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EURASIAN ECONOMIC
COMMISSION



2020



EURASIAN
ECONOMIC
UNION



FACTS AND FIGURES



INDUSTRIAL UNIT



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MAIN TRENDS OF INDUSTRIAL DEVELOPMENT IN THE EAEU

The manufacturing industry plays a leading role in the industrial structure — 64.5% of industrial production

Industry plays an important role in the economy of the Eurasian Economic Union, forming 27% of the total GDP of the Union countries.

The manufacturing industry plays a leading role in the structure of the industry — 64.5% of industrial production.

At the end of 2019, the volume of industrial production in the EAEU amounted to USD 1,205.0 billion, including the manufacturing industry — USD 815.6 billion.

The growth in industrial production for the period from 2017 to 2019 amounted to 10.6%.

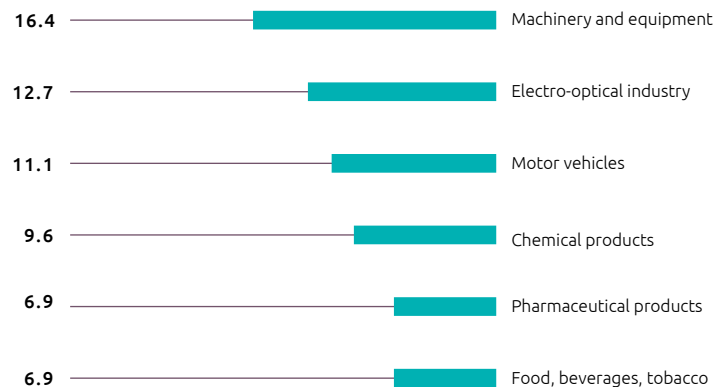
The share of domestic industrial products in the Union market is 76.8%, of which 5.6% are mutual supplies between the Member States.

Imports from third countries account for 23.2%.

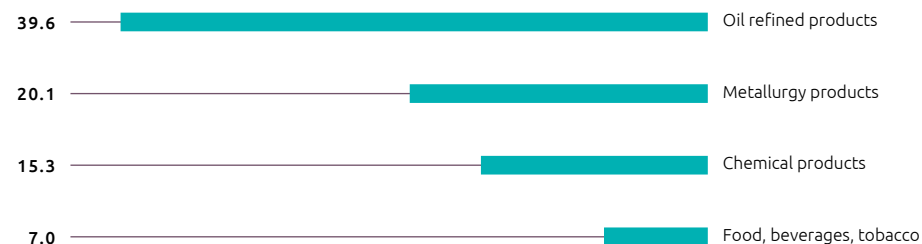
77%

the share of industrial products of the EAEU Member States in the Union market

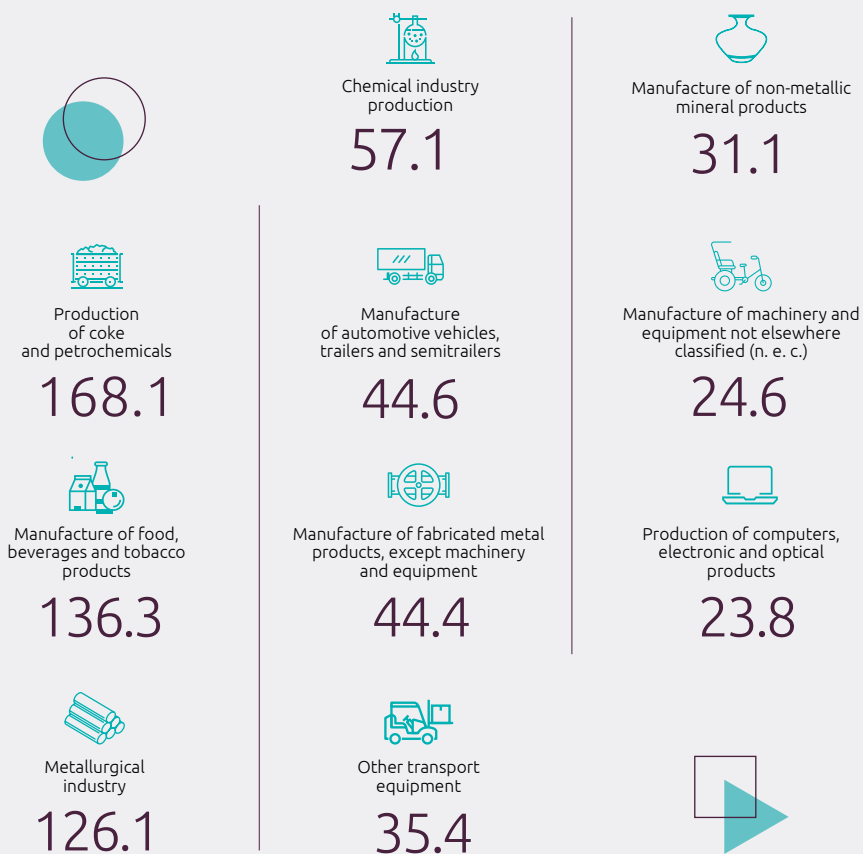
MAIN ITEMS OF IMPORT OF INDUSTRIAL PRODUCTS, %




MAIN ITEMS OF EXPORT OF INDUSTRIAL PRODUCTS, %



TOP 10 BRANCHES OF THE PROCESSING INDUSTRY WITH THE LARGEST VOLUME (2019, USD BILLION)



