



**Foreword by
The Rt Hon Lord Hurd
of Westwell CH CBE PC
Chairman, FIRST
Advisory Council**

It gives me great pleasure to introduce this special FIRST report on Russia to mark the Prime Minister’s visit to Moscow. The importance of this visit is underlined by the fact that the Prime Minister is accompanied by William Hague, the Foreign Secretary and a delegation of senior business leaders.

Expanding our international trade and investment links is playing an important role in the Government’s economic and financial strategy. Russia presents such trade and investment opportunities in abundance and this visit will provide an excellent platform to build relationships between international businesses and their Russian counterparts.

Russia’s macro-economic indicators demonstrate that the country has emerged from the global recession relatively unscathed with low sovereign debt, inflation under control, improving credit conditions and GDP growth forecast at more than 4.2 per cent. This positive environment is encouraging foreign investors to return and bilateral trade between the UK and Russia increased by 25 per cent in 2010 to over £8 billion with over 600 British firms now operating in Russia. Between January and March of 2011, UK investments in Russia amounted to 7 per cent of all foreign investment into Russia.

The Russian leadership has reaffirmed the country’s ambition to join the World Trade Organisation (WTO) and the Organisation for Economic Co-operation and Development (OECD) and have underlined their desire to establish a common economic area with the European Union. These are welcome ambitions and serve to demonstrate Russia’s interest in integrating further with the global economy.

The Russian Government and business

leadership also have ambitious plans to modernise further the economy. With Russia hosting both the Sochi 2014 Winter Olympic Games and the 2018 World Cup as well as the first ever Formula One Russian Grand Prix between 2014 and 2020 – the country will require significant investment and expertise, providing important opportunities for international companies.

This year will also see a large-scale sale of Russian State assets which is expected to raise over US\$32 billion by 2013. Assets due to be sold include those in energy, agriculture, transportation, telecommunications and the financial sector. Again this process will create important opportunities for the global investment community.

The strategic co-operation with Russia must be based on our shared interests. Both countries have a responsibility to fight protectionism and economic nationalism. We must also work together on major international issues of common concern including global security, climate change and global financial stability.

The bilateral relationship continues to strengthen with two-way ministerial visits – William Hague, Foreign Secretary, visited Moscow last year and Sergey Lavrov, Foreign Minister, paid a successful visit to London earlier this year. The Prime Minister’s visit to Russia will give us all the opportunity to study developments in Russia and to better understand the wide range of opportunities.

We are delighted to have been asked to produce this official publication to mark the Prime Minister’s visit and hope that it contributes, in a small way, to its success and the further development of the bilateral relationship, particularly in the areas of trade and investment. **E**