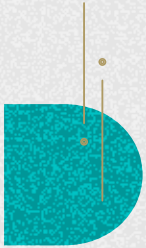


**eec**

EURASIAN ECONOMIC  
COMMISSION



**2020**



EURASIAN  
ECONOMIC  
UNION



# FIGURES AND HIGHLIGHTS



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**TRADE**





TRADE POLICY  
DEPARTMENT



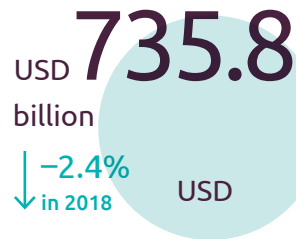
Free trade agreements aim to establish conditions for increased export from the Member States by creating a more competitive environment for supplying products to the external market. Furthermore, they provide additional incentives to further develop mutual cooperation between all participants of foreign economic activities (FEAs)

Today's global landscape sees major changes to be even more polycentric. New "poles" represented by key economic associations will emerge on this background, and the Eurasian Economic Union is to become one of them. To this end, the Eurasian Economic Commission is working hard on an international scale. First off, trade agreements are concluded: free trade agreements (FTAs) and agreement on economic and trade cooperation.

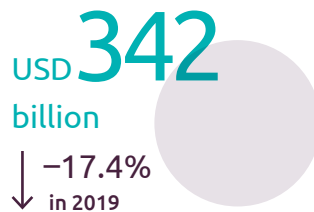
In 2019, the amount of foreign goods traded between the EAEU Member States and third countries totaled USD 735.8 billion, a drop of 2.4% (USD 18 billion) compared to the year before. The trade figures saw a decrease following the results of the first seven months of 2020 as well — USD 342 billion against USD 414 billion year-over-year.

**TURNOVER BETWEEN THE EAEU MEMBER STATES AND THIRD COUNTRIES**

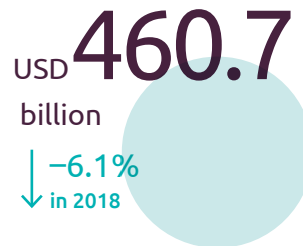
In 2019, the total amount of foreign trade between the EAEU Member States and third countries stood at



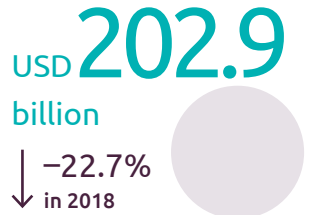
In 2020 (January–July), the total amount of foreign trade between the EAEU Member States and third countries stood at



In 2019, the total amount of export in the EAEU Member States stood at



In 2020 (January–July), the total amount of export in the EAEU Member States stood at



An important indicator is that the fall-off in exports exceeds the fall-off in turnover: USD 460.7 billion in 2019 against USD 490.7 billion in 2018, and USD 202.9 billion in the first seven months of 2020 against USD 262.4 billion in the same period of 2019.

**Free trade agreements aim** to establish conditions for increased export from the Member States by creating a more competitive environment for supplying products to the external market. Furthermore, they provide additional incentives to extend the development of mutual cooperation between all participants of foreign economic activities (FEAs).

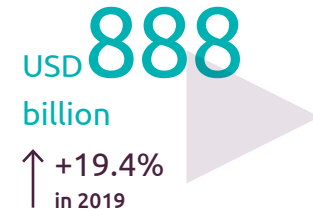
The first free trade area between the EAEU and the Socialist Republic of Vietnam has been effectively operating since the end of 2016. The FTA successfully addresses objectives related to the increase of export and demonstrates obviously high efficiency within a short time. After one year since the Agreement entered into force, the turnover between the EAEU and Vietnam was up by 36.7% and by another 12.8% in 2018, thus totaling USD 6.7 billion in 2018 (USD 2.7 billion of which accounted for export). Subsequently, after a significant decline in 2019, export had an increase of 19.4% over the first seven months of 2020 (USD 888 million against USD 743 million).

**TURNOVER BETWEEN THE EAEU MEMBER STATES AND THE SOCIALIST REPUBLIC OF VIETNAM**

In 2018, the total turnover between the EAEU Member States and Vietnam came out at



In 2020 (January–July), the total amount of export from the EAEU to Vietnam stood at



**The Interim Agreement leading to the formation of a free trade area between the Eurasian Economic Union and the Islamic Republic of Iran** — which came into force at the end of October 2019 — is one more preferential trade agreement.

