

EU economic and trade relations with Russia

European Parliament resolution of 19 June 2007 on EU economic and trade relations with Russia (2006/2237(INI))

The European Parliament,

- having regard to the Agreement on partnership and cooperation establishing a partnership between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part¹ (PCA), which entered into force on 1 December 1997 and expires in 2007,
- having regard to the Protocol to the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part, to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union²,
- having regard to the Protocol to the Partnership and Cooperation Agreement, establishing a partnership between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part, to take account of the accession of the Republic of Bulgaria and Romania to the European Union³,
- having regard to the objective of the EU and Russia, set out in the joint statement issued following the St Petersburg Summit held on 31 May 2003, to set up a common economic space, a common space of freedom, security and justice, a space of cooperation in the field of external security and a space of research and education, including cultural aspects,
- having regard to the subsequently issued Road Map for the Common Economic Space (CES) which was adopted at the EU-Russia Summit, held in Moscow on 10 May 2005,
- having regard to the Agreement between the EU and Russia concluding the bilateral market access negotiations for the accession of the Russian Federation to the World Trade Organization (WTO), signed on 21 May 2004,
- having regard to the Communication from the Commission to the European Council and the European Parliament of 10 January 2007 entitled "An Energy Policy for Europe" (COM(2007)0001),
- having regard to the Proposal for a Decision of the Council and the representatives of the governments of the Member States of the European Union, meeting within the Council on the conclusion of the Agreement in the form of An Exchange of Letters on "Agreed Principles of the Modernisation of the existing system of utilisation of the Transsiberian routes" between the European Community and its Member States, on the one hand, and

¹ OJ L 327, 28.11.1997, p. 1.

² OJ L 185, 6.7.2006, p. 17.

³ OJ L 119, 9.5.2007, p.32.

the Russian Federation, on the other hand (COM(2007)0055),

- having regard to the European Energy Charter signed on 17 December 1991 and the subsequent Energy Charter Treaty which was signed on 17 December 1994⁴ and which entered into force in April 1998,
 - having regard to the Statute of the Council of Europe, signed in London on 5 May 1949,
 - having regard to the Presidency Conclusions of the Brussels European Council, held on 15 and 16 June 2006⁵,
 - having regard to the outcome of the 18th EU-Russia Summit, held in Helsinki on 24 November 2006,
 - having regard to the Presidency Conclusions of the Brussels European Council, held on 8 and 9 March 2007,
 - having regard to the Memorandum of Understanding (MoU) between the European Investment Bank (EIB), the European Bank of Reconstruction and Development (EBRD) and the Commission, signed on 15 December 2006,
 - having regard to the EU-Russia Industrialists' Round Table endorsed at the EU-Russia Summit in July 1997,
 - having regard to the EU-Russia Energy Dialogue instituted at the 6th EU-Russia Summit, held in Paris on 30 October 2000,
 - having regard to the EU-Russia Summit, held on 18 May 2007 in Samara, Russia,
 - having regard to its resolution of 16 November 2006 on a Baltic Sea Strategy for the Northern Dimension⁶,
 - having regard to its resolution of 23 March 2006 on security of energy supply in the European Union⁷,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinions of the Committee on Foreign Affairs and the Committee on Economic and Monetary Affairs (A6-0206/2007),
- A. whereas the Russian Federation is a Member of the Council of Europe and thus has committed itself to the objectives of the Council, which are, in particular, to promote democracy and respect for human rights, and to consolidate democratic stability in Europe by backing political, legal and constitutional reform at national, regional and local levels,

⁴ OJ L 69, 9.3.1998, p. 26.

⁵ 10633/1/06 REV1.

⁶ *Texts Adopted*, P6_TA(2006)0494.

⁷ OJ C 292 E, 1.12.2006, p. 112.

