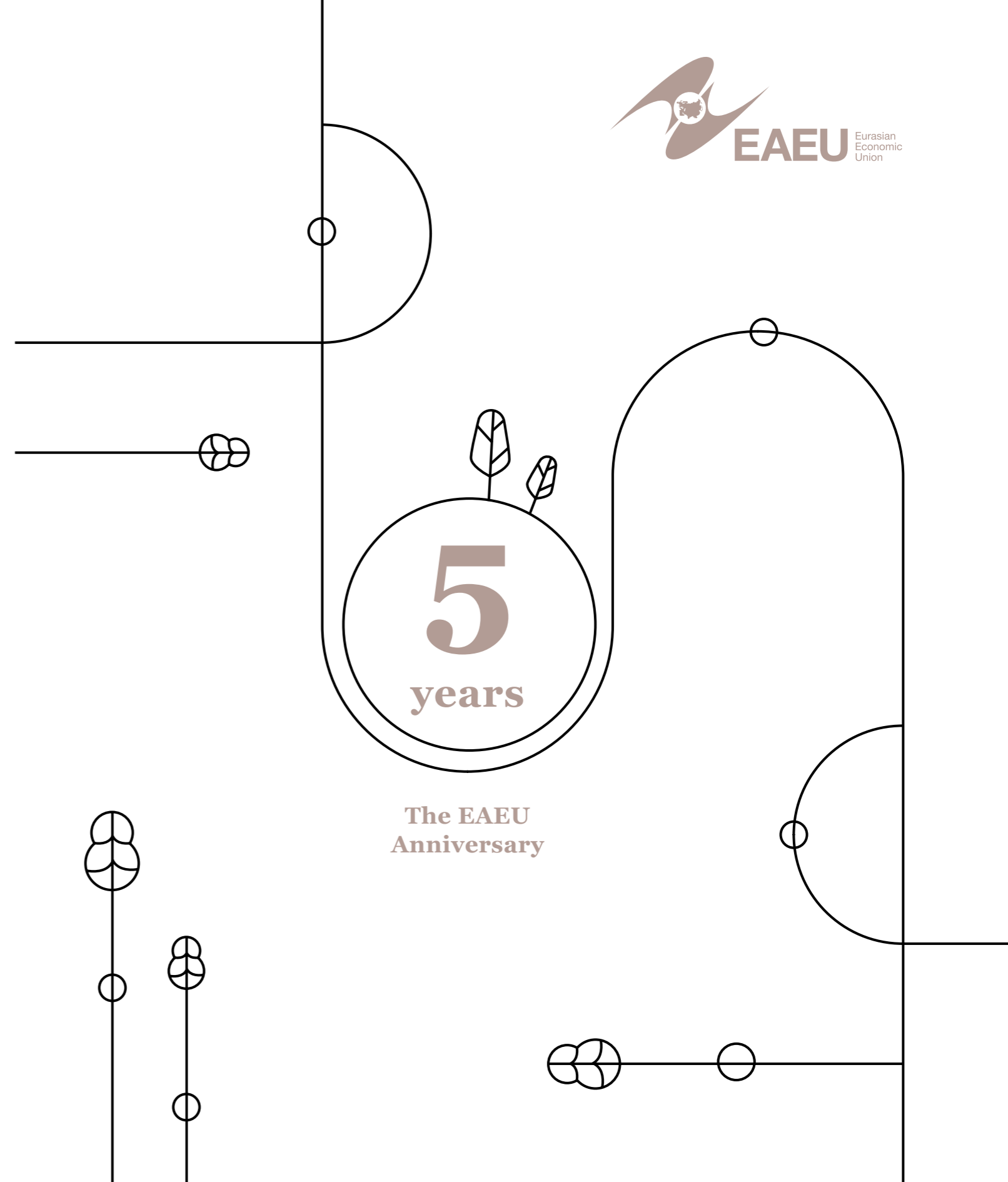




5
years

The EAEU
Anniversary





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EAEU

Members of the Supreme Eurasian Economic Council on the EAEU and the EEC



**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*



**Nursultan
Nazarbayev**

*First President of the
Republic of Kazakhstan,
Honorary Chairman of
the Supreme Eurasian
Economic Council*

“On January 1, 2019, the Republic of Armenia assumed chairmanship in the governing bodies of the Eurasian Economic Union.



The chairmanship of Armenia falls on the fifth anniversary of signing the Treaty on the EAEU.

The Eurasian Economic Union has proved its worth: positive dynamics were recorded in key economic indicators and major decisions were made in many areas of Eurasian integration.

For the EAEU Member States, Eurasian integration is a priority area for improving the business environment, increasing cooperation with existing partners and creating new partnerships in order to fulfill the economic potential of the integration association.

We are convinced that building up equal cooperation within our integration association should ultimately serve to create comfortable conditions for doing business and entirely fulfill human potential”.

Prime Minister of the Republic of Armenia
NIKOL PASHINYAN

“Of course, the EAEU is still young. However, it has already proved its effectiveness and independence by providing our countries with an additional source of economic growth, which allows them to counteract negative trends in the world. And this potential is far from exhausted: great prospects lie ahead.



The agenda is full of new directions. We started the digital transformation of economies, intensified cross-border ties in the real sector, and created mechanisms for implementing innovative and investment projects. These are all important and promising segments of cooperation.

Five years ago, we took a decisive step towards the creation of the Union. Today our main task is to preserve the results achieved and build on them for the benefit of our States and peoples”.

President of the Republic of Belarus
ALEXANDER LUKASHENKO

“Within the four years of functioning of the Eurasian Economic Commission’s Board, a truly enormous amount of work has been done for the implementation of the principles of free movement of goods, services, capital, and labor. Notable results have been achieved in creating and strengthening the institutions of the Eurasian Economic Union. We can proudly state that our organization has taken a huge step towards international recognition and approval of its place and role in the global economic system with a diverse cooperation portfolio”.



“The candidacy of Tigran Sargsyan for the position of Chairman of the EEC Board was supported by the leaders of all EAEU countries. He is a very experienced advanced specialist”.



“In a short time by historical standards, the Eurasian Economic Union has emerged as an important reputable international organization. In difficult global conditions, it is extremely important for us to support the sustainable economic growth of our States.

This is possible only through real mutually beneficial integration and cooperation. It is important not to slow down the pace and make additional efforts for the further progress of our integration association.

The EAEU States, their economies, businesses and citizens should feel the real benefits of membership in the Union. The conditions of our cooperation should be truly more attractive in comparison with the terms of cooperation with countries that are not participants in this project.

I am sure that joint work will allow us to build a large and economically strong Eurasia in the foreseeable future”.

President of the Republic of Kazakhstan
KASSYM-JOMART TOKAYEV



“The EAEU has proved its worth and become a strong integration association. We have created a common customs space in five years, are pursuing a coordinated policy in almost all areas of the economy, have opened new opportunities for economic development and improvement of the well-being of the peoples of our States.

At the moment we are working to harmonize legislation and create common markets in the Union. The effectiveness of the EAEU depends on the ability to create equal competitive conditions both among its members and with third countries. The EAEU has enormous potential for the economic development of its Member States, which has not been entirely fulfilled yet. We need to consolidate efforts to achieve the common goals for the creation of a strong, reliable and prosperous Union”.

President of the Kyrgyz Republic
SOORONBAY JEENBEKOV



“I would like to express my gratitude to the Chairman of the EEC Board Tigran Sargsyan for his significant contribution to the development of the Eurasian Economic Union. We very much appreciate Tigran’s great work, for which I decided to award him with the Order of Friendship for outstanding services on this very important and challenging position”.

“Thank you, Tigran, for the successful holding of the Eurasian Week international forum in Bishkek. The forum will make a significant contribution to the implementation of business development plans in the Eurasian space. We need to further develop cooperation between the countries, deepen integration within the EAEU and remove existing barriers in mutual trade. Over the five years of its existence, the EAEU has proved its viability and effectiveness as an economic integration association”.





“The EAEU is undoubtedly an effective integration association based on the principles of equality, mutual benefit and respect for each other’s interests. Within the Union, a common market has been formed covering more than 180 million consumers; free of movement of goods, services, capital, and labor has been ensured. Integration processes stimulated the sustainable development of the economies of our countries, contributed to improving the quality of life and well-being of our citizens. The EAEU is faced with large-scale tasks to deepen cooperation between our countries in various sectors, such as trade, finance, and social policy. We need to strive to create large allied corporations, think about entire branches of production to distribute and nurture our competencies in the best way possible. We are committed to Eurasian integration gradually covering more and more new areas”.

President of the Russian Federation
VLADIMIR PUTIN



“We have created a unique economic Union by combining the potentials of five countries. Our business communities are actively working with each other, using the opportunities provided by the EAEU. A lot of work has been done. The main directions of the digital agenda are being implemented. We are actively developing international cooperation. At the same time, we need to make additional efforts to ensure the full functioning of the EAEU. The point of the Eurasian economic space is to make it more open to global interaction. We need to expand the strategic boundaries of the EAEU and strengthen the ideas of integration”.

First President of the Republic of Kazakhstan, Honorary Chairman of the Supreme Eurasian Economic Council
NURSULTAN NAZARBAYEV



“I agree with the positive assessments of the Eurasian Economic Union’s work. The EAEU is developing steadily, a large common market has been created and is successfully functioning. Integration processes within the Eurasian Union have a most favorable effect on the growth of the economies of the participating countries and contribute to improving the living standards of our citizens. I have listened with pleasure to Tigran speech. Indeed, you do have a difficult job”.



“You, Tigran, are presiding over the executive body of the Union in quite difficult times. However, you are successfully handling the challenges. We need to keep moving forward”.

EAEU

Members of the Eurasian Intergovernmental Council on the EAEU and the EEC



**Sergey
Rumas**

*Prime Minister of the
Republic of Belarus*



**Askar
Mamin**

*Prime Minister of the
Republic of Kazakhstan*



**Mukhammedkalyi
Abylgaziev**

*Prime Minister of the
Kyrgyz Republic*



**Dmitry
Medvedev**

*Chairman of the
Government of the
Russian Federation*



“Our association is still young. We are celebrating the fifth anniversary. But it is very important that all countries aim to develop the advantages provided by integration. It is also important to remember that countries have signed the agreement on the formation of the EAEU voluntarily. By doing so, they agreed that all the complex issues that will arise in the Union must be resolved through open discussion, taking into account the interests of all the countries. I believe that we will gradually move towards the elimination of barriers. After all, this is what will allow every business and every person to feel the benefits of integration. The advantages of integration are not only the elimination of barriers to trade, but also the creation of cooperative industries where each country can use its competitive advantages together with its partners”.

Prime Minister of the Republic of Belarus
SERGEY RUMAS



“Today we can say that the idea of creating the EAEU has been implemented in full. The Union has been created! We are actively working on the development of common markets, ensuring the free movement of labor, goods, services, and capital. All the core principles of the EAEU are working successfully and developing consistently. All institutional foundations for the development of our integration association have been created. The Commission has been formed and is working. We can say that the stage of organizational development is passed. The current stage can be described as the development stage”.

Prime Minister of the Republic of Kazakhstan
ASKAR MAMIN



“A lot has been done during these five years: regulatory acts have been adopted to ensure the start of the EAEU’s functioning, management and coordination bodies have been improving their work, work has been done to strengthen the economic relations of the five States with third countries”.



“Together with the Eurasian Economic Commission, our countries are initiating active cooperation in new areas, such as nuclear energy, space, and a number of others. A special role is given to the development of the digital agenda in keeping with the global economic trends”.



“The idea of creating the EAEU comes from the economic, cultural and social proximity of our peoples, which have a centuries-long history together. By taking responsibility, the leaders of our countries have made the historically correct decision to create a single economic space. Life proves it time and again.

Summing up the intermediate results, we can say with confidence that our Union has proved itself a rapidly developing integration association to be reckoned with. Many States have expressed a desire to cooperate with our association and others have already signed memoranda and trade agreements. And, most importantly, a common market is being formed in the Union, large issues are being solved”.

Prime Minister of the Kyrgyz Republic
MUKHAMMEDKALYI ABYLGAZIEV



“Five years, of course, is a short time. However, we must admit that we have managed to do quite a lot. We have created a large array of supranational legislation for the development of the Union in economy, customs, tax policy, movement of goods, labor, and provision of services. All these issues have been on the agenda, which also changes to reflect the challenges of the time. The EAEU is developing successfully.

We strive to unlock the potential of the Union. We are taking steps to stimulate business activity and further economic growth”.

Chairman of the Government of the Russian Federation
DMITRY MEDVEDEV



“Over the five years of the Eurasian Economic Union’s functioning, we have seen tangible results of the systemic work of all the Member States of the association and the Commission. In the first few years of integration, the countries defined a vector towards building up the economic and trade potential of the Union, and recent years can be described as a breakthrough in strengthening the EAEU’s position in the international arena. This is evidenced by the existing free trade area with Vietnam, signed trade agreements with Iran, China, Singapore, Serbia, and ongoing active negotiations with India, Egypt, and Israel”.



“The EEC does a lot of work to generate ideas, prepare draft decisions for Heads of State and Government, and conduct other important daily activities. I would like to distinguish your special role in organizing this work as the head of the EEC Board, Tigran Sargsyan. In recent years, you have managed to achieve calm productive work, where some routine things are not in the scope of activity of the Council of Heads of Government, and even more so the Council of Heads of State, but at the same time really important issues are solved. You resolve conflicts and disputes that arise. And most importantly, you promote a very relevant agenda for our countries.

In particular, I am talking about the digital agenda”.

EAEU

Opening Remarks by the Chairman of the EEC Board

*The Eurasian Economic Union has entered
the trajectory of sustainable economic
growth*



Tigran Sargsyan

“In 2019, we celebrate the fifth anniversary of signing the Treaty on the Eurasian Economic Union and the 25th anniversary of the Eurasian integration idea. The EAEU celebrates its anniversaries as a modern dynamically developing association of regional economic integration, which is now a rightful subject of the world economy. Over the past five years, we have managed to achieve significant results in creating a common market for goods, services, capital, and labor, which allows us to say confidently that our Union is a success”.



**Dear friends!
Esteemed colleagues!**

This is a book on the main results of the functioning of the Eurasian Economic Union (EAEU) and our work over the past five years.

Together we have worked for the good of one common cause – we are developing an ambitious innovative project and making decisions together, that are not always simple and obvious. Sometimes, after long intense discussions and open constructive deliberation over sensitive issues, but always with respect for each other, we find mutually acceptable solutions that are useful for each of our States and for the Union as a whole.

This year we celebrate the fifth anniversary of signing the Treaty on the Eurasian Economic Union and the 25th anniversary of the Eurasian integration idea put forward by the First President of Kazakhstan Nursultan Nazarbayev, who was awarded the title of Honorary Chairman of the Supreme Eurasian Economic Council by the Heads of our States this year.

In historical perspective, a quarter century, and even more so a five-year period, is not much. But during the existence of the EAEU, we have achieved notable successes. Our key achievement is building an effective integration model of many-sided interaction, ensured the strength and viability of our integration association. We also have created an impressive array of supranational legislation that ensures the free movement of goods, services, and labor on 1/7 of the world’s land.

We can confidently say that the EAEU common goods market, as well as the services market, are successfully functioning in 53

economic sectors. The capital market is at the formation stage and will include not only the sphere of banking interaction, but also the insurance market and brokerage services, i.e. the entire range of financial services. Common markets for medicines and medical devices were created, 48 technical regulations of the Union were adopted. Now, uniform requirements for safety and quality of products cover about 85% of goods on the Union market included in the single Union list. Together with our countries, we continue to consistently remove obstacles in domestic trade. Only in 2017–2019, about 40 such obstacles were eliminated.

The Eurasian Economic Union has entered the trajectory of sustainable economic growth. We have built foreign trade priorities, and we are actively implementing a digital agenda for our common space. In 2018, the growth of most economic indicators of the EAEU countries continued, including the volumes of domestic and foreign trade. At the end of 2018, the EAEU GDP growth rate was 2.5%, which is a five-year high. In 2018, mutual trade grew by 10.1%, while exports of Union goods – by 26.8%. The investment climate is improving in the countries of the Eurasian Five, and the attractiveness of economies for investors from both third countries and the Union is growing. This is also evidenced by the improvement in the positions of the EAEU Member States in international ratings. So, the position of the Union in the Doing Business 2019 ranking has improved by four points, here we come close to the leading practices of the world economies. According to the Global Competitiveness Index of the World Economic Forum in 2018, we were 45th out of 140 economies. According to the Logistics Performance Index, the EAEU moved from 98th to 76th place (by 22 points!), when compared with the indicators of two years ago.



Tigran Sargsyan, Chairman of the EEC Board, participated in a discussion about the future of the EAEU at the St. Petersburg International Economic Forum in June 2019, together with Vice Prime Ministers of the Union countries, a number of international statesmen and businessmen

“We live in an era of fast changes when the world is shrinking, and interpenetration and interaction are intensifying. In order to make an effective use of our competitive advantages, we need to improve the management system. We need to look to the future and stimulate processes that are in line with global trends. The Eurasian integration agenda must focus on quick decision-making, coordination and quick implementation of the decisions in the Union regulatory acts”.

TIGRAN SARGSYAN

We are creating favorable conditions for EAEU citizens’ life, mobility, and self-fulfillment. This is the most important achievement.

Workers can move freely, be employed in any country without additional requirements and permits, and their diplomas are mutually recognized. They have the opportunity to receive the necessary medical care and their children can attend kindergarten and school. The issue of the so-called export of pensions should be resolved very soon, so that work

record in any of the Union countries will be included in the pensionable service and, for example, a citizen Kazakhstan, will be able to get their legally earned pension in Armenia, Belarus, Kyrgyzstan, or Russia.

We have made significant progress in implementing key Union projects. On January 1, 2018, the EAEU Customs Code entered into force. It simplified the procedure for moving goods across the customs border of the Union and made it transparent through the introduction of an electronic declaration system



among other things. All procedures associated with the entry of goods into the common EAEU market have been unified. Thanks to the code, the time of release of goods for free circulation and registration of the customs declaration was reduced several times.

An important stage in the formation of the EAEU is the digital transformation of economies. In 2016, for the first time in the Eurasian integration space, we started talking about the digital agenda of the EAEU. It has

already entered the life of citizens of the Union countries and began to set benchmarks for national governments.

The projects that we launch and the digital ecosystems that we create give countries a unique opportunity to have their own digital assets in all areas of economic activity and the integration processes of our Union.

It includes a project for digital goods traceability, studies on the mutual recognition



Given the global trend of the transition of economies to a new technological structure and digital transformation, in 2017, the Supreme Eurasian Economic Council approved the Main Directions for the implementation of the EAEU Digital Agenda until 2025, thereby vesting the Commission with powers to implement the EAEU digital agenda, which were not stipulated by the Treaty on the Union. The Heads of the EAEU States supported the EEC's initiative on the formation of a vector for the implementation of joint digital initiatives and projects

“In the global digital competition, where scale and technological sovereignty are important, the EAEU has conceived a fundamentally new design of digital transformation, which will allow us to develop digital space in five countries with the possibility of international digital cooperation and integration with global digital ecosystems. At the same time, it will enable our countries to entirely fulfill their subjectivity on an equal footing”.

TIGRAN SARGSYAN



of electronic accompanying documents, the ecosystem of digital transport corridors, cross-border data circulation, the digital ecosystem to ensure employment of citizens, digital industrial cooperation and several others.

The success of the digitalization of our Union depends on the implementation of effective project detail mechanisms and digital transformation teams. In the EAEU, we have already switched to a fundamentally new stage of cooperation – project activities are being implemented in the digital format.

In order to take a leading position in the global digital economy, we need to synchronize the processes of national digital transformation in terms of the integration agenda, form paradigms for digitizing national economies in an interoperable environment, and develop compatible digital standards and assets. Even today we need to think about how to improve and create institutions that would help implement projects in the five countries of the Union.

Our cooperation with third countries and regional integration associations is developing successfully. The total volume of foreign trade in goods of the EAEU countries with third countries in 2018 amounted to 753.5 billion US dollars.

Since 2016, the free trade area between the EAEU and Vietnam has been operating effectively in full mode: in 2017, trade between the parties increased by 36.7%, in 2018 – by another 12.8%.

In May 2018, the Union signed two major trade agreements - the 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 has been taken toward the cooperation of the EAEU and the Belt and Road Initiative. In June 2019, an Agreement was signed on the sidelines of the St. Petersburg International Economic Forum on the exchange of information on goods and means of international transportation moved across the customs borders of the EAEU and China. Our trade and economic rapprochement with China is bringing the first significant results. In 2018, the volume of trade between the Union countries and China increased by 23% compared to the previous year, the volume of exports from the EAEU to China – by 39.1%.

In October 2019, several special events took place. First, we signed two free trade area agreements – with Singapore, with which we started negotiations more than two years ago, and with Serbia, with which we had discussed this issue for about three years. The implementation of the agreements opens wide access for our countries to each other's markets and allows us to expand the volumes and types of exported goods. These events are significant in a different way. Today, the Commission, together with the governments of the EAEU States, has come close to the need to formulate the agenda for the next generation of trade negotiations. Second, in this October, trade agreements with China and Iran entered into force – these are agreements of global significance for the EAEU from the point of view of further strengthening the international authority of the Eurasian Economic Union.

Negotiations on the free trade area with Israel, India and Egypt are intensifying.



At the meeting of the Supreme Eurasian Economic Council on October 1, 2019, the first agreements of the comprehensive trade deal between the EAEU countries and the Republic of Singapore were signed. The signing ceremony was held in the presence of the Heads of State of the Union countries, the President of Moldova, the President of Iran and the Prime Minister of Singapore

“We are developing new approaches in the implementation of our international agenda. They are aimed at expanding the powers of the Commission by including investment and services in our agreements with third countries. These issues are at the national level today. In order to make conditions in our common market convenient for our trading partners, in this case for Singapore, they must comply with the all-Union approach”.

TIGRAN SARGSYAN

In 2017, the first steps were outlined for the interaction of the Eurasian Economic Union with the European Union. In particular, after my speech at the meeting of the OSCE Standing Committee, the EU Delegation to the OSCE issued a statement by the European Commission on the start of cooperation with the Eurasian Economic Commission in such areas as technical regulation and mutual trade. Thus, technical dialogue between the integration associations has officially started.

Over five years, memorandums of cooperation 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, Latin American Economic System, and CIS. On October 24 of this year, we signed a Memorandum of Understanding in economic cooperation between the EEC and the African Union Commission. On October 17, a memorandum was signed with Indonesia. The Commission develops cooperation with key specialized



On October 19, 2017, Tigran Sargsyan, Chairman of the EEC Board, attended a meeting of the Permanent Council of the Organization for Security and Cooperation in Europe (OSCE) in Vienna and held a working meeting with the OSCE Secretary-General Thomas Greminger. One of the important outcomes of the meeting was a statement by the representative of the European Commission on their readiness to cooperate with the EEC in such areas as technical regulation and mutual trade. It was noted that a technical dialogue between the Eurasian Economic Commission and the European Commission is already possible

international structures – about 40 industry memorandums of cooperation have been concluded.

In May 2018, Moldova became the first Observer State in the Union.

The EAEU is in the process of forming common markets for electricity, gas, oil, and petroleum products. In 2018–2019, we had a breakthrough in this direction – in December 2018, members of the Supreme Eurasian Economic Council approved programs for the formation of common markets for gas, oil and petroleum products, and in May 2019 signed an agreement on the creation of a common electricity market.

Our countries agreed on approaches to the formation of a common tobacco market in the EAEU. We are close to completing

a tobacco tax excise policy agreement. Work continues on the harmonization of approaches to the formation of a common alcohol market. The technical regulation on the safety of alcoholic beverages has been adopted. All this will ensure the free movement of these goods in the Union.

We need to go further still. Time is compressed like a spring, and forces us to maintain a high pace of our movement. Together with the whole world, we are moving from an industrial to a post-industrial society, where the production of knowledge becomes the core process. This is a 21st century trend. The modern education system should be restructured conceptually. Its task is not only to give knowledge, but also to form knowledge skills. We must prepare people who can think and fulfill their abilities and talents.



Future plans include further creative implementation of the Union's agenda. It should be a modern association, comfortable for doing business, attractive to the international business community, one of the leading global economic centers that determine the global economic agenda. To make these goals a reality, the EAEU countries should continue to implement agreed policies, digitalize economies, develop international cooperation, create and bring to the world market Eurasian brands – new technologies and recognizable products jointly released by our countries.

During the anniversary meeting of the Supreme Eurasian Economic Council in May 2019 in Nur-Sultan, the Heads of the EAEU States expressed their desire to become one of the leaders in global growth and

civilizational progress. It was recorded in their joint statement on the fifth anniversary of signing the Treaty on the Union. I am convinced that this will happen very soon.

Before our very eyes, the EAEU is becoming a powerful regional center of attraction for investments and intellectual resources, a territory of innovation, high technology, a favorable business climate, a strong, sustainable, competitive and prosperous association. It functions in the interests of a qualitative improvement in the lives of our citizens and the formation of a stable and promising foundation for future generations.

*Tigran Sargsyan,
Chairman of the EEC Board*



Meeting of Tigran Sargsyan, Chairman of the EEC Board, with Nikol Pashinyan, Prime Minister of the Republic of Armenia, on January 25, 2019, at the Eurasian Economic Commission (EEC) in Moscow. On this day, Chairman of the Supreme Eurasian Economic Council (SEEC), Prime Minister of the Republic of Armenia Nikol Pashinyan delivered a speech at the EEC's headquarters, outlining the priorities of the Armenian Chairmanship in the governing bodies of the Eurasian Economic Union (EAEU) in 2019



In June 2019, President of the Republic of Belarus Alexander Lukashenko received at the Independence Palace Tigran Sargsyan, Chairman of the EEC Board who arrived in Belarus for the opening of the 2nd European Games





On May 27, 2019, at a meeting in Nur-Sultan (Kazakhstan) ahead of the meeting of the SEEC dedicated to the 25th anniversary of the idea of the First President of the Republic of Kazakhstan Elbasy Nursultan Nazarbayev, the Chairman of the EEC Board Tigran Sargsyan and the President of the Republic of Kazakhstan Kassym-Jomart Tokayev discussed current issues of the development of the EAEU



On May 2, 2018, in Bishkek, the Chairman of the EEC Board Tigran Sargsyan and the President of the Kyrgyz Republic Sooronbay Jeenbekov discussed current issues of further development of the integration association



The Chairman of the EEC Board Tigran Sargsyan met with the First President of the Republic of Kazakhstan Elbasy Nursultan Nazarbayev in Nur-Sultan (Kazakhstan) on May 28, 2019, ahead of the Supreme Eurasian Economic Council's meeting



At the meeting of the Chairman of the EEC Board Tigran Sargsyan with the President of the Russian Federation Vladimir Putin on April 18, 2016, in Moscow (Russia), they discussed the issues of digitalization and the global transformation of the economy in the EAEU



Meeting of the Chairman of the EEC Board Tigran Sargsyan with the Prime Minister of the Republic of Belarus Sergey Rumas on August 9, 2019, as part of the meeting of the Eurasian Intergovernmental Council in Cholpon-Ata (Kyrgyzstan)



Meeting of the Chairman of the EEC Board Tigran Sargsyan with the Prime Minister of the Kyrgyz Republic Mukhammedkalyi Abylgaziev at the meeting of the Eurasian Intergovernmental Council on August 9, 2019, in Cholpon-Ata (Kyrgyzstan)

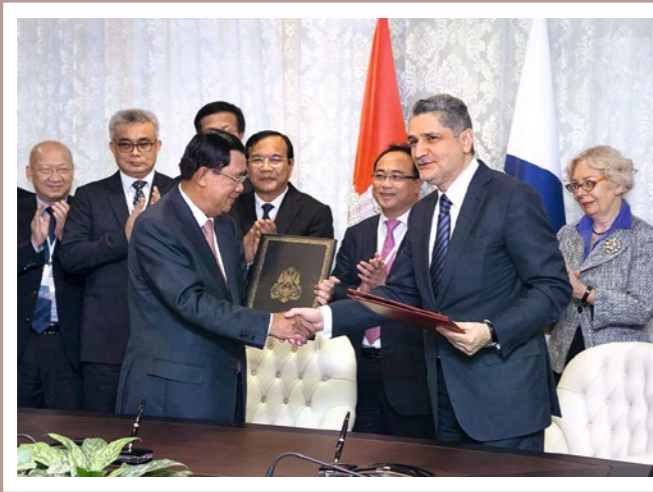


On May 17, 2018, as part of the Astana Economic Forum, the signing ceremony of the Agreement on Trade and Economic Cooperation between the EAEU and the People's Republic of China was held.

In the photo (from left to right): Prime Minister of the Republic of Kazakhstan Askar Mamin, Chairman of the EEC Board Tigran Sargsyan, China's international trade representative and vice-minister of commerce Fu Ziying



On September 4, 2019, in Moscow, Tigran Sargsyan, Chairman of the EEC Board, met with Dmitry Medvedev, Chairman of the Government of the Russian Federation. During the meeting, the parties discussed issues of interaction and current development of the EAEU



On May 17, 2016, at the Moscow Headquarters of the EEC, the Chairman of the EEC Board Tigran Sargsyan and the Prime Minister of the Kingdom of Cambodia Samdech Akka Moha Sena Padei Techo Hun Sen signed a Memorandum of Understanding between the EEC and the Government of the Kingdom of Cambodia



Tigran Sargsyan, Chairman of the EEC Board, and Lee Hsien Long, Prime Minister of the Republic of Singapore, at a meeting on May 18, 2016, at the Moscow Headquarters of the EEC. On this day, a Memorandum of Understanding was signed between the EEC and the Government of the Republic of Singapore.

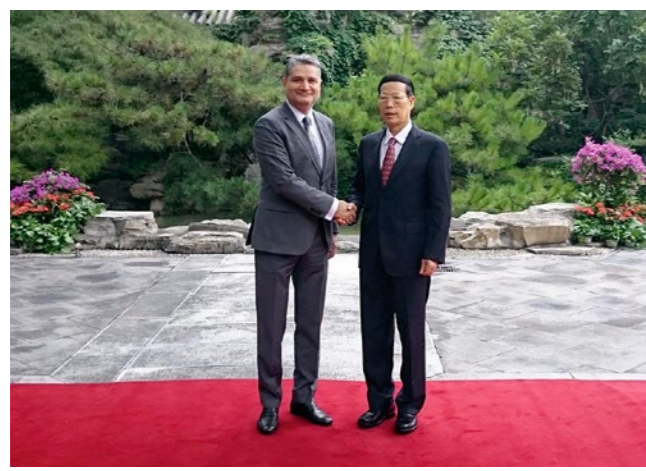
On October 1, 2019, a Free Trade Agreement was signed between the EAEU and the Republic of Singapore



Tigran Sargsyan, Chairman of the EEC Board, on June 16, 2016, at the grand opening of the 20th Anniversary St. Petersburg International Economic Forum. The following persons took part in the opening ceremony of the Forum: (left to right) 8th Secretary-General of the United Nations (UN) Ban Ki-moon, President of the European Commission Jean-Claude Juncker, President of the Republic of Guinea Alpha Condé



Chairman of the EEC Board Tigran Sargsyan and 8th Secretary-General of the UN Ban Ki-moon at the grand opening of the 20th Anniversary St. Petersburg International Economic Forum on June 16, 2016



Chairman of the EEC Board Tigran Sargsyan at a meeting with First Vice Prime Minister of the State Council of the People's Republic of China Zhang Gaoli on August 24, 2016, in Beijing, discussed the opportunities and prospects for developing relations between the PRC and the EAEU. On May 17, 2018, an Agreement on trade and economic cooperation between the EAEU and China was signed



On January 26, 2017, during his visit to the Hellenic Republic, Chairman of the EEC Board Tigran Sargsyan held working meetings with the Prime Minister of Greece Alexis Tsipras, the President of the Republic Prokopis Pavlopoulos and the Deputy Minister of Foreign Affairs Georgios Katrougalos. They discussed the issues of deepening economic cooperation between the EAEU and Greece. Later, on June 24, 2017, the Joint Declaration on Cooperation between the EEC and the Government of Greece was signed. Photo: Chairman of the EEC Board Tigran Sargsyan and Prime Minister of Greece Alexis Tsipras



On April 3, 2017, Tigran Sargsyan, Chairman of the EEC Board, and Igor Dodon, President of the Republic of Moldova, discussed the opportunities for expanding the volume of mutual trade and economic cooperation between the EAEU countries and the Republic of Moldova during a meeting in Chisinau (Republic of Moldova). On the same day, a Memorandum of Cooperation between the EEC and the Republic of Moldova was signed. On May 14, 2018, the Republic of Moldova was granted an Observer State status at the EAEU



June 2, 2017. Chairman of the EEC Board Tigran Sargsyan at the talks with the Prime Minister of India Narendra Modi. During the meeting, Tigran Sargsyan emphasized that the Heads of State of the Union expressed a strong willingness to enhance trade relations with India and develop various forms of economic cooperation. Signing of the Free Trade Agreement between the EAEU and India may be the result of such cooperation



On June 2, 2017, within the framework of the St. Petersburg International Economic Forum, Tigran Sargsyan, Chairman of the EEC Board, held negotiations with Jargaltulga Erdenebat, Prime Minister of Mongolia. Later, on October 4, 2017, a Memorandum of Cooperation between the EEC and the Main Directorate of the Specialized Inspection of Mongolia in the field of veterinary, sanitary and phytosanitary quarantine measures, and a Memorandum of Cooperation between the EEC and the Agency for Standard and Metrology of Mongolia in the field of technical regulation and accreditation were signed



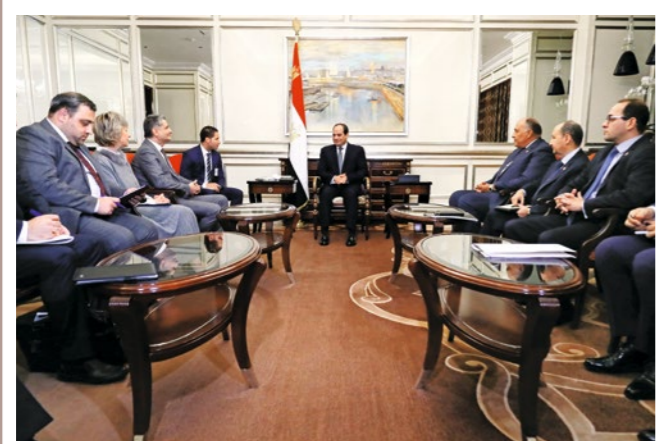
On August 5, 2017, Tigran Sargsyan, Chairman of the EEC Board, visited the Islamic Republic of Iran (IRI) to participate in the inauguration of Hassan Rouhani, President of the IRI. During the visit, he met with Eshaq Jahangiri, First Vice-President of Iran. The sides discussed the course of negotiations on signing the FTA Interim Agreement between the EAEU and Iran. Already on May 17, 2018, an Interim Agreement leading to the formation of an FTA between the EAEU and Iran was signed



On October 30, 2017, during a working trip to Washington, Tigran Sargsyan, Chairman of the EEC Board, met with Cyril Muller, the World Bank Vice President for Europe and Central Asia, at the headquarters of the World Bank Group. In 2016–2017, the EEC and the World Bank conducted a joint study “The EAEU Digital Agenda 2025: Prospects and Recommendations”



On November 27, 2018, a ceremony of concluding the Memorandum on deepening the interaction between the EEC and the Executive Committee of the Commonwealth of Independent States (CIS Executive Committee) took place in Minsk. The memorandum was signed by Tigran Sargsyan, Chairman of the EEC Board, and Sergey Lebedev, Chairman of the CIS Executive Committee



On October 15, 2018, Tigran Sargsyan, Chairman of the EEC Board, and Abdul Fattah Khalil al-Sisi, President of the Arab Republic of Egypt, discussed the prospects for cooperation and negotiations on the creation of an FTA between the EAEU and the Arab Republic of Egypt at a meeting in Moscow.

