             |
| <b>Balance of trade (cash transaction, not incl. barter)</b>    | <b>1.0</b>     | <b>4.9</b>  | <b>9.3</b>        |
| Export  | 24.5           | 5.8         | 14.4              |
| Import  | -25.9          | -1.0        | -5.5              |
| Transactions in gold  | 2.4            | 0.1         | 0.4               |
| <b>Balance of payments on non-trade transactions including:</b> | <b>-3.2</b>    | <b>-0.1</b> | <b>0.4</b>        |
| Services  | -1.2           | -           | -0.2              |
| Interests, net:   | -2.0           | -0.1        | 0.6               |
| Receipts  | 3.5            | 0.1         | 2.1               |
| Payments  | -5.5           | -0.2        | -1.5              |
| Transfers   | -              | 0.1         | 1.4               |
| <b>Current account - total</b>                                  | <b>4.2</b>     | <b>3.5</b>  | <b>9.5</b>        |
| <b>Current account (cash transactions, not incl. barter)</b>    | <b>-2.2</b>    | <b>4.9</b>  | <b>11.1</b>       |
| <b>Capital account</b>  | <b>7.1</b>     | <b>-0.6</b> | <b>-1.3</b>       |
| <b>Credits</b>  | <b>11.0</b>    | <b>1.2</b>  | <b>3.4</b>        |
| Used  | 13.3           | 1.5         | 3.2               |
| Disbursements   | -0.8           | -0.1        | -0.8              |
| Amortization  |                |             |                   |
| Payments  | 10.8           | 2.6         | 6.7               |
| Repayments from abroad  | -12.3          | -2.8        | -5.7              |
| <b>Direct and portfolio investment</b>                          | <b>0.1</b>     | <b>0.3</b>  | <b>0.4</b>        |
| <b>Other long-term capital</b>                                  | <b>-1.6</b>    | <b>-0.6</b> | <b>0.5</b>        |
| <b>Short-term capital</b>                                       | <b>-4.1</b>    | <b>-1.8</b> | <b>-5.6</b>       |
| Commercial banks' assets located abroad                         | -4.3           | -2.8        | -3.5              |
| Other   | 0.2            | 0.8         | -2.1              |
| <b>Overdue debt payments and extended debt repayments</b>       | <b>1.7</b>     | <b>0.3</b>  | <b>-</b>          |
| <b>International reserves</b>                                   | <b>0.2</b>     | <b>-0.9</b> | <b>-2.3</b>       |
| <b>Errors and omissions</b>                                     | <b>* -11.5</b> | <b>-2.0</b> | <b>-5.9</b>       |

\* Approximate figure.

**TABLE 6**

| <b>BALANCE OF 1985 - 1993 EXTERNAL TRADE OF RUSSIA</b><br><b>(in millions of USD)</b> |               |               |                |
|---|---------------|---------------|----------------|
|   | <b>Export</b> | <b>Import</b> | <b>Balance</b> |
| 1985  | 57635.2       | 56394.5       | 1240.7         |
| 1986  | 65210.6       | 59980.0       | 5230.6         |
| 1987  | 70555.1       | 63171.3       | 7383.8         |
| 1988  | 74165.4       | 72192.1       | 1973.3         |
| 1989  | 74714.5       | 78045.7       | -3331.2        |
| 1990  | 71147.6       | 81751.3       | -10603.7       |
| 1991  | 50911.1       | 44473.0       | 6438.1         |
| 1992  | 39973.0       | 34981.3       | 4991.7         |
| 1993  | 42967.9       | 26959.6       | 16008.3        |



**TABLE 7**

| <b>EXPORT - IMPORT STRUCTURE OF RUSSIA IN 1992</b>                                      |                             |                |                                   |               |
|---|-----------------------------|----------------|-----------------------------------|---------------|
|   | <b>Export</b>               | <b>Import</b>  | <b>Export</b>                     | <b>Import</b> |
|   | <b>(in millions of USD)</b> |                | <b>(as a percentage of total)</b> |               |
| <b>Total</b>  | <b>39973.0</b>              | <b>34981.3</b> | <b>100</b>                        | <b>100</b>    |
| Fuel, minerals, raw materials, metals   | 26017.0                     | 2483.7         | 65.1                              | 7             |
| Chemical products, fertilizers, rubber  | 2350.3                      | 2063.9         | 5.9                               | 5             |
| Lumber and cellulose-paper products, textiles, raw materials and semi-finished products | 1519.0                      | 909.5          | 3.8                               | 2             |
| Food products and foodstuffs  | 728.3                       | 9095.1         | 1.8                               | 26            |
| Machines, equipment and means of transportation   | 3696.8                      | 12681.6        | 9.2                               | 36            |
| Other goods   | 5661.7                      | 7747.5         | 14.2                              | 22            |

TABLE 8

| COMPARATIVE EXPORTS OF SELECTED MAJOR PRODUCTS FROM THE RUSSIAN FEDERATION<br>(1993 AS COMPARED TO 1992) |                        |  |                            |                    |                 |
|--|------------------------|--|----------------------------|--------------------|-----------------|
|  | UNIT OF MEASUREMENT    | RUSSIA   |                            | RUSSIA             |                 |
|  |                        | QUANTITY<br>(in relevant unit<br>of measurement) | VALUE<br>(in millions USD) | QUANTITY<br>(in %) | VALUE<br>(in %) |
| Export - total<br>1993<br>1992   |                        |  | 42967.9<br>42379.1         |                    | 101.4           |
| including:<br>Gas  | million m <sup>3</sup> |  |                            |                    |                 |
| 1993   |                        | 95935.1  | 7226.4                     | 109.1              | 96.6            |
| 1992   |                        | 87933.0  | 7479.4                     |                    |                 |
| Electricity  | thousand KW            |  |                            |                    |                 |
| 1993   |                        | 5182.0   | 118.1                      | 125.5              | 108.4           |
| 1992   |                        | 4125.6   | 109.0                      |                    |                 |
| Ores and Concentrates  | thousand t.            |  |                            |                    |                 |
| 1993   |                        | 10514.3  | 247.2                      | 128.1              | 119.7           |
| 1992   |                        | 8210.5   | 206.6                      |                    |                 |
| Coal   | thousand t.            |  |                            |                    |                 |
| 1993   |                        | 19265.0  | 630.1                      | 106.4              | 84.3            |
| 1992   |                        | 18113.0  | 747.4                      |                    |                 |
| Crude Oil  | thousand t.            |  |                            |                    |                 |
| 1993   |                        | 79732.6  | 8193.3                     | 120.4              | 95.9            |
| 1992   |                        | 66209.0  | 8544.8                     |                    |                 |
| Petroleum By-products  | thousand t.            |  |                            |                    |                 |
| 1993   |                        | 34457.9  | 3446.9                     | 136.1              | 82.6            |
| 1992   |                        | 25343.0  | 4170.8                     |                    |                 |

|  |                         |         |        |       |       |
|--|-------------------------|---------|--------|-------|-------|
| Nitrous Fertilizers<br>1993                      | thousand t.             | 4566.1  | 321.2  | 56.8  | 63.8  |
| 1992   |                         | 8042.0  | 503.7  |       |       |
| Calcic Fertilizers<br>1993                       | thousand t.             | 2714.9  | 173.9  | 65.8  | 59.0  |
| 1992   |                         | 4123.3  | 290.5  |       |       |
| Lumber<br>1993                                   | thousand m <sup>3</sup> | 10975.5 | 636.3  | 102.7 | 101.0 |
| 1992   |                         | 10684.7 | 629.7  |       |       |
| Sawn Lumber<br>1993                              | thousand m <sup>3</sup> | 2980.8  | 438.5  | 106.4 | 119.7 |
| 1992   |                         | 2801.5  | 367.2  |       |       |
| Cellulose<br>1993                                | thousand t.             | 711.9   | 171.0  | 178.6 | 113.4 |
| 1992   |                         | 398.6   | 151.2  |       |       |
| Cast Iron<br>1993                                | thousand t.             | 2153.7  | 218.3  | 111.5 | 89.2  |
| 1992   |                         | 1930.9  | 244.7  |       |       |
| Ferrous - alloys<br>1993                         | thousand t.             | 255.4   | 143.4  | 125.9 | 165.8 |
| 1992   |                         | 202.9   | 86.5   |       |       |
| Unprocessed Aluminum<br>1993                     | thousand t.             | 1787.3  | 1627.5 | 152.4 | 109.9 |
| 1992   |                         | 1172.5  | 1480.8 |       |       |
| Equipment and means<br>of transportation<br>1993 | million USD             |         | 2954.6 |       | 79.9  |
| 1992   |                         |         | 3696.8 |       |       |
| Other Goods<br>1993                              | million USD             |         | 2430.4 |       | 106.0 |
| 1992   |                         |         | 2292.6 |       |       |

