

**NORWEGIAN –
RUSSIAN BUSINESS
FORUM VI**

***TRADE AND POLICY
OPTIONS***

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RUSSIAN-NORWEGIAN TRADE IN GOODS

+ Regaining growth in 2016-2018, however modest

+ Basically balanced trade

+ Significant food exports from Russia (mainly oils, around 30% of the total) and large shipments of machinery and transport equipment from Norway (mainly sea vessels, 60-70% of the total)

! Still far from pre-sanctions peak trade volumes in 2011-2013; Russian imports value from Norway in 2017 almost 3 times lower than the peak level of 2011

! Norway's very low share in Russia's total trade in 2017: 0,24% in turnover, 0,22% - in Russian exports, 0,28% - in Russian imports

! Uneven trade growth in 2017: exclusively on Russian exports side increasing trade imbalance

RUSSIA'S INTEGRATION AND TRADE POLICY ACTIVITIES

Integration

- Eurasian Economic Union (supranational integration, four freedoms, common markets, policy coordination; most obvious achievements so far - single market for goods and labour force)
- CIS prointegration cooperation (i.a. extensive sectoral cooperation), multilateral FTA (so far 9 countries), plus 2 bilateral FTA's (with Azerbaijan and Turkmenistan) and negotiations on services agreement

Trade policy via EAEU (liberalization)

- ✓ 4 FTA's in force outside CIS: Vietnam, Serbia, Georgia, Iran – provisional partial scope agreement
- ✓ Negotiations for FTA's underway: Singapore, India, Egypt, Israel

Silk Road related and other important initiatives

- ✓ Conjugation of the EAEU with China's Silk Road initiative (primarily bilateral infrastructure and investment projects, including East-West transport corridors)
- ✓ EAEU – China nonpreferential trade and economic cooperation agreement, setting regulatory and institutional framework for conjugation
- ✓ Negotiations under way on bilateral RF-China Eurasian Economic Partnership agreement (regulatory and preferential regarding services and investments; eventual step stone towards Bigger Eurasian Partnership)
- ✓ Prointegration cooperation on the basis of North-South International transport corridor megaproject (new impulses received via latest RF-Azerbaijan and RF-India summits)

TRADE WARS – A SAD AND EXTREMELY WORRYING STORY

For the World



Significant downside risks and actual slowdown in global trade (especially if snowball protectionist scenario is realized)



Crisis of confidence and predictability in world trade, limitations on achieving sustainable economic development goals



Crisis in world trading system both on RTAs and multilateral levels

For Russia

- Decreasing opportunities for reaching national export expansion plans
- Increasing uncertainties with country specific foreign economic policy agenda (pressures from US policy mess)
- Deteriorating access to foreign markets due to introduction of trade defence measures against redirected from US import flows (i.a. the EU market)
- Insignificant overall fall of domestic metals production
- Growing imports of Chinese goods, i.a. machinery, consumer durables, as a result of higher tariffs in the US

High time to reconsider bilateral sanctions and prospects for EAEU – EFTA interblock FTA