Negotiations with Egypt are progressing intensively. In 2019, three negotiation rounds were held, which may end with the creation of an FTA at the beginning of 2020



Prospects for cooperation were discussed on November 19, 2018, in Bangkok (Thailand) by Tigran Sargsyan, Chairman of the EEC Board, and Prayuth Chan-ocha, Prime Minister of the Kingdom of Thailand. This meeting preceded the signing of a Memorandum of Cooperation between the EEC and the Government of the Kingdom of Thailand



Tigran Sargsyan, Chairman of the EEC Board, and Lim Jock Hoi, Secretary-General of the Association of Southeast Asian Nations (ASEAN), signed a Memorandum of Understanding between the EEC and ASEAN on November 14, 2018, in Singapore. The ceremony of concluding the Memorandum was held in the presence of leaders of the Association's participating countries and Vladimir Putin, President of the Russian Federation and Chairman of the SEEC in 2018



Chairman of the EEC Board Tigran Sargsyan and UN Secretary-General Antonio Guterres at the opening ceremony of the 23rd St. Petersburg International Economic Forum on June 6, 2019



As part of the SEEC meeting on October 1, 2019, the first agreements of a comprehensive trade deal between the EAEU countries and the Republic of Singapore were signed. The documents were signed by Tigran Sargsyan, Chairman of the EEC Board, Vice Prime Ministers of the Union countries, as well as Tharman Shanmugaratnam, Senior Minister, Coordinator for Social and Economic Development of Singapore

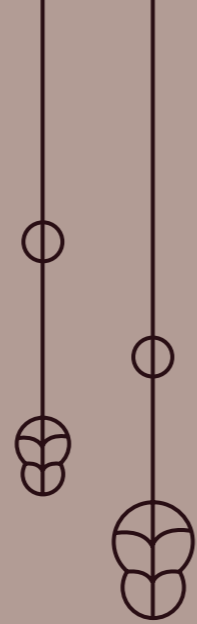


October 25, 2019. Tigran Sargsyan, Chairman of the EEC Board, and Ana Brnabic, Chairman of the Government of the Republic of Serbia, at the signing of the Free Trade Agreement between the EAEU and the Republic of Serbia



A Memorandum of Understanding between the EEC and the African Union Commission (AUC) in the field of economic cooperation was signed on October 24, 2019, as part of the Russia-Africa Summit in Sochi. The document was signed by Tigran Sargsyan, Chairman of the EEC Board, and Moussa Faki Mahamat, Chairman of the AUC

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“To open up new opportunities for our countries’ citizens, take the leading positions in the world, and be ready to respond to global challenges, we need to constantly redefine the path we made, to know how to adapt rapidly and flexibly to changing realities, and to stimulate the processes that dovetail with world trends. We are witnessing the fundamental transformation of the world economy and facing a specific choice: to develop in the existing paradigm or to keep abreast with global changes”.

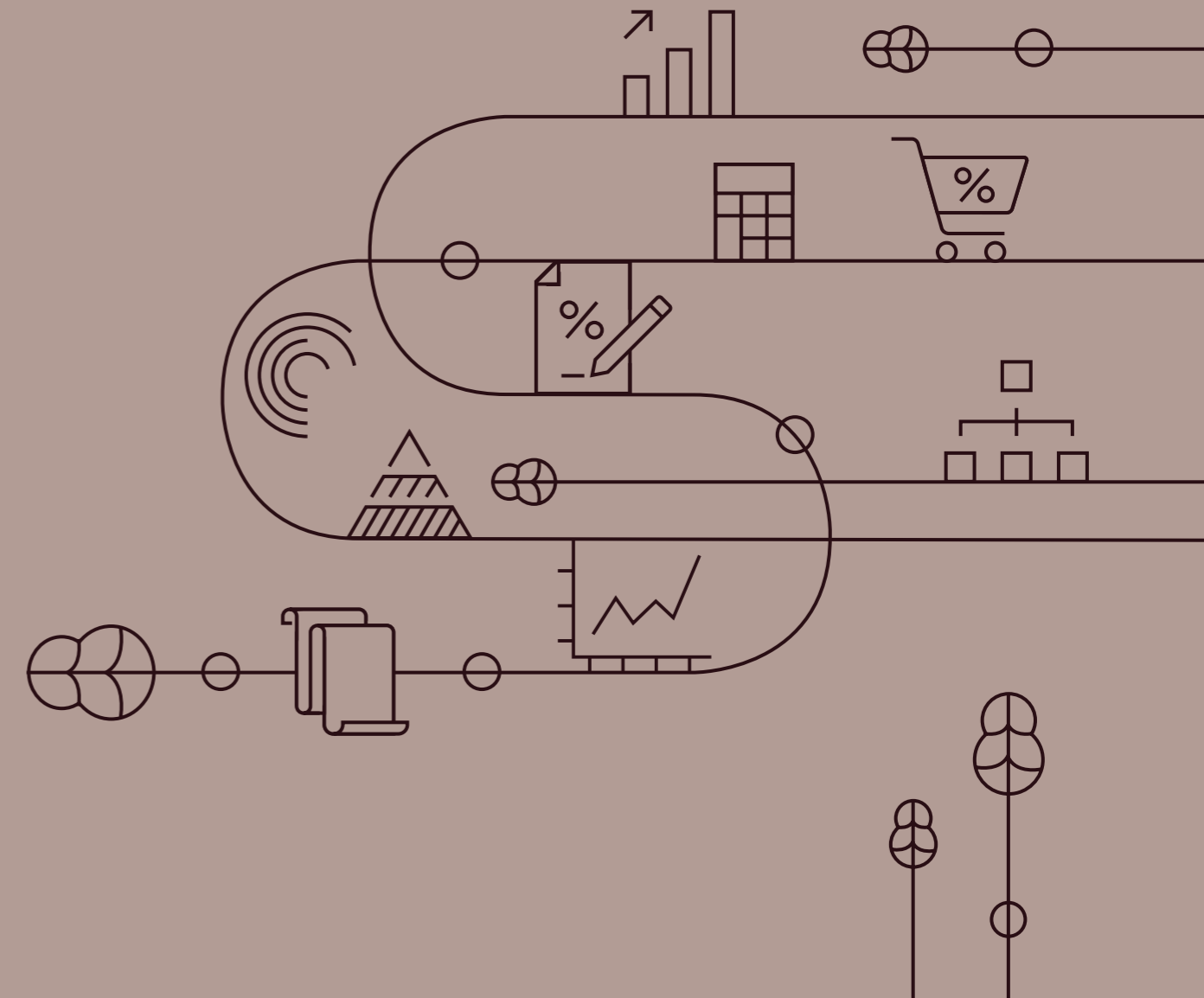
*Chairman of the EEC Board
TIGRAN SARGSYAN*

Integration and Macroeconomics

“The results of the economic development of our Union must demonstrate its global competitiveness. The EAEU must be extensively represented in the current ‘integration of integrations’ system – the system of interaction and solving global problems at the level of integration associations”.

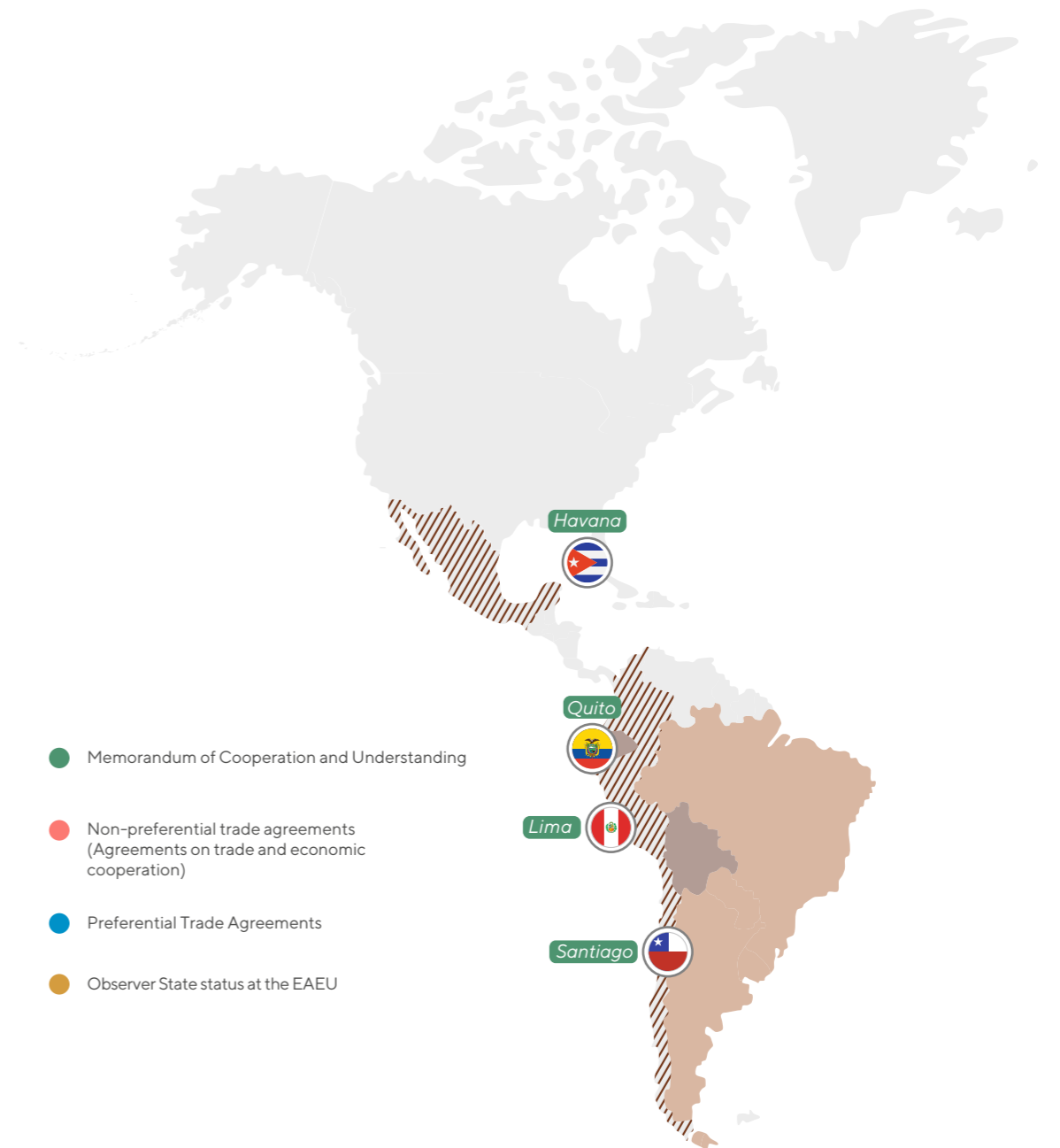
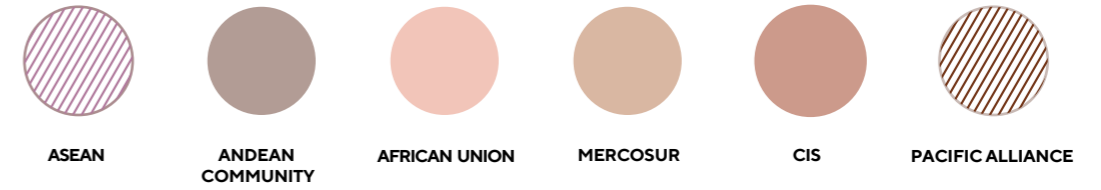


*EEC Minister in charge
of Integration and Macroeconomics
TATYANA VALOVAYA*





Geography of the EAEU's Cooperation



- Memorandum of Cooperation and Understanding
- Non-preferential trade agreements (Agreements on trade and economic cooperation)
- Preferential Trade Agreements
- Observer State status at the EAEU



The EAEU has become one of the world leaders in integration.

As a harmonious part of the world economic architecture, the Eurasian Economic Union aims to build a constructive dialogue with third countries and international associations. This enables us to examine and systematize the

global experience of economic integration, as well as optimize the approaches applied in the EAEU, being guided by the best practices.

One of the Commission's main priorities in international activities is to work with the CIS countries that are not members of the Eurasian Economic Union. The process of harmonization of integration initiatives in the



On November 27, 2018, Minsk (Belarus) hosted the ceremony of concluding the Memorandum of Deepening the Interaction Between the Eurasian Economic Commission and the Commonwealth of Independent States Executive Committee. The Memorandum was signed by Tigran Sargsyan, Chairman of the EEC Board, and Sergey Lebedev, Chairman of the CIS Executive Committee

“The Eurasian Economic Commission continues its work on expanding and maintaining the existing international contacts. We pay special attention to the neighbors from the Commonwealth of Independent States, as these countries have the greatest integration potential for the EAEU. We are linked together by centuries-old history, including economic relationships. We have cooperated with the CIS for a long time in technical regulation, labor migration, intellectual property, transport, and industry, as well as on a number of other issues. The Memorandum has extended the list of areas in which we interact and given an additional momentum and consistency to the dialogue between our integration associations”.

TIGRAN SARGSYAN



Tigran Sargsyan, Chairman of the EEC Board, and Lim Jock Hoi, Secretary General of the Association of Southeast Asian Nations, signed the Memorandum of Understanding between the EEC and ASEAN in Singapore on November 14, 2018

“In the context of the Eurasian Economic Union’s international activities, the signing of memoranda is the basic level of institutionalizing interaction with our partners. The signing and further implementation of the Memorandum will become the first important step toward subsequent cooperation. I am confident that it will be successful and mutually beneficial, and promote a comprehensive extension of trade, economic, and investment interaction between the EAEU Member States and the ASEAN participating countries”.

TIGRAN SARGSYAN

post-Soviet space will be greatly facilitated by the Memorandum on Deepening the Interaction Between the Commission and the CIS Executive Committee signed in November 2018, which supplements the provisions of the Memorandum of Interaction dated December 2012. It has created the legal basis for closer cooperation, in particular through the participation of representatives of the Commission and the CIS Executive Committee in meetings of the working bodies of the EAEU and the CIS.

Memoranda of understanding were signed with ASEAN, MERCOSUR, the Andean Community, the Latin American Economic System, the Pacific Alliance, the African Union, and a number of other integration associations, dozens of world countries, and major international organizations. The memoranda contain permanent cooperation mechanisms. On their basis, platforms are formed for exchanging opinions, promptly handling potential problems and switching to more advanced formats of cooperation, including free trade area agreements.



In May 2018, the Astana Economic Forum discussed the role of integration associations, primarily the EAEU, in world trade. Tatyana Valovaya, Member of the Board and Minister in charge of Integration and Macroeconomics of the EEC, noted, that taking into account its geographic location and wide integration profile, the EAEU possesses a unique opportunity to become not merely a bridge between Europe and Asia, but also a dialogue platform for macroregions

“Many foreign governments are expressing keenness to develop economic integration, cooperation, and in-depth involvement in the Eurasian format in search of new sources for economic growth”.

TATYANA VALOVAYA

The EAEU is developing a technical dialogue with the European Commission. The EEC representatives regularly meet with colleagues from the EU in working formats, and exchange experiences and opinions. According to analytical estimates, the Eurasian Economic Union is second only to the European Union in terms of integration. There are conditions for the development of industry cooperation in the areas where the EEC has sufficient supranational powers: the formation of common markets for medicines and medical devices, some aspects of technical regulation, the application of sanitary and veterinary measures, and trade policy.

Over the past few years, the Commission has succeeded in deepening contacts with organizations of the UN system and its regional economic commissions: UNECE, ESCAP, ECLAC, etc.

Business dialogues, forums, and consultations are held regularly with business representatives from the countries of Europe, Latin America, and the Asia-Pacific region, aimed at giving momentum to the development of direct contacts between representatives of business communities.

Thus, the implementation of the EAEU international agenda must ensure that the Union becomes one of the most significant



The Eurasian Economic Commission and the Government of the Republic of Indonesia concluded a Memorandum of Cooperation. The solemn ceremony of signing the Memorandum took place on October 17 in Tangerang (Indonesia). The document was signed by Sergei Glazyev, Member of the Board and Minister in charge of Integration and Macroeconomics of the EEC (appointed to this position in October 7, 2019), and Enggartiasto Lukita, Minister of Trade of the Republic of Indonesia



The possibilities for further interaction between the EAEU and the Shanghai Cooperation Organization (SCO) were discussed in June 2019 in Bishkek (Kyrgyzstan) by Tigran Sargsyan, Chairman of the EEC Board, and Vladimir Norov, SCO Secretary-General

“The importance of intensifying the cooperation between the EAEU and the SCO is driven by our coupling agendas. Our interaction is aimed at developing trade and economic cooperation, as well as building up the infrastructural, digital, and energy interdependence in Eurasia in the interest of forming open and mutually beneficial partnership along with an equitable dialogue”.

TIGRAN SARGSYAN



centers for the development of the modern world. It must be open to mutually beneficial and equal cooperation both among the Member States and foreign partners. We need to establish new formats of interaction, including developing the “integration of integrations” ideas and the Greater Eurasian Partnership, which includes the implementation of projects to couple the EAEU with the Chinese Belt and Road Initiative and deepening interaction with key regional economic associations and the largest national economies of Eurasia.

The procedure for accepting new members to the Union and Regulations on the Observer State Status have been approved.

The Heads of states and governments of the Union’s five countries have repeatedly stated that they do not focus on the number of members of the Union, but rather on quality and depth of integration between them. Eurasian integration continues to deepen with each new meeting of working groups, advisory committees, each approval of a particular issue and adoption of another regulatory legal act.

At the same time, an important document exists in the EAEU that stipulates the procedures for accepting new members. It was approved by the Supreme Eurasian Economic Council (SEEC) in 2015. The acceptance procedure begins with a country interested in acceding to the Union by means of sending the relevant application to the Chairman of



The EAEU countries are actively interacting with the Republic of Moldova. In April 2017, the Memorandum of Cooperation and Understanding was signed between the EEC and Moldova in Chisinau. Moreover, on May 14, 2018, the Supreme Eurasian Economic Council granted the observer state status at the EAEU to the Republic

“We welcome Moldova’s interest in cooperation with the EAEU. The mutual support which continues between us for the purposes of developing national economies and the positive dynamics of our trade prove the correctness of the decision in favor of integration”.

TATYANA VALOVAYA



the SEEC, in which it declares its intention to become a member of the Union and assume obligations under international treaties and acts constituting the EAEU law. The final decision on signing an international treaty on the accession to the EAEU with such a country is adopted by the Supreme Eurasian Economic Council.

In May 2018, the SEEC approved another key document regulating Eurasian integration issues – Regulations on the observer state Status at the EAEU. The first observer state status was granted to Moldova the same year. According to the Regulations, representatives of a country having this status can be invited to attend meetings of the EAEU governing bodies without the right to participate in decision-making and receive documents adopted by the Union’s governing bodies that are not confidential. For the EAEU countries,

“This strategic document signed at the meeting of the Supreme Eurasian Economic Council in December 2018 is aimed at deepening the integration processes in the Union. This entails cooperation in education, sports, tourism, and healthcare. We understand that nowadays these key spheres not only have economic significance, but are also important for our citizens”.

TIGRAN SARGSYAN

the observer state concept is a compromise formula, which, on the one hand, allows for engaging a variety of countries to interact with the Union, and on the other, does not imply the assumption of trade obligations.

The Declaration on Further Development of Integration Processes Within the EAEU has been adopted.

The preparation and signing of the Declaration was preceded by major analytical efforts of the Commission – it has conducted an analysis of the EAEU’s functioning in the face of global challenges and studied the factors of further deepening of integration in detail. In 2017-2018, the EEC’s work not only included the analysis of the situation in all sectoral directions of integration and assessment of the implementation of the agreements reached, but also determined the main vector of the future development of the Union.

During these years, conferences were held in each Member State involving vice prime ministers, members of the EEC Council, heads of state bodies, and representatives of businesses and science from the Union countries. Extensive discussion of Eurasian economic integration made it possible to assess its effects profoundly, outline the prospects for the development of the EAEU, and jointly develop important proposals that made a significant contribution to the preparation of the Declaration.

Active release of the Eurasian integration’s potential for citizens of the EAEU countries is planned with a view to increase their well-being and quality of life. The goal is to shape the Eurasian Economic Union as one of the most significant centers for the development of the modern world, open for mutually beneficial and equal cooperation with external partners.



The Declaration on Further Development of Integration Processes Within the EAEU was adopted at the meeting of the Supreme Eurasian Economic Council in St. Petersburg (Russia) on December 6, 2018

“The Declaration is aimed at further development of integration processes within the Union in all key areas, the efficient use of integration potential for people, increasing their quality of life, and shaping the Union as one of the most significant centers for the development of the modern world, which is for mutually beneficial and equal cooperation with external partners”.

TIGRAN SARGSYAN

“According to the Declaration, intra-union integration processes must ensure the maximum efficiency of the Union’s single market, help businesses and consumers enjoy all its advantages, form a territory of innovation and stimulate scientific and technological breakthroughs”.

TATYANA VALOVAYA

A mechanism for pursuing an agreed macroeconomic policy has been formed and is in effect.

It involves coordination of macroeconomic policies of the Eurasian Economic Union countries and joint actions aimed at achieving a balanced development of the Member States as stipulated by the Treaty on the EAEU.

Moreover, analytical products are also used for dialogue with international organizations and integration associations, the cooperation with which is strengthening steadily. In accordance with the Treaty on the EAEU, a regulatory framework has been created that outlines a system of instruments for coordinating macroeconomic policies, as



“A macroeconomic analysis and forecasting apparatus has been created in accordance with the best global practices. Based on it, analytical materials are developed, which are reviewed by the bodies of the Union and adopted as recommendations when pursuing macroeconomic policies by the Member States”.

TATYANA VALOVAYA

well as timely responses to macroeconomic challenges. New directions have been formed to expand the regulatory framework in the context of digital agenda. In particular, work is underway on studying the impact of technologies, such as cryptocurrencies and blockchain, on macroeconomic stability.

The volatility of key macroeconomic indicators, such as economic growth rates and reciprocal rates, has significantly decreased. The economies of the Union countries have become less sensitive to fluctuations in commodity prices. We observe historically low inflation rates and more stable inflationary expectations, which is associated with a more balanced and predictable monetary policy. There is a convergence in terms of inflation. While in 2014 the difference between the highest and lowest inflation was 11.6 pp, in 2018 it decreased to 5.1 pp. There is a decrease in the levels of budget deficits and public sector debt in relation to GDP. The share of national currencies in settlements between residents of Member States is steadily

increasing. According to data for 2018, the share of national currencies of the EAEU States in the total volume of settlements in mutual trade in goods and services increased by 5.8 pp compared to 2014, amounting to almost 75%.

Eurasian integration has contributed to equalizing the economic development levels among the Member States, qualitative changes in the structure of the Union’s foreign and mutual trade, and the fulfillment of the potential of the transport services market and the labor market.

The EAEU’s functioning has contributed to the positive dynamics of the Member States in implementing the global 2030 Sustainable Development Agenda, achieving the United Nations Sustainable Development Goals, as well as in leading international rankings that evaluate the level of economic development and competitiveness.

An effective system of strategic and tactical planning has been created.

It helps ensure the sustainable development of the economies of the Member States using the integration potential of the EAEU and the competitive advantages of the Member States.

The long-term integration agenda is determined taking into account the Main Directions of Economic Development of the EAEU up to 2030 (MDED), which are based on the principle of synergy through the use of the competitive advantages of the Member States and the Union’s integration potential. The Commission implements the main directions being, in fact, the EAEU’s strategy through integration measures and actions that are reflected in the short- and medium-term blueprints stipulated by the Treaty on the Union.

Each year, the Commission in coordination with the Member States develops Main Guidelines



of Macroeconomic Policy. It is blueprint that identifies the most important short-term and medium-term tasks for the economies of the Member States, as well as recommendations on how to solve them. The document contains joint and national measures aimed at improving the economic situation and supporting the growth of the Union countries' economies.

In May this year, the document was approved for 2019–2020. Despite the increased turbulence in global commodity and financial markets, due to the improved quality of macroeconomic management and the adopted macroeconomic policy measures at the national and integration levels, the economic growth rate in the EAEU was 2.5%.

Meanwhile, the current stage of the restoration of economic activity in the Union is coming to an end. In this regard, the priority goal of the macroeconomic policies of the Member States in the medium term is to ensure dynamic and sustainable economic development by increasing their competitiveness in the domestic and foreign markets.

This mechanism allows the Member States to take concerted joint actions in macroeconomic policy aimed at solving the most important and urgent tasks in the short term.

The integration effects are evaluated using continuous monitoring of the implementation of the MDDE. In addition, systems have been developed for assessing the level of integration cooperation in certain areas of the economy and in the EAEU as a whole, and the inclusiveness of the economic growth of the Member States. The use of these tools enables us to analyze the functioning of the EAEU and other regional integration associations, identify gaps in integration and respond in a timely manner to changing economic conditions.

Comprehensive analytical and instrumental support of this area is undertaken on an ongoing basis, using the results of advanced scientific research as well as other means. The development of an inter-country input-output table of the Union has started; it will help ensure effective interaction of national economies and explore the directions of the Member States' participation in regional and global value chains.

Furthermore, in order to assess the level of economic development of the Member States, an annual report named Economic Development of the Eurasian Economic Union and Member States: International Rankings is being prepared, which presents the results of

“The Commission’s analytical work has been presented and recognized on a global level. In particular, the Inclusive Growth of the Eurasian Economic Union Member States: Assessments and Opportunities analytical report, which assessed the degree of inclusiveness of the economies of the Union countries and proposed measures to increase it through the implementation of integration potential, was successfully submitted to the UN in 2018”.

TATYANA VALOVAYA



“The Member States have made significant progress in finding common ground on the principles defining how their economies function. All the Union countries have switched to, or are in the process of transition to, inflation targeting. The Commission’s ongoing efforts in the analysis of budget rules contribute to finding common understanding and shaping universal principles and approaches to state financial management”.

TIGRAN SARGSYAN

monitoring the positions of the Union countries and the EAEU as a separate entity in the 16 most established rankings and identifies areas to exchange successful regulatory practices. The results of this work allow us to record a positive trend in improving the business and investment climate in the Member States.

Unified principles for the functioning of the EAEU States’ economies and ensuring their effective interaction have been shaped.

To this end, joint advisory bodies of the Commission and the Union countries have been created and are working effectively: the Advisory Committee on Macroeconomic Policy, working groups on modeling and forecasting, developing

methods for calculating macroeconomic sustainability indicators, and drafting the EAEU inter-country input-output table.

Working in this direction allows for constant coordination of the Member States’ actions aimed at developing a favorable macroeconomic environment within the Union.

In order to account for the current trends and challenges of the global economy in the current integration agenda of the EAEU, as well as to promote harmonization of the Member States’ approaches to the regulation of certain areas of the new economy, the Commission has developed an analytical report “Cryptocurrencies and blockchain as attributes of the new economy. Developing regulatory approaches: international experience, practice of the EAEU Member States, and prospects for its application in the Eurasian Economic Union.” The report includes a draft single glossary of terms and definitions, as well as proposals on the principles of state regulation in this sphere. A discussion platform has been created within the Commission; cooperation with other international organizations is in progress.

Conditions have been created to increase the internal stability of the Union countries’ economies, including macroeconomic stability and resistance to external influences.

A regulatory framework has been created and improved that determines the procedure for the EEC and Member States in case they exceed the macroeconomic indicators of sustainable economic development established by the Treaty on the EAEU. In particular, the following aspects were improved: the methods for calculating such indicators; the procedure for the development and adoption of recommendations and joint measures to stabilize the economic situation; the procedure



for coordinating interval quantitative values of external parameters used to prepare official projections of the socio-economic development of the Union countries; the procedure for the exchange of information between the authorized bodies of the Member States and the Commission.

Analytical work in this area is used to assess the macroeconomic situation and develop effective responses to external challenges not only by the Commission, but also by the Member States at the highest level.

To maintain macroeconomic stability, the Commission regularly monitors macroeconomic indicators that determine the sustainability of economic development. If the values established by the Treaty on the EAEU are exceeded, the Commission arranges bilateral consultations and prepares recommendations for the Member States. From 2016 to 2018, ten recommendations were adopted that helped the states implement effective responses and stabilize the macroeconomic situation.

A single Eurasian system of statistics has been formed.

A special contribution to this achievement was made by the Program for the Development of EAEU Integration in the Field of Statistics for 2016–2020, approved by the EEC Council in 2016.

As part of its implementation, a list of almost 350 indicators provided by the authorized bodies to the Commission was developed and adopted, including indicators to assess integration processes at the request of the EEC. A sufficient level of completeness and comparability of the statistical information within the Union has been ensured. Statistical data is collected using modern digital technologies. The number of publications of

“In connection with the intensification of global challenges, the Commission together with the financial and economic bloc of the EAEU countries prepares an annual report on the macroeconomic situation in the Union states and proposals for ensuring sustainable economic development. The report is considered at the Eurasian Intergovernmental Council”.

TATYANA VALOVAYA

the EAEU official statistics has significantly increased: while 159 indicators were prepared in 2014, more than 250 are planned to be released in 2019.

The list of official statistical indicators of the EAEU countries submitted to the Commission, which now contains indicators in 29 sections (branches), has been supplemented over the last several years by five new sections, which now cover all areas regulated by the Treaty of the Union.

In all areas of integration, official Union statistical information is generated. It characterizes, for example, macroeconomic development of the Union countries, including GDP, inflation, unemployment, external debt, etc.; socio-demographic development; investment trends, development of science, innovation and intellectual property; development of the real sector of economy,



small and medium enterprises, and joint ventures with mutual investments; trends of foreign trade in goods with states outside the Union and mutual trade in goods between the Union States; development of a single market for services; establishment of a single labor market; digital economy development and much more.

The system of statistics that has been created and the acceptable level of comparability and completeness of the data make it possible to conduct and present comprehensive assessments of the development of the Union countries in the most established international structures.

The system of indicators that has been formed allows us to evaluate the integration processes in the EAEU. Under the instruction of the Eurasian Intergovernmental Council, ongoing analytical work is carried out to monitor the development of a single market for goods. Reports on the state of mutual trade of the EAEU are presented annually to the heads of governments of the Union countries at the EIC meetings.

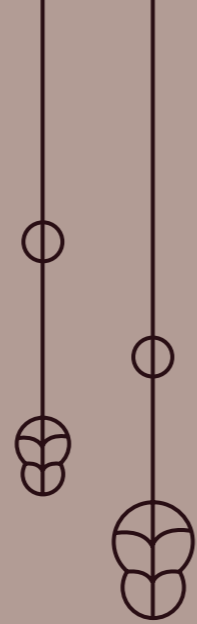
The Union’s official statistical information is used not only by the Commission, but

also by the Member States to assess the development of integration in the EAEU.

The formation of the methodological foundations of Eurasian statistics has been completed. In particular, the Commission’s Board has decided to approve the updated methods for maintaining statistics on mutual and foreign trade in goods of the EAEU Member States, completed the development of the Union’s Official Statistics Generation Methodology, and adopted 12 recommendations of the Commission’s Board regarding certain methodological issues.

Together with the authorized statistical bodies of the Union countries, a set of measures was adopted to compare the indicators submitted to the EEC in accordance with international statistical standards. This work is carried out in cooperation with other international statistical organizations, which consider the Commission a key partner in carrying out their activities in the EAEU region. For a number of areas, in order to provide scientific and methodological support for the work, research work had been carried out, the results of which were used when creating the Eurasian statistical system.





“The creation of the EAEU has allowed the citizens of the Member States to move freely throughout the Union and obtain employment, social and medical support without additional requirements. Everywhere they have equal opportunities for placing their children in pre-school institutions, getting education in schools and higher education institutions. This is our common cultural space. And it is obvious that all this creates very serious fundamental prerequisites for the successful advancement of our Union”.

*Chairman of the EEC Board
TIGRAN SARGSYAN*

Economy and Financial Policy

“The Treaty on the EAEU creates opportunities for the realization of four freedoms. The creation of a common financial market is aimed at the realization of two of these freedoms: freedom of movement of capital and financial services. The common financial market as a whole will contribute to the improvement of accessibility, quality and variety of financial services for companies and citizens, increasing the efficiency of the financial sector of our countries and developing competition in this market”.



EEC Minister in charge of the Economy and Financial Policy

TIMUR ZHAKSYLYKOV





Financial policy

One of the priorities of the integration cooperation of the EAEU States is forming a common financial market. It will ensure efficient distribution of capital, increase competition in the financial services market and remove restrictive barriers to mutual admission. In addition, a common financial market will provide greater access to financial products and resources for businesses and the public. The harmonization of financial legislation is stipulated by the Treaty on the Union and will affect each of the sectors, including banking, insurance, and the securities market. The key principle will be the focus on relevant international standards and international best practices. The timing of harmonization for each sector may vary slightly. In general, the creation of a common financial market means that the EAEU countries will have uniform

rules in the insurance, banking and exchange sectors. In other words, the goal is to harmonize the legislation of the Union States to create the most favorable conditions for the population and businesses, which, in turn, means sustainable economic growth.

Concept for the formation of the EAEU common financial market.

