Mikhail Vladimirovich Mishustin
Prime Minister of the Russian Federation
Krasnopresnenskaya naberezhnaya 2
Moscow, Russian Federation 103274

Dear Mr. Prime Minister,

The U.S.-Russia Business Council ("USRBC" or "Council") and its members recognize your efforts to keep residents of Russia safe from COVID-19 and to deliver assistance to the most vulnerable people across the country.

To protect lives, unprecedented public health measures obviously have been required. These measures have led to unavoidable declines in commerce and production, which have had painful consequences for all businesses and their employees, as well as their customers and suppliers. Even as you rightly stay focused on public health measures to bring the pandemic under control, your Government will need both to mitigate the economic damage and to plan for the aftermath.

In this regard, the Council is writing in support of the following recommendations in the April 7 letter addressed to you from the Russian Federation’s Chamber of Commerce and Industry, Delovaya Rossiya, OPORA Russia and the Russian Union of Industrialists and Entrepreneurs.

1. A broad definition of businesses damaged by the coronavirus and therefore eligible for specific support measures;
2. A predictable period of validity for all support measures for at least six months;
3. Reductions in payroll and other taxes for companies eligible for support measures; and
4. Simplification of reporting for companies to prove their eligibility for support measures.

The April 7 letter also mentions international practices and, in fact, its proposals are similar to recommendations being made in the United States by the U.S. business community regarding targeted support to specific industries, employee retention tax credits and payroll tax holidays, delayed and/or reduced income tax payments, and credit programs for affected businesses.
Looking ahead, the Council notes the remarks that WTO Director-General Roberto Acevedo made on April 8:

“... a rapid, vigorous rebound is possible. Decisions taken now will determine the future shape of the recovery and global growth prospects. We need to lay the foundations for a strong, sustained and socially inclusive recovery. Trade will be an important ingredient here, along with fiscal and monetary policy. Keeping markets open and predictable, as well as fostering a more generally favorable business environment, will be critical to spur the renewed investment we will need.”

The USRBC and its members concur that open, predictable markets engender a favorable business environment which will be key to recovery and future investment. Reducing the costs of trade, including tariff reductions, will be critical to our countries’ recovery. We applaud, for example, Russia’s early steps to reduce import tariffs on medicines and medical equipment. In terms of trade, it is worth noting that some exports depend on inputs from international sources. Regulatory transparency is another key element of the business climate for international businesses. Timely access to information about importation, product requirements and certification procedures is important in this regard.

USRBC member companies have remained committed to the Russian market through previous crises and, in many cases, expanded their investments following difficult periods. Our member companies employ thousands of Russians and form part of supply chains for health care and other key industries such as agriculture, energy, financial services, manufacturing and information technology. Our companies’ commitment has also been demonstrated through corporate social responsibility efforts to help keep Russians free from COVID-19 and to curtail its spread. The Council would also like to recognize the Russian Government’s efforts in viewing international and Russian companies together as part of the solution. Taken as a whole, businesses operating in Russia will help to preserve jobs and to contribute to the economic recovery after the situation stabilizes.

Thank you for your consideration of these suggestions that, if adopted and implemented in an inclusive manner, would contribute to a stronger and more rapid recovery. We look forward to opportunities to engage with your Government on issues of mutual interest together with our counterparts in the Russian business community.

Sincerely,

Dan Russell
President and CEO