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**STATEMENT BY
THE DELEGATION OF THE RUSSIAN FEDERATION
AT THE FIRST PREPARATORY MEETING FOR THE
25th OSCE ECONOMIC AND ENVIRONMENTAL FORUM**

Vienna, 23 January 2017

Opening session

Mr. Chairperson,
Ladies and gentlemen,

We should like to thank the Austrian Chairmanship and the office of the distinguished Mr. Halil Yurdakul Yiğitgüden for the excellent preparation of the event and the interesting and full agenda.

We should particularly like to thank the OSCE Secretary General Lamberto Zannier, the Secretary-General for Foreign Affairs of Austria, Ambassador Michael Linhart, the Minister of Finance of Austria, Hans Jörg Schelling, and the Member of the Board (Minister) for Integration and Macroeconomics of the Eurasian Economic Commission, Tatiana Valovaya, for their substantive statements, which set the tone for the coming discussion.

We welcome the determination of our Austrian colleagues to achieve practical results backed by the commitments already in place.

Good governance is firmly established as one of the key issues in the OSCE's work agenda in the economic and environmental sector. It is generally recognized that good governance is a necessary precondition for sustainable economic growth enabling States to reduce poverty and inequality and increase social integration and economic potential. These underlying premises have been fixed in the basic documents of the OSCE's second basket.

We are gratified to note the presence on the meeting's agenda of an element of good governance as important as combating corruption. Experience shows that the OSCE is most effective when it considers questions of general validity, of which combating corruption is certainly one. Our Organization has good capacities in this regard. We believe it is useful to continue discussing this issue without duplicating the work of specialist international bodies.

We welcome the start of discussion on economic partnerships, with particular account taken of the recent OSCE Ministerial Council decision adopted in Hamburg on good

governance and connectivity, which confirms the importance of regional and subregional economic integration processes.

It is clear that globalization results in the interdependence of production processes throughout the world and confirms the need to pay careful attention to strengthening commercial and economic co-operation and creating a favourable business and investment climate. Participation in international trade and the division of labour offers every country the possibility for satisfying its needs more effectively and with less outlay. This also means that it is of objective interest to States to develop economic co-operation on a mutually beneficial basis.

A significant proportion of global industrial and agricultural production takes place in the OSCE area, in which highly important transport routes and logistical chains are concentrated. It is natural that incremental growth in the economic development of our countries and the region as a whole should depend on practical joint work by State and business structures.

We see an increasing need to build bridges and develop synergy between integration processes in the region, primarily with a view to creating a common economic and humanitarian space in the OSCE area. The existence in it of economic organizations with competing and often mutually exclusive agendas results in increased fragmentation of the pan-European space, the drawing of new dividing lines and the appearance of zones with different levels of security within the Organization's area of responsibility. We believe that the discussion ahead on economic connectivity, the creation of economic partnerships and exploitation of the unifying potential of the second dimension will help to address the main task of our Organization, which is to build an indivisible security community from the Atlantic to the Pacific Ocean.

In our opinion, when adopting decisions, the partners should consider the risks not only of "rebooting" dialogue between integration associations in the OSCE area but also of refusing to do so. It is not impossible that in time the idea of creating a common economic and humanitarian space could change its geopolitical course.

In that context, we support the plans by the Austrian Chairmanship to invite representatives of the European Commission and Eurasian Economic Commission and members of the business and academic community to discuss economic partnerships and the creation of a common economic space from Vancouver to Vladivostok. For our part, we are willing to ensure high-level participation in relevant events by experts from Russia.

At the same time, we are quite realistic about the possible contribution by the Organization to the harmonization of integration processes. The OSCE is not an economic organization and cannot replace the specialist formats existing in economic, financial and commercial spheres. The OSCE has other advantages. It is a useful platform for initiating open discussion and expert dialogue and also for mobilizing the political will. These advantages should be exploited to the full.

The global situation is made worse not only by socio-economic problems brought forth by poverty and the world financial crisis but also by terrorist threats, which are exacerbated by the uncontrolled influx to Europe of migrants from the Middle East and North Africa. This presents the OSCE with a whole list of complex challenges that can be

confronted only through the concerted efforts of all participating States and the use in particular of economic instruments.

We trust that serious and productive dialogue by experts will take place here, producing the added value that the OSCE can provide, without duplicating the work of specialist international bodies, to strengthen good governance and business partnerships. We are also confident that the follow-up business forum organized by the Austrian Federal Economic Chamber on the subject of “Partnerships and Innovation for Sustainable Economies” will make a useful contribution to progress in this regard.

Thank you for your attention.