

Roads to Visa-free Travel

Position Paper Committee on Eastern European Economic Relations

“Retaining visas in border traffic is always an expression of a certain distrust between nations. And we have to finally overcome this distrust in Europe.”

Dr. Eckhard Cordes, Chairman of the Committee on Eastern European Economic Relations and Chairman of the Board of the METRO GROUP

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Committee on Eastern European Economic Relations

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Summary

One of the coming decade's major challenges is the creation of a harmonious economic area stretching from Lisbon to Vladivostok. So as not to lose influence on the stage of the world economy alongside the USA and the emerging Asian nations over the long term, the European economies should strengthen their networks beyond the EU borders. At present the current visa requirement by many Eastern European neighbouring states is one of the greatest barriers to international business.

In April and May 2011 the Committee on Eastern European Economic relations (OE) conducted a survey among its member companies and partner organisations in which a total of 200 companies took part. Inter alia, 39 of 200 participating companies stated that visa problems had already resulted in contracts being lost to competitors. For 64 percent of the companies the greatest problem regarding the granting of visas was the sheer number of documents to be submitted. Sixty-two percent complained about excessively long processing times, a further 56 percent about the time-consuming procedures. Fifty-three percent criticized having to appear personally at the Consulate.

Asked about Russia in particular, 56 percent of the companies stated that they would invest more in Russia and/or the EU if the visa requirement were to be lifted. For 83 percent the abolition of the visa requirement with Russia is a key issue as regards their further business development. The EU has been given rather bad grades for its visa policy: Only eleven percent of the companies are satisfied with the visa issuing practice. Thirty-four percent talk of Eastern Europeans being discriminated.

Visas are a barrier to investment, visas result in competitive disadvantages and visas are a cost factor. The visa application procedures cost the Germans and Russians alone an estimated EUR 162 million annually. If all items are added together – companies' bureaucracy costs, losses caused by business deals failing, impeded investments, administrative costs at the Consulates and the borders – it can be concluded that the current regulations cost the European economy and the tax-payer hundreds of millions of euro annually. Lifting the visa requirement would provide a cost-free European economic stimulus which would not only prevent costs but also take the brakes off investment and result in higher returns year-by-year.

The Committee on Eastern European Economic Relations is working actively to achieve concrete deadlines for lifting the visa requirement: For Ukraine a test period would be important during the 2012 European Football World Cup in order to facilitate travel for Ukrainian citizens to the games in Poland. For Russia the 2014 Olympic Winter Games in Sochi would be such a test. Visa-free travel should be reality by the 2018 Football World Cup in Russia at the latest. Also the Republic of Moldova, Georgia and other countries should be given a clear schedule with deadlines for lifting the visa requirement.

In contrast to other EU countries, German Consulates do not make consistent use of the considerable amount of leeway available when allocating visas. The process could be facilitated further; for example, the number of documents required for the application and authorisation procedures could be reduced; processing times made shorter and more dependable; application be submitted by Internet without having to appear in person at the Consulates and visas could be granted at the border. It would be desirable for short visa-free trips to be made possible in an initial test phase. Owners of biometric passports could already be allowed to travel visa-free. A general reduction of charges or even fee waivers would also be important steps, in particular for Eastern European applicants.

A. Visa Barriers in Europe

On 8 June 2012 the starting whistle for the European Football Championships, to be held in Poland and Ukraine, will be blown in Warsaw. The final game will be held in Kiev on 1 July 2012. Whereas football fans from the EU can travel to the games in Ukraine without any problem, their Ukrainian colleagues and fans from Russia, Belarus and Moldova need a visa to be able to follow the games in Poland live. This is at least the case at present.

The EU's eastward enlargement in 2004 and 2007 created a joint economic area, stretching from Lisbon in Portugal to Lublin in Poland and from Clifden in Ireland to Constanza in Romania. With the integration of new EU states the Schengen area – that is, the area in which there are no passport controls at the internal borders – is to be significantly extended. At the same time this produced a new eastern and south-eastern border in the EU where travel opportunities for the residents on both sides will deteriorate abruptly as new visa regulations have been introduced. A prominent example is the Kaliningrad area, which became an island within the EU. The citizens of Kaliningrad, like all other Russia citizens, were able to travel to Poland or Lithuania up to 2003 without visas and without any problems, but now they need the relevant documents. This also applies to Belarusians, Ukrainians and Moldovans. There has been talk of a “new Berlin Wall” in Eastern Europe since this time.

Progress in border traffic

During the past seven years there have been numerous attempts to make this new Eastern border to the EU more permeable in order to facilitate business and private contacts. In particular some Eastern European states have gone ahead and lifted the visa requirement for all EU citizens, for example, Ukraine, Moldova and Georgia. In June 2011 Kazakhstan also announced it would lift the requirement for 17 OECD states, including Germany. In addition there are now several agreements for local border traffic along the external EU border, with very positive experiences in general. Ukrainians who live less than 50 kilometres from the Polish border can travel in Poland up to 50 kilometres from the border without requiring a visa. Belarus and Lithuania also want to bring a reciprocal local border traffic agreement into effect in 2011. Similar regulations for the Russian and Polish border residents on both sides of the Kaliningrad area have been under discussion for several years. On the occasion of Champions League final between Manchester United and FC Chelsea in 2008 Russia lifted the visa requirement for 50,000 British fans. Together with an admission ticket, a valid passport and an immigration form completed at the border the fans were allowed to enter the country for 72 hours. However, Russian fans who wanted to travel to the UEFA Cup final between Zenit St. Petersburg and Glasgow Rangers, required a visa.

The EU is currently negotiating with a number of neighbouring Eastern European states on facilitating visa-free travel. However, in contrast to the Western Balkan states who were provided an EU perspective at the EU Summit in Salonika in 2003 and who – with the exception of Kosovo – now have visa-free travel, there are no signs of a quick breakthrough in the negotiations with countries such as Moldova, Ukraine and Russia. For Russia a list of joint steps is currently being coordinated which could result in liberalisation of the visa regime at some point in the distant future. For Ukraine and Moldova the EU has already presented an Action Plan which could result in the visa requirement being lifted. Both countries are committed to implementation, however – and this is strongly criticized by the Eastern European side – there is neither a target date for visa-free travel nor an automatism to its introduction, even after the list of requirements has been fulfilled, which in part covers more than 60 points.

