



**RUSSIAN CHAIRMANSHIP OF THE
BARENTS/EUROARCTIC COUNCIL
2007 - 2009**



WORKING GROUP ON TRADE BARRIERS

Minutes of the Working Group on Trade Barriers

Moscow, 5 June 2008

The first meeting of the Working Group on Trade Barriers took place in Moscow on June 5, 2008. It was chaired by Mr. Alexey Dyshlyuk, Head of the Division for cooperation with international organizations, Customs Cooperation Department, Federal Customs Service.

The meeting was attended by representatives of Sweden, Finland, Delegation of the European Commission to Russia, Russian Ministry of Foreign Affairs, International Barents Secretariat, North-West Regional Customs Department and Representative Office of FCS in Finland.

Chair's opening remarks

The Chair welcomed all delegates to the meeting and presented his compliments to the previous WGTB Chair Mr. Passi Toivanen for his fruitful and profitable work. He noted the commitment to the Russian Chairmanship priorities – ensuring sustainable development of Barents region imposed social and economic factors. He added that customs administrations of BEAC Member States would continue the work on further improvement and simplification of customs procedures, bridge over trade barriers.

The Chair stressed the importance of representation of all WG members at the meetings.

Adoption of the Agenda

The agenda of the meeting, which had been distributed in advance, was adopted with no amendments.

Presentation by A. Vasiliev

Mr. A. Vasiliev (Chair of the BEAC Committee of Senior Officials) informed about forthcoming activities of CSO, noted that WGTB is one of the ten working groups auspiced by BEAC. Mr. Vasiliev expressed the significance and timeliness of the meeting in the eve of the forthcoming Committee of Senior Officials meeting. He noted that the meeting of Heads of Customs Services is one of three relevant events in this year.

Presentation by A. Ignatiev

Mr. A. Ignatiev (Chair of International Barents Secretariat) reported on the work of the International Barents Secretariat. He noted that it was signed an Agreement on establishment International Barents Secretariat. He stressed that the Secretariat follows the principals of cooperation with Working Groups, rendering assistance and information support.

Presentation by S. Goncharenko

The Chair welcomed participation of the WGEC at the meeting and mentioned that in previous month WGTB also took part at the meeting of WGEC.

Mr. S. Goncharenko point out the role and importance of the WGEC. There was an arrangement about mutual participation in WGEC and WGTB meetings.

Presentation by E. Strelchenko

Mr. Strelchenko made a brief presentation about the NWCA, its activities and inputs into the Russian economy. He also outlined the role of the Russian part of the BEAC territory in the development of the regional trade and investments. He provided to delegates statistic data on timber export and informed about the increase of the exported customs duties for the row timber since June 2007. Further phased increase of the rates is planned in the nearest future.

Renaming the WG from “Working Group on Trade Barriers” to “Working Group on Customs Cooperation”

The WG discussed changes in philosophy of renaming the WG from “Working Group on Trade Barriers” to “Working Group on Customs Cooperation” caused by important customs activities. The Chair explained that the issues related to trade barriers in general are wider than issues discussed within the framework of customs cooperation.

All WG participants supported the proposed and the Chair asked the CSO (Mr. A. Vasiliev) to approve this initiative at the forthcoming CSO-meeting (June 17-18).

Possibilities of cooperation with economic operators and their associations

Mr. S. Kudryavtsev (Head of the Division for cooperation with foreign trade operators and foreign investors, Public Relations Department, Federal Customs Service) informed about the FCS strategy on customs-business partnership and current mechanisms of cooperation between Russian customs and national and international economic operators.

The WG decided to invite to its meetings representatives of foreign trade operators, associations, business advisory groups, Chambers of commerce to share views on the issues related to the international trade administering of the Barents region.

Mr. D. Kotikov made a presentation on the work of the Division for cooperation with mass media, Public Relations Department, Federal Customs Service. He made a suggestion about possible cooperation of BEAC Customs Administrations' press services.

Mr. A. Chumakov reported about customs publications and editions. It was agreed that he would develop the form of providing information for BEAC Member States. Afterwards Customs Administrations will provide the relevant information and it would be published in “Barents Customs Pages” digest and on the web-site.

Customs clearance of timber in customs border-crossings

Finland (Mr. P. Toivanen) expressed the concern related to the reduction of customs border-crossings authorized for customs clearance of timber export. He stressed that it's a real trade barrier and there is an enormous influence on the development of Barents region.

Mr. E. Strelchenko reported about the problems of timber export. The main reasons for border crossings reduction is the necessity of strengthened customs control of timber materials and environmental protection on the other hand. He noted influence of “shade business” and undervaluation of customs value the goods. In addition Russian policy intended to process raw materials inside the country instead of exporting them. Mr. Strelchenko pointed out that despite the reduction of customs border-crossings throughput of border-crossings is increased.

The Chair noted that Customs is a state control body and such decisions are beyond customs control and made by Government.

Drafting the WGTB working plan for 2008-2009. Drafting the Agenda of the meeting of the BEAC Member States Heads of Customs Administrations

The Chair is planning to carry out two meetings prior to the Meeting of the Heads of the Customs Services this year.

It was decided that members of Working Group would send their proposals to Draft Agenda of the meeting of the BEAC Member States Heads of Customs Administrations prior to July, 15.

Closing remarks and operational conclusions

The Chair thanked all the participants for their reports and took note thereof.