

Section XIII

MACROECONOMIC POLICY

Article 62: Main Directions of the Agreed Macroeconomic Policy

1. The agreed macroeconomic policy shall be implemented within the Union providing elaboration and implementation of joint actions by the Member States aimed at achieving their balanced economic development.

2. Coordination by the Member States of the agreed macroeconomic policy shall be carried out by the Commission in accordance with Annex 14 to this Treaty.

3. The main directions of the agreed macroeconomic policy of the Member States shall include:

1) ensuring sustainable development of the economies of the Member States using the integration potential of the Union as well as competitive advantages of each Member State;

2) establishing common operation principles for the economies of the Member States and ensuring their effective interaction;

3) creating conditions to increase internal sustainability of the economies of the Member States, including their macroeconomic stability and resistance to external influences;

4) elaboration of common principles and guidelines to predict social and economic development of the Member States.

4. Implementation of the main directions of the agreed macroeconomic policy shall be carried out in accordance with Annex 14 to this Treaty.

Article 63: Main Macroeconomic Indicators **Determining Sustainability of Economic Development**

The Member States shall form their economic policy within the framework of the following quantitative values of macroeconomic indicators determining sustainability of their economic development:

- annual deficit of the consolidated budget of a state-controlled sector shall not exceed 3 percent of the gross domestic product;

- debt of a state-controlled sector shall not exceed 50 percent of the gross domestic product;

- inflation rate (consumer price index) per annum (December to December of the previous year, in percent) shall exceed the inflation rate in a Member State with the lowest value by not more than 5 percentage points.

**PROTOCOL
ON THE IMPLEMENTATION
OF THE AGREED MACROECONOMIC POLICY**

I. General provisions

1. This Protocol has been developed in accordance with Articles 62 and 63 of the Treaty on the Eurasian Economic Union (hereinafter “the Treaty”) and determines the procedure for conducting agreed macroeconomic policy by the Member States.

2. The terms used in this Protocol shall have the following meanings:

“*external forecast parameters*” shall mean indicators, which characterize the external factors significantly influencing the economy of the Member States and used during the elaboration of official forecasts of socio-economic development of the Member States;

“*interval quantitative values of external forecast parameters*” shall mean upper and lower values of the interval of external forecast parameters;

“macroeconomic indicators” shall mean parameters, which characterize the state of the economy of a Member State, its development and resistance to adverse factors, as well as the degree of integration cooperation;

“*main directions of economic development of the Union*” shall mean a non-regulatory document identifying the most promising directions of socioeconomic development that the Member States intend to develop through the use of the integration potential and competitive advantages of the Union in order to obtain additional economic benefits for each Member State;

“*main benchmarks on macroeconomic policies of the Member States*” shall mean a policy document determining the most important short and medium-term objectives for the economy of the Member States aimed at achieving the goals set out in the main directions of economic development of the Union and including recommendations to address the problems specified.

II. Implementation of the Main Directions of the Agreed Macroeconomic Policy

3. In order to implement the main directions of the agreed macroeconomic policy the Member States shall:

1) agree on measures to use the integration potential of the Union and competitive advantages of the Member States in the most feasible spheres and sectors of economy;

2) when conducting the agreed macroeconomic policy, take into account the

main directions of economic development of the Union and the main benchmarks on macroeconomic policy of the Member States;

3) develop official forecasts of the socio-economic development of the Member States with account of the set interval quantitative values of external forecast parameters;

4) conduct the agreed macroeconomic policy within the quantitative values of macroeconomic indicators referred to in Article 63 of the Treaty when determining the sustainability of economic development;

5) develop and implement, with the participation of the Commission, measures, including joint measures, when macroeconomic indicators determining the sustainability of economic development of a Member State do not meet the quantitative values determined by Article 63 of the Treaty, as well as, if necessary, take into account the recommendations of the Commission aimed at stabilizing the economic situation in accordance with the procedure approved by the Commission;

6) hold consultations on issues related to the current economic situation in the Member States in order to develop proposals aimed at stabilizing the economy.