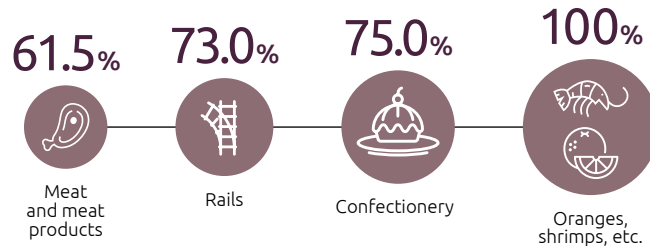
Iran is not a WTO member, thus there is no clear understanding of how the trade regulation system works for partners as well as of the



transparency of goods circulation in the domestic market. In this regard, it would be good to know how a free trade area with Iran will operate, whether it will be mutually beneficial or to what extent the trade regime will become more stable. The Interim Agreement has been made in order to further implement a comprehensive FTA in a responsible way, according to which the duties on a limited group of goods are reduced or removed. In the meantime, obligations for granting access and circulation of goods that are generally in line with the WTO rules are set forth.

The Agreement provides for a balanced approach to trade-offs. Iran's tariff obligations apply to 360 goods from the EAEU. At the same time, duties on certain goods can be reduced to 82%. Duties on meat and meat products will be down by 61.5%, on rails — by 73%, and on a range of confectionery products — by 75%. The EAEU's tariff obligations to reduce import customs duties cover 502 goods from Iran. In some cases, the customs duty will go down by 100% (oranges, shrimps, etc.).

#### REDUCTION OF CUSTOMS DUTIES FOR IRAN



**The Agreement on Economic and Trade Cooperation between the EAEU and the People's Republic of China was ratified and entered into force in autumn 2019.** Currently, this is the best way of cooperation with China. The Agreement covers many trade areas: technical regulation, customs formalities, competition, e-commerce and other. However, it does not consider the reduction of customs duties. In fact, this is the first step towards a set of substantive agreements aimed at developing trade and economic cooperation between the Union and China. There is confidence that both mutual trade in finished goods and industrial cooperation between the EAEU and China have the potential to become one of the essential economic growth drivers across the EAEU.

Building a modern contractual and legal framework for cooperation between the EAEU and China is a solid step in connecting the EAEU development and the Belt and Road Initiative implementation.



The connectivity project establishes a brand new basis for multilateral cooperation and offers great prospects for fast-paced development throughout Eurasia. It is crucial to provide a careful evaluation of possible bonuses and risks of the new partnership format, alignment of investments in the infrastructure and real projects that create additional value, as well as rules of cooperation that would be rational and mutually beneficial right from the start.

Meanwhile, the turnover between the EAEU Member States and China continues to grow rapidly. At the end of 2018, it was up by 23% compared to the previous year, and export from the EAEU to China — by 39.1%. Later on, the turnover will mostly depend on the growth rates of Chinese economy, possible aggravation of trade relations between the USA and China, and trends in prices for energy resources.

#### TURNOVER BETWEEN THE EAEU AND CHINA

In 2018, the turnover between the EAEU and China grew by

23%

In 2018, the amount of exports from the EAEU to China went up by

39.1%

The main export commodities of China are oil and petroleum products (more than one-half of the exports). In January–June 2019, the export of oil and petroleum products to China amounted to USD 17.9 billion. Since 2016, an upward trend in export growth has been observed, mainly thanks to increased oil prices and high growth rates of Chinese economy. In the short term, since the yuan devaluation makes imports more expensive, a weaker yuan may lead to a reduced supply of oil and petroleum products from the EAEU to China. Still, even in this scenario there is a chance that Russia will manage to increase its share of foreign supplies of oil and petroleum products to China due to the escalation of the trade conflict between the USA and China.

As for imports from China to the EAEU, a weaker yuan may result in greater supply of goods from China to the Union's countries. Besides, Chinese steel exporters, for example, will gain an edge over their Russian counterparts.