- B. whereas the underlying principles governing economic and trade relations between the EU and the Russian Federation should be reciprocity, sustainability, transparency, predictability, reliability, non-discrimination and good governance,
- C. whereas Russia has signed, but not yet ratified, the Energy Charter Treaty which provides a comprehensive international legal framework in the fields of trade, investment protection, transit, energy efficiency and conflict resolution in the energy sector,
- D. whereas, within the European Union, the Member States must develop a uniform and coherent joint position on EU economic and trade relations with Russia in view of the commencement of negotiations on a new PCA,
- E. whereas EU-Russia relations have enormous economic potential and both parties would benefit from increased economic integration and good neighbourly relations; whereas cooperation between the EU and Russia is crucial to ensuring stability in all areas of mutual and overlapping interest,
- F. whereas total trade between the EU and Russia amounted to more than EUR 166 billion in 2005, with Russia's trade surplus representing about 8% of its GDP, i.e. approximately EUR 50 billion; whereas Russia is the EU's third most important trading partner, accounting for 7.3% of the EU's trade, and the EU is Russia's most important trading partner with a 52.9% share of Russia's trade,
- G. whereas total Foreign Direct Investment (FDI) in Russia in 2006 is estimated at USD 31 billion compared to USD 14.6 billion in 2005; whereas the EU's FDI in Russia has more than doubled from EUR 2,5 billion in 2002 to EUR 6,4 billion in 2004, making it the most important foreign investor in Russia,
- H. whereas foreign firms in specific areas such as wholesale and retail trade, which in 2005 accounted for 38.2% of total FDI in Russia, have seen a growth in revenue generated by the boom in domestic consumption in Russia,
- I. whereas the 1990s were marked by hyperinflation and a 75% devaluation of the rouble in August 1998, which nearly bankrupted the Russian Federation,
- J. whereas, since February 2005, the Russian monetary authorities have pegged the rouble to a basket of currencies in which the euro has a growing share (40% in mid-2006, likely to become 52% by the end of 2007) and currently have more than 100 billion of reserves in euro,
- K. whereas Russia's economic recovery has enabled it not only to pay all its debts to the International Monetary Fund (IMF) and the Paris Club, but also to establish a reserve fund which has accumulated over USD 100 billion since 2004,
- L. whereas foreign investment in the field of energy has fallen from 85% of total investment in 1996 to a mere 60% of total investment,
- M. whereas energy production and transit, in the Black Sea Region, are of strategic importance as regards the supply of energy to the EU, and whereas energy is a field in which there is significant cooperation within the Organisation of the Black Sea Economic Cooperation (BSEC), of which Russia is a founding member,

- N. whereas the EU imports, on average, approximately 28% of the energy it needs from the Russian Federation, with some countries importing up to 100% of their gas from Russia, and whereas energy-related trade makes up about 65% of EU imports from Russia,
- O. whereas the EU is the strongest filing region for Intellectual Property Rights (IPRs) in Russia with 37% of patent applications and 41% of trademarks,
- P. whereas the Russian Federation, having already concluded a WTO bilateral Market Access Agreement with the United States, signed on 19 November 2006, has yet to conclude final agreements with Vietnam, Cambodia and Georgia and bring multilateral negotiations to a close in order to meet all the necessary preconditions of WTO accession,
- Q. whereas the Russian Federation must complete the multilateral WTO accession negotiations,
- R. whereas the agreement between the EC and Russia on the modernisation of the existing system of utilisation of the Transsiberian routes has solved the issue of Siberian overflight payments, as requested by the Russian Federation from EU carriers, for flights over Russian territory; whereas the agreement will strengthen cooperation in the field of transport within the framework of the EU-Russia CES,

General remarks

1. Recalls the common membership of Russia and the EU Member States in the Council of Europe; supports the development of political pluralism in Russia and considers that the human rights situation in Russia should be an integral part of the EU-Russia political agenda;
2. Stresses that EU-Russia relations are at a critical stage; therefore, calls for constructive and results-oriented engagement between both Russia and EU, but not at any cost; points out that the European Union shares with Russia not only economic and trade interests and a commitment to democracy, human rights and the rule of law, but also an objective to act in the international arena and in the common neighbourhood; regrets, however, that the EU and Russia have not succeeded in overcoming the lack of trust between them;
3. Considers that the common membership of Russia and the EU Member States in the Council of Europe underpins their shared values and their commitment to its aims, as laid down in its statute and conventions: to extend and protect human rights, promote democracy and uphold the rule of law in the whole of Europe; encourages both the Member States and Russia to actively participate in the Council of Europe as it is a platform for the practical realisation of those aims; notes the high number of cases brought against Russia before the European Court of Human Rights; emphasises the latter's role in enforcing the obligations of the Council of Europe's Member States;
4. Notes that the Russian Federation has created a generally positive macroeconomic environment which has contributed to impressive economic growth following the crisis in 1998; recalls that this growth can be mainly attributed to the high rise in world energy prices;
5. Acknowledges the economic and other related political reforms, namely in the tax system,

the system of fiscal federalism, public administration and regulation of the financial system that have been implemented in Russia during recent years; is nonetheless convinced that further structural reforms, namely in health care, education, the gas sector, the banking system and more generally in the area of the enforcement of the rule of law, are necessary, and calls on the Russian Federation to pursue its reforms, which will be beneficial both to Russians and to Europeans alike and will make it possible to enhance the Russian Federation's attractiveness in the eyes of international and, in particular, European investors, thus having a considerable impact on economic growth while at the same time allowing the Russian Federation to benefit from foreign know-how; stresses that any further legislative reform must be carried out in accordance with international standards;

