



66th TDB UNCTAD session

“South-South cooperation for trade, investment and structural transformation”

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S-S challenges:

- ❑ **low share of mutual trade** in the GDP, due to substantial part of their exports to and imports from the «North» countries
- ❑ **lack of foreign investments** in the industries other than extractive
- ❑ the prevalence of the **extractive sector in the economy** and the raw materials export
- ❑ **low share of the services sector** in GDP and export
- ❑ **volatility of national currencies** caused by fluctuations in energy prices and actions of reserve currency issuers



Eurasian integration is not a classic example
of South-South cooperation,
but *we are faced with similar problems.*

Smoothing external shocks

2014-2015 commodity market crisis and the EAEU GDP

EFFECTS

in fact (2015-2016)

-2.2%

without EAEU integration (est.)

-3.3%

Development opportunities:

industry; infrastructure, transportation, logistics within the Union.
Strengthens the cooperation ties. Raises the living standards.

POTENTIAL 2030

Economy

EAEU GDP

+2,9%

+\$140 bn

(measured in 2012 PPP)



+1.4% (biggest economy in EAEU)



+13.1% (greatest effect in EAEU)

Trade

**Mutual
trade**

+80%



Investments

**3rd
countries
FDI inflow**

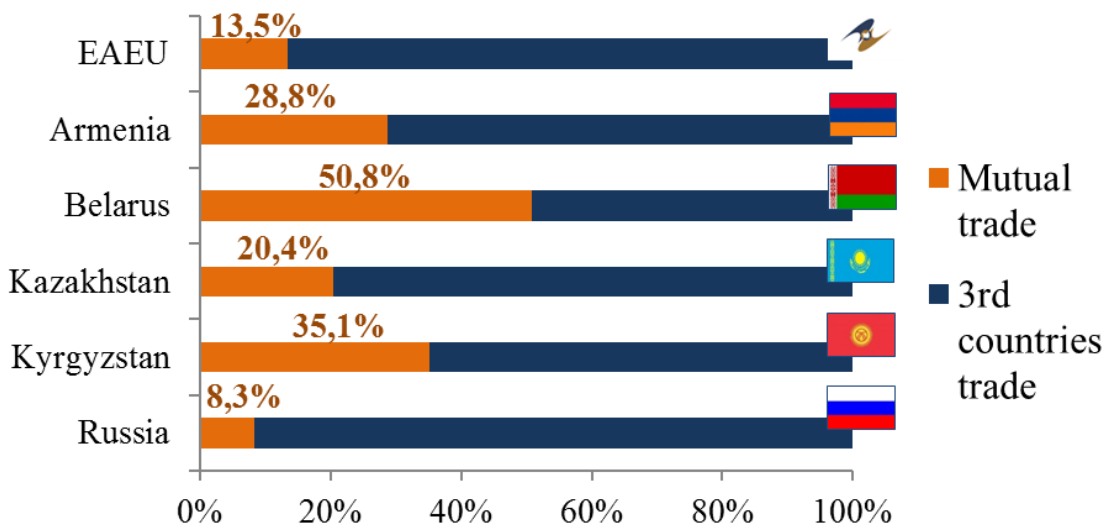
+\$86,4 bn



**Share growth
of mutual FDI**



Share of mutual trade in total trade turnover, 2018

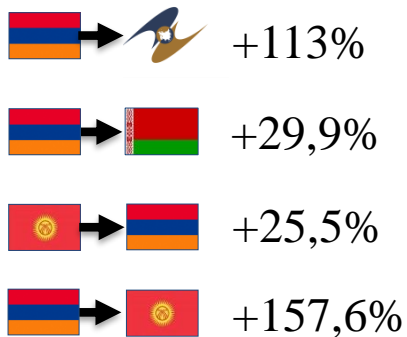


- Access to new commodity markets and goods markets
- But challenges as for SS: competition with import



- List of sensitive goods
- Transition period
- Adaptation to new conjuncture
- Local producers support