*Building a modern contractual and legal framework for cooperation between the EAEU and China is a solid step in connecting the EAEU development and the Belt and Road Initiative implementation*





In October 2019, **FTAs were concluded with the Republic of Serbia and the Republic of Singapore.**

Two objectives were addressed at once during negotiations with Serbia: alignment of the preferential trade regime between all the Union's countries and the partner (a free trade regime with Serbia has already been in place in Belarus, Kazakhstan and Russia); and stronger cooperation through the creation of a more favorable environment for trading activities.

The agreements reached suggest economic benefits for the Union's countries—both in the near term, due to savings in customs duties on existing exports (especially relevant for goods from Armenia and Kyrgyzstan which could not be delivered duty-free to Serbia before), and in the medium term, when pursuing previously untapped export opportunities upon the expanded scope of preferential trade and trade relations between Belarus, Kazakhstan, Russia, and Serbia. Improved trade environment has also been observed in terms of shipments from Serbia.

In general, there is potential for an increase in food turnover, such as juices, cheese, confectionery, sausages and strong alcoholic beverages, as well as cigarettes, valves and taps.

Moreover, regulatory provisions of the agreement have been significantly updated in the course of negotiations, thus ensuring reasonable consideration of the present trends and practices in trade agreements (as well as the EAEU practice). This means that Serbia will provide the Union's goods and exporters with important legal guarantees, including general conditions stipulated by the WTO, which Serbia is not a member of.

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### The FTA will do the groundwork for the prosperity of trade with Singapore

In addition to tariff regulation, the following is envisaged: ensuring better interaction with customs services, compliance with new rules on goods origin, possibility to enter into agreements on the removal of technical trade barriers, ample opportunities for cooperation in the field of sanitary and phytosanitary measures, and respect for intellectual property rights of the Union's owners.

The agreement also establishes the basis for future joint projects in environmental protection and new business opportunities in e-commerce.



With regard to its advantages, the Union will allow for duty-free imports of goods such as engine oils, batteries, corrosion preventive oils, lubricants, and medical supplies (pacemakers, coronary stents, prostheses). Thus, citizens of the EAEU countries will be able to buy high quality products at favorable prices. Singapore will undertake not to impose import customs duties on goods originating from the Union. At the same time, although Singapore generally does not impose effective import duty, such obligations insure the Union's suppliers against any changes in Singapore's customs and tariff policies.

The agreement ensures transparency in the adoption and application of trade measures too, as well as provides for advanced procedures to resolve disputes and disagreements among the parties.

Meanwhile, the EAEU Member States will conclude agreements with Singapore on free trade in services and investments. This approach — preparation of package agreements in the "goods + services + investments" format — has been set down in the Framework Agreement on Comprehensive Economic Cooperation with Singapore. The first such agreement on trade in services and investments has already been concluded between Armenia and Singapore.

**Signing of agreements with the Arab Republic of Egypt, the State of Israel and the Republic of India is under negotiation.** Negotiations with **Egypt** go smoothly—three rounds have been held. If a compromise is achieved, the negotiations will be completed in a fairly short time.

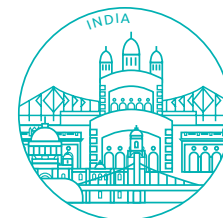
Six rounds of negotiations have already been held with **Israel**.

As far as **India** is concerned, it is at the initial stage of negotiations: the sides are in the process of discussing a mutually beneficial agreement architecture. The first round of negotiations is scheduled to take place before the end of April 2021.

**3** rounds of negotiations with Egypt

**6** rounds of negotiations with Israel

**1<sup>ST</sup>** round of negotiations with India is to take place before the end of April 2021



*Cooperative researches of potential benefits and risks of switching to a free trade regime with Indonesia and Mongolia have been set up. In about a year, such work on negotiations with potential partners will be completed*

*A large number of external partners are interested in cooperation with the EAEU not only in matters of trade regime improvement, but also in order to exchange information on best regulatory practices, strengthen B2B cooperation capacity, and enhance trade transparency*

**Work has been carried out to draw up a list of the most promising areas for expanding the network of the EAEU FTAs, which is a kind of the "second wave" of trade negotiations.** Based on a set of proposals submitted by businesses, governments of the EAEU Member States and the expert community, a list of countries with whom work is underway to determine the prospects for starting negotiations on FTAs has been prepared. Among other things, cooperative researches of potential benefits and risks of switching to a free trade regime with the Republic of Indonesia and the Mongolian People's Republic have already been set up. In about a year, such work on negotiations with potential partners will be completed, and the outcomes will be taken into account when making decisions whether it is necessary to start negotiations with them. If required, the members of the Supreme Eurasian Economic Council will be advised to take appropriate resolutions.

