

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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RUSSIAN FEDERATION

Statement by Mr. Oleg D. Davydov
Minister of External Economic Relations
(Speaking as an Observer)

Revision

Let me first of all sincerely congratulate you, Mr. Chairman, Mr. Director-General of the GATT, as well as all the contracting parties on the successful conclusion of the Uruguay Round of multilateral trade negotiations. We fully share the gratitude of the participants to King Hassan II, and the Government and people of Morocco for their splendid hospitality.

This Conference in Marrakesh marks another major step towards a more open global market of goods and services, towards further reduction of tariff and non-tariff barriers in the international trading system and more fair principles and rules for all its participants.

There still remains a lot to be done to make the results of the Uruguay Round a reality. However, I hope that the principles of free trade and fair competition as confirmed by the outcome of the Round will logically lead to an increased volume of mutually beneficial trade among the parties, thus providing a solid ground for the development of their national economies and, hence, the world economy as a whole.

We are not trying to conceal Russia's objective interest in further strengthening the multilateral trading system partly because we anticipate that the Russian Federation may become its integral part in the nearest future.

Needless to say that in seeking the full-fledged participation in the GATT/WTO system we pursue quite concrete and practical interests, that is, an establishment of a favourable environment for Russian trade.

We are aware that full-fledged membership in the GATT/WTO is a prerequisite to the real integration of my country into the world economy. Therefore, I believe that of all multilateral economic institutions it is this one which is of particular importance to Russia.

There is no doubt that this process will strongly contribute to accelerating and deepening the market reforms in Russia based on the GATT's experience gained in decades. I avail myself of this opportunity to reiterate, on behalf of my Government, Russia's commitment to follow this route, minimizing the social costs of these reforms to create an open market economy.

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In just a little more than two years, Russia has fundamentally changed. As a part of economic liberalization, we have dismantled the State foreign trade monopoly which had existed for over 70 years. We have removed administrative regulations of imports and significantly reduced restrictions on exports. The customs tariff is now a major instrument of Russia's trade policy. Pricing and foreign currency regulation have been considerably liberalized. A large-scale privatization is under way.

Our final objective is membership in the WTO. In this regard, we would welcome the development of a flexible mechanism which would permit a smooth transformation of the GATT accession process into a process of joining the WTO.

We believe that Russia's admittance to the World Trade Organization will be an important development not just for our country. Enjoying a reasonable balance of rights and obligations, Russia would provide all other participants with a vast market for their goods, services and capitals. Even now when our economic environment is unstable as a result of the transition from the rigid planned economy to a liberal market system, we feel a considerable interest in cooperation with Russia.

Commitments which Russia intends to make as a WTO member would additionally guarantee stability and predictability of business relations with my country as well as access of foreign goods and services to our respective markets.

We are grateful to the contracting parties for their support of Russia's intention to join the GATT. We hope that such support will materialize in a negotiating process leading to Russia's earliest admittance to the GATT/WTO system. We would like to believe that the Uruguay Round was the last one for Russia as an outsider.