There was recently some progress as regards visa costs. The fee was reduced from EUR 60 to EUR 35 for Georgians, Ukrainians and Moldovans. As a reaction to the politically tense situation, Poland and Germany granted Belarusian citizens, who normally have to pay EUR 60 for a visa, substantial exemption from fees for national visas applications. In contrast to the Schengen visa, these are tailored to stays of three months and more. The upcoming Polish EU Council Presidency could provide an added impetus to the process which is striving to achieve new cooperation agreements, visa facilitation and the creation of a free trade zone within the framework of the Eastern Partnership. (Up-to-date overviews of the progress of negotiations between the EU and the other countries of the Eastern partnership on the visa issue can be found on the Policy Association for an Open Society (Pasos)'s website: <http://novisa.eu>)

Recent setbacks

Unfortunately cross-border travel has recently deteriorated. Azerbaijan and Belarus no longer allow EU citizens to be issued a visa at the airport directly on entry. Moreover, since May 2011 Belarus again requires an invitation, even for one-off visits of less than 30 days. For a while Kazakhstan required applicants to appear at the Consulate in person to apply for a visa, however after a rapid drop in the number of applications this was again lifted.

On 1 November 2010 the Russian Federation tightened the requirements for German visa applicants in particular. Since this date, inter alia, a copy of a payslip or verification of assets has to be included in the application documents with which the applicant proves his willingness and ability to return home. Visa regulations for business travellers have also become more stringent: Russia now requires a business registration or an extract from the commercial register from the self-employed, confirmation by employers regarding employment on letterhead paper from employees. According to the Russian tourism association, in the first months the initial reaction to this tightening was a drop of up to 30 percent of the number of German tourists travelling to Russia. The state statistics service Rosstat noted a drop of 19 percent in the first quarter of 2011 as compared to the previous year.

German reservations about visa facilitation

Russia has in fact been prepared to lift the visa requirement for travel for many years and this issue is a regular item on the daily agenda of the bi-annual EU-Russia Summit. However, there has been hardly any real progress since the Summit in St. Petersburg in 2003 when lifting the visa requirement was first discussed.

Russia introduced the more stringent visa requirements for German applicants only and these were also intended to act as leverage. Russia thus reacted according to the principle of reciprocity to the German visa requirements long in force. Among the EU citizens other Schengen countries are proving considerably more open to the neighbouring Eastern states. Above all Finland, Spain and France are considered forerunners. All Russian tourists who want to travel to Spain are issued permanent visas for Spain. Russian citizens who live in the St. Petersburg area are issued a permanent visa for Finland without having to submit an invitation. In general the Finnish system would appear to be the most liberal of all Schengen states for Russians. This means Finnish authorities issue more than 600,000 Schengen visas to Russian citizens per year and thus almost twice as many as Germany which is a considerably larger country. Russian citizens obviously prefer to apply for Finnish Schengen visas instead and then use these to travel within the entire EU. The varying interpretations of the requirements are a result of a 2006 visa facilitation agreement between Russia and the EU. The agreement provides scope which Germany in particular has not exploited.

If you talk to politicians in Brussels, again and again you come across the allegation that German politicians are the most vociferous group as regards vigorously contradicting speedy abolition of the visa requirement with the neighbouring Eastern European countries or at least rapidly reducing bureaucracy, whereas countries such as Poland, Spain, France, Italy and Finland are much more open to lifting the visa requirement. However, if you talk to people's representatives from Germany, you encounter a gulf between German domestic policy-makers and German foreign policy-makers. Makers of domestic-policy especially highlight security concerns and the fear of illegal immigration as arguments against lifting the visa requirement. Similar debates were held prior to the abolition of the border controls to Poland and the Czech Republic which are now automatically accepted. However, the majority of those involved in foreign policy are in favour of facilitating travel as this would present vast political and economic opportunities.

Nevertheless, in recent years the Federal Republic has also agreed to the abolition of the visa requirement for Albania and the former Yugoslavian republics of Serbia, Macedonia, Montenegro and Bosnia-Herzegovina. This decision enables visa-free travel in the EU for 18 million people. However this has resulted in problems with 17,000 Kosovo-Albanians and Roma respectively who hold Serbian or Macedonian passports and who due to misinformation hoped for asylum in Belgium, Sweden, Germany and other EU states (17,000 people corresponding to 0.1 percent of the total population). This rise in the number of asylum seekers has caused the EU Commission to examine the introduction of a safeguard clause. With this clause visa-free entry could be suspended in certain cases. However, suspending visa-free travel should only be a last resort.

According to information from the German Foreign Office, German authorities issue around 350,000 Schengen visas per annum. The processing time is said to take around six minutes per application, the rejection rate being 3 to 3.5 percent (around 10,000 applications per annum). There are no statistics on the reasons for rejection. However, in the majority of cases one can suspect that applications are rejected for formal reasons, e.g. incomplete documents, and are less due to concrete information about an applicant's criminal activities.

The question therefore arises whether, in view of the great time pressure involved in processing, the objectives related to issuing a visa can be achieved at all, namely to sort out criminals, or whether the use of biometric passports/identity cards and their direct examination at borders would not be more appropriate. This procedure was, for example, a key prerequisite for visa-free travel in the Western Balkan states.

B. The impact of visa requirements on business

For the Committee on Eastern European Economic Relations' member companies, problems with visa applications have been a major obstacles to business with Eastern Europe for many years. Within the framework of events the Committee has therefore repeatedly focused on the visa issue. This is not only about travel visas for German business travellers to Russia, Belarus or Kazakhstan but also other EU countries.

The following is an example taken from experience of a member company of the Committee on Eastern European Economic Relations of the difficulties which occur regularly. The company described the case of several Russian customers who were not able to make appointments in Germany on time as visas had not been issued:

"...allegedly because our invitation - which we had sent repeatedly to the General Consulate's official fax number - had not been received. Other customers in southern Russia were only able to travel because their travel agent in Rostov had rapidly obtained an Italian visa for travel in the Schengen area – for a fee of EUR 230.

It cannot continue like this. We are driving our customers away through the long waiting times for German visas and also the humiliating treatment – there is no other way to describe it – by subordinate German consulate employees. The solution cannot be to travel to the relevant country after all, in all cases having invested vast amounts of energy and used all officially unknown contact information, including telephone numbers.

... Otherwise our competitors everywhere will be delighted. And those who have to remain outside as a result of this restrictive visa practice will find other ways to enter the country."