A large number of external partners are interested in cooperation with the EAEU not only in matters of trade regime improvement, but also in order to exchange information on best regulatory practices, strengthen B2B cooperation capacity, and enhance trade transparency. For this purpose, there are various formats of cooperation in place. There is a format for Observers, like in relations with Moldova. Uzbekistan and Cuba have been granted such status at the meeting of the Supreme Eurasian Economic Council that took place on December 11, 2020. There is a format of memoranda between the countries' governments and the EEC. To date, more than a dozen such memoranda have been signed.

**Important memoranda were signed with ASEAN and MERCOSUR in 2018.** Work with a number of other regional associations is also underway. Interaction with the UN's international organizations and regional commissions is developing. The EAEU is also at the forefront of the sustainable development agenda.



## TARIFF AND NON-TARIFF CUSTOMS REGULATION DEPARTMENT

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**On March 29, 2019, the Agreement on Marking of Goods with Means of Identification in the EAEU entered into force.** Thus, a new stage of marking of goods in the territory of the Eurasian Economic Union has begun. Now, if a Member State is intent on marking of goods with means of identification in its territory, a relevant notice should be sent to the EEC along with proposal to implement the marking method regarding a particular category of goods across the Union. The proposal should be considered within three months. If marking is considered reasonable for the said category, the Commission's Council will make a relevant decision, set a date of implementation, and define all necessary technological elements related to the marking that are uniform throughout the Union.

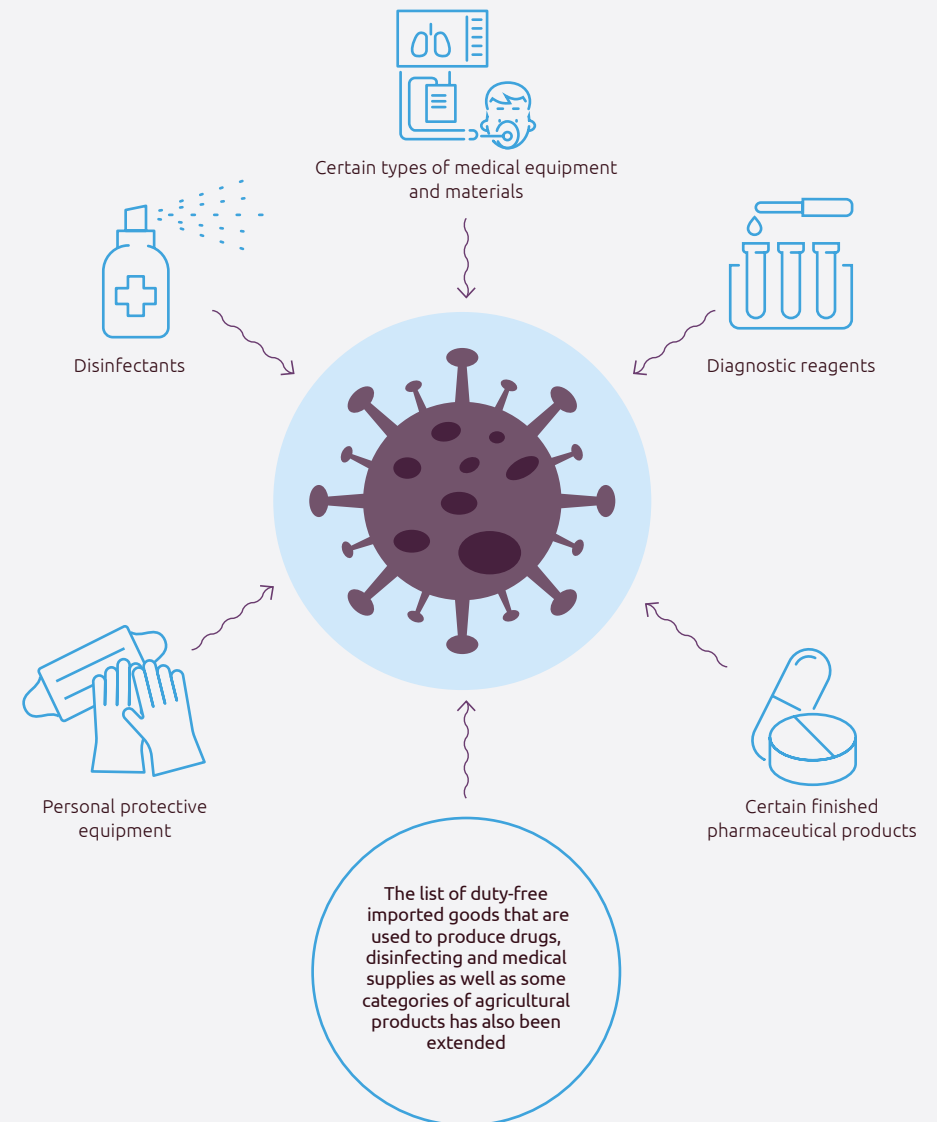
According to the Agreement, if the Commission's Council cannot make a decision within three months, the party who proposed marking may implement it in its territory under its own national regulations. The Agreement also provides for a gradual implementation of the marking across the Union if two or more parties agree on common technological elements and mutual exchange of information through the Union's integrated information system, while others can join when they are ready.