The Concept is designed to systematize work on the preparation of draft international agreements governing the EAEU common financial market. The document also specifies the tasks set by the Treaty on the EAEU for the formation of the common financial market of the Union, including the timing, mechanisms and tools that contribute to its formation and the results of its creation. The implementation of the provisions stipulated by the concept will contribute to an improvement in the level of



accessibility, quality and variety of financial services for companies and citizens, reducing risks to financial stability by minimizing regulatory arbitration, and improving the interaction of financial regulators and exchange of information.

The concept was developed by governments and national (central) banks jointly with the EEC. The document was approved by the decision of the Supreme Eurasian Economic Council on October 1, 2019.

Formation of a common exchange space.

This segment will also become part of the common financial market, which means that a package of documents will be prepared to cover several areas. At the same time, the EAEU common exchange space is being created through the implementation of a set of interconnected interstate agreements aimed at harmonizing national legislations in regulation of exchange markets and opening borders for cross-border trading of cash, securities, and derivative financial instruments.

The Commission has developed a draft **Agreement on the admission of brokers and dealers** of one EAEU Member State to participation in organized trading on exchanges of other Member States. This means that brokers and dealers of the countries of the Eurasian Economic Union – Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia – will get access to each other's exchanges. They will be able to trade securities directly without additional permissions.

In order to develop a common financial market, the Eurasian Economic Commission and Astana International Financial Center signed a Memorandum of Cooperation in

“The Concept defines the legal mechanism for creating a common market for financial services and the tools that contribute to its development. This will improve investment cooperation and provide a powerful momentum for the sustainable economic growth of our countries”.

TIMUR ZHAKSYLYKOV

Astana on July 4, 2018. The document provides for interaction in the development of financial markets, protecting the rights and interests of consumers of financial services and investors, trade and investment cooperation, and other areas. On August 9, 2019, the Plan of Joint Activities between the EEC and the AIFC for 2019–2021 was signed.

The Commission has developed a draft **Agreement on mutual admission to the placement and circulation of securities in organized trading** in the EAEU Member States. The main purpose of the Agreement is to ensure freedom of issuing and trading operations with securities in the exchange space of the Member States of the Union. The agreement is designed to ensure mutual admission of securities (from the list marked by the exchange in the issuer's country of registration as the highest category quotation list) to the placement, including parallel placement, and circulation in organized trading in other Member States.



The concept for the formation of the EAEU common financial market was approved at the meeting of the Supreme Eurasian Economic Council on October 1, 2019



Agreement on the harmonization of financial market legislations of the EAEU Member States.

Chairpersons of the central (national) banks of the EAEU Member States signed the document on September 17, 2018 in Yerevan (Republic of Armenia) at a scheduled meeting of the Advisory Council on the Foreign Exchange Policy of the central banks of the EAEU. The document defines the directions and procedure for harmonization of the legislation of the Member States of the Union in the banking, insurance and services sectors of the securities market based on international principles and standards or best international practices in financial market regulation. The document was developed in order to create a common financial market within the EAEU, ensure mutual recognition of licenses for activities in the financial services sectors (banking, insurance and services sectors of the securities market) and non-discriminatory access to the financial markets of the Member States.

In accordance with the agreement, a Harmonization Plan will be developed to outline the stages and timing of harmonization of the laws of the Member States, which will become a roadmap for the alignment of the norms and requirements stipulated by national legislation in the financial sphere.

Agreement on harmonized approaches to the regulation of foreign exchange relations and the adoption of liberalization measures.

The document contains a list of foreign exchange transactions that are carried out by residents of EAEU Member States, which are not subject to currency restrictions. Such an approach will ensure the freedom of movement of funds of residents of the Union in the EAEU. Currency restrictions will be removed in regard to settlements between residents of the EAEU Member States on operations related to the transfer of goods, performance of works,



Timur Zhaksylykov, Member of the Board and Minister in charge of Economy and Financial Policy of the EEC, and Kairat Kelimbetov, Governor of Astana International Financial Center (AIFC)



The creation of the EAEU common financial market was considered at the meeting of the Advisory Committee on Financial Markets under the EEC Board in Moscow

and provision of services; participation in the authorized capital of legal entities of another EAEU State; purchase of government and other securities; and servicing loans and guarantees received from authorized organizations of another EAEU State. The EAEU Member States will be able to open, without limitation, accounts (deposits) in foreign and national currencies with authorized organizations of another State of the Union. The draft agreement is undergoing the procedures necessary for its entry into force.

Agreement on the exchange of information included in credit histories.

The document was developed on the initiative of the EEC. It is important from the point of view of protecting financial institutions from unscrupulous borrowers and at the same time ensuring that good credit histories in one Member State are taken into account by financial institutions of other countries of the Union. The agreement is designed to provide equal rights and opportunities for consumers

of financial services, on the one hand, and an accessible tool (resource) for identification and assessment of credit risk by participants of the financial market in the EAEU, on the other.

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. The document defines the procedure for the exchange of information and will help to ensure inter-country exchange of confidential information between state bodies of the countries of the EAEU to protect the rights of participants in the financial market. The agreement was signed and entered into force on October 21, 2016.

Draft Agreement on the Advisory Council on the Exchange Rate Policy of the EAEU Member States.

The main objective of the Advisory Council is to coordinate the exchange rate policies of the



Member States, which will have a positive impact on the increased use of national currencies in mutual settlements and ensuring financial stability in the economies of the five countries. It will also create conditions for direct mutual quotations of national currencies, the formation of an integrated foreign exchange market, etc.

Agreement on conducting joint control measures to ensure compliance with the procedure for crediting and distributing the amounts of import customs duties and their transfer to the budget incomes of the EAEU States.

It regulates the procedure for joint measures by the supreme state financial control bodies of the EAEU countries to monitor compliance with the provisions of the Protocol on the procedure for crediting and distributing the amounts of import customs duties and their transfer to the budget incomes of the Member States.

The methodology for calculating the distribution of import customs duties between the budgets of the EAEU Member States was developed in 2016–2019. The standards for the distribution of import customs duties between the budgets of the EAEU Member States were approved by the decision of the Supreme Eurasian Economic Council on October 1, 2019 in Yerevan (Armenia). The protocol on amending the Treaty on the EAEU was signed, as well as protocols on amending and terminating certain international treaties. Based on this Protocol, from January 1, 2020, the standards for the distribution of import customs duties for each State have been set as follows: Republic of Armenia – 1.220%; Republic of Belarus – 4.860%; Republic of Kazakhstan – 6.955%; Kyrgyz Republic – 1.900%; Russian Federation – 85.065%.

Formation of a common market for audit services of the EAEU. The draft Agreement on audit activities within the EAEU is undergoing the procedures necessary for its entry into force. The implementation of the Agreement will allow the rules for the provision of services in this area to be unified. The right to provide and receive audit services in the EAEU will be given without restrictions and exceptions. It also provides for the recognition of qualification certificates of auditors of the Member States and audit reports issued by auditors of one Member State on the territory of other Member States.

Countering the legalization (laundering) of proceeds from crime.

A draft Agreement has been developed on the exchange of information on combating money laundering and financing of terrorism when moving cash or cash instruments across the customs border of the EAEU. The document regulates the procedure for the exchange of information between the countries of the Union about cash and cash instruments declared when moving across the EAEU customs border. The draft Agreement is undergoing the procedures necessary for entry into force.

A draft Protocol has been developed to amend the Treaty on the EAEU.

It includes nine proposals for improving the mechanism of collecting indirect taxes in domestic trade in the EAEU. The changes are aimed at strengthening tax control over the so-called “false export” and “false import” of goods. The proposals are also expected to improve the interaction between tax authorities and taxpayers.

Harmonization of excise tax rates on alcohol and tobacco products. The Treaty on the EAEU stipulates the obligations of the



Union States to align tax laws that affect mutual trade. In particular, it concerns excise rates for the most sensitive excisable goods. A draft Agreement on the principles of tax policy in regard to excise taxes on alcohol products of the EAEU countries and a draft Agreement on the principles of tax policy in regard to excise taxes on tobacco products of the EAEU Member States have been developed. The signing of these agreements will create conditions for the formation of a civilized alcohol and tobacco market in the EAEU, while the illegal cross-border flow of these types of products will be minimized. Agreements on the principles of tax policy in regard to excise taxes on alcohol and tobacco in the Union are undergoing the procedures necessary for their signing.

The alcohol agreement for 2024 sets an indicative rate for vodka of nine euros per liter of 100 percent rectified ethyl alcohol from food raw materials and the following deviation ranges for Armenia and Kyrgyzstan: no more than 40 percent down and no more than 10 percent up. For Belarus, Kazakhstan, and Russia – no more than 15 percent down and no more than 10 percent up. The tobacco agreement sets an indicative rate of 35 euros per 1,000 cigarettes and a single range of 20 percent down and up.

Business development in the EAEU

Entrepreneurship is directly related to all the tasks of the economy: production, exchange, distribution, and even sometimes consumption. Entrepreneurship is the main property of a market economy that covers a wide variety of areas of activity. The EEC

“We want to form a civilized alcohol and tobacco market in the EAEU, create equal competitive conditions for businesses, and preserve the health of our citizens. The agreements on the principles of tax policy on alcohol and tobacco products provide for a mechanism for the alignment of excise tax rates by setting an indicative rate (every five years starting in 2024) and ranges of deviation of actual excise tax rates from it. In addition, there is a sufficient corridor of deviation from the indicative value for each group of countries, depending on their socio-economic development. In the future, the Union countries will develop a single indicative rate and deviation ranges every five years within the Commission”.

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actively cooperates with the business community of all countries of the Union, and the decisions of the Commission are addressed not only to state bodies, but to business entities as well. In order to take into account the views of businesses, for five years the EEC has been conducting regulatory impact assessment (RIA) of draft decisions. As practice shows, a growing number of proposals by business circles are taken into account in the Commission's decisions. An assessment of the regulatory impact of draft decisions of the EEC is an assessment of their impact on the business environment in the Union.

The RIA procedure consists of two stages. They include current assessment – a public discussion of the draft decision of the EEC on the Union's website for at least 30 calendar days; and final assessment – preparation of a determination on the regulatory impact assessment by a specially created the EEC RIA working group. The working group includes representatives of structural units of the Commission and the business community of the EAEU countries.

All the draft decisions of the Commission, which affect the conduct of business in the EAEU, are subject to RIA. At the same time, the number of positive determinations on the RIA draft decisions prepared by the EEC tends to increase. In the period from January 1, 2016 to September 17, 2019, determinations were prepared for 193 draft EEC decisions within the general RIA procedure. At the same time, in 2018, the proportion of positive RIA determinations increased from 50% to 85%, as compared to 2016.

This indicates the focus of the EEC on improving the business environment in the EAEU when making decisions.

Intellectual property

A coordinated policy in intellectual property is applied in the territory of the EAEU. The main areas of cooperation among the EAEU States include support for scientific and innovative development, improvement of mechanisms for commercialization and use of intellectual property, and ensuring protection of intellectual property rights, including online.

The agreement on the coordination of actions to protect intellectual property rights was signed and entered into force on July 19, 2016. This document creates the legal basis for the implementation of information cooperation and assistance in constraining violations of intellectual property rights in the Union.

Agreement on the management of copyright and related rights on a collective basis. The document entered into force on May 27, 2019 and helps to increase the effectiveness of protecting the rights of copyright holders, stimulate their creative activity, and create a trust-based system of legal relations between copyright holders and organizations for collective management of rights. The document provides for an agreed collective procedure for the management of copyright and related rights, as well as harmonization of national legislation.

The regulations for maintaining the Unified Customs Register of Intellectual Property Assets of the EAEU Member States were approved on March 6, 2018. The regulation is necessary to prevent counterfeit products from entering the EAEU from third countries. It describes in detail how copyright holders must prepare and submit applications for the inclusion of intellectual property assets in the Unified Customs Register. After the inclusion of intellectual property assets



in it, the customs authorities will be able to take measures to protect their rights, and entrepreneurs will be able to quickly introduce goods into the civil circulation on the territory of the Union without additional risks. A single customs register will be maintained via personal accounts on the Union's website. The acceptance of applications for the inclusion of intellectual property in the Unified Customs Register is scheduled to begin in 2020.

Agreement on Trademarks, Service Marks and Appellations of Origin of goods of the EAEU. The adoption of the document will create an effective mechanism for obtaining legal protection of the Union trademark and appellation of origin of Union goods in the territories of all Member States at the same time, simplify and speed up the registration procedure, and eliminate excessive administrative barriers.

Therefore, it will be easier and cheaper for applicants to register a trademark of the Union; they will only interact with one patent office, and legal protection of the trademark will be provided simultaneously throughout the Union.

Single market of services

The EAEU Treaty ensures the functioning of a single market of services in the Union. The single market of services in the EAEU allows the provision and receipt of services without restrictions, exceptions and additional requirements, without creating an additional legal entity or registering as a self-employed entrepreneur, on the basis of a permit obtained by a service provider in the territory of its Member State, with recognition of the professional qualifications of the staff. For example, an entrepreneur who has the right to perform

works and provide services in their country has the opportunity to work in any State of the Union without restrictions, additional requirements and conditions. At the same time, re-confirmation of the qualifications of its employees and obtaining new permits or licenses are not required.

Since January 1, 2015, the common market has been operating in 43 services sectors (including construction, agriculture and

“A single mechanism for registering trademarks provided for in the Agreement will strengthen their legal protection throughout the region. In addition, applicants will have the opportunity to register their assets recognized by all the Member States in the one-contact mode, which will have a positive effect on the activities of business entities of the EAEU Member States and third countries. We hope that this mechanism will increase the level of recognition and demand for products, and attract more entrepreneurs to our region”.

TIMUR ZHAKSYLYKOV



forestry, wholesale and retail trade, logistics, and others). In December 2016, the Presidents of the EAEU countries approved liberalization plans for 18 services sectors. By the decision of the Supreme Eurasian Economic Council on May 14, 2018, another 9 sectors were transferred to the common services market. In May 2019, cartography services were added to the EAEU common services market.

Therefore, about 55% of the volume of services provided in the EAEU countries are already provided in the common market. This is expected to result in lower prices, new jobs, and economic growth. The expansion of the common services market in the EAEU will become an important factor in increasing the economic growth rate and driving the business development of the Member States of the Union. It will also give momentum in increasing the competitiveness of goods and services and the investment attractiveness of the economies of the Member States.

Rules for regulating trade in services, incorporation, and activities.

In order to ensure that permits and procedures do not create unjustified barriers to trade in services, incorporation, and activities, the Commission has developed rules to guide relevant authorities in regulating trade in services, incorporation, and activities. The rules are not country-specific and apply to all persons of the Member States irrespective of their resident status. The document was approved by the Supreme Eurasian Economic Council on December 26, 2016, and entered into force in April 2017. The rules also provide for the implementation of a risk assessment system for control and supervision, and other obligations of the EEC and the governments of the Union countries to guarantee the rights of entrepreneurs.

“What are the advantages of the common market? For consumers, this is an opportunity to obtain better, more diverse and cheaper services, and to enter larger markets. We already have more than 50 sectors transferred to the single market format. We are working in stages, and we are moving sector by sector into this format”.

TIMUR ZHAKSYLYKOV

Common labor market

Since January 1, 2015, a common labor market has been operating in the Eurasian five countries, which allows workers to move freely within the EAEU countries and work with convenience. Citizens of the EAEU have the right to work in all countries of the Union regardless of restrictions on the protection of national labor markets, and they do not need to receive work permits. The EAEU citizens can stay in the States of the Union without registration up to 30 days from the date of entry. If a person has been in the country for more than 30 days, they need to go through the registration procedure in accordance with the legislation of the state of entry, if required. In general, 90 days are given for job search. Education documents issued in the States of the Union are recognized upon employment. Emergency medical services are provided to workers and members of their families free of charge, medical assistance is provided to workers under the compulsory medical insurance policy in the same manner and on the same conditions as those of the citizens of the



country of employment. Compulsory insurance is provided for temporary incapacity for work due to maternity, occupational accidents, and occupational diseases. The worker's children have the right to education, the worker's family has the right to live in the territory of the State that provided employment during the validity of the labor or civil law contract. The income of workers from the Union countries is taxed at the same rate as that of citizens of the country of employment.

To be employed in the educational, legal, medical or pharmaceutical sectors, one must follow a separate procedure for recognizing certificates of education. The EEC is working to eliminate this exception from the Treaty on the EAEU.

The EEC is perfecting the Union's law to ensure equal rights for workers in the common labor market. In order to regulate the pensions for

workers of the Union countries, the Commission, together with the Member States of the Union, has developed a draft ***Agreement on pensions for workers of the EAEU countries.***

At the moment, pension rights of citizens who work in other EAEU States are not defined and exercised in full. As a result, workers lose part of their pension. The agreement will solve this problem. According to it, workers returning to their homeland will receive a pension from the EAEU country in which they worked. Once the agreement enters into force, each State will transfer (export) a share of the pension for periods of work on its territory as part of the interaction between the countries' authorities. By the decision of the EEC Council dated April 29, 2019, the draft Agreement on the provision of pensions to workers of the EAEU States was sent to undergo the procedures necessary for its signing.





The Eurasian Machine Tool Engineering Center has been created.

According to the concept approved by the Eurasian Intergovernmental Council in 2016, the activities of the engineering center will help the Union countries and the Eurasian Economic Commission find innovative solutions for production processes in order to enable Member States to quickly switch to a new technological paradigm in industry.

In 2017, the Commission agreed the creation of the Eurasian Machine Tool Engineering Center based at MSTU Stankin in Moscow with other parties. Then the necessary documents were prepared for its registration, and now it is starting to work. National coordinators have been appointed from the four EAEU countries participating in the project.

Along with other indicators, this actually confirms that the Eurasian industrial integration has moved from the formation of the Union regulatory framework to practical cooperative ties at the level of specific enterprises and government programs.

“Within the main directions for industrial cooperation, we strive to deepen industrial cooperative ties, remove trade barriers, and form new high-tech industries”.

ALEXANDER SUBBOTIN

The EAEU countries are beginning to actively build unified chains of cooperation, which can ensure the best effect of the integration. Building up such chains in the Union will become a trend for the next few years.

The Machine Tool Engineering Center has been created since there was a clear understanding in the EAEU countries that a high development level of production means will ensure an overall high technological development level of the Member States’ economies, high innovative capacity and competitiveness of the Union’s engineering industry. Furthermore, it will help solve the problem of outdated engineering equipment once and for all. On average in the Union this equipment is 70% worn out.

Conditions have been created for the admission of industrial products of the EAEU countries to projects within the import substitution programs in Russia.

The Eurasian Economic Commission has compiled a list including 62 Russian import-substituting projects in 17 sectors of the industry – car manufacturing, agricultural, transport and oil and gas engineering, chemical, light and machine tool industry, etc. – in which manufacturers from other countries of the Union are ready to participate. The list contains the enterprises from the EAEU States and the terms for implementing relevant projects in specific sectoral technological areas.

In accordance with the disposition of the Eurasian Intergovernmental Council dated July 2018, a high-level specialized working group on integration interaction in cooperative area and import substitution in priority sectors of the industry has begun its operation at the Commission’s platform.



“Today, import substitution is one of the main topics of industrial policy in the Eurasian Economic Union. Naturally, we have achieved a certain level of success in this area. We already consider the sectors of machine tool engineering, metallurgy, agricultural machinery, and the production of railway rolling stock as promising”.

ALEXANDER SUBBOTIN

Approaches to the formation and maintenance of the EAEU industrialization map, as well as directions for supporting import substitution in Member States have been approved.

The industrialization map will make it possible to organize work on import substitution in an integrated manner at the Union level, combine national import substitution plans, build import substitution production chains, eliminate duplication of industries across the EAEU and use each other’s competencies efficiently.

The Commission is paying a great deal of attention to the development of environmentally friendly transport in the Union countries. The Eurasian Intergovernmental Council has adopted Action Plans to provide incentives for the production and use of motor vehicles with electric motors in the EAEU Member States for 2015–2017 and 2018–2020. They are being successfully implemented by the Commission

and the parties in accordance with national priorities for sector development.

Conditions have been created for transparency in the provision of support for industrial sectors of the economy by Member States.

In May 2017, the Heads of governments of the EAEU countries signed an Agreement on the procedure for voluntarily agreeing upon specific subsidies for industrial goods by the Eurasian Economic Union States and the Eurasian Economic Commission, and carrying out the Commission’s proceedings related to granting them.

Until recently, when supporting specific sectors of the economy, national governments assessed independently the compliance of the measures being implemented with the uniform rules for granting subsidies, which are in force in the EAEU.

However, there was a risk that such measures could be challenged, thereby requiring the recipient to return the subsidy received.

Today, the Member States have been given the right to agree upon specific subsidies with

“By agreeing upon national subsidies, the Commission increases the transparency of government support for industry and makes it possible to evaluate such subsidies”.

ALEXANDER SUBBOTIN



the EEC and therefore the opportunity to protect themselves from the introduction of compensatory measures on the part of the EAEU Partner States.

The Commission's decision to agree upon the subsidy is based on an analysis of its compliance with the criteria of admissibility or inadmissibility.

Partner countries of the Union now have the opportunity to apply to the Commission for proceedings on industrial subsidies provided by other Member States, if there is evidence of damage to the national economy.

The EAEU innovative industrial infrastructure has been formed. 16 Eurasian technology platforms (ETPs) have been approved.

At the heart of the ETPs is the combination of experience, technology and joint capabilities of the countries of the Eurasian Economic Union (EAEU), as well as the creation and promotion of jointly manufactured products. We are talking about the integration of the industrial complexes of the Member States, which is the ultimate goal of the Commission creating all the necessary tools.

Tech platforms work successfully in a number of promising areas, including the development of space and geoinformation technologies, biomedicine and biotechnology, supercomputers, photonics, electric power, solid mining technologies, environment protection, food and processing industries, and others.

This is also an effective mechanism for cooperation of the EAEU countries in the scientific, technical, innovative and industrial spheres. It allows us to create promising commercial technology, high-tech innovative

“The EAEU has an important integration tool – Eurasian technology platforms. They accumulate advanced achievements of scientific and technological development and mobilize the scientific potential of the Member States for the joint solution of applied problems”.

ALEXANDER SUBBOTIN

and competitive products involving businesses, science, government, and public organizations.

The task of the Eurasian technology platforms is to mobilize the scientific potential of the Union countries in order to solve applied problems in developing innovative products and technologies and promptly introduce them into industrial production.

The operation of the 16 ETPs approved by the Commission can be divided into three areas. One is aimed at solving systemic issues, such as the joint development and launch of products on the markets of third countries, as well as issues of technical and customs tariff regulation. The second area deals with the implementation of interstate programs. The third – with the selection of cooperation projects.

The cooperation projects presented to the Eurasian Economic Commission in 2017-2019 can be divided into two groups: research and development projects, and investment projects.





At the moment, we are seeing the transition from selection to the implementation of such projects and interstate programs.

A joint project on cooperation in space is being launched.

The EAEU countries coordinated by the Eurasian Economic Commission have made the most notable progress in cooperation within the technology platform “Space and Geo-Information Technologies as Products of Global Competitiveness.”

In December 2018, the Supreme Eurasian Economic Council approved proposals for the development of cooperation of the Union countries in the provision of space and geo-information services based on national sources of Earth remote sensing (ERS) data. Under the Eurasian technology platform for space, with the Commission coordinating, the EAEU States have been instructed to develop a

draft interstate program for the integration of national space systems, as well as designing and manufacturing spacecraft. The governments of the participating countries will need to finance and implement interstate program activities as part of their national programs.

The cooperative relations of enterprises from the EAEU countries in the development and production of spacecraft for the joint satellite group will increase the share of the Union manufacturers of electronic components in the design of such vehicles to 70% due to the involvement of new manufacturers of electronic components.

The interstate program will make it possible to take advantage of the Union’s common economic space, unite the industrial, scientific, technical and marketing capabilities of the Union States, and involve all the EAEU countries in joint work, including Armenia and Kyrgyzstan, which do not have spacecraft.



Implementation Stages of the Space Cooperation Project



With the active participation of experts from the Union countries, two basic concepts for creating Eurasian networks of industrial cooperation, subcontracting and technology transfer were developed and then approved by the EEC Council



This will allow us to get a significantly larger result, which will be available to all program participants.

The creation of the Eurasian network of industrial cooperation, subcontracting and technology transfer is nearly completed.

In accordance with the Plan for developing acts and measures to implement the Main Directions of Industrial Cooperation within the EAEU, in 2016, the Eurasian Economic Commission analyzed the world experience in the development of information networks.

The implementation of measures provided for by the basic concepts (industrial cooperation, subcontracting and technology transfer) and carried out by the industrial unit of the Commission in 2017, made it possible to create a pilot version of the Eurasian digital platform for industrial cooperation.

The platform was created with account of the best practices of the national information systems of the Union States.

The launch of the pilot version of the Eurasian digital platform for industrial cooperation has become a milestone event – this is the first common information platform for the parties, which demonstrates the opportunities integration provides.

The information resource www.eurasianindustry.org includes such segments as industrial cooperation and subcontracting services, technology transfer, industrial and innovative infrastructure facilities, financial services, certification and testing services, customs and transport services. The results of the platform testing showed that the above services could all be combined into the EAEU Unified Digital Platform.

By the end of 2018, the platform, which was developed on the basis of the Russian national segment, proved its effectiveness. At the same time, the mechanism for connecting other national segments was tested, and documents were prepared to provide basic methodology for the network. About six thousand enterprises are registered in the subcontracting network at the moment.

The key advantage of the subcontracting service is the possibility of building a cooperation scheme based on the rating of suppliers and the availability of their resource base.

The network structure implies two levels: national level (with authorized bodies coordinating the activities of existing or new subcontracting centers) and supranational level (with the Eurasian Economic Commission's powers to coordinate the activities of the network structure).

In 2018, in accordance with the Procedure for Developing Initiatives for the Implementation of the EAEU Digital Agenda, the Commission received a relevant initiative to create a Eurasian network of industrial cooperation, subcontracting and technology transfer. The basis for the development of the Eurasian network is the pilot project of the Eurasian digital platform.

In April 2019, the Eurasian Intergovernmental Council decided to start the implementation of the project Eurasian Network of Industrial Cooperation, Subcontracting and Technology Transfer, and in May, the Commission's Council approved a high-level action plan for the implementation of the project and the terms of reference for the provision of services for the development and implementation of the Eurasian network.

It is planned to implement the project to create the Eurasian network of industrial cooperation,



“We face a task on creating the products jointly manufactured under a single trademark – the so-called Eurasian brands – and technologies for entering the global market. We must create the necessary tools and a legal framework to increase the free movement of not only goods and services, but also companies. For this purpose, we need to form a new legal space for supranational companies. The emergence of such supranational companies will create stimuli to deepen ties in cooperation between our countries”.

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subcontracting and technology transfer by 2021. This will enable the Member States to perform digital transformation of the national industry, and will create conditions for the accelerated development of the Member States' economies.

Ensuring effective functioning of national networks of subcontracting and technology transfer will help implement joint projects for interstate integration of large industrial enterprises with small and medium-sized businesses.

On October 25, 2019, the Eurasian Intergovernmental Council approved the action plan for promoting jewelry produced in the EAEU Member States to third countries' markets.

The plan is divided into three items. The first item envisages concept development for the Eurasian Jewelry Export Bureau (the Bureau). The Bureau will enable to identify the affiliation of a jewelry market participant to the Eurasian brand, offer the possibility of using the trade and logistics infrastructure created by the Bureau, and enhance the branding of proprietary and Eurasian jewelry in the global market. The concept will be presented in 2020. The Bureau may definitely become one of the first Eurasian companies.

The second item touches upon the issues of customs regulation of market participants' foreign economic activities. To support EAEU countries' manufacturers and produce jewelry that is competitive in the international jewelry market, the Union will take a look at the possibilities of amending its Common Customs Tariff with respect to precious jewels, fine gold and silver, as well as scrap and waste of precious metals. Reducing the import customs duty on non-EAEU produced colored natural stones and cut artificial stones will help increase the jewelry export volume.

The third item relates to the implementation of high priority measures to support jewelry export and includes such actions as the preparation of proposals on jewelry promotion by using the EAEU countries' joint trade infrastructure and through participation in conferences and exhibitions. This plan item also envisages examining the possible creation of additional incentive mechanisms for jewelry manufacturers' brands.



The creation of a single EAEU seed market is nearing completion.

After the Treaty on the Union had been signed, the Eurasian Economic Commission together with the EAEU countries began to develop an Agreement on circulation of agricultural plant seeds. At the end of 2017, it was signed by the Heads of governments of the Member States, and in March 2019 it entered into force. Thus, the formation of a single seed market has entered the final straight.

The agreement will contribute to the development of selection and seed production of agricultural plants, which in turn will become the basis for the sustainable development of the agricultural sector of the Union countries.

So that all interested parties can quickly receive information about varieties present on the EAEU market, the Agreement stipulates that the Commission shall form and maintain a unified register of agricultural plant varieties within the Union's integrated information system. To this end, the EEC approved the procedure for the formation and maintenance of the register, as well as process control documents for the unification of the organizational and technical solutions used by the Member States in its formation.

The Union countries are also expected to take measures to further unify national legislation governing the testing of seed varieties and production.

The creation of a single seed market will help reduce the financial burden and time consumption in the businesses with mutual supplies, implementing joint projects in seed production in the EAEU, increasing mutual trade and export potential, and reducing dependence on seed imports.

“According to expert estimates, removing restrictions on the domestic seed market will enable economic entities across the Union to save about 1 million US dollars annually, and eliminate the need for repeated seed quality checks in mutual trade, which used to take up to 30 calendar days for several crops”.

ALEXANDER SUBBOTIN

The creation of a single EAEU livestock breeding market is nearing completion

In 2017, the EEC Council approved the Agreement on measures aimed at unifying selection and breeding of farm animals within the EAEU. In 2018–2019, the document passed the internal approval procedures required for its signing.

In order to strengthen the provisions of the Agreement, the Commission, together with the countries of the Union, have developed a number of regulatory legal acts.

The adoption of the Agreement and the supporting documents for its implementation will eliminate restrictions in mutual trade, synchronize breeding within the Union, increase the genetic potential of animals, reduce dependence on imports and increase the volume of mutual supplies of pedigree animals.



The unification of requirements in the pedigree animal market will bring the livestock breeding of the Member States to a new level through the use of unified approaches in breeding, advanced statistical processing systems and digital technologies in the assessment of pedigree animal value, and introducing genome analysis.

The overall economic effect of the implementation of the international treaty on livestock breeding, which effectively creates a single market for livestock breeding in the Union, may amount to about 1.3 billion US dollars annually.

Recommendations to the Union States on developing production, mutual supplies, and deepening specialization in sensitive agricultural commodities are being developed.

In order to implement an agreed agricultural policy and develop cooperation and import

substitution in the agricultural sector, the Member States cooperate on sensitive agricultural commodities.

Their list was approved by the EEC Council in 2016. It includes agricultural commodities, the production and mutual trade of which are of social and economic value for the sustainable development of the agricultural sector and rural areas. The list of sensitive agricultural commodities includes eight items: meat and meat products, milk and dairy products, rice, sugar, tobacco, cotton, oilseeds and products of their processing, as well as vegetables, fruits, melons and products of their processing.

Authorized bodies of the parties exchange plans (programs) for the development of production for each of these commodities. Based on this information, a common information resource on the production of sensitive agricultural commodities in the Union countries has been created. Systematic assessment is carried out for performance indicators, sufficiency

What are sensitive commodities?

These are agricultural commodities of social and economic value for the sustainable development of the agricultural sector and rural areas of the Union countries. In the EAEU, the list of such commodities includes:

-  Milk and dairy products
-  Meat and meat products
-  Vegetables, fruits, melons and products of their processing
-  Sugar
-  Tobacco
-  Oilseeds and products of their processing
-  Cotton
-  Rice



of means of production, customs tariff and technical regulation, mutual trade and meeting the demands of the domestic market, import substitution, integration potential and export development. On the basis of the assessment, proposals are being developed for the sustainable development of production and increasing the competitiveness of sensitive commodities.

Comprehensive documents for the agricultural sector development are being elaborated.

One of the main goals of the EAEU's agreed agricultural policy is to ensure the balance of the common agricultural market. This allows the businesses to focus on the creation of new industries based on development prospects. Entrepreneurs have a clear understanding of whether they need to expand or reduce production or in which segment of agriculture they should invest.

As part of the parties' joint work coordinated by the Commission, forecasts are formed on an ongoing basis for the development of the EAEU's agricultural sector, as well as Eurasian demand and supply forecast for 17 major agricultural commodities.

Joint forecasts are comprehensive documents on the development of the agricultural sector. In preparing them, the Commission analyzes the trends and directions of development of agricultural production in the Union, export and import volumes, food safety conditions in the EAEU as a whole and in each State in particular.

According to the forecast, in 2020 as compared to 2017, the growth in agricultural production in the EAEU in dollar equivalent will account for 3.7%, exports – 19%, mutual trade – 24%, imports will decrease by 3% and,

Self-sufficiency expected by 2020:



as a result, the negative balance will decrease from 9 to 5.9 billion US dollars.

Significant growth is expected in exports of pork – 3.6 times to 220 thousand tons, poultry meat – 2.7 times up to 330 thousand tons, eggs and vegetables – 1.6 times up to 1.5 billion units and 700 thousand tons respectively, dairy products – by 19% to 640 thousand tons, and vegetable oils – by 12% to 3.3 million tons.

With its own production, the Union satisfies in full the domestic demand for grain, sugar, vegetable oils, chicken eggs, and lamb. In



2020, the Union is expected to achieve full self-sufficiency in pork and poultry; self-sufficiency in dairy will be at 98%, in potatoes – 96%, in vegetables – 95%, and in beef – 90%.

The next step in improving the industry forecasting system is the development of approaches to the form long-term indicators and benchmarks for the development of agricultural complexes of the Union States.

The regulatory framework of the Union in the field of agricultural subsidies has been formed.

One of the documents outlines a unified methodology for calculating the permitted level of government support measures for agriculture, which can have a distorting effect on the mutual trade of agricultural products among the Member States. Another provides forms of notifications about the state support of agriculture, which is planned in the current year and has been provided in the reporting year. The notifications are submitted by the Member States to the Commission and to each other.

A procedure has also been established for organizing and conducting negotiations

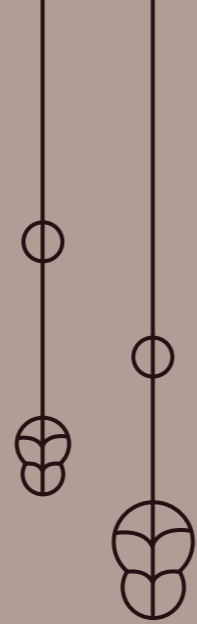
and consultations on disputes related to the implementation of the agreed (coordinated) agricultural policy, including issues of state support for agriculture. The procedure for payment of compensation in case of violation of obligations in state support for agriculture by a Member State of the EAEU has been determined.

