

Ivanov Calls for 'Reset' to Roll Over to Trade

By [The Moscow Times](#)

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NEW YORK — Deputy Prime Minister Sergei Ivanov said the next step to "reset" U.S.-Russian relations is to improve economic links, trade and investment between the two countries.

Ivanov, speaking at the Council on Foreign Relations in New York, said security issues are important but U.S.-Russian relations will not be cemented unless there are strong economic links.

When Barack Obama became president in early 2009, he vowed to "reset" U.S. relations with Moscow. A cornerstone of Obama's efforts was the nuclear arms control treaty, New START, which took effect in February. Now, U.S. and Russian defense chiefs are trying to resolve differences over a planned missile defense system in Europe.

Ivanov said during a question-and-answer session after a speech to the Council on Foreign Relations that missile defense might be the next step in the "reset."

"But if you ask me what is the ... next step, I'm fully convinced it's not security, it's economy, it's high-tech developments, it's investments," he said.

Ivanov said the history of U.S.-Russian relations has focused almost entirely on security issues.

"Of course, there are many areas where security plays a very important role, but my point is unless we're interlocked and interdependent ... in economy, in trade, in investment — like we are already partly involved with the European Union — there will be no substance that will cement our relations really firm," he said.

"Maybe I'm wrong, but I'm convinced that if we want to make a real progress it should be economic development, social, and, of course, the investments and bilateral trade," he said.

In 2010, he said, bilateral trade between Russia and the United States totaled just \$23.5 billion.

Russia's exports of \$12.4 billion were dominated by oil and gas, while U.S. exports of \$11.1 billion were mainly machinery and food products, Ivanov said.

This means the United States is Russia's eighth-largest trading partner, and Russia isn't even among the top 20 U.S. trading partners, he said.

"Isn't that a shame?" Ivanov asked.

He also lamented that U.S. investments in Russia total just \$7.3 billion while Russian investments in the United States are only \$7.7 billion, mainly in the energy sector and the metal industry.

"We hope to expand our bilateral economic horizons in the following priority areas: space, information technology, medical technology, nuclear energy and power efficiency," he said.

In space, Ivanov said both countries have to start thinking about what will come next after the International Space Station stops operating in 2020. He said the United States and Russia should consider joining not only their technological resources but financial resources because space exploration — possibly of the moon or Mars — "is very, very expensive."

Ivanov said he expects that after 18 years, Russia will finally become a member of the World Trade Organization this summer or fall — if the momentum from last year is maintained.

The Obama administration is trying to facilitate Russia's entry into the WTO, the organization that promotes free trade, and U.S. officials said in December the two countries have settled 95 percent of their outstanding issues.

But Ivanov was asked about Russia's problems with neighboring Georgia possibly holding up the country's WTO entry.

He said the problems, stemming from the conflict between the two countries in 2008, are political and have nothing to do with the WTO or trade.

"We wish to solve this problem ourselves," he said, noting that Moscow is committed to

continuing talks with Georgia in Geneva.

Ivanov said Russia wants its WTO application to be accepted unanimously, but he noted that Ecuador was accepted for membership in a vote that was not unanimous.

This year, Russia also hopes that the U.S. Congress will repeal a 1974 law denying normal trade relations to communist states that restricted emigration or punished those seeking to leave the country that he called the "last relic of the Cold War." It was aimed at the Soviet Union, which was holding up Jewish emigration, but Ivanov noted that Russia now has a "visa-free" arrangement with Israel.

As for politics, Ivanov said he is close to both President Dmitry Medvedev and Prime Minister Vladimir Putin and he wouldn't speculate on who might run for president in 2012.

"My hunch is that the parliamentary elections which will be this fall will be very important and they will give a lot of clues," he said.

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