**In March–April 2020 amid the spread of COVID-19, the Eurasian Economic Commission** swiftly changed its course and started issuing documents necessary for the parties to take effective measures aimed at combating the infection. Taking into account the EAEU Member States' proposals, the Commission has approved two sets of measures against the backdrop of the coronavirus pandemic, and the work is still ongoing.

According to Resolutions of the Commission's Council No. 21 dated March 16, 2020, No. 33 and No. 34 dated April 3, 2020, and No. 53 dated May 27, 2020, duty-free imports of some categories of agricultural goods, personal protective equipment, disinfectants, diagnostic reagents, certain types of medical equipment, materials and finished pharmaceutical products are provided for. The list of duty-free imported goods that are used to produce drugs, disinfecting and medical supplies has also been extended.

#### DUTY-FREE CATEGORIES OF GOODS

(as per Resolutions of the Commission's Council No. 21 dated March 16, 2020, No. 33 and No. 34 dated 3 April 2020, and No. 53 dated May 27, 2020)

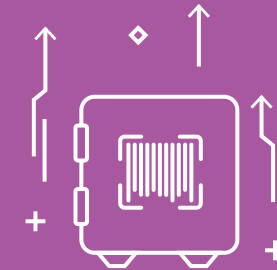


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To prevent the shortage of food products as well as critical shortage of medical supplies and personal protective equipment during the intensification of the sanitary and epidemiological situation, the Commission's Board temporarily banned the export of certain food items, personal protective equipment, protective and disinfecting agents, and medical products and materials from the EAEU customs territory (Resolutions of the Commission's Board No. 41 dated March 24, 2020, No. 43 dated March 31, 2020, and No. 78 dated June 16, 2020 with amendments and supplements).

Furthermore, order No. 11 dated March 25, 2020 was adopted by the Commission's Council to step up the publication of documents and reduce the period when the Commission Board's resolutions related to the spread of the coronavirus disease come into force (10 days after the publication).

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DEPARTMENT  
 FOR INTERNAL MARKET  
 DEFENCE



*Trade remedies (anti-dumping, countervailing measures and safeguards) are not preventive measures, but serve to temporarily adjust the already existing negative conditions in the domestic market*

The current global economic environment, which is characterized by stronger protectionism and prolonged trade wars between major powers, not only adjusts the conditions for maintaining and strengthening positions of all market participants in the global arena, including the Eurasian Economic Union (hereinafter, the EAEU, the Union), but also generates potential risks from possible trade diversion.

In this context, the ever-increasing significance of trade remedies allowing for a proper reaction to foreign partners' actions should be emphasized.

Trade remedies (anti-dumping, countervailing measures and safeguards) are not preventive measures, but serve to temporarily adjust the already existing negative conditions in the domestic market. Trade remedies are applied to level the playing field in the domestic market conditions, which were disrupted due to sharply increased imports or unfair competition by foreign suppliers.

Imposition of trade remedies is only possible after relevant investigations have been conducted.