In addition, the Commission has adopted a provision on monitoring and comparative legal analysis of the legislation of the Member States in state support for agriculture, as well as a unified methodology for assessing the effectiveness of government regulation of the agrifood market and support for the agricultural complex. Based on this, analytical work has been carried out and relevant recommendations have been prepared for the Member States.

Since the beginning of the Union's operation, the EEC agricultural unit together with representatives of the authorized bodies of the parties has reviewed about 500 legal acts adopted by the Member States in state support for agriculture to determine their compliance with the obligations within the EAEU, which are stipulated by Annex No. 29 to the Treaty on the Union.



04



Trade

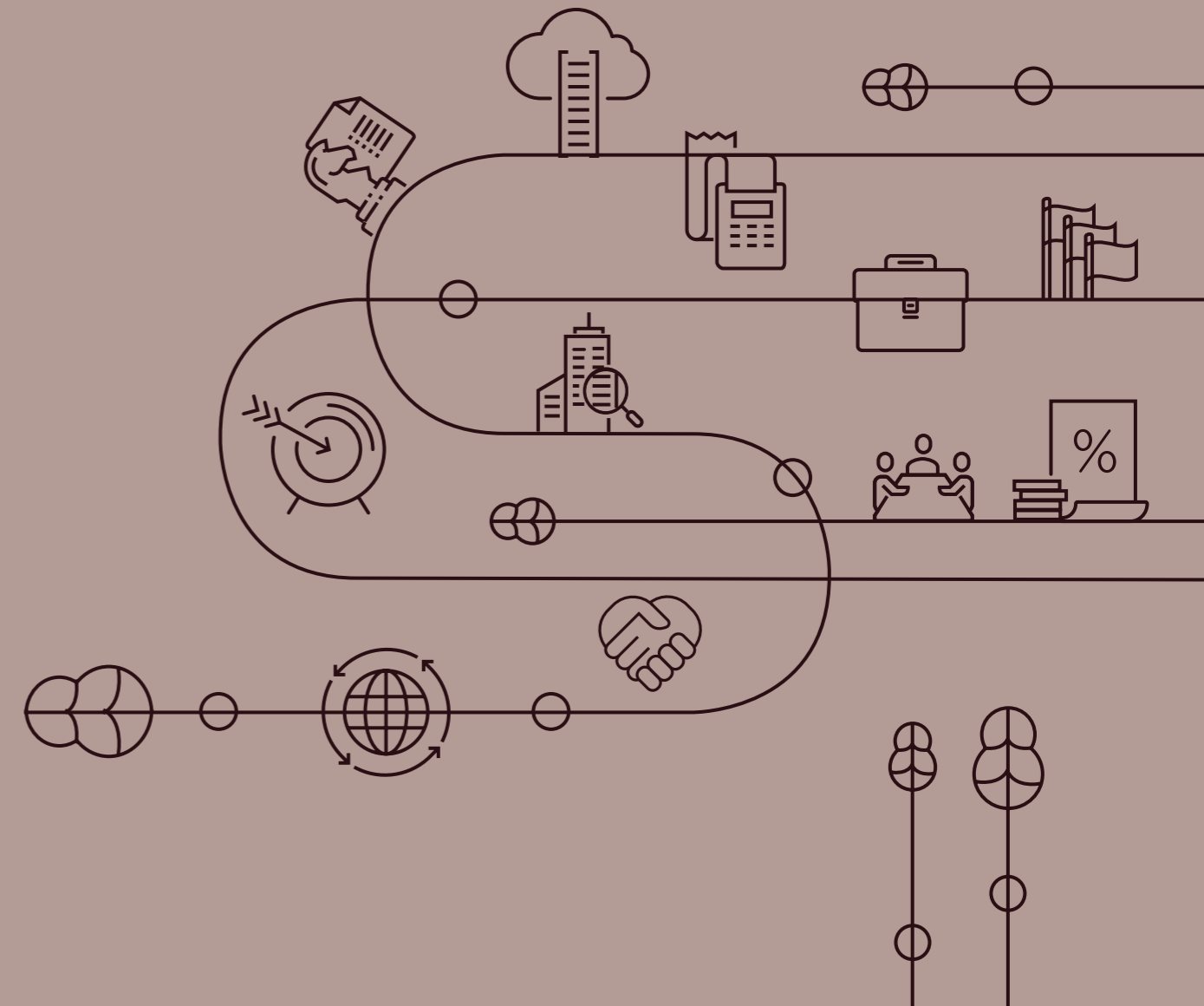
“For us, the ideology of building the Greater Eurasian Partnership – in which we invest by concluding trade agreements – is based on the need for an evolutionary rather than revolutionary approach to the integration of the EAEU market into global trade. We are moving steadily, synchronizing the foreign trade openness policy with the readiness of our manufacturers to take advantage of access to foreign markets”.



*EEC Minister in charge of Trade
VERONIKA NIKISHINA*

“The Eurasian Economic Union has become an integral part of the international geo-economic architecture. This is evidenced by the results achieved on the international track, as well as the interest of many countries and regional integration associations in concluding trade agreements with the EAEU. Our ongoing trade negotiations must help the EAEU countries’ manufacturers enter global markets”.

*Chairman of the EEC Board
TIGRAN SARGSYAN*





Today, world architecture is changing rapidly and becoming more polycentric. Poles will appear in this evidently global architecture in the form of key economic associations. The Eurasian Economic Union must become one of such poles. In order to achieve this, the Eurasian Economic Commission is very active in its work on external track. Above all, it includes the conclusion of non-preferential trade agreements and agreements on free trade areas (FTAs).

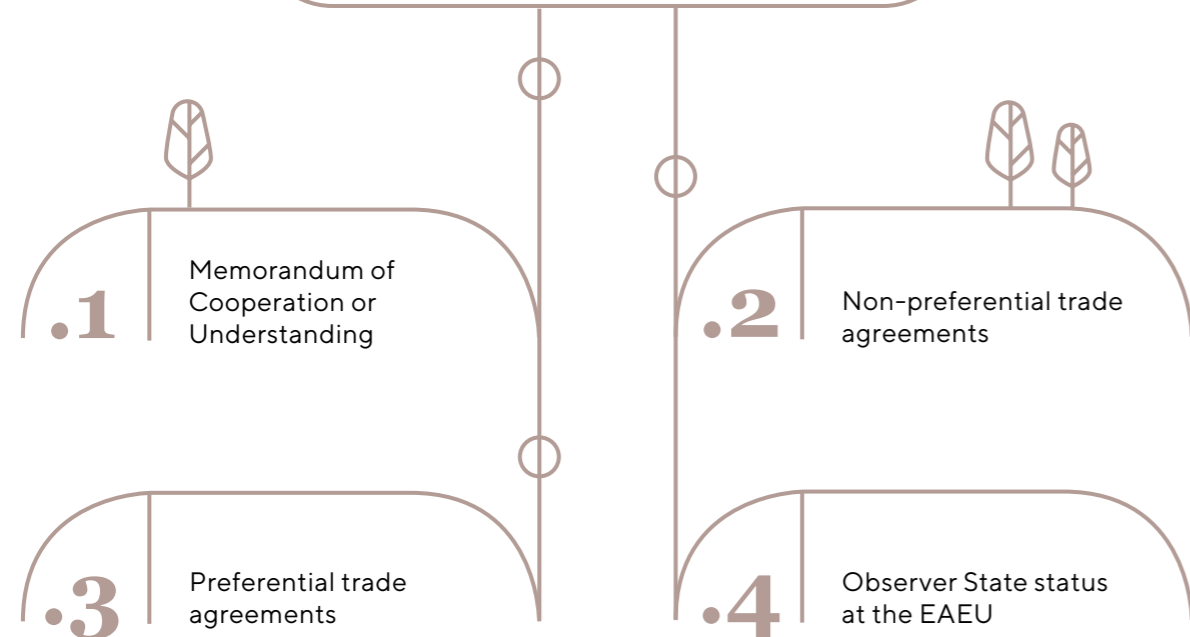
The total volume of foreign trade in goods of the EAEU States with third countries amounted to 753.5 billion US dollars in 2018. **The purpose of free trade areas** is to increase exports from the Union countries, including those through integration with new markets.

Since the end of 2016, the first of the FTAs has been successfully operating with the Socialist Republic of Vietnam. The arrangements

753.5
BILLION US DOLLARS

total volume of foreign trade in goods of the EAEU States with third countries in 2018

International Cooperation Forms



reached in the FTA agreement have been successful in increasing exports and demonstrated great effectiveness in a short time. A year after the agreement entered into force, trade turnover between the EAEU countries and Vietnam increased by 36.7%, and by another 12.8% in 2018.

Another preferential trade agreement is the **Interim Agreement leading to the formation of a free trade area with Iran, which came into force at the end of October 2019.**



Veronika Nikishina, EEC Minister in charge of Trade, and Tran Tuan Anh, Minister of Industry and Trade of Vietnam, discussed the impact of the FTA agreement on the development of the trade and economic cooperation between the EAEU countries and Vietnam in June 2017 in Moscow

“The agreement with Vietnam entered into force in October 2016, and now we can observe a marked growth in mutual trade and a number of positive effects for businesses. More importantly, these effects are absolutely balanced and mutually beneficial. Another very important result of the agreement – and increased circulation of goods – is not only the goods for which a duty reduction arrangement was reached, but rather all goods being traded, i.e. the agreement has a multiplying effect”.

VERONIKA NIKISHINA



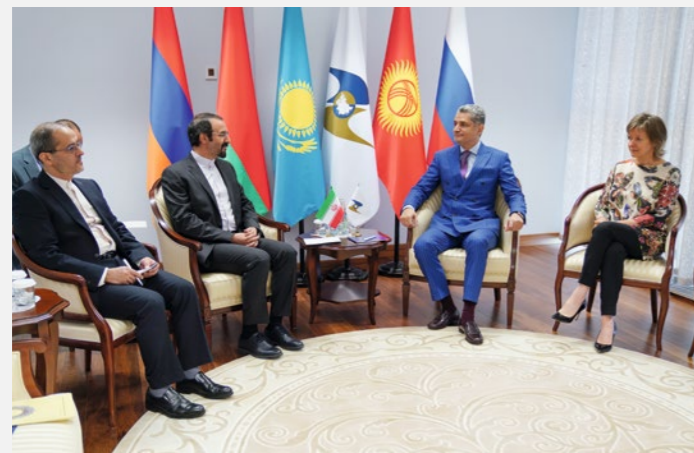
Iran is not a member of the WTO, which limits the understanding of how the partner's trade regulation works and the transparency of the conditions for the circulation of goods on its market. Iran is shaping its trade regime depending on the economic situation, which is constantly changing. Therefore, it is important to understand how the free trade area with Iran will work, how mutually beneficial it will be, and how much it might increase the stability of the trade regime.

In order to switch to a full-fledged FTA responsibly, an interim agreement has been

502

GOODS FROM IRAN

are included in the EAEU tariff obligations with regard to import customs duty reduction



On August 28, 2019, Tigran Sargsyan, Chairman of the EEC Board, and Mehdi Sanai, Ambassador Extraordinary and Plenipotentiary of the Islamic Republic of Iran to the Russian Federation, exchanged notes on the completion of the procedures necessary for the commencement of the Interim Agreement required for the conclusion of a free trade agreement between the Eurasian Economic Union (EAEU) and Iran

“The EAEU places special emphasis on deepening the cooperation with Iran. The geographic and resource potential offers great prospects for our countries to realize transit opportunities and significantly increase the volume of supplies through the territory of our Union, as well as makes it possible to mutually complement and create digital and physical infrastructure and financial mechanisms to support transit transportation”.

TIGRAN SARGSYAN



time, in the structure of trade between the EAEU and Iran, export supplies from the Union account for 1.1 billion US dollars, and imports from Iran to the EAEU countries account for 0.5 billion US dollars.

The Agreement on Trade and Economic Cooperation with China came into force on October 25, 2019.

This has become the optimal format for cooperation with China at the current stage. The agreement covers many aspects of trade: technical regulation, customs formalities, competition, and electronic commerce. Still, it does not touch upon the reduction of customs duties. In substance, this is the first step towards creating a set of specific arrangements on the development of trade and economic interaction between the Union and China. There is confidence that not only mutual trade in finished goods, but also the formation of industrial cooperative relations between the EAEU and China has the potential to become one of the important sources of economic growth in the Eurasian space.

concluded to reduce or eliminate duties for a limited group of goods and consolidate commitments to provide access to and circulation of goods, which generally comply with the WTO rules.

The agreement implies a balanced amount of mutual concessions. Iran's tariff obligations apply to 360 commodity items from the EAEU. For certain goods the duty is reduced by as much as 82%. The customs duty will be reduced by 61.5% for meat and meat products, by 73% for rails, and by 75% for a number of confectionery products. The EAEU's tariff obligations to reduce import customs duties include 502 commodity items imported from Iran. In some cases, customs duty will be reduced by 100% (oranges, shrimps, etc.).

Following the last two years (2017–2018), the EAEU's trade turnover with Iran has remained stable at the level of 2.7 billion US dollars, showing a small positive growth trend of 1–2% per year. However, trade turnover in the first half of 2019 increased significantly by 7.6% compared to the same period last year and reached 1.5 billion US dollars. At the same

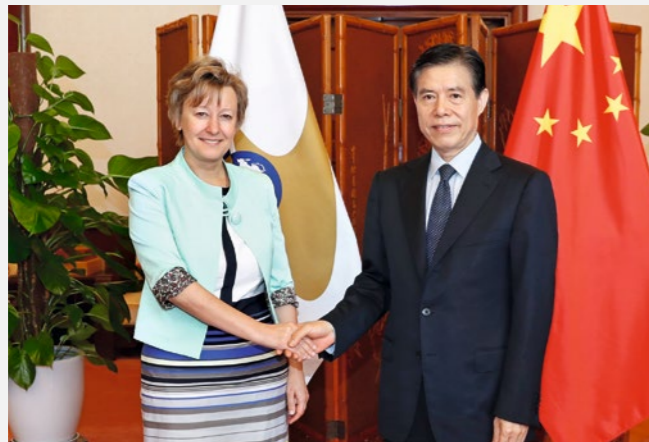




A 23%

increase in goods turnover between the EAEU countries and China observed in 2018 as compared to the previous year

The formation of a modern contractual and legal framework for cooperation between the EAEU and the PRC is a serious step in combining the development of the EAEU and the implementation of the Belt and Road Initiative. The coupling project creates a fundamentally new basis for cooperation in a multilateral format and opens up enormous prospects for dynamic development on the whole continent of Eurasia.



On October 1, 2017, the Eurasian Economic Commission and the Ministry of Commerce of the PRC made a joint statement on the fundamental conclusion of negotiations on the Agreement on Trade and Economic Cooperation in Hangzhou (PRC)

“Of course, China today is one of the key drivers of economic integration in the Eurasian space. China has a very active trade policy in the CIS, for example, it is negotiating free trade agreements with Ukraine and Moldova and has already concluded an agreement with Georgia. I am sure that in cooperation with our Chinese partners we will progressively form an interconnected space for joint development on the continent in pursuit of the strategic goal – creation of a single economic space “from Lisbon to Shanghai.” Concrete steps will be the subject of separate negotiations between the parties”.

VERONIKA NIKISHINA



In May 2018, the Agreement on Trade and Economic Cooperation was signed between the EAEU and the People's Republic of China as part of the Astana Economic Forum

“Our negotiations with China were part of two important tracks of the EAEU: the international track itself, as well as the fundamental and long-term decision made by the Heads of the EAEU States on combining the EAEU and the Silk Road Economic Belt. One can say that this is the first concrete step in the process of combining two integration projects – the EAEU and the Chinese Belt and Road Initiative”.

TIGRAN SARGSYAN

At the same time, we need a balanced assessment of possible advantages and risks of the new partnership format, synchronization of infrastructure investments with investments in real value-added projects, and initial adoption of reasonable and mutually beneficial rules of cooperation.

Meanwhile, the trade turnover of the EAEU countries with China continues to grow rapidly. By the end of 2018, it increased by 23% compared with the previous year, while the volume of exports from the EAEU to China rose by 39.1%. In the future, the trends in trade will

largely depend on the pace of development of the Chinese economy, potential worsening of trade relations between the United States and China, as well as the trends in energy prices.

The main goods supplied from the EAEU to China, which account for more than half of the volume of exports to the PRC, are oil and oil products. In January–June 2019, the volume of export of oil and oil products to China amounted to 17.9 billion US dollars. Since 2016, there has been a positive trend in export growth, which is due primarily to rising oil prices, as well as high growth rates of the Chinese



economy. Since the devaluation of the yuan leads to a rise in the cost of imports, the yuan weakening may soon lead to a reduction in the supply of oil and oil products from the EAEU to China. However, even in this scenario, Russia may increase its share in foreign supplies of oil and oil products to China due to the escalation of the trade conflict between the United States and China.

As for the import of goods from China to the EAEU, the yuan weakening may lead to an increase in the volume of goods delivered from China to the Union countries. Moreover, it will give an advantage to Chinese exporters (steel exporters, for instance) over their Russian competitors.

On October 25, 2019, a Free Trade Agreement was signed between the EAEU and the Republic of Serbia.

The negotiations with Serbia helped solve two issues at once: the first is the unification of the preferential trade regime among all countries of the Union and their partner (the



FTA regime with Serbia is already in force for Belarus, Kazakhstan, and Russia), the second is the deepening of cooperation by creating even more privileged trading conditions.

The agreements reached bring economic benefits for the countries of the Union both in the short term, as savings in customs payments in existing exports, and in the medium term, as the development of previously unrealized export opportunities due to the removal of restrictive import customs duties by the partner on a number of goods with high export potential from the EAEU.

These are foods, such as juices, cheeses, confectionery products, sausages, and spirits. We also see an opportunity to increase the supply of cigarettes, valves and taps to Serbia.

Furthermore, during the negotiations we managed to significantly update the regulatory part of the agreement, ensuring a reasonable account of current trends and practices in concluding trade agreements, including the EAEU practices. This means that Serbia will provide goods and exporters from the Union with substantial legal guarantees, including the basic conditions stipulated by the WTO, of which Serbia is not a member.

On October 1, 2019, the first agreements from the package of a comprehensive trade deal were signed between the EAEU countries and the Republic of Singapore.

The package of agreements with Singapore including the Free Trade Area Agreement may be considered unique. A number of agreements will generally form a trade deal in the “goods + services + investments” format. They include the goods segment of the “EAEU – Singapore” format, four bilateral agreements on service and investment trade



in the “Union country – Singapore” format, and the framework agreement that will pack all three components and form comprehensive arrangements.

The Free Trade Agreement anticipates granting by Singapore of duty-free access to its market for all goods of the Union countries. In turn, the obligations of the Eurasian Economic Union imply the provision of duty-free access for Singaporean goods, which make up 40% of the total commodity nomenclature, promptly following the effective date of this Agreement. An increase of up to 87% is expected upon the expiry of transition periods that range from three to ten years.

Although Singapore does not usually impose meaningful import customs duty rates on imported goods, these obligations insure the EAEU suppliers against possible changes in Singapore’s customs and tariff policy in the future.

In addition to tariff obligations, the Agreement stipulates legal guarantees for implementing the basic principles of non-discrimination against the Union countries’ goods in relation to goods manufactured in Singapore (national regime) and imported to Singapore from third countries with no free trade regime (most favored nation treatment) in all matters of foreign trade activities, imports and commercial turnover.

The Agreement also establishes obligations to comply with international standards for applying licensing procedures; prohibitions and quantitative restrictions; technical regulation and sanitary and phytosanitary measures; transfers and payments for product supplies; fees associated with procedures “at the border”; use of anti-dumping, countervailing and special protective measures.

Along with classic arrangements in the trade in goods, the Agreement has also formed a significant foundation for developing cooperation and improving its quality in such areas as e-commerce, environment, combating anti-competitive practices, transparency of public procurement and protection of intellectual property rights, which is especially important when discussing technology transfer issues.

Negotiations are underway with Egypt, Israel and India.

These are high-priority countries, which have been determined by the Presidents of the EAEU participating countries.

Negotiations with Egypt are progressing very intensively. In 2019, two rounds of negotiations were held, and the third one is scheduled



for Fall 2019. If compromises are found, the negotiations will be completed in late 2019–early 2020.

Four rounds of negotiations have been held with Israel so far. Another one is planned before the end of 2019.

As for India, negotiations are at the initial stage – the parties are in the process of agreeing on a mutually beneficial architecture of the agreement.

The work has begun on identifying a list of the most promising areas for expanding the EAEU’s network of free trade agreements – a sort of a “second wave” of trade negotiations.

Based on a range of proposals from businesses, the governments of the EAEU Member States, and the expert community, a list of countries will be drawn up, which will be approached by the EEC with a proposal to begin a joint study of the potential benefits and risks of switching to a free trade regime. In about a year, such work with potential negotiating partners will be completed and members of the Supreme Eurasian

Economic Council will be invited to decide on starting the relevant trade negotiations.

A significant number of states are interested in cooperation with the EAEU not only in terms of improving the trade regime, but also in order to exchange information on the best regulatory practices, strengthen the potential of B2B cooperation, and increase transparency in trade. There is a variety of formats for cooperation. There is an observer format – this is currently a format of our relations with Moldova. There is a format for memoranda between national governments and the EEC. As of today, more than a dozen such memoranda have been signed. Partners of the Union that have concluded memoranda of cooperation include countries such as Cuba, Mongolia, Cambodia, and a number of others.

Last year, important memoranda were signed with ASEAN and MERCOSUR.

The work is also underway with a number of other regional associations. We are developing interaction with international organizations within the UN system and regional commissions. The EAEU is also in the forefront of the sustainable development agenda.

The Commission is conducting protective anti-dumping investigations.

This tool was created for the businesses of the EAEU countries, and the Commission must respond and provide selective protection in case, according to some criteria, when import harms producers of the EAEU countries. This tool has been created and is working. Throughout the Union’s operation, more than 30 investigations have been completed. As of September 2019, seven more investigations are underway: six anti-dumping and one special protective investigation. In five years (2014–



2018), 21 measures were introduced or extended following 25 investigations. Also, several lawsuits were filed, in which the Commission’s case was upheld.

On March 29, 2019, the Agreement on Marking Goods by Means of Identification in the EAEU came into force.

Thus, the marking of goods on the territory of the Eurasian Economic Union entered a new stage. From now on, if one of the Union Member States intends to introduce the marking of goods by means of identification in its territory, it shall send a corresponding notice to the EEC and at the same time propose to introduce marking for this commodity group throughout the Union. The proposal shall be reviewed within three months, and if it is appropriate the marking will be introduced for the proposed type of goods. The Commission’s Council will adopt a relevant decision and determine the date for the introduction of the marking, as well as all the necessary marking-related technological aspects that will be unified throughout the Union.

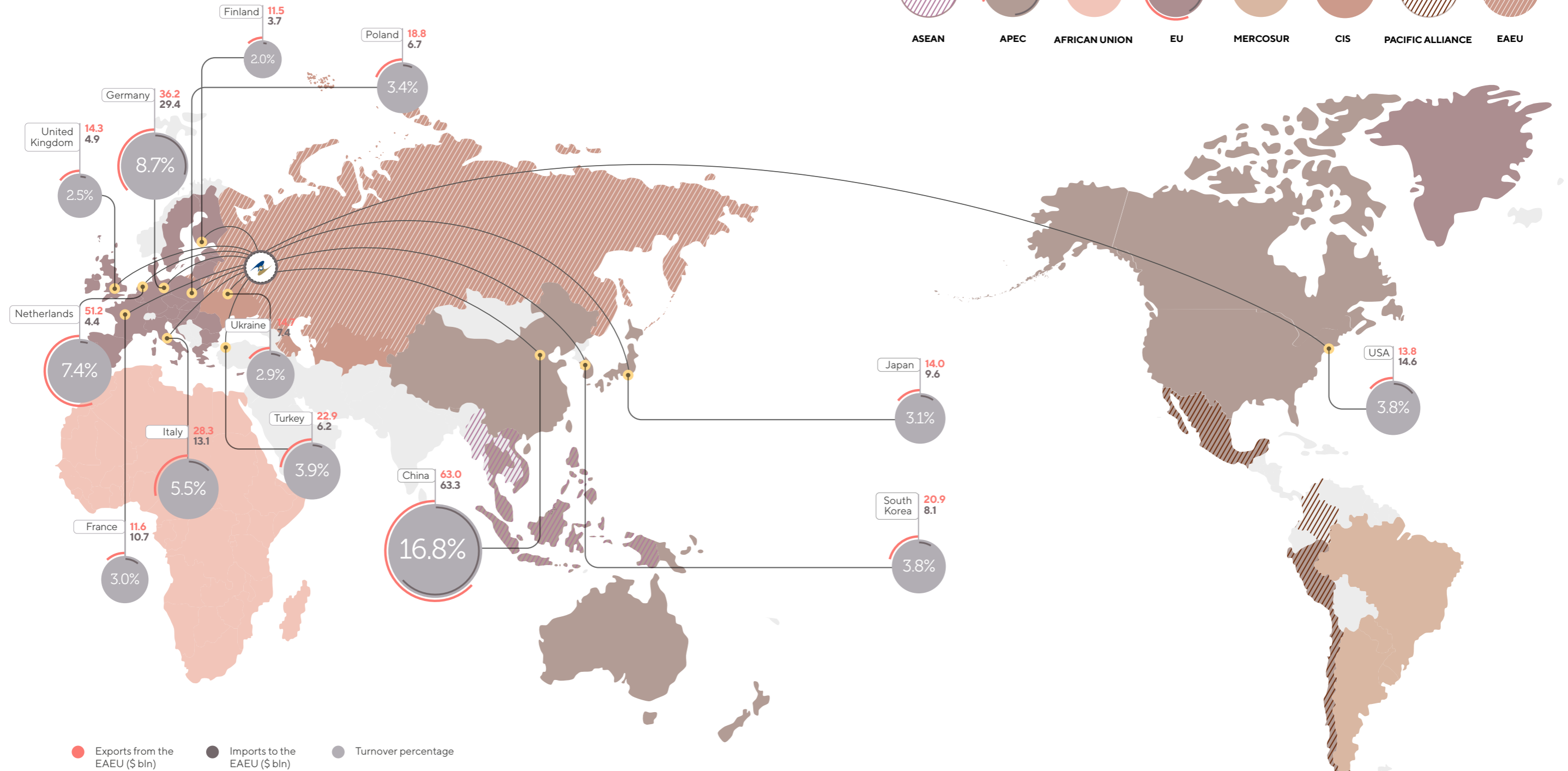
According to the provisions of the Agreement, if the Commission’s Council does not adopt a decision within three months, the party that has submitted an initiative proposal for marking may introduce it on its territory according to its national rules. However, the Agreement also allows for gradual introduction of marking on the Union’s territory when two or more parties agree

“The main problem is the vetoing of our measures. We conduct an investigation for a year, take measures, but if someone does not like the decision of the Board, the sovereign may veto it. We have encountered this four times during the existence of the Union, and this is a big legal problem in our association. We are starting an active discussion with the parties on how to solve it. On the one hand, the right to veto is sovereign, but on the other, as long as the veto exists, the business that has been accused of dumping continues to import products to our market at the same dumping prices”.

VERONIKA NIKISHINA

on common technological components of the marking and interact with each other through the integrated information system of the Union, while the rest join upon their readiness.

Key EAEU Partners



● Exports from the EAEU (\$ bln) ● Imports to the EAEU (\$ bln) ● Turnover percentage

05

Digitalization and Barriers

“Digitalization is the main trend that will ensure freedom in the EAEU market. I am convinced that the common market of goods, services, capital, and labor in the Union without barriers, exemptions and restrictions can only be achieved through self-discipline based on digital transparency”.

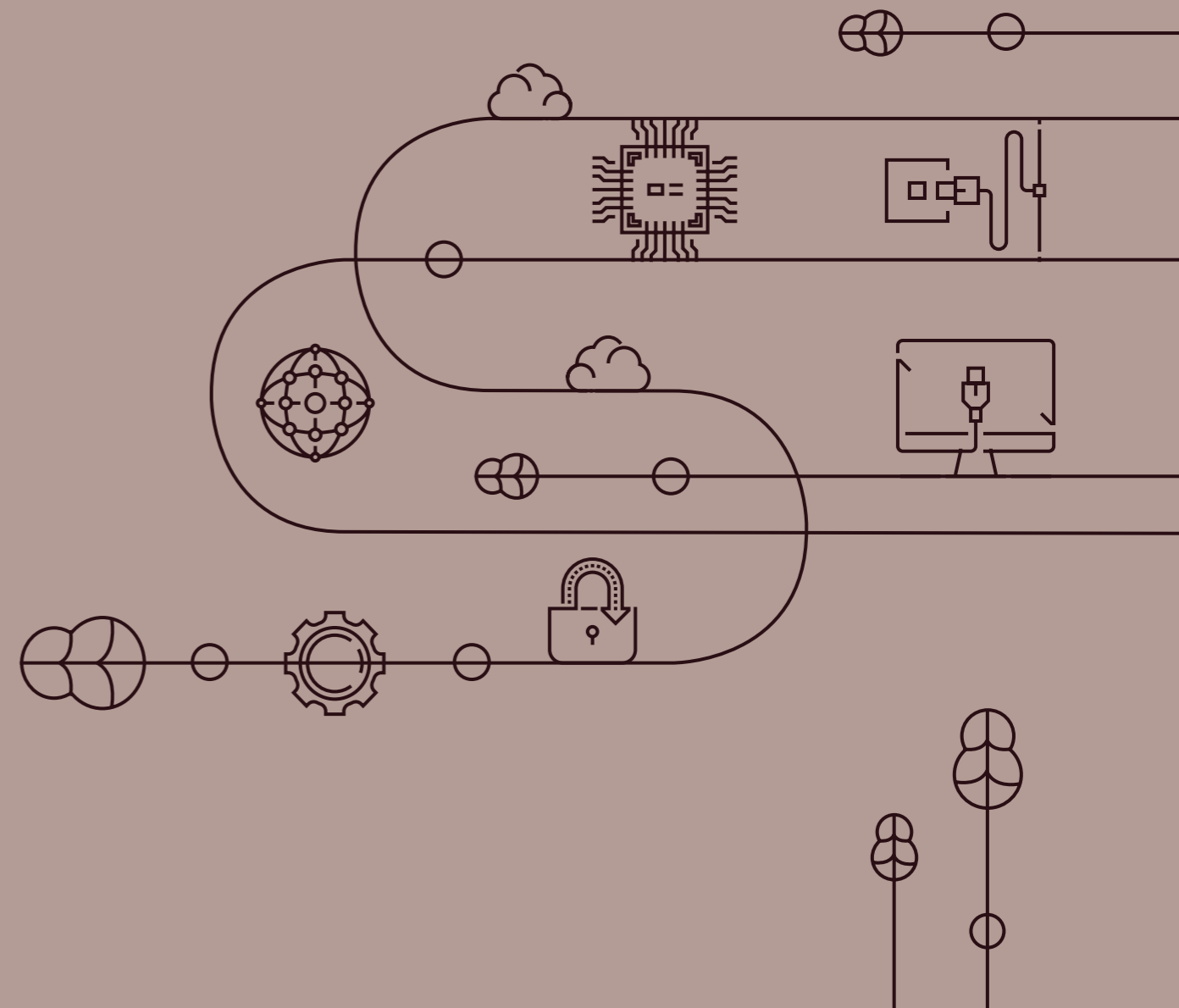
*EEC Minister in charge of Internal Markets,
Informatization, Information
and Communication Technologies*

KARINE MINASYAN



“Digitalization is a global trend. Falling out of it means missing our future. Our Union’s leadership in the global digital race will mostly depend on the scale of our digital projects, on introducing the efficient mechanisms for the projects and for the digital transformation teams, as well as on synchronizing digital processes in terms of our integration agenda”.

*Chairman of the EEC Board
TIGRAN SARGSYAN*





Digitalization

The formation and development of the digital space of the Eurasian Economic Union is a prerequisite for the economic development of countries and the EAEU as a whole, which meets the global challenges of innovative development and digital transformation of the economy. Goal-oriented transition of the developed countries to new forms of management with transfer of management processes, cooperation, design and technological processes into the digital space, has significantly increased the competitiveness of the economies of these countries and businesses involved in the digital transformation of the economy. Structuring the existing digital space and orienting changes in the digital space towards the target model until 2025 is a key factor not only for the development of integration of the EAEU countries among themselves, but also for the inclusion of countries in large-scale processes of global digital transformation, resulting in new landscapes of economic processes.

The implementation of the digital agenda consists of three key steps. The first step (until 2019) is modeling of digital transformation processes, elaboration of the first initiatives and launch of priority projects with priority development of the initiatives. The second step (until 2022) is formation of digital economy institutions and digital assets, as well as development of digital ecosystems. The third step (until 2025) is implementation of digital ecosystem projects and digital cooperation at the global, regional, national and industry levels.

To implement the Main Strands, the Commission must focus on several aspects:

development of the Integrated Information System of the Eurasian Economic Union as the basis for interstate information exchange and related institutions, general mechanisms for implementing the digital agenda, a single map of digital initiatives and projects, and implementation of a coordinated policy.

Starting mechanisms have already been created for the development of digital initiatives and the implementation of projects in the EAEU. The Digital Initiative Management Office is already operational. At the same time, more than 60 initiatives were received, of which 10 have already been supported. A package of documents for a digital industrial cooperation project in the EAEU has been prepared for launch. A study has been completed on the formation of an

“The peculiarities of digital transformation lie in its project-orientedness. In the EAEU, we have already switched to a brand new cooperation stage in terms of digitalization — project activities. We have established a digital initiative management office under the Commission, created an opportunity to finance digital projects, and developed a mechanism for their implementation”.

TIGRAN SARGSYAN



ecosystem of digital transport corridors in the EAEU. Now, together with the countries, approaches to the implementation of this project are being developed.

Studies are being conducted on digital traceability, the digital ecosystem for providing employment to citizens of the EAEU Member States, and the use of so-called regulatory sandboxes. The study

of regulatory models for cross-border data turnover and other studies have been completed.