German business' main points of criticism of the visa-granting practices include:

- **too many documents required**
- **too much time required for the application**
- **the requirement to appear at the Consulate in person**
- **processing times too long**
- **competitive disadvantages vis-à-vis other countries**
- **charges too high**

When there are problems in obtaining a visa, appointments are often difficult to organise at short notice as it is not possible to be given an appointment by the Consular Sections in East and West spontaneously or to receive advice over the phone. In addition, German companies repeatedly call for visas for assembly work to be made more uncomplicated and for the length of the stay granted to be extended as visa complications often prevent work being continued.

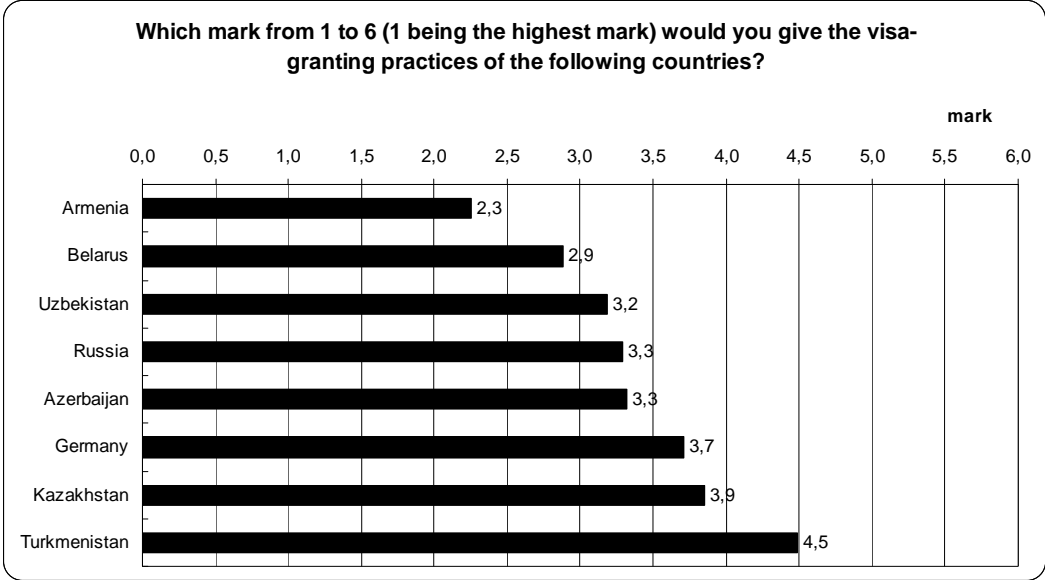
Another particular criticism is that an official invitation is required, for example to visit Russia, which as a rule can simply be purchased from specialised organisations, making such invitations absurd. Eastern European Consulates' internet websites have also been criticized in part. There is no information about the Consulate's office hours and documents cannot be provided in electronic form.

The Committee on Eastern European Economic Relations' Visa Survey

In April and May 2011 the Committee on Eastern European Economic Relations conducted a survey on the issuance of visas among its member companies and partner organisations, with some 200 companies taking part. The questions were related to the issuing practices of both the Eastern European and German authorities. The companies which took part were a representative cross-section of German business. Small enterprises with less than 100 employees accounted for a third of the

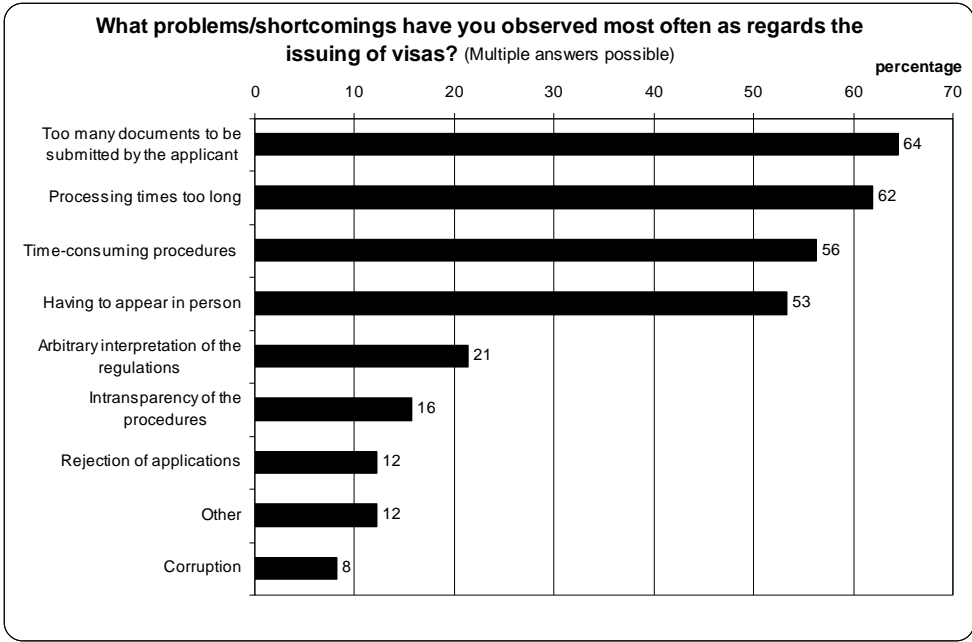
answers, medium-sized enterprises with up to 1000 employees for a further third and companies with more than 1000 employees for the final third.

In the survey the Consulates of Armenia (2.3) and Belarus (2.9) received the best **marks** for their visa practices, followed by Uzbekistan (3.2), Russia (3.3) and Azerbaijan (3.3). As regards Eastern Europeans the German authorities (3.7) received relatively poor marks for their visa practice. Only the Consulates of Kazakhstan (3.9) and Turkmenistan (4.5) received poorer marks.



The **impolite treatment** of Eastern European visa applicants by employees of German Consular Sections was repeatedly pointed out in the questionnaires. Business partners invited to Germany were at times “treated like second-class citizens“. Applying for a visa at other EU representations is seen as an emergency solution if a visa cannot be obtained at short notice from the German side.

For 64 percent of the companies the **main problem** with visas was the sheer volume of the documents to be submitted. 62 percent of the companies complain about processing times being too long, a further 56 percent about how time-consuming they are. 53 percent criticized that one is required to appear at the Consulate in person. Corruption, according to the survey, plays only a minor role in the issuance of visas (8 percent).