MAIN DEVELOPMENT STAGES OF EURASIAN INTEGRATION IN INDUSTRY

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- 2013** — Priority areas of industrial cooperation, namely, 19 priority sectors were agreed upon (Decision No. 40 of the Supreme Eurasian Economic Council at the level of heads of government dated May 31, 2013).
- 2014** — A regulatory and legal framework has been formed within the EAEU, including the goals, objectives, principles, mechanisms for implementing industrial policy, as well as the powers of the Commission during its implementation (Article 92 of the Treaty on the EAEU dated May 29, 2014).
- 2015** — A program document on industrial policy and cooperation was adopted, including approaches to the implementation of the main directions of industrial cooperation (MDIC) in the EAEU (Decision No. 9 of the Intergovernmental Council dated September 8, 2015).
- The Plan for the development of acts and measures for the implementation of the MDIC was approved (Decision No. 17 of the Commission's Council dated March 17, 2017).
- 2019** — The main instruments of industrial cooperation in key areas of industrial policy have been formed.
- 2020** — The industrial block of the EEC will focus on the practical implementation of programs and projects.



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COOPERATION IN PRIORITY INDUSTRIES

Metallurgy

Production volumes in the metallurgical industry of the EAEU countries in 2019 amounted to USD 126 billion. Production growth was 2.1% compared to 2018.

In the structure of mutual cooperative deliveries within the EAEU, the share of metallurgical products is 27%.

REGULATORY AND LEGAL DOCUMENTS ADOPTED WITHIN THE EAEU FOR DEVELOPING THE MEMBER STATES' INDUSTRIAL COOPERATION:

- ◉ Recommendation No. 1 of the Commission's Council dated November 30, 2016 "On the development of cooperation between the Member States of the Eurasian Economic Union in the production of ferrous metallurgy products".
- ◉ Recommendation No. 29 of the Commission dated December 13, 2017 "On the development of cooperative collaboration between the Member States of the Eurasian Economic Union in the production of ferrous metallurgy products".
- ◉ Recommendation No. 30 of the Commission's Board dated December 13, 2017 "On the development of cooperative cooperation between the Member States of the Eurasian Economic Union in the production of non-ferrous metallurgy products".

As part of the development of cooperative cooperation in the industry, 16 promising projects for the production of non-ferrous metallurgy products and 10 projects for the production of ferrous metallurgy products are being implemented.

In 2020, new areas of cooperation in the metallurgical industry appeared:

- » ferrochrome;
- » graphite electrodes;
- » wear-resistant rails and railway wheels.

10

cooperation projects for the production of ferrous metallurgy products



16

cooperation projects for the production of non-ferrous metallurgy products

In April 2019, the 1st Eurasian Metallurgical Industry Conference was held and comprehensive actions were developed based on its results to support the industry within the EAEU



As part of the implementation of the Memorandum on developing the industrial cooperation in manufacturing of Eurasian energy-efficient transformers signed in 2018, in 2019–2020 pilot batches of energy-efficient transformers were manufactured and successfully tested and approaches to stimulating the demand for such products at the markets of the EAEU and the third countries were developed.

The industrial unit takes the following measures to support the producers and eliminate the cooperation barriers:

- » a decision was supported to introduce a special quota for hot-rolled products imported to the Union's customs area;
- » a decision was supported on temporary non-application of the anti-dumping measure for steel railway wheels originating from Ukraine and imported to the EAEU customs area;
- » the removal of restrictions for the import of ferrous and non-ferrous scrap is being considered in the framework of the mutual trade in the EAEU;
- » the first high-level industrial platform was created to discuss the integration development of the industry.

In April 2019, the 1st Eurasian Metallurgical Industry Conference was held and comprehensive actions were developed based on its results to support the industry within the EAEU. These actions have proven to be relevant in the face of the pandemic and economic downturn. The 2nd Eurasian Industry Conference took place in October 2020.

In 2020, the funding of joint projects in the metals industry with the participation of the Eurasian Development Bank is being considered on the platform of the EEC industrial unit:

- » construction of the Shar — Maykapchagay railway line in the East Kazakhstan Region (Kazakhstan);
- » launch of the joint high-tech Russian and Kazakh ferrochrome production;
- » cooperation with Armenia in terms of molybdenum procurements.

Chemical and Petrochemical Industry

In 2019, the chemical industry output in the EAEU Member States amounted to 3%. The mutual trade in the chemical industry increased by 7%.

Trade volumes forming part of the cooperative deliveries in the Union increased by 3.5%. From the industry perspective the share of chemical products is about 16% of the total mutual cooperative deliveries and the second largest after metal products. In addition, 26 projects with a value of more than USD 48.5 billion are aimed at stimulating the cooperation.

The development of cooperation between the enterprises of the Union Member States for production and consumption waste treatment represents one of the promising areas of work. Today, a dialog is being held about this activity with JSC Corporation ECOPOLIS. The Strategic Directions for Developing the Eurasian Economic Integration until 2025 include the consideration of a gradual ban on the import of disposable plastic production.

Automotive Industry

All types of motor vehicles, including cars and trucks, as well as buses are manufactured in the EAEU. The cooperation in the automotive industry has been developed on the EEC platform since 2015.

In 2019, the EAEU automotive industry enterprises had the following output:

- » buses — 45,000 pcs.;
- » cars — 1,600,000 pcs.;
- » trucks — 170,000 pcs.

The development of electric vehicles is the priority.