The core integration project for the implementation of digital agenda of the EAEU is the creation of the **Integrated Information System of the Union** (EAEU IIS). It is designed to ensure the interstate exchange of data and electronic



On October 11, 2017, the Main Directions for the Implementation of Digital Agenda of the Eurasian Economic Union until 2025 were approved at the meeting of the Supreme Eurasian Economic Council in Sochi (Russia). The document determines aims, principles, objectives, areas, and mechanisms of cooperation between the Union States in the digital sphere. The EAEU countries' governments, jointly with the Eurasian Economic Commission, have been instructed to ensure the development of initiatives as part of the digital agenda

“In contrast to the USA, China, and the EU, we have a brand new structure of connecting the countries to the common digital ecosystem. It is based on the equal and mutually beneficial participation of all EAEU States. We are creating a digital space for our five countries with the possibility of adding new participants and partners. In the global digital competition, where scale is important, our Union's countries have a unique opportunity to realize their status as a subject, i.e. preserve digital sovereignty and independence rather than only be consumers of other people's technological and technical products”.

TIGRAN SARGSYAN



On August 9, 2019, the Eurasian Intergovernmental Council approved the Concept of Transboundary Information Cooperation in Cholpon-Ata (Kyrgyzstan). The document will help ensure information cooperation of the Union countries' legal (economic) entities between each other and with the Member States' authorized authorities. Implementation of the concept will create opportunities for interaction between businesses and state authorities with the use of digital signatures

“Joint implementation of the digital agenda through the creation of our own Eurasian ecosystems can become one of the key solutions for maintaining global competitiveness of our economies. Representatives of third countries and global players invite us to integrate into existing global and regional ecosystems. The Commission proposes that we create Eurasian digital ecosystems and enter international markets to build global partnerships”.

KARINE MINASYAN

documents within the Union, create common information resources for the Member States, implement common processes within the Union, and ensure activities of the Union bodies.

As of September 2019, the Commission approved 42 sets of technical documents for 40 common processes. The digital agenda projects of the Union will be implemented

based on the use of solutions of the previously created and currently developed EAEU IIS.

The second basis for the implementation of the EAEU digital agenda is a **cross-border trust space**. Under the resolution of the Eurasian Intergovernmental Council No. 7 dated August 9, 2019, the Concept of Cross-border Information Exchange was



adopted, which outlines the main conditions and models of cross-border electronic legally significant interaction of legal entities (business entities) with each other and with authorized bodies of the Member States. The Concept is a fundamental document for the formation of the regulatory framework of the Eurasian Economic Union and the Member States, which is vital for the implementation of interstate electronic services and cross-border exchange of legally binding electronic documents in various areas of interaction between legal entities among themselves and with state authorities of the Member States. Such a solution creates the potential for the development of a completely new market of electronic services for businesses and may become one of the foundations for the digital space of the EAEU. Until May 2020, all the necessary regulatory and legal acts to launch the cross-border trust space will have been adopted.

The **priorities of the digital agenda** have been approved: digital traceability of the circulation of products, goods, services and digital assets; e-commerce; digital transport corridors; digital industrial cooperation; the data circulation agreement; and the regulatory sandbox system. The priorities are developed through digital initiatives and projects, the procedure for which is approved at the level of the heads of governments of the Member States, and the criteria for the elaboration at the level of the Council of the Commission.

The introduction and mutual recognition of **electronic accompanying documents in the EAEU** is one of the key projects of the digital agenda. The implementation of the project will serve as an incentive to simplify entrepreneurial activities, reduce businesses' costs and establish transparent

mechanisms for doing business, provided that an appropriate level of control is ensured in accordance with regulatory legal requirements. The main objective of the project is to implement a unified mechanism for the preparation of electronic accompanying documents approved at the Commission level, which will allow entrepreneurs to generate legal electronic accompanying documents (EAD) using a digital signature. The project will help authorized bodies of the Member States to ensure proper control on the basis of information provided in the electronic form, simplify the process of accounting and levying indirect taxes, and a mechanism for monitoring their payment. The project will help organize the exchange of EAD between the authorized bodies of the Member States using the Union's Integrated Information System, and contribute to the implementation of the traceability mechanism for products, goods, and services, as well as the mechanism for marking goods. In accordance with the Procedure for the Development of Initiatives based on the analysis and the adopted conclusion on the feasibility of further development of the initiative, a research work was defined. Based on its results, a consortium of executives from the Member States have prepared a package of documents to initiate the project.

On the basis of a survey of businesses and government agencies and with consideration of the need for the development of digital trade for other sectors of the economy, the Report on the **Development of Digital Trade (E-Commerce) in the EAEU** was approved. The proposals in the report are aimed at creating a competitive Eurasian digital trade ecosystem. The ecosystem is formed around the core of e-commerce processes developed together with



interested parties (including B2B and B2C sectors), and also includes manufacturers, consumers and provision of services: logistics, financial platforms, marketing, cloud services, social and credit scoring, insurance.

The Eurasian Economic Commission has completed the development of a concept for the creation of an ecosystem of digital transport corridors (EDTC) of the EAEU.

The aim is to create an open ecosystem of transport and logistics information services, including existing ones, to ensure effective interaction between carriers, cargo owners, and state authorities in all five EAEU Member States, as well as integration of transport and logistics platforms of third countries.

Today, there are isolated segments of transportation information systems in the market of the EAEU countries. The EDTC is designed to combine them and make the transportation process as transparent, efficient and easy as possible for users of various levels: from cargo owners and cargo carriers to regulatory authorities. Furthermore, the project observes the principle of national data sovereignty.

The implementation of the project **Eurasian Network of Industrial Cooperation, Subcontracting and Technology Transfer** has begun. The project data sheet, top-level action plan, and terms of reference for the implementation of the project have been approved. The composition of the coordination group for the implementation of the project has been approved. Its goal is to create a digital ecosystem to ensure the interaction of economic entities of the EAEU Member States for industrial cooperation, subcontracting and technology transfer, the

“Creating the ecosystem of the EAEU’s digital transport corridors is necessary for the efficient use of the Union’s accumulated transport and logistics potential, including transit. The creation of the Eurasian digital transport ecosystem is the first stage of integration into global digital transport corridors”.

KARINE MINASYAN

modeling of production chains and optimal utilization of production capacities, and to stimulate innovative processes through technology transfer. Within the project, the register of economic entities of the Eurasian network is expected to contain about 50 thousand economic entities by the end of 2020, and almost 125 thousand by 2024. Moreover, according to the base scenario, more than 350 contracts worth about 9.7 billion rubles will be concluded within the Eurasian network by the end of 2020, and more than 3.5 thousand contracts totaling more than 110 billion rubles by 2024.

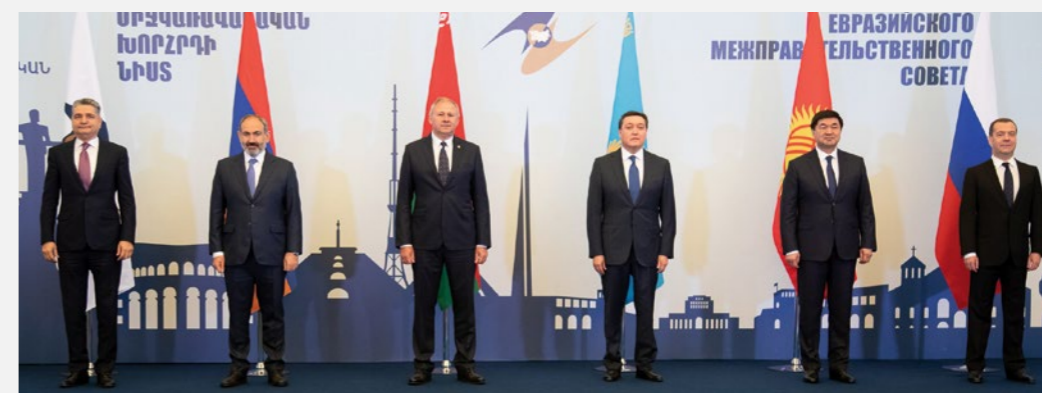
To implement one of the priorities of the EAEU digital agenda, the Board of the Commission has facilitated a study on Development of Models for Regulating Cross-border Data Traffic. The study has been completed. It was aimed at developing models of legal regulation of data turnover



and a package of draft regulatory legal acts. This will create the regulatory environment in the EAEU for digital platforms with cross-border interaction, stimulation of data turnover, and the formation of a common data turnover market as the basis to support the development of the EAEU integration

processes in all areas of cooperation, as well as the development of the data economy and digital agenda projects.

In the absence of an environment for elaborating regulatory, technological and other solutions when developing digital



At the meeting of the Eurasian Intergovernmental Council held on April 30, 2019 in Yerevan (Armenia), the heads of the EAEU countries’ governments launched the Eurasian Network of Industrial Cooperation, Subcontracting and Technology Transfer project

“In the EAEU, we are launching the first digital project of the Eurasian network of industrial cooperation. The project will create a digital ecosystem of industrial cooperation and join not only small and medium-sized businesses in chains of large manufacturers, but also involve digital service providers. The EAEU is moving to the forefront of the digital competition – we are creating our own digital ecosystem. This will basically ensure the digital sovereignty of our countries. We will transform from users of international digital platforms to developers of our own”.

TIGRAN SARGSYAN



“Today, profound changes are taking place globally in the models for creating and distributing added value based on the strengthening role of digital ecosystems. The nature of consumption is changing – from goods to technologies and product information obtained on the basis of technology”.

KARINE MINASYAN

initiatives, the recent work on creating the Eurasian regulatory sandboxes and preparing an agreement on regulatory sandboxes is especially relevant. The use of special common legal frameworks (regulatory sandboxes) is being discussed with the Member States.

This is a special legal framework for regulating, developing and piloting decisions, including regulatory decisions, to determine the most effective model of interaction and build business processes in any new area. Regulatory sandboxes are an effective tool for working out mechanisms and rules for regulating economic processes within digital initiatives and projects.

Systemic Issues that can be Solved by the Mechanisms of the Concept for the Digital Transformation of Industry

.1

Lack of financial resources for digital transformation in enterprises, as well as of cross-industry relations in the implementation of digital projects

.2

Insufficient involvement in the global innovation system or the system for the international division of labor



Due to the use of special legal frameworks of regulatory sandboxes, the terms of implementation of projects related to the digital transformation of the EAEU may be reduced, and the quality of the projects submitted by the initiators will improve. Such proposals are discussed in the course of development of the draft concept on the use of special frameworks (regulatory sandboxes) in the Union.

As part of the implementation of the main areas of digital agenda, the Eurasian Economic Commission is facilitating research on the **Development of a Digital Ecosystem Model to Ensure the Employment of Citizens of the Member States of the Eurasian Economic Union.** The work is based on the initiative submitted by the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan on the creation of the Eurasian Electronic Labor Exchange. As part of the research work, issues and aspects of the formation of digital cross-border employment services, cross-border labor smart contracts and electronic employment record books are being reviewed and studied.

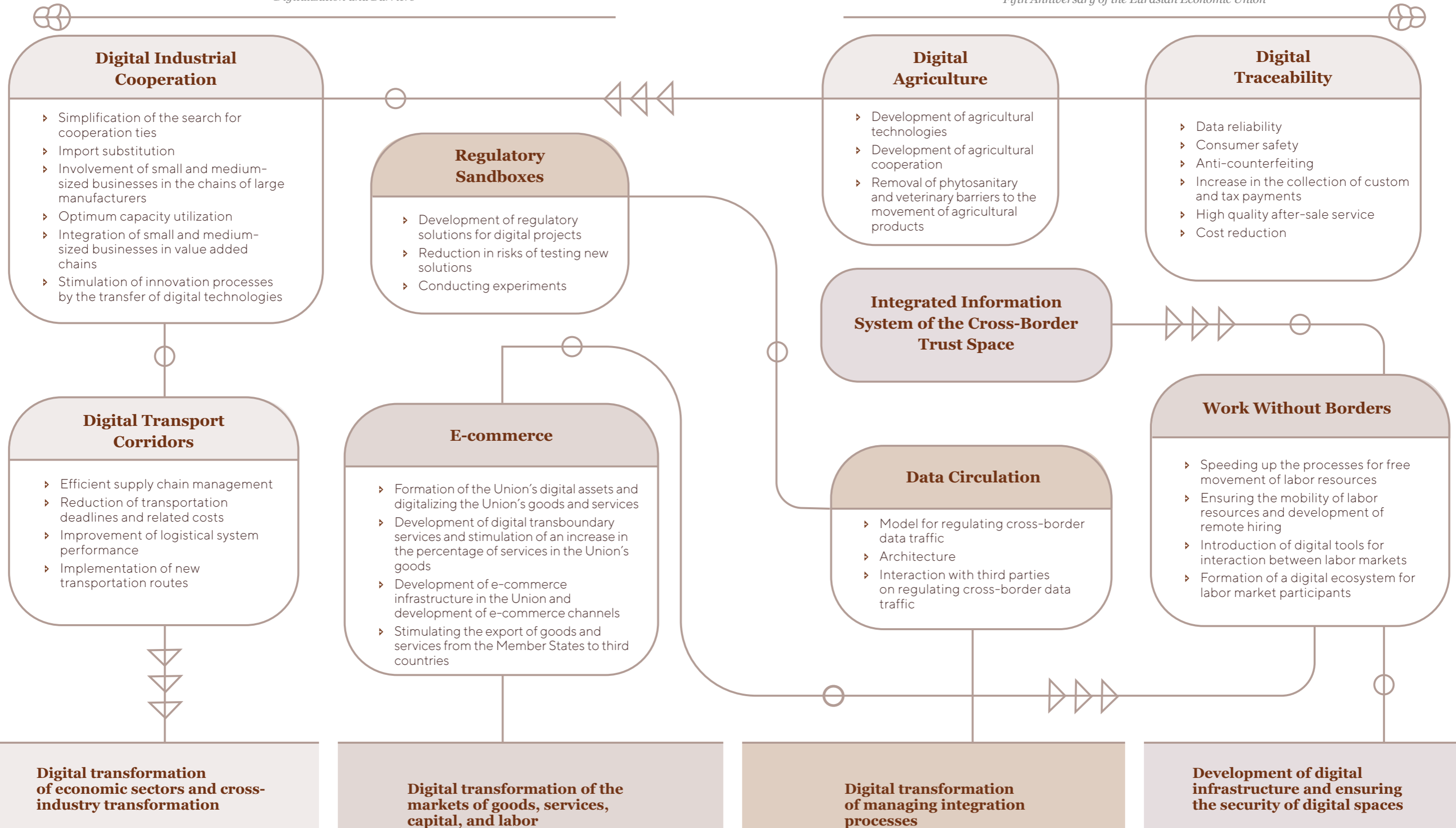
Moreover, the Eurasian Economic Commission, together with the Federal Service for Labor and Employment (Rostrud), is carrying out preparatory work for the implementation of the project Unified Search System “Work Without Borders”. The main goal of the project is to expand employment and job search opportunities for citizens of the EAEU Member States; and expand the environment for the search of staff for the employers of the Member States.

In the future, it appears reasonable to strengthen the interaction of the

governments of the Member States and the Commission for the coordination and implementation of the digital agenda, as well as the development of digital initiatives and pilot projects. It is necessary to develop practices for coordination and management of integration programs and projects, jointly create a coherent architecture of digital transformation projects, and synchronize existing projects with the digital agenda, in particular when developing the data model and common ontologies to eliminate legal and technological gaps.

“We are witnessing digital transformation of the world economy. It is happening in front of our eyes. The speed of adopting advanced technologies is of paramount significance here. Even today, our countries need to focus on improving the institutions in terms of digitalization and designing the change management tools. This depends not only on the efficient use of integration resources, but also on the technological self-sufficiency of the EAEU countries”.

TIGRAN SARGSYAN





Internal Markets

At the stage of deepening integration, a vital mission is to ensure the effective functioning of the Union's internal market without barriers, with as few exemptions and restrictions as possible. Obstacles faced by economic entities of the EAEU are one of the main problems. Removing obstacles has become one of the Commission's priorities.

In order to ensure the effective functioning of the Union's internal market without barriers, with as few exemptions and restrictions as possible, at the end of 2015, the Presidents of the Union Member States decided to create a separate area of activity and appointed a member of the Board (Minister) in charge of Internal Markets, Informatization, Information and Communication Technologies.

Since June 2016, the Domestic Markets Operation Department has been formed within the structure of the Eurasian Economic Commission.

“We have developed the White Book, where we have listed all the barriers, exemptions and restrictions that we were able to record. But we also need to focus on the implementation of agreed policies, since the cause of the problem is not the barriers. They are only a consequence of our pursuing different policies, which inevitably leads to new barriers or obstacles. Therefore, the fundamental solution to the problem is that we must pursue agreed policies”.

TIGRAN SARGSYAN

“Over the four years of its operation, the Commission, with active participation of the Council, has managed to create a system of checks and balances on the internal market of the Union, which forms the discipline for fulfilling mutual obligations. But these are only the first steps in the formation of the internal market without barriers, exceptions, and restrictions. The main trend that will ensure freedom in the EAEU market is digitalization”.

KARINE MINASYAN



Together with the Member States of the Union and the Departments concerned, a single electronic database of obstacles was updated and systematized as the Obstacles Register, which also formed the basis of the report “Barriers, Exemptions, and Restrictions of the Eurasian Economic Union”, i.e. the Union's White Paper, which among other things lists the main priorities of the Commission's work on identifying and eliminating obstacles and measures for their implementation.

The White Paper lays the institutional foundations of the activity and defines the terms “barriers”, “exemptions”, and “restrictions”, which are fundamental for the work.

The bodies of the Union regularly receive information on the current situation in eliminating obstacles in the internal market of the Union in order to take the necessary measures.

A special information resource – Operation of Internal Markets of the Eurasian Economic Union portal [<https://barriers.eaeunion.org>] has been created. The portal has been modernized and, since October 2018, has provided the general public with access to the obstacles register online. On this portal, citizens and legal entities of the Union can learn in detail about the current state of efforts on identifying and removing barriers, exemptions, and restrictions, and submit information on new found obstacles.

As of September 10, 2019, there were 71 obstacles in the internal market of the EAEU.

The Commission carries out systematic work to identify obstacles in the internal

market of the Union by examining and analyzing submissions from the Member States, business communities of the Member States and other interested parties, as well as through independent monitoring of regulatory acts, including the information portal for the Operation of the Internal Markets of the Eurasian Economic Union.

In 2017, work was completed on improving the conceptual framework used to identify and remove obstacles in the internal market of the Union. The Method of dividing obstacles in the EAEU internal market into barriers, exemptions, and restrictions was approved. This Method

“Certainly, removing barriers and minimizing exemptions and restrictions is the only way for us to effectively realize the integration potential of the Union. The joint activity and consideration of the interests of the Member States and the business community in eliminating the remaining barriers in the Union and preventing their creation is one of the priorities on the agenda of the Eurasian Economic Commission”.

KARINE MINASYAN



Obstacles in the Union's internal market and plans for their removal are covered in the report of the Eurasian Economic Commission "Barriers, Exemptions, and Restrictions of the EAEU", the so-called White Book. In March 2017, it was published on the Commission's website. In addition, on October 25, 2017, the heads of the EAEU countries' governments approved in Yerevan (Armenia) the action plan – roadmap – for eliminating obstacles in the internal market of the Eurasian Economic Union for 2018–2019

“The information transparency of the Commission's activities is another step towards eliminating obstacles in the internal market of the Union”.

KARINE MINASYAN

defines the terms “barriers”, “exemptions”, and “restrictions”, identifies the criteria for the classification of obstacles in the internal market of the Union, and also establishes a procedure for removing the obstacles.

Barriers are obstacles to the free movement of goods, services, capital, and labor within the Union's internal market, which do not comply with Union law.

Exemptions are exceptions (deviations) stipulated by the legislation of the Union on the non-application by a member state of the

general rules for the operation of the internal market of the Union.

Restrictions are obstacles to the free movement of goods, services, capital, and labor within the internal market of the Union, arising from the lack of legal regulation of economic relations, the development of which is stipulated by the Union legislation.

In order to optimize the work on identifying and removing obstacles, as well as systematizing the data, the Commission has created a single register of obstacles within the Union's Integrated Information System. This Register is a structured list of obstacles compiled as a result of dividing obstacles into barriers, exemptions, and restrictions in accordance with the Method. As of September 10, 2019, the Register of Barriers, Exemptions and Restrictions contains 19 barriers, 38 restrictions, and 14 exemptions. Interested parties can find the Register on the portal.

In general, the work on eliminating obstacles usually can be divided into four stages. The

initial stage includes identifying obstacles and classifying them into barriers, exemptions, and restrictions. At the second stage, the work on removing barriers and minimizing exemptions and restrictions takes place on different tracks. With regard to barriers, notices are adopted on the requirement for a Member State to comply with the Union laws. As to exemptions and restrictions, an analysis is made of the possibility of eliminating them and making amendments to the Union laws. Next measures and terms for eliminating exemptions and restrictions are identified by developing and approving a road map. At the final stage, the implementation by the Member States of the EAEU laws is monitored.

Another practical result in removing obstacles on the Union's internal market is the approval by the Eurasian Intergovernmental Council in 2017 of the action plan within the road map for eliminating exemptions and restrictions for 2018–2019.

Despite exemptions and restrictions constituting permissible obstacles to the functioning of the Union's internal market, the roadmap envisages the implementation of 35 measures to remove 17 obstacles that most

hinder the free movement of goods, services, capital, and labor. In the future, the document can be updated and reissued depending on the changing situation.

The Commission's joint work with the Member States to remove obstacles has allowed businesses and citizens of the Union to avoid additional financial and transaction costs. According to preliminary estimates, the effect of eliminating certain obstacles in the internal market of the Union amounted to about 100 million US dollars. The cumulative positive effect of removing obstacles varies from 1.5 to 2% of the volume of mutual trade, which in 2018 amounted to 60.3 billion US dollars (from 900 million to 1.2 billion US dollars).

Based on the need to improve the institutional framework of the Union, the elimination of existing obstacles becomes the strategic goal of ensuring the free circulation of goods, services, capital, and labor by interlinking the institutional transformations of the national segments of the Union's internal market. The implementation of agreed economic policies in areas on the supranational level will help eliminate the root causes of obstacles in the internal market.

“Combining the institutional transformations of the national segments of the internal market of the Eurasian Economic Union is the most important condition for removing barriers and minimizing the number of exemptions and restrictions, as well as preventing their reappearance. Understanding the need to bring together the institutional foundations of the internal market will help us build effective mechanisms for the development of the Union aimed at the full implementation of the principle of four freedoms”.

KARINE MINASYAN

Customs Cooperation

“The Customs Code is the first far-reaching document in the Union’s practice to be developed with the involvement of businesses. We have moved on from the old practice where state authorities developed the document on their own and only afterwards showed it to those in charge of its direct implementation — participants in foreign economic activities. The representatives of business communities in all five Union countries were the direct developers of the EAEU Customs Code (EAEU CC), from the concept to specific wordings”.



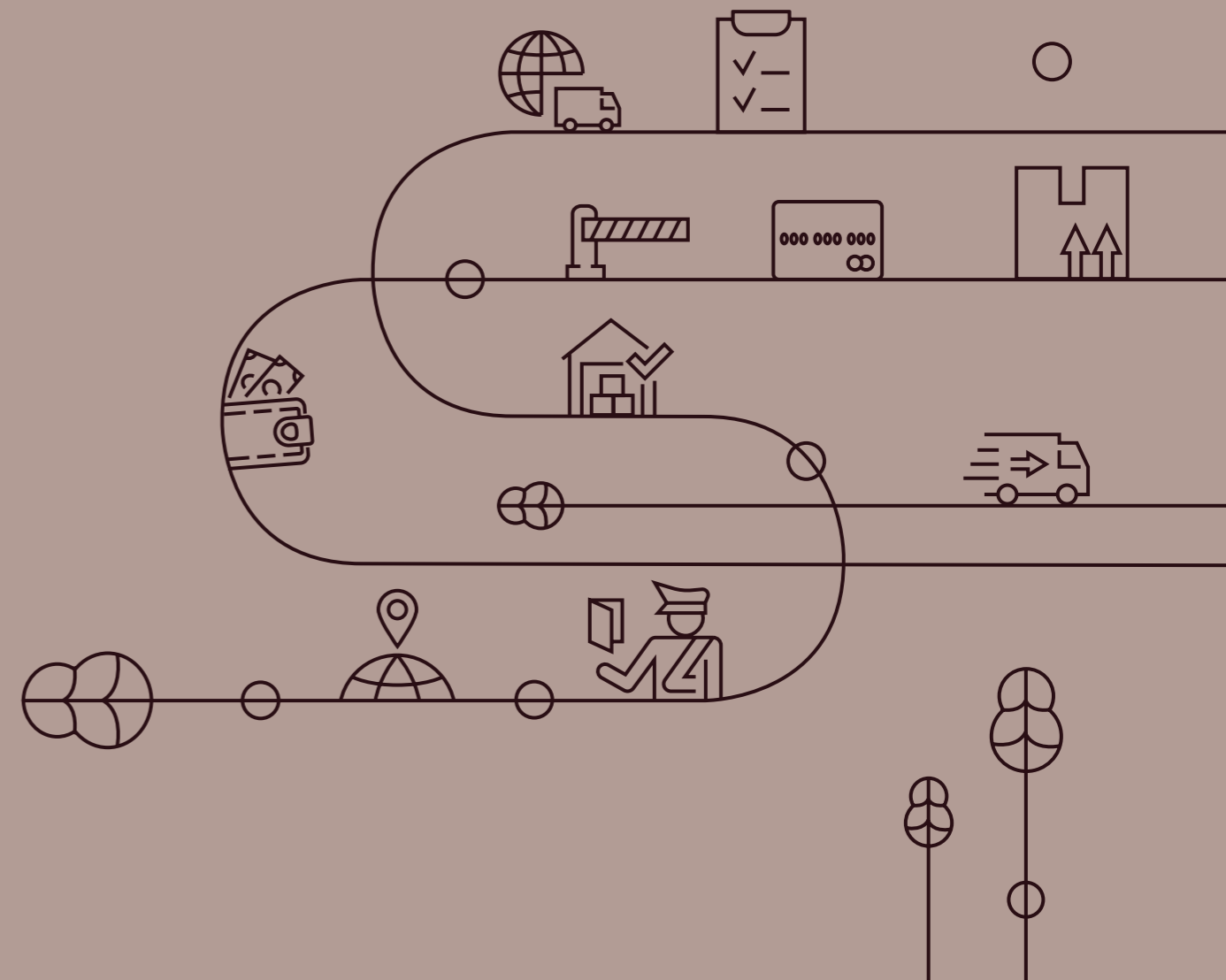
EEC Minister in charge of Customs Cooperation

NURLAN AKMATOV

“The entry into force of the EAEU CC enabled a transition to brand new customs regulation throughout the Union. The new customs legislation of the EAEU is focused on e-declaration and electronic document flow; it was created in the logic of amending the Union’s regulatory acts, taking into account the development of the digital agenda. This entails creating the “customs of the future” intended to stimulate the foreign economic activities of Eurasian businesses”.

Chairman of the EEC Board

TIGRAN SARGSYAN





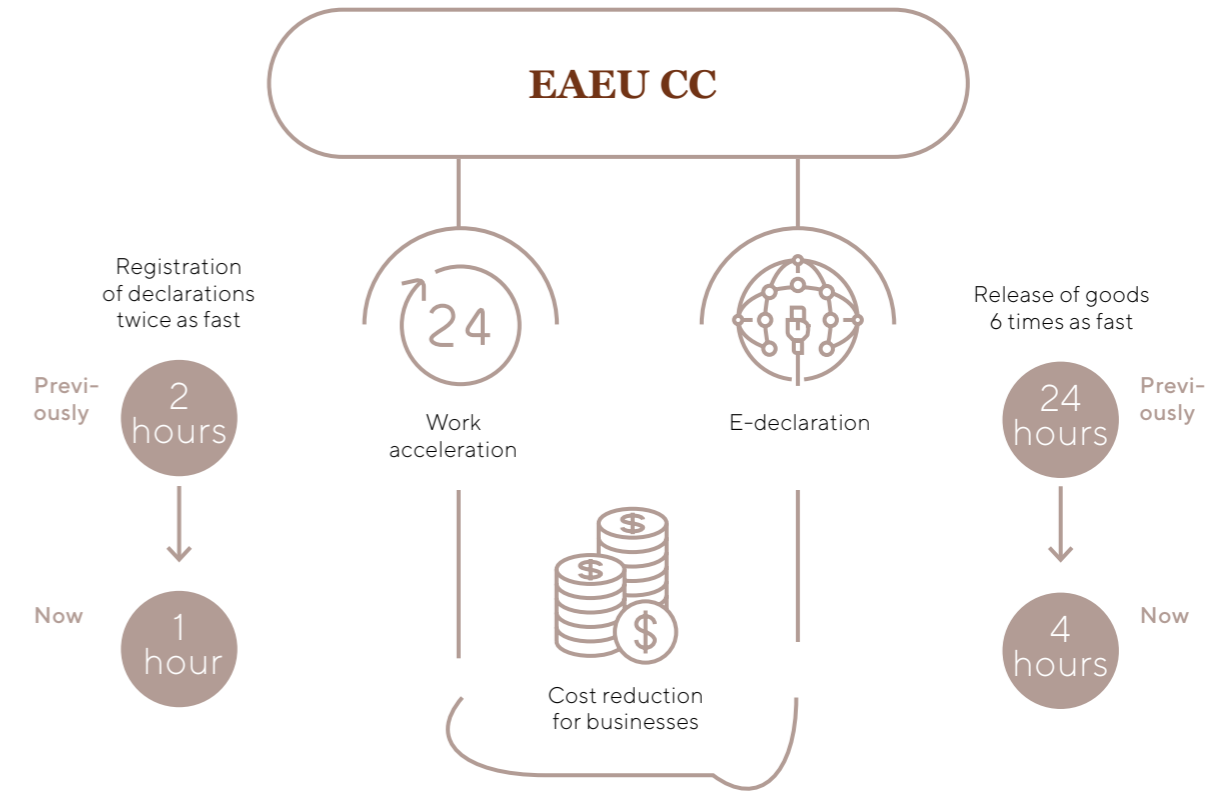
Successful international cooperation is a factor in countries' economic welfare that helps achieve decent living standards for citizens. This applies in no small measure to customs cooperation as a type of international relations. Cooperation in this field is predetermined by the need to concert actions for regulating the processes of the movement of goods and vehicles across the customs borders. Such interaction is transboundary and requires regulating at the level of international law.

“Right from the beginning, the common customs space serves as a real basis for building up trade and economic relationships in the Union countries”.

NURLAN AKMATOV

Upon creation of the EAEU, the common customs territory and the Customs Union became an integral part of the integration

association. All EAEU participating countries automatically join the Customs Union once they have acceded to the EAEU. Along



with that, the Customs Union participating countries applied (prior to formation of the EAEU on January 1, 2015) and continue to apply the common customs tariff and other common regulating measures in trade with third countries.

In practice, common customs borders and the EAEU's territory mean the free movement of goods: in case of movement as part of mutual trade between the EAEU Member States, goods are subject neither to customs declaration, nor to customs duties.

As early as at the stage of creating the Eurasian Economic Union, the partners concurred in the opinion that the new

union had to have a new customs code that would address three issues. Thus, at the stage of developing the Customs Code of the Customs Union (signed in November 2009), the countries approached integration carefully. Many fundamental issues lay within the competence of national customs services. In the context of the common customs territory and the free circulation of goods in the common market, this set the stage for unequal conditions for doing business and gave rise to trade partners reproaching each other. The Customs Code of the EAEU had to unify all standards affecting the entry of goods into the Union's common market and finally make all entrepreneurs of the Union equivalent in customs rights.



The Agreement on the EAEU Customs Code had been signed by the Heads of all Union States by April 2017; all Eurasian five countries had ratified it by December 2017, and the Common Customs Code of the EAEU entered into force since January 1, 2018



It was important to make sense of the “customs legacy” inherited by the EAEU from the early forms of cooperation. It was an impressive set of international agreements concluded by our countries at different times that remained in effect in one way or another and created certain difficulties in the work. During the development of the EAEU CC, 16 effective international agreements and 6 pending agreements of that time were analyzed for the viability of the provisions they contained, revised, and codified into a new customs code. Hence, instead of the Customs Code of the Customs Union and a large set of miscellaneous documents (at times outdated), customs regulation has been carried out since then in accordance with one document, that is, the EAEU CC.

Thirdly, in a situation where all social spheres have been penetrated by information technologies, paperwork is now reducing efficiency. The EAEU CC is not merely a set of regulations for foreign economic activities. It is a blueprint including a future plan for the development of customs regulation on the common customs territory of the Union, particularly from the perspective of digitalization of customs processes.

The new Customs Code – Customs Code of the EAEU – became effective since January 1, 2018 for all Union Member States.

It is a far-reaching document, almost 1,200 pages long, that breaks new ground in the economic cooperation of the Union countries. The Treaty on the Customs Code of the Customs Union dated November 27, 2009, and a number of international agreements regulating customs legal relations and concluded during the formation

of the Customs Union are no longer in force since the Treaty on the Customs Code of the EAEU dated April 11, 2017 (Annex 2 and Annex 3 to the Treaty on the EAEU CC) came into effect.

Business community representatives made a meaningful contribution to the creation of the EAEU CC, as almost its key developers. In December 2013, for the first time in the history of the post-Soviet countries, the business community were given a real, rather than formal, opportunity to take part in the development of an international treaty both at the concept definition stage and when adding specific wordings.

Summarizing the results of this work, it is safe to say that the Customs Code of the EAEU reflects over 70% of proposals received from businesses.

All procedures related to the entry of goods into the Union’s common market are unified in the new Customs Code. In fact, the EAEU trade partners obtained access to the giant market with a population exceeding 183 million people under single rules. At the same time, the five Eurasian countries act on the global stage as a single subject in international activities and guarantee to their partners transparent and clear FEA rules.

The entry into force of the EAEU Customs Code eliminated the internal market barriers listed in the EAEU White Paper and related to technical regulation. Upon creation of the Union, 23 unregulated customs issues were named in the preliminary list of exemptions, barriers and restrictions for mutual access of business entities to the national markets of the EAEU countries. By the time the Code came into effect, there were just 2 of them



left. Both have been eliminated since the effective date of the EAEU Customs Code.

Upon the transition of the EAEU to the new customs legislation, the competencies of the national customs services and the Eurasian Economic Commission in respect of customs legal relations were reassigned. A great list of competencies of national customs administrations was assigned to the EEC, which also enables ongoing unification in the customs sphere.

Increased customs integration will enable responding to economic challenges in a very prompt manner and making timely amendments to the legal framework with a view to improve the business climate.

As part of implementation of the provisions of the EAEU Customs Code, the Eurasian Economic Commission, jointly with the Member States, continuously updates the existing and develops new draft decisions taking into account the need to comply with the priority of e-declaration and develop electronic document flow.