TABLE 9

| COMPARATIVE IMPORTS OF SELECTED MAJOR PRODUCTS INTO THE RUSSIAN FEDERATION<br>(1993 AS COMPARED TO 1992) |                     |  |                            |                    |                 |
|--|---------------------|--|----------------------------|--------------------|-----------------|
|  | UNIT OF MEASUREMENT | RUSSIA   |                            | RUSSIA             |                 |
|  |                     | QUANTITY<br>(in relevant unit<br>of measurement) | VALUE<br>(in millions USD) | QUANTITY<br>(in %) | VALUE<br>(in %) |
| Import - total   |                     |  | 26959.6                    |                    | 72.9            |
| 1993   |                     |  | 36983.8                    |                    |                 |
| 1992   |                     |  |                            |                    |                 |
| including:   |                     |  |                            |                    |                 |
| Meat   | thousand t.         |  |                            |                    |                 |
| 1993   |                     | 77.7   | 111.3                      |                    | 28.8            |
| 1992   |                     | 290.9  | 387.1                      | 26.7               |                 |
| Poultry  | thousand t.         |  |                            |                    |                 |
| 1993   |                     | 25.8   | 27.0                       |                    | 57.0            |
| 1992   |                     | 45.7   | 47.4                       | 56.5               |                 |
| Butter   | thousand t.         |  |                            |                    |                 |
| 1993   |                     | 65.4   | 91.0                       |                    | 226.4           |
| 1992   |                     | 25.0   | 40.2                       | 261.6              |                 |
| Grain  | thousand t.         |  |                            |                    |                 |
| 1993   |                     | 5906.3   | 866.0                      |                    | 33.8            |
| 1992   |                     | 17593.1  | 2563.3                     | 33.6               |                 |
| Corn   | thousand t.         |  |                            |                    |                 |
| 1993   |                     | 4159.6   | 571.8                      |                    | 69.2            |
| 1992   |                     | 5489.8   | 826.7                      | 75.8               |                 |
| Vegetable Oil  | thousand t.         |  |                            |                    |                 |
| 1993   |                     | 50.3   | 37.9                       |                    | 16.1            |
| 1992   |                     | 405.1  | 234.7                      | 12.4               |                 |

|  |                |        |         |       |       |
|--|----------------|--------|---------|-------|-------|
| Sugar                                    | thousand t.    | 2988.8 | 1017.4  | 78.2  | 84.1  |
| 1993                                     |                |        |         |       |       |
| 1992                                     |                | 3822.8 | 1209.8  |       |       |
| Knitted Garments                         | million USD    |        |         |       |       |
| 1993                                     |                |        | 553.3   |       | 69.5  |
| 1992                                     |                |        | 795.7   |       |       |
| Textile Garments                         | million USD    |        |         |       |       |
| 1993                                     |                |        | 954.1   |       | 92.6  |
| 1992                                     |                |        | 1030.4  |       | 23.6  |
| Footwear Leather                         | thousand pairs |        |         |       |       |
| 1993                                     |                | 41174  | 650.5   | 94.9  | 73.1  |
| 1992                                     |                | 43367  | 889.5   |       |       |
| Steel Pipes                              | thousand t.    |        |         |       |       |
| 1993                                     |                | 823.7  | 549.1   | 184.1 | 149.2 |
| 1992                                     |                | 447.3  | 368.1   |       |       |
| Equipment and means<br>of transportation | million USD    |        |         |       |       |
| 1993                                     |                |        | 10165.5 |       | 70.1  |
| 1992                                     |                |        | 14501.2 |       |       |
| Other Goods                              | million USD    |        |         |       |       |
| 1993                                     |                |        | 469.7   |       | 376.4 |
| 1992                                     |                |        | 124.8   |       |       |

| <b>RUSSIAN TRADE WITH OTHER COUNTRIES AND TERRITORIES</b><br><b>IN 1992</b><br><b>(millions of USD)</b> |                |                |
|---|----------------|----------------|
| <b>Region or Country</b>  | <b>Export</b>  | <b>Import</b>  |
| <b>TOTAL</b>  | <b>39973.0</b> | <b>34981.3</b> |
| <b>EUROPE</b>   | <b>29919.3</b> | <b>21969.5</b> |
| Albania   | 0.6            | 0.1            |
| Austria   | 657.1          | 990.5          |
| Belgium   | 883.8          | 284.3          |
| Bulgaria  | 1165.3         | 584.3          |
| Czechoslovakia  | 2598.3         | 1020.4         |
| Denmark   | 281.4          | 184.6          |
| Finland   | 1563.8         | 1222.6         |
| France  | 1966.8         | 1286.1         |
| Germany   | 5873.0         | 6724.9         |
| Gibraltar   | 1.2            | 0.0            |
| Great Britain   | 2286.8         | 562.4          |
| Greece  | 236.3          | 31.7           |
| Hungary   | 1506.5         | 1089.3         |
| Iceland   | 13.4           | 4.3            |
| Ireland   | 27.4           | 111.8          |
| Italy   | 2952.1         | 3051.8         |
| Liechtenstein   | 8.0            | 9.3            |
| Luxembourg  | 6.7            | 22.1           |
| Malta   | 25.9           | 57.2           |
| Monaco  | 3.2            | 0.0            |
| Netherlands   | 2277.4         | 367.7          |
| Norway  | 225.3          | 269.2          |
| Poland  | 1650.4         | 1229.6         |
| Portugal  | 33.2           | 38.9           |
| Romania   | 605.4          | 430.5          |
| Spain   | 526.4          | 420.3          |
| Sweden  | 653.9          | 652.1          |
| Switzerland   | 857.2          | 480.4          |
| Yugoslavia  | 1032.5         | 843.1          |

| Region or Country    | Export | Import |
|----------------------|--------|--------|
| ASIA                 | 8145.9 | 7408.7 |
| Afghanistan          | 84.4   | 214.3  |
| Bahrain              | 1.1    | 1.1    |
| Bangladesh           | 10.2   | 12.5   |
| Brunei               | 0.0    | 0.1    |
| Burma                | 0.0    | 0.3    |
| Cambodia             | 16.2   | 3.3    |
| China                | 2737.2 | 1669.3 |
| Cyprus               | 300.1  | 72.7   |
| HongKong             | 71.8   | 137.7  |
| Israel               | 35.8   | 86.9   |
| India                | 568.9  | 822.1  |
| Indonesia            | 16.6   | 9.6    |
| Iraq                 | 0.0    | 0.1    |
| Iran                 | 258.3  | 48.1   |
| Japan                | 1568.7 | 1680.1 |
| Jordan               | 32.7   | 7.4    |
| Kuwait               | 1.3    | 0.2    |
| Laos                 | 0.9    | 4.3    |
| Lebanon              | 109.5  | 105.6  |
| Malaysia             | 24.5   | 5.8    |
| Macao                | 1.1    | 0.1    |
| Mongolia             | 189.2  | 248.8  |
| Nepal                | 0.3    | 0.8    |
| North Korea          | 227.1  | 65.2   |
| Oman                 | 1.8    | 0.1    |
| Pakistan             | 52.6   | 64.6   |
| Philippines          | 31.8   | 3.7    |
| Qatar                | 1.1    | 12.7   |
| Saudi Arabia         | 22.4   | 0.1    |
| Singapore            | 143.9  | 508.8  |
| South Korea          | 203.9  | 753.1  |
| Sri-Lanka            | 1.0    | 3.4    |
| Syria                | 180.1  | 37.1   |
| Taiwan               | 128.4  | 84.8   |
| Thailand             | 271.4  | 224.9  |
| Turkey               | 649.4  | 382.7  |
| United Arab Emirates | 112.8  | 19.4   |
| Vietnam              | 78.9   | 112.1  |
| Yemen                | 10.5   | 4.9    |