- » In 2020, a national development program of the electric charge station network was adopted in Belarus.
- » The import customs duty rate for electric vehicles has been set to zero until the end of 2021 in order to shape the market.
- » Electric vehicle importers in Armenia were exempted from VAT.
- » The Draft Action Plan to promote production and use of wheeled vehicles with electric, hybrid and natural gas engines in the EAEU Member States for 2021–2025 has been developed and is under approval. This issue is planned to be submitted for consideration by the EEC Board before the end of 2020.

26

cooperative projects in the chemical industry totaling more than

USD 48.5 billion



The electric vehicle development is one of the priorities in the industrial cooperation of the EAEU states





The cooperative chains were developed to make the imported components for the agricultural machinery available in the Union

Agricultural Machinery

In 2019, the agricultural machinery producers in the EAEU had the following output:

- ▶ tractors — 47,300 pcs.;
- ▶ combine harvesters — 6,200 pcs.;
- ▶ forage harvesters — 1,000 pcs.

The main approaches to industry development, as enshrined in the EAEU regulations:

- » creating equal access conditions for producers to the markets of the Member States;
- » supporting producers and enhancing their competitiveness;
- » providing joint entry of the EAEU producers to the markets of the third countries;
- » stimulating the demand for agricultural machinery manufactured in the EAEU;
- » developing import substitution industries.

Organizing the production of components for the agricultural machinery that is not manufactured in the EAEU countries is one of the industry development priorities.

In 2017, a Memorandum of Cooperation was signed between the EEC and the German Association of Agricultural Machinery Producers forming part of the Mechanical Engineering Industry Association of Germany (Verein Deutscher Maschinen- und Anlagenbaubetriebe, VDMA) and a road map was developed for its implementation.

The list of parts and assemblies forming part of imported components that are not manufactured in the EAEU countries was drafted and the enterprises in the Union states that are capable to launch their production, as well as the enterprises interested in the procurement of these components, were identified. Thus, the cooperative chains were developed to make the imported components for the agricultural machinery available in the Union.

A plant of HORSCH (Germany) for the production of sowing and tillage machinery launched in 2017 became the first implemented integration project. With this enterprise the production localization share of HORSCH in Russia reached 70%.

Today, HORSCH plant in Lipetsk Region has manufactured:

- ▶ harrows — 180 pcs.;
- ▶ cultivators — 159 pcs.;
- ▶ seeders — 228 pcs.

In total, there are 9 types of agricultural machinery in the range of products manufactured by the plant.

In February 2020, KUHN started the construction of an agricultural machinery plant in Voronezh Region. Investments are estimated at RUB 3 billion. The plant will have the capacity of 500 machines per year.

As part of the actions taken to remove obstacles, the collection of a recycling fee for the agricultural machinery in Kazakhstan considered by the Department was discussed at the meetings of the Commission Council. As a result of the agreements, Order No. 146 of the Minister of Ecology, Geology and Natural Resources of Kazakhstan dated June 15, 2020 was signed eliminating the discrimination against the Union producers compared to producers from the third countries.

Machine Tools

Over 1,000 models of high-tech machine equipment are produced in the EAEU. 25% of the manufactured products are exported to the third countries. Over the past 5 years the machine tool exports from the Eurasian Economic Union countries increased by 56%.

In 2019, the output at 200 enterprises of the EAEU Member States exceeded 11,600 units of metalworking machines. Their production increased by 45% over the last 5 years.

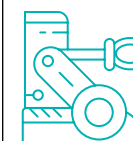
The Eurasian Machine Tool Engineering Center was established with the participation of the Commission to concentrate the existing resources of the Member States and use them in the most efficient way.

In 2019, the Engineering Center was registered by the Ministry of Justice of the Russian Federation.

Companies from Armenia, Belarus, Russia and Kyrgyzstan became its founders.

HORSCH agricultural machinery plant: the production localization share in Russia reached

70%



Construction of KUHN plant was launched in Voronezh Region. Its annual capacity will be 500 units of agricultural machinery

56%

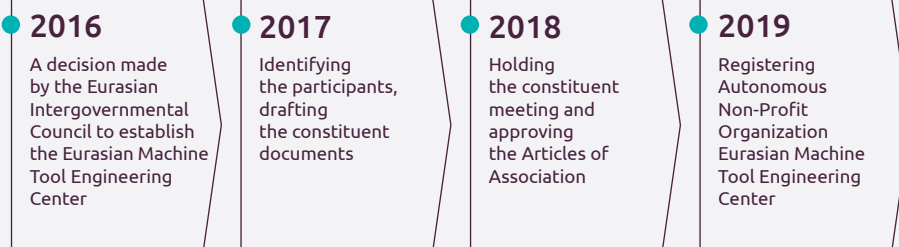
growth of the machine tool export from the EAEU countries over the last five years

Goals and objectives of the Engineering Center:

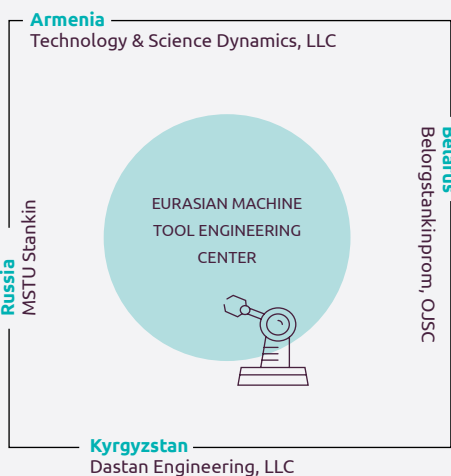
- » introducing innovative technologies into production;
- » transferring technologies;
- » implementing joint cooperative projects;
- » developing the human capacity and export potential in the machine tool industry.