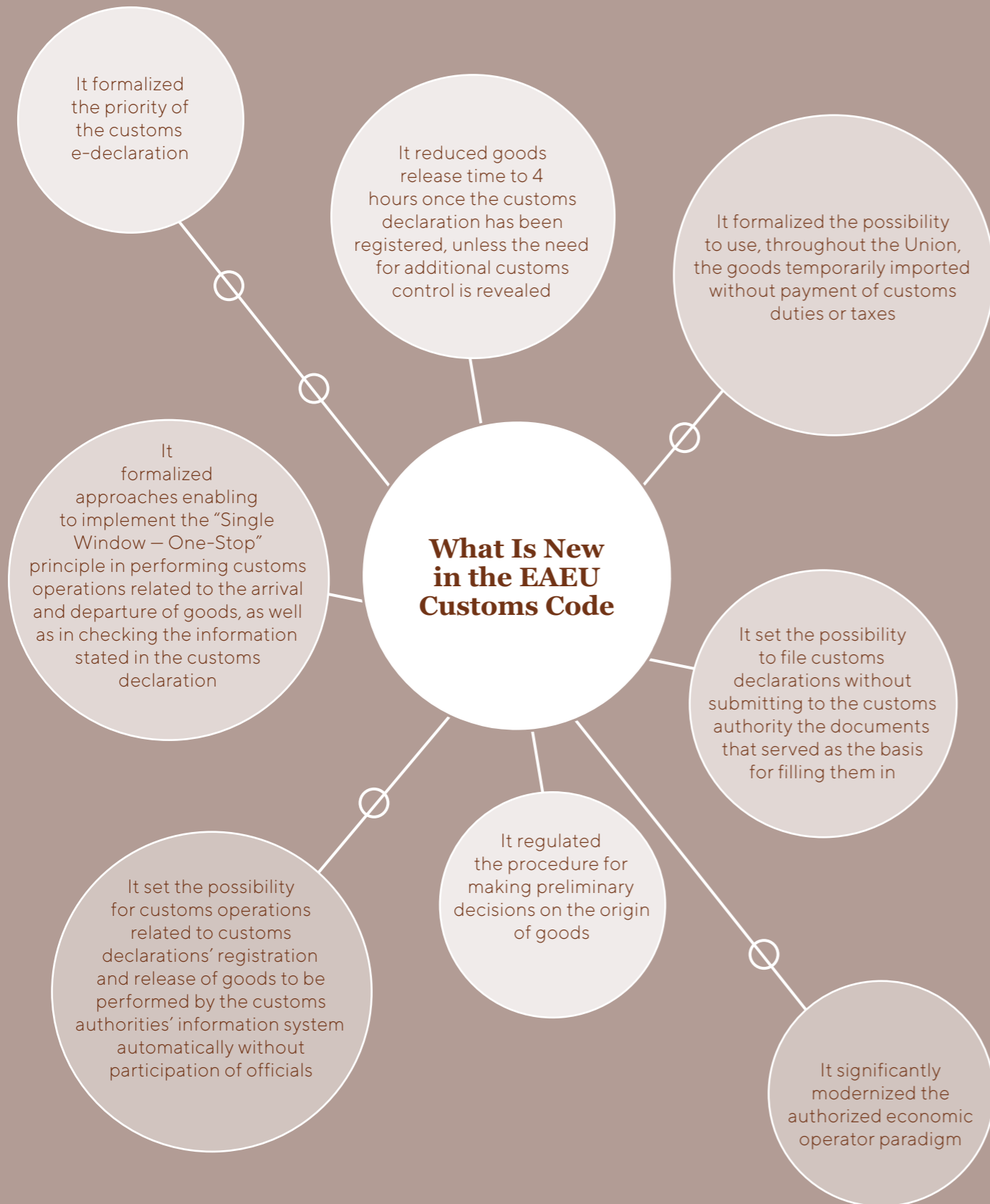
To ensure the functioning and development of the Eurasian Economic Union and assist integration processes in customs regulation, the EEC also pays greater attention to the issues of the harmonization and unification of rules for e-declaration of goods effective in the EAEU Member States.

One of the priority tasks is to create conditions for equalizing the level of e-declaration development in the EAEU Member States, as well as to create a legal and technical platform for unifying the structures and formats of electronically submitted customs documents.

“The EAEU CC has ensured a six-fold reduction in the time required to release goods into free circulation and a halving of the time required to register a customs declaration. The Customs Code of the EAEU has put customs technologies on a digital footing and has eliminated many problems accumulated in law enforcement practice. This directly concerns a lot of citizens and entrepreneurs. It can be said that the Customs Code of the EAEU is the second most important document after the Treaty on the Union”.

TIGRAN SARGSYAN

With the aim of increasing the quality of customs control and at the same time facilitating the e-declaration process, work is being done to improve customs technologies to minimize the number of cases where customs authorities request the hard copies of documents to confirm the information stated in the e-declaration, as well as to improve information exchange between customs and state authorities issuing authorizations required for release of goods.



“The new Customs Code of the EAEU offers the prospect of increased exports and the facilitated deliveries of imported goods, including those required for modernization of the economy. This will result from taking advantage of state-of-the-art information technologies; unification of customs legislation of the EAEU countries and reduction of national regulation; taking into account the international conventions and obligations of the Union States within the WTO; consolidating into a single document a number of international treaties of the EAEU countries in accordance with which customs regulation was previously carried out”.

NURLAN AKMATOV

In 2018, the Commission’s Board regulated the procedure for submitting preliminary information on goods intended for import into the customs territory of the EAEU by various means of transport. Sharing preliminary information on goods intended for import into the customs territory of the EAEU is one of the most promising directions of the development of customs information technologies. The Customs Code of the EAEU envisages the possibility to submit preliminary information as an electronic document that may be used for notification of arrival, for the customs warehousing of goods, and as a transit declaration or a declaration for a vehicle (i.e. without providing documents specified for performing these customs operations). Moreover, preliminary information received by customs authorities from participants of foreign economic activities is transferred to other state authorities for them to perform their statutory functions.

Standard requirements have been established for equipping and outfitting buildings, premises, and facilities required for the state control organization at checkpoints across the customs border of the EAEU; checkpoint classifications and the form of checkpoints across the customs border of the EAEU have been approved. In 2016, the Commission completed the preparation of recommendations for equipping checkpoints across the customs border of the EAEU with inspection and screening facilities and for using them.

In 2017, unified approaches were developed for organizing the passage of people, vehicles and goods in the places of movement of goods by road across the customs border of the EAEU, which provide a sequence of control operations performed by controlling authorities at checkpoints.

Standard requirements covering radiation control systems located in the places of



movement of goods across the customs border of the EAEU and using the systems have been under development since 2018.

The expansion of the Eurasian Economic Union brings with it an increased length of the customs border of the EAEU; greater attention is being paid to the control over customs infrastructure development (500 checkpoints are currently installed on the customs border of the EAEU).

Developing the “Single Window” mechanism in the system of foreign economic activities’ regulation is also one of the main areas of work of the Eurasian Economic Commission in the field of customs regulation.

The world community is at the stage of the next technological revolution. Digital transformation is giving rise to new data-based business models, changes in supply chains and value-added chains, as well as increased efficiency and speed of economic entities enhanced by automation and the introduction of advanced technologies aimed at simplifying business process. This all opens new potential for managing foreign economic activities while making new demands on the functionality of the Single Window mechanism.

The introduction and development of the Single Window mechanism in the EAEU was launched in 2014–2015 upon approval by the Supreme Eurasian Economic Council of the Main Directions for the Development of the Single Window Mechanism in the System of Foreign Economic Activities’ Regulation, as well as of the action plan for their implementation.

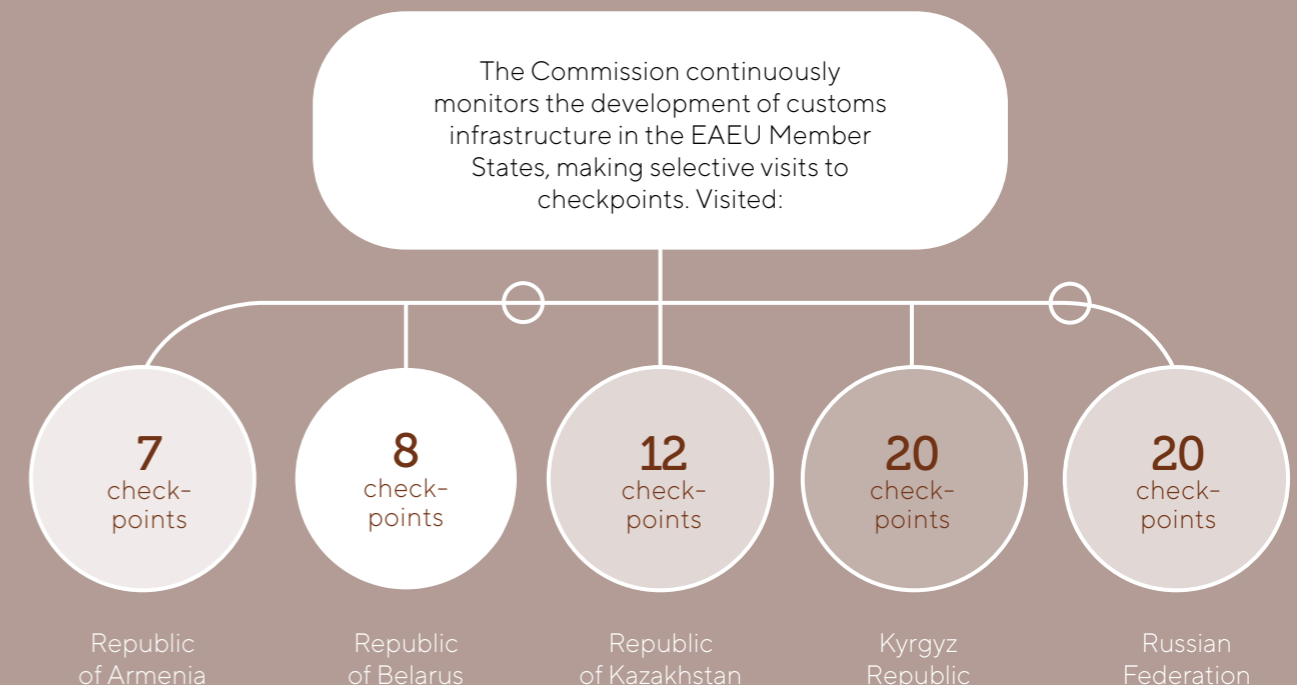
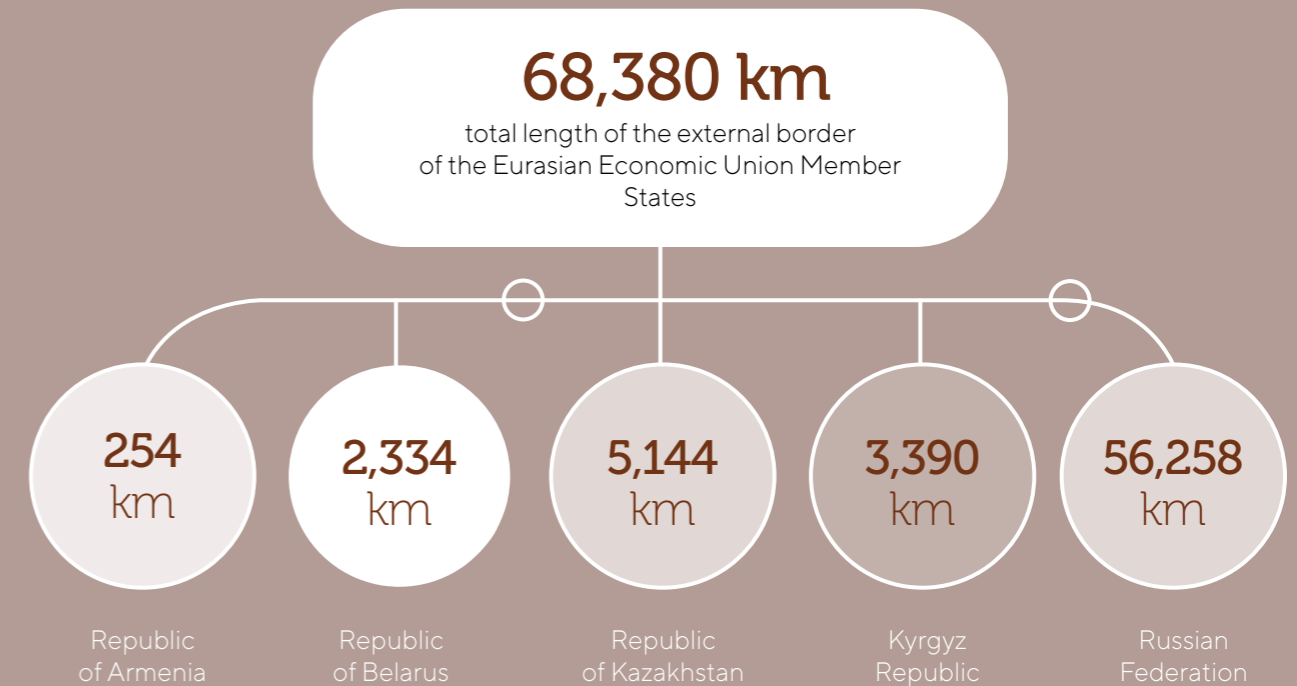
On April 30, 2019, the Heads of the EAEU countries’ governments approved the description of the reference model for the national Single Window mechanism in the system of foreign economic activities’ regulation.

The Member States’ governments are recommended to take into account this model during the introduction and development of national Single Window mechanisms. Thus, the national Single Window mechanism must ensure one-time submission of data and its multiple use, the possibility to obtain information on the status of business processes related to foreign economic activities in real time, as well as transparent and reliable information on supply chains.

The Single Window model prepared for consideration in a five-country format will enable the unification of all procedures and the facilitation of relationships between businesses and public authorities.

The creation of a reference model for the Single Window mechanism is driven by the general digitalization trend in the Eurasian space, the transition from documents to data, the introduction of end-to-end digital technologies, and the creation of electronic (non-documentary) trade. This essentially entails the creation of a digital ecosystem, rather than just the automation of existing business projects.

The EAEU countries are implementing the individual Single Window elements: customs e-declaration, e-licensing, interagency information systems, electronic customs payment systems, and post-release customs control through auditing the declarant’s information systems.





In the near future, the participants of foreign economic activities will be able to receive via a personal account a wide range of services at all supply chain stages from registration of interested parties to release of goods and the further audit of economic activities. Based on interagency interaction already existing in the EAEU countries, the basic one-stop principle – one-time data submission to controlling authorities for performing customs operations – will be implemented in the immediate future.

Furthermore, work is underway to create tools for implementing the national Single Window mechanisms and creating an ecosystem for the management of foreign economic activities, which will be based on a seamless data exchange process and developed in accordance with national concepts for Single Window mechanism development and development programs for the Member States’ digital economies, taking into account the Main Directions for the Implementation of the Eurasian Economic Union’s Digital Agenda until 2025.

In this regard, the reference Single Window model is a conceptual basis that determines the system of principles and tools for the development of national Single Window mechanisms. Such an approach to the management of foreign economic activities makes it possible to organize the joint work of all supply chain participants and the state in the common digital space with the possibility to delegate some functions to information systems, including cyber physical systems.

It can be said even now that the reference model of the national Single Window mechanism will ensure a transition of national Single Window mechanisms to a new path

of development. This will also enable the efficient management of data, processes, and information interaction (including that between economic entities and Member States’ government bodies (B2G/G2B), between Member States’ government bodies (G2G), and between economic entities (B2B)).

An important element of customs cooperation is continuous information interaction between customs services. It promotes a seamless movement of cargo through reliable international supply chains, improved transparency of international trade, and risk minimization. The EAEU countries’ customs services are improving interaction as part of the common processes using the Union’s integrated information system. This is regulated by rules of implementation and process documentation to be approved by the Commission’s Board.

Currently, interaction between the customs services of the EAEU Member States and those of other States is rapidly developing; international treaties are being concluded with third countries for the regular exchange of customs information.

Customs data exchange improves confidence between the countries and their customs services, the transparency of goods traffic, the quality of customs statistics collected, the efficiency of customs and risk control, and the accuracy of declaration of goods and vehicles, as well as enabling faster customs operations and the prevention, detection and suppression of violations of the customs legislation.

As part of the effective Free Trade Agreement with the Socialist Republic of Vietnam, the



customs services of the Union countries and Vietnam, in coordination with the Commission, developed and signed on June 28, 2018, the Protocol on Information Exchange. It is now at the experimental stage, whereas fully-fledged information exchange must start from October 2021.

One of the major foreign trade partners of the Union is the People’s Republic of China. The EAEU countries have supported and actively promote the idea of coupling the Eurasian Economic Union and the Chinese Belt and Road Initiative, including in terms of creating international logistic channels between the PRC, the EAEU, and Europe.

The Agreement on Information Exchange on Goods and International Transportation Vehicles Moved Across the Customs Borders of the EAEU and the PRC was signed on June 6, 2019. The Agreement enshrines basic approaches to carrying out information exchange, while the Commission, the Union Member States, and the PRC are

“We are anticipating that information exchange between customs services of the EAEU countries and the PRC will facilitate international trade procedures, improve the transit attractiveness of our countries, and promote the development of deeper economic relations between our Union and the People’s Republic of China”.

TIGRAN SARGSYAN

now proceeding with the development of detailed exchange terms to be determined in the Protocol between the Central Customs Authorities of the Parties to the Agreement.



On June 6, 2019, the Agreement on Information Exchange on Goods and International Transportation Vehicles Moved Across the Customs Borders of the Eurasian Economic Union and the People’s Republic of China was signed in St. Petersburg (Russia) in the margins of the St. Petersburg International Economic Forum



On May 29, 2019, the Heads of the Union countries signed the Agreement on the Mechanism for Traceability of Goods Imported into the EAEU Customs Territory, for the purposes of confirming the legality of goods circulation as they are moved from the territory of one Member State to the territory of another Member State and preventing the customs payment and tax evasion

“It became apparent that being competitive in the global world is impossible without a modern system ensuring the traceability of goods. It improves business performance and accelerates decision-making, reduces operation costs, and generally makes business transparent. Eventually, the clear goods traceability mechanism we are creating in the Eurasian Economic Union will help tax and customs services of our countries ensure the control over goods circulation”.

TIGRAN SARGSYAN



Aims of the Agreement on the Mechanism for Traceability of Goods



To create conditions to safeguard against the use of various customs payment and tax evasion schemes



To confirm the legality of circulation of goods as they are moved between the EAEU States



To ensure the control over goods circulation

Moreover, the issues of organizing information exchange with Iran’s customs service are being elaborated as part of implementation of the Interim Agreement leading to the formation of a free trade area with the Islamic Republic of Iran.

On May 29, 2019, the EAEU countries signed an agreement on the mechanism for traceability of goods imported into the EAEU customs territory.

The agreement provides for the exchange of information from national traceability systems to ensure the control over the circulation of goods from the special list approved from time to time by the Council of the Eurasian Economic Commission. The traceability mechanism is based on the documentary record of goods through the creation in each Member State of the

information system to accumulate data from shipping documents. It will therefore be possible to control the movement of goods subject to tracing from the time of their release in accordance with the customs procedure of release for domestic consumption up to the end consumer and suppress attempted illegal import or circulation.

The agreement establishes requirements to national traceability systems. In this regard, goods subject to tracing may not be moved from the territory of one Member State to the territory of another Member State unless the national system contains the information on operations related to such movement.

Hence, the Agreement is aimed at countering grey imports and the shadow circulation of goods across the EAEU.

Competition and Antitrust Regulation

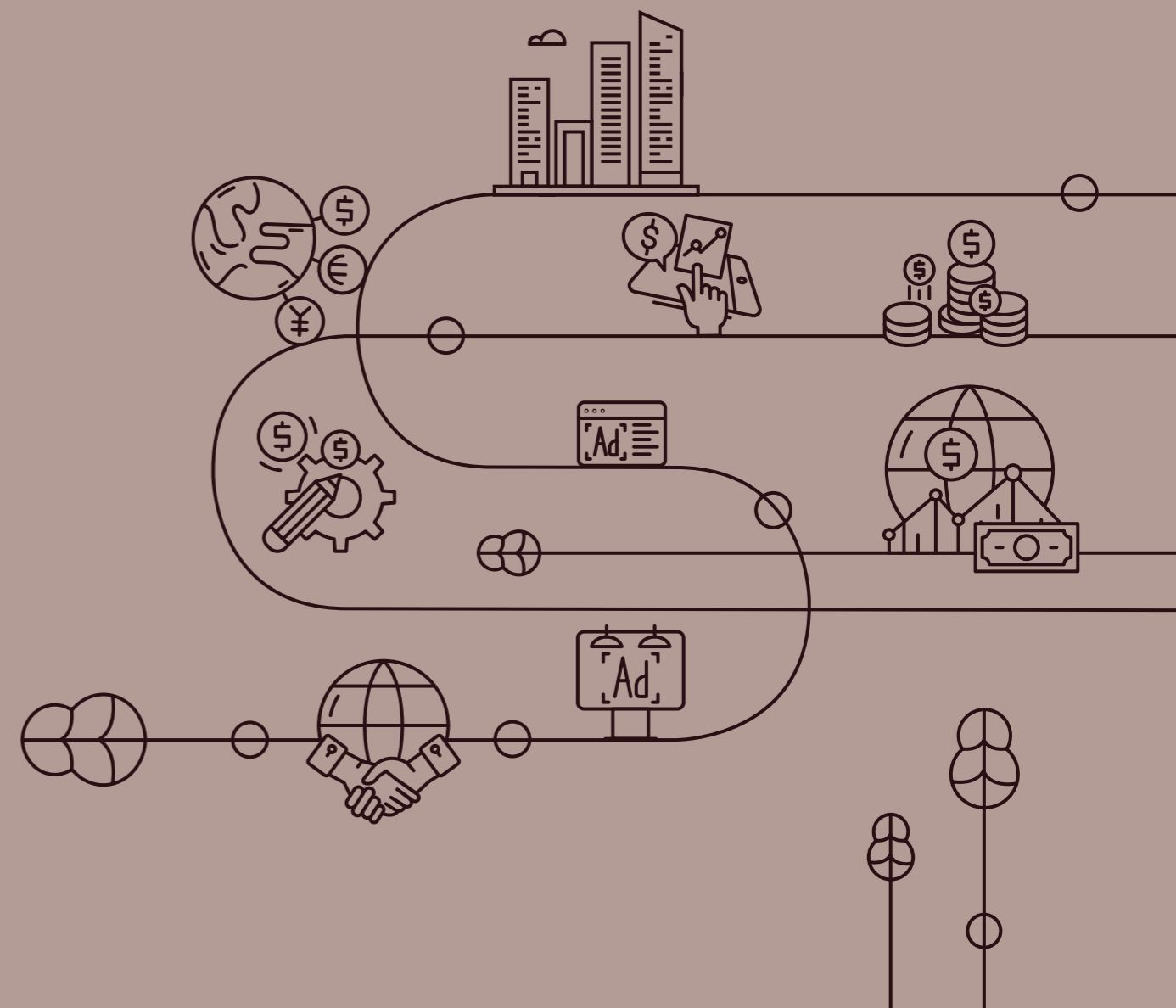
“Ensuring equal competitive conditions, prevention and suppression of anticompetitive actions in transboundary markets, as well as observing the principles of consistency, transparency and uniformity are fundamental principles in the EEC’s work”.

Minister in charge of Competition and Antitrust Regulation of the EEC
SERIK ZHUMANGARIN



“We are creating favorable conditions for our country’s businesses. However, for entrepreneurs to attain their competitive advantages and efficiently use the potential of the potential of competition on Eurasian markets, the management logic of business must change together with supranational legislation. Further, businesses must reorganize, adapt to new competitive conditions, do more, and do something new that was not done a while ago”.

Chairman of the EEC Board
TIGRAN SARGSYAN





Compliance with the general rules of competition is monitored.

The Treaty on the EAEU stipulates the general principles and rules of competition and distinguishes the competences of the EEC and the authorized bodies of the Union countries in preventing violations of the general rules of competition in transboundary markets. Within the borders of one State, activities are controlled by national authorities. If violations of the general rules of competition have affected the markets of two or more Member States, i.e. transboundary markets, it falls under the competence of the Commission.

This approach enables to effectively monitor compliance with the general rules of competition. At the same time, an effective system of cooperation is being built between the EEC and the national antimonopoly authorities, which enables fair competition in the EAEU to be maintained through joint efforts.

In order to prevent violations of the general rules of competition, which have a negative impact on competition in transboundary markets, according to the Treaty on the EAEU, the Commission reviews applications (materials) about the signs of such violations and conducts investigations. It initiates and reviews cases, makes decisions, including imposition of penalties, which are binding on the entrepreneurs of the EAEU States.

From 2016 to 2019, as a result of the consideration of applications (materials), and at its own initiative, the EEC conducted investigations on the signs of violations of the general rules of competition in several transboundary markets. They were related to trade in reinforced concrete sleepers, confectionery, solid-rolled wheels, cell phones and smartphones, bag paper, anisotropic steel, fiberglass-based insulation materials, car tires, services in providing fitting platforms for goods transportation and calibration of medical equipment, wholesale of trucks and cars, passenger air



EEC may send a request at any stage: both when reviewing an application and when conducting an investigation and reviewing a case of violation of competition rules. Provided that violators are entities of the EAEU State, the EEC interacts very closely with national antimonopoly authorities. For instance, if the information received at the request of the EEC is not enough to make a decision, the EEC may request the antimonopoly authorities, through a reasoned submission, to take certain procedural actions: interview people, request documents, examine the territory, premises and documents, conduct an expertise, etc.

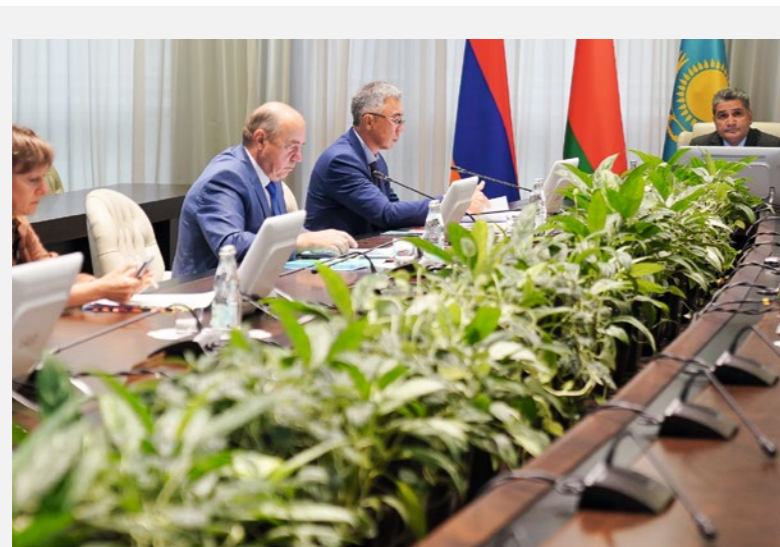
transport, wholesale of explosive substances and initiating devices, wholesale of speech processors, etc.

Moreover, based on the results of the investigations, the EEC initiated and examined cases on violations of the general rules of competition in the transboundary markets of anisotropic steel, solid-rolled wheels, speech processors, car tires, calibration services for medical equipment, production and installation of metal structures of various modifications, and passenger air transport.

It should be noted that the EEC has not yet received the authority to conduct investigative and enforcement activities. The main tool stipulated by the EAEU law on collecting evidence of violation of the general rules of competition in transboundary markets is a request for information. The

“Let me give you an example. Suppose a large supplier dominates the market with at least 35% of the market share in the territory of two or more EAEU States. If it provides worse conditions to the buyer from one of the countries, it is abusing its position. In this case, the seller’s actions are in direct violation of the rules of competition in the transboundary market, which constitutes a sufficient reason for the Commission to intervene”.

SERIK ZHUMANGARIN



The issue of ensuring equal competitive conditions in the EAEU common market being discussed at the meeting of the EEC Board in September 2019



Twenty-three investigations have been conducted on the signs of violations, nine cases of violations in transboundary markets have been examined.

The Commission reviews the cases of violations of the general rules of competition in transboundary markets. Particularly, in 2018, the EEC Competition and Antitrust Regulation Unit first elicited the fact of an anticompetitive agreement between the participants of the EAEU transboundary market.

In early 2018, the Ministry of National Economy of the Republic of Kazakhstan filed with the Commission an application on the possible signs of violation by the Russian company Delrus of competition rules in the transboundary market. During the investigation conducted by the EEC Department for Antitrust Regulation, it appeared to be that Delrus and Delrus RK had agreed on the actual market sharing according to the actual geographical distribution using their dominant position in the market of medical equipment maintenance.

The EEC managed to establish that the claimant – Scuderia – intended to acquire services on calibrating ultra-sound Fibroscan sensors from the Russian company Delrus. However, Scuderia received an unreasonable refusal and were proposed to contact the Kazakh company Delrus RK, where such service costs 2.5 times more.

The EEC Board ascertained there was an anticompetitive agreement between these companies. In particular, its implementation is evidenced by the refusal of the Russian Delrus to provide the Kazakh consumer with the

calibration service in favor of the competitor company from Nur-Sultan, while having the possibility to render such service itself. At the same time, the competitors knew about each other’s activities, held correspondence and redirected customers to the service provider according to the rule of geographical distribution of service territories.

Pursuant to the EEC Board’s decision, fines were imposed on the participants of the anticompetitive agreement. The CEOs of Delrus CJSC and Delrus RK LLP were fined.

The case of the Novolipetsk Steel Plant (NLMK) is another good example. The issue is as follows. In 2016, the EEC received an application from the Kazakhstan’s consumer of electrical steel – Kentau Transformer Plant, which reported possible price discrimination against it by Russian steel producers – NLMK and VIZ-Steel.

The EEC found that during 2015 and the first half of 2016, a group of NLMK members (NLMK PJSC and VIZ-LLC Steel) occupied a dominant position with almost 100% market share on the commodity market of electrical anisotropic steel with certain parameters in Belarus, Kazakhstan, and Russia.

A series of workshops is currently held jointly with the EAEU antimonopoly authorities, NLMK, and the Kentau Plant, where the provisions of the NLMK’s draft sales policy and their editions are discussed so as to find the maximum balance between the interests of the manufacturer and consumers of electrical steel in the EAEU.

The most frequent violations in the Union are abuse of dominant position, unfair competition, and anticompetitive agreements.



In 2018 and over 10 months of 2019, the EEC reviewed 37 applications (materials): 15 – on the signs of abusing the dominant position, 17 – on the signs of unfair competition, 3 – on the signs of anticompetitive agreements, and 2 – in regard to the authorities’ actions.

Improving the EAEU law on competition.

From 2014 to 2019, the Commission improved the Union’s law on competition, taking into account emerging problems in the law enforcement practice of the EEC and the Union countries and the best international practices.

Together with the EAEU States, the EEC has done extensive work to prepare an Agreement defining the procedure for protecting confidential information and the responsibility for its disclosure by the Commission when exercising its powers. A protocol has been signed on the accession of the Republic of Armenia to the Agreement.

Prevention and warning tools are included in the Treaty on the Union. As a result, the focus of the Commission’s activities on prevention and antimonopoly response measures will increase, and the administrative burden on businesses will decrease significantly.

As a temporary measure, before the above amendments to the Treaty on the Union come into force, the Commission has been given the authority to issue proposals to the business entities on elimination of violations, i.e. the so-called soft law.

If the potential violator applies the measures suggested by the proposal, the review of the application (materials) about the violation of the general rules of competition will be terminated without any subsequent prosecution of this entity, including the imposition of a fine.

Amendments and supplements to the Treaty on the Union have been prepared and agreed upon with representatives of public authorities of the EAEU countries, including



At the international meeting on competition and antitrust regulation on June 19, 2019, in Moscow, the EEC Minister Serik Zhumangarin outlined the priority areas for his Unit’s operation in the near future



the procedure for exemption from liability in the case of a voluntary application on the conclusion of an anticompetitive agreement by the business entity and the procedure for issuing a warning. The definition of the term “confidential information” has been refined to take into account the particularities of confidentiality restrictions in the Member States. Other changes to the Treaty on the EAEU are being discussed with the parties, in particular, the provision of powers for the EEC to hold violators of the general rules of competition from third countries accountable.

In May 2018, the Procedure was approved that regulates the actions when assessing the consequences of a particular protective, antidumping or countervailing measure for the competition in the relevant Union goods market.

In December 2018, the Procedure for submitting to the Commission appeals of Member States on the introduction of state price regulation, their consideration by the Commission and holding consultations was changed. The procedure determines the rules for submission by EAEU countries of appeals on challenging decisions on the introduction of state price regulation by another Member State, extending the deadline for the introduction of state price regulation, consideration by the Commission of these appeals and decision-making based on their consideration, as well as consultations on price regulation issues.

The EAEU countries are currently reviewing three procedures, which take into account the results of law enforcement. These procedures regulate the submission of appeals of violation of the general rules of competition, investigation and consideration of cases.

The state of competition in the EAEU markets is being studied.

Over the past few years, the Commission conducted about 30 studies of transboundary markets, assessing the state of competition in each of them.

For example, in connection with the appeals received in 2017–2018, eight studies were conducted for the markets of fitting platforms, passenger air transport, trade in industrial goods, medical equipment, medical devices, and others. The concentration level in most of the markets studied is assessed as medium or high, which is mainly associated either with the lack of production of certain goods in the Union, or with the presence of dominant entities in the markets.

When analyzing the impact of planned antidumping measures on the state of competition, the Commission examined seven more transboundary markets. They mainly sell metallurgical industry products – graphite electrodes, solid-rolled wheels, angle bars, etc. Most of these markets are characterized by a high level of concentration and insufficiently developed competition.

In addition, the EEC studied 11 markets where automobile tires, trucks, medical equipment consumables and some other goods are sold. It has been found that in markets where imported products with no equivalents prevail, competition is underdeveloped, while markets with consumer goods can be classified as markets with developed competition.

Large multinational companies try to comply with antimonopoly laws in developed countries because they realize the seriousness of the punishment for violations of competition law. At the same time, when coming to the



“We are forming the Union’s internal markets in the logic of common advantage and creating the most favorable conditions for competition. As a result, the advantage is enhanced and, therefore, consumers receive goods of higher quality and acceptable price. However, the introduction of the liberal regimes of competition may create certain difficulties for several enterprises important for national economies – this means that we must offer such companies the possibility to adapt to the new conditions”.