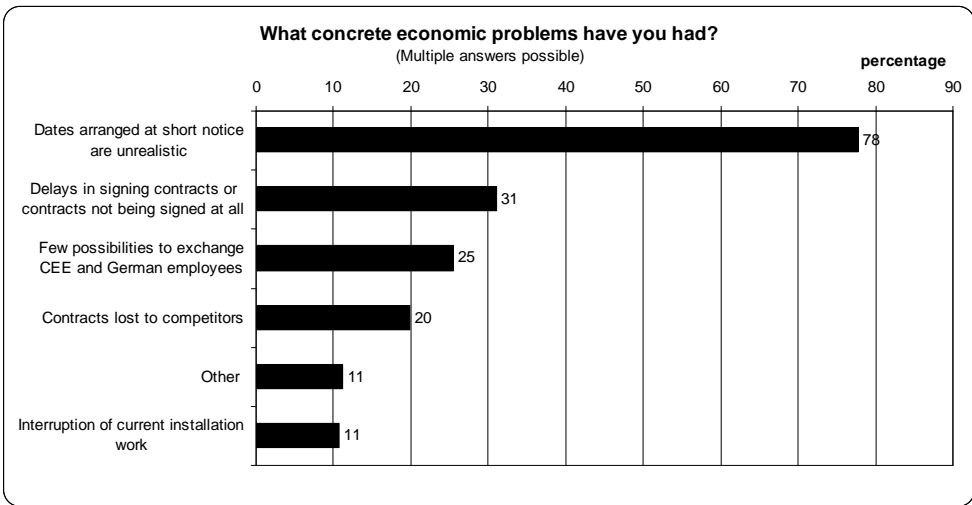


As regards **Ukraine** - which unilaterally lifted the travel visa requirement for EU citizens in 2005 (without the EU having followed this step to date) - the majority of the companies who took part in the survey would welcome immediate abolition of the visa requirement (43 percent) or at least a test phase for visa-free travel in the EU during the European Football World Cup (20 percent). 35 percent of those questioned are currently opposed to lifting the visa requirement for Ukrainian citizens.

Financial effort and loss of revenue

In terms of the economy the visa requirements has a detrimental impact as it is not possible to keep deadlines or attend meetings arranged at short notice. 78 percent of the companies complained about this. 31 percent complained about delays in signing contracts or even contracts not being signed at all. In one case a company talked about damage running into millions.

Visa problems have already caused 39 out of 200 companies (20 percent) to lose orders to competitors.



In addition there are the financial efforts involved in applying for a visa, including travel to the issuing offices and personnel costs. As an average for all the companies who took a position on this issue these costs totalled EUR 33,400 per year, whereby the average costs for large enterprises with more than 1000 employees totalled EUR 102,000 per year. 127 out of 200 companies had estimated the annual costs, the total amounting to EUR 4.24 million.

The enormous efforts involved in the visa issuing offices and at borders should also be added to the economic costs to process and check visa applications. Concrete figures are not available. However, the following calculation provides a rough idea of the **total costs**:

In 2010 German authorities issued some 350,000 Schengen visas to Russian applicants. Russian authorities in turn issued 470,000 visas to German citizens. Together this totals 820,000 visas. If one assumes a visa costs EUR 200 on average (charges, travel costs to the Consulate, personnel costs, costs for providing documents, costs for checking etc.), **then the visa requirements between Germany and Russia alone total EUR 162 million year per year** which the applicant and the authorities have to pay jointly. This is a conservative estimate as a single express visa or a one-year visa can easily cost the applicant up to EUR 500 in charges, with a vast number of intermediaries also happy to take their share. And Russian applicants generally have to appear in person to apply for and collect a visa at a German Consulate and often have to spend a whole day travelling due to the size of the country.

The following statistic is also worth considering: **56 percent of the companies which took part in the survey would invest more in Russia and/or the EU if the visa requirement were completely abolished.** This clearly underlines to what an extent the visa requirement is a barrier to investment and what a boost for the economic development its abolition would provide.

The **business opportunities in the tourism branch** are the most visible. It is no coincidence that Montenegro and Turkey have become the preferred holiday destinations for the growing Russian middle classes: Montenegro does not require a visa of Russian travellers, Turkey had for many years issued visas on entry without any red tape and then completely abolished the visa requirement for visits of up to 30 days in April 2011. As a direct consequence the number of Russian tourists visiting Turkey is expected to increase by one million to four million in 2011.

If all the following items are added together

- **direct costs through company bureaucracy**
- **losses through failed business deals**
- **hindered investment and loss of tourism revenue**
- **administrative costs at the Consulates and borders**

one can say that the visa requirement costs European business and tax-payers **hundreds of millions of euros every year** for Russia alone. Abolishing the visa requirement would be a cost-free European economic stimulus programme which would release the brakes on investment and boost returns from year to year.

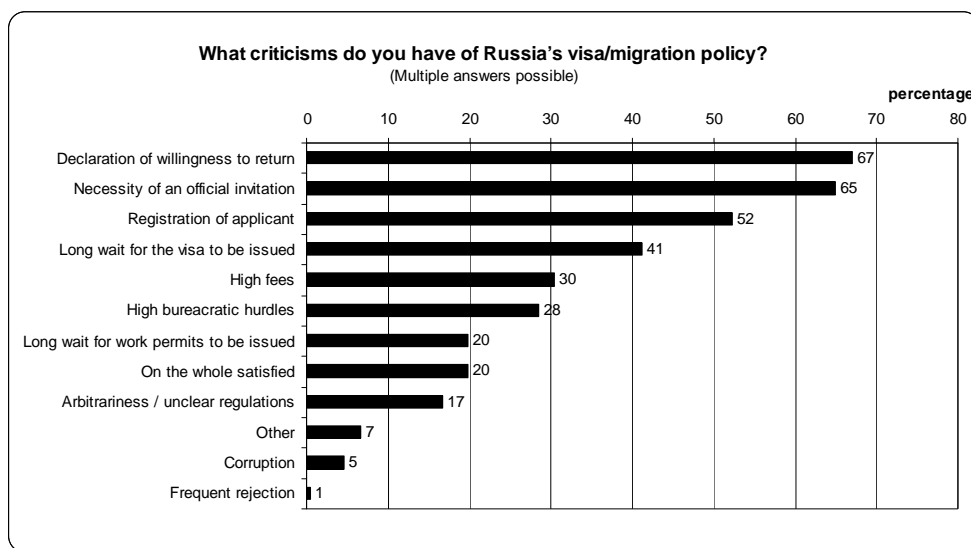
Visa requirements between Russia and the EU

Russia is the most important target country for German companies located close to the Eastern borders of the EU. Interest in improving travel is correspondingly high. **In fact 83 percent of the companies who took part in the survey consider the reciprocal abolition of the visa requirement by the EU and Russia as important to very important.**

