

Brussels, 1 June 2012

EU-RUSSIA SUMMIT (St Petersburg, 3/4 June 2012)

The European Union and Russia are not only neighbours, but also strategic partners.

At the upcoming summit, the EU will be represented by Herman Van Rompuy, President of the European Council, and by José Manuel Barroso, President of the European Commission. Catherine Ashton, High Representative of the Union for Foreign Affairs and Security Policy, and Energy Commissioner Günther Oettinger will also take part. Russia will be represented by Vladimir Putin, President of Russia, accompanied by Foreign Minister Sergey Lavrov and several other Russian ministers.

The summit will begin with a dinner on Sunday 3 June and continue with a plenary session on the morning of 4 June, followed by a working lunch and a press conference.

Leaders are expected to debate the situation in Russia and the EU and on global economic governance as well as:

- Perspectives for EU-Russia relations;
- The EU-Russia new agreement;
- Regional and international issues, including developments in Syria, the Middle East and Iran.

This summit will take place shortly after President Putin's inauguration and the formation of the new Russian government. It will be an occasion for the EU and Russia to further develop their strategic vision of this crucial relationship for the years to come.

A growing economic relationship

Economic ties between Russia and the EU have grown substantially over the last years. Russia's WTO accession, expected to enter into force by August, is likely to further increase business opportunities. Russia remains the EU's third most important trading partner (after the US and China), with 108 billion EUR in exports to Russia (7% of all EU exports, 4th place after US, China, Switzerland) and 199 billion EUR in imports in 2011 (11.8 % of all EU imports, 2nd place after China, mostly energy resources). The EU is thus by far the largest market for Russian goods, accounting for roughly half of Russian exports in 2011. The EU is also the main supplier for Russia, with a 43% market share, followed by China and Ukraine.

In 2011, both imports and exports rose by around 25% compared to 2010 and surpassed pre-crisis levels, after having been hit by the global economic crisis in 2009. Russia's account surplus with the EU increased to EUR 90 billion in 2011, mainly due to high energy prices.

More specifically, Russia is the EU's most important single supplier of energy products, accounting for over 29% of the EU consumption of oil and gas. In turn, Russia's economy remains highly dependent on the export of energy raw materials, with the EU as its most important destination. In 2011, 79% of Russia's exports to the EU consisted of crude oil, oil products and natural gas.

In 2010, EU stocks of foreign investment in Russia were estimated at 120 billion EUR. This is more than EU foreign investment stocks in China and India combined.

Citizens' mobility

Since 2003, the EU and Russia have explored ways of promoting visa-free travel as a long-term perspective. A visa facilitation agreement entered into force in 2007: it provides both Russian and EU citizens with a lower visa fee, wider issuance of multiple-entry visas, simplified supporting documents and visa-free travel for certain categories of travellers. Negotiations for upgrading this agreement, for instance by enlarging the categories of citizens that can benefit, are currently ongoing. A visa dialogue between the EU and Russia has been ongoing since 2007, discussing document security, illegal migration, public order and security.

Implementation of common steps towards visa-free short-term travel, approved at the last EU-Russia summit in December 2011, has started: They concern actions for both the EU and the Russian Federation to implement in order to fulfil conditions for future negotiations on visa-free travel for short-term stays, including document security, for example the introduction of biometric passports; combating illegal immigration and border management; public order, security and judicial cooperation, including the fight against transnational organized crime, terrorism and corruption. Once these are fully implemented, a decision on starting negotiations for a visa waiver agreement can be taken.

In addition, visa-free travel between the Polish border area and Kaliningrad has been enhanced in 2011 to apply not only to a part, but to the entire Kaliningrad oblast. This agreement is expected to enter into force this summer.

Financial cooperation

Financial cooperation with Russia began in the early 1990s, under the TACIS program, which has in the meantime been replaced by the European Neighbourhood and Partnership Instrument. To help smooth Russia's transition, a whole range of sectors were supported. Since 1991, a total of around €2.8 billion of assistance was provided through the European Commission. A number of TACIS projects are still being implemented until 2013.

Given the significant recent improvements in the Russian Federation's fiscal position, the need for large volumes of financial assistance has declined. In fact, Russia herself has become a donor. Financial cooperation is now specifically targeted to meet the objectives defined in the road-maps to the EU-Russia Common Spaces. Cooperation is carried out on the principle of co-financing by the EU and Russia. Most notably, Russia is co-financing cross-border cooperation programmes. Emphasis is on higher education cooperation, with Erasmus Mundus and Tempus supporting mobility of students and teaching staff.

Furthermore, funding for Russia also came from the Nuclear Safety Instrument (€500 million since 1991) and a number of other thematic programs. The European Democracy and Human Rights Instrument (EIDHR) finances a large number of human rights projects with NGOs in Russia, and so does the Institution Building Partnership Programme.

EU-Russia relations - background

The legal basis for EU relations with Russia is the Partnership and Cooperation Agreement (PCA) which came into force on 1 December 1997 for an initial duration of 10 years, and which has been automatically extended beyond 2007 on an annual basis. It sets the principal common objectives, establishes the institutional framework for bilateral contacts, and calls for activities and dialogue in a number of areas.

The EU is currently working with Russia on a new agreement to replace the PCA. Both the EU and Russia have experienced many political, economic and social changes since the entry into force of the PCA in 1997. The new agreement must reflect these changes as well as the new challenges linked to globalisation.

The Partnership for Modernisation was launched at the June 2010 summit when priority areas for cooperation were identified. They are set out in work plans, which are now being implemented. These priorities include investment, trade, promoting SMEs, alignment of technical regulations and standards, research and development, promoting the effective functioning of the judiciary and strengthening the fight against corruption as well as the dialogue with civil society.

Since 2005 the EU and Russia have held regular, six-monthly human rights consultations. The last meeting took place in November 2011. They have provided for a substantial dialogue on human rights issues in Russia and the EU and on EU-Russian cooperation on human rights issues in international fora.

The EU has raised with Russia issues including the human rights situation in Chechnya and the North Caucasus; freedom of expression and assembly, including freedom of the media; the situation of civil society in Russia, notably in light of the laws on NGOs and extremist activities; the functioning of the judiciary and its independence; the observation of human rights standards by law enforcement officials; racism and xenophobia; legislation relating to elections. For its part the Russian side raises matters of concern to it in developments inside the EU.

At the St. Petersburg summit in May 2003, the EU and Russia agreed to reinforce their cooperation by creating four "common spaces":

- the Common Economic Space aiming to make the EU and Russia's economies more compatible to help boost investment and trade;
- the Common Space on Freedom, Security and Justice covering justice, home affairs, the rule of law and human rights;
- the Common Space on External Security aiming to enhance cooperation on foreign policy and security issues; and
- the Common Space on Research, Education and Culture aiming to promote scientific, educational and cultural cooperation.

For further information see [IP/12/554](#)