TIGRAN SARGSYAN

markets of the Union, some of these companies violate generally accepted principles and rules of competition. Their illegal actions in the transboundary markets of the Union due to the unresolved issues in the Treaty on the EAEU are not prosecuted. It is unacceptable. The EEC sees the solution in working together with the EAEU States on the issue of providing the Commission with sufficient power to deal with third-country companies.

In March 2019, the EEC, together with the national antimonopoly (competitive) authorities of the EAEU States, launched a pilot public initiative to protect competition in the market of medical equipment and devices. According to the Union’s experts, in this market the general rules of competition are often violated.

As part of a public initiative, consumers, businesses and government authorities can report to the EEC signs of anticompetitive behavior, including cases of dividing the EAEU market up by territory or composition of buyers (sellers), setting unreasonably high prices, imposing unfavorable contract terms, applying discriminatory conditions, and unreasonably refusing to sell medical equipment and medical devices.

Working with the international community on competition.

In the modern world, where the influence of multinational companies is increasing, digitalization is developing and the boundaries of the markets are becoming blurred, cooperation is becoming an important tool of antimonopoly authorities. The priority forms of cooperation of the Commission with foreign partners are the study of new international trends in competition, participation in their discussion, exchange of experience, etc.

In order to establish contacts for closer cooperation, the EEC representatives participated in the European Competition Days in Sofia (Bulgaria), Vienna (Austria), Bucharest (Romania), which have been held in recent years by European competition authorities.

Following the talks, the Commission began a dialogue with the OECD, which continues to develop. Important issues of competition law enforcement are discussed at annual industry events, including the Global Forum on Competition. It is planned to build cooperation with the Competition Committee and the OECD Secretariat in a new format.



The presentation of the expert review of the EAEU competition law was a key event of the session of the UNCTAD Intergovernmental Group of Experts on Competition Law and Policy held in July 2019 in Geneva (Switzerland). The EEC Minister Serik Zhumangarin said that the document that has been developed would contribute to the effective work of the competition authorities in combating and eliminating violations in competition in national and transboundary markets

“I will emphasize the effective work at the world’s leading venues — UNCTAD and the OECD. For example, in order to improve the EAEU law and bring it into line with best international practices, at our request, UNCTAD conducted an expert review of the Union’s law. This year’s results were presented at the 18th session of the UNCTAD Intergovernmental Group of Experts on Competition Law and Policy. We will introduce the recommendations we have received into the EAEU law”.

SERIK ZHUMANGARIN

An Agreement on Cooperation in Competition and Antitrust Regulation was signed with the Austrian Federal Competition Authority. It entails exchange of information, visits and working meetings to exchange experience in conducting investigations related to violations of antimonopoly laws.

A dialogue continues with the competition authorities of third countries. The Commission participates in the work of the Interstate Council for Antimonopoly Policy of the CIS, the International Competition Network, and plans to establish cooperation with BRICS in this area.

Competition advocacy formats are being used. Public Information Offices have been created.

Since 2014, the Commission, together with the antimonopoly (competitive) authorities of the Union countries, has been carrying out quite a lot of advocacy work — it uses a set of different measures to prevent violations of the general rules of competition. However, despite the fact that the EAEU law is publicly accessible for business and citizens, not all entrepreneurs know their rights and understand the measure of responsibility for violations.

Therefore, the Commission continues to provide clarifications using several main formats of competition advocacy. It holds seminars, round tables with regular trips to the countries of the Union, as well as international conferences. There is ongoing cooperation with national business associations.

In public information offices, participants in the Union’s transboundary markets identify problematic issues related to restriction

in competition. In turn, representatives of the Commission explain their rights and responsibilities, and talk about the paperwork requirements for applying to the EEC. The work of the reception offices helps raise the awareness of businesses, especially small and medium, as well as the government and consumers, about the competition rules in transboundary markets. Based on the results of the meetings, the Commission registered a number of statements about possible signs of violations.

During the sessions of the public information office, businessmen also raise issues in various areas of the Commission’s activities that are not within the competence of the Competition and Antitrust Regulation Unit. To address this, representatives of other areas of the EEC began to participate in the sessions, which allows entrepreneurs to ask them questions directly. Circuit meetings of public information offices are organized with the support of the antimonopoly authorities of the EAEU States, chambers of commerce and industry, and civil society organizations supporting business.



A field session of the Public Information Office was held in Almaty (Kazakhstan) with the participation of the EEC Minister Serik Zhumangarin, representatives of the industry departments of the Commission, and Kazakhstan entrepreneurs. Serik Zhumangarin assured businessmen that all systemic problems would be worked out by the EEC together with the Union States, and also urged them to submit applications to the Commission to inform it of the emerging barriers to trade



“The meetings of the public information offices for competition and antitrust regulation, which were held in all EAEU States in 2018–2019, turned out to be a successful form of cooperation between the EEC and the business community in the framework of advocacy. Representatives of around 1,000 companies took part in them, and dozens of entrepreneurs applied for consultations individually”.

SERIK ZHUMANGARIN

122.6
BILLION US DOLLARS

total volume of state (municipal) procurement in the Union countries in 2018

A common state procurement market has begun to form.

State (municipal) procurement is one of the important areas influencing mutual trade in the EAEU. In 2018, the total volume of state (municipal) procurement in the Union countries amounted to 122.6 billion US dollars.

The provisions of the Treaty on the EAEU governing state procurement are binding on each country of the Union, but establish requirements mainly for the results, thus leaving the formation of legal and institutional frameworks for its achievement in the competence of national authorities. Moreover, in exceptional cases any Member State may unilaterally introduce exemptions from the national regime for a period not exceeding two years.

Such exemptions are introduced in accordance with the requirements of the Treaty on the EAEU and considered by the Commission as per the established procedure. Thus, the Member States may have limited access to procurement while meeting all the requirements of the Treaty on the Union.

It should also be noted that the Treaty on the EAEU does not apply to procurements constituting a state secret, as well as to procurements carried out by national (central) banks of the Member States.

The Commission, together with the Union States is now developing a draft Protocol on the introduction of amendments and supplements to the Treaty on the Union. In particular, it contemplates a mechanism for extending the timeframe for exceptions and for the establishment of repeated exceptions from the national regime in conducting state procurement.



The Protocol on the Procurement Regulation Procedure, which is part of the Treaty on the EAEU, stipulates that the Member States shall ensure that the tenders and auctions are held only in electronic format and strive to switch to it when using other procurement methods. The Commission notes an increase in electronic state procurement in the EAEU in terms of both the number of procedures and the cost of procurement agreements (contracts).

Unhindered access of suppliers and potential suppliers from the EAEU States to participation in procurement conducted in electronic format can be ensured by mutual recognition of EDS by the countries of the Union.

As of today, mutual recognition of electronic digital signatures is ensured between Russia and Belarus. The work on mutual recognition of EDS between Belarus, Kazakhstan and Russia is underway.

An action plan is being prepared for the mutual recognition of electronic digital signatures produced in accordance with the laws of Armenia and other Member States. In the 4th quarter of 2019, the authorized body of Kyrgyzstan is expected to submit its own plan for the mutual recognition of electronic signatures for consideration by the Commission and the EAEU countries.

“One of the key areas of the Commission’s work is to ensure mutual recognition of electronic digital signatures (EDS)”.

SERIK ZHUMANGARIN

The Commission is also considering the mechanism for recognizing bank guarantees issued by banks of the EAEU countries for state procurement. Corresponding amendments to the Protocol on the Procurement Regulation Procedure and the draft international agreement have been proposed, which are now being agreed with experts from the Member States. They will ensure equal conditions for the businesses of the countries of the Eurasian Economic Union when implementing the national regime in state procurement.

The EEC Council instructed the Commission’s Competition and Antitrust Regulation Unit to prepare by July 1, 2020, jointly with the Member States, a draft Agreement on Mutual Recognition of Bank Guarantees in Conducting State Procurement.

Technical Regulation and SPS Measures

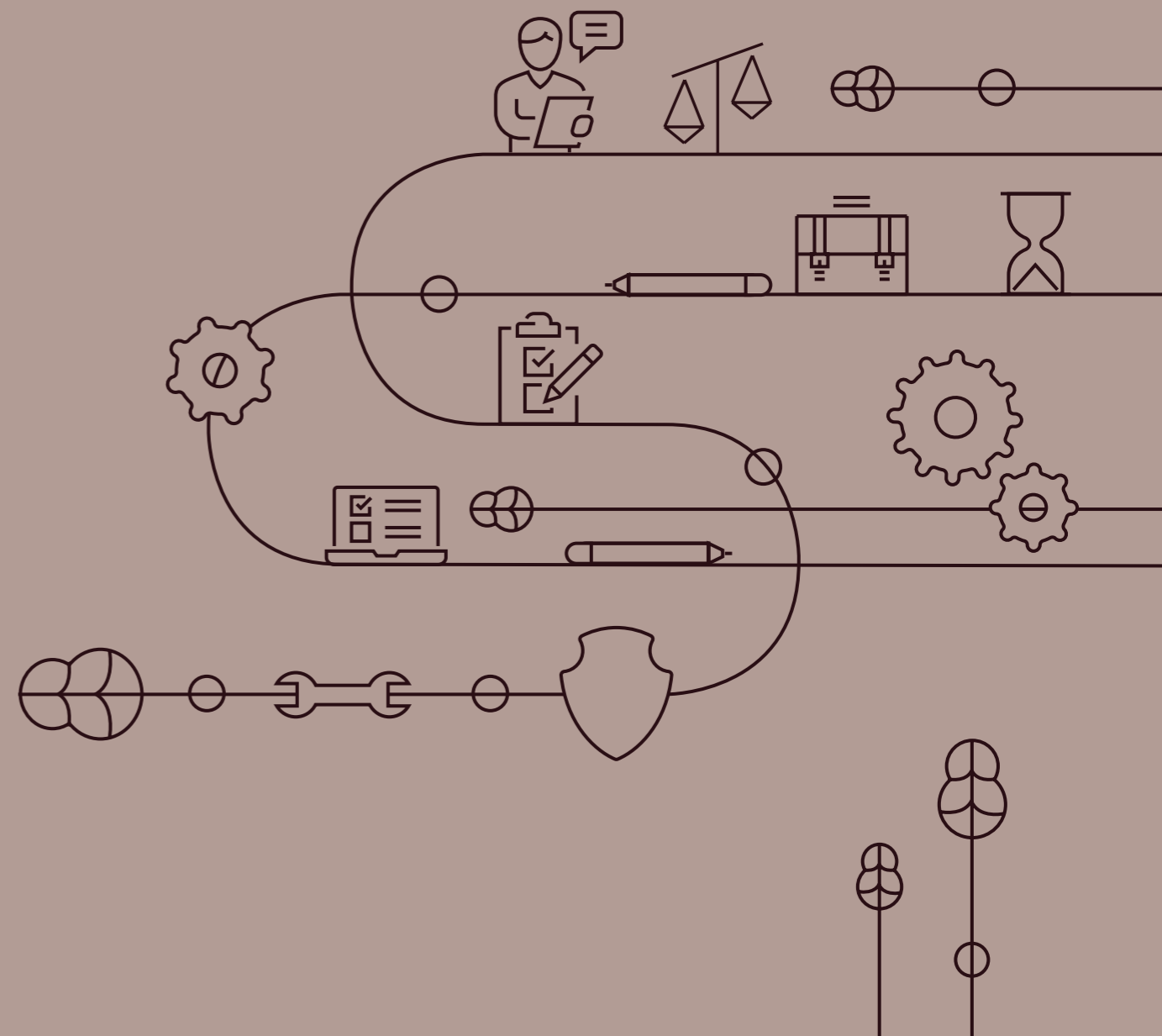
”Making agreed and efficient decisions aimed at consumer protection is a responsible and important task faced by the Union countries and the Commission. Its implementation is enabled by the legal framework created by us. It contains clear product safety requirements included in common technical regulations, as well as sanitary, epidemiological, veterinary, phytosanitary quarantine, and other documents”.



EEC Minister in charge of Technical Regulation
VIKTOR NAZARENKO

”Regulatory legal documents on technical regulation and the application of sanitary, veterinary and phytosanitary measures protect our Union’s market against low-quality products”.

Chairman of the EEC Board
TIGRAN SARGSYAN





Forty-eight technical regulations of the Union have been adopted.

Ensuring the safety of its citizens' life and health is one of the most important tasks of a state. The technical regulations of the Eurasian Economic Union (EAEU) are key documents on the safety of goods and related processes (manufacturing to disposal) that are binding on the five Union countries. They help make our life safe, protect the market against low-quality products, and impose the appropriate

“Since the start of the most active period of Eurasian integration in 2011, the unified safety standards covering virtually all significant economy sectors of the Union states were adopted at the common platform of the Member States of the Customs Union and, subsequently, the EAEU. Forty-eight technical regulations of the EAEU determine safety requirements for the products of automobile engineering, oil and gas industry, light industry, and electrical engineering, as well as food, toys, and many other goods”.

VIKTOR NAZARENKO

obligations on manufacturers, importers, sellers, and other market participants. In this regard, the system for the standardization of mandatory requirements and terms for the access of products to the Union's single market must be efficient for ensuring product safety, on the one hand, and must not create unjustifiable restrictions for businesses on the other.

Since the start of its operation in January 2015, the EAEU adopted 13 unified technical regulations supplementing the list of 35 technical regulations previously adopted within the Customs Union. Adopting each of them is essentially a real step towards creating a fully-fledged common market of the five Union countries with unified rules, requirements, and terms of access to the market of such product types as children's playgrounds, liquefied petroleum gases, drinking water, alcoholic products, fish and fishery products, chemical products, individual dangerous substances in electrical engineering and electronic devices, mineral fertilizers, oil and gas, and power consuming devices.

To realize the importance of these documents, suffice to say that, for instance, oil and gas are, by and large, key to mutual and external trade. Technical regulations in this sphere are aimed at implementing the programs of forming common oil, petroleum products and gas markets, as approved by the Heads of the Supreme Eurasian Economic Council in December 2018.

The protection of environment, as well as life and health of the Union countries' population is the overarching aim of the Union's technical regulation that restricts the use of dangerous substances in electrical engineering and electronics. The document contains the restrictions of the

Thirteen technical regulations of the EAEU adopted from 2016 through 2019





use of lead, mercury, and a number of other substances in all main household electrical appliances. The technical regulation on attractions – Ferris wheels, catapults, swings, go-karts, inflatable bouncers, slides, electric cars, non-mechanized water attractions – also establishes clear requirements for their operation. All market participants are obliged to comply with certain standards for the protection of human life and health, especially that of children.

The Council of the Commission has approved the plan in accordance with which the EEC is now developing over ten new technical

regulations jointly with the EAEU countries. In particular, they will establish safety requirements for trams, underground rolling stock, poultry and poultry processing products, feed, and feed supplements.

Even now, around 85% of products circulated between the Union countries are manufactured according to unified standards ensuring product safety as the primary issue. The mandatory requirements of each new technical regulation are implemented through the preparation of industry and quality infrastructure in the Union countries.



On May 16, 2019, the meeting on the formation of a common cement market in the Union took place at the headquarters of the Eurasian Economic Commission under the chairmanship of Tigran Sargsyan, Chairman of the EEC Board. The event was attended by the heads of the authorized technical regulation authorities of the Member States

“We set out specific steps for the formation of a common cement market, which will enable the EAEU states’ manufacturers to freely deliver cement to one another”.

TIGRAN SARGSYAN



The most important component of technical regulation is standardization.

Suffice to say that virtually no technical regulation of the EAEU can be implemented without standards applied by industry and entrepreneurs on a voluntary basis. Standards include a great number of technical norms used by businesses in their day-to-day operations. The Eurasian Economic Commission coordinates the development of standards for technical regulations.

The lists of standards have been approved for 40 technical regulations of the Union. The lists contain over 12 thousand items, including around seven thousand interstate standards. The file of such standards is regularly updated by standardization bodies both on the platform of the Commonwealth of Independent States (CIS) and the EAEU. The Council of Heads of National Standardization Bodies formed in the Union in 2018 is assigned a special role in improving approaches to the planning and development of standards, increasing the total efficiency of standardization activities in the Union, as well as expanding expert support of standardization and technical regulation.

It is planned to develop several thousands more interstate standards using the best experts of the Union states in various spheres. A significant number of such standards deals with product testing methods and building greater confidence in them.

Access of products to the Union’s market depends on performing the necessary conformity assessment procedures.

“While determining mandatory requirements covering products, the technical regulations of the EAEU do not restrict manufacturers in the choice of how they meet them. Companies decide on their own in what way they can achieve the established standards and what materials, designs, or technologies they will use for this purpose. Therefore, companies that are most active in this regard are more competitive”.

TIGRAN SARGSYAN

In this way, product safety is confirmed. Such products are labeled with the common trademark of circulation of products in the EAEU market. Conformity assessment documents provided for in the Union’s technical regulations are drawn up for products and must be at the disposal of all interested parties operating in the single market.

In 2018, new Conformity Assessment Models were approved to determine the Union’s common horizontal legislation in this sphere. The overarching aim of adopting the model is to improve conformity assessment transparency by determining unified assessment procedures. The Models



include a number of standards that will have a positive impact on business. The Commission consistently and jointly with the EAEU countries implements the standards of new models into technical regulations, which ensures equivalent procedures and comparable results of product conformity assessment in the Union countries.

The assessment of conformity with the Union's technical regulations is performed by organizations included in the Unified Register of Conformity Assessment Authorities of the EAEU. It contains officially recognized authorities with proven professionalism and competence that meet sufficiently high unified criteria established in the Union.

The Unified Register now comprises around 850 certification bodies and over 2,000 testing laboratories (centers) assessing conformity of products with the requirements of the EAEU technical regulations. The

“Thousands of interstate standards jointly adopted within recent years by the Union states in coordination with the Commission are facilitating an improvement in product quality and safety to the level of the latest international requirements. Standards we adopt today will affect the development level of a specific business sphere tomorrow”.

TIGRAN SARGSYAN

“Competitiveness in the external and internal markets of products manufactured in the Union directly depends on the effective development of advanced standardization. On the agenda is the large-scale update of standards applied by our industry, which is required to ensure their correspondence to the latest technical level. This is a priority task not only for improving the quality and export potential of domestic products, but also for the circulation of safe products in our market”.

VIKTOR NAZARENKO

Commission ensures this register is maintained based on data from national accreditation authorities.

To raise the level of confidence in the results of conformity assessment performed in the Union, the Commission has approved a new procedure for inclusion in the Unified Register of Accredited Conformity Assessment Authorities, and specifically certification bodies, testing laboratories, and inspection bodies. The competence-raising criteria for the inclusion of conformity assessment authorities in the Unified Register have been made tougher.



The common system of electronic certificates of title has been created for vehicles.

The common system of electronic certificates of title is being actively introduced in the Union states. For this purpose, the Commission has created the appropriate legal framework.

The framework Agreement on Introduction in the EAEU of Single Forms of Vehicle Passports (Carriage Frame Passports), Passports for Self-Propelled and Other Machines and the Organization of Electronic Passports came into effect in 2016. Other acts of the EEC required for the implementation of this Agreement have been adopted. In December 2018, the Commission determined the List of Urgent Actions Required for the Functioning of Electronic Passport Systems.

A complete transition of the Union states to electronic passports facilitates the movement of vehicles between states and the procedures of their registration, makes

the entire car life cycle truly transparent, as well as enabling the use of reliable single format databases by state authorities and market participants.

The common markets of circulation of medicines and medical devices have been formed.

Over the five years of its operation, the EAEU has formed a legal framework for regulating the circulation of medicines and medical devices that covers all stages of their life cycle – from development and manufacturing to study and confirmation of safety, quality, and efficacy. So we can say that the operation of the common market of medicinal products has been started in the Union. So far, 25 legal documents have been adopted in regulating the circulation of medical devices and laid the groundwork for the market launch. Forty-three legal documents have been adopted for medicines, including all good manufacturing practices on the circulation of medicines – GMP, GCP, GLP, GDP, and GVP, as well as key





documents on inspection of manufacturing facilities, confirmation of equivalence of generics, and development and study of biological medicinal products.

The unified approaches to the validation of analytical procedures will enable the recognition of medicines quality control

results by all control laboratories of the Union. The unified stability study rules will ensure pharmaceutical products retain their properties throughout their labeled shelf life.

The practical effect of the common market of medicines created by the Commission lies in issuing marketing



On July 8, 2019, at the meeting of the Advisory Group on Market Surveillance as part of the Working Party on Regulatory Cooperation and Standardization Policies of the United Nations Economic Commission for Europe, the EEC Minister Viktor Nazarenko informed the European Union representatives about the development of the system for the state control over compliance with the mandatory requirements of united technical regulations in the EAEU

“Currently, the Agreement on Principles and Approaches to State Control (Surveillance) over Compliance with the Requirements of the Union’s Technical Regulations is awaiting signature in the Union; performance testing has been completed for the common information process of identifying dangerous products. In this regard, it is crucial for us today to take into account the EU countries’ experience in preventing the circulation in the market of products not meeting the established mandatory safety requirements”.

VIKTOR NAZARENKO



authorizations of the Eurasian Economic Union for pharmaceuticals and certificates of conformity of production areas of the Union’s pharmaceutical enterprises and foreign manufacturers with the Union GMP requirements. The Member States’ authorized authorities are now fully working with registration dossiers and applications for pharmaceutical inspections for conformity with Good Pharmaceutical Practices. The information presented in the table shows that the market is steadily gaining momentum.

In November 2017, the EAEU Pharmacopoeia was included in the World Health Organization Index of World Pharmacopoeias. The introduction of the Union Pharmacopoeia will enable not only the creation of common requirements for the quality of pharmaceuticals within the EAEU, but also the continuity of these requirements for exporting medicines outside the Union customs boundary. In 2020, the Commission is to issue the Union Pharmacopoeia, Part 1, regulating the quality control procedures and standards for pharmaceuticals.



On November 16, 2016, at the meeting of the Eurasian Intergovernmental Council in Gorki (Moscow Region, Russia), a set of unified documents was signed to ensure the launch and fully-fledged operation of the common market of medicines in the EAEU

“When creating the common market of medicines, we realized that, from the perspective of regulation, their circulation is multi-complex and includes the regulations of various industries. Importantly, medicines are socially significant products. In this field our every step and each document must be particularly precise and elaborated with all market participants. At issue are the safety, quality, and efficacy of medicines and thus the health of millions of people, our countries’ citizens”.

TIGRAN SARGSYAN



**Results of Operation of the Common Market for Medicines
as of September 5, 2019**

State of the Union	Applications for Marketing Authorization		Applications for Inspection	
	Filed	Completed	Filed	Completed
Republic of Armenia	2	0	1	0
Republic of Belarus	5	2(1)	40	11(10)
Republic of Kazakhstan	36	3(3)	0	0
Kyrgyz Republic	2	0	1	0
Russian Federation	49	18(0)	0	0
Total:	94	23(4)	42	11(10)

Note: Figures in brackets in the Completed column show the number of positive results of completed work; zeros in this case indicate that all work has been completed with applications for marketing authorizations being either revoked or declined by the authorized authority (inspectorate).



“Creating and developing common markets in the EAEU will help achieve the primary objective – to provide our countries’ population with safe, effective, and high-quality medicines and medical devices. It is certain that these goods will become competitive in the global market”.

VIKTOR NAZARENKO

The legal framework of the EAEU in the sphere of medical devices established requirements covering their development, manufacturing, and technical testing, as well as the registration procedure for the purpose of their circulation in the Union’s single market. Requirements covering the quality management system for medical device manufacturing, as approved in the Union, ensure the access of manufacturers to the single market only subject to their conformity with international quality standards.

As part of forming the information system in the circulation of medicines and medical devices in the Union, information processes have been created for interaction between the Eurasian Economic Commission and the Union countries’ state authorities carrying out the registration and surveillance of medical devices. The electronic registers of registered medicines and medical devices, as well as related information databases on the safety of medicines and medical devices have been prepared. In early 2019, the information system created in the circulation of medicines and medical devices was successfully launched.

Consumer protection activities are being improved.

The Commission created a platform for the dialog between state authorities, consumer

public associations, and businesses – the Advisory Committee on Consumer Rights Protection. It has joined the countries’ efforts to implement the agreed policy of the Union in this sphere. As from 2018, the representatives of observer states in the EAEU have also been able to take part in the work of the relevant Advisory Committee.

Under the conditions of rapidly growing Internet trade and continuously expanding modern means of interaction between manufacturers, sellers, and consumers, the protection of the internal market against unsafe products is one of the main tasks of the technical regulation system. There also arises the need to protect consumers who often become victims of online fraudsters selling low-quality goods. Buyers frequently do not know, for instance, how to refuse a product purchased on any electronic trading platform or how to get money for a low-quality purchase refunded.

Moreover, the Treaty on the Union established the principle that consumer rights are equal in all Member States. This is why the Union countries are implementing the agreed policy. It is based on the harmonization of the national legislation in conformity with the Commission’s acts. For example, the Recommendation of the EEC Board dated November 2017 was one of the



EAEU’s first documents to determine the key principles in electronic trade taking into account consumer interests.

An important task for the Commission is to ensure that all consumers of the Union countries are able to take advantage of the EAEU’s single market to the fullest, including so-called vulnerable consumer groups – the elderly, children, and persons with disabilities. Unfortunately, the lack of attention to their problems at the national level has been all too clear in recent years. With the aim of protecting them against unscrupulous entrepreneurs and in the light of the UN principles, the EEC Board adopted in May 2019 a recommendation whose application will enable approaches to determining sellers’ liability for willful deception of such buyers to be unified.

The basic legal framework has been formed for application in the EAEU of sanitary, veterinary, and phytosanitary quarantine (SPS) measures.

Eliminating excessive technical and administrative obstacles for the free movement of products between the Union countries and flooding the single market with most diverse goods useful for people are undoubted pluses. However, development of trade may bring some negatives. For example, there are increased risks of transferring, along with goods, contaminants, pests, and sources of infectious diseases that are dangerous for humans, animals, and plants. How should we combat this?

Based on risk assessment, the Commission is jointly with the EAEU countries shaping and updating the modern system of sanitary, phytosanitary quarantine, and veterinary control (surveillance). There are many aspects. For example, it entails a continuous improvement of the procedure for importation into the Union of the products subject to control and their movement between the Member States. So far, a sufficiently large legal framework has been created to protect the five Eurasian countries against goods posing this danger.

“We are systematically improving the Union’s legal framework for applying sanitary, veterinary, and phytosanitary quarantine measures consistent with law enforcement practice, new studies, and global best practice. We have prepared proposals for making amendments to the Treaty on the Union and other EAEU documents. The implementation of these proposals will protect the Union market against the entry and spread of infectious and mass non-infectious diseases dangerous for human health and contagious animal diseases, including those common to humans and animals, as well as the importation and spread of quarantine items”.

VIKTOR NAZARENKO



Based on new scientific studies and given the harmonization with international provisions and standards, the Commission continues to develop and improve the Union’s regulatory legal documents in application of sanitary measures. The Commission’s acts adopted in this sphere in accordance with the Treaty on the EAEU have created the legal basis for ensuring the guarantees of the safety of goods circulating in the Union’s single market, as well as supporting the sanitary and epidemiological welfare of the population and the sanitary safety of the Union Member States’ territories.

For example, the Procedure for Development, Approval, Amendment, and Application of Common Sanitary, Epidemiological and Hygienic Requirements and Procedures has unified these processes within the Union. In accordance with the

adopted document, sanitary, epidemiological and hygienic requirements covering products are being improved taking into account risk assessment and the scientific validity of amendments made. The revised Single Form of the Certificate of State Registration of Products with the Rules for Formalization of State Registration and the Procedure for Maintaining the Unified Register of Certificates of State Registration will enable the unification of the list of information entered in the Member States’ national registers and the creation of conditions for optimizing the search and ensuring the accessibility of such information. Interaction between the authorized authorities of the Union Member States and the unification of the procedure for information sharing upon introduction of temporary sanitary, phytosanitary quarantine, and veterinary-sanitary measures are regulated by the eponymous Procedure.



The Council of Directors of the Authorized Authorities in the Field of Sanitary and Epidemiological Welfare of the Population was created in 2016 to implement the agreed policy on ensuring the sanitary and epidemiological welfare of the Union states' population.

The harmonization of the Union's legal framework on sanitary measures with international standards facilitates reduction in administrative barriers while preserving the required level of sanitary safety of the EAEU countries' territories.

One of the main documents adopted by the Commission in the veterinary field is the Common Veterinary (Veterinary-Sanitary) Requirements for Goods Subject to Veterinary Control (Surveillance). They establish unified criteria for the inclusion of animal product manufacturing, processing, and storage enterprises in the Union register of enterprises. The unification of requirements covering goods subject to veterinary control (surveillance) minimizes the risks of applying unjustified restrictive measures in mutual trade. The Procedure for Interaction of the Union Member States in Prevention, Diagnosis, Localization and Elimination of Foci of Extremely Dangerous, Quarantine and Zoonotic Diseases of Animals and the Procedure for Compartmentalization Regionalization help restrict the spread of contagious animal diseases and concurrently expand sales turnover within the Union. The Rules for Organization of Laboratory Research (Tests) in Veterinary Control (Surveillance) establish requirements for the organization of laboratory research in veterinary control (surveillance) at the Union's customs border and on the Union countries' territories, the aims and objectives of such research, as well

as the procedures for formalizing its results and interaction of laboratories.

The Unified List of the Union's Quarantine Items to Which Phytosanitary Quarantine Measures are Applied to Ensure Phytosanitary Quarantine Safety has been approved. The Unified Phytosanitary Quarantine Requirements for Quarantinable Products and Quarantinable Items at the Customs Border and on the Customs Territory of the Union establish requirements for the importation and movement of quarantinable products in regard to quarantine items included in the Unified List. The Unified Regulations and Standards to Ensure Plant Quarantine on the Customs Territory of the Union unify approaches to the performance of phytosanitary procedures by the Union countries' authorized authorities, improve the efficiency of plant quarantine activities, as well as creating conditions for carrying out the phytosanitary quarantine zoning of the customs territory of the Union, determining the borders of phytosanitary quarantine zones, and identifying production sites and areas free from quarantine items. This creates opportunities for developing transborder trade exchanges.

These and other legal acts adopted by the Commission have created the legal basis for guaranteeing the safety of goods circulating in the Union's single market.

In an effort to take the fullest account of global best practice in surveillance and establishing product safety standards, the EEC works closely with leading international organizations. They include the World Health Organization, the Office International des Epizooties, the Food and Agriculture Organization of the United Nations, the World Trade Organization.



Special attention was paid to the application of sanitary, veterinary, and phytosanitary measures within the EAEU States and in their trade with third countries at the specialized seminar held with the participation of the heads and representatives of diplomatic missions from Latin American and Caribbean States at the Eurasian Economic Commission's headquarters in Moscow in June 2019

“The main goal of cooperation between the Eurasian Economic Union countries and Latin American and Caribbean States is to increase the circulation of goods. The regular exchange of information on the systems regulating the circulation of products in our countries that is to be organized on the Commission's platform is key to the further expansion of trade and economic cooperation”.

VIKTOR NAZARENKO

The newly formed integrated information system for ensuring product safety, including information on dangerous products and sharing information on risks, provides for applying unified risk control approaches in sanitary, phytosanitary quarantine, and veterinary control (surveillance).

For example, to ensure the implementation of the provision of the Treaty on the EAEU about the prevalence of international and regional standards, the Commission, as part of Memoranda with the International

Electrotechnical Commission, the European Committee for Standardization, the European Committee for Electrotechnical Standardization, and the Interstate Council for Standardization, Metrology and Certification relating to standardization and uniform measurements of the Commonwealth of Independence States, determined areas for cooperation aimed at harmonizing the interstate and national standards of the Union countries with international and regional standards. The evidence base for the Union's technical regulations continues to be improved.

Energy and Infrastructure

“The common electric power market will improve the efficiency of use of the existing capacities and the reliability of the electricity supply. Furthermore, it will reduce the cost of electricity , as well as optimize investments and the development of collective energy security”.



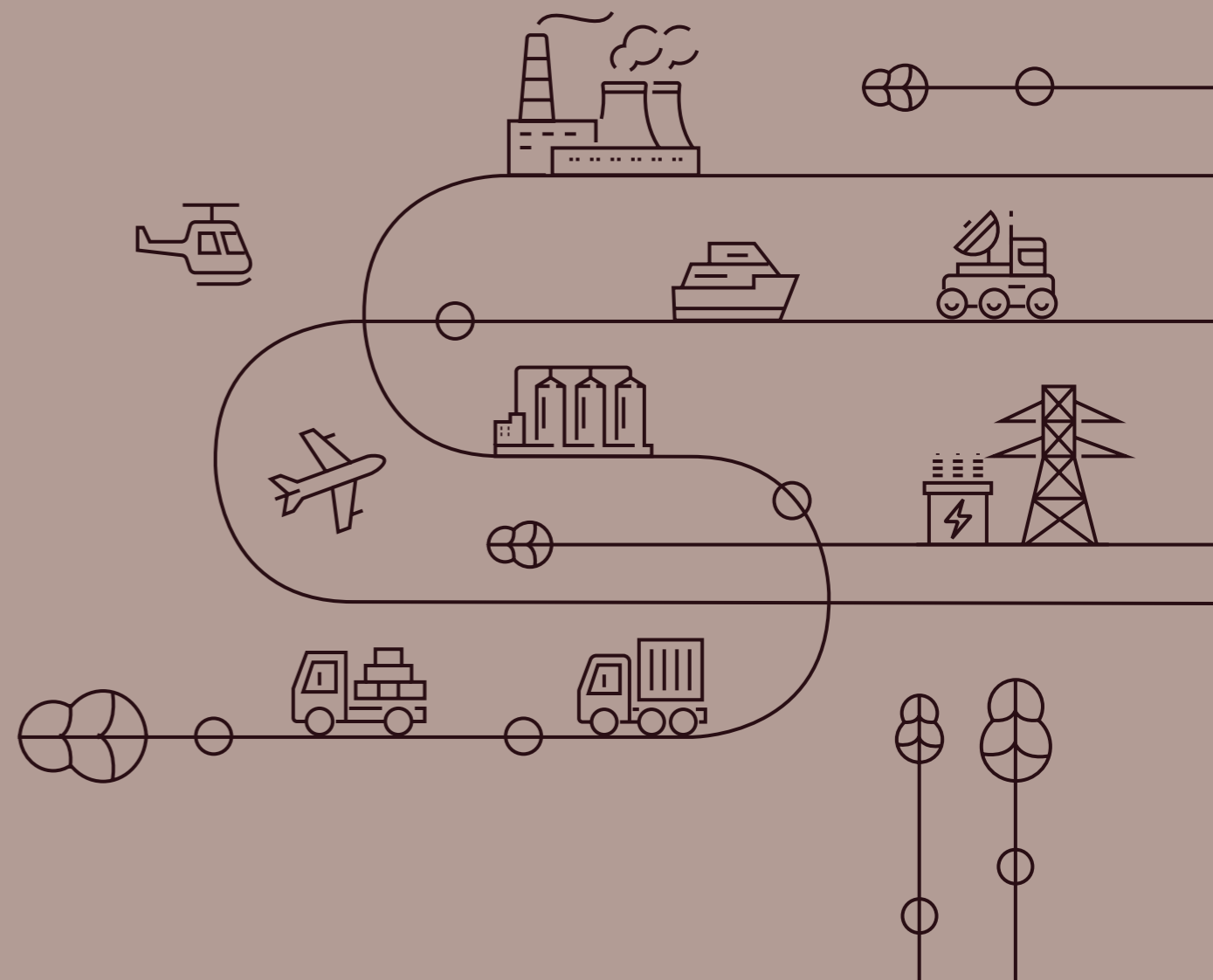
EEC Minister in charge of Energy and Infrastructure

EMIL KAIKIEV

“We are observing a radical turn in the transport and logistics industry. Trade ecosystems which are part of logistics cease to be the customers of transport companies and become the latter themselves, while creating a transport and logistics segment. This area is of special importance for the Union. Our transport and logistics development projects must be based on digital solutions and technologies: new management models, big data, artificial intelligence, and process automation”.