| Region or Country        | Export       | Import       |
|--------------------------|--------------|--------------|
| <b>AFRICA</b>            | <b>491.2</b> | <b>685.7</b> |
| Algeria                  | 42.0         | 297.9        |
| Angola                   | 25.9         | 0.9          |
| Benin                    | 0.0          | 0.1          |
| British Indian Ocean Is. | 0.0          | 0.1          |
| Botswana                 | 0.2          | 0.0          |
| Burkina-Faso             | 0.5          | 0.0          |
| Burundi                  | 0.2          | 0.1          |
| Cameroon                 | 2.3          | 0.7          |
| Cape Verde               | 0.0          | 5.7          |
| Congo                    | 0.4          | 0.4          |
| Cote d'Ivoire            | 0.6          | 36.1         |
| Djibouti                 | 0.3          | 0.0          |
| Egypt                    | 138.7        | 238.7        |
| Ethiopia                 | 1.1          | 0.2          |
| Gambia                   | 0.1          | 0.3          |
| Ghana                    | 0.7          | 0.0          |
| Guinea                   | 14.7         | 65.5         |
| Kenya                    | 0.1          | 0.0          |
| Liberia                  | 0.0          | 0.2          |
| Libya                    | 108.7        | 1.1          |
| Madagascar               | 0.2          | 17.4         |
| Mali                     | 0.5          | 0.2          |
| Mauritania               | 5.8          | 0.0          |
| Mauritius                | 0.0          | 0.2          |
| Morocco                  | 43.5         | 0.9          |
| Mozambique               | 1.5          | 7.1          |
| Namibia                  | 0.0          | 0.2          |
| Nigeria                  | 58.2         | 0.6          |
| Rwanda                   | 0.1          | 0.0          |
| Sao Tome and Principe    | 0.1          | 0.0          |
| Senegal                  | 7.3          | 1.2          |
| Sierra-Leone             | 7.7          | 0.1          |
| Somalia                  | 0.4          | 0.0          |
| South Africa             | 0.5          | 0.3          |
| Sudan                    | 1.6          | 0.1          |
| Tanzania                 | 0.8          | 0.3          |
| Togo                     | 0.0          | 0.5          |
| Tunisia                  | 21.0         | 7.4          |
| Uganda                   | 0.0          | 0.4          |
| Western Sahara           | 0.0          | 0.2          |
| Zaire                    | 1.8          | 0.0          |
| Zambia                   | 0.1          | 0.1          |
| Zimbabwe                 | 3.6          | 0.5          |



| Region or Country            | Export        | Import        |
|------------------------------|---------------|---------------|
| <b>AMERICA</b>               | <b>1404.9</b> | <b>4857.9</b> |
| Antilles Islands             | 0.1           | 0.0           |
| Antigua and Barbuda          | 0.0           | 0.1           |
| Argentina                    | 46.8          | 96.6          |
| Belize                       | 0.0           | 0.1           |
| Bermuda                      | 0.0           | 1.4           |
| Brazil                       | 43.7          | 96.1          |
| Bolivia                      | 0.6           | 0.0           |
| Canada                       | 176.7         | 1076.2        |
| Chile                        | 21.6          | 3.7           |
| Colombia                     | 1.5           | 0.3           |
| Costa Rica                   | 1.8           | 0.1           |
| Cuba                         | 191.0         | 632.2         |
| Ecuador                      | 14.4          | 0.5           |
| Guatemala                    | 3.5           | 7.9           |
| Guyana                       | 0.3           | 1.8           |
| Honduras                     | 1.2           | 0.7           |
| Jamaica                      | 0.0           | 32.3          |
| Mexico                       | 16.1          | 1.1           |
| Nicaragua                    | 1.9           | 0.2           |
| Panama                       | 159.3         | 7.2           |
| Paraguay                     | 0.1           | 0.1           |
| Peru                         | 4.0           | 10.4          |
| Salvador                     | 0.9           | 0.0           |
| USA                          | 692.3         | 2883.7        |
| Uruguay                      | 2.6           | 4.2           |
| Venezuela                    | 22.1          | 0.0           |
| Virgin Islands (UK)          | 2.3           | 0.0           |
| Virgin Islands (USA)         | 0.0           | 1.0           |
| <b>AUSTRALIA AND OCEANIA</b> | <b>11.8</b>   | <b>59.5</b>   |
| Australia                    | 7.9           | 52.4          |
| French Polynesia             | 0.0           | 0.8           |
| French Southern Territory    | 0.0           | 1.4           |
| Nauru                        | 0.0           | 0.3           |
| New Zealand                  | 3.6           | 3.3           |
| Papua New Guinea             | 0.0           | 0.2           |
| Pitcairn                     | 0.3           | 0.9           |
| Solomon Islands              | 0.0           | 0.1           |
| Vanuatu                      | 0.0           | 0.1           |

| TRENDS IN EXPORT TARIFF RATES FOR CERTAIN GOODS<br>EXPORTED FROM RUSSIA IN 1992-1993. |                       |                       |                       |                        |                          |                        |                       |
|---|-----------------------|-----------------------|-----------------------|------------------------|--------------------------|------------------------|-----------------------|
| Export Tariff Rates in ECU per tonne  |                       |                       |                       |                        |                          |                        |                       |
| Types of Goods  | from<br>01.01<br>1992 | from<br>03.01<br>1992 | from<br>07.01<br>1992 | from<br>08.15.<br>1992 | to the<br>end of<br>1992 | from<br>01.01.<br>1993 | from<br>11.01<br>1993 |
| 1. Oil  | 26                    | 26                    | 38                    | 21                     | 21                       | 30                     | 30                    |
| 2. Coal   | 8                     | 2                     | 2                     | 2                      | 2                        | 1                      | -                     |
| 3. Coking coal  | 13                    | 8                     | 8                     | 8                      | 8                        | 4                      | -                     |
| 4. Gas  | 24                    | 19                    | 31                    | 18                     | 18                       | 18                     | 18                    |
| 5. Gasoline   | 57                    | 57                    | 55                    | 55                     | 55                       | 40                     | 40                    |
| 6. Diesel fuel  | 51                    | 51                    | 52                    | 52                     | 30                       | 30                     | 30                    |
| 7. Fuel oil   | 24                    | 24                    | 25                    | 25                     | 52                       | 15                     | 8                     |
| 8. Nitrogen<br>fertilizers  | 30                    | 20                    | 15                    | 15                     | 15                       | 10                     | 5                     |
| 9. Processed<br>timber  | 41                    | 41                    | 50                    | 20                     | 20                       | 8                      | 8                     |
| 10. Processed<br>lumber   | 100                   | 70                    | 70                    | 50                     | 50                       | 35                     | 7                     |
| 11. Cellulose   | 69                    | 69                    | 69                    | 50                     | 50                       | 30                     | 30                    |
| 12. Cast Iron   | 31                    | 21                    | 21                    | 21                     | 21                       | 15                     | 2                     |
| 13. Hot rolled<br>steel   | 92                    | 62                    | 62                    | 62                     | 62                       | 35                     | -                     |
| 14. Unwrought<br>aluminium  | 232                   | 232                   | 200                   | 200                    | 200                      | 130                    | 70                    |
| 15. Refined copper  | 400                   | 400                   | 500                   | 500                    | 500                      | 400                    | 200                   |
| 16. Nickel  | 1600                  | 1600                  | 1500                  | 1500                   | 1500                     | 1200                   | 640                   |

| <b>LIST OF STATES WITH WHICH<br/>THE RUSSIAN FEDERATION HAS TRADE AGREEMENTS<br/>(as of August 31, 1993)</b> |  |  |
|--|--|--|
| <b>STATE</b>   | <b>TITLE OF DOCUMENT</b>   | <b>DATE SIGNED<br/>date/month/year</b> |
| Afghanistan  | Trade and Payments Agreement<br>Agreement on Trade and Economic Cooperation  | 20/03/74<br>14/05/91                   |
| Albania  | Trade and Navigation Agreement   | 15/02/58                               |
| Angola   | Trade Agreement  | 26/05/76                               |
| Argentina  | Trade Agreement<br>Agreement on Trade and Economic Cooperation<br>(not in force as of November 20, 1993)             | 25/06/71<br>25/05/93                   |
| Australia  | Trade Agreement  | 15/10/65                               |
| Austria  | Trade and Navigation Agreement<br>Trade and Economic Cooperation Agreement<br>(not in force as of November 20, 1993) | 17/10/55                               |
| Bangladesh   | Trade Agreement  | 31/03/72                               |
| Belgium  | See European Union   |  |
| Benin  | Trade Agreement  | 10/07/63                               |
| Bolivia  | Trade Agreement  | 17/08/70                               |
| Botswana   | Trade Agreement  | 20/05/87                               |
| Brazil   | Trade and Payments Agreement   | 20/04/63                               |
| Bulgaria   | Trade and Navigation Agreement   | 01/04/48                               |
| Burkina-Faso   | Trade Agreement  | 08/03/68                               |
| Burma  | Trade Agreement  | 10/06/72                               |
| Burundi  | Trade Agreement  | 22/05/74                               |
| Cambodia   | Trade Agreement  | 05/02/80                               |
| Cameroon   | Trade Agreement  | 24/09/62                               |
| Canada   | Agreement on Trade and Commercial Relations  | 19/06/92                               |
| Cape Verde   | Trade Agreement  | 09/12/77                               |
| Chad   | Trade Agreement  | 22/06/67                               |
| Chile  | Trade Agreement<br>Agreement on Trade and Economic Cooperation   | 31/01/67<br>03/06/93                   |
| China  | Trade and Navigation Agreement<br>Agreement on Trade and Economic Relations  | 23/04/58<br>05/03/92                   |