6. Is of the opinion that efficient and extensive economic cooperation between Russia and the EU must be based on high standards of democracy and free market principles, and calls on Russia to continue with market reforms, to refrain from politicising the economy and to respect the independence of public and private institutions;
7. Reiterates the importance of the sound and effective application of laws and rules; is concerned about the lack of predictability in the application of rules by authorities, including the courts, and the failure to enforce rulings; calls on the Russian authorities to take all the necessary measures to remedy this situation;
8. Calls on Russia to combat corruption more actively, and to focus particularly on combating the underlying causes of this phenomenon;
9. Is convinced that, where appropriate, harmonised and compatible standards, regulations and conformity assessment procedures should be developed;
10. Encourages the Russian Federation to ensure that the International Labour Organisation's conventions are complied with and to take all the measures necessary to combat social dumping effectively; encourages the Russian Federation to do the same as regards compliance with the Kyoto Protocol in order to combat all kinds of environmental dumping;
11. Welcomes the agreement signed in Sochi, during the EU-Russia summit, on 25 May 2006, simplifying the procurement of visas for Russian and EU nationals and increasing the flexibility of the multiple entry procedures for certain professionals, such as business people, thus helping to facilitate contacts and improve commercial relations;
12. Stresses that increased economic contacts will necessitate more ambitious visa facilitation also covering ordinary bona fide travellers not belonging to any pre-set categories, and liberalisation in the long term;

Regulatory framework - framework for cooperation

13. Emphasises the importance, also to the EU, of Russia's accession to the WTO and its implications for trade liberalisation as well as for its commitment to adhere to its rules, and is convinced that WTO membership will send an important signal to foreign and Russian investors, drive economic growth in Russia and enhance trade exchanges with the EU; urges the Russian Federation to not only work towards concluding the outstanding WTO bilateral Market Access Agreements, but also to fulfil and implement its

commitments pursuant to the agreements it has already signed, such as the agreement with the EC;

14. Calls on the Russian Federation, in the context of its forthcoming accession to the WTO, to resolve the problem of tariffs on timber exports to the Scandinavian countries, remove the current disparity between Russia's domestic tariffs and world market prices, and also to settle the issues relating to rail fares fixed according to destination, particularly those to the Baltic countries, which have been ruled to be discriminatory;
15. Believes that WTO accession should lead to deeper economic integration between the EU and Russia, within the framework of the CES; calls on the Commission to consider the negotiation of a possible Free Trade Agreement (FTA) following Russia's accession to the WTO;
16. Stresses the need for constructive dialogue between the EU and Russia and reiterates the importance of setting up the CES and further developing the objectives agreed upon in the Road Map for the CES, especially as regards the creation of an open and integrated market between the EU and Russia;
17. Believes that progress on implementing the Road Map should continue alongside negotiations on the new PCA; urges the Commission and the Member States to concentrate their efforts on starting negotiations on the new PCA; requests that it be promptly and formally informed of any progress made in this regard;
18. Believes that the EU should, if the negotiations with Russia on a new PCA fail to produce tangible results, consider an alternative approach based on reinvigorating the ongoing work on the agreed roadmaps in the four common spaces, and on elaborating a joint approach for political cooperation;
19. Emphasises that progress in the common space of freedom, security and justice, the space of co-operation in the field of external security and the space of education, research and technological development, including inter-cultural dialogue and cooperation, would have a significant socio-economic impact and reduce the risk of interstate conflict; stresses the need for the Russian government to increase its efforts in that field;
20. Stresses the need for the Russian Federation to perfect its policy as regards the protection of foreign investment in accordance with internationally recognised OECD standards, which would permit the European Union to conduct negotiations on the conclusion of agreements on the protection and promotion of investment;