In July 2020, the EEC Council adopted the Center Action Plan 2020–2024 developed together with the Center.

EURASIAN MACHINE TOOL ENGINEERING CENTER



Founders of the Eurasian Machine Tool Engineering Center



Competencies of the Eurasian Machine Tool Engineering Center

- Technology forecast and strategic planning
- Creating promising products and ensuring technology transfer
- Production design and technological audit
- Export promotion of products
- Staffing
- Dealing with suppliers being the machine equipment producers

Light Industry

About 32,000 enterprises operate in the light industry of the EAEU with 70% being the major employers and 95% being small enterprises. More than 400,000 people are employed in the industry with women accounting for 80% of them.

In 2019, the light industry enterprises in the EAEU countries had the following output:

- fabrics — 6.2 billion sq. m.;
- knitwear — 203 million pcs.;
- footwear — 108 million pairs;
- hosiery — 392 million pairs.

In H1 2020, during the COVID-19 pandemic, the light industry enterprises of the Union significantly increased the production volume of face masks and other personal protective equipment (PPE) to ensure independence from the PPE import. At peak demand, around 9 million protective masks and over 250,000 protective suits were manufactured daily only at the Russian enterprises. By June 2020, the light industry enterprises of the Union announced that they reached the production level enabling them to export these products to the third countries.

The Commission's focus areas in the light industry are:

- » building sustainable economic ties between livestock breeders and industrial enterprises of the Union;
- » supplying raw materials for the EAEU light industry;
- » combating counterfeit products.

The following actions are taken to solve these tasks:

- A program of perspective cooperation between Russian and Belarus is being developed for flax fiber production and processing.
- Works are being carried out with the third countries, including cooperation with Uzbekistan for cotton and with Mongolia for leather and wool.
- The EEC Council set to zero the import customs duty rate of the EAEU Common Customs Tariff for certain types of propylene threads used for the manufacture of carpet products until February 29, 2020.
- A zero import duty rate was effective from January 2, 2018, until the end of 2019 for certain artificial viscose fibers.



During the COVID-19 pandemic, the light industry enterprises of the Union countries significantly increased the production of masks and other PPE and ensured their full supply to the domestic market





1.7 million

steel railway wheels were produced in 2019. The deficit of wheels settled in the EAEU market

▶ A zero import customs duty rate is effective until September 30, 2020, for the down and fur raw materials and tanned or dressed fur skins.

▶ A footwear marking project is to be implemented as part of the Agreement on Marking of Goods with Means of Identification in the EAEU. Since July 1, 2020, the marking of footwear has become mandatory in Russia.

Production of Railway Transport Components

As part of the collaboration between the EAEU Member States on cooperation and import substitution, a Common List of related industrial enterprises ready to participate in joint cooperative projects for manufacturing industrial products for railway transport was developed. At the moment the Common List includes 80 enterprises from various EAEU states and is published on the website of the Commission.

Three enterprises are engaged in railway wheel production in the EAEU with two of them located in the Russian Federation and one in Kazakhstan.

In 2019, 1.7 million steel railway wheels were manufactured.

The production volume increased by 30% over the last three years. This allowed settling the deficit of wheels in the EAEU market in 2019 caused by the failure to meet the demand of Belarusian railway car manufacturing and repair enterprises.

Shipbuilding

Following the Commission's initiative, an expert group was established in 2019 under the Advisory Industry Committee for Shipbuilding and Shipboard Equipment Production.

Performance:

» **October 2019:** a recommendation "On Development of Cooperation between the EAEU Member States for Shipbuilding and Shipboard Equipment Production" was adopted. The recommendation will provide for the organization and development of the production of imported product analogs in the EAEU, as well as expand the involvement of these industry producers in the cooperative chains.

» **December 2019:** further routes for enhanced cooperation between the Parties were determined, and the Draft Review of the Shipbuilding Industry of the EAEU Member States in 2014–2019 was approved. The review is published on the EEC official website.

» **February 2020:** the Common List of manufacturers of shipbuilding products, manufacturers of ship components, and shipyards of the EAEU Member States willing to take part in the implementation of joint cooperation projects was published on the Union's official website.

» the Russian Federation showed interest in fostering cooperation with Belarusian enterprises and establishing a cooperation project in the production of galley equipment for ships. The Parties are on their way to clarify the legal and technical framework of cooperation.

Space Industry

By Order of the Supreme Eurasian Economic Council No. 6, dated December 6, 2018, and based on the Eurasian technological platform, a draft of the first interstate space program in the EAEU was prepared. The project was approved by Decision of the Intergovernmental Council No. 4 dated July 17, 2020.

The interstate program provides for three blocks of integration.

▶ **An organizational** block, which is aimed at combining existing and upcoming satellite constellations by establishing a common bank of images received from national satellites.

▶ **An infrastructural** block, which is aimed at establishing and modernizing existing stations for receiving an increased amount of Earth remote sensing (ERS) data, as well as developing specialized software for processing and analyzing the information received.

▶ **A production** block, that provides for expanding the capabilities of the ERS space system of the Member States by creating advanced ERS spacecraft of medium and ultra-high spatial resolution and including in its composition.