| STATE             | TITLE OF DOCUMENT   | DATE SIGNED<br>date/month/year |
|-------------------|---|--------------------------------|
| Colombia          | Trade Agreement   | 03/06/68                       |
| Congo             | Trade Agreement (Brazzaville)   | 26/05/64                       |
| Costa Rica        | Trade Agreement   | 20/06/70                       |
| Croatia           | Agreement on Trade and Economic Cooperation   | 06/08/92                       |
| Cuba              | Trade Agreement<br>Agreement on Trade and Economic Cooperation  | 30/05/86<br>03/11/92           |
| Cyprus            | Letters of the Parties (on granting MFN)  | 22/12/61                       |
| Czech Republic    | Agreement on Trade and Economic Cooperation   | 26/08/93                       |
| Denmark           | See European Union  |                                |
| Djibouti          | Trade Agreement   | 30/05/90                       |
| Ecuador           | Trade Agreement   | 10/03/69                       |
| Egypt             | Long-term Trade Agreement   | 23/06/62                       |
| Equatorial Guinea | Trade Agreement   | 30/06/70                       |
| Ethiopia          | Trade Agreement   | 22/07/77                       |
| European Union    | Agreement with USSR on Trade, Commercial and<br>Economic Cooperation<br>Agreement on Textiles (applicable on an interim<br>basis) | 18/12/89<br>12/06/93           |
| Finland           | Trade Agreement<br>Agreement on Trade and Economic Cooperation  | 01/12/47<br>20/01/92           |
| France            | See European Union  |                                |
| FRG               | See European Union  |                                |
| Gabon             | Trade Agreement   | 22/08/80                       |
| Gambia            | Agreement on Trade and Economic Cooperation   | 22/05/91                       |
| Ghana             | Trade Agreement   | 28/10/76                       |
| Greece            | See European Union  |                                |
| Grenada           | Trade Agreement   | 11/06/80                       |
| Guinea            | Long-term Agreement on Commodity Circulation<br>and Payments  | 08/09/60                       |
| Guinea-Bissau     | Trade Agreement   | 21/02/75                       |
| Guyana            | Trade Agreement   | 14/03/73                       |

| STATE         | TITLE OF DOCUMENT  | DATE SIGNED<br>date/month/year |
|---------------|--|--------------------------------|
| Honduras      | Trade Agreement  | 24/08/87                       |
| Hungary       | Trade and Navigation Agreement   | 15/07/47                       |
| Iceland       | Notes of the Parties (on MFN in mutual trade relations)  | 27/05/27                       |
|               | Trade Agreement  | 04/12/91                       |
| India         | Trade Agreement  | 23/12/85                       |
|               | Agreement on Trade and Economic Cooperation  | 04/05/92                       |
| Indonesia     | Trade Agreement  | 23/03/74                       |
| Iran          | Trade and Navigation Agreement   | 25/03/40                       |
| Iraq          | Trade Agreement  | 19/06/81                       |
|               | Agreement on Trade, Economical, Technical Cooperation (not in force as of November 20, 1993)                                     |                                |
| Ireland       | See European Union   |                                |
| Israel        | Letters of the Parties (on granting MFN to the ships of the USSR and Israel in the ports and territorial waters of each country) | 15/07/55                       |
| Italy         | See European Union   |                                |
| Jamaica       | Trade Agreement  | 19/12/77                       |
| Japan         | Trade Convention   | 06/12/57                       |
| Jordan        | Trade Agreement  | 21/01/69                       |
| Kenya         | Trade Agreement  | 08/07/83                       |
| Korea (South) | Trade Agreement  | 14/12/90                       |
| Korea (North) | Trade and Navigation Agreement   | 22/06/60                       |
| Kuwait        | Trade Agreement  | 14/11/85                       |
| Laos          | Trade Convention   | 22/04/76                       |
| Lebanon       | Trade and Payments Agreement   | 16/07/70                       |
| Liberia       | Trade Agreement  | 19/01/79                       |
| Libya         | Trade Agreement  | 20/05/74                       |
| Luxembourg    | See European Union   |                                |

| STATE       | TITLE OF DOCUMENT   | DATE SIGNED<br>date/month/year   |
|-------------|---|----------------------------------|
| Macedonia   | Agreement on Trade and Economic Cooperation<br>(as of November 11, 1993, applicable on an<br>interim basis)   | 28/05/93                         |
| Madagascar  | Trade Agreement   | 29/10/76                         |
| Malaysia    | Trade Agreement   | 03/04/67                         |
| Mali        | Trade Agreement   | 06/03/78                         |
| Malta       | Trade Agreement   | 08/10/81                         |
| Mauritania  | Trade Agreement   | 17/10/66                         |
| Mauritius   | Trade Agreement   | 25/07/79                         |
| Mexico      | Trade Agreement   | 16/04/73                         |
| Mongolia    | Trade Agreement<br>Agreement on Trade and Economic Cooperation  | 17/12/57<br>12/02/91             |
| Morocco     | Long-term Trade Agreement   | 03/07/79                         |
| Mozambique  | Trade Agreement   | 12/02/76                         |
| Nepal       | Trade Agreement   | 06/08/70                         |
| Netherlands | See European Union  |                                  |
| New Zealand | Trade Agreement   | 01/08/63                         |
| Nicaragua   | Trade Agreement   | 19/03/80                         |
| Nigeria     | Trade Agreement   | 10/12/87                         |
| Norway      | Trade and Navigation Convention   | 15/12/25                         |
| Pakistan    | Trade Agreement   | 27/06/56                         |
| Panama      | Trade Agreement   | 08/10/79                         |
| Paraguay    | Agreement on Trade and Economic Cooperation<br>(not in force as of November 11, 1993)   | 15/04/93                         |
| Peru        | Trade Agreement   | 17/02/59                         |
| Philippines | Trade Agreement   | 02/06/76                         |
| Poland      | Trade Agreement<br>Agreement on Trade and Economic Cooperation<br>Agreement on Trade and Economic Cooperation<br>(not in force as of November 20, 1993) | 07/07/45<br>03/09/91<br>25/08/93 |

| STATE                 | TITLE OF DOCUMENT   | DATE SIGNED<br>date/month/year |
|-----------------------|---|--------------------------------|
| Portugal              | See European Union  |                                |
| Qatar                 | Agreement on Trade, Economic and Technical Cooperation  | 27/11/90                       |
| Romania               | Trade and Navigation Convention<br>Agreement on Trade and Economic Relations and Scientific/Technical Cooperation | 20/02/47<br>30/12/91           |
| Rwanda                | Trade Agreement   | 28/05/74                       |
| Salvador              | Trade Agreement   | 21/11/74                       |
| Sao Tome and Principe | Trade Agreement   | 05/10/76                       |
| S.A.R.                | Agreement on Trade-Economic Cooperation   | 22/10/93                       |
| Sierra-Leone          | Trade Agreement   | 26/04/65                       |
| Singapore             | Trade Agreement   | 02/04/66                       |
| Slovakia              | Agreement on Trade/Economic and Scientific/Technical Cooperation  | 25/03/93                       |
| Slovenia              | Agreement on Trade and Economic Cooperation   | 19/02/93                       |
| Somalia               | Trade and Payments Agreement (Cooperation in the economic sector was suspended on November 16, 1972)              | 02/06/61                       |
| Spain                 | See European Union  |                                |
| Sri Lanka             | Trade Agreement   | 25/03/77                       |
| Sudan                 | Long-term Trade Agreement   | 01/11/61                       |
| Sweden                | Trade Agreement<br>Agreement on Trade Relations (not in force as of November 20, 1993)                            | 15/03/24<br>04/02/93           |
| Switzerland           | Trade Agreement   | 17/03/48                       |
| Syria                 | Long-term Trade Agreement<br>Agreement on Trade/Economic and Technical Cooperation                                | 04/11/65<br>15/04/93           |
| Tanzania              | Trade Agreement   | 25/03/77                       |
| Thailand              | Trade Agreement   | 25/12/70                       |

