

Audit Chamber Says Trade Discrimination Against Russia Still a Problem

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July 03, 2013

The  **Moscow Times**

Despite its accession to the World Trade Organization last year, Russia has a long way to go before it benefits from membership, with the high level of trade barriers still a serious problem for domestic exporters, the Audit Chamber said Wednesday.

"There have been no significant changes to the level of trade barriers applied to Russian goods and services even during Russia's membership in the WTO. This highlights the risk of continued discrimination against Russian exporters on foreign markets," the country's public spending watchdog said in a statement posted on its website.

In the statement, which followed an investigation into Russia's external trade activities, the Audit Chamber pointed out that Russia lagged behind other countries, including other CIS nations, in its competitiveness globally.

The statement did not provide specific examples of discrimination against Russia, and the chamber's press service was unavailable for comment.

The claims of discrimination against domestic companies are questionable, considering the numerous accusations of global trade rule violations leveled at Russia, said Alexei Portansky, a professor in the global economy and policy department at the Moscow's Higher School of Economics.

"There are many complaints against Russia, all of them very specific," he said.

Portansky referred in particular to the recycling fee for imported vehicles, introduced on September 1 last year, which forces foreign carmakers to pay a significant upfront charge for the future disposal of their vehicles, while allowing domestic producers to provide only guarantees that their vehicles will be recycled in the future.

This move caused deep concern among European and WTO officials, who insist that the measure is protectionist. A resolution for the issue has yet to be reached.

Portansky also mentioned anti-dumping measures that discriminate against foreign companies.

Casting further doubt on the Audit Chamber's claims of discrimination is the future of Russia's still-unformed WTO mission, which ought to represent the country's interests in the organization's Geneva headquarters, Portansky said.

He referred to a report by the Audit Chamber released in April, which said that no funding had been set aside in this year's budget to establish the mission and no funds had been allocated for Russia's participation in the trade organizations' dispute settlement mechanism, which is a critical arena for influencing WTO policy.

The Audit Chamber, which reports to both chambers of the Russian Parliament, reiterated in Wednesday's statement that establishing its own WTO mission is critical for Russia.

The head of the Economic Development Ministry's trade negotiations department, Maxim Medvedkov, said in January that the country's representative to the global trade club would be appointed by the end of this year.

"This issue is being discussed. I think the decision will be made within a reasonable timeframe," he told reporters. "We are establishing a new organization in Geneva, and for that we need to go through certain procedures."

He did not specify possible candidates to represent Russian in the WTO, saying only that the appointment would make the country's work in the organization easier.

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