It is expected that interstate program implementation will result in the following:

» the quality will improve and the amount of space information for state consumers of the EAEU countries will more than double (the amount of data will be up from 2 to 4.4 million sq. km/day);

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The first interstate space program in the EAEU was adopted in July 2020



> > >



USD
1.5
billion

jewelry production
in the EAEU
countries in 2019



- » when creating such devices, the share of domestic manufacturers of the component base will reach 70%;
- » 4–5 new spacecraft will be produced on a joint basis;
- » by 2030, the EAEU's share in the total volume of the world Earth remote sensing market may reach 5%, i.e. USD 245 billion.
- » the sales volume will be expanded due to the promising markets of South America, Africa, the Near and Middle East.

Jewelry Production

In 2019, jewelry production in the EAEU Member States grew by 14% and amounted to about USD 1.5 billion. As such, domestic demand in the Union is declining due to a decrease in the purchasing power of the population. Given the current conditions, the expansion of exports may prove a key factor in the further development of the industry.

The road map for promoting jewelry products made in the EAEU countries to the markets of third countries approved by Order of the Eurasian Intergovernmental Council No. 17, dated October 25, 2019, provides for the development in 2020 of the concept of creating a Eurasian jewelry export bureau.

The purpose of establishing the bureau is to raise the competitiveness of the EAEU jewelry business in the world market.

Bureau challenges:

- » ensuring compliance with foreign product requirements;
- » searching for promising markets and marketing promotion;
- » assisting to Eurasian exporters in organizing exhibition and fair activities abroad.

Bureau promotion mechanisms:

- » signing memoranda with foreign exhibition sites and marketplaces;
- » tapping the jewelry markets of third countries with a single Union brand.

The bureau can be established as a self-regulatory organization.

EURASIAN NETWORK OF INDUSTRIAL COOPERATION, SUB-CONTRACTING AND TECHNOLOGY TRANSFER

The project provides for the formation of a digital ecosystem of industrial cooperation throughout the EAEU.

The network will include participants in the chains of production and distribution, as well as provision of digital services, including business entities that provide cooperation and optimal utilization of production facilities.

The project aims to stimulate innovation across the Member States through the use of a technology transfer mechanism. Technologies will be exchanged between industrial enterprises, scientific organizations and universities.

Development of the Eurasian ecosystem will facilitate integration with other digital ecosystems and promotion of Eurasian products in the markets of third countries.

More than 20 types of services will be connected to the Eurasian network:

- » trading platforms;
- » financial and logistics services;
- » monitoring and analysis services, etc.

Results expected by the end of 2021 (project completion date):

- ▶ 64,000 entries in the register of business entities;
- ▶ 130,000 units of records in the catalog of product offers;
- ▶ the amount of transactions within the framework of cross-border trade exceeds RUB 38 billion.

Development of the Eurasian ecosystem will facilitate integration with other digital ecosystems and promotion of Eurasian products in the markets of third countries



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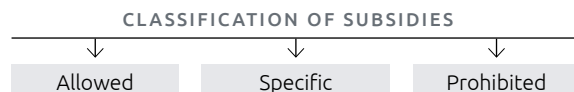
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INDUSTRIAL SUBSIDIES

Subsidies imply financial assistance provided by a subsidizing government that creates benefits.

The EAEU has uniform rules for the provision of industrial subsidies.

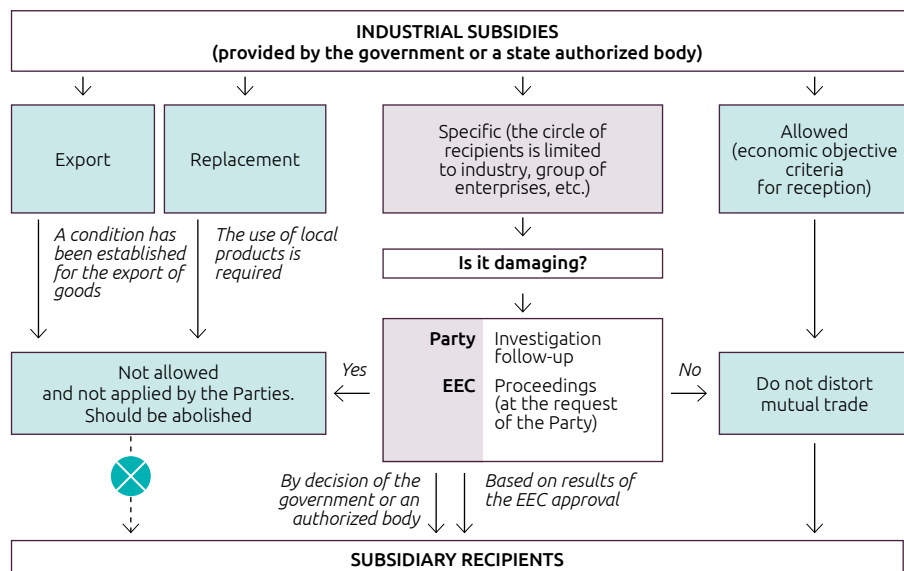


Export and replacement subsidies are prohibited, as well as subsidies that infringe on the interests of sectors of the national economy of any EAEU Member State.

The decision on the provision of subsidies by the EAEU Member States is made at the national level.

The work of the Commission at the supranational level in this area is aimed at harmonizing and unifying the laws of the EAEU Member States, as well as at their compliance with their obligations to refrain from granting prohibited subsidies.

