

Eurasian Economic Union

# Figures and Facts



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# Introduction by the Chairman of the EEC Board

## Dear Friends! Esteemed Colleagues!



Before you is this brochure of facts and figures, which contains information about the key results of the operation of the Eurasian Economic Union (EAEU) and our joint work with the countries over the past five years.

This year we celebrate the  $5^{\text{th}}$  anniversary of signing the Treaty on the Eurasian Economic Union and the  $25^{\text{th}}$  anniversary of the idea of Eurasian integration, which was put forward by the First President of Kazakhstan, Nursultan Nazarbayev.

In terms of history, a quarter century is a very short period, let alone five years. But over the course the EAEU's existence, we have achieved the most important result — we have built an effective integration model of multilateral cooperation and ensured the strength and viability of our Union.

In recent years, the Union has shown steady growth in key macroeconomic indicators.

We can say with good reason that the common market for goods is functioning successfully, as is the services market in almost fifty economic sectors. The freedom of movement of investments has been practically unlimited in coverage. The capital market is at the formation stage and covers the entire range of financial services. Common markets for medicines and medical devices have been created. The uniform requirements for safety and product quality cover about 85% of goods in the Union market.

Citizens of the Member States have the opportunity to work freely in any EAEU country, and diplomas are mutually recognized. The required level of cooperation in medical and social security has been achieved in all countries of the Union.

We have made significant progress in implementing key Union projects. On January 1, 2018, the EAEU Customs Code entered into force. It has simplified the procedure for moving goods across the customs border of the Union. All procedures associated with the entry of goods into the common EAEU market have been unified. Thanks to the code, the time required for the release of goods for free circulation and registration of the customs declaration has been reduced dramatically.

An important stage in the formation of the EAEU is the digital transformation of economies. The

I am certain that with your support we will increase the pace of integration and move forward to remove obstacles, implement digital projects, harmonize legislation and find common solutions in the interests of citizens and businesses of our countries.

discussion of the "digital agenda of the EAEU" first started at the level of the Union in 2016. It quickly became part of our integration association and was used to set benchmarks for the Union countries. In the EAEU, we have conceived a fundamentally new design that allows the countries to fully realize their agency and independence on an equal footing.

A number of projects have been launched and are being implemented that can potentially shape the concept of digitalization for the Union countries. They include projects on labeling and traceability, digital transport corridors, digital industrial cooperation, and others. Since 2018, the Office of Digital Initiatives Management has been functioning under the Chairperson of the Board of the EEC, and opportunities have been created for the financing of digital projects.

Cooperation with third countries and regional integration associations is developing successfully to form a single economic space with predictable and understandable rules of the game. Over five years, memoranda have been concluded with Greece, the Republic of Korea, Singapore, Cambodia, Chile, Mongolia, Peru, Jordan, Morocco, Cuba, Ecuador, and several other countries, as well as with the world's largest integration associations, including ASEAN, MERCOSUR, the Andean Community, the Latin American Economic System, and the CIS.

Since 2016 the free trade zone between the EAEU and Vietnam has be operating effectively. In May 2018, the EAEU concluded two trade agreements — an Interim Agreement leading to the establishment of an FTA with Iran, and the Agreement on Trade and Economic Cooperation between the EAEU and China — the first serious step was taken within the linking of the EAEU and the Belt and Road initiative.

The Eurasian Economic Union signed Free Trade Agreements with Singapore and Serbia in October 2019. Negotiations on the establishment of FTZs with Israel, India, Egypt are intensifying.

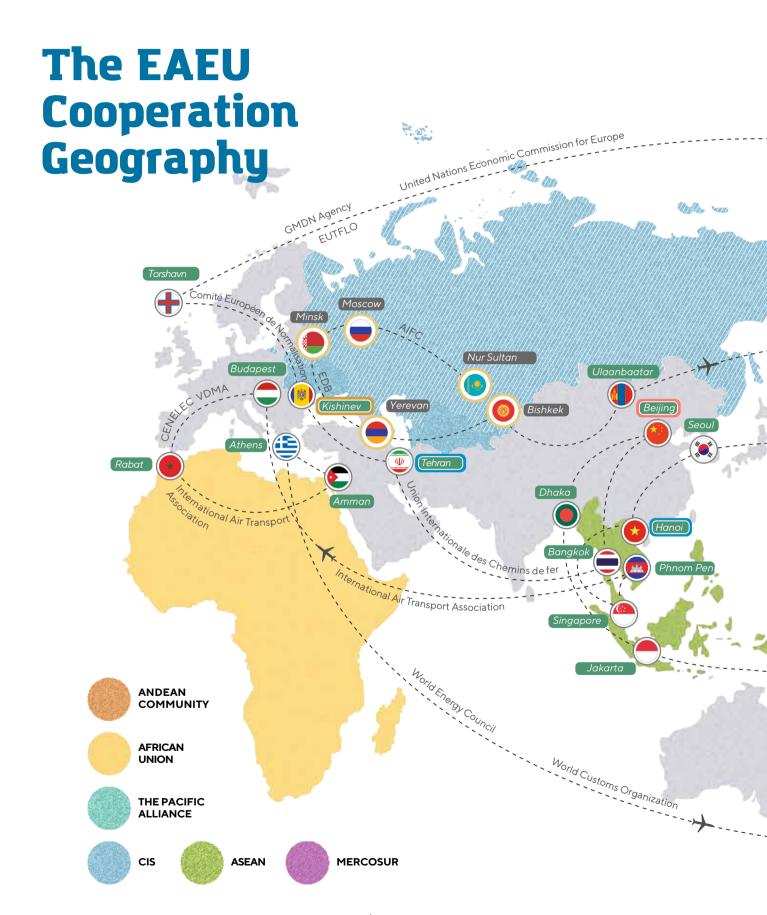
The Union is in the process of forming common markets of electric power, gas, oil and petroleum products. In 2018–2019, we managed to achieve a breakthrough – members of the Supreme Eurasian Economic Council approved programs for the formation of common markets for gas, oil and oil products in December 2018, and signed an international agreement on the formation of a common EAEU electricity market in May 2019.

In the future, we plan to further implement the Union's creative agenda. Our Union ought to be a modern association, which is convenient for citizens and businesses, attractive to the international business community, and one of the most important global economic centers to determine the global economic agenda. In order to achieve these objectives, we must continue to implement coordinated policies, digitize the economies of our countries, develop international cooperation, create Eurasian brands and bring them to the global market as recognizable jointly released products and new technologies.

Tigran Sargsyan





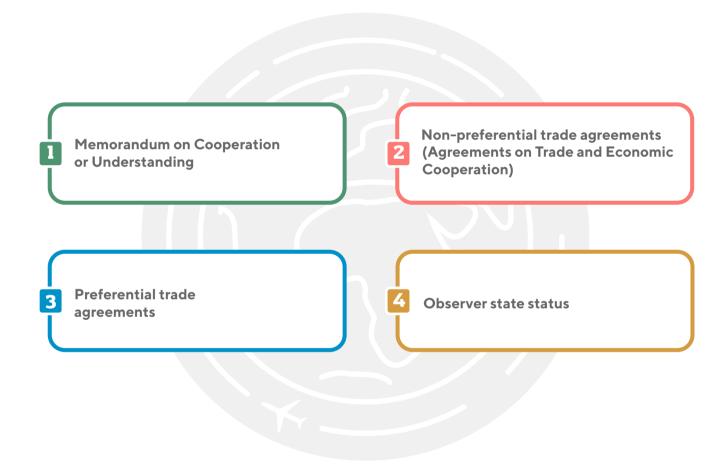




## Forms of International Cooperation

Currently there is a growing trend towards reformatting the existing world economic design. The international trade rules are interpreted subjectively for the implementation of specific tasks and interests. International organizations regulating world trade, in particular the WTO, are not always able to respond to new risks and threats.

The EAEU creates a network of regional integration groupings in accordance with the WTO rules and principles. Such effective trade interaction with foreign partners and the development of integration within the Union make it an attractive and reliable partner.



The Memorandum is the first step in the institutionalization of cooperation with a third party. A platform is being created to promote the development of trade and economic cooperation, to identify and eliminate barriers to trade. A working group may also be formed. The

EAEU countries and partner states regularly hold joint events, consultations, and business forums.

Such interaction activates direct contacts between business representatives of the Union countries and partner states.

# Non-preferential trade agreements (Agreements on Trade and Economic

**Cooperation)** do not provide for the cancellation or reduction of duties. Such an agreement is aimed at

the removal of non-tariff barriers, the development and maintenance of various projects, as well as cooperation in various fields, from customs issues to e-commerce.

Preferential trade agreements stipulate the mutual obligations of the parties to ensure duty-free movement of goods and to simplify in a certain way access to their markets as part of mutual trade for suppliers of goods and services from partner countries that are parties to the agreement.

Agreements may also include issues of liberalization of mutual trade in services and investments, access to the state procurement market, common principles of competition protection, cooperation in sustainable development, and others.

The key issues nearly always considered in the agreement are as follows:



Trade in goods



Technical regulation, sanitary and phytosanitary measures



Protective measures



Protection of intellectual property rights



Electronic commerce



Simplification of customs procedures and rules of origin

Any state interested in cooperation may be granted **observer state status at the EAEU** by decision of the Supreme Eurasian Economic Council (SEEC). Representatives of an observer country may attend sessions of the bodies of the Union at all levels at the invitation of the EEC (without voting rights) and receive non-confidential documents.

In addition, the Government of the observer state may send an official to the EEC to interact with the Commission and its bodies on a regular basis.

The procedure for obtaining and revoking of status has been approved by Decision No. 8 of the Supreme Eurasian Economic Council dated May 14, 2018.

The first observer state at the EAEU was Moldova.

The Union membership is open to any State which shares its goals and principles. The accession process is described in Article 108 of the Treaty on the EAEU, as well as in the Procedure for Admission of New Members to the EAEU and Termination of Membership.

The EAEU unites countries, integration associations and international organizations. Below are just a few examples of the Union's successful work in building effective interaction with the world.



### **CAMBODIA**

The memorandum was signed in 2016

2015

120\*

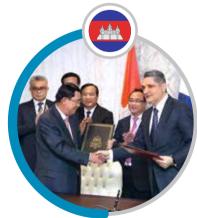
million US dollars 2018

222.8

million US dollars



Tigran Sargsyan, Chairman of the EEC Board, and Lim Jock Hoi, Secretary General of ASEAN, signed the Memorandum of Understanding in Singapore





Chairman of the EEC Board, Tigran Sargsyan, and Prime Minister of the Kingdom of Cambodia Samdech Akka Moha Sena Padei Techo Hun Sen signed a Memorandum of Understanding.





In 2019, in Sochi, EEC and the African Union Commission signed a Memorandum of Understanding.



### **JORDAN**

The memorandum was signed in 2017

2016

200\*

million US dollars 2018

630\*

million US dollars





The Memorandum on Deepening Cooperation between the EEC and the CIS Executive Committee was signed in Minsk.





The EEC and the Government of the Hellenic Republic have signed a joint declaration of cooperation.



## **MOROCCO**

The memorandum was signed in 2017

2016

1.3\*

million US dollars

2018

**1.7**\*

million US dollars

<sup>\*</sup> The EAEU third party turnover.

## Common Trade Policy

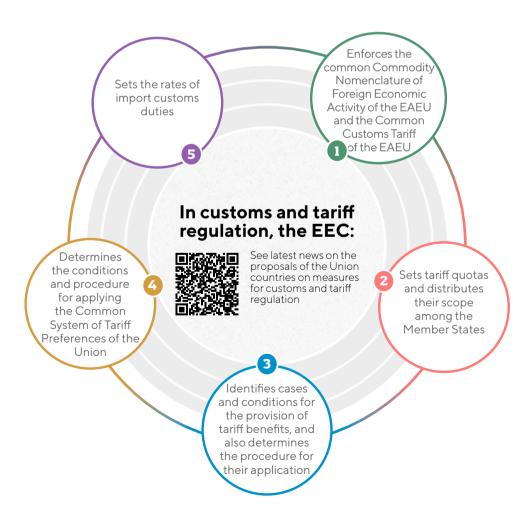
The Union's foreign trade policy is aimed at promoting sustainable economic development of the Member States, diversifying economies, innovative development, increasing the volume and improving the structure of trade and investment, as well as further developing the Union as an effective and competitive integration association within the global economy.

The EAEU has created uniform conditions for access of goods

to the customs territory of the Union and pursues a policy to ensure uniform access of goods produced in the EAEU to foreign markets. In addition, the EEC ensures the fulfillment of the obligations of the EAEU countries that are members of the WTO regarding the powers transferred to the supranational level.

To protect the domestic market, the Union may apply retaliatory measures against a third party, including raising the level of import customs duties, introducing quantitative restrictions, temporarily suspending the provision of preferences or taking other measures within the competence of the Commission that affect the results of foreign trade with the state in question.

In addition, preventive measures can be taken, for example, in order to ensure compliance with public law and order, protect the life and health of the population, and ensure the defense and security of the Union countries.



The Common Customs Tariff of the EAEU is a set of customs duty rates applicable to goods imported into the customs territory of the Union from third countries, which has been systematized in accordance with the common Commodity Nomenclature of Foreign Economic Activity.

The main goals of applying the Common Customs Tariff of the EAEU are as follows:

- providing conditions for the effective integration of the Union into the global economy;
- > rationalization of the commodity structure of the import of goods into the customs territory of the Union;
- maintaining a rational ratio of export and import of goods in the customs territory of the Union;
- > creating conditions for progressive changes in the structure of production and consumption of goods in the Union;
- > support of the industries of the Union.

To determine the import customs duty rate of the Common Customs Tariff of the EAEU for a specific product, you need to know its ten-digit code in accordance with the common Commodity Nomenclature of Foreign Economic Activity of the Eurasian Economic Union.

Find out the rate of import customs duty — Common Customs Tariff of the EAEU



Find out the product code in accordance with the common Commodity Nomenclature of Foreign Economic Activity



4.79%

Weighted average rate of the common Commodity Nomenclature of Foreign Economic Activity in 2018

The <u>Tariff quota</u> is a measure used to regulate the import into the customs territory of the Union of certain types of agricultural goods originating from third countries, which provides for the application of differentiated rates of import customs duties of the Commodity Nomenclature of Foreign Economic Activity in respect of goods imported within the limits of a specified quantity over a certain period and in excess of this quantity.

Find out the goods to which the tariff quota applies



Tariff privileges may apply to goods imported into the customs territory of the Union in the form of exemption from payment of import customs duty or reduction of the rate of import customs duty.



Tariff benefits cannot be individual in nature and apply regardless of the country of origin of the goods.

Tariff benefits are provided in cases established by the Treaty on the Eurasian Economic Union, international treaties of the Union with third parties, or decisions of the Commission.

See cases and conditions for the provision of tariff benefits established by the EEC



In order to provide economic assistance to developing and least developed countries when importing certain goods originating from such countries, tariff preferences may be granted in the form of exemption from payment or reduction of import customs duty rates.

Identify the user country of the Common System of Tariff Preferences



See goods tariff preferences apply to





#### Non-tariff regulation

In accordance with the rules and regulations of the WTO in the Union, the following non-tariff regulation measures are applied in trade with third countries:

- bans and quantitative restrictions on import/ export;
- exclusive rights to export/ import;
- automatic licensing of export/import;
- authorization-based procedure for import/ export.

# For example, import of the following items into the territory of the EAEU is prohibited



ozone-depleting
substances



information on print, audiovisual and other media



service and civilian weapons



hazardous waste



persistent organic pollutants



means of fishingout of aquatic biological resources



See all lists of goods to which non-tariff regulation measures apply in trade with third countries

### Protection of the Domestic Market

Domestic market protection measures, also called the triad of protective measures, are within the competence of the EEC and play a special role among the EAEU foreign trade regulation measures.

<u>The triad of protective measures</u> is a set of temporary trade regulation measures that help eliminate the damage caused by the supply of goods from third countries to manufacturers in the EAEU.

The rules for applying trade protection measures in the EAEU are based on the WTO rules.

# Anti-dumping measures — countermeasures against dumped imports

Anti-dumping measures are applied in the form of anti-dumping duties or approval of price obligations undertaken by exporters or manufacturers of foreign goods to raise their export prices to a level that eliminates dumping

# Compensatory measures - countermeasures against subsidized imports

Compensatory measures are applied in the form of a compensatory duty or approval of voluntary obligations undertaken by the authorized body of the subsidizing third country or by the exporter

Find out what protective measures apply in the Union



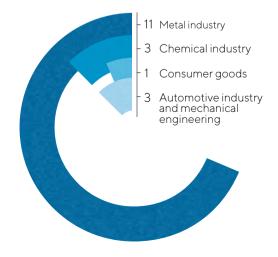
Special protective measures applied in connection with a sharp increase in imports resulting from unforeseen circumstances

Special protective measures may be applied in the form of special duties, import quotas, or special quotas

Protective measures can only be enforced following an investigation. Anti-dumping, compensatory and special protective investigations are carried out by the EEC based on the applications of manufacturers in the EAEU. The term for conducting an anti-dumping or compensatory investigation is 12 to 18 months, and 9 to 12 months for a special protective investigation.

The term for enforcing anti-dumping and compensatory measures is 5 years with a possible extension, and for special protective measures – 4 years with a possible extension (up to 8 years maximum).