| STATE                                | TITLE OF DOCUMENT  | DATE SIGNED<br>date/month/year   |
|--------------------------------------|--|----------------------------------|
| Tunisia                              | Trade Agreement<br>Agreement on Trade-Economical and Scientific-<br>Technical Cooperation (not in force as of<br>November 20, 1993)  | 06/04/77<br>11/11/93             |
| Turkey                               | Trade and Navigation Convention  | 08/10/37                         |
| U.S.A.                               | Agreement on Trade Relations   | 01/06/90                         |
| Uganda                               | Trade Agreement  | 08/05/64                         |
| United Kingdom                       | See European Union   |                                  |
| Uruguay                              | Trade Agreement  | 28/02/69                         |
| Venezuela                            | Trade Agreement  | 14/03/85                         |
| Vietnam                              | Trade and Navigation Agreement<br>Agreement on Trade and Economic Relations  | 12/03/58<br>15/08/91             |
| Yemen                                | Trade Agreement  | 16/02/91                         |
| Yugoslavia<br>(SFRJ)                 | Trade and Navigation Agreement between the<br>USSR and the Kingdom of Yugoslavia (At the<br>present time, this agreement is not in force due to<br>trade and economic sanctions adopted by the<br>United Nations)    | 11/05/40                         |
| Zaire                                | Trade Agreement  | 10/12/76                         |
| Zambia                               | Trade Agreement  | 17/12/71                         |
| Zimbabwe                             | Trade Agreement  | 18/01/84                         |
| <b>States of the Former U.S.S.R.</b> |  |                                  |
| Azerbaijan                           | Free Trade Agreement<br>Protocol of Deletions from the Free Trade Regime<br>of the Free Trade Agreement of 30/09/92<br>Protocol of Delegations from the Free Trade<br>Regime of the Free Trade Agreement of 30/09/92 | 30/09/92<br>26/11/92<br>30/12/92 |
| Armenia                              | Free Trade Agreement<br>Protocol of Deletions from the Free Trade Regime<br>of the Free Trade Agreement of 30/09/92  | 30/09/92<br>07/12/92             |
| Belarus                              | Free Trade Agreement between the Government of<br>the Russian Federation and the Government of the<br>Republic of Belarus<br>Protocol of the Free Trade Agreement of 13/11/92  | 13/11/92<br>23/01/93             |
| Kazakhstan                           | Free Trade Agreement<br>Protocol of Deletions from the Free Trade Regime<br>of the Free Trade Agreement of 22/10/92  | 22/10/92<br>24/12/92             |



| STATE   | TITLE OF DOCUMENT   | DATE SIGNED<br>date/month/year |
|---|---|--------------------------------|
| Kyrgyzstan  | Free Trade Agreement<br>Protocol of Deletions from the Free Trade Regime<br>of the Free Trade Agreement of 08/10/92   | 08/10/92<br>26/12/92           |
| Moldova   | Free Trade Agreement<br>Protocol to the Free Trade Agreement of 9/2/93  | 09/02/93<br>15/02/93           |
| Latvia  | Agreement on Trade Principles (not in force as of<br>November 20, 1993)   | 28/10/92                       |
| Lithuania   | Trade-Economic Agreement (not in force as of<br>November 20, 1993)  | 18/11/92                       |
| Tajikistan  | Agreement on Trade and Economic Cooperation<br>(Free Trade Agreement)<br>Protocol to the Agreement on Trade and Economic<br>Cooperation (Free Trade Agreement of 10/10/92 | 10/10/92<br>01/03/93           |
| Turkmenistan  | Free Trade Agreement<br>Protocol to the Free Trade Agreement of 11/11/92  | 12/11/92<br>19/01/93           |
| Uzbekistan  | Agreement on Trade Relations<br>Protocol of Deletions from the Free Trade Regime<br>of the Agreement on Trade Relations of 13/11/92                                       | 13/11/92<br>13/01/93           |
| Ukraine   | Trade Agreement<br>Free Trade Agreement (not in force as of<br>November 20, 1993)   | 22/10/92<br>24/06/93           |
| Azerbaijan<br>Armenia<br>Belarus<br>Kazakhstan<br>Kyrgyzstan<br>Moldova<br>Tajikistan<br>Uzbekistan | Agreement on Economic Union (Multilateral) (not<br>in force as of November 20, 1993)  | 24/09/93                       |

**LEGISLATION GOVERNING EXTERNAL ECONOMIC ACTIVITY TRANSLATED  
INTO ENGLISH**

Law of the Russian Federation of March 22, 1991 "On Competition and Restriction of Monopolistic Activity in Commodity Markets"

Law of the Russian Federation No. 2300-1 of February 7, 1992 "On Protection of Consumers' Rights"

Decree of the President of the Russian Federation No. 213 of November 15, 1991 "On Liberalization of Foreign Economic Activity on the Territory of the Russian Federation"

Regulations of the Ministry of Justice of the Russian Federation No. 171 of March 4, 1993 "On Qualification Round to Select Bidders for Participation in Federal Tenders for Supply of Products or Goods to Meet State Needs"

Decision of the Government of the Russian Federation No. 1102 of November 2, 1993 "On Measures to Liberalize External Economic Activities"

Law of the Russian Federation No. 2859-1 of May 28, 1992 "On the Delivery of Products for State Needs"

Decision of the Government of the Russian Federation No. 434 of June 26, 1992 "On Approval of the List of Strategically Important Primary Commodities Whose Export is Made by the Enterprises and Organizations Registered by the Ministry of Foreign Economic Relations of the Russian Federation"

Decision of the Government of the Russian Federation No. 707 of September 9, 1992 "On the Export of Minerals, Fertilizers, Ammonia, Methanol, Raw Materials and their Manufacture"

Decision of the Government of the Russian Federation No. 226 of March 15, 1993 "On Partial Changes in the Decision of the Government of the Russian Federation No. 434 of June 26, 1992"

Decree of the President of the Russian Federation No. 721 of July 1, 1992 "On the Organizational Measures to Turn State-Owned Enterprises and Voluntary Associations of State-Managed Enterprises into Joint Stock Companies"

Decree of the President of the Russian Federation No. 1767 of October 27, 1993 "On the Regulation of Land Relations and the Progress of Agrarian Reforms in Russia"

Law of the Russian Federation No. 1545-1 of July 4, 1991 "On Foreign Investment in the RSFSR"

Law of the Russian Federation No. 2118-1 of December 27, 1991 "On the Fundamentals of the Taxation System in the Russian Federation"

\* Relevant Articles of the Law of the Russian Federation No. 1735-1 of October 10, 1991 "On the Fundamentals of the Budgetary Arrangement of the Russian Federation"

Law of the Russian Federation No. 1992-1 of December 6, 1991 "On Value-added Tax"

Law of the Russian Federation No. 5003-1 of May 21, 1993 "On the Customs Tariff"

\* Law of the Russian Federation No. 3303-1 of June 15, 1992 "On Subsidies to RF Republics, Territories, Regions, Autonomous Regions, Autonomous Districts and the Cities of Moscow and St. Petersburg"

Decree of the President of the Russian Federation No. 1466 of September 27, 1993 "On Improvement of Conditions for Foreign Investment"

\* Relevant Articles of the Constitution of the Russian Federation, adopted by Referendum December 12, 1993

Decree of the President of the Russian Federation No. 915 of August 24, 1992 "On the State Committee of the Russian Federation on Anti-monopoly Policy and the Support of New Economic Structures"

Law of the Russian Federation No. 374-1 of December 2, 1990, "On the Central Bank of the Russian Federation (the Bank of Russia)"

"Customs Code of the Russian Federation" (At this time, available only in Russian. English translation expected to be ready by early April 1994)

Decree of the President of the Russian Federation No. 340 of March 15, 1993 "On Import Customs Tariff of the Russian Federation"