UNIFORM RULES FOR GRANTING INDUSTRIAL SUBSIDIES



WORK STAGES IN THE PROVISION OF INDUSTRIAL SUBSIDIES

- **2012 Coordinated policy stage.** The Agreement on Uniform Rules for the Provision of Industrial Subsidies dated December 9, 2010 came into effect.

The following is defined:

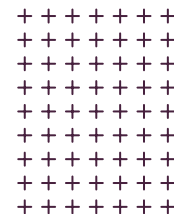
- » rules for granting industrial subsidies;
- » a procedure for classifying subsidies;
- » bilateral procedures for investigating and resolving industrial subsidy disputes.

- **2014 Adoption of the Treaty on the EAEU.** The directions, methods and conditions for the provision of industrial subsidies within the Union have been defined, and the basis for the regulatory legal framework development has been laid. Implementation of the provisions of Article 93 of the Treaty and Appendix No. 28 thereto is controlled through system monitoring and comparative legal analysis of the EAEU Member States' laws on compliance with the Treaty (nearly 60,000 legal acts are analyzed each year). An annual report is submitted on the results.

- **2018 Entry into force of a new Agreement on Voluntary Approval of Specific Subsidies with the Commission.**

The following have been added to the powers of the Commission:

- » conducting voluntary approval procedures;
- » effecting industrial subsidy proceedings and making decisions for enforcement;
- » preparing conclusions based on the results of comparative legal analysis of acts and projects based on requests from the Parties;
- » preparing opinions on draft acts on the provision of specific subsidies, directed within the framework of mandatory information;
- » monitoring the fulfillment of new obligations by the Parties.



Industrial subsidies are approved by the Commission following the criteria for appropriateness or inappropriateness of specific subsidies.

The Commission will agree on a specific subsidy aimed, for example, at the following:

- » implementation of a joint project by two or more EAEU Member States, provided that the share of products produced does not exceed 10% of the consumption volume in the Union market;
- » innovative activities, provided that the amount of subsidies does not exceed 5% of the maximum annual revenue of an enterprise for 3 years prior to the start of the subsidy;
- » production of industrial goods, if the share of such goods produced in the EAEU Member States is less than 40% of consumption;
- » rendering assistance to enterprises in an unstable or crisis financial condition, provided that such a condition is observed on a quarterly basis during the year prior to the date of application and the amount of such subsidy does not exceed 75% of the volume of debt restructuring.

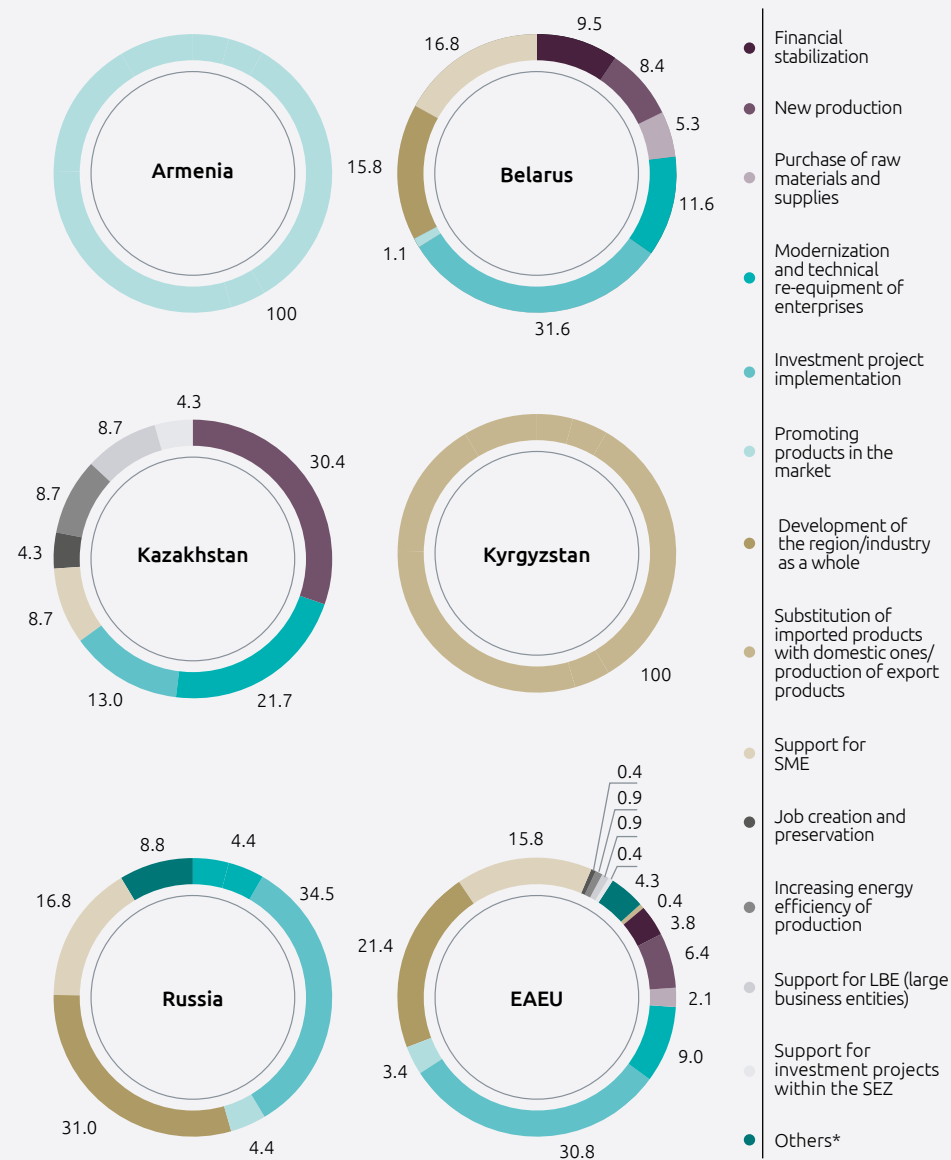
The States of the Union will also be able to apply to the EEC for conducting proceedings regarding specific industrial subsidies. In this case, the Commission will act as an arbitrator.