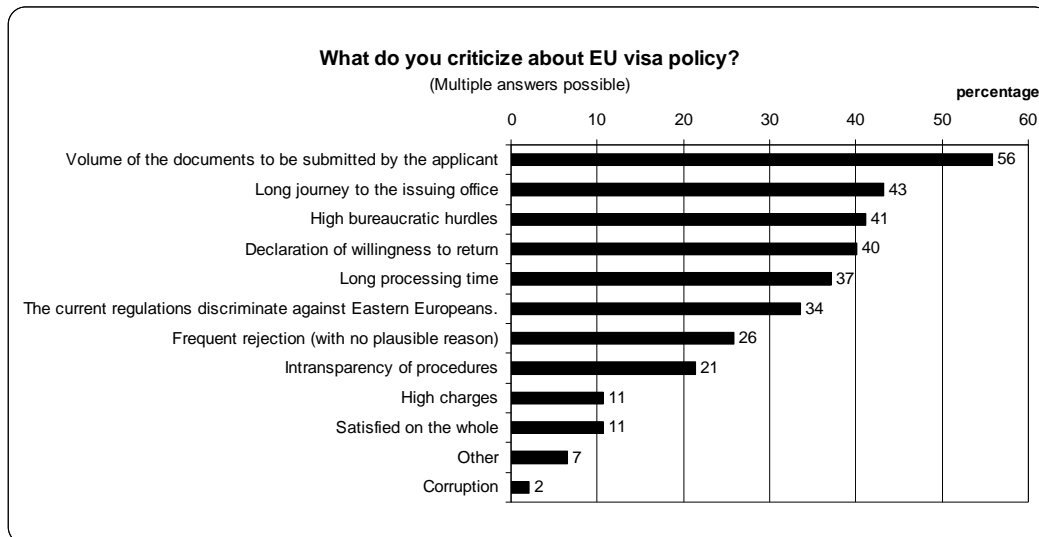
Nevertheless, 27 percent of the companies in the survey expect the visa requirement to be abolished within the next two years by 2013. A further 36 percent are guessing it will need a timeframe of up to five years. A clear majority of 63 percent of the companies in the survey is thus convinced that visa-free travel between Russia and the EU will be possible by 2016 at the latest. However, four percent fear that the visa requirement will never be dropped.

69 percent of the companies in the survey also call for the complete abolition of the registration requirement in Russia. At present foreigners have to register with the Russian authorities within seven working days of having reached their destination. This procedure has to be repeated for every new visit to Russia or when travelling on to another destination within Russia.

As regards the current visa policy of the Russian authorities, **the obligation to give proof of willingness to return to the home country** is criticized most (67 percent). 65 percent of the companies in the survey criticized that an official invitation is required, 41 percent the long and time-consuming process and 30 percent the high charges for issuing a Russian visa. Only 20 percent of the companies were satisfied with the current situation.



A large number of companies also commented on **current EU visa policy** which affects Russian employees and the companies' customers. 56 percent of the companies criticized the huge volume of documents which have to be submitted. 43 percent criticized the long journey Russian applicants have to present themselves in person at the Consulates or to collect the visa personally. 41 percent consider the bureaucratic hurdles too high, 40 percent call for the declaration of willingness to return to Russia to be abolished, 34 percent consider the regulations a discrimination of Eastern European applicants by the EU. Only eleven percent of the companies are satisfied with the current situation.



As regards the **reasons for the lack of progress** in the negotiations on visa-free travel between Russia and the EU, 77 percent of the companies mention security concerns in the EU Member States. 39 percent criticize a lack of coordination of Russia policy in the EU, 31 percent accuse the German government of lacking commitment. A lack of flexibility on the Russian side has also been observed (44 percent). 40 percent of the companies mention the fear that Russia would have too much influence in the EU as a possible reason for the lack of progress.

Proposals for improvement

In the questionnaire the companies were also asked to present proposals to improve the current visa-issuing practice. To extend the visas' period of validity was the most frequent proposal as well as to simplify the application and issuing procedures in general. This applies in particular to business travellers, who sometimes have to complete numerous forms again and again year after year as well as having to appear in person at the Embassy's Consular Section to obtain a visa for certain countries. In the case of persons who have already been issued a visa for a longer period without any irregularities occurring, it should be possible for the period of validity to be extended on submission of a new application.

To facilitate the current procedures it has also been proposed that the documents required should at least be made available on the internet and that online processing should be possible. At best it should be possible to submit the entire application electronically.

The great fluctuation in the processing times is another point of criticism. In some cases visas are issued within three days, in other cases they can take a month or longer. A central contact point at all Consulates would be clear improvement. Here all relevant information could be obtained from one central contact point which could provide detailed reasons why a visa application has been rejected.

For the activities of foreign fitters, technicians and engineers in Russia there should be further facilitation, for example the abolition of the 90-day visa and/or the introduction of a special visa for such cases.

As regards applications for a German Schengen visa, abolishing the requirement that the applicant should appear at the Consulate in person or – as an initial facilitation – creating opportunities for

personal appointments which take the applicant's needs and schedules into account has been proposed.

There is also a need for clarification as regards applications for Russia business visas. Legal clarity is needed regarding under what conditions a business visa can be issued and what activities a business visa allows.

In addition to abolishing the visa requirement, as an initial step the companies who took part in the survey also suggested issuing visas directly at the border and allowing visa-free travel for short trips.

They also proposed reducing the fees for Schengen visas in general, or going as far as to abolish fees completely. EUR 60 is a lot of money for a Belarusian for example.

The most important **immediate measures** at a glance:

- **further simplification of the application and issuing procedures on both sides**
- **short and more reliable processing times**
- **electronic applications by internet**
- **letters of invitation should no longer be required for repeated trips**
- **issuing multiple visas and visas for several years should be facilitated**
- **applicants should no longer have to appear in person at the Consulate**
- **visas should be issued directly at the borders**
- **visa-free short trips as an initial test**
- **fees for Schengen visas should be cut and there should be generous exemptions from fees**
- **visa-free travel for owners of biometric passports**

C. Requirements of the Committee on Eastern European Economic Relations

The survey and events organised by the Committee on Eastern European Economic Relations in the past as well as talks show that persistent efforts are needed to implement visa-free travel between the EU and its neighbouring Eastern European states. The current practice not only hinders tourism but is a continual burden on business and personal relations between the EU and these countries. There is great dissatisfaction with the present situation.

