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Joint statement by President George W. Bush and President Vladimir V. Putin on developments in the U.S.-Russian economic relationship

George W Bush; Vladimir V Putin

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May 24,2002

At our first meeting in Ljubljana, we expressed our commitment to foster a dynamic, forward-leaning economic relationship. We applaud the tremendous efforts made over the past twelve months to realize this goal. We are encouraged by the close contacts that are forming between our business communities and our governments, and the investment and trade opportunities that are growing out of these relationships.

Success in our bilateral economic and trade relations demands that we move beyond the limitations of the past. We stress the importance and desirability of graduating Russia from the emigration provisions of the U.S. Trade Act of 1974, also known as the Jackson-Vanik Amendment. We note that the Department of Commerce, based on its ongoing thorough and deliberative inquiry, expects to make its final decision no later than June 14, 2002 on whether Russia should be treated as a market economy under the provisions of U.S. trade law.

We note our emerging energy relationship, which is aimed at enhancing global energy security and stability of supplies. In view of the successful advancement of the Sakhalin-- I project and the opening of the Caspian Pipeline Consortium's Tengiz-Novorossiysk pipeline, we welcome implementation of more projects in the fuel and energy sector, including in the area of oil-refining and gasprocessing and transportation as well as development of ports and production technology. We call for continued cooperation both on the basis of Production Sharing Agreements and other frameworks so that other multi-billion dollar joint projects can move forward. We also encourage our businesses to participate in the Commercial Energy Summit scheduled for later this year in the United States.

We continue to place high priority on Russia's accession to the World Trade Organization (WTO), and we reaffirm our commitment to working together to accelerate Russia's entry on standard terms. We recognize the recent release of the first draft of the Working Party report as an important milestone in Russia's accession process.

We welcome the efforts of the RussianAmerican Business Dialogue, established at the time of our meeting in Genoa. The joint recommendations of this private-sector dialogue have been helpful in advancing mutual efforts to normalize Russian-American business ties, strengthening corporate governance, and promoting cooperation in information technology.

We welcome as well the development of the private sector-led U.S.-Russia Banking Dialogue and its report to governments. We hope the Dialogue will foster non-discriminatory cooperation between private-sector financial institutions of Russia and the United States. Among the important areas of cooperation, we emphasize small business and mortgage lending, consumer credit, implementation of cutting-edge technologies, and training of qualified banking personnel.

We welcome the progress made in Russia to establish laws and institutions to combat money laundering. We support the efforts to jointly counter financial criminal activities, including within the framework of the Egmont Group. We attach high importance to implementation of programs enhancing cooperation in combating legalization of criminal incomes.

We note the importance of establishing a supportive tax, legal and regulatory environment for the development of small business, as well as the need to provide access to financing, and welcome the $100 million expansion of the Russia Small Business Fund of the European Bank for Reconstruction and Development. We encourage other donors to join the United States in supporting the further expansion of this effort.

We also welcome the announcement by the United States Overseas Private Investment Corporation to back a new $100 million "Russia Private Equity Fund."

We note with satisfaction opportunities for the further development of successful and mutually beneficial cooperation in such areas as civil aviation, commercial space exploration, the International Space Station, commercial satellite launches, and joint design and production of aircraft machinery.

We hail growing aviation cooperation between our two countries under the RussianAmerican civil aviation agreement. Since 2001, we have achieved agreement on the opening of new economically viable routes, including cross-polar flights.

We are confident that the creation of the Russian-American Working Group on Trade and Aerospace Cooperation will foster expanded direct contacts between aerospace corporations and airlines of our countries.

We welcome the positive trends in our cooperation in the area of information technologies, which is emerging as one of the priority areas of our bilateral relationship. The introduction of U.S. companies' advanced technologies in the Russian market, including through licensed modern software applications, contributes to economic growth in Russia. We support growing cooperation through services provided by Russian companies in designing software and high-tech products on the basis of Russia's existing scientific capabilities. We welcome the Information Technology Roundtable, which is providing for a comprehensive exchange of opinion between

government agencies and businesses on removing barriers to business and protecting intellectual property rights in this area.

We note growing trade cooperation between our countries. As our trade and economic cooperation gains momentum, we might face certain contentious issues that must be addressed in a swift, transparent and constructive manner by taking account of the interests of both sides.

Already existing positive examples of cooperation between U.S. and Russian companies give us confidence that many new significant and mutually beneficial projects will be implemented in the course of our expanding economic cooperation.