Trade, market access and investment

21. Stresses the importance of improving the investment climate in Russia; believes that this can only be achieved by promoting and facilitating non-discriminatory, transparent and predictable business conditions rooted in strong democratic values; in addition, stresses that debureaucratisation and the promotion of two-way investments are needed;
22. Takes note of the bill recently introduced in the Russian Federation, which allows the government to reject foreign bids for majority stakes in Russian companies, thus prohibiting foreign ownership of more than 49% in companies active in 39 strategic industries; questions the bill itself as well as the choice and the growing number of

industries that have been classified as strategic and essential to national security; considers that this does not represent a move towards improving the investment climate and that this raises fundamental questions regarding the role of the State in a market economy and competition in key sectors of the economy;

23. Stresses that the establishment and operation of companies should be facilitated on a reciprocal basis; notes that the EU is open to investment from Russia, as is indicated by the rise in Russian businesses present in the EU, notably in the energy and steel sectors; calls, therefore, for foreign companies operating in the natural resource sectors in Russia to be granted the same degree of access;
24. Notes that, in Russia, state trading continues to be successful in certain areas of the economy;
25. Takes note of the introduction of so-called Special Economic Zones, which offer special incentives for investment, including in production capacities, a development which could prove advantageous for European businesses; encourages the Russian Federation to guarantee decent working conditions and respect for the trade union rights of workers in these zones; calls for strict observance and independent monitoring of human rights, and social and environmental standards in those Special Economic Zones;
26. Acknowledges the progress that has been made regarding the levying of customs duties; urges the Russian Government to further streamline, standardise and automate its customs procedures and to levy customs duties in a predictable and non-arbitrary manner and without delaying the movement of goods;
27. Stresses that Russia's accession to the WTO must not result in higher levels of import duties and stronger protectionism compared to the years preceding accession;
28. Notes that the Commission has applied anti-dumping measures in relation to Russian exports of ammonium nitrate, potassium chloride, a number of steel products, silicon and urea products; urges Russian companies to export to the EU under fair trade conditions and to provide Community investigators examining cases of dumping with the necessary information in order to allow EU enforcement authorities to quickly terminate anti-dumping measures that have been applied;
29. Takes note of Russian anti-dumping duties imposed on exports from the EU, especially on steel products; considers that those conflicts should be settled as a matter of priority;
30. Notes, with regret, that Russia is exploiting commercial policy instruments for foreign policy ends in a manner incompatible with WTO rules;
31. Draws attention to the unjustified ban on meat imports from Poland, which has now been in place for two years, and recommends that this problem, the existence of which is incompatible with WTO rules, be resolved as soon as possible;

Intellectual property rights

32. Stresses the need for improvements in legislation and law enforcement to be made as regards the protection of intellectual, industrial and commercial property rights, in order to increase competitiveness and make the investment climate more attractive by

approximating regulatory systems with the highest international standards and norms; urges the Russian authorities, ahead of its forthcoming membership of the WTO, to align Part IV of its Civil Code on Intellectual Property Rights with WTO rules and international agreements, particularly the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS), and to ensure full implementation, so that counterfeiting and piracy can be effectively combated;

33. Emphasises the need to adapt the current court system in order to effectively protect IPRs and ensure more speedy prosecutions; notes the rise in cases in which European businesses have been successful, but is deeply concerned about the lack of enforcement of rulings;
34. Is deeply concerned about the problem relating specifically to the production and sale of counterfeit products, in particular pharmaceutical products, as this not only undermines legitimate producers, but also presents a danger to public health;
35. Encourages the Russian authorities to take all necessary and effective measures to uncover the sources of illegal activity and to render production plants or internet-based operators inoperable; notes that, as regards production plants, those measures should include repeated and unannounced inspections of known plants with the cooperation of rights holders, and strengthening the licensing regime as regards optical media plants; stresses that, for internet-based operators, those measures should cover the enactment of legislative amendments which provide that collecting societies may only act on behalf of rights holders that explicitly authorise such action and the enactment of provisions to implement the Copyright Treaty (WCT) and the Performances and Phonograms Treaty (WPPT) adopted by the World Intellectual Property Organization (WIPO) in 1996;