Export effects 2018/2014



Free Trade Zone Regime



EAEU



Mutual export structure has improved

63.4% → 72.3%
2010 → 2018

Share of manufacturing goods

Single Market of Services

Legal basis – Treaty on the EAEU (Section XV and Annex 16)

Service provider: no additional registration, license or permit

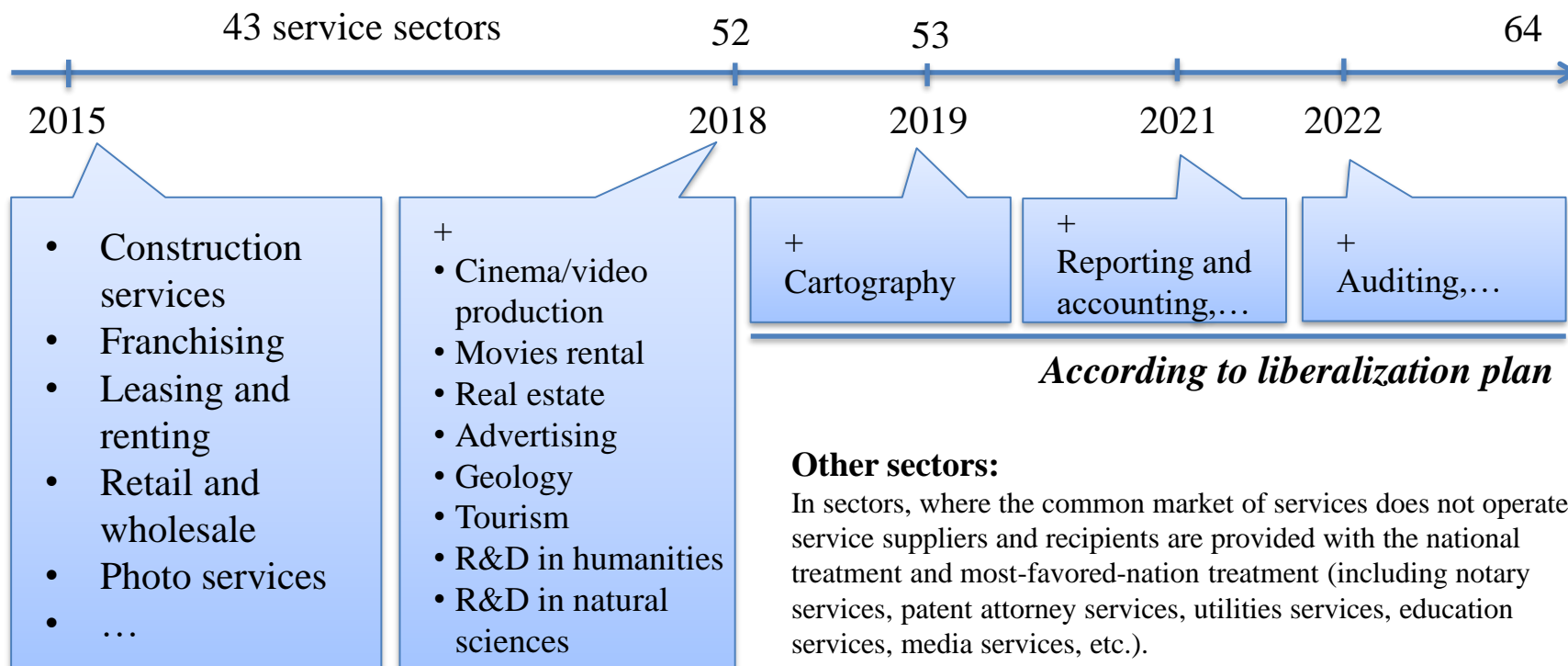
Service recipient: freely acquires services of any provider from the EAEU Member States

