

**Trade Policy Review of the Russian Federation
(First Session on 27 October 2021)**

Statement by Hong Kong, China

- Thank you, Chair.
- I would like to start by extending a warm welcome to the delegation of the Russian Federation led by Ms Ekaterina MAYOROVA, Director of the Department of Trade Negotiations in the Ministry of Economic Development. I would also like to thank Ambassador Didier CHAMBOVEY of Switzerland for sharing with us his insights as discussant, and the Secretariat for the comprehensive reports prepared for this review.
- Hong Kong, China and the Russian Federation have enjoyed steady and prospering bilateral trade relations. The Russian Federation was our 21st largest trading partner in merchandise trade in 2020, and 25th largest partner in services trade in 2019.
- It is particularly encouraging to note that our bilateral merchandise trade during the past five years (2016 - 2020) recorded an average growth rate of over 15% a year, and our bilateral services trade recorded an average growth rate of around 3% a year (during 2015 - 2019).
- We are also glad to note the strong investment relationship between Hong Kong, China and the Russian Federation, with Hong Kong, China being the third largest source of foreign direct investment in the Russian Federation in 2020. The double taxation agreement between our two economies effective since July 2016 has also contributed to the further strengthening of our bilateral trade and investment relations.
- We appreciate the support of the Russian Federation for the multilateral trading system as well as its active participation in and contributions to the WTO. We look forward to working with the Russian Federation and other Members in making MC12 a success.
- We note that the Russian Federation has actively supported the Joint Statement Initiative on Investment Facilitation for Development, including co-sponsoring the Joint Ministerial Statements in Buenos Aires in 2017 and Shanghai in 2019, participating in the structured discussions and submitting text proposals. Hong Kong, China will work closely with

the Russian Federation and other like-minded Members to further develop the framework for investment facilitation for development towards a concrete outcome by MC12.

- We have the following observations on the trade policies of the Russian Federation.
- First, **trade facilitation**. We are pleased to note that the Russian Federation has introduced further measures during the reporting period, such as implementing a subject-oriented model of the risk management system, implementing the automation of customs operations, adopting electronic customs documents management to simplify customs procedures, eliminating unnecessary barriers and reducing the time for the release of goods.
- Second, **tariff**. We are pleased to note that the Russian Federation has bound all of its tariff lines, with a simple average final bound rate of 8.4%. There is also a slight decrease in the simple average applied MFN rate of the Russian Federation from 8.3% in 2016 to 7.9% in 2021. However, it is noted that 14% of the tariff lines have non-ad valorem rates in the form of specific, compound or mixed duties, with a rather high dispersion in the overall tariff rates ranging from zero to 284.6%. We encourage the Russian Federation to continue with its efforts in improving the tariff regime and simplifying its tariff structure.
- Turning to **anti-dumping, countervailing and safeguard measures**, we note that between June 2016 and March 2021, all six completed expiry reviews resulted in continuation of the anti-dumping (AD) measures in place. Meanwhile, the average timespan of AD measures in force during the same period was seven years, with ten AD measures had been in place for more than five years, including six measures with timespans exceeding ten years. To avoid creating unnecessary restrictions to trade, we encourage the competent authority to conduct timely and thorough reviews to ensure that any AD measures in force are fully justified.
- Finally, **services**. We note that the services sector in the Russian Federation has continued to be the main contributor to its GDP, accounted for an estimated share of 61.1% during the period of 2016-2020. In 2019, the Russian Federation ranked 15th in the world's services exports, and 11th in services imports. We encourage the Russian Federation to continue liberalising its services trade regime to create favourable conditions for trade in services and boost the

competitiveness of its services sector in accordance with its trade policy. In particular, we would urge the Russian Federation to seriously consider removing all its MFN exemptions.

- Hong Kong, China values the Russian Federation as an important trading partner. We look forward to maintaining our close bilateral trade ties, and cooperating more closely with the Russian Federation in the WTO on issues of mutual interests. We thank the Russian Federation for the written replies to our questions and wish the Russian Federation a very successful trade policy review.
- Thank you very much, Chair.

Hong Kong Economic and Trade Office in Geneva
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