The key goals of subsidy provision in the EAEU Member States in 2018 are defined as follows:

- ▶ implementation of investment projects — 30.8%;
- ▶ development of the region/industry as a whole — 21.4%;
- ▶ support for small and medium-sized enterprises — 15.8%;
- ▶ modernization and technical re-equipment of enterprises — 9%;
- ▶ establishment of new production — 6.4%.

In Belarus and Russia, support was provided mainly to investment projects, in Kazakhstan — to the creation of new production facilities, and in Armenia and Kyrgyzstan — to promote products in the market.

BALANCE BETWEEN THE GOALS OF INDUSTRIAL SUBSIDY PROVISION



* In Russia, "others" means the support for investment projects within the SEZ, reduction of energy costs, stabilization of financial condition, development of industrial/technological parks, purchase of raw materials and supplies, reduction of training and retraining costs, creation and preservation of jobs.

Main industries subsidized by the EAEU Member States.

BELARUS:

- » textile and clothing production;
- » production of other non-metallic mineral products;
- » pulp and paper production.

RUSSIA:

- » small and medium businesses;
- » transport engineering.

KAZAKHSTAN:

- » horizontal measures (applicable to all industries without restrictions).

KYRGYZSTAN AND ARMENIA:

- » manufacturing enterprises.

ENSURING EQUAL CONDITIONS FOR COMPETITION. IDENTIFYING BARRIERS AND OBSTACLES

The following areas of activity of the Commission's industrial unit for the identification of new and elimination of existing obstacles in the common market are defined:

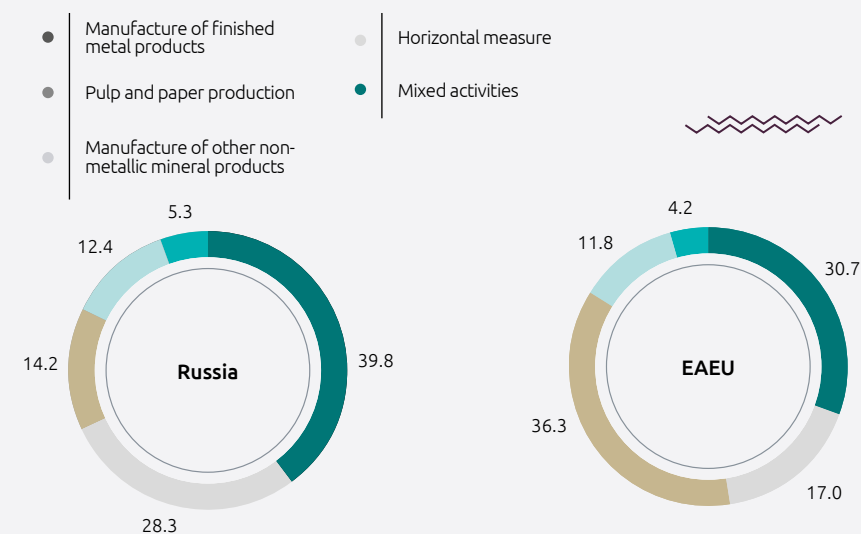
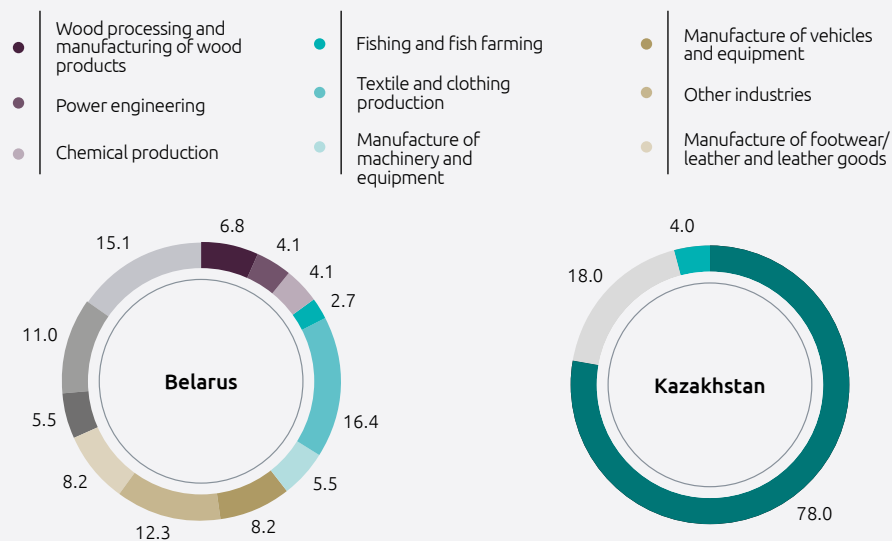
- » identification of new obstacles through interaction with the departments of the EAEU Member States and industry associations: identified potential obstacles are discussed with experts of the Parties and entered in the register of obstacles to determine ways to address them;
- » annual monitoring of the EAEU Member States' backbone enterprises: this allows receiving information relating to weaknesses of the industry, to promptly respond to emerging problems in industrial cooperation and to establish closer interaction between the Commission and such enterprises.