Decree of the President of the Russian Federation No. 629 of June 14, 1992 "On the Partial Change in the Order of Obligatory Sales of Part of Currency Earnings and the Collection of Export Duties"

Decision of the Council of Ministers of the Russian Federation No. 1103 of October 30, 1993 "On Establishment of the Customs Export Tariff Rate and the List of Goods Subject to the Tariff"

Resolution of the Supreme Soviet of the Russian Federation No 5005-1 of May 21, 1993 "On the Coming into Force of the Law of the Russian Federation On the Customs Tariff"

Agreement of the Commonwealth Governments of February 8, 1992 "On the Procedure for Transit"

\* Relevant Articles of the Law of the Russian Federation No. 4178-1 of December 22, 1992 "On the Introduction of Modifications and Additions into Certain Laws on Taxation of the Russian Federation"

Decision of the Government of the Russian Federation No.854 of November 6, 1992 "On Licensing and Setting Quotas for the Export and Import of Goods (Work, Services) on the Territory of the Russian Federation"

\* Relevant Articles of the Law of the Russian Federation No. 4973-1 of May 29, 1993 "On Grain". Certain provisions of this law have been suspended by Decree of the President No. 2232 of December 21, 1993 "On Suspension of Certain Articles of the Law of the Russian Federation 'On Grain'" pending review of the matter by Parliament. The following provisions have been suspended: Articles 2 - 4, regarding state support of grain production and processing; Articles 8, 9 and 14, regarding state procurement of grain and use of such grain from the federal grain fund; Articles 17 and 18, regarding licensing of grain dealers, including governmental agents for state procurement; and Articles 19 and 20, regarding export and import of grain.

Law of the Russian Federation No. 4804-1 of April 15, 1993 "On the Export and Import of Valuable Cultural Objects"

\* Relevant Articles of the Law of the Russian Federation No. 5154-1 of June 10, 1993 "On Standardization"

\* Relevant Articles of the Law of the Russian Federation No. 4871-1 of April 27, 1993 "On Uniform Measurement"

Law of the Russian Federation No. 5151-1 of June 10, 1993 "On the Certification of Products and Services"

\* Relevant Articles of the Law of the Russian Federation of April 18, 1991 "On the Sanitary-Epidemiological Well-being of the Population"

\* Law of the Russian Federation No. 2060-1 of December 19, 1991 "On Protection of the Environment"

Law of the Russian Federation No. 3615-1 of October 9, 1992 "On Currency Regulation and Currency Control"

Decision of the Council of Ministers of the Russian Federation No. 205 of March 6, 1993 "On Strengthening Currency and Export Control and Developing the Currency Market"

\* Unless marked with an asterisk, all legislative translations were provided by SIE Garant-Service, Moscow State University, Leninsky Gorii, 119899 Moscow, Russian Federation, Tel.(095) 939-1888, Fax (095) 939-2596

TABLE 14

| EXAMPLES OF NEW IMPORT DUTIES<br>EXPECTED TO BE INTRODUCED IN 1994 |   |                     |        |
|--|---|---------------------|--------|
| CC FEA<br>CODE   | DESCRIPTION   | RATE OF DUTY (%)    |        |
|  |   | to be<br>introduced | actual |
| 1  | 2   | 3                   | 4      |
| 02   | Meat and edible meat entrails   | 15                  | 0      |
| 040500   | Butter and other fats derived from milk   | 15                  | 0      |
| 10   | Cereals   | 1                   | 0      |
| 160100   | Sausages and similar products of meat, meat entrails or blood; food preparations based on these products                          | 20                  | 0      |
| 1701   | Cane or beet sugar and chemically pure sucrose, in solid form   | 1                   | 0      |
| 170199100  | White sugar   | 20                  | 0      |
| 30   | Pharmaceutical products   | 0                   | 0      |
| 330300   | Perfumes and toilet waters  | 25                  | 30     |
| 4203   | Articles of apparel and clothing accessories; articles of leather or composition leather  | 20                  | 15     |
| 430310   | Articles of apparel, clothing and accessories of fur skin   | 20                  | 30     |
| 51   | Wool, fine or coarse animal hair; horsehair yarn and woven fabric   | 25                  | 5      |
| 6209   | Babies' garments and clothing accessories   | 15                  | 0      |
| 64   | Footwear, gaiters and similar items; parts of such articles   | 20                  | 15     |
| 72   | Iron and steel  | 5                   | 5      |
| 73   | Articles of iron and steel  | 20                  | 5      |
| 74   | Copper and articles thereof   | 1                   | 5      |
| 8401   | Nuclear reactors; non-irradiated fuel elements (cartridges) for nuclear reactors; machinery and apparatus for isotopic separation | 20                  | 5      |
| 840810   | Marine propulsion engines   | 0                   | 5      |
| 841121, 841122   | Turbo-propellers  | 20                  | 15     |

| CC FEA<br>CODE                                       | DESCRIPTION   | RATE OF DUTY (%)    |        |
|--|---|---------------------|--------|
|  |   | to be<br>introduced | actual |
| 1  | 2   | 3                   | 4      |
| 8507   | Electric accumulators, including separators therefor, whether or not rectangular (including square)   | 0                   | 5      |
| 852320   | Rigid magnetic discs  | 2                   | 25     |
| 8542<br>(except<br>854211410,<br>854211430)          | Electronic integrated circuits and microassemblies  | 20                  | 5      |
| 8703   | Motor cars and other motor vehicles designed for the transport of persons (other than those of heading N 8702) including station wagons and racing cars | 30                  | 25     |
| 8704<br>(except 87041'),<br>870423910,<br>870421910) | Motor vehicles for the transport of goods   | 25                  | 5      |
| 890200   | Fishing vessels; factory ships and other vessels for processing or preserving fishery products  | 10                  | 0      |
| 890600910  | Lifeboats   | 0                   | 15     |
| 91   | Clocks, watches and parts thereof   | 20                  | 30     |
| 93   | Arms, ammunition and parts and accessories thereof  | 100                 | 15     |

**TABLE 15**

| <b>LIST OF SPECIFIC GOODS (WORKS, SERVICES) IMPORTED UNDER<br/>LICENSE</b> |   |  |
|--|---|--|
| <b>Name of Goods<br/>(Works, Services)</b>                                 | <b>Code NC EEA</b>                      | <b>Ministries and Departments of<br/>the Russian Federation Which<br/>Make Decisions on Issuance of<br/>Licenses</b> |
| Chemicals for<br>Protection of Plants                                      | 3808 (for protection of<br>plants only) | Ministry of Agriculture of the<br>Russian Federation   |
| Industrial Waste   | 2618-2620; 3915                         | Ministry of Environmental<br>Protection and Natural Resources<br>of the Russian Federation                           |

TABLE 15 (CONT'D)

| <b>LIST OF GOODS TO BE EXPORTED IN 1994 UNDER LICENSE SUBJECT TO ESTABLISHED QUOTAS</b>  |  |
|--|--|
| <b>Brief Name of Goods*</b>  | <b>CC FEA CODE</b>   |
| Crude oil (including gas condensate)   | 270900   |
| Products of refined oil  | 271000, 2713, 271210   |
| Oil gases and other hydrocarbons (liquefied)   | 271112-271119  |
| Hydrocarbon raw material (benzene, styrene, phenolic acid, aniline)  | 290220, 290250000, 290711000, 292141000  |
| Natural gas  | 271111000, 271121000   |
| Electric power   | 271600000  |
| Nonferrous metals, raw material for production of them and their alloys, powders, semi-finished products, rolled non-ferrous metals [except for tin], tungsten, molybdenum, titanium and rolled aluminum with a high degree of processing, copper foil | 260300000-260800000<br>261000000<br>2615, 7401-7409, 7411, 7501-750800, 7601-7605, 7801-7804, 7901-7905, 8103-810700000, 8109-811300 |
| Cellulose  | 470200000-4704   |
| Hard and soft wheat  | 1001   |
| Soybean and sunflower seeds  | 120100, 120600   |
| Ethyl non-denaturated alcohol  | 220710   |
| Fish, crustaceans and caviar   | 0301 (except 030110)<br>0302-0307<br>160420100, 160420300<br>160430100, 1605   |
| Rough lumber   | 440310100, 4403910, 440320000<br>440410  |
| Rail sleepers  | 4406   |

\* The list of goods is determined by the codes of CC FEA.