Energy

36. Reiterates the need for a coherent European energy policy; stresses that bilateral agreements between EU Member States and Russia should, if absolutely necessary, help in the pursuit of the EU's overall energy security interests and in the pursuit of a common energy policy between the EU and Russia;
37. Emphasises, however, that the primary objective of EU energy policy cannot simply be to avoid continued energy dependence on Russia;
38. Urges both the EU and Russia to cooperate more closely with one another and with all the social partners within the framework of the EU-Russia energy dialogue, with particular emphasis being placed on addressing issues relating to the sustainability and continued reliability of the production, transportation and use of energy, energy efficiency and security of supply; urges the EU, in close cooperation with the Russian Federation, to promote investment in renewables and to encourage the sharing of technology and regulatory convergence with a view to establishing a sustainable relationship benefiting both parties; also calls on the Russian Federation to offer fair and non-discriminatory treatment to all its partners, to facilitate access to the Russian market by European investors and to give due consideration to environmental protection;
39. Supports the German Presidency in its aim to ensure a secure supply of energy and reduce energy dependency by means of cooperation and further dialogue on energy with Russia, thus putting the energy partnership policy on a solid and reliable footing, as well as by

aiming to diversify sources of energy by introducing binding targets for energy efficiency and for the use of renewable and alternative energies; notes that the development of such a strategy is of common interest to the EU and Russia and that it is hazardous for the EU to become too dependent on natural gas;

40. Welcomes the ratification of the Kyoto Protocol by the Russian Federation in October 2004; calls on the EU and the Russian Federation to cooperate closely with a view to promoting technical innovation and improving efficiency in the energy sector, and to consider jointly future strategies to achieve reductions in greenhouse gas emissions for the period following the expiry of the Protocol in 2012;
41. Welcomes the signing of an agreement between Russia, Greece, and Bulgaria on the construction of the Burgas-Alexandroupoli oil pipeline; notes, however, that, as well as this single project, there are others which have already been approved or are being discussed; remains aware that pursuing a coherent European energy policy will be even more vital in the future;
42. Is convinced that, in addition to the need for Russia to ratify the Energy Charter Treaty, the EU should consider negotiating a formal framework document on energy relations with Russia in the context of the new PCA; suggests that elements of the Energy Charter Treaty should be transposed in a new document, as the current situation, characterised by a lack of formal agreement, is unacceptable;
43. Supports programmes to improve the energy infrastructures that connect Russia with EU Member States;
44. Expresses its concern over the nationalistic and monopolistic trends in the management of Russian energy resources; is deeply concerned about the difficulties that foreign and private companies face when investing in future developments on Russia's continental shelf; calls on Russia to adopt a more liberal approach and to create a level playing field, enabling foreign companies to compete with Russian firms, in accordance with the WTO rules; calls on Russia to swiftly incorporate best international practice on transparency and public accountability into national legislation;
45. Acknowledges that a significant amount of money is being invested in the maintenance of downstream distribution infrastructure and pipelines; emphasises, nonetheless, that, according to experts, a lack of investment, including foreign investment, may lead to a shortage of gas by as early as 2010;
46. Reiterates Parliament's call on the Commission and the Member States to take seriously the danger of a deficit in gas supplies from Russia after 2010 due to a lack of investment in Russia's energy infrastructure; supports the energy dialogue between the EU and Russia as a platform for addressing the issue pertaining to the investment needed in Russian and European energy infrastructure, in order to ensure both security of supply and security of demand; emphasises the need to establish effective and timely crisis-communication mechanisms between the EU and Russia; emphasises the crucial importance of coherence, close coordination and solidarity between EU Member States in the energy dialogue; stresses the need for the EU to pursue a parallel strategy of enhancing security and diversification of its energy supplies and the importance of EU-Russia cooperation with regard to environmental protection, energy efficiency, energy saving and renewable energy;

47. Calls on Russia not to apply a dual pricing system, which is in any case contrary to WTO rules, with regard to energy sources;
48. Calls on the Russian Federation, in close cooperation with the EU, to invest in the modernisation of its nuclear power plants, particularly in infrastructure, new technology and renewable energy sources, reflecting the pursuit of the common objectives of security, energy efficiency, environmental protection and public health;
49. Reiterates its support for the opening of the EU market to Russian electricity exports, on condition that relevant Russian safety standards, in particular in relation to nuclear power plants and the safe processing and disposal of nuclear waste, are brought up to EU level, so that the risk of environmental dumping is averted;

Transport

50. Takes note of the recommendations made by the High Level Group on the Extension of the Major Trans-European Transport Axes to the Neighbouring Countries and Regions; supports, in particular, the development of transport infrastructure between the EU and Russia, i.e. the harmonisation of conditions for railway transport;
51. Welcomes the agreement signed on 24 November 2006 between the EU and the Russian Federation, during the EU-Russia summit in Helsinki, on the situation pertaining to Siberian overflight payments; considers that this agreement will make it possible to normalise and enhance relations in the field of air transport between the EU and the Russian Federation and will significantly improve the competitiveness of European airlines and facilitate their operations in Asia's emergent markets;