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ALLOCATION OF INDUSTRIAL SUBSIDIES BY BRANCHES



74.3%

enterprises reported
their readiness
for the second
wave of COVID-19
pandemic

Based on the results of monitoring the backbone industrial enterprises of the EAEU in 2020, 5.8% of enterprises declared the presence of obstacles (in 2019, this figure was 6.8%). 63.2% of enterprises work together with the States of the Union on an ongoing basis, which indicates a high level of cooperation in the EAEU.

During the monitoring stage, the impact of COVID-19 pandemic on the EAEU backbone enterprises was also analyzed. Probability of the termination of activities of enterprises in the second half of 2020 is estimated at a fairly low level. The share of enterprises considering it probable to terminate their activities amounted to 6.7%. 11% of enterprises expect sales to drop by 20–30%; and 1.4% think sales will fall below 50%.

IMPORT SUBSTITUTION

The map of industrialization is an important tool for coordinating actions of the EAEU Member States on import substitution

On July 17, 2020, the Eurasian Intergovernmental Council instructed the EEC and the EAEU States to elaborate the map of the Union industrialization. It will become an important tool for coordinating import substitution activities of the EAEU Member States and reflect the import-dependent technological directions, the potential of manufacturers, existing industrial projects and cooperation ties in the Union. This will enable the Parties to avoid duplication of production and move towards the industry specialization of manufacturers.

The map will comprise three sections:

- » information relating to major ongoing and planned investment projects and projects that are significant for the relevant industries. It has already been proposed to include 177 large projects across 21 industries with an investment volume of about USD 200 billion.
- » over 500 technological areas in 30 industries for which import substitution is required in the EAEU, and where there are enterprises ready to participate in the implementation of relevant projects. The information provided will make it possible to form production chains for import substitution within the entire Union, rationally distribute measures of state support for import-substituting industries;
- » 50 groups of industrial products, the most significant in terms of import volume into the customs territory of the Union. The most active import substitution work will be launched on these items.

This document will provide for the following:

- » drafting proposals for the development of production facilities in the allied countries;
- » comprehensive arrangement of work on import substitution and unification of national plans in this area;
- » elaborating and implementing joint programs and projects;
- » establishing cross-industry relationships between manufacturers;
- » efficient use of the competences available in the countries.

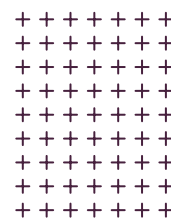
The industrialization map is scheduled to be posted on the EAEU official website. The website is regularly updated.

INTERNATIONAL COOPERATION


The Industrial Policy Department cooperates with representatives of governments and business circles of third countries, international organizations, integration associations and trade and economic partners of the EAEU.


Objectives of international cooperation in the industry:

- » enhancing industrial and scientific and technical cooperation;
- » positioning the Union on the international arena;
- » informing on the specifics of work in the EAEU market and acts adopted by the Union in the industry;
- » promoting sustainable growth in the productive capacity of the Member States;
- » diversifying economies;
- » integrating EAEU producers into international production chains;
- » innovative development of the Member States industry;
- » increasing the volume and improving the structure of investments;
- » accelerating integration processes in the EAEU.



Cooperation projects:


 **UNIDO** (United Nations Industrial Development Organization): a pilot project is being implemented to create experimental and demonstration centers for smart production technologies (Industry 4.0) in the innovation and production activities of industrial enterprises. The goal is to introduce new generation technological standards aimed at ensuring the digital transformation of the economy within the EAEU.

 **VDMA** (German Engineering Union): projects are being elaborated for the possible supply of domestic components to the conveyors of the world leaders in mechanical engineering:

» based on the results of visits in 2019 by John Deere experts to the Republic of Belarus, a high level of production of more than 60% of Belarusian machine-building enterprises was noted, which can become suppliers of components for agricultural machinery manufactured by John Deere;

» **SCANIA** develops cooperation with Belarusian manufacturers — "Gomselmash", OJSC, "BelAZ", OJSC, and "MoAZ" — on possible joint development of combines, dump trucks, and other equipment based on SCANIA engines. The company is also studying the manufacturers of the EAEU for the production of gas cylinder and fuel equipment with a view to their possible attraction as suppliers.

 **The American-Russian Business Council** and the US Chamber of Commerce: interaction is ensured on the work of foreign business in the EAEU in the field of industry and agriculture, the development of investment cooperation between the USA and the EAEU, the digital economy and digitalization of the industry and the agro-industrial sector of the Union. In November 2019, A. M. Subbotin, Member of the Board — Minister, took part in a meeting of the American-Russian Business Council on expanding cooperation in these matters (New York).

 **OSCE** (Organization for Security and Cooperation in Europe): the Commission's dialogue is regular, practical and positive. In 2019, as part of this cooperation, A. M. Subbotin, Member of the Board — Minister in charge of Industry and Agriculture, took part in the 27th Session of the OSCE Economic and Environmental Forum with a report on the development of digital technologies in the industrial sector of the EAEU. The trip resulted in an agreement on the study of participation of industrial enterprises of the OSCE countries in the created Eurasian digital industrial platform, interaction with the OSCE on the inclusion of the EAEU Member States in the international network of export compliance, joint preparation of proposals for the digitalization of high-tech industries of the EAEU States.



Eurasian Economic Union FACTS AND FIGURES

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