# Current anti-dumping measures in the EAEU by economy sector



Learn about ongoing investigations and get material on them



Submit an application for an anti-dumping, compensatory or special protective investigation



How to prepare an application for the enforcement of protective measures for the domestic market



In addition to the triad of protective measures, free trade agreements with third countries may provide for other protective measures. For example, the Common Customs Tariff of the EAEU with Vietnam is introducing two new tools to protect the domestic market — trigger measures and bilateral protection measures.

Protective trigger measures are the exclusive right of the Union and are introduced for particularly sensitive goods:



furniture:



shoes:



light industry goods.

The Common Customs Tariff has established annual threshold volumes of imports for Vietnamese goods, which, if not exceeded, are duty-free for import to the EAEU. If these volumes are exceeded, the EAEU, by decision of the EEC, has the right to introduce import customs duties based the rate of the Common Customs Tariff of the EAEU.

The duration of the trigger protective measure is 6 to 9 months.

A bilateral protective measure can be applied if, due to the reduction or abolition of import customs duties in trade with Vietnam, increased imports from Vietnam damage or could potentially cause damage to the EAEU producers.

The period of the measure depends on the period of tariff liberalization for specific goods and may be 2 to 3 years.

The peculiarity of the bilateral protective measure is the provision of equivalent compensation to Vietnam.

#### **Trade Agreements**

To simplify the access of products manufactured in the EAEU countries to the markets of third countries, the Union may conclude trade agreements with trading partners. Such agreements, among other things, may provide for the establishment of a free trade regime in goods.

In terms of foreign trade in services with third countries, the Member States of the Union pursue an independent policy. At the same time, the Treaty on the EAEU provides for the expediency of ensuring coordination in the implementation of this area of foreign trade policy. In this case the Eurasian Economic Commission acts both as an organizational platform and an analytical center.





#### Key document

On May 14, 2018, the Agreement on international treaties of the EAEU with third states, international organizations, or international integration associations was signed, which determines the procedure for concluding, terminating and suspending international treaties with third parties.

In cases where a Union country concluded an agreement with a third party on the provision of preferences in trade prior to January 1, 2015, this EAEU Member State has the right to provide these preferences unilaterally. Nevertheless, the Union countries must unify such agreements.

The negotiations held with Serbia are an example of the work on the unification of preferential trade regimes operating on the basis of agreements of the EAEU countries concluded before the start of the EAEU's operation. FTAs were previously concluded between Serbia and individual countries of the Union: Belarus, Kazakhstan, and Russia, while there were no such agreements with Armenia and Kyrgyzstan. The signed on October 25, 2019 new Union agreement unifies the new terms of trade of all Union members with Serbia.



# Trade with foreign economic partners in 2018

- Export, billion US dollars
- Import, billion US dollars

2.7

The FTA with **Vietnam** is already in force. Thus, in 2018, exports of the Union countries to Vietnam (export growth from 2017 to 2018 was 19.6%) and imports from Vietnam increased (the growth this year from last year was at 8.6%).

4.0

The Agreement on Trade and Economic Cooperation of the EAEU

with the **People's Republic of China**, the socalled Agreement of Opportunities, will increase
the transparency of regulatory systems. Although the
Agreement does not imply automatic liberalization of
the trade regime and does not provide Chinese goods with
conditions for access to the EAEU market, it constitutes a
remarkable contribution to our relations. Especially when China
and the United States are engaged in a trade war.
The Agreement between the Union and the PRC is to become

the basis for the common development space. It is expected to develop the unique geo-economic potential of the region and create a plane of interconnection between the EAEU and SREB, which is a promising and extremely important project for developing trade and economic cooperation in

the region.

62.9

#### What the EAEU supplies to Vietnam:



wheat (468.2 million US dollars)



flat steel products (321.8 million US dollars)



hard coal

(206.8 million US dollars)



lead

(122.2 million US dollars)



special-purpose vehicles (105.7 million US dollars)



potassium fertilizer (89.8 million US dollars)

#### What Vietnam supplies to the EAEU:



communications equipment (1,556.5 million US dollars)



shoes

(327.5 million US dollars)



textile clothing (221.7 million US dollars)



coffee

(190.9 million US dollars)



printing equipment (175.2 million US dollars)



integrated electronics (132.7 million US dollars)

1.8

The export volume from the EAEU to **Iran** is still low –

1.8 billion US dollars. However, due to the Interim Agreement, EAEU exporters have a competitive opportunity to build the business in the Iranian market on favorable and preferential terms. No other country or association in the world has a similar trade regime with Iran at the moment.

0.918



2.5

The effects the FTA Agreement with Israel will be shared between the Union countries, depending on their involvement in trade with this state. Primarily, we expect an increase in mutual trade in agricultural products, while both the EAEU and Israel may benefit from separate industrial goods produced by each of the partners. And indeed, positive multiplier effects of the agreement, which are hard to estimate, should be considered, in particular, the development and strengthening of cooperation both at the state and business levels on a variety of issues, including the implementation of joint investment projects and access to new technologies, etc.

Negotiations on the FTA with Egypt started in 2019 as well as further work on the Free Trade Agreement with Israel. The EEU signed the agreements with Serbia and Singapore.

The work on the conclusion of the Free Trade Agreement with Serbia has continued. The agreement on trade and economic cooperation with China came into force. The procedures required for the entry into force of the Interim agreement, leading to the formation of the Free Trade Zone, with Iran were also completed.

The agreements will ensure the best export conditions for business, expand and facilitate the access of the EAEU members producers to third-country markets.

For the EAEU, the total increase in exports of goods to **Egypt** may increase by 14–15% compared to the current level. The full-fledged FTA will ensure an increase in the supply of both agricultural and industrial products for all Union

countries.



0.629

0.907

1.2

FTA Agreements have already been signed between **Serbia** and individual countries of the Union, such as Belarus, Kazakhstan, and Russia. The Union's new agreement unifies the terms of trade with Serbia for all its members.



7.2

0.941



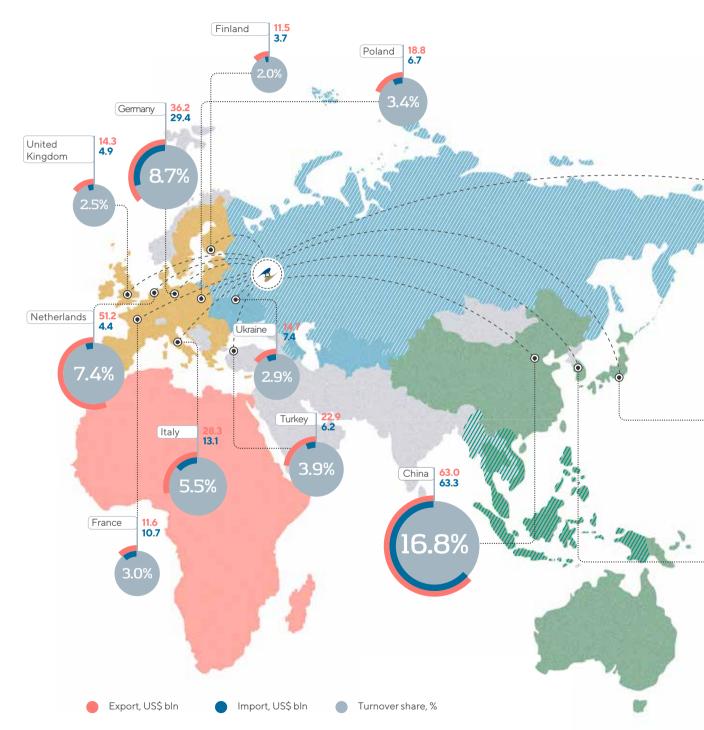
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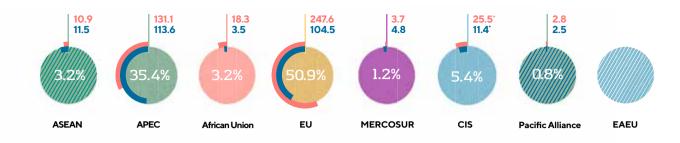
Singapore is a key partner of the EAEU in the Asia-Pacific region; the Union's exports to the country amounted to 3.3 billion US dollars for 2018. Singapore is also the "gateway to ASEAN". The conclusion of the Agreement with this country means that the nature of interaction with the countries of the region is shifting from simple cooperation to strategic trade and economic cooperation.

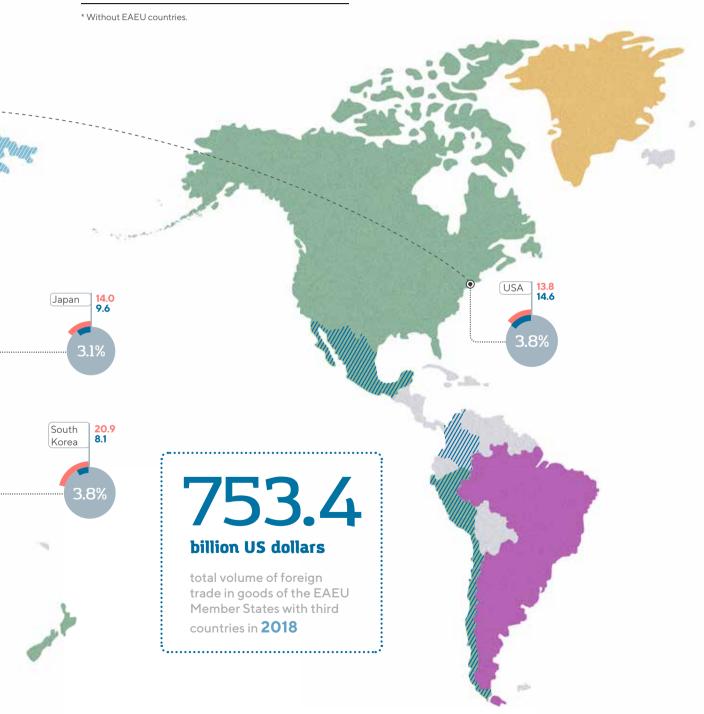
3.3

Meeting of the Chairman of the EEC Board with the President of the Arab Republic of Egypt

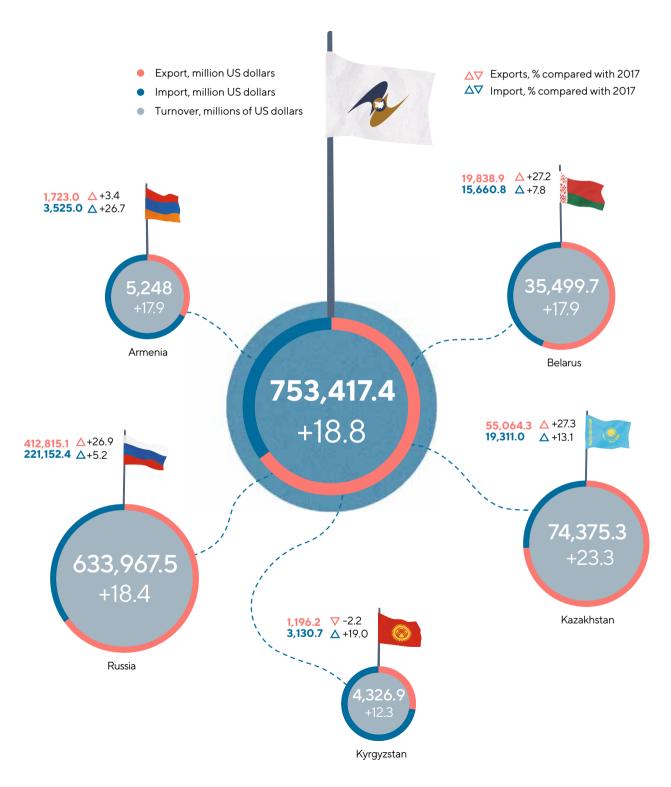
# Foreign trade in the EAEU goods in 2018







# Results of foreign trade in goods of the EAEU Member States with third countries



# The Global Competitiveness Index

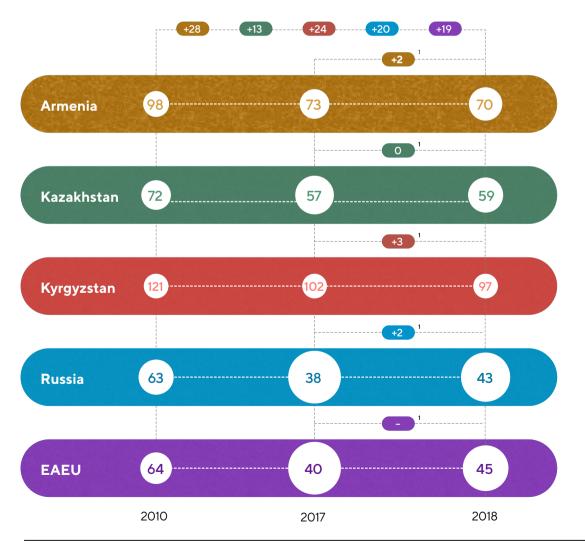
The Global Competitiveness Index is an aggregate indicator that summarizes the results of micro- and macroeconomic studies of the competitiveness of a country's economy. It is calculated by the Swiss non-profit non-governmental organization of the World Economic Forum.

In the Global Competitiveness Ranking 2018, the EAEU ranks 45th out of 140 economies. Russia occupies the highest position among the Union countries (43rd place), followed by Kazakhstan

(59th place), Armenia (70th place) and Kyrgyzstan (97th place), based on the Global Competitiveness Index

The highest results were achieved in the following subindices:

- market size (11th place);
- > ICT adoption (27th place);
- innovation activity (41st place);
- business development dynamics (50th place).



Since 2018, the positions of the countries are estimated according to the new method, the Global Competitiveness Index 4.0.

# Sustainable Development

## Sustainable Development Goals and the EAEU

The goals and directions of the economic development of the Union coincide to a great extent with the goals and objectives of the sustainable development agenda adopted by the United Nations in 2015 (SDGs).

Ensuring the freedom of movement of goods, services, capital, and labor, as well as pursuing a coordinated and unified policy in the economy sectors defined by the Treaty on the EAEU, make it possible to use the integration potential of regional

cooperation of the Union countries to improve the welfare of their citizens and achieve high-quality economic growth.

SDGs achieved by the solutions within the EAEU are indicated by the corresponding icons.

### Development of Integration

On December 6, 2018, the heads of Union States signed the Declaration on the Further Deepening of Integration Processes within the EAEU. The declaration is aimed, among other things, at expanding the scope of the Treaty on the Union and including new objectives in the integration agenda.

A strategic document will be developed before 2025, revealing specific mechanisms for implementing the Declaration. It will include activities that will ensure the fulfillment of the objectives set within the four key areas of integration development, such as:

- to ensure maximum efficiency of the common market of the Union and realization of its opportunities for businesses and consumers;
- to establish a "territory of innovations" and promote

- scientific and technical breakthroughs;
- to realize the integration potential for people and improve their well-being and quality of life;
- ▶ to form the Union as one of the most significant centers for the development of the present-day world, open to mutually beneficial and equal cooperation with external partners and building new formats of interaction.



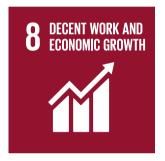














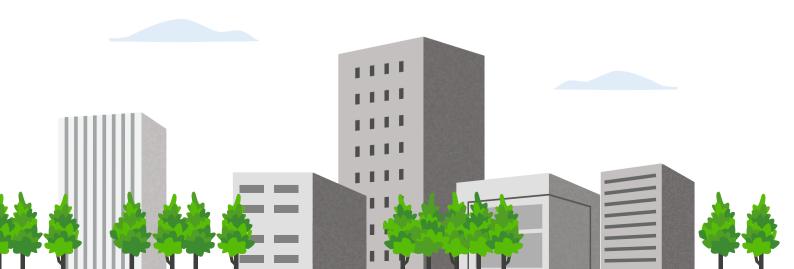












#### Interaction with Experts

The EEC is working to develop cooperation with the expert and academic community of the Union States.

### **INTERACTION FORMATS**

#### JOINING THE EEC EXPERT POOL

To join the expert pool of the Commission, send a CV indicating the name, position, current employment, academic degree and area of competence, as well as examples of publications to expert@eecommission.org. Experts are invited to participate in events and sessions of various forums.

# DEVELOPMENT OF EDUCATIONAL PROGRAMS, TRAINING COURSES, METHODOLOGICAL MATERIALS ON THE ISSUES OF FUNCTIONING AND DEVELOPMENT OF THE EAEU

The EEC provides guidance on the preparation of educational programs that cover issues of Eurasian economic integration. Requests are accepted by email to info@eecommission.org

#### PARTICIPATION IN RESEARCH ACTIVITIES



Announcements on conducting tenders for research activities are posted on the official website of the Commission in the «Tenders» section.

# PARTICIPATION IN THE WORK OF THE SCIENTIFIC AND EXPERT COUNCIL UNDER THE CHAIRMAN OF THE EEC BOARD

The Scientific and Expert Council is a platform for discussing on a regular basis relevant trends and challenges in the development of the global economy, effective models and forms of integration, best practices of regional associations in regard to supranational regulation, medium and long-term prospects, and restrictions for economic development of the EAEU. Experts included in the expert pool of the Commission are invited to participate in the Scientific and Expert Council meetings.