An investigation is a lengthy and complex procedure, involving collection and verification of large amounts of information from all interested parties.

Over the last five years (2014–2019), 33 trade remedy investigations were carried out in the EAEU, including 12 reviews. As a result of completed investigations, 24 trade remedies were imposed or extended during this period.



Number of investigations conducted in the EAEU in 2014–2019

33

As per completed investigations

Number of trade remedies imposed / extended in the EAEU in 2014–2019

24

12 <<< reviews

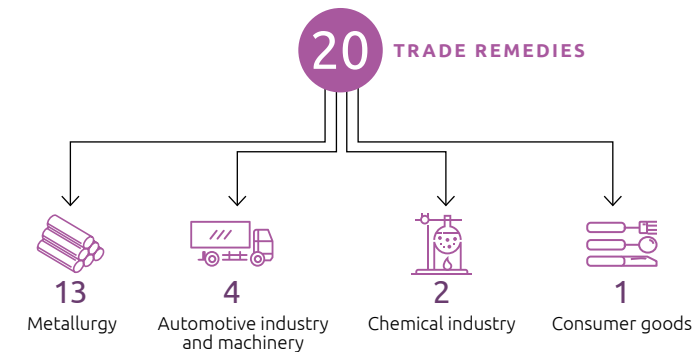
Trade remedies imposed were aimed at protecting various manufacturing industries across the Union. Most of the measures were applied to imports of metallurgical products into the Union:

various types of pipes and tubes, flat rolled steel products, electrodes, forged work-rolls, bars and rods, ferrosilicon manganese, etc.

Trade remedies also covered the imports of chemical products (citric acid, commercial vehicle tyres, herbicides, etc.), automotive industry and machinery manufacturing (crawler dozers, bearings, aluminium alloy wheels, etc.), consumer goods (stainless steel flatware, tableware and kitchenware of porcelain, enameled baths of cast iron, etc.) agricultural machinery (combine harvesters), etc.

As a result of the investigations completed in the end of 2019, the anti-dumping measure was imposed on January 5 with respect to zinc plated or coated flat-rolled steel products from China and Ukraine, and on February 1, 2020 — the anti-dumping measure with respect to hot-worked seamless pipes and tubes of stainless steel from China. As a result of the expiry review of the anti-dumping measure on forged work-rolls from Ukraine completed on February 28, 2020, the period of application of the anti-dumping measure was extended to February 28, 2022. Moreover, on June 28, 2020 the anti-dumping measure on herbicides imported into the Union from the EU Member States started to cover imports from the Great Britain and Northern Ireland (post-Brexit in January 31, 2020).

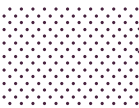
As of September 1, 2020, 19 anti-dumping measures and 1 safeguard measure were in force. Trade remedy measures in force with a breakdown by economic sector are listed below.






















To date, 10 anti-dumping investigations are being conducted (4 of them are being conducted to determine the grounds for extending the existing measures).

*Most of the measures were applied to imports of metallurgical products into the Union: various types of pipes, flat rolled steel products, electrodes, forged work-rolls, bars and rods, ferrosilicon manganese, etc.*

*To date, 10 anti-dumping investigations are being conducted (4 of them are being conducted to determine the grounds for extending the existing measures)*



TRADE REMEDIES IN FORCE BY ECONOMIC SECTOR  
(AS OF SEPTEMBER 1, 2020)

Product	Industry
1 Certain steel pipes and tubes	
2 Cold-rolled flat steel products with polymer coating	
3 Cold-worked seamless pipes and tubes of stainless steel	
4 Forged work-rolls	
5 Stainless steel flatware	
6 Seamless steel oil country tubular goods	
7 Crawler dozers	
8 Commercial vehicles tyres	
9 Steel railway wheels	
10 Seamless pipes and tubes of stainless steel	
11 Bars and rods	
12 Ferrosilicon manganese	
13 Hot-rolled steel angles	
14 Rolling-element bearings (excl. needle roller bearings)	
15 Graphite electrodes	
16 Aluminium alloy wheels	
17 Herbicides	
18 Hot-rolled steel products	
19 Zinc plated or coated flat-rolled steel products	
20 Hot-worked seamless pipes and tubes of stainless steel	