- Visa-free travel is a key prerequisite for a strong European business sector able to compete with **China and India**. It is a necessary step towards a harmonious European economic area and the creation of a free trade zone stretching from Lisbon to Vladivostok.
- Within the EU **German politicians**, together with their colleagues from countries such as Poland, Finland or Spain, should be among the **driving forces** as regards visa-free travel. The brakes have to be released at EU level – especially also in the interest of Germany's economic development.
- The neighbouring Eastern European countries have to have the security that the visa requirement will definitely be lifted when biometric passports have been introduced and further prerequisites have been met. This applies equally to the current **EU negotiations with Moldova and Ukraine** and the negotiations with **Russia**. These countries need a clear automatism for granting visa-free travel without diplomatic backdoors.
- Clear **target data** is needed: the Committee on Eastern European Economic relations is working actively for visa-free travel to become reality at the latest by the Football World Cup in Russia in 2018. As regards Ukraine, the European Football Championship in 2012 should be used as a test phase so that Ukrainian football fans can also travel to the games in Poland without any problems. Visa-free travel should also be possible for Ukraine, Moldova and Georgia **by 2018 at the latest**.
- In a test phase owners of biometric passports could be allowed **visa-free short trips** and the resulting experiences then assessed.
- However, visa-free travel in Russia would also require the Russian side to abolish compulsory registration.
- Visa-free travel is not only an important contribution to enhancing economic exchanges but also civil society exchanges and supports the **democratic transformation** in Eastern Europe. The Committee on Eastern European Economic Relations therefore plays an active role in helping to ensure Belarusian citizens can obtain visas more easily and cheaply. White Russians will also need long-term visa-free travel so they can escape the regime's clutches.
- Concrete facilitation for the issuance of visas is already available today. Thus German authorities should also exploit the scope provided by the **visa facilitation agreement** concluded between Russia and the EU in 2006.
- In 2012-2013 a **German Year in Russia** and simultaneously a **Russia Year in Germany** are being planned – ideal occasions to demonstrate willingness to facilitate visas.

As regards the visa debate we should also bear in mind **demographic developments** and the increasing lack of **skilled workers and specialists** in Germany. According to current forecasts, Germany's population will fall by twelve million by 2050. As a country we will not attract the urgently needed specialists if we already signalise that they are only welcome under certain conditions. We have in particular to maintain contact with the specialists and skilled workers in Eastern Europe who are closer to us culturally than those from other regions. Visas are always a sign of mistrust and we have to overcome this mistrust.

D. Next steps

The Committee on Eastern European Economic Relations' survey on the practice of the issuance of visas in Eastern Europe has been accompanying a series of events and talks during which the issue of visas was and still is on the agenda. For instance, visa issues played a role at the Committee of Eastern European Economic Relations' meeting of the member companies with the Russian Prime Minister Vladimir Putin in Berlin on 26 November 2010, at the meeting of the *German-Russian Strategic Working Group* in Potsdam in April 2011 and at the 4th German-Russian SME Conference in Moscow on 31 May 2011. This issue was also addressed at a meeting of the Committee on Eastern European Economic Relations with the Moldovan Prime Minister Vlad Filat in Chisinau in May 2011 and during talks with the Russia Deputy Prime Minister Igor Shuvalov in Moscow (end of April 2011), with the Ukrainian President Victor Janukovich in Kiev (June 2011) and with Federal Chancellor Angela Merkel (June 2011).

On 25 March 2011 the Committee on Eastern European Economic Relations held an event on Migration Legislation and Visa Issues at the Russian Embassy in Berlin. On 25 May, at the suggestion of the Committee on Eastern European Economic Relations, background talks were held in the German Bundestag with representatives of all political groups. After this a group of parliamentarians from all political groups was formed under the leadership of Philipp Mißfelder (CDU/CSU), Gernot Erler and Franz Thönnies (both SPD). This intergroup will address concrete proposals for improvements at further meetings and will hold a hearing in the Bundestag in autumn 2011.

On the occasion of the Committee on Eastern European Economic Relations' spring reception on 10 May Federal Minister Guido Westerwelle announced concrete facilitation on the issuance of visas by German authorities. "I am fundamentally in agreement with the Federal Minister of the Interior that selected bilateral Chambers of Commerce could be included in the visa procedure in future." It is planned that Chambers of Commerce will be able to accept applications from their member companies' employees, record application data and pass this on to the visa authorities. This would be particularly important where long journeys to the Consulates would be involved. "The visa procedure should not act as a brake on German business", said the Federal Foreign Minister. In a joint article in the FAZ on the progress of German-Russian relations on 22 June Mr. Westerwelle and the Russian Foreign Minister Sergei Lavrov promised further facilitation for the reciprocal travel regime. "At the end of this journey it should be possible to visit one another and travel freely without visas and red tape."

German business shares this objective – not only for Russia but also for the other countries to the East and Southeast of the EU. We will play an active role to ensure that the road to visa-free travel is as short as possible.

Annex

I. Overview of the individual results of the survey conducted by the Committee on Eastern European Economic Relations

Survey period: 25 March - 15 May 2011

Questionnaires evaluated: 200

I. General visa problems of Eastern European and Central Asian countries

1. How large is your company?

up to 10 employees	9%
up to 100	26%
up to 1000	34%
more than 1000	31%

2. What type of visa do you apply for most often? (Multiple answers possible)

Business visa	98%
Schengen visa	24%
Tourist visa	22%
Working visa	15%
Installation work visa	7%
Transit visa	1%

3. Which mark from 1 to 6 (1 being the highest mark) would you give the visa-granting practices of the following countries?

Country	Average mark	Total answers
Armenia	2.3	28
Belarus	2.9	92
Kazakhstan	3.9	102
Turkmenistan	4.5	37
Azerbaijan	3.3	65
Germany	3.7	94
Russia	3.3	185
Uzbekistan	3.2	58

4. What problems/shortcomings have you observed most often as regards the issuing of visas? (Multiple answers possible)

Too many documents to be submitted by the applicant	64%
Processing times too long	62%
Time-consuming procedures	56%
Having to appear in person	53%
Arbitrary interpretation of the regulations	21%
Intransparency of the procedures	16%
Rejection of applications	12%
Other	12%
Corruption	8%

5. What is your company's approximate annual expenditure for visa applications (including personnel costs)?

Total number of companies	127
Total amount	4,240,114 €
Total average	33,387 €

6. How high do you rate the approximate annual financial damage caused by visas being issued too late or refused?

Total number of companies	31
Total damage	1,684,109 €
Total average	54,326 €

7. What concrete economic problems have you had? (Multiple answers possible)

Dates arranged at short notice are unrealistic	78%
Delays in signing contracts or contracts not being signed at all	31%
Few possibilities to exchange CEE and German employees	25%
Contracts lost to competitors	20%
Other	11%
Interruption of current installation work	11%