# INFORMATION EXCHANGE WITH THE EEC

For regular mutually beneficial information exchange (receiving materials from the Commission, sending your materials for review and informing the EEC), please send an official letter to expert@eecommission.org with topics and formats of information exchange indicated.

### The EAEU Integrated Information System

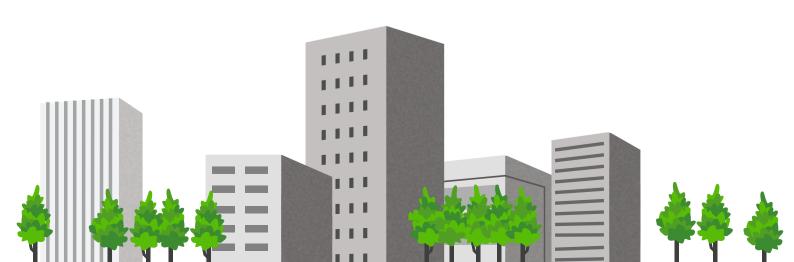
Since 2010, the Union has been implementing a project to establish the EAEU integrated information system (EAEU IIS) (previously, the information system of foreign and mutual trade of the Customs Union).

Now the EAEU IIS is used for interaction of the authorities of the Union States. In the future, any subject of electronic interaction in the EAEU will be able to obtain access to the Union's common information resources and common processes within their rights and powers at any time and on any device by means of the EAEU IIS, provided that the level of information protection established by the Union and the legislation of the states is ensured. It is planned that this will be accomplished, among other things, by implementation of digital platforms for the provision of electronic interstate services to natural persons and businesses.

The project of the integrated information system of the Union is currently the largest project (or rather a program consisting of more than 90 projects), which has been consistently built up since the creation of the Union. Work to provide opportunities for electronic data exchange with third countries and international associations has begun on the basis of the current EAEU IIS infrastructure.

The EAEU IIS is an integration of geographically distributed state information resources and information systems of the authorized authorities, information resources and information systems of the EEC, united by the national segments of the Union countries and the EEC integration segment.

A digital platform is being formed to provide citizens with interstate services in electronic form with the help of the EAEU integrated information system.



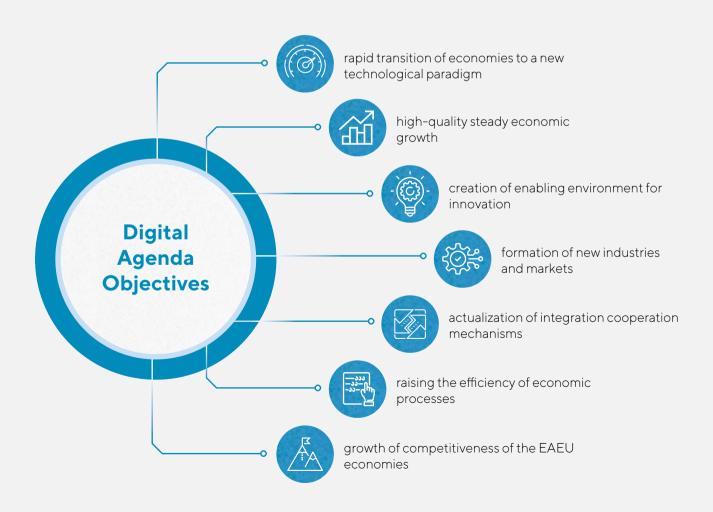
#### **EAEU** Digital Agenda

In 2016, the EAEU announced the transition of economies to a new technological wave and digital transformation. In accordance with the task set by the heads of the Union States, the countries will eventually come to a coordinated policy on the digital agenda.

By 2025, the potential economic effect of implementing the digital agenda will increase the total GDP of the EAEU by about 11% of the total

potential growth. This is twice as much as the digital development of the EAEU States without a common digital agenda.

As part of the development of an agreed policy, the countries are jointly developing new regulatory models (cross-border data turnover, digital ecosystems, etc.), new mechanisms for project activities (regulatory sandboxes, a network of competence centers, consortia, etc.), joint initiatives and projects.



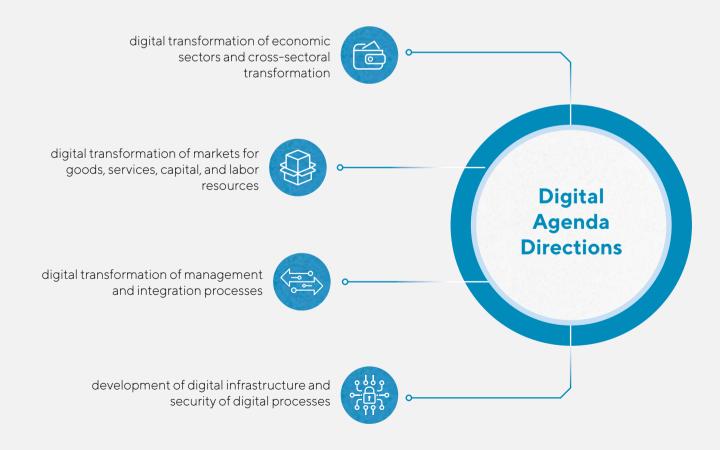
#### **Development of Models for Cross-border Data Traffic Control**

An expert platform is functioning on the regulation of cross-border data turnover, and discussions are continuing on models for regulating cross-border data turnover and digital platforms in the EAEU.

Since cross-border data circulation is a crosssectoral issue, the conditions being formed should take into account the transformation potential of various sectors of the economy.

Browse documents on the EAEU digital agenda





#### **Creating a System of Regulatory Sandboxes**

An expert platform is functioning on the mechanisms of special legal regimes. A regulatory sandbox is supposed to be a specially agreed legal regime for experiments, modeling, development and piloting of decisions (including regulatory ones) in order to

determine the effective structure of regulations and create business processes in any area of activity subjected to transformation, as well as to form and test economic and management hypotheses (models).

#### Digital Initiatives and Projects

The EEC is constantly working on priority areas of digital transformation, as well as proposed initiatives and projects. Expert platforms for the development of digital commerce, the ecosystem of digital transport corridors, traceability, industrial cooperation, and the formation of a digital ecosystem for providing employment are operating constantly.

#### Eurasian Network of Industrial Cooperation, Subcontracting and Technology Transfer Project

The project is intended to form a Eurasian digital ecosystem of industrial cooperation. It will include various participants of industrial production and marketing chains, as well as of digital services, such as business entities that ensure cooperative ties, more optimal use of production facilities and participation of large customers in the procurement. The development of the Eurasian ecosystem will facilitate the integration with other digital ecosystems, including global and regional ecosystems, and promote Eurasian products to the third countries' markets.

The network will be open to businesses in all the countries of the Union. It will help in finding subcontractors and carrying out technology transfer.

Key ecosystem services:

> access to the register of economic entities;

- access to an information resource containing information about goods, services, and demand for them;
- > access to the Atlas of Industry;
- > analysis and monitoring service.

More than 20 types of services will be connected to the Eurasian network, such as trading floors, financial and logistics services, electronic document management services and much more.

Within the project, the register of economic entities of the Eurasian network should contain about 50 thousand economic entities by the end of 2020, and almost 125 thousand by 2024.

According to the main scenario, more than 350 contracts worth about 9.7 billion rubles should be concluded within the Eurasian network by the end of 2020, and more than 3.5 thousand contracts worth a total of more than 110 billion rubles by 2024.

The Intergovernmental Council approved the updated project specification, as well as the top-level action plan for the project implementation and the terms of reference for the provision of services for the development and implementation of the Eurasian network of industrial cooperation, subcontracting and technology transfer. The project will begin in 2019 and end in the fourth quarter of 2020. The development of the project will be carried out by building the core of the

ecosystem through the introduction of modeling and forecasting tools.

## Development of the EEU Digital Transport Corridors Ecosystem Concept

The ecosystem will accelerate transport and logistics processes by creating new opportunities for interaction between participants in existing industries and the formation of the Eurasian digital ecosystem, as well as creating common information resources and services in transport and logistics.

A research was carried out for this project, resulting in the concept design and a draft roadmap for the full implementation of the project. Currently, the practice is being studied and the number of participants in the platform is expanding; problems and requirements in the organization of services and the core of the ecosystem are being discussed with businesses.

## Creating the Environment for the Digital Trade Ecosystem

Activities in digital commerce are aimed at increasing the maturity of Eurasian digital ecosystems, which are becoming a factor determining competitiveness. This is the only way to compete with global players, participate in setting the rules of the game, and preserve digital assets on the side of Eurasian players. The following key objectives have been identified at the level of the heads of governments of the Member States:

- forming digital assets and digitalizing goods and services created in the Union;
- developing digital cross-border services, fostering the Union smart goods market and ensuring balance in the regulation of the digital services and related goods market;
- developing the digital trade infrastructure within the Union;
- stimulating the export of goods and services from the Member States to third countries.

The EEC held discussions with businesses, which resulted in a report on the development of digital commerce. A draft roadmap is currently under discussion.

#### Labeling of Shoes by Means of Identification

The EEC Council has approved a list of shoes to be labeled with means of identification, their characteristics, the generation procedure, as well as the composition and structure of information that must be contained in the means of identification on the basis of information presented in a single register of means of identification. The procedure for labeling goods and requirements for the format, composition and structure of information on labeled products have been approved.

The Union countries will have to identify national operators by March 1, 2020. National operators arrange an exchange of information about labeled shoes sold as part of cross-border mutual trade. National operators communicate via the integrated information system of the Eurasian Economic Union.

Other projects are being developed as well, in particular, for a digital ecosystem to ensure employment of citizens, the introduction and mutual recognition of electronic accompanying documents in the EAEU, and the digital traceability of goods.

A total of 71 initiatives were received by the EEC, 14 of which were supported, 3 are in progress, 16 were sent for revision, and 38 were rejected.

# Reliability in the Union

Despite the difficult situation in the world, the EAEU demonstrates a steady growth of economic indicators.

The EAEU showed the highest GDP growth over the last 6 years.

Kyrgyzstan



+2.5% by 2017

1,913,999.8 US\$ million Russia

+2.3%

by 2017

1,660,949.8 US\$ million +3.5%

by 2017

8,092.9 US\$ million



### Armenia

+5.2%

by 2017

12,433.1 US\$ million

Belarus

+3.0%

by 2017

59,585.3 US\$ million

Kazakhstan

+4.1%

by 2017

172,938.7 US\$ million





# **Business Development Environment**

One of the goals of the EAEU is to create conditions for the stable development of the economies of the Union countries.

This is facilitated by the systematic work of the EEC with the





# Interaction with the Business Community



report indications of infringements of common competition rules on cross-border markets





participate in public discussion procedures on draft documents, regulatory impact assessment (RIA) regarding drafts of the Commission's decisions



acquire necessary formal clarification on the implementations of the decisions made by EEC





visit the Union's website to learn about schedules of the EEC Board meetings, including information on the subject of legal regulation of the Commission's acts to be adopted





participate in consultations as part of assessing the actual impact of the EEC decisions already adopted





propose goods for labeling





attend meetings of the Public Reception Office on clarification of the EAEU competition laws



report restrict government procurement market access





send applications to the EEC in official languages and receive responses translated into a particular language



participate in the development of cooperation based on sectoral Eurasian technology platforms





participate in discussions of trade policy within the business dialogue





report obstacles in the EAEU internal market





participate in discussions on the EEC regulatory and legal acts through advisory committees, working and expert groups



propose a digital initiative



### Platforms for Businesses

### **EEC Business Forums**

### **Eurasian Week**

Eurasian Week is the largest international business forum in the EAEU. The forum is aimed at creating a favorable business climate in the EAEU and conditions for increasing investment and export potential.

The forum platform serves to develop a network of direct B2B contacts and attract third-country companies as potential consumers and investors to create competitive and export-oriented products.

At the forum, business representatives have the opportunity to:

- learn about the benefits of the EAEU;
- obtain information about the prospects of the Union:
- find subcontracting partners;
- > establish industrial cooperation.

The forum includes exhibition and business parts.



**(**Τ)

The Eurasian Week Forum, Bishkek - 2019

The business part events in the form of seminars, conferences, presentations and round tables address the most recent and relevant issues of integration processes in the EAEU.

The main goal of the exhibition part is to stimulate the development of a network of contacts among businessmen of the Union and to encourage B2B meetings.

In 2018, the forum was held for the third time in Yerevan (Armenia) under the slogan "The EAEU is a Space for Business".

In 2019, the forum was held in Bishkek (Kyrgyzstan) on September 25 to 27. Since 2020 it will be transformed in the Eurasian Economic Forum.

### **Anti-Counterfeit**

The Anti-Counterfeit Forum is the EAEU's central discussion platform for the issues of protection of intellectual property rights and countermeasures against illegal circulation of products. The forum produces suggestions on how to boost the anti-counterfeit activities, the protection of intellectual property rights and the formation of a civilized market for goods and services.

The event is organized by the Eurasian Economic Commission, the Government of the Russian Federation and the International Association of Anti-Counterfeiting.

In 2018, the Sixth International Anti-Counterfeit Forum was held in Moscow, and in 2019 it was held in Yerevan.

#### **Astana Economic Forum**

The Astana Economic Forum (AEF) is one of the most influential international platforms for discussing the recovery and development of the global economy and financial system. It is attended by world leaders, international experts, political and public figures, and representatives of the business community.

The forum is organized by the Government of the Republic of Kazakhstan and the Astana EXPO-2017 company. The EEC is a strategic partner.

Over the 11 years of its existence, the AEF has been visited by about 50 thousand delegates from 150 countries, with more than twenty Nobel laureates and thirty high-level foreign politicians.





Nursultan Nazarbayev on the Astana Economic Forum's plenary session in 2019

Within the congress, more than 300 memoranda and agreements were concluded for a total of more than 20 billion US dollars.

### **EAEU Business Council**

There is a permanent coordinating and advisory body for business circles in the EAEU. The Business Council includes the Union of Industrialists and Entrepreneurs (Employers) of Armenia, the Confederation of Industrialists and Entrepreneurs (Employers) of Belarus, the National Chamber of Entrepreneurs of Kazakhstan, Atameken, the Kyrgyz Union of Industrialists and Entrepreneurs, and the Russian Union of Industrialists and Entrepreneurs.

The Advisory Council for Interaction of the EEC and the EAEU Business Council ensures

interaction and dialogue between the EEC and the EAEU Business Council.

It includes representatives of business communities, industrial associations, and civil society organizations of the Union countries. In 2018, the third meeting of the Advisory Board was held, which addressed the issues of implementing a coordinated transport policy in the EAEU, forming a single food market of the EAEU and elaborating a mechanism for recognizing industry-based competence of conformity assessment bodies in order to remove unfair conformity assessment bodies from the market.

### Meetings with Business Community

One of the conventional forms of interaction with the business community are regular Business Dialogue meetings. They are held on a quarterly basis and chaired by Veronika Nikishina, Minister in charge of Trade.

There is also an online Business Dialogue forum with more than hundred users registered. The platform facilitates timely consideration of questions from the business community and provides an opportunity to exchange and discuss proposals and ideas on the issues within the Commission's competence.

In 2018, the EEC moved to a new format of interaction with business representatives — visiting meetings in the Union countries, which enable feedback to be obtained from the business community in a prompt manner, learning about problems and hearing proposals. In addition, entrepreneurs have the opportunity to ask questions and get immidiate answers in an interactive mode. The meetings are chaired by Timur Zhaksylykov, Minister in charge of the Economy and Financial Policy.

### Doing Business Ranking

The annual study by the World Bank Group evaluates the ease of doing business. The Doing Business Index evaluates regulations that govern activities of small and medium-sized companies throughout their life cycle and their enforcement.

In 2018, all EAEU Member States improved their positions in the Doing Business ranking.

The consolidated position of the EAEU in 2019 Doing Business ranking is at the 31st place, which is 4 points higher compared to the last year. In 2010-2019, the EAEU improved its position by 81 points, rising from the 112th to 31st place.

Compared to 2017, the Eurasian Economic Union has showed improvements in the following indicators: Dealing with Construction Permits (+59 points), Getting Credit (+8 points), Trading Across Borders (+3 points), and Enforcing Contracts (+1 point).

Since 2010, the most significant growth was observed in Getting Credit (+146 points), Dealing with Construction Permits (+126 points), Registering Property (+103 points), Trading Across Borders (+66 points), and Enforcing Contracts (+43 points).

## Development of Business Activities in the EAEU

### Regulatory Impact Assessment and Actual Impact Assessment

### **Regulatory Impact Assessment**

The EEC decisions are binding for all the Union countries. At the same time, they are addressed not only to public authorities, but also to business entities. In order to take into account the views of businesses, for four years the EEC has been

conducting regulatory impact assessment of draft decisions for four years. As practice shows, a growing number of proposals by business circles are taken into account in the Commission's decisions.

### **RIA PROCEDURE**

The RIA procedure consists of two stages



### **CURRENT ASSESSMENT**

It is a public discussion of the EEC draft decision on the Union's website for at least 30 calendar days.

