Rationale and Main Features of Trade Policy of the Eurasian Economic Union

Submitted by: Russia
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The Republic of Armenia joined the EAEU on 2 January 2015

The Kyrgyz Republic joined the EAEU on 12 August 2015

Total Internal Trade: 2014: $57,4 bln. USD
Total External Trade: 2014: $868 bln. USD

Share of world production:
Natural gas: 18,4%
Oil: 14,6%
THE EAEU INTERNAL TRADE

Dynamics of internal trade in $ bln.

Key trade effect:
- Increase of mutual trade
- Diversification of mutual trade
- Creation of facilities for the growth of high value-added production
- Motivation for localization of production capacity
- Facilitation of production chains establishment and development

Dynamics in internal trade structure in $ bln. (main goods)

EAEU EXTERNAL TRADE

Dynamics of foreign trade in $ bln.

EAEU trade with foreign partners in 2014 in $ bln.
TRADE BETWEEN THE EAEU AND ASEAN+3

Share of ASEAN+3 in the EAEU trade in 2014

- Korea: 12.5%
- China: 3.8%
- Japan: 3.4%
- ASEAN: 22.3%
- Other partners: 77.7%

Dynamics of trade between the EAEU and the ASEAN+3 in $ bln.

- Korea: 18.63, 25.96, 26.19, 26.80, 29.41
- China: 75.48, 105.82, 111.96, 114.83, 108.55
- Japan: 13.4, 17.3, 16.9, 19.3, 23

TRADE BETWEEN THE EAEU AND THE ASEAN

Dynamics of trade between the EAEU and the ASEAN in $ bln.


Export of the EAEU to the ASEAN in 2014

- Food and agricultural raw products: 19.70%
- Machinery and equipment: 49.65%
- Chemical products: 10.84%
- Other products: 4.93%
- Rawstock: 0.55%
- Metals and products thereof: 11.73%
- Textiles: 0.47%
- Timber and pulp-and-paper products: 0.28%

Import from the ASEAN to the EAEU in 2014

- Food and agricultural raw products: 75.64%
- Machinery and equipment: 18.70%
- Chemical products: 19.70%
- Other products: 11.17%
- Rawstock: 10.94%
- Metals and products thereof: 49.55%
- Textiles: 10.14%
- Timber and pulp-and-paper products: 49.65%
- Mineral products: 0.47%
TREATY ON THE EURASIAN ECONOMIC UNION: TRADE

Section VI
"Customs Union Operation"

- Single internal commodity market
- Application of the Common Customs Tariff of the Eurasian Economic Union
- Single trade regime in goods with third countries
- Single customs regulations
- Free circulation of goods on the customs territory (without custom declaration and state control)

Section VII
"Customs Regulation"

Single customs regulation within the Union in accordance with the Customs Code of the Union

Section IX
"Foreign Trade Policy"

- General provisions (art.33-41)
- Tariff and non-tariff regulation (art.42-47, Annexes 6,7)
- Trade remedies (art.48-50)

Tariff and non-tariff regulation (art.42-47, Annexes 6,7)

- Basic principles
- Application of trade regimes (MFN, FTA)
  - TG - single policy
  - TS - coordination
- GSP
- Single ROO
- Countervailing measures

Trade remedies (art.48-50)

- Application of safeguards, anti-dumping and countervailing measures (including retroactive anti-dumping and countervailing measures)
- Application of bilateral safeguards within the framework of FTAs

TRADE POLICY OF THE EAEU

Basic principles:

- application of measures and mechanisms for the implementation of foreign trade policy of the Union that shall be burdensome for the participants of foreign trade activities of the Member States only to the extent required to ensure effective achievement of objectives of the Union;
- publicity in the development, adoption and use of measures and mechanisms for the implementation of foreign trade policy of the Union;
- validity and objectivity of measures and mechanisms for the implementation of foreign trade policy of the Union;
- protection of the rights and legitimate interests of participants of foreign trade activities of the Member States, as well as the rights and legitimate interests of manufacturers and consumers of goods and services;
- respect for the rights of foreign trade participants.
Trade Policy of the EAEU

Multilateral

Cooperation with international fora
- WTO
- UN
- APEC

Bilateral

FTAs
- Vietnam
- "Frozen" tracks: New Zealand, EFTA
- Launched Joint Feasibility Study Groups: Israel, India, Egypt

Other formats
- ASEAN
- China
- MERCOSUR
- BRICS

Autonomous

- Tariff regulation
- Non-tariff regulation
- Trade remedies
- General system of preferences for DCs and LDCs
- Export Support
- Market access facilitation

APPLICATIONS FOR FTAS WITH THE EAEU

40 Applications including ones addressed to the EAEU Member States

Positions of all the EAEU Member States
Consideration by the EEC – position of the EAEU

Preliminary decision on the feasibility
DECISION MAKING

FTAs

- Initiative (from a Member State or a potential partner)
- Consultative Committee on trade of the EEC, Council of the EEC
- Joint Feasibility Study Group
- Decision on launch of negotiations (Member States’ Leaders Level)

Economic cooperation agreement

- Initiative (from a Member State, the EEC or a potential partner)
- Consultative Committee on trade of the EEC, Council of the EEC
- Decision on launch of negotiations (Member States’ Leaders Level)

Non-binding Memorandum

- Initiative (from a Member State, the EEC or a potential partner)
- Decision on launch of consultations (consensus)
- Consultations with a partner
- Consultative Committee on trade of the EEC, Board of the EEC
- Decision on conclusion of Memorandum

TRADE BETWEEN THE EAEU AND THE ASEAN

EAEU’s top trade partners within ASEAN in 2014 in $ bln.

- Singapore: $6.38 bln, Export $5.66 bln, Import $0.72 bln
- Vietnam: $4.28 bln, Export $1.82 bln, Import $2.46 bln
- Malaysia: $4.19 bln, Export $1.56 bln, Import $2.63 bln
- Thailand: $3.62 bln, Export $1.99 bln, Import $1.63 bln
- Indonesia: $2.82 bln, Export $1.11 bln, Import $1.71 bln
- Philippines: $1.49 bln, Export $1.07 bln, Import $0.42 bln
FTA BETWEEN THE EAEU AND VIETNAM

COMPREHENSIVE APPROACH

Substantial

- Trade in goods
- ROO
- CATF
- BSM
- TBT and SPS
- IPR
- Trade in services and investments (Russia-Vietnam)
- Dispute settlement
- Evolutionary clause
- Joint Committee

Framework

- E-commerce
- Competition
- Government procurement
- Sustainable development

COMPREHENSIVE APPROACH TARIFF LIBERALIZATION (avrg.)
EXPECTED EFFECTS

- Improvement of the competitiveness of domestic products in the partner’s market resulting from the abolition of import duties
- Increased availability of products for the final consumer
- Possibilities to diverse trading nomenclature
- Increased transparency and predictability of conditions for bilateral trade
- Additional benefits for priority investment projects
- Simplifying cross-border movement of goods in bilateral trade and increasing cooperation between the customs authorities
- Attraction of investments
- Arrangements for the future
- The increase in turnover from the current USD 4 billion to USD 8-10 billion in the Mid-term
THANK YOU!