8. Ukraine already lifted the visa requirement for EU citizens in 2005 unilaterally. Should the EU do the same? (Multiple answers possible)

Yes, it's high time.	41%
Visa-free travel should be tested during the 2012 Football World Cup.	19%
No, the EU's security would not longer be guaranteed.	14%
No, Ukraine should first carry out internal reforms.	20%
Other	2%

Russia/ EU

9. What criticisms do you have of Russia's visa/migration policy? (Multiple answers possible)

Declaration of willingness to return	67%
Necessity of an official invitation	65%
Registration of applicant	52%
Long wait for the visa to be issued	41%
High fees	30%
High bureaucratic hurdles	28%
Long wait for work permits to be issued	20%
On the whole satisfied	20%
Arbitrariness / unclear regulations	17%
Other	7%
Corruption	5%
Frequent rejection	1%

10. How often has an application for a Russian visa by your company been rejected?

never	less than five times	more than five times	more than ten times
78%	20%	1%	1%

11. Russia is to extend compulsory registration for foreigners from three to seven working days. How do you assess this step?

Adequate	14%
The period should be extended.	17%
Compulsory registration should be completely abolished.	69%

12. What do you criticize about EU visa policy? (Multiple answers possible)

Volume of the documents to be submitted by the applicant	56%
Long journey to the issuing office	43%
High bureaucratic hurdles	41%
Declaration of willingness to return	40%
Long processing time	37%
The current regulations discriminate against Eastern Europeans.	34%
Frequent rejection (with no plausible reason)	26%
Intransparency of procedures	21%
High charges	11%
Satisfied on the whole	11%
Other	7%
Corruption	2%

13. How important is lifting the visa requirement between the EU and Russia?

very important	40%
important	43%
less important	16%
unimportant	1%

14. When do you think the visa requirement between the EU and Russia will be lifted?

0-2 years	27%
3-5 years	36%
6-10 years	24%
up to 15 years	5%
more than 15 years	4%
never	4%

15. Why do you think the talks between the EU and Russia on lifting the visa requirement are not making greater progress? (multiple answers possible)

Security concerns in the EU Member States	77%
Lack of flexibility on the Russian side	44%
Foreign policy reasons/fear of Russian influence	40%
Lack of coordination within the EU on Russia policy	39%
German government's lack of commitment	31%
EU's lack of interest in cooperation with Russia	12%
Other	5%

16. Should completely visa-free travel between the EU and Russia be possible would you invest more in Russia and/or the EU?

yes: 56%, no: 44%

II. Current progress of negotiations between the EU and Eastern European countries

Belarus

Progress on visas for EU citizens:

EU citizens need a valid visa and an immigration card for entry.

For official and business trips lasting longer than **30 days** an **invitation** from a Belarusian legal person is **required**.

Progress on EU visas for Belarusians:

For entry into the EU citizens of Belarus need a visa. For stays of up to 30 days visas can be issued without presentation of an invitation.

Progress in talks with the EU:

In March 2011 the EU Council authorised the European Commission to have talks with Belarus on the signing of a visa and readmission agreement. The EU Commission has offered further talks on visa facilitation in June 2011.

Recent events/facilitations:

During the repressions after the presidential elections on 19 December 2010 Poland and Germany decided inter alia to provide visa-free travel for certain sections of the population. The EU imposed a refusal of entry for more than 150 persons close to the government.

Russia

Progress on visas for EU citizens:

A valid visa is required to visit the Russian Federation. If a stay of **longer than three months** in the Russian Federation is envisaged, **entry visas** should be applied for via the Ministry of the Interior or the Ministry of Foreign Affairs respectively.

Progress on EU visas for Russians:

To enter the EU Russian citizens need a Schengen visa. A Schengen visa is valid for a maximum stay of up to 90 days in a six-month period and entitles the holder to one or more entries. For stays of more than three months an application for a national visa should be made.

Progress with the EU:

Since 2003 the lifting of the visa requirement has been discussed regularly at **EU-Russia summits**. Although Russia is prepared to take this step, it rejects a unilateral lifting of the requirement. The EU Summit in Nizny Novgorod at the beginning of June 2011 did not bring any progress. However, during the next months a plan is to be drawn up listing the **steps to be taken towards visa-free travel**. An initial “visa facilitation” for various categories of Russian citizens, such as students and business travellers, is to be addressed.

Ukraine

Progress on visas for EU citizens:

Visa-free travel in the Ukraine has been possible for EU citizens since 2005. EU citizens can stay in Ukraine for up to 90 days without a visa. This regulation does not apply to persons who travel to Ukraine for the purposes of studying, immigration or employment.

Progress on EU visas for Ukrainians:

To travel to the EU Ukrainian citizens need a Schengen visa (up to three months with taking up employment). A national visa is needed for stays of over three months.

Progress of negotiations with the EU:

In **February 2011** the Ukrainian Cabinet of Ministers confirmed the draft for a national plan to comply with the plan of action for the liberalisation of the **visa regime with the European Union**. Reports confirm that Ukraine has made **progress in all areas** of the plan of action.

The Ukrainian parliament will examine a **law on identity documents** which sets out plans to replace the national identity cards and passports for abroad with a uniform biometric identification document.

The main obstacles to lifting the visa regime are not the problems in fulfilling the formal criteria of the plan of action but the **EU Member States’ fears that it will result in an influx of immigrants from Ukraine**. As in the case of Moldova there is no automatism to abolish the EU visa requirement when the criteria have been fulfilled.

Southeastern Europe

Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia

Progress on visas for EU citizens:

EU citizens can stay of up to 3 months with a valid passport/identity card in all countries of the region.

Progress on EU visas for citizens of the above countries:

Citizens from Croatia, Serbia, Montenegro, Macedonia, Albania and Bosnia-Herzegovina who possess a biometric passport **do not need a visa** to enter the EU for **stays of up to three months**.

Progress on negotiations with the EU:

As things stand at the present the EU Commission is proposing to apply **a safeguard clause to the previous visa-free travel**. The background is complaints from several member States, including Germany and Belgium. Since visa-free travel began some 17,000 citizens, in particular from Serbia, have travelled to the west and applied for asylum there.

Kosovo

Progress on visas for EU citizens:

EU citizens do not need a visa to travel to the Kosovo.