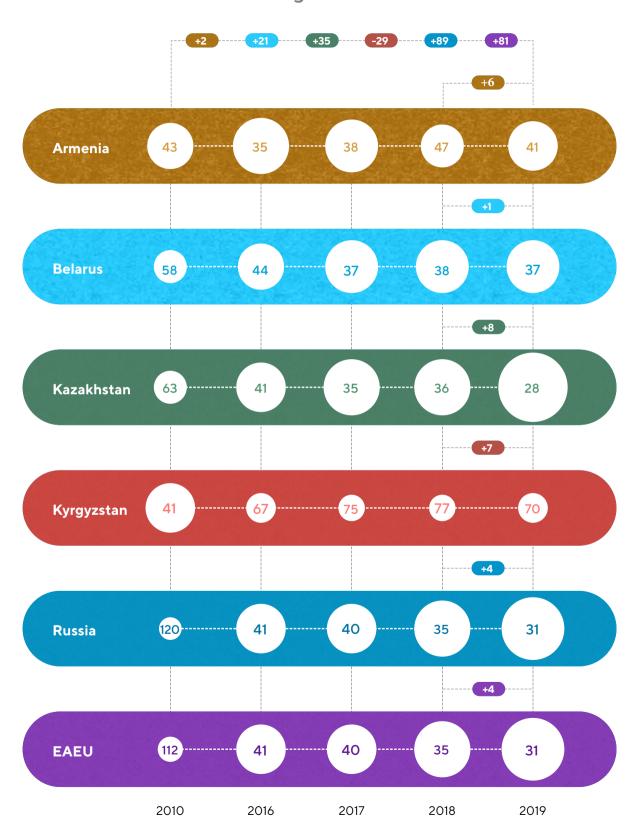


### **FINAL ASSESSMENT**

It is the preparation of an opinion on regulatory impact assessment by a specially created EEC RIA working group.

The working group includes representatives of structural subdivisions of the Commission and the business community of the EAEU States.

### **Doing Business**



From April 1, 2015 to July 2019, 296 draft decisions of the EEC were publicly discussed under the RIA procedure. Public discussion participants provided 7,652 comments and suggestions. The proportion of comments and suggestions taken into account is on average more than 60% of the total number provided by the public discussion participants.

All EEC draft decisions that have impact on the EAEU business in the areas of customs regulations, the application of sanitary, veterinary and phytosanitary quarantine measures, technical regulation, regulation of the circulation of medicines and medical devices, issue of motor vehicle and self-propelled vehicle certificates of title, ensuring uniformity of measurements, trade policy in terms of establishing rules for determining the origin of goods are subject to the RIA procedure.

Regulatory impact assessment (RIA) of the EEC draft decisions is an assessment of their impact on the Union's business environment.

The number of positive determinations on the RIA draft decisions prepared by the EEC tends to increase, which indicates that these decisions are improving business activities in the EAEU.

In the period from January 1, 2018 to July 2019, the number of positive RIA determinations is more than 80% (57 out of 69) of all the determinations prepared.

In addition, since 2017, the EEC has been preparing RIA determinations for the EAEU

draft technical regulations. This procedure has already been performed in respect of 25 draft technical regulations.

### **Actual Impact Assessment**

In July 2018, the Eurasian Intergovernmental Council instructed the EEC to implement a pilot project on actual impact assessment of decisions that have been made by the Commission and are being implemented.

Actual impact assessment (AIA) will make it possible to assess the impact of supranational regulation on businesses in an integrated manner and improve the quality of feedback received from the business community.

In January 2019, the EEC Board approved an action plan for implementation of a pilot project on actual impact assessment of three decisions made by the EEC. The project will have been finished by the end of 2019.

Fill out a questionnaire for assessing the actual impact of the EEC decisions



### Elimination of Barriers

Successful formation of the EAEU common markets is impossible without identifying and removing barriers that prevent free movement of goods, services, capital, and labor.

In 2016 the Union started comprehensive work with barriers after systematizing and entrenching the standard operating procedures in the EAEU law.

The barriers are divided into three types.

<u>Barriers</u> mean obstacles to the free movement of goods, services, capital and labor within the functioning of the EAEU internal market, which fail to comply with the Union law.

Exceptions mean exclusions (deviations) provided for by the EAEU law on non-application by the Union State of the general rules for the functioning of the internal market.

Restrictions mean obstacles to the free movement of goods, services, capital and labor within the functioning of the EAEU internal market arising from the lack of legal regulation of economic relations, the development of which is provided for by the Union law.



In addition, the EEC has created an online register of barriers and a roadmap on the Domestic Markets Operation portal.

With its help, everyone can see the list of barriers, exceptions, and restrictions on the internal market of the Union and the progress of work on their elimination.

In addition, any representative of the business community or a natural person can make an appeal about a potential obstacle to the functioning of the Union internal market.

In 2 years, the Domestic Markets Operation portal received 121 requests from business representatives and natural persons.

As of July 1, 2019, the register of barriers, exceptions, and restrictions in the Union internal market contained 70 obstacles, of which there were 18 barriers, 14 exceptions, and 38 restrictions.

### Competition Development and Antitrust Regulation

### **Antitrust Regulation**

The EAEU has established general principles and rules of competition allowing anti-competitive behavior in the territories of the EAEU Member States and cross-border markets to be identified and suppressed. This has a direct impact on the EAEU business environment and ensures equal conditions for entrepreneurs and fair competition.

The EEC is granted authority to monitor compliance with the general rules of competition.
The Commission may:

- consider requests;
- conduct investigations;
- initiate and review cases;
- render determinations, make decisions binding on economic entities;
- > apply penalties.

The EEC has conducted 23 investigations suggesting possible violation of the general rules of competition in cross-border markets. 8 cases of such were initiated and reviewed. Decisions have been rendered for 3 cases.

### **Proposal Concept**

In 2018, the EEC introduced a new concept of sending proposals to potential violators, which is agreed upon with the Member States, to eliminate signs of violation of the general rules of competition in the cross-border market on a voluntary basis.

This reduces the administrative burden on business and also gives a chance to avoid repercussions.

The EEC has developed 11 proposals on the voluntary elimination of signs of violations and restoration of competition, of which 1 is fully implemented and 3 are agreed and in the process of implementation.

### **Competition Policy**

### Improvement of Law

On the basis of best law enforcement practices, the Department of Competition and Antitrust Regulation works continuously to improve the EAEU's competition laws.

One of the main achievements in this direction is the agreement with the Member States on the introduction of soft law mechanisms into the Treaty on the EAEU.

The soft law provides for the following:

- issuing warnings about the need to terminate actions that contain signs of violations of the general rules of competition;
- issuing warnings about the inadmissibility of actions that could lead to violation of the general rules of competition.

If all the conditions are met, the person in question will not be investigated, no case will be brought for violation of the general rules of competition and, most importantly, no penalties will be imposed.

### Competition Advocacy

The competition advocacy is targeted at raising awareness of businesses about the EAEU law and the tools aimed at restoring competition.

Meetings of the Public Reception Office on Competition and Antitrust Regulation have become a successful format of interaction between The meetings held by the Public Reception Office were attended by representatives of about 300 companies, and more than 50 of them received individual consultations.

the EEC and the business community within the competition advocacy.

In order to raise awareness of businesses, a selection of material has been produced: Competition in the EAEU Cross-Border Markets, or the White Book, which explains the legal basis for legal protection of competition in the EAEU markets.



The Department of Competition and Antitrust Regulation is actively working with international organizations, such as the OECD and UNCTAD. OECD experts praised the work of the Department, calling it a good example for young organizations. UNCTAD competition experts conducted a review of the EAEU competition law in terms of its compliance with international best practices.

### State (Municipal) Procurement

Procedure for Establishing Repeated Exemptions from the National Regime

In order to ensure equal conditions for businesses of the EAEU Member States and the implementation of the national regime in public procurement, the EEC Council decided to develop a new procedure for establishing repeated exemptions from the national regime in public procurement.

By order of the EEC Council, the new procedure will stipulate that, if there is an objection from one or several Member States, the decision on the impossibility of establishing repeated exemptions from the national regime in public procurement will be made by the Board of the Commission by consensus.

Treaty on the EAEU: a Member State of the EAEU in exceptional cases has the right to unilaterally (in accordance with its legislation) establish exemptions from the national regime in public procurement for a period not exceeding two years.

Mutual Recognition of Bank Guarantees by EAEU Member States

By a decision of the EEC Council, the Department of Competition and Antimonopoly Regulation jointly with the Member States was instructed to prepare a Draft Agreement on the mutual recognition of bank guarantees in public procurement by July 1, 2020.

At the same time, during the transition period, the EEC Council instructed to study the possibility of using bank guarantees for public procurement, issued by the Eurasian Development Bank and the Interstate Bank.

### Mutual Recognition of Electronic Digital Signatures

In order to achieve mutual recognition of electronic digital signatures for unimpeded access of suppliers and potential suppliers of other EAEU Member States to participation in public procurement in electronic format, by an order of the Board of the

Commission dated April 23, 2019, an Action Plan was approved for assessing the capabilities of information systems of electronic trading platforms of the Republic of Armenia and the Russian Federation. It is currently under implementation. Upon completion of all planned activities, work will continue with other States of the Union.

Unimpeded access of suppliers and potential suppliers of the Union States to participate in procurement in electronic format can be ensured by the mutual recognition of electronic digital signatures (EDS), made in accordance with the legislation of one state by other states of the Union.



At the moment, the EAEU countries apply common rules for granting industrial subsidies for industrial goods, including when providing and receiving services that are directly related to the manufacture, sale and consumption of industrial goods.

A Union State may apply to the Commission to initiate proceedings in respect of industrial subsidies provided by another EAEU State where there are grounds indicating damage caused or a threat of damage.



### **Key Document**

On April 17, 2018, the Agreement on the Procedure for Voluntary Coordination of Specific Subsidies for Industrial Goods by the EAEU States with the Commission and implementation of relevant proceedings entered into force.

The Agreement defined the procedure for coordinating subsidies and the criteria according to which subsidies are permissible.

In November 2018, the EIC approved an Action Plan to promote production and use of wheeled vehicles with electric engines for years 2018-2020.

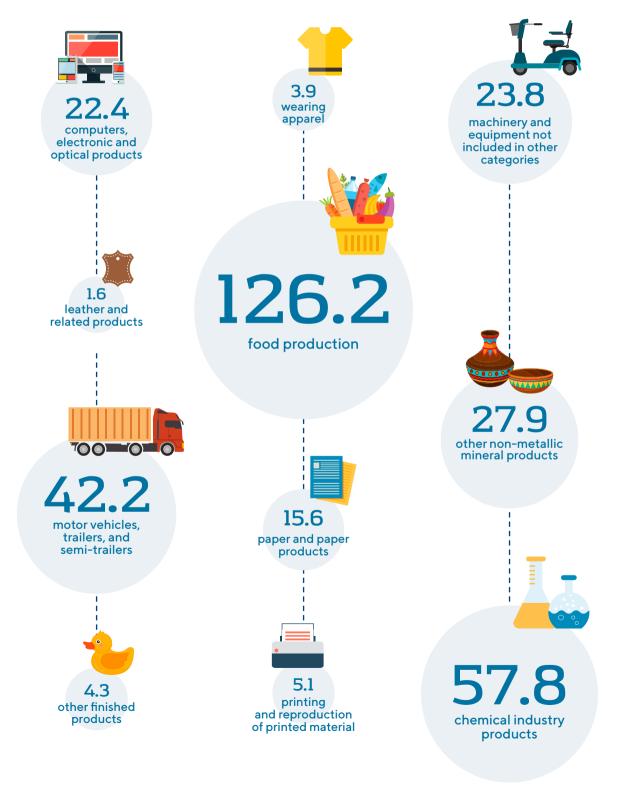
The Plan is divided into two parts: production and use of electric cars. It has been proposed to encourage production by forming a Eurasian list of parts of wheeled e-motor vehicles, their basic components, charging facilities, and service infrastructure that are not produced in the EAEU, reducing rates of

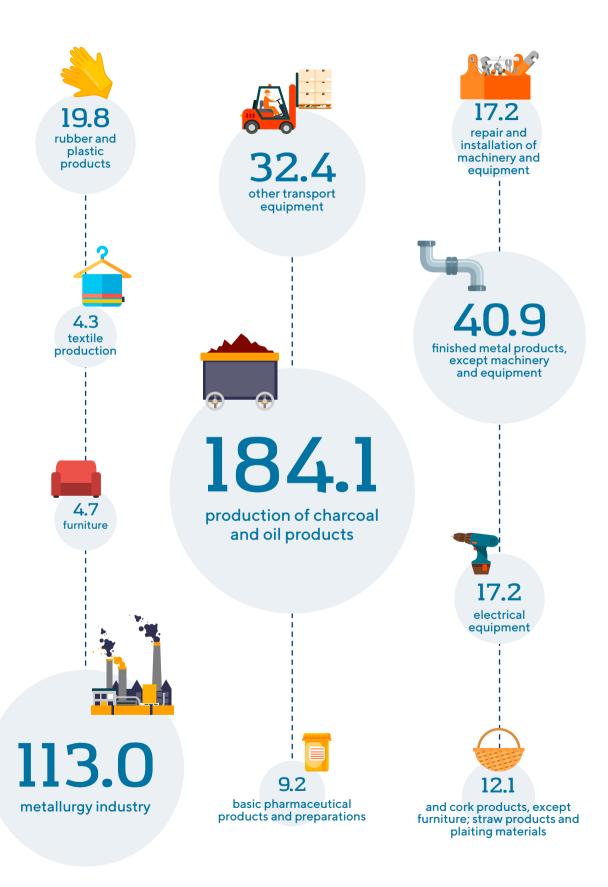
import customs duties on imported components intended for the production of e-motor vehicles, as well as organizing cooperative production of electric vehicles.

Measures to stimulate the use of electric vehicles in the Union include exemption of owners of wheeled e-motor vehicles from transport tax, free parking spaces equipped with chargers, etc.



## TOP-22 Types of Manufacturing Activities with the Largest Volume, Million US Dollars, 2018





The EEC is systematizing information about enterprises for further development of cooperation.

Find out which companies are ready to participate in implementing joint cooperation projects in the production of industrial products for rail transport





The Commission conducts an annual survey of core companies, identifies obstacles encountered by the EAEU enterprises and develops measures to eliminate them.

See monitoring of companies for 2018



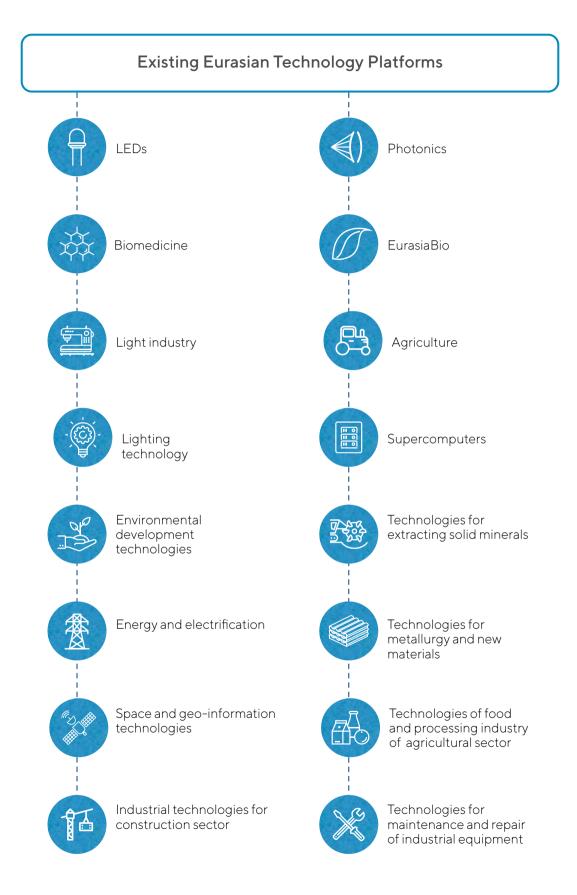
The EEC carries out selective work on including domestic products in the world's added value chains.

With the coordination of the Commission and the Mechanical Engineering Industry Association (VDMA), new production facilities are being created in the Union territory.

In 2018, the EAEU started a pilot project to organize the supply of components for the assembly line of the John Deere American company, the world leader in agricultural engineering.

Learn how to become a member of the ETP or establish your own platform by sending your question to seriy@eecommission.org or calling us at: +7 (495) 669-24-00 (ext. 4834)

The Eurasian Technology Platform is a special format of interaction between scientific, industrial and government entities. The ETP develops and introduces modern groundbreaking and high technologies into production.



Interstate programs jointly financed by the Union countries are developed within the ETP. In 2018, the first interstate program in providing

space and geographic information services based on national sources of earth remote sensing data was launched.

The Eurasian network of industrial cooperation, subcontracting and technology transfer forms the Eurasian digital ecosystem of industrial cooperation. It will include various participants of industrial production and marketing chains, provision of digital services, including business entities that ensure cooperative ties, more optimal use of production facilities and participation of major customers in the procurement.

Become a member of the Eurasian network of cooperation, subcontracting and technology transfer



Currently the EAEU does not produce equipment that would meet the requirements of Industry 4.0. In order to solve this problem, the Eurasian Engineering Center for machine tool building has been created with the support of the EEC.

Its activities will focus on forming and implementing innovative decisions in industrial production to facilitate the Union's transition to a new technological paradigm.



in other manufacturing industries

- Financing of cooperation projects:
- framework financing;
- > program of cooperation between the EEC and the EDB.