Chairman of the EEC Board

TIGRAN SARGSYAN



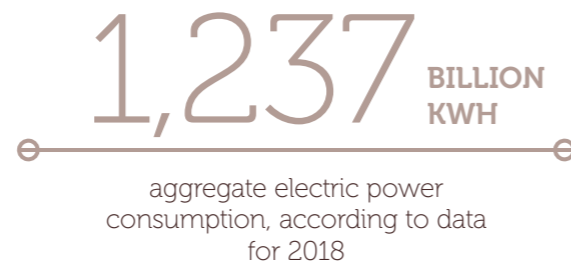


Energy

One of the key effects of Eurasian economic integration is synergy of potentials combined by the Member States, whereas working together offers the possibility for each to gain significantly more than working alone. It is exactly these opportunities that are factored in creating common markets. The Eurasian Economic Commission is working towards forming common energy markets and a common market of transportation services in the five Eurasian countries.

The electric power industry in Member States of the Eurasian Economic Union (EAEU) is an important sector for integration, with its framework established back in Soviet times. The electric power industry was suffering from the collapse of the Soviet Union. On the one hand, the countries' grids were connected with high-voltage power transmission lines; on the other hand, the need arose to build new relationships for the management of these grids and electricity supplies between them. A common electric power market of the Eurasian Economic Union solves the task of building up relationships between vendors and buyers from different EAEU countries.

The EAEU currently has an electricity surplus. According to data for 2018, the aggregate power consumption was approximately 1,237 billion kWh, while its aggregate generation in the five countries exceeded 1,260 billion kWh (of which 86.6% was generated in the Russian Federation and 8.5% in the Republic of Kazakhstan). Moreover, the EAEU's installed generation capacity of around 290 GW has the potential for increasing the electricity output.

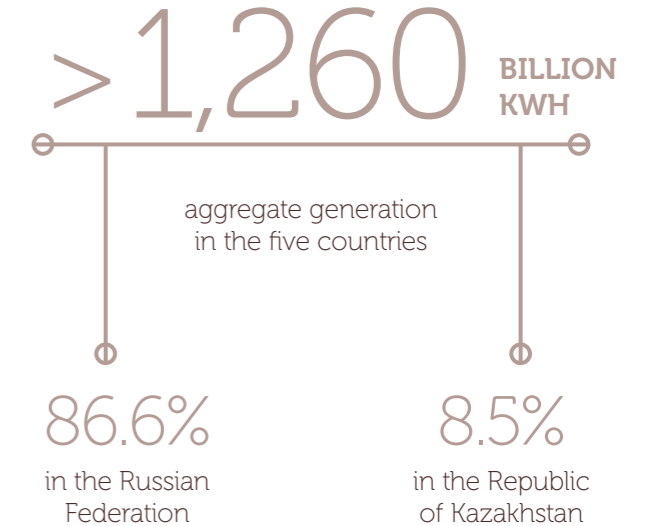


This data generally states with some certainty that the EAEU's electric power industry is ready to meet the rising demand of Member States, with its surplus creating competition between generating companies. This will encourage the modernization and energy efficiency improvement, as well as facilitate electricity price stabilization.

The Commission is implementing measures **to form a common electric power market of the Union**. It will ensure access to mutual trade in electricity for all wholesalers and buyers. This will enable power stations to expand their sales market, and large consumers and power supply companies – to purchase electricity at a lower price from their EAEU partners.



Moreover, apart from trading under bilateral agreements, centralized (using stock exchange mechanisms) trade in electricity will be arranged on platforms that now exist in Russia and Kazakhstan. As for producers, more efficient energy companies able to offer favorable conditions to their buyers will stand to benefit. Such competition encourages an increase in energy efficiency of energy producing entities. To avoid getting outplayed, individual generating companies will certainly be forced to work towards reducing their costs.



Ministers of Energy of the EAEU countries at the consultation on April 18, 2019, in the Eurasian Economic Commission with the participation of the Chairman of the EEC Board Tigran Sargsyan. The last conceptual difference preventing from approval of the international agreement on creating the common electric power market has been arranged

“The creation of a common electric power market will make it possible to establish transparent market prices on electric power for consumers and will promote economic growth of the Eurasian five countries”.

TIGRAN SARGSYAN



In accordance with the Treaty on the Union, launching a common electric power market shall require the stepwise formation of a legal framework including the appropriate concept and program, as well as the conclusion of an international agreement within the Union to come into effect in 2019. The EEC has made good progress in this direction.

On May 29, 2019, the Presidents of the EAEU countries signed an international agreement on the common electric power market in the Union.

The document includes a protocol on the common electric power market in the EAEU (revised Annex No. 21 to the Treaty on the EAEU), which determines the legal basis for the formation and functioning of the common electric power market, and stipulates that relevant powers are vested in the EAEU governing bodies and the authorized state authorities of the Member States.

“Given numerous gas power stations and the strong impact of primary energy resource cost on power producers’ competitiveness, the common market will also help attain market prices on gas for consumers throughout the Union”.

EMIL KAIKIEV

At the same time, the document determines procedures for trade in electricity and establishes requirements for ensuring interstate transmission and access to services of natural monopolies in the Union’s common electric power market, as well as for their regulation and control over their activities.



On May 29, 2019, at the anniversary meeting of the Supreme Eurasian Economic Council in Nur-Sultan (Kazakhstan), the SEEC members signed an agreement on forming the common electric power market of the Union



Five ministers from the EAEU countries discussed pricing for gas transportation on the common gas market at the headquarters of the EEC

To get the full-fledged functioning of the common electric power market started, the countries need to prepare and approve a set of documents. This entails four rules for the functioning of the Union’s common electric power market that regulate trade in electricity, interstate transmission, allocation of interstate power transmission line capacity and information exchange in the common electric power market of the EAEU. This requires major joint efforts by the EEC and the countries. They include discussions at very different levels involving businesses and the relevant agencies from the EAEU countries. These acts will subsequently undergo regulatory impact assessment and the procedures of approval by the Union’s governing bodies.

The common electric power market of the EAEU will start functioning only after these rules all have come into force. However, given the high impact of primary energy cost on electricity producers’ competitiveness and a high percentage of gas power stations

in the power generation structure, the Union’s common electric power market will be able to start large-scale and full operation after the creation of the Union’s common gas market (CGM).

On December 6, 2018, the EAEU countries’ leaders agreed upon the programs of forming common oil and gas markets.

This would increase the GDP of the five States by \$9 billion, as the Russian President Vladimir Putin stated at the Supreme Eurasian Economic Council’s meeting in Saint Petersburg.

According to the Program for the Formation of the Common Gas Market in the Union approved by the Heads of Member States on December 6, 2018, it is planned to develop a number of documents to get the common market launched. They include the unified rules of access to gas pipeline systems, gas trading rules, the procedure for



“We have ensured a breakthrough in forming common markets of gas, oil and petroleum products. The members of the Supreme Eurasian Economic Council have approved the program for the formation of common markets for oil and petroleum products. A common gas market program has been adopted as well. It is crucial to build non-discriminatory mechanisms for the formation of common EAEU markets in these spheres. All countries are interested in the minimum transit cost and in an energy price that promotes the creation of equal competition”.

TIGRAN SARGSYAN

gas stock trading and documents regulating information interaction between market participants as part of the information exchange system.

The resolution of strategic issues related to the functioning of the Union’s common gas market will be reflected in an international treaty on forming the common gas market of the Union.

In accordance with the Treaty on the Union, the international treaty on forming the common gas market must come into effect on or before January 1, 2025. Taking into account the desires expressed by Heads of States to launch the Union’s common gas market as early as possible, the Action Plan prescribes the International Treaty to be drawn up in 2021 and signed in 2022, as well as the main documents regulating the Union’s common gas market to be drawn up by 2023.

On September 2, 2019, the Board of the Commission approved the Procedure for Electronic Submission of Information by the Competent Authorities of the EAEU Member States as Part of Forming the Common Gas Market of the Eurasian Economic Commission. Moreover, as part of work on the harmonization of Member States’ legislation, the Supreme Eurasian Economic Council plans to adopt a disposition to harmonize the legislation of the Union Member States in gas transportation and delivery between Member States.

A common gas market will be formed with the focus on ensuring a competitive environment, and specifically on the development of gas stock trading in the Union and equal access to gas pipeline systems, the driving factor for setting favorable conditions for energy trading between market participants.

The gas pricing will be governed by key market principles. A transition to market pricing, including the creation of gas stock trading in the common market, and the design of non-discriminatory gas transportation tariffs will facilitate an increase in the number of market



participants and improved gas supply reliability.

The launch of a common gas market is expected to stabilize gas prices owing to competition development and transparent pricing. This will further create conditions for increased gas consumption both by the population and industrial enterprises, improved gasification in Member States and broadened gas usage options, including the creation of new gas chemical manufactures, as well as create equal conditions for power producers based on gas generation in all Member States.

According to the Program for the Formation of the Common Markets of Oil and Petroleum Products of the Union approved by Member States’ leaders on December 6, 2018, it is planned to develop a number of documents to ensure the launch of the common markets of oil and petroleum products. They include the unified rules of access to oil and petroleum product transportation systems, rules for trading of oil and petroleum products in the common markets of oil and petroleum products of the Union, rules for stock trading of oil and petroleum products, as well as documents regulating information interaction between market participants as part of the information exchange system.

The resolution of strategic issues related to the functioning of the Union’s common markets of oil and petroleum products will be reflected in an international treaty on forming the Union’s common markets of oil and petroleum products that must come into effect on or before January 1, 2025. The Action Plan for Forming the Common Markets of Oil and Petroleum Products of the Union prescribes the international

treaty to be drawn up in 2021 and adopted in 2024, as well as the main documents regulating the common markets of oil and petroleum products of the Union to be drawn up by 2024.

Within this framework, on September 2, 2019, the Board of the Commission approved the Procedure for Electronic Submission of Information by the Competent Authorities of the EAEU Member States as Part of Forming the Common Markets of Oil and Petroleum Products of the Eurasian Economic Commission.

This procedure establishes the rules for electronic submission of information to the Commission by the competent authorities of the Union countries, including the list of information to be exchanged and frequency of exchange.

Forming the common markets of oil and petroleum products of the Union will lead to the subsequent economic development of Member States, promotion of energy security and the increased competitiveness of the Union countries’ goods in the global energy market.

Common markets of oil and petroleum products will ensure non-discriminatory access to infrastructure (transportation systems, stock exchange infrastructure), a transition to market pricing and deregulation of petroleum product prices. Stock trading with formed exchange and OTC price indicators will result in an economically sound price level in the internal market of the Union.

The creation and fully-fledged launch of common markets of oil and petroleum



products will improve their accessibility for Member States' economic entities and population, as well as expand sales markets for independent producers, which may eventually contribute to reduced petroleum product prices for end consumers.

Forming common energy markets in the Union will create conditions for a sustainable development of economies, improved population welfare, energy security, and the increased competitiveness of the EAEU-produced goods in the global market. This all would considerably contribute to strengthening the foundation of integration of the Union and would be a forceful driver for the growth of the Eurasian region as a whole.

At the same time, all Member States have adopted and are implementing state programs aimed at improving energy saving and efficiency, the use of alternative energy strategies, as well as reducing the environmental impact of the fuel and energy sector. These programs have similar aims, principles and implementation mechanisms.

The so-called green energy, use of renewable energy sources, environmental protection and directly related energy saving and efficiency were not fully reflected in the Treaty on the Eurasian Economic Union dated May 29, 2014. However, the Commission is working towards including these themes in the agenda of Eurasian energy cooperation.

Transport

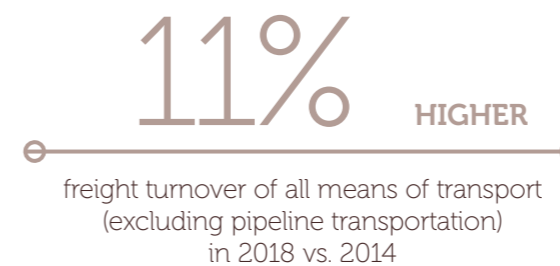
The Eurasian Economic Union (EAEU, Union) has a huge economic potential. Economic ties between the Member States of the integration association are ensured by virtually all means of transport that are developed in interaction with other economic sectors.

Priorities, tasks of coordinated (agreed) transport policy and harmonization options for means of transport are stipulated in Article 86 of the Treaty on the Eurasian Economic Union dated May 29, 2014, and Annex No. 24 thereto Protocol on Coordinated (Agreed) Transport Policy.

On December 26, 2016, EAEU states' leaders approved the strategic document Main Directions and Stages of Implementing the Coordinated (Agreed) Transport Policy of the EAEU Member States.

“Ensuring non-discriminatory access to transportation systems, a stock trading organization and a transition to market pricing will expand sales markets for independent producers of oil and petroleum products”.

EMIL KAIKIEV



The document determines key directions for the creation in the Union of a single transport area and a common market of transportation services. Governments are instructed to take actions to eliminate by 2025 the restrictions in transportation by all means of transport within the EAEU.

Transport policy implementation is ensured through roadmaps designed for a three-year period. These are sets of related actions that involve the development and adoption of international agreements and the Commission's acts based on in-depth analysis and monitoring of the national legislation, international law, best integration practices and the legal framework of the EAEU.

In 2017, the Eurasian Intergovernmental Council approved two roadmaps for the first three-year period of implementing the Main Directions of transport policy (2018–2020).

The first roadmap concerns integration processes in air transport; the second one pools the issues of surface (road, rail) and water transport, infrastructure development and a common transport policy.

The roadmaps take into account the EAEU countries' focus on the use of the Union's geographic advantages in transit transport and economic ties between Europe and Asia, the specifics of the EAEU's economic development and the possibility of multi-tiered liberalization of services if and when the parties are ready to work more closely together.

The 2018–2020 roadmap generally includes actions aimed at improving the quality of services for an as wide range of consumers as possible – consignors, consignees and passengers. Over 90 roadmap items cover a full range of directions for the rapprochement of the EAEU countries' transport systems, such as coordinated development of road, water and rail transport and transport infrastructure, legislation harmonization and transition to electronic documents, as well as automation and informatization of transport activities. They also concern digitization, industrial cooperation, tariff policy, competition, customs and technical regulation, science and innovation development, one-stop mechanism, specialist training, and other areas.



“We have a huge transit potential and must make use of our comparative advantages and digitalize the Eurasian space. Our discussions and decisions being made should correspond to the scale and speed of changes in the world. It is one thing for individual governments to develop their national transport programs and then coordinate them with integration partners, and another thing is to have a supranational institution that promotes the introduction of fast and agreed decisions. These are agreed policies established by our Treaty on the EAEU. We need to actively work on the harmonization of laws and regulations”.

TIGRAN SARGSYAN

The roadmaps stipulate measures to introduce schemes for interaction of all transportation process participants for the purposes of seamless process, coordination of transport infrastructure

development, joint modernization of division and border crossing points, as well as agreed implementation by the parties of infrastructure projects important for end-to-end South-East Asia – Eurasian Union – European Union logistics and accompanying routes.

Roadmap implementation will end up with an optimized train schedule and agreed approaches to the creation and development of express and high-speed passenger services between Member States. It is planned to harmonize approaches in setting requirements for vehicles and infrastructure, as well as their accessibility for all groups of persons, including those with impaired mobility.

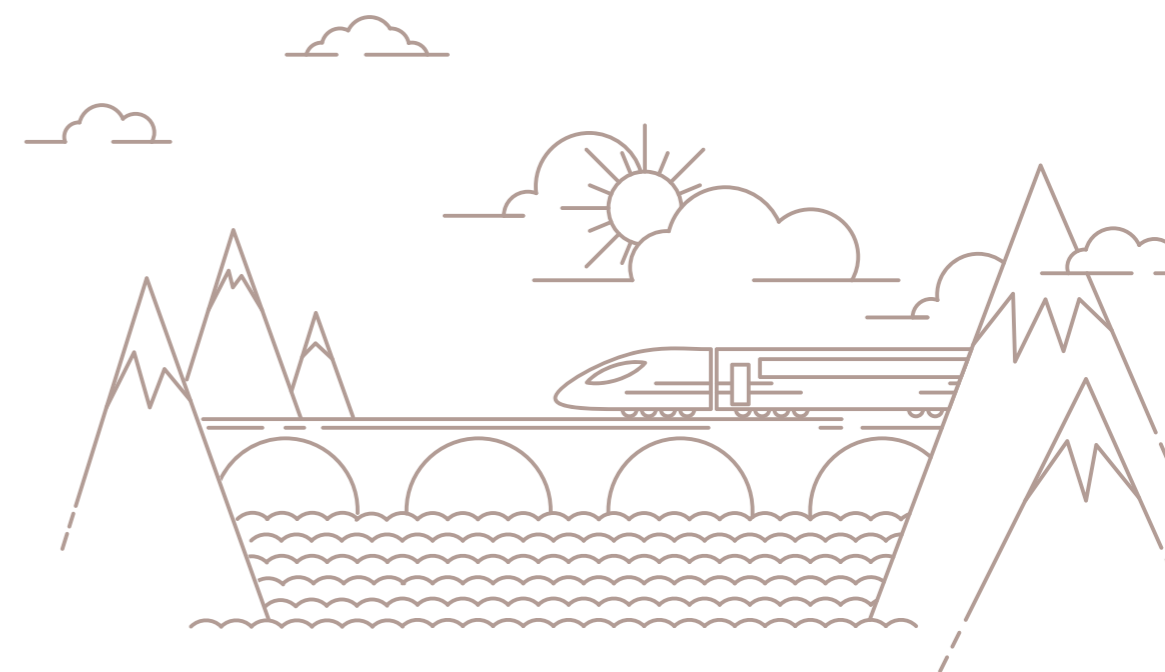
In addition, science and innovation development and the digitization of transport processes will ensure a transition to the active introduction of green technologies and the use of alternative fuels, unmanned vehicles

“Our industry-wide priorities are to fulfill the aggregate transit potential, coordinate transport infrastructure development and create Eurasian transport corridors to form the EAEU’s common transport system ensuring multimodal transportation”.

EMIL KAIKIEV



The heads of the EAEU countries’ transport agencies discussed the prospects of their joint work. Emil Kaikiev, EEC Minister in charge of Energy and Infrastructure, informed the meeting about the results of pursuing action plans – roadmaps – for transport policy implementation in 2018





37.8 BILLION

the volume of passenger traffic in 2018

and the creation of traffic zones for them, as well as to the harmonization of intelligent transport systems.

A package of infrastructure transport projects has been designed within the framework of the EAEU countries' participation in the international Belt and Road Initiative.

The Union countries proposed to consider a number of national projects for the creation and improvement of infrastructural facilities with integration potential. The projects are at different stages of development. The Board of the EEC created a High-Level Working Group for the consideration of relevant integration projects and the attraction of investments for their implementation. The Eurasian Development Bank and Eurasian Fund for Stabilization and Development act as partners of the EAEU countries' in this regard.

At the industry level, priority integration directions are also focused on transit potential development and transport multimodality.

In road transport, international road freight transportation has been liberalized.

As of January 1, 2015, the authorization system has been abolished for international road freight transportation between the

Union Member States and transit through their territories. This has facilitated the movement of motor vehicles and reduced transportation times both for bilateral and transit traffic and for intra-Union freight transportation to third countries performed by Member States' carriers.

Actions have been taken to start cabotage road freight transportation.

Программа The Liberalization Program for Cabotage Road Freight Transportation was approved in 2015. According to the terms of the Program, a carrier of any Member State is entitled to transport cargoes through the territory of another Member State or multiple states on the way back to the carrier's own state without any authorizations from the competent authorities, whereas previously a separate authorization was required. This reduces consumers' expenses for transportation services owing to the increased number of carriers in the market, as well as reduction in the number and percentage of empty miles.

Further actions taken include continued improvement in procedures for transport control, exchange of data on the results of transport control, and harmonization of intelligent transport systems; identifying common approaches to driver training; starting the development of a set of requirements for roads to be eligible for integration in Eurasian transport corridors.

In rail transport, the following was accomplished: freight transportation conditions and procedure for accessing the near-border areas of Member States' contiguous infrastructure by the Union Member States' carriers were harmonized; intrastate tariffs for rail freight transportation services unified by traffic types (export,



“Along with previously created conditions for simplified access to seaports of the Russian Federation, unified rail freight transportation tariffs applicable in the EAEU, and the developing system of transport and logistics hubs (dry ports), the Shipping Agreement will enable cargo flow optimization and the development of intermodal transportation”.

EMIL KAIKIEV

import and intrastate). The terms and mechanism for applying unified (intrastate) tariffs have been determined for transits through Member States' territories.

The countries approved regulatory legal acts to set the threshold levels of tariffs for the services of rail freight transportation through the EAEU countries' territories.

Railway transport organizations of the Union Member States are granted the right to change the tariff level for rail freight transportation services within threshold levels (price limits) in accordance with Member States' legislation and subject to the key principle of the inadmissibility of creating advantages for specific goods producers in Member States.

5% HIGHER

cargo volume transported by all means of transport (excluding pipeline transportation) in 2018 vs. 2014

9.4% HIGHER

passenger turnover in 2018 vs. 2014

11.18 BILLION TONS

cargo volume transported by all means of transport (excluding pipeline transportation) for 2018

853 BILLION PASSENGERS-KM

passenger turnover for 2018



In 2019, a draft international agreement is being prepared for setting up the exchange of preliminary information on goods and international transportation vehicles with third countries.

The concept of the international agreement has been determined, with its content and implementation mechanism being at the final stage of negotiations. The involvement of the parties and the Commission in the preparation of the draft Convention on Direct Railway Traffic has been ramped up within the framework of the Organization for Cooperation between Railways.

Civil aviation development is focused on identifying the directions and areas of

legislation harmonization based on the International Civil Aviation Organization standards; expanding air traffic between the EAEU states; granting to air carriers, on a reciprocal basis, equal rights for airport service and aerial navigation; removing obstacles and bottlenecks affecting the development of competition in the air transportation market.

The aircraft fleet of the Union states' air companies has been assessed for compliance with the noise requirements of the International Civil Aviation Organization. Monitoring of facilities in airports (aerodromes), navigation systems and national aviation security systems has been ensured. These actions have also been taken to assist in the resolution of issues related to



granting exemptions for the importation of aircrafts, spare parts and equipment by the EAEU countries' air carriers.

The Commission assisted Member States in the negotiation process for preparing a draft international agreement on creating an air accidents investigation bureau that lies outside the scope of the EAEU law.

The document was signed by the Republic of Armenia and the Russian Federation on a bilateral basis in December 2018.

Taking into account a comprehensive analysis of the EAEU Member States' legislation, an Action Plan (Roadmap) for Determination of the Sequence of Accomplishing Measures to Harmonize Legislation relating to the Union Member States' Natural Monopolies has been adopted with the aim of a stepwise reduction of natural monopoly spheres in the energy sector, as well as in rail, air and water transport.

A Shipping Agreement has been signed.

The Agreement establishes a simplified mechanism for mutual access of vessels to inland navigation. The Agreement signed in early 2019 stipulates that vessels under the flags of the EAEU Member States are entitled to engage in towing, as well as transportation of cargo, passengers and their luggage through inland waterways as part of bilateral and transit carriages. The parties must

ensure the equal terms of services provided on inland waterways in accordance with the Union Member States' legislation. Moreover, the Agreement regulates the issues related to the mutual recognition of vessel documents and certifications of captains and crew members.

On a short-term horizon, reduced administrative expenses will result in a beneficial effect of the Agreement for consignors and vessel owners engaged in transportation on inland waterways with sea access. In addition, positive changes are expected for shipbuilding and petroleum industry enterprises as a result of an increased number of orders for new river/sea vessels or the transportation of oversized and heavy equipment. Creating additional conditions for the growth of transportation through the International North-South Transport Corridor will also benefit the development of the aggregate transit potential.

The Agreement will facilitate the procedures related to access of vessels to inland navigation in the EAEU. The access period is now reduced virtually by a factor of 6 – from 60 to 10 days. Vessels currently pass through inland waterways in accordance with government acts on a one-time basis. In the future, no special permits will be required; it will be enough to submit a notification with specific information on the planned passage through waterways to the authorities and obtain their confirmation.



On February 1, 2019, the EAEU countries signed a Shipping Agreement at the Intergovernmental Council meeting in Almaty (Kazakhstan)



EAEU

Eurasian Economic Union

An international organization of regional economic integration having international legal personality established by the Treaty on the EAEU

Four Freedoms of the EAEU



EAEU Governing Bodies

Supreme Eurasian Economic Council

The supreme governing body of the Union, which includes the Heads of the EAEU Member States. It considers the fundamental issues of the Union's activity, determines the strategy, directions and prospects for the development of integration, and makes decisions aimed at achieving the Union's objectives. The Supreme Council's meetings are held at least once a year under the guidance of the Chairman of the Supreme Council. Heads of State preside over the Supreme Council on a rotational basis in the Russian alphabetical order

Court of the Eurasian Economic Union

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

Eurasian Economic Commission

The permanent regulatory body of the Union designed to ensure the conditions for its functioning and development, and to elaborate proposals for further economic integration. The Commission consists of the Council and the Board

Eurasian Intergovernmental Council

The Union's governing body at the level of Heads of Government. It ensures the implementation of and monitors the compliance with the Treaty on the Union, international treaties within the Union, and decisions of the Supreme Council. Meetings are held as necessary, but at least twice a year. The Council is led by the Chairman being one of the Prime Ministers, who is replaced annually in accordance with the rotation of the Supreme Council's chairmanship



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.



TIGRAN SARGSYAN

Chairman of the Board of the Eurasian Economic Commission

Minister in charge of Economy and Financial Policy



TIMUR ZHAKSYLYKOV



(01.02.2012–01.03.2017)
TIMUR SULEYMENOV

Minister in charge of Integration and Macroeconomics



SERGEY GLAZYEV



(01.02.2012–01.10.2019)
TATYANA VALOVAYA

Minister in charge of Industry and Agriculture



ALEXANDER SUBBOTIN



(01.02.2012–07.09.2018)
SERGEY SIDORSKIY

Minister in charge of Commerce



VERONIKA NIKISHINA



KARINE MINASYAN

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

Minister in charge of Competition and Antitrust Regulation



SERIK ZHUMANGARIN



(22.04.2017–07.04.2019)
MARAT KUSSAINOV

Minister in charge of Customs Cooperation



NURLAN AKMATOV



(01.02.2016–07.06.2019)
MUKAI KADYRKULOV



NURLAN ALDABERGENOV

(01.02.2012–21.04.2017)

Minister in charge of Technical Regulation

Minister in charge of Energy and Infrastructure



VIKTOR NAZARENKO



(01.02.2012–07.09.2018)
VALERY KORESHKOV



EMIL KAIKIEV



(01.02.2016–01.07.2016)
DANIL IBRAEV

EEC activities are structured according to the functional areas supervised by the Ministers



Council of the Eurasian Economic Commission

The Council consists of five members. It includes one representative from each participating country who is the Deputy Head of Government endowed with the necessary powers in accordance with the legislation of their State



MHER GRIGORYAN

Deputy Prime Minister of the Republic of Armenia



IGOR PETRISHENKO

Deputy Prime Minister of the Republic of Belarus



ALIKHAN SMAILOV

First Deputy Prime Minister – Minister of Finance of the Republic of Kazakhstan



ZHENISH RAZAKOV

Vice Prime Minister of the Kyrgyz Republic

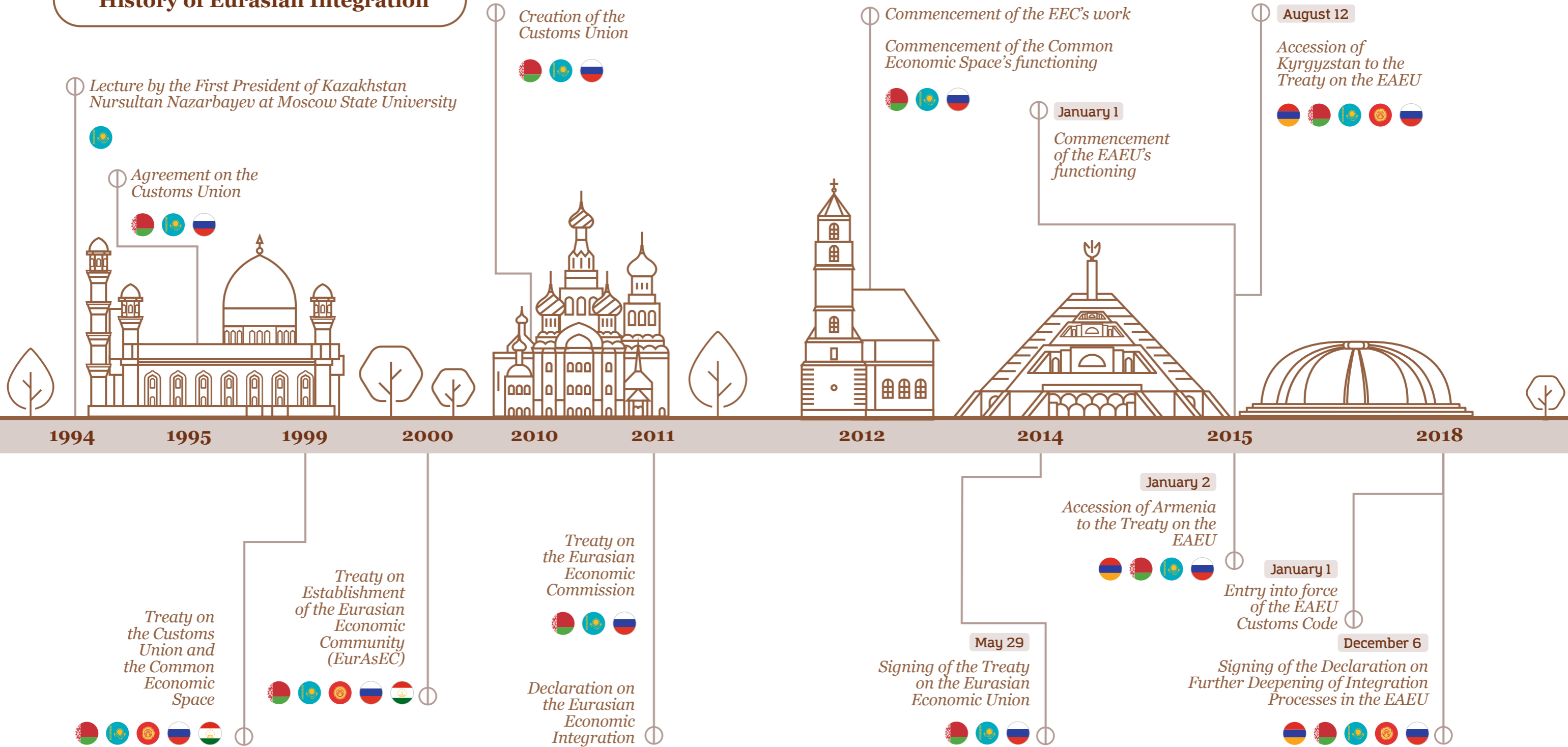


ANTON SILUANOV

First Deputy Chairman of the Government of the Russian Federation – Minister of Finance of the Russian Federation

The EEC Council carries out general regulation of integration processes in the Union, as well as general governance of the Commission's activities

History of Eurasian Integration





Anniversary postage stamps and commemorative coins dedicated to the Union's fifth anniversary issued in the EAEU countries

Postage stamps

At the close of the Eurasian Intergovernmental Council's meeting held on August 9 in Cholpon-Ata, the Heads of the Member States' Governments cancelled commemorative stamps issued by the post offices of the Eurasian Economic Union countries in honor of the EAEU's fifth anniversary.

The artists who created stamp miniatures were inspired by the idea of special historical proximity of the Eurasian nations. In the miniature design, it is symbolized in the close interaction of artistic elements, figuratively reflecting national and integration segments of the Eurasian Economic Union.

The prototype of the Eurasian post miniature, which served as the basis for the Belarusian,

Kazakh, Kyrgyz, and Russian stamps, was jointly created by the designers from Belarus, Kazakhstan, Kyrgyzstan and Russia; the Armenian stamp was created individually by national designers.

Stamped envelopes prepared for cancellation as well as small stamp sheets were placed in souvenir philatelic albums specially issued in a small printing run, the spreads of which represented first day stamps and envelopes of the five EAEU countries participating in this joint issue and cancellation.

The issuing services of the EAEU States have also prepared souvenir philatelic booklets with small stamp sheets and first day envelopes with the first day cancellation stamp.



Postage stamp of Armenia



Postage stamp of Belarus



Postage stamp of Kazakhstan



Postage stamp of Kyrgyzstan



Postage stamp of Russia



On August 9, 2019 in Cholpon-Ata (Kyrgyz Republic), the Heads of the Member States' Governments cancelled commemorative stamps issued by post offices of the Eurasian Economic Union countries in honor of the EAEU's fifth anniversary

Commemorative coins

National (central) banks of the Eurasian Economic Union States issued commemorative silver coins dedicated to the fifth anniversary of the EAEU.

The coins were officially presented at the meeting of the Supreme Eurasian Economic Council on October 1, 2019 in Yerevan.



Commemorative coins of the EAEU countries

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