

Opening speech by Head of the EU delegation to Russia Fernando M. Valenzuela. Conference "Customs Legislation in Russia – Recent Changes and Implementation", 25 February 2010, Moscow

Today's conference provides an excellent opportunity to discuss recent developments in Russia's customs legislation and its implementation. It is very timely, as we observe many important legislative changes taking place in Russia, in particular in the context of the creation of the Customs Union of Russia, Belarus and Kazakhstan. At the same time, ambitious reforms are envisaged for customs legislation in the framework of the economy modernisation process initiated by President Medvedev.

These recent events hold great potential benefits for the development of modernised procedures in Russia in line with international standards and the EU practice. The European Union stands ready to support the efforts of Russian authorities aimed at the coordinated and well-prepared process of legislative reforms in the area of customs. Finding the correct balance between prudent trade security measures and trade facilitation is the main prerequisite for the modernisation of customs legislation in accordance with the WTO and WCO standards. Trade facilitation can play a major role in mitigating the effects of the global economic crisis, and as such it should remain one of the primary tasks of customs modernisation.

Under the conditions of deepening interdependence between world economies we need to provide favourable customs arrangements to European businesses not only within the European Union, but also for exporters working outside the territory of the EU. Customs cooperation with our main partners can contribute to creating such conditions, increase security and safety and lead to trade facilitation. The effective customs cooperation with Russia is of mutual interest:

the EU is Russia's first trading partner, representing about 50 % of the value of Russia's total foreign trade.

The EU has supported Russia's efforts in customs reforms and will continue to do so through commonly agreed and well-targeted technical cooperation projects. Since the year 2000, projects covering areas like reform of administration, harmonisation and simplification of customs procedures and intellectual property rights have been run with the Federal Customs Service and with participation of customs services from the EU. During this period, more than 45 million euro was spent by the EU on construction of Russian border crossing points. A 3-million euro TACIS project on the modernisation of Russia's transit system was successfully implemented last year.

Our cooperation has intensified over the past few years, which has resulted in the two parties agreeing to implement an ambitious EU-Russia customs cooperation strategy. This strategy goes far beyond the mere technical level and is based on the implementation of three interrelated priorities:

- legislative and administrative measures to be taken by Russia to improve customs administration at the borders;
- exchange of pre-arrival transit information between EU and Russian Customs in order to facilitate customs clearance;
- cross-border customs and transport infrastructures projects.

The strategy does not exist only on paper: it is already a reality and we have already worked intensively towards its implementation. In particular, the pilot project on the exchange of pre-arrival transit information became operational on 1 January 2009, which gives the Russian authorities an excellent opportunity to streamline and increase the efficiency of procedures at the border. IT implementation of the pilot project has been a full success, thanks to the efforts