The leading role in project financing with a cooperative effect is assigned to the EDB. Business representatives wishing to launch cooperative projects should contact the authorized authorities of the Union countries. With the EEC playing a coordinating role, the project will be evaluated for compliance with the cooperation criteria and a decision on its financing will be made by the EDB.

### Assistance to Exporters and Importers

In 2018, the EEC monitored restrictive measures applied by external partners and held consultations to eliminate them in order to realize the export potential of the Union countries.

As a result of this work, a register of restrictive measures applied by third parties against the EAEU countries was drawn up, which enabled businesses to obtain the necessary information about actual or potential barriers in the third countries' markets and take them into account when making current supplies or first entering the market.

The Commission plans to eliminate the identified restrictive measures, primarily through trade agreements.

Access the register of third countries' restrictive measures



Information about the country of goods origin is mandatory information submitted to customs authorities when declaring goods.

The origin of goods shall be determined depending on the applicable trade regime and the rules of origin established for these purposes.

Learn about the rules for determining the origin of goods when importing into the EAEU

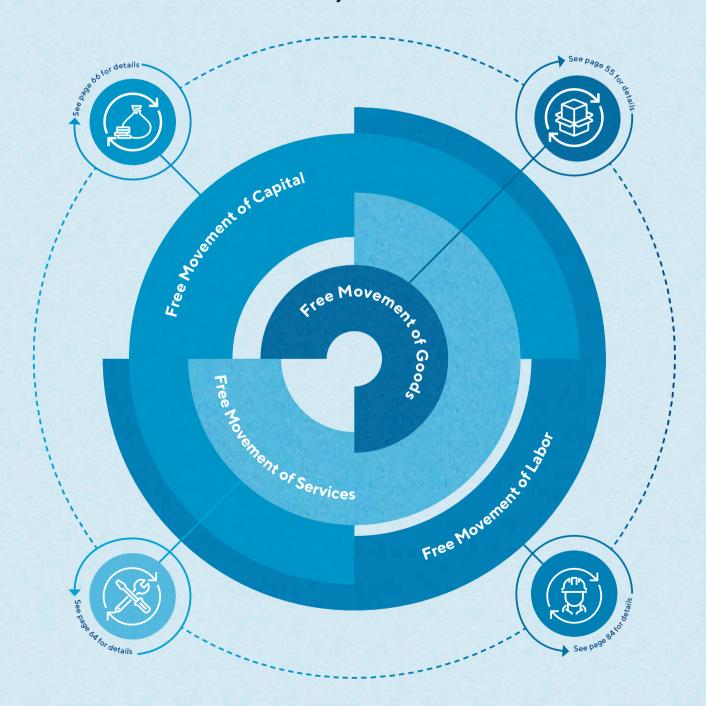




### Four Freedoms in the EAEU

The EAEU aims to create a single market of goods, services, capital and labour. It aims to ensure the four freedoms.

Three of them have been already launched, while the common finance market will be formed by 2025.



### Free Movement of Goods

### **Common Customs Territory**

Since January 1, 2018, a new Customs Code (CC) has been in effect in the EAEU.

All procedures related to the entry of goods into the single Union market are unified in the new Customs Code. The Union trade partners have received

access to the market of 184 million under the same rules, regardless of where they enter from. The Eurasian countries act as a single entity on the world stage and guarantee clear and transparent foreign trade rules to their partners.

As the Customs Code entered into force, the following factors have reduced:

- time for registering customs declarations (twice);
- > time for releasing into free circulation (6 times).

The Authorized Economic Operator (AEO) institution has been significantly upgraded. Three types of AEO appeared. There used to be only one type in the Customs Code of the Customs Union. Now foreign trade participants applying for the AEO status will be able to choose the most beneficial package of simplifications.

In addition, all foreign trade participants will be eligible to apply for the AEO status. Previously, the AEO institution was focused on importers.

The EAEU countries mutually recognize each other's AEOs.

The new Code provides for the possibility to negotiate the mutual recognition of the AEOs with third countries and associations. The EEC has put a lot of thought into it: the approaches of the CC to the provision of simplifications and the requirements for the AEO are as close as possible to those of the international counterparts.

In the future, the EEC will be ready to discuss mutual recognition of the AEOs in order to facilitate trade with leading trading partners.

Frequently Answered Questions on the EAEU Customs Code



Find out more about the AOE



Learn about the rules for moving goods for personal use and cash by natural persons

General register of free warehouse owners and other registers



+20.7%

689.0 million US

dollars

Classifiers will help correctly fill in the customs documents



Download the Customs Declaration and samples of other documents



Armenia

Assess the functioning of checkpoints across the EAEU customs border and activities of the executive authorities performing control functions at checkpoints



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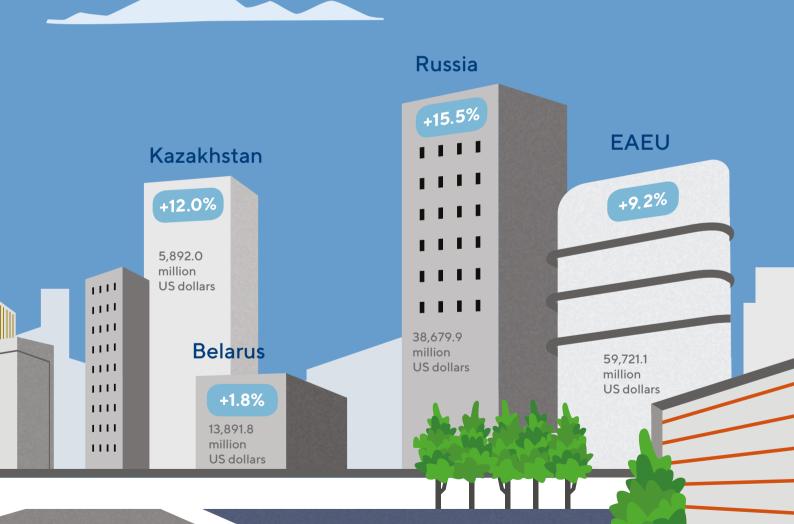
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Kyrgyzstan

+5.0%

568.4 million US dollars

## Results of Mutual Trade in Goods, % compared to 2017



Structure of mutual trade of the EAEU states by integrated commodity groups in 2018, %



Textile fabrics, textile goods and footwear



3.8

Machinery, equipment, and vehicles

19.1





Mineral products

28.7



Wood, pulp and paper products

2.7



Food products and agricultural raw materials

14.6



Metals and metal products

13.2





95.9



Others

6.3

88.7

### Common Technical Regulation

The EAEU common system of technical regulation provides the basis for ensuring products' safety throughout their life cycle. The core mechanisms of this system allow removal of technical barriers

to mutual trade, protection of the internal market from dangerous products, and improvement of the quality and competitiveness of manufactured goods.

About 85% of the goods included in the Unified List fall under the requirements of the technical regulations.

The objectives of technical regulation within the EAEU lie in three interrelated planes in terms of the legal regulation of relations in:

- establishment, application and enforcement of mandatory requirements for products, production processes, installation, commissioning, operation, storage, transportation, sale, and disposal;
- standardization and voluntary application of standards aimed at the implementation of mandatory requirements;
- assessment of product compliance with the requirements of the EAEU technical regulations.

The EAEU has adopted 48 technical regulations, 42 of which have entered into force.

Technical regulations are developed only for the products included in the Unified List. The preparation of technical regulations is transparent, and any entrepreneur can submit their proposals during the public discussion.

### Standardization

Standardization constitutes the basic element for the effective implementation of the technical regulation system. Interstate standards for technical regulations are necessary to fully implement the established requirements, ensure a high technical level of the products manufactured and improve their competitiveness.

Each technical regulation is accompanied by lists of standards that ensure compliance with its requirements and contain rules and methods for product conformity assessment.

Currently, lists of standards for 40 EAEU technical regulations including more than 12 thousand items have been approved.

### **Product Conformity Assessment**

Conformity assessment is a direct or indirect determination of compliance with the requirements to the subject of technical regulation. The uniformity of the rules and procedures for mandatory conformity assessment is one of the fundamental principles of technical regulation.

Conformity assessment is carried out in the forms of registration, testing, conformity approval,

expert evaluation, and others. Forms, schemes and procedures for conformity assessment are established in the EAEU technical regulations on the basis of model conformity assessment schemes approved by the Commission.

To date, 80% of the adopted technical regulations of the EAEU stipulate product conformity assessment in the form of declaration.

As of the beginning of August 2019, the Unified Register of EAEU Conformity Assessment Documents contains information on 984,167 issued certificates of compliance and 5,120,499 registered conformity declarations.

Products that meet the requirements of the technical regulations and have passed the established conformity assessment procedures are marked with the Common Trademark of Circulation in the EAEU Market. The EAC abbreviation can be typed in the Cyrillic or Latin alphabet. The letters are arranged on a light or contrasting background, and for legibility their color is different from that of the package. The mark must be square (with a side of at least 5 mm) and distinguishable during the entire service life of the product.

EAC, being the Common Trademark of Circulation in the EAEU Market, stands for Eurasian Conformity





### Accreditation

Accreditation is one of the bases of the trust in the outcomes of the conformity assessment bodies' activities.

The criteria for including conformity assessment bodies in the Unified Register of the EAEU Conformity Assessment Bodies have been established according to the procedure approved by Resolution No. 100 of the EEC Council dated December 5, 2018.

To date, the EAEU Unified Register includes more than 800 accredited certification bodies and 2,200 testing laboratories.

### State Control

State control (supervision) over compliance with the EAEU technical regulations' requirements is carried out according to the procedure established by the Union States' legislation and is currently exercised by 27 authorized bodies. The principles and approaches to harmonization of the Union States' legislation on state control (supervision) over compliance with the requirements of the EAEU technical regulations are determined by the international treaty within the EAEU.

In 2018, a pilot project was launched to limit and control the circulation of hazardous products. The goal of the project is to establish interaction in a test mode between the state control bodies of the EAEU and the EEC. The pilot project will be launched based on the example of six EAEU technical regulations: on low-voltage equipment, products for children and adolescents, toys, wheeled vehicles, meat and dairy products.





## Intellectual Property

A coordinated policy in intellectual property is applied within the EAEU territory.

Cooperation priorities of the EAEU Member States are as follows:

- > supporting scientific and innovative development;
- improving mechanisms of commercialization and use of intellectual property assets;
- protection of intellectual property rights, including those online.

View materials on intellectual property in the  $\mathsf{EAEU}$ 



Persons of one Member State are granted national treatment in the territory of another Member State with regard to legal regime of intellectual property.

The Treaty on the EAEU, Article 90

### Key documents



### Agreement on Coordination of Actions Aimed at Protecting Intellectual Property Assets

Signed on September 8, 2015, entered into force on July 19, 2016

The document allowed to establish meaningful cooperation between all authorized bodies of the Member States in the protection of intellectual property rights and right holders, to establish work on creating effective measures aimed at combating the spread of counterfeit products in the Union territory and arrange uniform regulatory enforcement.



### Agreement on Collective Management of Copyright and Related Rights

Signed on December 11, 2017, entered into force on May 27, 2019

The document helps improve the protection of the rights of right holders, helps stimulate their creative activity as well as forming a trust system of legal relations between right holders and organizations for collective management of rights.



### Regulations for Maintaining a Common Customs Register of Intellectual Property Assets of the EAEU Member States

Approved on March 6, 2018

The Regulation is required to ensure effective protection against counterfeit products entering the EAEU territory from third countries. It details how right holders should prepare and submit requests for the inclusion of intellectual property in the common customs registry.

In respect of intellectual property assets included in the common customs register, customs authorities will take measures for protecting rights to intellectual property assets, and entrepreneurs will be able to put goods into civil circulation in the Union territory without any additional risks.

The common customs registry will be maintained via personal accounts on the Union's website. The acceptance of applications for including intellectual property assets in the common customs registry will start in 2020.



### Agreement on Trademarks, Service Marks and Appellations of Origin of Goods of the Eurasian Economic Union

Prepared for signing

The adoption of this document will create a new system of simultaneous registration of the Union trademarks and appellations of origin of the Union goods in the territories of all EAEU Member States.

### Digital Labeling

Digital labeling of goods includes applying means of identification to a product and entering information about both the product and the means of identification in the labeling information system.

In 2016, a pilot project for labeling fur products was launched. The introduction of labeling contributed to the «whitening» of the market: as of the end of 2018, the turnover of such goods increased 8-fold.



### Key document

On March 29, 2019, the Agreement on the labeling of goods by means of identification in the Eurasian Economic Union came into force. The standards stipulated by the document will enable control over the circulation of goods in the EAEU to be strengthened, thereby minimizing the «grey» turnover. Consumers in turn receive a guarantee that the purchased goods are legal.

Become a member of the expert working group on the labeling of certain goods — file a request to markirovka@eecommission.org indicating your surname, name and patronymic (in full), the organization you represent, your position, and email address.

Become a member of the sectoral working group and find out more about labeling





### Free Movement of Services

The common market of services in the EAEU allows services to be supplied and received without exemptions, restrictions, additional requirements, or additional incorporation of a legal entity, on the basis of a permit received by the service provider in the territory of its Member State with recognition of professional qualifications of the staff.

Since January 1, 2015, the Treaty on the EAEU has ensured the functioning of the common market of services in the Union in 43 sectors and stipulated the States' obligations to further apply the rules of the common market of services to the maximum number of sectors. In this

The common market of services regime in the EAEU applies to 53 sectors and covers 57% of the services provided.

regard, 18 liberalization plans have been adopted and are being consistently implemented.

The functioning of the common market in as many sectors as possible will result in lower prices, job creation and economic growth.



### The common market regime covers the following sectors:



Landscape architecture services



Services in agriculture



Auto rental



General ..... construction work for buildings



Indoor cleaning services

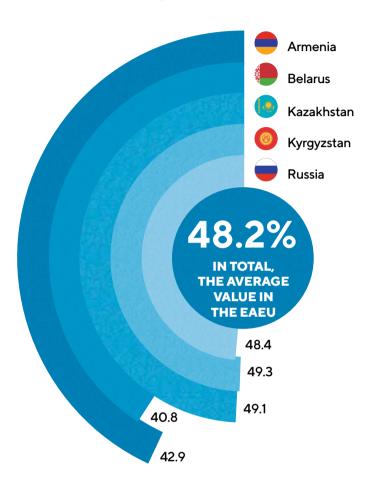


Services in trade

151,835

MILLION US DOLLARS

IS THE TOTAL AMOUNT OF CONSTRUCTION WORKS PERFORMED IN THE EAEU IN 2018 Share of services included in the common market of services as compared to the total volume of services



## Rules governing trade in services, incorporation, and activities

### Adopted on December 26, 2016

The governing Rules determine the obligation to assess the regulatory and actual impact of draft regulatory legal acts, establish a single list of resolutions and reasons as well as provide for the introduction of a risk assessment system during control and supervision and other obligations of the EEC and the Union countries' governments to guarantee the rights of businesses.

By implementing the Rules, guarantees of the rights of businesses will be stipulated in legislation, which will lead to the elimination of uncertainty, localization, and prevention of barriers and higher investment attractiveness of the Union countries.



Advertising



Services related to forestry and logging



Maintenance and repair of equipment for motor vehicles



Photo services



Production and exhibition of motion pictures and videos



Services of travel agencies and tour operators

...

and many others

Fill out a form for entrepreneurs providing services within the EAEU single market





## Free Movement of Capital

One of the priorities of the integration cooperation of the EAEU States is the formation of a common financial market. Its creation will ensure the effective distribution of capital, diversify and minimize risks, increase competition in the financial services market and remove restrictive barriers to mutual admission.

In addition, the common financial market will provide greater access to financial products and resources for both businesses and the public.

### Formation of a Common Financial Market



Concept of the Formation of the Common Financial Market of the EAEU

Signed on October 1, 2019

The concept was developed by governments and national (central) banks together with the EEC.

The document determines:

- main goals, principles, objectives, stages and expected results of the formation of the EAEU common financial market:
- > legal basis and main areas of the market operation;
- procedure of information exchange and administrative cooperation of financial market regulators;
- tasks and office of the supranational authority for regulating the EAEU common financial market.



Agreement on the Exchange of Information, including Confidential Information, in the Financial Sector in order to Create Conditions in the Financial Markets to Ensure Free Movement of Capital

Signed on December 23, 2014; entered into force on October 21, 2016

It determines the procedure for exchanging and using information in order to deepen integration processes in financial markets as well as to ensure the inter-country exchange of confidential information between government bodies in order to protect the rights of financial market participants.



### The Agreement on the Harmonization of Legislation of the EAEU Member States in Financial Markets

Signed November 6, 2018

The document is required to create a common financial market within the EAEU, ensure mutual recognition of licenses for activities in the services sectors (banking sector, insurance sector, services sector in the securities market) and non-discriminatory access to the financial markets of the EAEU states.

### Formation of the Common Exchange Space

### Trading volume on the main stock exchanges, 2018, in national currencies

92,647 mln 3



Armenia

**29.6** bln Br



Belarus

127,403 bln 〒



Kazakhstan

122,078 <sub>mln</sub> C



Kyrgyzstan

842,478 bln P



Russia



Agreement on the Admission of Brokers and Dealers of the EAEU Member State to Participate in Organized Trading on Stock Exchanges (Trade Organizers) of Other Member States

Domestic coordination has been completed



Roadmap on the Formation of the Common Exchange Space of the EAEU

Draft document has been prepared

The document includes the development and implementation of logically connected elements required for the effective functioning of stock exchange trading in securities and financial instruments.



