



Association
of European
Businesses

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Briefing by Sergey Lavrov,
Minister of Foreign Affairs of the Russian Federation

Moscow, Ministry of Foreign Affairs
21 February 2019
15:00 – 16:30

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WELCOME REMARKS

- Dear Minister Lavrov, Excellencies, dear Colleagues, as Chairman of the Board of the Association of European Businesses, it is a great honor for me to welcome you today.
- Dear Sergey Victorovich, this is the 9th time that you are addressing the Members of the Association of European Businesses. I would like to thank you for accepting our invitation once again, and for keeping the dialogue with the European business community open in these challenging times.
- It is certainly crucial for our Member companies, many of them being major foreign investors in the Russian economy, to understand your views on the current 'state of play' of the EU-Russia relations in a broader geopolitical context.
- Because, indeed, times are challenging and have for sure not improved since we last met a year ago.
- Back in 1948, the statesman Paul-Henri Spaak spoke the legendary words at the UN, "nous avons peur", "we are afraid". He mentioned these words in the context of a rapid deterioration of the relations between the east and the west.

- I would not go that far to use the same words in today's context. First of all, I am here not addressing the UN. It is already challenging enough as an Association of European Business to manage the Italians, the Germans, the French and the Greek. And second, we foreign business leaders are not that easily afraid. We are here because we believe in the country, we believe in the market, we believe in its further potential. And thru our latest technologies or services, we want to contribute to a modern flourishing economic development.
- So we are not afraid. But I would definitely say we are very worried. We are worried because of the rapid deterioration of the geopolitical context, which for sure has an impact on the business climate. Because of the sanctions and the uncertainty about what might follow next, many investors are delaying investment decisions. We at the AEB believe that, on the contrary, stronger economic, cultural, educational and scientific ties are what we should aim for. We are therefore hoping that, in 2019, we see a gradual restoration of the political dialogue and therefore business confidence.
- And secondly, we are very worried about the latest case around Baring Vostok. We think it is not helpful to have a legal system that is immediately applying criminal procedure measures, such as detention or arrest, to what is basically a commercial dispute. Indeed, commercial disputes should be resolved under codes of civil law, like arbitration, and defendants should be treated accordingly.

The Baring Vostok case can have a very detrimental impact on the already precarious investment climate in the country. We hope and trust that the Russian judiciary will carry out a swift, full and transparent investigation based on the assumption of innocence and in respect with the rule of law.

- We need indeed the full support from the Russian Government to ensure the country remains open to Foreign Direct Investment. Foreign Direct Investment which was last year unfortunately already very low due to the reasons mentioned. We hope that all necessary measures in favor of an open, stable market and an even level playing field for all economic actors are guaranteed.
- Dear Sergey Victorovich, I thank you for your attention and we now look forward to your speech.