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**STATEMENT BY
THE DELEGATION OF THE RUSSIAN FEDERATION AT THE
FIRST PREPARATORY MEETING FOR THE 26th OSCE ECONOMIC
AND ENVIRONMENTAL FORUM**

Vienna, 21 January 2018

Opening session

Mr. Chairperson,
Ladies and gentlemen,

We join in welcoming the participants in the first preparatory meeting for the 26th OSCE Economic and Environmental Forum on “Promoting economic progress and security in the OSCE area through innovation, human capital development, and good public and corporate governance”.

We should particularly like to thank the Italian Chairmanship and the Co-ordinator of OSCE Economic and Environmental Activities, Ambassador Vuk Žugić, and his team for preparing this event with its interesting and varied agenda and highly professional speakers.

We appreciate the Chairmanship’s intention to focus the first preparatory meeting on the digital economy, a much-discussed topic around the world. This is a fairly new subject for the OSCE’s second dimension. The Organization will need to demonstrate its usefulness in this field and decide on the most relevant niches for economic and environmental co-operation and security in the OSCE area.

The digital economy is intertwined with the now popular concept of the “Fourth Industrial Revolution”, which involves another change in the industrial structure as a result of the blurring of boundaries between physical, digital and biological technologies, large-scale automation and the use of the latest information and communication technologies in technological and manufacturing processes.

In the modern world, digital technologies make it possible to create business, trade, production and logistics models of a new quality. They significantly change the format of many spheres – governance, public health, education and human communication – and in fact form a new paradigm for the development of States and societies in general. As a result of the formation of the digital economy, resources are being used more effectively, transaction costs are being reduced, and higher environmental standards and a higher level of human security are being achieved.

However, there are also risks within the digital economy. For example, risks associated with the distribution of cryptocurrencies, created on the basis of verification technology and decentralized Blockchain data storage, and sharp fluctuations in their exchange rates. The use of such technology in the financial sphere may also have consequences for traditional areas of the OSCE's work such as combating corruption, money laundering and the financing of terrorism. These questions will be the subject of our discussion in the fourth plenary session.

Priority is being given to the development of the digital economy in the Russian Federation. In July 2017, the Government approved the programme "Digital Economy of the Russian Federation". It is intended to create legal, technical, organizational and financial conditions for the development of the digital economy in the country and its integration with digital economies of other members of the Eurasian Economic Union (EAEU). The programme pays considerable attention to the training of highly qualified personnel and support for "national information technology (IT) leaders". There should be at least ten Russian high-tech enterprises acting as national IT leaders by 2024.

The digital agenda has become one of the key themes of co-operation for the EAEU Member States. Its implementation is a necessary component not only of the integration process between the EAEU countries themselves but also of their inclusion in the large-scale process of global digital transformation. A declaration on the EAEU digital agenda was signed at a meeting of the Supreme Eurasian Economic Council in December 2016. It provides for measures to pool the efforts of the EAEU Member States in this area and create an integrated EAEU information system with a view to introducing an electronic system for monitoring the movement of goods across EAEU territory.

We trust that the various sessions ahead of us, during which we will discuss a wide range of issues concerning the impact of the digital economy on economic growth, innovation, employment, good governance and security, will be interesting and useful for all of us.

Thank you for your attention.