TABLE 15 (CONT'D)

| LIST OF SPECIFIC GOODS (WORKS, SERVICES) EXPORTED UNDER LICENSE   |   |  |
|---|---|--|
| Name of Goods (Works, Services)   | Code NC EEA   | Ministries and Departments of the Russian Federation Which Make Decision on Issuance of Licenses   |
| Wild animals (including live crustaceans), wild plants, fossils, ivory, horns, hoofs, corals and similar materials  | (010119900, 010290900, 010391900, 010392900, 010410900, 010420900, 010600910, 010600990) only wild animals, 0507, 0508, 0604 070951-070952000 071080600, 071230000 080221000, 080222000 0810-0812, 121220000 1302 (except 130219300), 1401-1404, 9601 | Ministry of Ecology and Mineral Resources of the Russian Federation and its territorial bodies in constituent republics, territories and regions |
| Medical animal and vegetable raw materials  | 020610100, 020622100, 020629100, 020630100, 020641100, 020649100, 020680100, 020690100 0507, 051000000 1211, 121220000 1302 (except 130219300), 3001, 3002  | Ministry of Ecology and Mineral Resources of the Russian Federation together with the Ministry of Public Health                                  |
| Information concerning mineral resources by region and deposit, of fuel, energy resources and mineral raw materials on Russian territory and within its borders on the continental shelf and the maritime economic zone of the Russian Federation |   | Committee for Mineral Resources  |
| Collection related to mineralogy and paleontology, semi-precious stones and goods thereof   | 970500000 (except those related to numismatics) 710399000, 710399000 710510000, 710510900 711620110, 711620190  | Committee for Mineral Resources  |

TABLE 15 (CONT'D)

| LIST OF SPECIFIC GOODS (WORKS, SERVICES) EXPORTED AND IMPORTED<br>UNDER LICENSE ACCORDING TO THE PROCEDURE ESTABLISHED BY THE<br>PRESIDENT OF THE RUSSIAN FEDERATION |   |
|--|---|
| Name of Goods  | Code NC EEA   |
| Weapons, military equipment and special components for their manufacture; works and services in the sphere of military and technical cooperation                     | 8710, 8802 (except 880211100, 8802212100, 880220100, 880230100, 880240100), 8803 (except 880310100, 880320100, 880330100, 880390910), 8805 (except 880520100), 890600100, 9301, 9302, 9305 (only for battle arms), 9306 (except 930610000, 930629100, 930629200, 930629400, 930630910, 930630930)<br>901310000} only<br>901320000} military<br>901380000} designation<br>901400000}<br>8526 (only military designation) |
| Powder, explosives, explosive substances and pyrotechnics  | 3601 (except for hunting powder)<br>3602-3604   |
| Nuclear materials, technologies, equipment and devices, special non-nuclear materials, sources of radiation, including waste   | 2612, 2844<br>2845, 8401  |
| Precious metals, alloys, articles thereof them, ores, concentrates, scrap and waste of precious metals   | 2616, 2843, 300640000 (of precious metals only)<br>7106-7115, 7118 (of previous metals only)<br>900319100, 902129100, 9101, 911110000, 911310000, 960810300, 960839100, 9705 (only coins from previous metals)  |
| Precious natural stones and articles made of them; waste, powder and recuperates of precious natural stones; pearls and articles thereof; amber and articles thereof | 253090000 (only amber)<br>7101, 7102, 7103 (only previous stones)<br>7105 (only from precious natural stones)<br>7116 (only from pearls and natural precious stones)<br>9602 (only processed amber and articles of them)  |
| Narcotics and psychotropics  |   |
| Poisons  |   |
| Separate kinds of raw materials, equipment, inventions, know-how, results of research, applied in creation of weapons and military equipment                         |   |



|   |  |
|---|--|
| Materials, equipment and know-how with peaceful designation but that could be applied in the creation of rocket, nuclear, chemical and other kinds of weapons of mass destruction |  |
|---|--|

TABLE 16

| CURRENT STATE OF NEGOTIATIONS WITH FORMER U.S.S.R. REPUBLICS ON TRADE RELATIONS (AS OF JANUARY 3, 1994) |                              |               |                              |  |                                  |                                      |   |
|---|------------------------------|---------------|------------------------------|--|----------------------------------|--------------------------------------|---|
| STATUS OF THE RELATIONSHIP  |                              |               |                              |  |                                  |                                      |   |
| FORMER U.S.S.R. REPUBLIC  | DATE                         | MFN AGREEMENT | FREE TRADE AGREEMENT         | PROTOCOLS ON EXEMPTIONS  | GOVERNMENT APPROVAL OF AGREEMENT | MFA NOTE ON DATE OF ENTRY INTO FORCE | FORMER U.S.S.R. REPUBLIC'S MFA NOTIFICATION OF ENTRY INTO FORCE |
| 1   | 2                            | 3             | 4                            | 5  | 6                                | 7                                    | 8   |
| Republic of Azerbaijan  | Signed on September 30, 1992 | -             | Signed on September 30, 1992 | Signed on November 26, 1992  | No. 41 of January 15, 1993       | No. 19 of February 4, 1993           | No. 3 of February 17, 1993                                      |
| Republic of Armenia   | Signed on September 30, 1992 | -             | Signed on September 30, 1992 | Signed on December 7, 1992   | No. 41 of January 19, 1993       | No. 120 of April 4, 1993             | No. 009-191 of March 25, 1993                                   |
| Republic of Belarus   | Signed on November 13, 1992  | -             | Signed on November 13, 1992  | Signed on January 22, 1993   | No. 166 of March 1, 1993         | No. 40 of March 18, 1993             | No. 19/2957 of April 20, 1993                                   |
| Republic of Estonia   | Signed on September 8, 1992  | -             | Signed on September 8, 1992  | Pursuant to a Declaration of May 13, 1993, initiated in Tallinn, Estonia, the parties agreed not to execute an agreement on free trade and MFN regime. |                                  |                                      |   |
| Republic of Georgia   | -                            | -             | Signed on January 3, 1994    | -  | -                                | -                                    | -   |
| Republic of Kazakhstan  | Signed on October 22, 1992   | -             | Signed on October 22, 1992   | Signed on December 24, 1992  | No. 41 of January 19, 1993       | No. 18 of February 3, 1993           | No. 1-9/395 of June 7, 1993                                     |
| Republic of Kyrgyzstan  | Signed on October 8, 1992    | -             | Signed on October 8, 1992    | Signed on December 26, 1992  | No. 41 of January 19, 1993       | No. 18 of February 3, 1993           | No. 912 of March 24, 1993                                       |

|                          |  |                            |                             |                             |                           |                          |                                 |
|--------------------------|--|----------------------------|-----------------------------|-----------------------------|---------------------------|--------------------------|---------------------------------|
| Republic of Latvia       | The Russian Trade Mission has not been granted the Status of Diplomatic Representative | Signed on October 28, 1992 | -                           | -                           | -                         | -                        | No. 4422 of December 2, 1992    |
| Republic of Lithuania    | Signed on October 12, 1992   | Signed November 18, 1993   | -                           | -                           | -                         | -                        | No. 597/93 of November 26, 1993 |
| Republic of Moldova      | Signed on February 9, 1993   | -                          | Signed on February 9, 1993  | Signed on February 15, 1993 | No. 236 of March 19, 1993 | No. 80 of March 31, 1993 | No. 518 of March 19, 1993       |
| Republic of Tajikistan   | Signed on October 10, 1992   | -                          | Signed on October 10, 1992  | Signed on March 1, 1993     | No. 286 of April 5, 1993  | No. 90 of April 8, 1993  | No. 377 of March 3, 1993        |
| Republic of Turkmenistan | Initialized on September 18, 1992  | -                          | Signed on November 12, 1992 | Signed on January 19, 1993  | No. 166 of March 1, 1993  | No. 73 of March 25, 1993 | No. 06/173 of April 6, 1993     |
| Ukraine                  | Signed on October 22, 1992   | Signed on October 22, 1992 | Signed on June 24, 1993     | Signed on June 24, 1993     | -                         | -                        | No. DPU/358 of July 26, 1993    |
| Republic of Uzbekistan   | Signed on November 13, 1992  | -                          | Signed on November 13, 1992 | Signed on January 13, 1993  | No. 166 of March 1, 1993  | No. 73 of March 25, 1993 | No. 102/3 of January 25, 1993   |