III. Competence of the Commission

4. The Commission shall coordinate the implementation of the agreed macroeconomic policy by the Member States through the following:

1) monitoring of:

- macroeconomic indicators determining the sustainability of economic development of the Member States, calculated according to the methodology approved by the Commission, and their compliance with the quantitative values determined by Article 63 of the Treaty;

- indicators of the level and dynamics of economic development and integration indicators set out in Section IV of this Protocol;

2) elaboration, upon agreement with the Member States, of the following documents to be approved by the Supreme Council:

- main directions of economic development of the Union;

- main benchmarks on macroeconomic policies of the Member States;

- joint measures aimed at stabilizing the economic situation, in case the Member States exceed any quantitative values of macroeconomic indicators determining the sustainability of economic development referred to in Article 63 of the Treaty;

3) elaboration of:

- recommendations aimed at stabilizing the economic situation, in case the Member States exceed any quantitative values of macroeconomic indicators determining the sustainability of economic development referred to in Article 63 of the Treaty;

- analytical (reference) forecasts of socio-economic development of the Union based on the set interval quantitative values of external forecast parameters;

4) assistance in holding of consultations on the issues related to the current

economic situation in the Member States in order to develop any proposals aimed at stabilizing the economy;

5) agreeing with the Member States of interval quantitative values of the external forecast parameters approved by the Commission in order to prepare official forecasts of socio-economic development of the Member States;

6) analysis of:

- the impact of decisions made on the economic environment and entrepreneurial activities of the Member States' economic entities;

- measures of agreed macroeconomic policy to the extent of their compliance with the main benchmarks on macroeconomic policies of the Member States;

7) exchange of information between authorized authorities of the Member States and the Commission with a view to conduct the agreed macroeconomic policy. The procedure for such exchange shall be approved by the Commission.

IV. Indicators of Integration Degree, Level and Dynamics of Economy Development, and External Forecast Parameters

5. The following indicators shall be used to determine the integration degree:

1) the volume of national investments into the economy of each Member State, including direct investments (in US dollars);

2) the volume of investments into the national economy from each Member State, including direct investments (in US dollars);

3) the share of each Member State in the total exports of the Member State (in percentage points);

4) the share of each Member State in the total imports of the Member State (in percentage points);

5) the share of each Member State in the total foreign trade turnover of the Member State (in percentage points).

6. The following indicators shall be used to determine the level and dynamics of economic development:

1) the growth rate of gross domestic product (in percentage points);

2) gross domestic product per capita at purchasing power parity (in US dollars);

3) balance of payment current account balance (in US dollars and in percentage of gross domestic product);

4) index of the real effective exchange rate of the national currency calculated on the basis of the consumer price index (in percentage points).

7. The Commission, upon agreement with the Member States, may decide to monitor any indicators of integration degree, the level and dynamics of economic development of the Member States, other than those specified in Clauses 5 and 6 of this Protocol, respectively.

8. The Member States shall agree on interval quantitative values for the following external forecast parameters for a period of 3 years:

- the world economy development rate;

- the price of Brent oil.

Executive authorities entitled to compile official forecasts of socio-economic development of the Member States shall also exchange information on the state of foreign trade operations, including in mutual trade. For the purpose of compiling official forecasts of socio-economic development of certain Member States, the Russian Federation shall provide to the above authorized authorities any information on the indicative change range of the forecast price for natural gas supplied for domestic consumption, in the manner to be approved by the Commission.

The above information provided by the Russian Federation for the purpose of macroeconomic forecasting shall not be deemed as an obligation of the Russian Federation to maintain the specified prices of natural gas supplied to the Member States in the forecast period.

National (central) banks of the Member States shall inform each other of the exchange rate policy conducted.

9. The exchange of information for the purpose of macroeconomic forecasting shall be carried out in compliance with all respective confidentiality requirements of the Member States applicable to such information.

10. The Supreme Council may decide to revise external forecast parameters used during the elaboration of official forecasts of socio-economic development of the Member States.