Progress on EU visas for citizens of Kosovo:

For stays of more than three months or stays leading to gainful employment in the EU requiring a working permit, the citizens of Kosovo **require a visa in all cases without any exceptions**. In addition, Kosovo passports are not recognised in all Schengen states.

Progress in negotiations with the EU:

On 8 December 2009 the European Union Council underlined that "Kosovo should also be given a perspective for visa liberalisation as soon as all prerequisites have been fulfilled" and called on the Commission to "present a structured concept with which the citizens of Kosovo can be brought closer to the EU."

For **2011** talks are planned between the EU and Kosovo on the implementation of **conditions for visa liberalisation**.

Moldova

Progress on visas for EU citizens:

EU citizens **do not need a visa** to enter the Republic of Moldova for a visit of up to 90 days within six months after the initial entry.

Progress on EU visas for Moldovans:

Moldovans need a **visa** to visit the EU.

Progress of negotiations with the EU:

At the end of May the Polish government in Warsaw passed its programme for the Polish EU Council Presidency launched on 1.7.2011. Within the programme of the Eastern Partnership, Poland is striving for new cooperation agreements, **visa facilitation and free trade zones**, inter alia with **Ukraine and the Republic of Moldova**.

Recent results/facilitations:

In **January 2011 Moldova agreed on an action plan with the EU to completely abolish the visa requirement**. The action plan contains a first bundle of targets on the political framework for action (legislation and planning) as well as a second bundle of more specific targets relating to the effective and sustainable implementation of relevant measures including concrete results in Moldova. However there is no automatism to abolish the visa requirement after the criteria have been met.

South Caucasus

Armenia

Progress on visas for EU citizens:

EU citizens need a visa to visit Armenia, processing needing up to 10 working days.

Progress on EU visas for Armenians:

Armenian citizens need a Schengen visa (up to three months without taking up employment) to visit the EU. A national visa is required for stays of longer than 3 months.

Progress of negotiations with the EU:

Negotiations on an **EU visa facilitation agreement with Armenia** are to be launched during **2011**.

Azerbaijan

Progress on visas for EU citizens:

EU citizens need a **visa** to visit Azerbaijan, processing needing up to ten working days. Travellers whose passports contain Armenian visas should expect longer waiting times when travelling to Azerbaijan.

Travellers whose passports contain a visa and/or an entry stamp from the so-called “**Republic of Berg-Karabach**” will not be issued a visa to enter Azerbaijan.

Progress on EU visas for Azerbaijanis:

Azerbaijani citizens need a **Schengen visa** (up to three months without taking up employment) to visit the EU. A national visa is needed for stays of longer than three months.

Progress of negotiations with the EU:

Negotiations on an EU **visa facilitation agreement with Azerbaijan** are to be launched during **2011**.

Georgia

Progress on visas for EU citizens:

Regardless of the reason for their visit, EU citizens **do not need a visa** if they travel to Georgia and stay there for a maximum of 360 days.

Progress on EU visas for Georgians:

Georgian citizens need a **visa** to visit the EU.

Recent results/facilitations:

On 1 March 2011 an **agreement between the European Union and Georgia on the facilitation of the issuance of visas** came into effect. According to the agreement the processing fee for Georgian citizens will be reduced from EUR 60 to EUR 35 and the processing times for the decision on the issuance of the visa restricted to a maximum of ten days. Moreover, there will be no fees for close relatives of Georgians who live permanently in the EU states, as well as students, the handicapped, journalists and representatives of certain socio-political organisations. The simplification procedure has been implemented within the framework of the “Partnership for Mobility” launched by the European Council in June 2008 which is to promote contacts between the EU and Georgia at interpersonal level.

Central Asian States

Kazakhstan

Progress on visas for EU citizens:

EU citizens need a **visa** to visit Kazakhstan.

Progress on EU visas for Kazakhstan citizens:

To travel to the EU citizens of Kazakhstan need a **Schengen visa** (up to three months without taking up employment). A national visa is needed for stays of more than 3 months.

Progress of negotiations with the EU:

February 2010: The EU and Kazakhstan are interested in accelerating the negotiations by **simplifying the procedure for the issuance of Schengen visas**.

Kyrgyzstan

Progress on visas for EU citizens:

A valid **visa** is need for travel to the Republic of Kyrgyzstan.

Progress on EU visas for citizens of the Republic of Kyrgyzstan:

Citizens of the Republic of Kyrgyzstan need a **Schengen visa** (up to 3 months without taking up employment) to travel to the EU. For stays of more than 3 months a national visa is needed.

Recent results/facilitations:

Citizens of certain EU states (including Germany) can be issued an entry visa of up to one month on the basis of a personal agreement and without registering with the relevant authorities in the territory of the Republic of Kyrgyzstan in accordance with Article 8 of the Republic of Kyrgyzstan's law "On External Migration"

Tajikistan

Progress on visas for EU citizens:

EU citizens need a **visa** to travel to Tajikistan.

Progress on EU visas for citizens of Tajikistan:

Citizens of Tajikistan need a **Schengen visa** to travel to the EU (up to 3 months without taking up employment). For stays of longer than 3 months a national visa is needed.

Recent results/facilitations:

The government of the Republic of Tajikistan adopted resolution no. 122 on the issue of visas of the Tajik Republic for foreigners and stateless persons on 27 February 2009, according to which citizens of 80 countries in the world will be issued entry visas in a simplified procedure. According to the above resolution, in addition to other EU citizens, citizens of the Federal Republic of Germany will also be issued entry visas to Tajikistan according to the **simplified procedure** without having to submit an invitation letter from the Tajik side.

Turkmenistan

Progress on visas for EU citizens:

A valid **visa** is needed for travel to Turkmenistan.

Progress on EU visas for citizens of Turkmenistan:

Citizens of Turkmenistan need a **Schengen visa** (up to 3 months without taking up employment) to travel to the EU. A national visa is need for stays of over 3 months.

Recent results/facilitations

No new reports.

Uzbekistan

Progress on visas for EU citizens:

EU citizens need a visa to travel to Uzbekistan. Business travellers need an invitation from a legal entity (but this no longer needs to be confirmed by the Uzbekistan Foreign Ministry).

Progress on EU visas for Uzbekistan citizens:

Citizens of Uzbekistan need a **Schengen visa** (up to three months without taking up employment) to travel to the EU.

Recent results/Facilitations:

A visa will be issued for EU citizens within a deadline of four working days on receipt of documents. If the documents are to be sent by post processing will need approx. 2 weeks.