**Total export of services
from the EAEU**

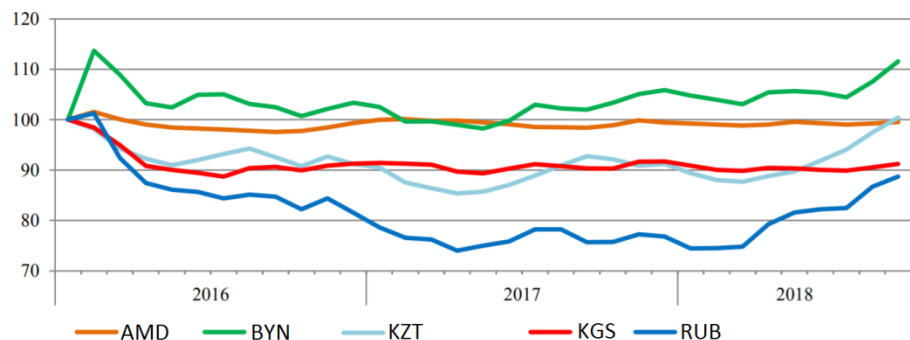
+25,2%

\$59,7 bn → **\$74,8 bn**
2010 → 2017

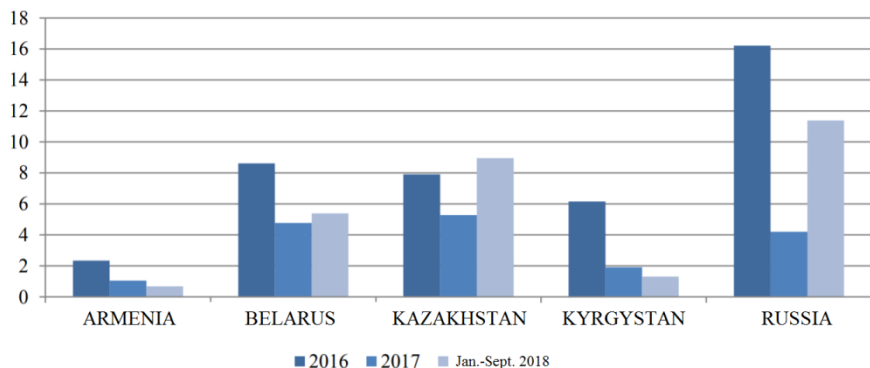
Number of Service sectors with single market regime



National currency dynamics (US\$), % Jan 2016



National Currency Volatility Index, %



An effective mechanism
of the economic
forecasting and crisis
foresight

**AGREED MACROECONOMIC
POLICY**

**RECOMMENDATIONS ON
SUSTAINABILITY INDICATORS**

- state debt
- budget deficit
- inflation

ADVISORY BODIES

- between central (national) banks
- ministries of economic development and finance

National currencies in mutual trade

70%  **77%**
in 2013 *in 2017*

DIGITAL AGENDA

Despite the digital agenda wasn't included in the EAEU Treaty it is being successfully developed:

2017 - EAEU Digital Agenda 2025: digital transformation for: common markets, sectors, infrastructure, processes.

2018 - Annual International Competition of Innovative Projects “Eurasian Digital Platforms”:

More than 250 applications from all the EAEU countries.