Agreement on Mutual Admission to Placement and Circulation of Securities in Organized Trading in the EAEU States

Draft document has been prepared

The document will ensure freedom of issuing and trading operations with securities in the exchange space of the Union.

### Tax policy



Agreements on the Principles of Tax Policy in Respect of Excise Duties on Alcohol and Tobacco Products

Projects are aimed at domestic procedures required for the signing

The Agreements will ensure conditions for the functioning of tobacco and alcohol markets in the Union by harmonizing excise rates applicable in the countries. As of 2024, an indicative rate on cigarettes will be established at 35 euro per 1,000 pieces and an indicative rate on alcoholic products with a volume share of ethyl alcohol over 9% (in Belarus - 7% or more) will be 9 euro for one liter of 100 percent ethyl alcohol made of raw materials contained in the finished product. The actual excise duties applicable in the countries in 2024 may deviate from the indicative rates within the ranges established by the Agreement.

In the future, the Member States will work out a common indicative rate on the Commission's specialized platform once every five years.



Amendments to the Protocol on the Exchange of Information in Electronic Form between the Tax Authorities of the EAEU Member States on the Amounts of Indirect Taxes Paid

Domestic coordination of the project has been completed

The document is aimed at the improvement of tax administration using information technologies.

### Monetary policy



Agreement on the Agreed Approaches to the Regulation of Currency Relations and the Adoption of Liberalization Measures

Domestic procedures required for the signing are in progress

The document identifies a list of currency transactions for which the parties do not apply currency restrictions, which ensures the freedom of movement of funds of the Union residents across the EAEU.



Domestic coordination of the project has been completed

The document determines the mechanism, procedure and conditions of interaction between the participants of cross-border exchange of information included in credit histories as well as the main principles for protecting rights and legitimate interests of consumers and financial service providers in credit relations.



Agreement on the Advisory Council on the Exchange Rate Policy of the National (Central) Banks of the EAEU Member States

Domestic coordination of the project is in progress

The draft Agreement provides for the establishment of an Advisory Council, defines the scope of its activities, the composition, and procedure for informing interested bodies of the Union countries and the EEC about the decisions of the Council.

## Payments and Coordination in Budgetary Policy

### Crediting and distribution of import customs duties

The validity of the standards for the amounts of import customs duties was extended until December 31, 2019. They are distributed between the EAEU States' budgets according to the following regulations:



The Agreement on Information Exchange in the Area of Countermeasures Against the Legalization (Laundering) of the Proceeds of Crime and Terrorist Financing in the Movement of Cash and (or) Monetary Funds Across the Customs Border of the EAEU

The draft has been sent for domestic legal procedures required for its signing

## Fixed capital investments, 2018, million US dollars

million US dollars



budget funds

39,193.40 15.2%



4,387.80 1.7%



other funds

32,535.40

12.6%



funds of foreign investors

2,035.00



Source of financing



funds
belonging to
enterprises and
organizations

142,114.50 55%



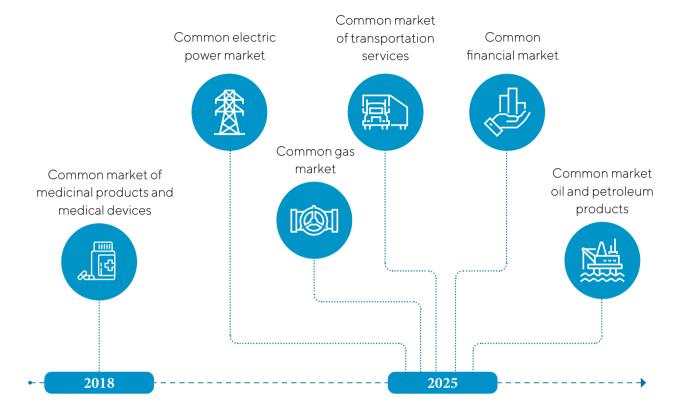
loans from banks and borrowed funds of other organizations

38,162.10

### Structure of fixed capital investments in 2018



# The EAEU Common Markets





# Common Markets for Medicines and Medical Devices

Common markets started operating in 2018. By the end of 2025, the rules for the manufacture and registration of medicines and medical devices in the Union must be fully unified. As a result, administrative costs for manufacturers will be reduced and patients will get access to modern, safe, high-quality and effective medicines and medical devices.

At the end of 2018, a unified information system, which united national regulatory systems for the approval of medicines and medical products for use, supervision of their safety and quality of medicines, was created in the EAEU. The unified information system is the «central nervous system» of the Union's pharmaceutical market.

The Commission prepared process documents that ensure the creation of information systems for the common markets for medicines and medical devices, which include registers and information databases of the EAEU. For example, a register of registered medicines, medical devices, pharmaceutical inspectors and authorized representatives of medicine manufacturers, a database of medicines that do not meet quality requirements and counterfeit medicines, as well as a database for monitoring the safety, quality and effectiveness of medical devices. In 2019, the unified information system will be fully operational.

The transition to the common pharmaceutical market of the EAEU will be made on a phased basis,

which will help entrepreneurs better adapt to new conditions. Until December 31, 2020, any applicant has the right to choose national or all-union rules for registration of medicines. However, dossiers for the products that will be registered in accordance with national standards must be brought into compliance with all-union standards by December 31, 2025.

The transition period for circulation of medical devices will expire on December 31, 2021, when registering medical devices under national rules will no longer be possible; hence, from January 1, 2022, medical devices will be released into circulation only under the Union's rules.

Learn how to register a medicine in the EAEU



Learn how to register a medicine in the EAEU



The regulatory framework for common markets has been fully formed. It includes a system of 47 regulations on circulation of medicine and 28 documents regulating circulation of medical devices.

#### First results of the common market

As of September 2019

- 102 applications were filed according to the common rules for the EAEU registration of medicine; 6 registration certificates for medicines were entered into the common register.
- 6 applications for registration of medical devices were filed according to the EAEU common rules.

20 pharmaceutical inspections of medicine manufacturers were conducted; as a result, 13 EAEU GMP certificates were issued.

View the Pharmacopeia documents



Activities are underway to prepare the Union's Pharmacopoeia — a compendium of requirements to the quality of medicines. Its requirements allow a single minimum level of safety for medicines across the EAEU to be established.



# EAEU Common Market for Energy Resources

The EAEU has vast reserves of primary energy resources and occupies one of the leading positions in the world in terms of explored reserves of fuel and energy minerals, as well as hydrocarbon production. The Union States have closely interconnected energy sectors.

Key integration benchmarks and priorities for the cooperation among the EAEU States include pursuing coordinated energy policy and creating common energy markets (electric power, gas, oil and petroleum products). This will allow the Union's powerful energy potential to be used in a more efficient manner, thus solving the problems of the energy supply economics, expanding export opportunities and transit potential, and increasing the resistance of the energy sector and its infrastructure to external and internal influences.

Creation of conditions for the free movement of electric power, gas, oil and petroleum products in the territories of the Member States and setting affordable and transparent energy prices on common markets provide additional opportunities for the development of small and medium enterprises, which are the driving force of the economy.

Common markets will give a significant impetus to the development of national economies and the social sector, since they will contribute to the growth of the population's wellbeing and the increase in state budget revenues.

When forming common markets for the Union's energy resources, special attention is paid to creating a competitive environment, which is one of the main factors for establishing favorable business conditions for the companies from the EAEU States, including:

- development of exchange trading;
- ensuring equal access to energy resource transportation systems;
- > active inclusion of business structures in the process of demonopolization of markets.

#### Common Electric Power Market

The Treaty on the EAEU provides for the international treaty on the formation of a common energy market (CEM) of the Union to enter into force in 2019. The international treaty has been prepared in the form of a Protocol amending the Treaty on the EAEU regarding the formation of the EAEU CEM and will become an annex to it.

The Protocol defines the legal framework and principles for the formation, functioning and development of the common electric power market of the Union, establishes the areas that will be regulated by the rules for the functioning of the

CEM of the Union, and also empowers the Eurasian Intergovernmental Council and the Council of the ECE to approve acts regulating the CEM of the Union. In addition, the Protocol determines the bodies and organizations to manage and ensure the functioning of the common electric power market of the Union, the participants and infrastructural organizations of the CEM of the Union, as well as ways to trade electric energy in it.

The Protocol was signed by the heads of states of the Union on May 29, 2019 and is currently undergoing ratification in the countries of the Union.

In 2017, the Eurasian Intergovernmental Council adopted a decree on the formation of an information exchange system within the Union's CEM. Information on electricity prices provided to businesses on a regular basis will reduce the cost of production by choosing cheaper energy resources. In this case, generating companies will have an incentive to invest in energy efficiency.

#### Common Gas Market

Creation of the EAEU common gas market provides for mutual trade and transportation of gas owned by the common market participants and intended for supply to consumers.

The following documents have been developed and sent to the authorized bodies of the parties for consideration:

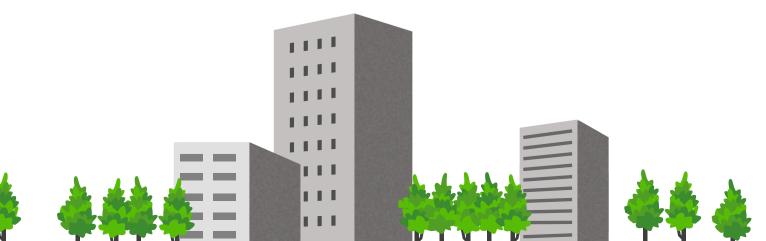
- international treaty on establishment of a common gas market of the Union;
- common rules for access to gas transmission systems located in the territories of the EAEU States;
- > procedure for information exchange in the common gas market of the Union.

### Common Oil and Petroleum Products Market

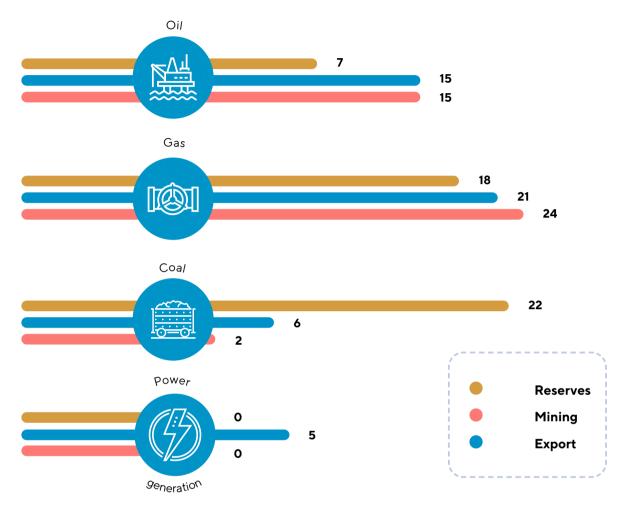
Establishment of common oil and petroleum products markets of the Union is required to ensure the sustainable development of economies of the states, energy and environmental security, higher economic efficiency of economic entities and level of economic integration and competitiveness of states and the Union as a whole in the world market.

The following documents have been developed and sent to the authorized bodies of the parties for consideration:

- international treaty on establishment of common oil and petroleum products markets of the Union;
- procedure of information exchange in the common oil and petroleum products markets of the Union.



#### TOTAL ENERGY POTENTIAL OF THE EAEU COUNTRIES, %



#### PERFORMANCE OF ENERGY INDUSTRIES IN THE EAEU COUNTRIES IN 2018



## Common Market for Transportation Services

By 2025, the EAEU plans to eliminate all restrictions in transportation by all means of transport, form a single transport space and create a common market of transportation services.

#### **COMMON MARKET ADVANTAGES** For the For the For the business economy population community long-term sustainable increased mobility and reducing transport economic development accessibility components in the ultimate price of goods higher share creating a competitive of transportation improving the reliability environment in the and quality of transport services in the GDP common market services of transport services growth in cargo flows ensuring equal access in mutual and foreign conditions to the trade by rendering transport service better transportation reducing the negative market impact of transport on services the life and health of the population developing multimodal logistics centers implementing large-scale projects developing intermodal in transport infrastructure ensuring transparency transports in the setting of tariffs (prices) for transport creating new services harmonizing transport production facilities conditions and rules and workplaces

# Key Achievements in 5 Years

## 1. Strategic Documents on the Implementation of a Transport Policy in the EAEU were Adopted.

In particular, the Main Directions and Implementation Stages of the Coordinated (Agreed) Transport Policy were approved, as well as two roadmaps for their implementation for 2018–2020.

The roadmaps focus on the analytical component. It is planned to prepare 29 analytical reports, more than half of which have already been prepared and approved by the EAEU advisory bodies. The roadmaps also provide for the preparation of 3 international treaties and about 40 acts by the Commission.

## 2. International Road Transportation of Goods has been Liberalized.

On January 1, 2015, the authorization system was canceled for international transportation of goods between the Union States, as well as transit through their territories. Transport (road) control was transferred to the external border of the EAEU, and unified approaches and requirements for its implementation were established. This simplified the operation of businesses, reduced the procedures and time for moving goods between our countries.

In addition, the Program for the liberalization of coastal road transport of goods was approved. Its main objective is to determine consistent actions of the Member States to phase out the restrictions that apply to coastal road transport of goods.

As a result of the implementation of the Program, it is expected to reduce consumer spending on transportation services, as well as the proportion and length of empty runs, and create competitive conditions in the EAEU motor transport services market.

## 3. The Tariff Policy for the Transportation of Goods by Rail in the EAEU has been Determined.

The EAEU has unified tariffs for the services of rail transportation of goods by type of transportation:

A competitive environment will be created for businesses with equal conditions for access to the market for transport services, as well as common rules and conditions of transportation.

export, import, and domestic. The procedure for a coordinated and agreed tariff policy and the conditions for the application of unified tariffs for transit transportation have been determined. As a result, the freight charge per 1 ton of cargo was reduced more than 2.5-fold.

Regulatory legal acts have been adopted to establish limit tariff levels for services for the transport of goods by rail across the national territory of the Union States.

The procedure and conditions for the access of carriers of the Union States to the border areas of the adjacent infrastructure of railway transport have been determined.

# 4. The Agreement on Shipping has been Signed and Legislative Acts on the Access of Cargo Owners to the Infrastructure of Seaports have been Adopted.

The implementation of the Agreement will simplify the mechanism of access to inland waterways of the Member States. Access of vessels under the flag of the Member States to navigation will be based on an application submitted no later than 10 days before the vessel enters inland waterways.

Legislation on the access of cargo owners to the infrastructure of the seaports of the Russian Federation was also adopted, which allowed the countries of the Union without access to the open sea to gain more opportunities for foreign trade.

All this will simplify the movement of ships and reduce the time of transportation.

## **5.** Work Continues on the Phased Formation of a Common Market for Air Transport Services.

In accordance with the roadmap for the implementation of the Main directions of transport policy in air transport, analytical work was carried out and common approaches were developed to ensure flight and aviation safety, eliminate legal, organizational, technical and technological obstacles that affect the development of competition in the air transportation market.

In addition, an analysis of the state of the aircraft fleet of airlines of the Member States of the Union was conducted for compliance with the requirements of the International Civil Aviation Organization (ICAO) in terms of noise, airport The total freight turnover of all types of transport (excluding pipeline) in the Union in 2019 increased by 11% compared with 2014 and amounted to 3,514 billion ton-km and passenger turnover — by 9.4% and amounted to 853 billion pass-km.

infrastructure, aerodrome equipment, aeronautical and radio technical support for aircraft flights, national aviation security systems, and areas subject to harmonization were identified..

### Eurasian Railway Alliance

United Transport and Logistics Company — Eurasian Rail Alliance (UTLC ERA) — became the first Eurasian pilot project for the implementation of container transportation on the route from the western borders of the PRC to the border with Poland.

Since the launch of the project in 2016, the volume of transit traffic has increased more than 2.5-fold

(from 101,000 TEU in 2016 to about 275,000 TEU in 2018).

According to expert assessment, by 2025, the flow of containers with export-oriented goods from the western borders of China through the Union States to Europe will reach 1 million TEU.

### Natural monopolies

The natural monopolies regulated by the state from the point of view of integration cooperation have significant potential and play an important role in increasing the economic attractiveness of mutual trade relations.

Taking this into consideration, a comparative analysis of the legislation of the EAEU Member States and the practice of regulating the activities of natural monopolies is carried out annually.

In the period from 2012 to 2016, the initial stage of harmonization was completed, including all the measures of the phased plan for the formation of a single economic space in relation to the areas of natural monopolies (in sectoral context).

In 2017, an action plan (roadmap) was approved to determine the sequence of relevant measures to harmonize the legislation of the EAEU Member States regarding natural monopolies.

The specified roadmap consists of 3 consecutive stages that include a comprehensive study of legislative and other acts of the EAEU Member States, enforcement practice and development of proposals for a list of regulatory legal acts to be brought together. These studies started this year.

The implementation of the action plan (roadmap) will create the conditions for converging the applied instruments and regulatory methods in the areas of natural monopolies, increasing transparency and simplifying the conditions for access to them.