TABLE 17

LIST OF REGISTERED EXPORTING ENTERPRISES  
AS OF DECEMBER 31, 1993  
("SPETSEXPORTERS")

| ENTERPRISE  | PRODUCTS DEALT WITH  |
|---|--|
| "AGROKHIMEXPORT"<br>199900, Moscow, Greceveckaya Street 2,<br>Tel. 203-5033, Fax 200-1216                                       | Export: fertilizers,<br>ammonium, methanol, non-organic<br>acids.  |
| "TEKHNOSTROIEXPORT"<br>113324, Moscow, Ovchinnikovskaya<br>Naberezhnaya, 18/1, Tel. 220-1782, Fax 230-<br>2080                  | Export: non-ferrous metals,<br>ores and scrap of non-ferrous<br>metals, rare metals, rolled non-<br>ferrous metals, cast iron, rolled<br>ferrous metals, steel pipes, ferro-<br>alloys, scrap of ferrous metals. |
| "SELKHOZPROMEXPORT"<br>113324, Moscow, Ovchinnikovskaya<br>Naberezhnaya 18/1, Tel. 220-1692, Fax 921-<br>9364                   | Export: sawn lumber, products<br>from ferrous metals.  |
| "DALINTORG"<br>692904, Nakhodka, Primorskii District (Kray)<br>Nakhodkinskii Prospekt 16 A, Tel. 4-39-70, Fax<br>4-4517,4-48-93 | Export: coal, burden coal, coke and<br>semi-coke, rough lumber and sawn<br>lumber, cellulose, cardboard.   |
| "ROSVNESHTORG"<br>123242, Moscow, Barikadnaya Street 8/5, Tel.<br>254-8050, Fax 254-9576  | Export: rough lumber, sawn<br>lumber, cellulose, cardboard.  |
| "VNESHSTROIIMPORT"<br>103009, Moscow, Tverskoy Boulevard 6, Tel.<br>290-0376, Fax 973-2148                                      | Export: sawn lumber, rolled ferrous<br>metals, steel pipes.  |
| "TEKHNOPROMEXPORT"<br>113324, Moscow, Ovchinnikovskaya<br>Naberezhnaya 18/1, Tel. 233-0528, Fax 233-<br>3373                    | Export: electro-energy, coal,<br>including burden, coke, semi-coke,<br>sawn lumber, products from<br>ferrous and non-ferrous metals.   |

|   |   |
|---|---|
| <p>"SOVCABEL"<br/>111112, Moscow, Shosse Entuziastov 5, Tel.<br/>362-9645, Fax 274-0076</p>   | <p>Export: copper scrap and waste,<br/>aluminium scrap and waste.</p>   |
| <p>"NEFTEKHIMEXPORT"<br/>129832, Moscow, Gilarovskogo Street 31, Tel.<br/>284-8614, Fax 288-9584</p>  | <p>Export: petroleum and petroleum<br/>by-products.</p>   |
| <p>"TEKHNOPROMIMPORT"<br/>113324, Moscow, Ovchinnikovskaya<br/>Naberezhnaya 18/1, Tel. 220-1218, Fax<br/>230-2111</p>   | <p>Export: sawn lumber, rolled non-<br/>ferrous metals, non-ferrous by-<br/>products, rolled ferrous metals,<br/>steel pipes.</p>   |
| <p>"TYAZHPROMEXPORT"<br/>113324, Moscow, Ovchinnikovskaya<br/>Naberezhnaya 18/1, Tel. 220-1610, Fax 230-<br/>2203</p>   | <p>Export: rolled non-ferrous metals,<br/>non-ferrous by-products, cast iron,<br/>rolled ferrous metals, including<br/>prepared to be rolled ferrous<br/>metals, steel pipes.</p> |
| <p>"ROSTEKHEXPORT"<br/>113324, Moscow, Ovchinnikovskaya<br/>Naberezhnaya 18/1, Tel. 220-1487, Fax<br/>233-0786</p>  | <p>Export: rough lumber, sawn<br/>lumber, cellulose, cardboard, non-<br/>ferrous metals products, ferrous<br/>metals products.</p>  |
| <p>"HEAD DEPARTMENT FOR<br/>COOPERATION: MINISTRY OF FOREIGN<br/>ECONOMIC RELATIONS"<br/>113324, Moscow, Ovchinnikovskaya<br/>Naberezhnaya 18/1, Tel. 220-1729<br/>Fax 233-1249</p> | <p>Export: non-ferrous metals<br/>products, ferrous metals products.</p>  |
| <p>"OBORONEXPORT"<br/>113324, Moscow, Ovchinnikovskaya<br/>Naberezhnaya 18/1, Tel. 220-1748<br/>Fax 233-0272</p>  | <p>Export: rough lumber, sawn<br/>lumber, cardboard, non-ferrous<br/>metals products, ferrous metals<br/>products.</p>  |
| <p>"SPETSVNESHTEKHNIKA"<br/>119865, Moscow, Gogolevskii Boulevard 21,<br/>Tel. 201-4949</p>   | <p>Export: non-ferrous metals<br/>products, ferrous metals products.</p>  |



|   |   |
|---|---|
| <p>"EKATHRINEBURGSKOYE<br/>KOMMERCHESCOYE OBSHESTVO"<br/>Ekaterinburg, Lenin Prospect 41, Tel. 55-00-44, Fax 55-69-12</p> | <p>Export: non-ferrous metals, including ores and scrap, rare metals, rolled non-ferrous metals, non-ferrous metals scrap and waste, cast iron, rolled ferrous metals, steel pipes, ferro-alloys, ferrous metals scrap and waste.</p> |
| <p>"TEKHSNABEXPORT"<br/>109180, Moscow, Staromonetnyi Pereulok 26, Tel. 233-4846, Fax 230-2638</p>                        | <p>Export: non-ferrous metals, including ores and scrap; rare metals, their alloys; rolled non-ferrous metals; non-ferrous metal scrap and waste.</p>   |
| <p>"CONTINENTAL-INVEST"<br/>129223, Moscow, Prospect Mira, VVZ, GDIVZ, Tel. 181-1377, Fax 181-4282</p>                    | <p>Export: rough lumber, sawn lumber, cellulose, cardboard.</p>   |
| <p>"GAZEXPORT"<br/>117071, Moscow, Leninskii Prospect 20, Tel. 230-2410, Fax 230-2440</p>                                 | <p>Export: natural gas, hydrocarbon gas and other carbon gases</p>  |
| <p>"MASHINOEXPORT"<br/>117330, Moscow, Mosfilmovskaya St. 35, Tel. 147-1542, Fax 938-2115</p>                             | <p>Export: sawn timber</p>  |
| <p>"INTERLES"<br/>121019 Moscow, Gogolevski Boulevard 3-2, Tel. 290-6260, Fax 230-2548</p>                                | <p>Export: wood pulp, sawn timber, cellulose, cardboard</p>   |
| <p>"VNESHLES"<br/>119034 Moscow, Ostozhenka St. 10, Tel. 201-7580, Fax 928-4396</p>                                       | <p>Export: wood pulp, sawn timber, cellulose, cardboard</p>   |
| <p>"URALVNESHTORG"<br/>620031 Ekaterinburg, Oktabryaskaya Square 1, Tel. 51-75-53, Fax (3432) 58-99-56</p>                | <p>Export: metals, raw materials for production and their alloys; rolled non-ferrous metals; non-ferrous metal scrap and waste</p>  |

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| <p>"RAZNOYIMPORT"<br/>113324, Moscow, Ovchenekovskaya<br/>Naberezhnaya 18/1, Tel. 220-12-16, Fax 200-32-18</p>            | <p>Export: light metals, raw materials for their production, including semi-processed rare and precious metals, scrap and waste by-products</p>  |
| <p>"NAFTA-MOSCOW"<br/>121200, Moscow, Smolenskaya-Sennaya Square 32/34, Tel. 253-94-88, Fax 244-22-91</p>                 | <p>Export: oil products including gas condensates and petroleum products including lubricants</p>  |
| <p>"LENFINTORG"<br/>196084, St. Petersburg, Moscovsky Proyezd 98, Tel. 292-56-33, 296-22-65, Fax 298-99-18, 298-76-98</p> | <p>Export: cellulose, corrugated paper products, sawn timber, light metal products and rolled metal products, steel pipe</p>   |
| <p>"MASHINOIMPORT"<br/>121200, Moscow, Smolenskaya-Sennaya Square, 32/34, Tel. 244-33-09, Fax 244-38-07</p>               | <p>Export: oil products including gas condensates and petroleum products including lubricants and other refined products, coal, rolled metal products, steel pipe and light metal products</p> |