2018 - Chairman of the EEC Board’s Digital Office



<http://contest.eaeunion.org/>

INFRASTRUCTURE



Eurasian
Development Bank



Interstates Bank



Russian-Kyrgyz
Development Fund

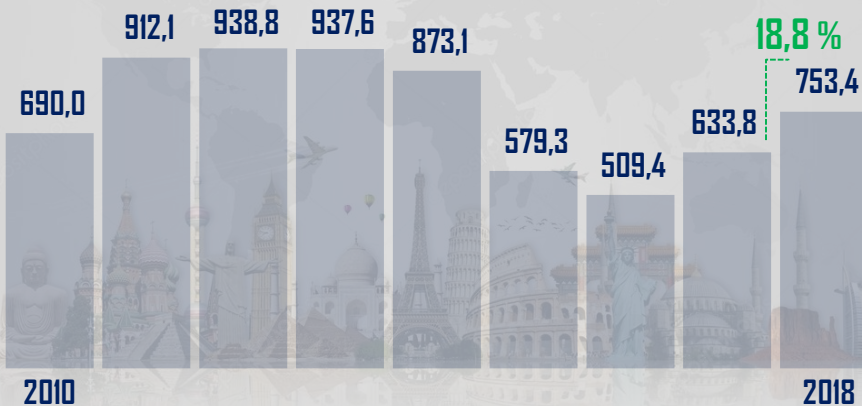
EAEU Member States need
investments in infrastructure

