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**STATEMENT BY
MR. ANDREY DENISOV, HEAD OF THE RUSSIAN DELEGATION
AND DEPUTY MINISTER FOR FOREIGN AFFAIRS OF THE
RUSSIAN FEDERATION, AT THE OPENING PLENARY OF
THE TWELFTH OSCE ECONOMIC FORUM**

Prague, 31 May 2004

Mr. Chairman,
Ladies and Gentlemen,

First of all, I should like to welcome everyone gathered here today to the opening of the Twelfth Economic Forum and express my sincere gratitude to the authorities of the Czech Republic, the Bulgarian chairmanship and the Office of the Co-ordinator of OSCE Economic and Environmental Activities for the great efforts made by them to ensure the success of this meeting, which is the most important annual event of the OSCE in the economic dimension.

During the preparatory seminars in Sofia, Dublin and Bishkek, there were interesting discussions and analyses accompanied by the synthesis of a large amount of factual material, and important conclusions were reached. Here in Prague, we must endeavour to further develop this good work and elaborate specific and useful proposals, which can then be considered in the Economic Subcommittee in Vienna and, ideally, incorporated into corresponding decisions of the Permanent Council.

The subject of the Twelfth Economic Forum is of great relevance to all OSCE participating States. It is incumbent on all of us to establish favourable conditions for the attraction of investment, business development, the promotion of small and medium-sized enterprises, improvement in tax and financial accounting regulations and the fight against corruption.

In Russia, the creation of a favourable investment climate is one of the key aspects of economic policy. In recent times, we have continued systematically to reduce the tax burden on businesses; we have cut the rate of customs duty on technological equipment required for the modernization of industry, and we have achieved the transition of the Russian banking system to international banking standards. We trust that accession by Russia to the World Trade Organization will provide an important stimulus to the growth of foreign investment.

These changes are an integral part of the progress of our country towards the achievement of a high rate of economic growth and improvement of the quality of life. We

are paying particular attention to increasing the effectiveness of State regulation and the conduct of administrative reform.

Like many of our partners, we believe that a key source of economic growth at present is non-material capital and its most important component — human resources. In this context, education, particularly economic education, plays a leading role. We can only welcome the growing emphasis placed in the work of the OSCE on supporting initiatives to develop human potential and on fostering greater co-operation in this area between government agencies, universities and business circles.

Improving the education system is one of the priorities in the work of the Russian Government. In practice, this involves the introduction of new educational standards and also the further integration of education and scientific activities as well as the development of university research and the creation of large science parks.

This meeting in Prague is the first since the adoption of the new OSCE Strategy Document for the Economic and Environmental Dimension. We must encourage the implementation of all the provisions of this Document and avoid a selective approach.

In the light of the new tasks confronting us, we need to increase the output from the working structures of the economic dimension. The Permanent Council's Economic and Environmental Subcommittee should be used by all of us as an effective channel for permanent dialogue on economic and environmental problems. More efficient use should also be made of its analytical potential by the Office of the Co-ordinator of OSCE Economic and Environmental Activities.

The Russian Federation welcomes the move within the OSCE towards strengthening co-ordination with other international organizations, particularly the United Nations Economic Commission for Europe, the development of co-operation with which will do much to promote the signing of a memorandum of understanding at an early opportunity.

In conclusion, I should like once again to express the hope that the work of the Economic Forum will be successful, the discussions fruitful and the informal consultations useful.

Thank you for your attention.