## Common Agricultural Market

In order to create equal conditions for businesses, the Commission is unifying requirements in the production and circulation of agricultural products. The EEC has adopted a number of documents in **seed production**. For example, a list of common methods for determining the sowing (planting) quality of seeds of agricultural plants used by the EAEU States in the circulation of seeds in the Union territory.









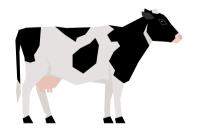


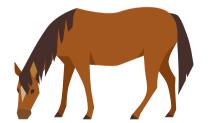
On March 23, 2019, the Agreement on the circulation of seeds of agricultural plants within the EAEU came into force.

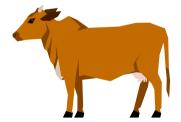
The Agreement is aimed at forming a common seed market. The market will reduce the cost and time load on the business in mutual deliveries and dependence on imported seed materials. Businesses will be able to save about 1 million US dollars annually.

Interested persons will be able to receive information about the varieties presented in the EAEU market. For this purpose, the EEC will form and maintain a single registry of agricultural plant varieties.

The EAEU members signed the agreement, harmonizing the requirements in the market of **breeding products**, at the EIC in 2019.







Annually the economic effect from implementing this international treaty in livestock breeding may amount to about 1.3 billion US dollars.

In order to balance the common agricultural market of the EAEU, the Commission is working out and adopting recommendations for developing cooperation between the EAEU countries in the issue of producing sensitive goods.

Such joint actions allow states to take into account the capacities of partners when conducting their own agricultural policies.

Find out all about the current status of the EAEU agro-industrial complexes



Sensitive goods are agricultural goods of socioeconomic importance for the sustainable development of agricultural sector and rural areas of the Union States.

For the EAEU, the list of such products includes:



Meat and meat products,



Milk and dairy products,



Vegetables, fruits, melons and gourds and products of their processing,



Rice,



Oilseeds and products of their processing,



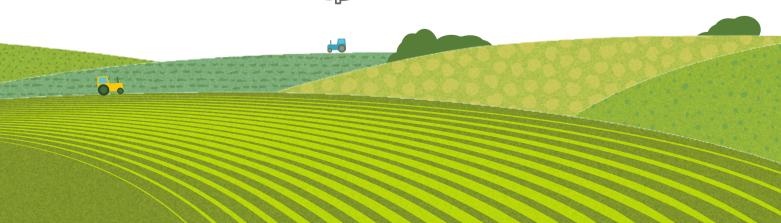
Sugar,



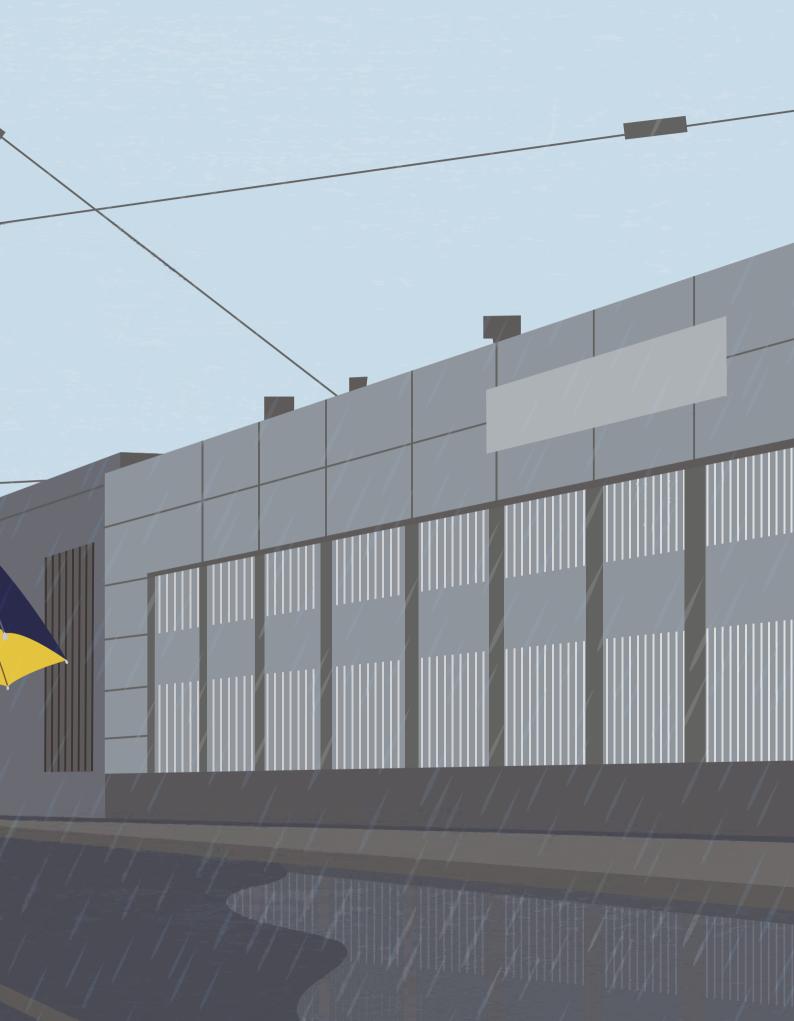
Tobacco.



Cotton.









Each year, the EEC improves the law of the Union to ensure equal rights for workers in the common labor market.

#### **ADVANTAGES OF A COMMON LABOR MARKET**



The EAEU citizens can be in EAEU countries without registration up to 30 days from the date of entry, after which they need to go through the registration procedure in accordance with the legislation of the state of entry, if stipulated by law. In general, they have 90 days to find a job



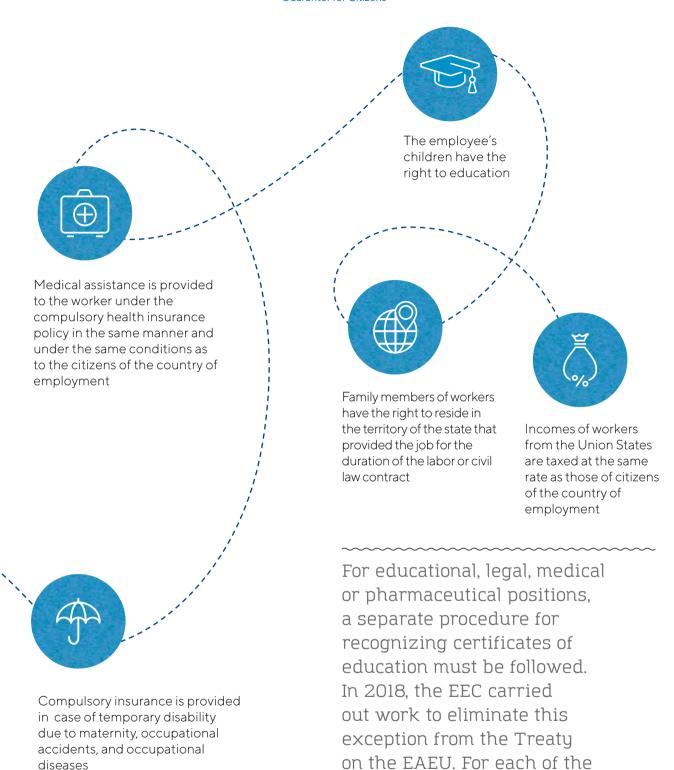
Education documents issued in the Union States are recognized during recruitment



The EAEU citizens have the right to work in all Union States with no regard for restrictions on the protection of national labor markets, and they do not need to obtain permits for employment



Emergency medical care is provided to workers and their families free of charge



four areas, working groups

have been established.

of experts from all Union States

## Special Status for Workers in the EAEU

In 2018, the EEC offered an initiative to provide workers with a long-term employment or civil law contract (with a term of at least one year) or a certificate of registration as an individual entrepreneur, and their family members — with the special status of the EAEU workers.

It grants special rights to the EAEU worker when traveling across the borders of the Union States during recruiting and employment and conditions of stay in the state of employment.

This will ensure one-time registration procedures, reduce shadow employment, optimize statistical accounting and increase the collection of all tax payments.

As a result of discussions held in 2018, the expert and business communities supported this initiative, and now it is being discussed with the competent authorities of the Union States in order to develop a unified approach to the rules for granting such status.

### Pension Benefits in the EAEU

There are different pension systems in the EAEU states. There are different models of pension systems, conditions for the right to a pension (retirement age, length of employment, individual pension rates), as well as amounts and sources of payments. In addition, not all countries of the Union support the pension rights of workers from other EAEU states.

For several years, the EEC, together with the countries of the Union, has been working on a draft Agreement on the provision of pensions for workers, which will enable citizens of the Union to form, maintain and further realize their pension rights formed in other EAEU states in full.

It is assumed that upon returning to their homeland, workers will receive a pension from the EAEU countries they worked in. Each state will export part of the pension for periods of work on its territory as part of the cross-border interaction of state bodies of the parties.

According to the provisions of the agreement, a pension will be assigned for the length of service in accordance with the legislation and requirements of the country in which the citizen of the EAEU worked, namely when they reach the established retirement age and develop the necessary labor (pension insurance) record.

The core principle of the draft Agreement is that the pension will follow the pensioner.

Currently, the draft Agreement on the provision of pensions for workers in the EAEU has been sent to the countries of the Eurasian Economic Union to carry out domestic procedures necessary for signing.

It is expected that the document will be signed in 2019.

The draft Agreement has been developed by the EEC together with the EAEU states in accordance with paragraph 3 Article 98 of the Treaty on the EAEU.

#### MAIN OBJECTIVES OF THE DOCUMENT:



Resolution of issues related to the appointment and export of workers' pensions



Formation, maintenance and implementation of the workers' pension rights under the same conditions and in the same manner as for the citizens of the state of employment



Development of cooperation between the Member States in the field of pensions

# Unified Search Engine "Work without Boundaries"

The main idea of the project is to design a search system that will allow any citizen or employer to realize searching for vacancies or CVS in all the Union countries. The project is planned to be implemented by the end of 2020. The existing national platforms of the five EAEU countries will be used for its implementation. The search engine will allow access to information on available job opportunities and job applicants, which is contained in the information systems of the member States in the field of employment. As a result, users of the system — job seekers and employers — will have the opportunity to choose one or more countries of the Union in order to conduct a job search or staff

recruitment, to develop a universal search query to national information systems, to access information on vacancies and CVS as well as the possibility of interactive networking.

Thus, the project will contribute to the establishment of a common labor market, accelerating the processes of free movement of labor and ensure the mobility of labor. It is planned that the number of appeals will be at least 1 million at the end of one calendar year of the system, the number of responses to vacancies and invitations from employers — at least 100,000 and no less than 10,000, respectively.

# Prospects for Developing the EAEU Common Labor Market

- eliminating the exception regarding the recognition of documents on education with access to teaching, legal, medical or pharmaceutical activities from the Treaty on the EAEU;
- simplifying the procedure for the migration of citizens in the territory of the EAEU;
- increasing the mobility of workers in the common labor market, including work on a draft Agreement on the Special Status of a Worker in the Eurasian Economic Union;
- working on the creation of common migration space, which will allow the mobility and comfort of employment of citizens of the EAEU States to be increased:
- developing cooperation of the Union States in healthcare and education:
- removing obstacles to the provision of medical care for families of workers within the CHI system.

### Recognition of Scientific and Academic Degrees

In order to increase labor and academic mobility of citizens of the Union States with academic degrees and ranks, the EEC has developed a draft Agreement

on recognition of conformity of academic degrees and academic ranks in the EAEU Member States. It is planned to be considered in 2019.

### **Driver Training Requirements**

In order to develop human resources of the Member States in road transport, the EEC has developed a draft agreement on the harmonization of qualification requirements for the main professions of motor vehicle drivers in the Eurasian Economic Union states, which is planned to be considered in 2019.



## Food Safety in the EAEU

In 2018, the rate of self-sufficiency in basic agricultural goods and food in the Union reached 92.3%.





In 2018, the Union rate of self-sufficiency in grain reached

139.5%



The Union provides

98.4%

of its need in potatoes



The EAEU is fully self-sufficient in vegetable oils. In 2018, the rate reached

145.3%

SUNFLOWER





**POTATOES** 





The highest indicator of self-sufficiency in food was achieved in Belarus — 96%. In Russia, it is at 89%, in Kazakhstan — 83%, and in Kyrgyzstan — 81%. In Armenia, the level of self-sufficiency in 2018 was 71%.

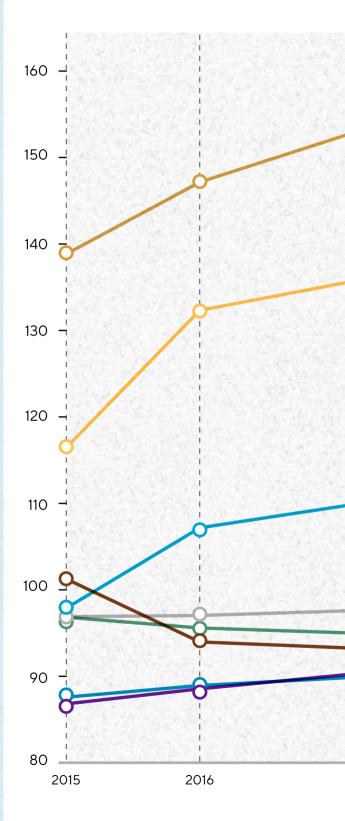
There are also differences in the level of self-sufficiency for certain types of agricultural products. In Belarus, the volume of milk production is 2.3 times higher than the domestic needs, and Russia, on the contrary, imports one sixth of the consumption volume of dairy products. The self-sufficiency of Russia in vegetable oil is 1.5 times higher than its consumption, while Armenia is almost completely dependent on the supply of oils from the Member States. At the same time, Armenia largely satisfies the needs of the EAEU population for fresh fruits.

The EEC understands that the well-being of the citizens of our countries requires creating a sustainable system for ensuring collective food security within the Union. Therefore, the Commission together with the EAEU countries developed a draft Concept of Collective Food Security of the Member States of the Union.

To ensure collective food security, measures are to be taken in five areas:

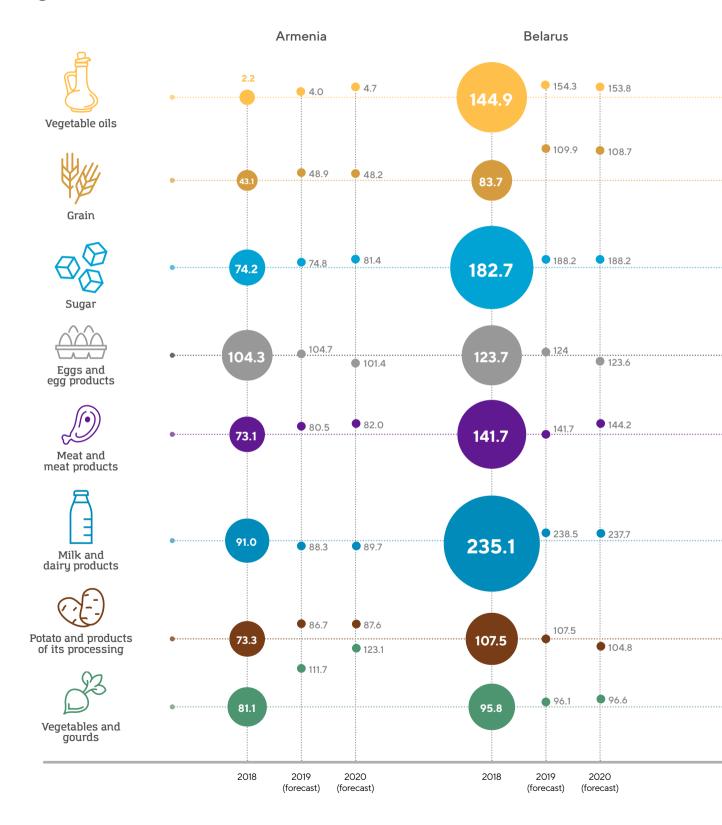
- introduction of a common system for assessing collective food security;
- development of cooperation and integration in the agrifood sector;
- creating an enabling environment to increase the competitiveness of the production and marketing of agricultural products and food;
- regulation of collective food security;
- > creation of a single database for collective food security.

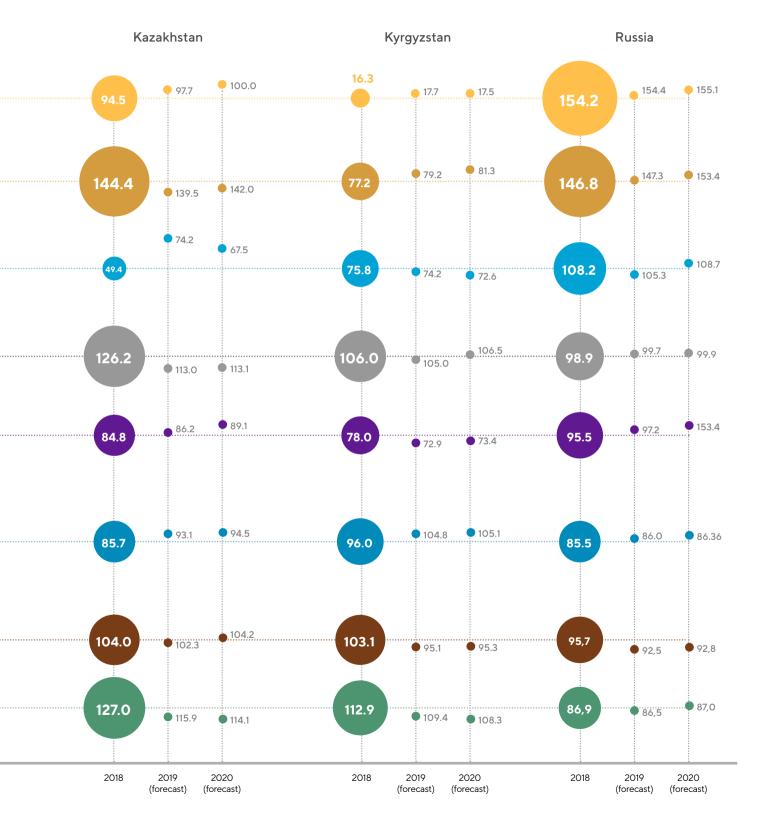
The draft Concept also incorporates a unified methodology that will allow monitoring the state of food security according to a system unified for all countries of the Union..