Other specific sectors

52. Considers trade in services as an essential part of future EU-Russia trade relations; calls for EU and Russian laws to be converged, especially in areas such as financial services, telecommunications and transport, while respecting the specific provisions governing public services; and calls for an end to the Baltic States' current discriminatory rail charges on imports and exports;
53. Stresses the importance of ensuring stability in the financial system, supporting the consolidation of a sound financial sector and an effective system for protecting customers of financial services through an improvement of the legislation, effective supervision and the implementation of measures that conform to the highest standards and norms applicable to financial services suppliers;
54. Considers that those reforms will favour the investment climate and can play a major role in enabling continued economic growth in Russia in a way that is less dependent on energy exports and the price of energy;
55. Stresses the importance of competition and openness in the financial services industry; expresses, in this respect, its concern with regard to existing obstacles to the licensing of foreign bank branches;
56. Believes that cooperation in the promotion of regulatory convergence in the agricultural sector, notably with regard to sanitary and phytosanitary measures, should be intensified;

stresses the importance, for many Member States, of exports of agricultural products to Russia, i.e. fish, meat and dairy products; expresses concern, therefore, at the recent restrictive measures adopted by Russia in this field and urges the EU to back the Member States affected by those measures and to find a common solution to problems with exports to the Russian market, specifically relating to sanitary and phytosanitary measures;

57. Calls on Russia not to impose restrictive animal or plant-health measures on imported products which are discriminatory or based on a higher level of requirement than those applicable to domestic products;

Relations with other trade partners

58. Stresses that the development of the strategic economic partnership between the EU and Russia should take into account Russia's geopolitical position; emphasises the need to integrate the EU's approach to Russia with other efforts in the region, such as the European Neighbourhood Policy (ENP), the Northern Dimension and the Black Sea Strategy;
59. Welcomes the "Black Sea Synergy" initiative in the context of the ENP, which facilitates regional cooperation between the Black Sea region countries concerned, the Russian Federation and the EU in sectors such as energy, transport and the environment, and enhances the dialogue on respect for human rights, democracy and good governance;
60. Also recognises the potentially positive contribution that could be made by reinforcing the wider inter-regional cooperation between the EU and the Organisation of the BSEC in the context of the new "Black Sea Synergy" approach;
61. Emphasises the importance of increasing EU-Russia regional cooperation within the framework of the Northern Dimension, in which the EU and Russia, along with Iceland and Norway, are equal partners; stresses the need to set up concrete partnership projects in order to support and reinforce existing cooperation projects and multilateral partnerships, especially as regards Baltic Sea cooperation, in line with the Baltic Sea Strategy for the Northern Dimension, endorsed by Parliament in its above mentioned resolution of 16 November 2006; stresses the importance of further economic and social development in the Kaliningrad region as a model for enhanced economic and trade cooperation between the EU and Russia;
62. Stresses the benefits that closer EU-Russian relations in the tourism sector would entail, as many regions of the Member States are considered traditional destinations for Russian visitors;
63. Draws attention to the urgent need to solve the problems involved in improving the infrastructure for crossing the border between Latvia and Russia (and also between other EU-Russian border states), making use of the resources of the EU and the Russian Federation in order to open both existing border crossing points and new ones; stresses that it is also important to develop border infrastructure in the transit countries, such as the Ukraine, in order to facilitate and speed up cooperation between EU and Russia;
64. Believes that both partners have a common interest in a stable, secure and democratic neighbourhood, and encourages the development of good neighbourly relations in the

field of trade and economic cooperation among the countries of the region; stresses that the joint upholding of human rights and implementation of the ENP offer a number of possibilities for multilateral cooperation, not least through the enhanced Neighbourhood Policy toward the East, in order to foster constructive cooperation in the areas of the environment, energy, infrastructure and trade;

65. Believes that the existence of frozen conflicts in the common neighbourhood represents a significant impediment to economic development in this region, and that supporting their settlement, in line with the principles of international law, including through addressing the economic consequences, should constitute a priority for the purposes of further promoting economic development and prosperity in the countries of the common neighbourhood;

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66. Instructs its President to forward this resolution to the Council and the Commission, the governments and parliaments of the Member States and the Government and Parliament of the Russian Federation.