Existing funds to support small
economies
and realize the transit potential

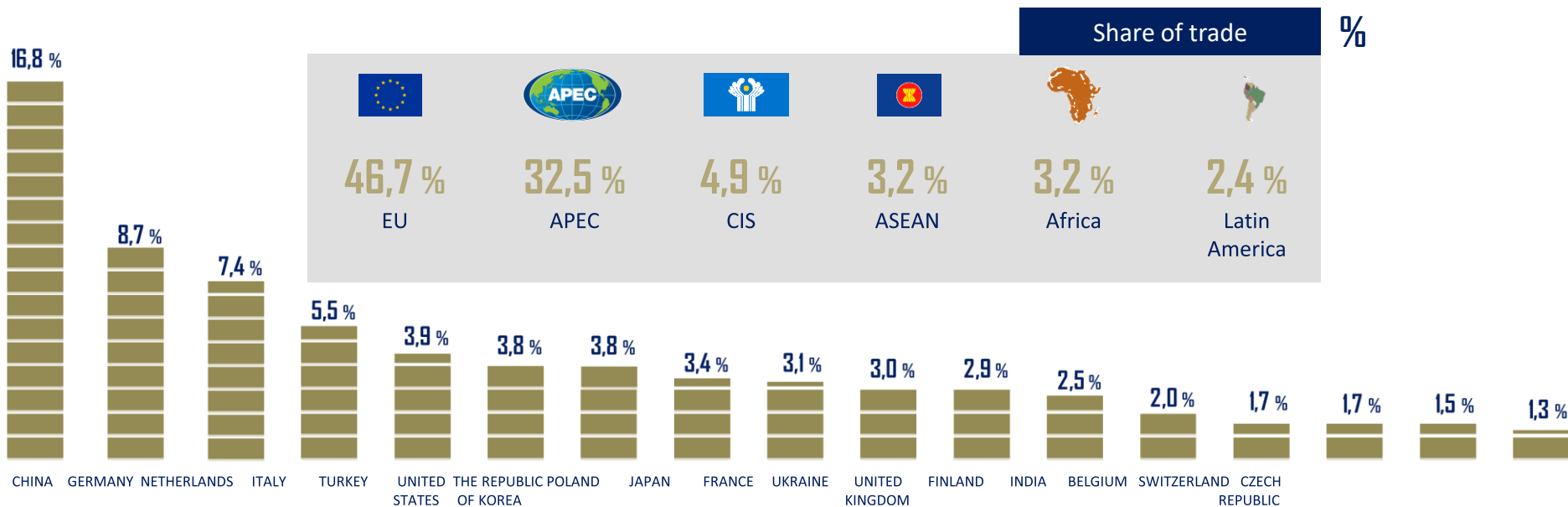
New funds proposals

The EAEU-World cooperation

Volume of the EAEU Foreign Trade 2010 – 2018 bIn \$



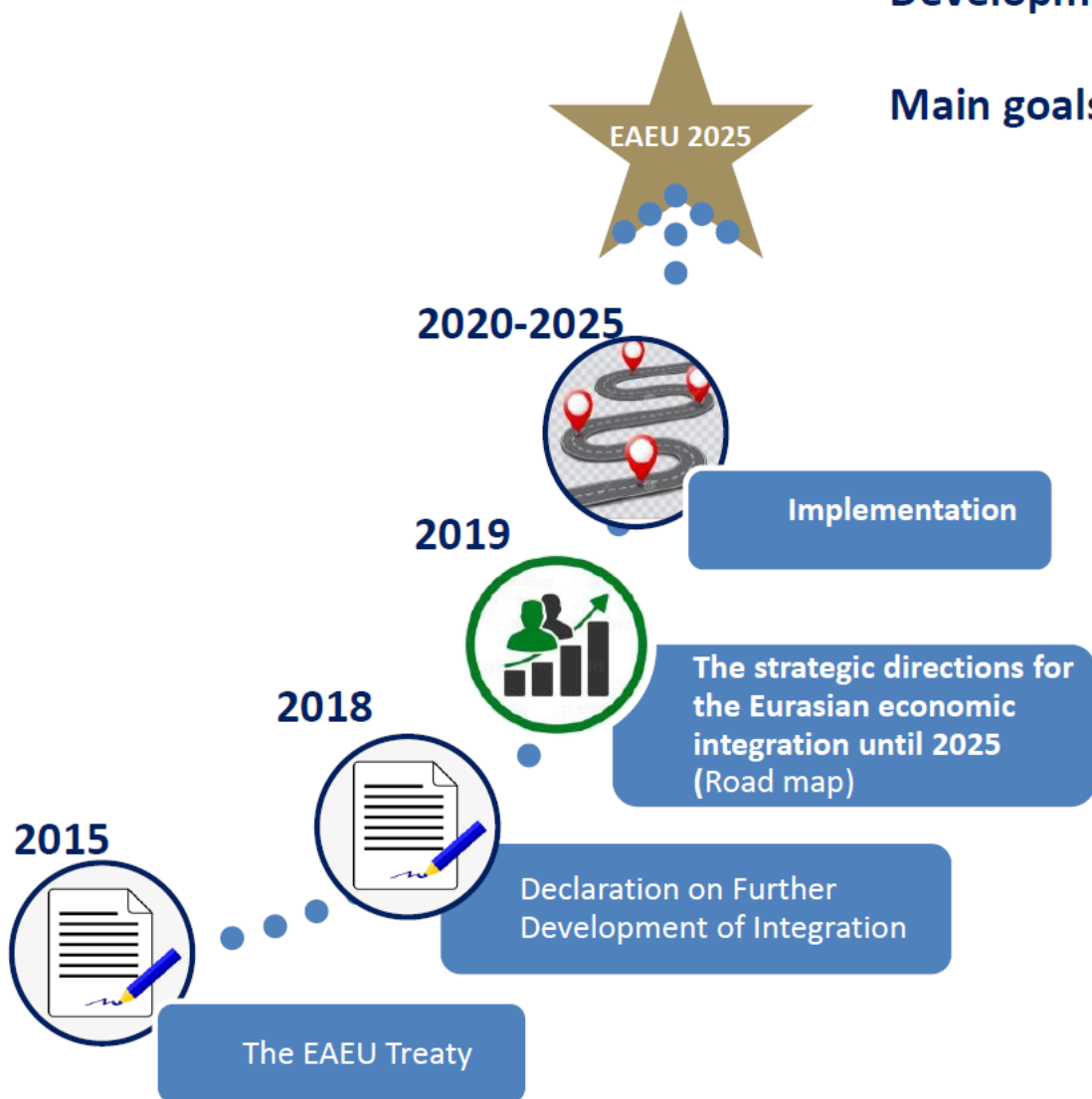
Main Trade Partners of the EAEU Member States 2018



December 2018: Declaration on Further Development of Integration Processes

Main goals:

- improving people's well-being and quality of life
- making the EAEU one of the most significant development centers of the modern world;
- ensuring maximum efficiency of the common market for business and consumers;
- mutually beneficial cooperation and building new interaction formats with external partners;
- «the territory of innovation»





Thank you for attention!



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