# The EAEU's Level of Self-sufficiency in the Main Types of Agricultural Products, % Jegetab/2 Grain Sugar Eggs and % products Meat and heat product Wilk and 2019 2020 2017 2018 (forecast) (forecast)

# Level of Self-sufficiency in the Main Types of Agricultural Products, %







## SPS Measures: Taking Care of Safety

Adoption of coordinated and effective decisions aimed at protecting the interests of consumers is a crucial task facing the Union States and the EEC. Its performance is facilitated by the Union's legal framework, which ensures that clear requirements are established with respect to consumer products, ranging from sanitary and epidemiological, hygienic, veterinary and phytosanitary quarantine safety requirements to information included in food products labeling.

SPS measures are mandatory sanitary, veterinary sanitary and phytosanitary quarantine measures and procedures.

Aims of SPS measures:

- protecting human and animal life and health from the risks arising from additives, contaminants, toxins or pathogens in food, beverages, feed, and other products;
- protecting the life and health of animals and plants from the risks arising from the penetration, rooting or spread of plant pests, causative agents of infectious diseases of plants and animals, weeds, vectors of diseases or pathogens of quarantine importance for the Member States:
- protecting human life and health from the risks arising from diseases transmitted by animals, plants, or their products;
- preventing or limiting other damage caused by the penetration, rooting or spread of plant pests, causative agents of infectious diseases of plants and animals, weeds, vectors of diseases

or pathogens of quarantine importance for the Member States, including the case of transfer or spread thereof by animals and (or) plants, with products, cargo, materials, or vehicles.

The fundamental issues that the EEC is working on in SPS measures are the development of normative legal acts to ensure sanitary and epidemiological welfare, quarantine phytosanitary and veterinary sanitary safety of the Union territory, scientific justification for the use of SPS measures, balanced assessment of relevant risks, compliance with the proportionality of restrictive measures, removal of unjustified administrative barriers to trade, as well as improving the living standards of the population.

From the point of view of ensuring the safety of imported goods, certain procedures to prevent the presence of pathogens and harmful substances in them is of key importance. These procedures include pre-market inspections, market controls, and quarantine regimes.

The EEC's goal is to create the legal environment which ensures that the products imported into the territory of any country are "clean" and safe.

#### THE FOLLOWING ARE IN FORCE THROUGHOUT THE EAEU IN SPS:



Unified lists of goods subject to mandatory requirements



Unified requirements



Unified forms of documents confirming product safety



Unified procedures for monitoring and oversight activities

Ensuring the safety of food and other groups of goods, the health of people, animals and plants, scientific justification and balanced risk assessment, and proportionality of restrictive measures are the main tasks that the EEC is working on.

The SPS measures include:

- all laws, resolutions, rules, requirements, and procedures; this also includes requirements to the final product;
- processing and manufacturing methods;
- procedures for testing, inspection, certification, and approval;
- quarantine rules including requirements associated with the transportation of animals, plants, or materials necessary for their livelihoods during transportation;

- regulations in respect of statistical methods, sampling procedures, and risk assessment methods;
- packaging and labeling requirements specifically designed to ensure food safety.

The Treaty on the Union defines the rules in accordance with which the establishment and application of product safety requirements should be based on principles that have scientific justification, and only to the extent that it is necessary to protect human life and health. The implementation of these principles should be subject to a risk assessment.

The work carried out by the EEC in SPS measures helps remove barriers to the movement of goods and provide safe and high-quality goods and services. It directly depends on improving requirements in this sphere and consumer protection mechanisms.

## Protection of Consumer Rights

The EEC's objective is to ensure the EAEU States' agreed policy on forming equal conditions for citizens to protect their interests from unfair business activities.

The agreed policy guarantees consumer rights and their protection across the EAEU. It provides for:

- developing general rules and approaches to consumer rights protection in various sectors of the economy, including e-commerce, to be applied by all Member States;
- reducing the risks of hazardous products entering the Union's common market by arranging effective cooperation between the States;

- creating equal conditions for consumer rights' protection across the Union;
- establishing special measures to protect vulnerable consumers, including children;
- creating consumer awareness mechanisms:
- convergence of national laws on consumer rights' protection.

Citizens of one EAEU state enjoy the same legal protection in the matter of consumer protection in the territories of other states of the Union as citizens of these countries. They have the right to appeal to state and public organizations, as well as to the courts.

Find out where to go in case of violation of consumer rights in relation to goods, works, and services







# For the Greater Public Good

One of the main objectives of the Union is to create conditions for the sustainable development of the economies of states in the interests of improving the quality of life of their population. All units of the Commission take this objective as a basis for their work.

All decisions of the EEC directly affect the residents of the Union countries. One of the main EAEU goals — to create conditions for the stable development of our state economies in order to improve the quality of life of the population. All departments of the Commission take into consideration this goal while doing their job.



#### Health

The EEC has adopted an accelerated procedure for market authorization of seasonal influenza vaccines. This will allow manufacturers to promptly bring the vaccine to the market for the next epidemic season.



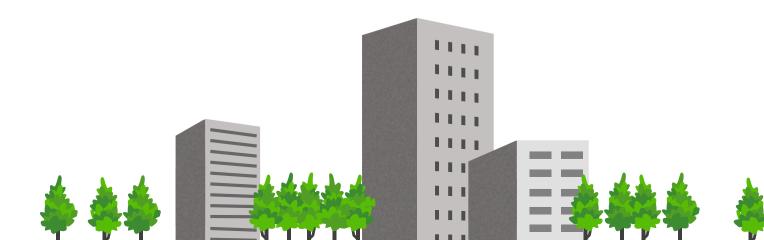
#### Safe products

Updating the Common Sanitary Requirements will improve the safety of products imported into the Union.



#### **Healthcare**

The common medicines market will improve the quality, safety and efficacy of medicines. In turn, it will positively affect the general state of the market and the availability of medicines to the population. The range of products in pharmacies will increase. Strong competition between manufacturers will keep prices down.





#### **Transport**

In 2019, the EAEU countries will switch to a unified system of electronic vehicle passports. Electronic passports will be

introduced gradually and painlessly for car owners. They will be able to use paper certificates for as long as they see fit, until they want to exchange them for electronic auto passports, their old document is lost or their car is disposed of. All new passports will be issued in electronic form.

This will simplify mutual movement of vehicles and their registration for citizens, allow participants in the systems to monitor the life cycle of equipment, and government agencies to use reliable databases of a single format in all EAEU countries.



## Information Technologies

A digital platform is being formed to provide citizens with interstate services in electronic form with

the help of the EAEU integrated information system.



#### **Special protection**

The EEC Board has adopted General approaches to establishing special measures to protect the rights and

interests of certain categories of consumers: children, disabled and elderly people. States are encouraged to establish liability measures at the national level for intentionally misleading such consumers or refusing them access to goods and services.



#### **Electric Transport**

The Commission cares about the environment. In November 2018, the plan for the promotion and development of electric

vehicles for 2018–2020 was approved. To make it easier for citizens of states to switch over to clean transport, the plan included such measures as, for example, exempting owners of wheeled vehicles with electric engines from paying transport tax, providing free parking spaces for electric vehicles and equipping them with chargers.

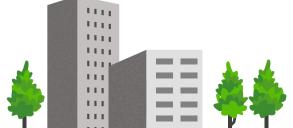


#### **Customs**

The EEC made a decision on the customs declaring procedure of express shipments transported as part of non-commercial turnover, i.e. goods for personal use. Starting July 1, 2019, the processing and delivery of express shipments will be faster and easier, including e-commerce.

The declaration process of this category of goods used to be carried out exclusively in writing, although they primarily require automated electronic data processing.













### What is the EAEU?

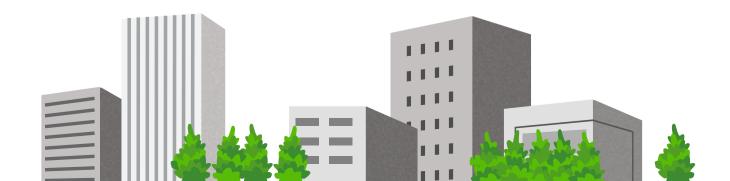
The Eurasian Economic Union is the international organization of regional economic integration with international legal standing incorporated by the Treaty on the EAEU.

The Treaty was signed by the heads of states of Belarus, Kazakhstan, and Russia on May 29, 2014 in Astana and entered into force on January 1, 2015. Armenia became a Member State of the EAEU on January 2, 2015, and Kyrgyzstan —

on August 12, 2015. The Union carries out its activities exclusively within the limits of competence granted by the Union States, which is clearly stated in the Treaty on the EAEU.

## Why was the EAEU created?

By creating the Eurasian Economic Union, independent states delegated a part of their powers to the regulatory body, the Eurasian Economic Commission, in order to secure the four freedoms and pursue coordinated policy in key sectors of economy in the common interests.



# What are the EAEU Members States

#### Republic of Armenia



- Territory: 29.7 thousand sq. km
- Population:2.973 million people
- Capital: Yerevan, population 1 million

#### **Republic of Belarus**



- > Territory: 207.6 thousand sq. km
- Population:9.492 million people
- Capital: Minsk, population 1.9 million

#### Republic of Kazakhstan



- > Territory: 2,724.9 thousand sq. km
- Population:18.157 million people
- Capital: Nur-Sultan, population 1 million

#### **Kyrgyz Republic**



- Territory: 199.9 thousand sq. km
- Population:6.257 million people
- Capital: Bishkek, population 1 million

#### **Russian Federation**



- Territory: 17.1 million sq. km
- Population: 146.880 million people
- Capital: Moscow, population 12.1 million

## The Supreme Eurasian Economic Council

The Supreme Council is the supreme Body of the Union, which consists of the heads of the EAEU Member States. The Supreme Council reviews the main issues of the Union's activities, determines the strategy, directions and prospects for the development of integration and makes decisions aimed at the realization of the objectives of the Union.

The Supreme Council meetings are held at least once a year.

The meetings are held under the leadership of the Chairman of the Supreme Council. Heads of state chair the Supreme Council on a rotational basis following the Russian alphabetical order.

Nikol Pashinyan, Prime Minister of the Republic of Armenia Alexander Lukashenko, President of the Republic of Belarus Kassym-Jomart Tokayev, President of the Republic of Kazakhstan

Sooronbay Jeenbekov, President of the Kyrgyz Republic

Vladimir Putin, President of the Russian

Federation



<u> 1994 ---- 1995 ---- 1999 ---- 2000 ---- 2010 ----- 2011</u>

Treaty on the Customs Union and the Common Economic Space









Lecture of the First President of

at Moscow State University

Union (Belarus.

Kazakhstan Nursultan Nazarbauev

Treaty on the Customs

Kazakhstan and Russia)















## The Eurasian Economic Commission

The Eurasian Economic Commission is a permanent regulatory body of the Union intended to provide the conditions for the functioning and development of the Union and develop proposals for further economic integration. The Commission consists of the Council and the Board.

The Commission's decisions are binding in the territory of the EAEU Member States. All decisions are made on a collegial basis.

Creation of the Customs Union







Treaty on the Eurasian Economic Commission



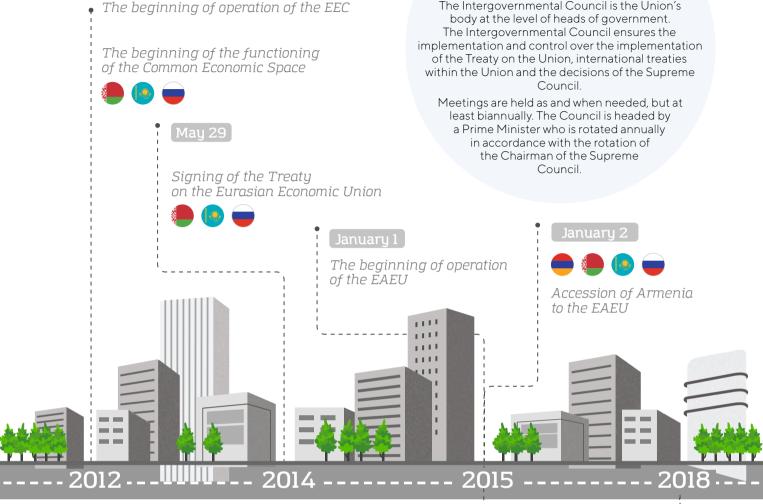




Declaration on the Eurasian Economic Integration



The Intergovernmental Council is the Union's body at the level of heads of government. The Intergovernmental Council ensures the of the Treaty on the Union, international treaties within the Union and the decisions of the Supreme



Accession of Kyrgyzstan to the EAEU









Entry into force of the EAEU Customs Code

Signing of the Declaration on the further deepening of integration processes in the EAEU











#### **Court of the Eurasian Economic** Union

The Court of the Eurasian Economic Union is the permanent judicial body of the Eurasian Union. Its objective is to ensure uniform application of the EAEU law in the Union.

The Court has two judges from each Member State, each for nine years of office. The President of the Court and its Deputy are elected from the Court by judges and approved by the Supreme Eurasian Economic Council.

The Court considers disputes on the implementation of the Treaty, international treaties within the Union and (or) decisions of the Union bodies, at the request of the Member State or any economic entity.

Zholymbet Baishev (Republic of Kazakhstan) has been appointed Chairman of the EAEU Court on January 1, 2018.



TIGRAN SARGSYAN

Chairman of the EEC Board

# The Board of the Eurasian Economic Commission

The Board of the Eurasian Economic Commission consists of 10 members — two members of the Board (Ministers) from each participating country, one of which is the Chairman of the Commission's Board.



**SERGEI GLAZYEV** 

Minister in charge of Integration and Macroeconomics



TIMUR ZHAKSYLYKOV

Minister in charge of the Economy and Financial Policy



**VERONIKA NIKISHINA** 

Minister in charge of Trade



**ALEXANDER SUBBOTIN** 

Minister in charge of Industry and Agricultural Sector



**VIKTOR NAZARENKO** 

Minister in charge of Technical Regulation



**EMIL KAIKIYEV** 

Minister in charge of Energy and Infrastructure

The EEC activities are structured by functional areas, each coordinated by a Minister.



**KARINE MINASYAN** 

Minister in charge of Internal Markets, Informatization, Information and Communication Technologies



**SERIK ZHUMANGARIN** 

Minister in charge of Competition and Antitrust Regulation



The Eurasian Development Bank (EDB), although not part of the Union's system of institutions provided for by the Treaty on the EAEU, is an international financial organization designed to promote the economic growth of the Member States, expansion of trade and economic relations and development of integration processes in the Eurasian space through investment activities.

The initiative to create the Bank belongs to the presidents of Russia and Kazakhstan. The EDB was established on the basis of the interstate Agreement signed by the authorized representatives of the Russian Federation and the Republic of Kazakhstan on January 12, 2006.

The Republic of Armenia and the Republic of Tajikistan became full members of the Bank in 2009, the Republic of Belarus — in 2010, and the Kyrgyz Republic — in 2011.



**NURLAN AKMATOV** 

Minister in charge of Customs Cooperation

## List of Abbreviations

**ASEAN** — the Association of Southeast Asian Nations

**EAEU** — the Eurasian Economic Union

**MERCOSUR** – the Common Market of South America

**CIS** – the Commonwealth of Independent States

**SEEC** – the Supreme Eurasian Economic Council

**WTO** – the World Trade Organization

**EEC** – the Eurasian Economic Commission

**EDB** – the Eurasian Development Bank

**EIC** – the Eurasian Intergovernmental Council

**CIS Executive Committee** — the Executive Committee of the Commonwealth of Independent States

**UNCTAD** — the United Nations Conference on Trade and Development

**FAO** – the Food and Agricultural Organization of the United Nations

AS — agricultural sector

**FEA** — Foreign Economic Activities

**ETP** – the European Technology Platform

**CCT EAEU** – Common Customs Tariff of the Eurasian Economic Union

FTA - Free Trade Area

ICT – information and communication technologies

**RIA** – Regulatory Impact Assessment

AIA - Actual Impact Assessment

FTA - Free Trade Agreement

**SPS measures** — Sanitary, Phytosanitary and Veterinary Measures

**CC EAEU** – Customs Code of the Eurasian Economic Union

**CN of FEA** — Commodity Nomenclature of Foreign Economic Activity

**AEO** – authorized economic operator

**B2B** – business to business

**B2G** – business to government

#### **Contacts**

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