

Eurasian Economic Union: Successes and Stumbling Blocks

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Evolution of Eurasian Integration Institutions

1991: Commonwealth of Independent States (CIS)



1994: **President of Kazakhstan** Nursultan Nazarbayev introduced an idea of **Eurasian Union** with focus on economy.

1995: **Customs Union Treaty (failed)**: Russia-Kazakhstan-Belarus

2000: **Eurasian Economic Community (EurAsEC)**



2003-2004: an unsuccessful idea of the Single Economic Space between Belarus, Kazakhstan, Russia, and Ukraine

2006: **Eurasian Development Bank** established by Kazakhstan and Russia



2009: establishment of the **EurAsEC Anti-Crisis Fund**

2010: The **Customs Union (CU)** of Belarus, Russia, and Kazakhstan: a single customs territory and a single customs tariff

2012: The **Single Economic Space (SES)** of Belarus, Russia, and Kazakhstan + the **Eurasian Economic Commission**

2015: The **Eurasian Economic Union (EAEU)** Treaty enters in force. **Armenia and Kyrgyzstan** accede the EAEU



Eurasian Integration: Forward-Looking View

THE SINGLE MARKET OF GOODS, SERVICES, CAPITAL AND LABOUR OF ARMENIA, BELARUS, KAZAKHSTAN, KYRGYZSTAN AND RUSSIA



Mid-term agenda and major headwinds:

- Ensuring consistency of the Single Customs Tariff
Russian 'anti-sanctions', Kazakh WTO-related exemptions
- Moving forward on the "road map" of the EAEU Treaty (four sectorial common markets)
Extreme importance of oil and gas for national budgets
- Unification/removal of non-tariff barriers
Lobbyism. Limited supranationality of the Eurasian Economic Commission
- Effective macroeconomic policy coordination
Resistance of national bureaucracies
- Creating a network of FTAs, agreement with China and (long-term) with the EU
Russia's split with the West

Harmonized Macroeconomic Policy

Key macroeconomic indicators (influenced by Maastricht; broken just like in the EU (all indicators, in particular the 3rd); critical need for the real coordination of inflation targets)

Annual consolidated public sector budget deficit below 3% of GDP

Public sector debt below 50% of GDP

Year-on-year inflation within 5 percentage points of the inflation rate in the member state with the lowest inflation rate

Transitional Provisions of the EAEU Treaty

2016

Single market for pharmaceuticals and other medicines
(postponed, transition period until 2020 and 2025)

2019

Single electric power market
(remains to be seen; 'Nord Pool minus'?)

Financial supranational regulator within the EAEU
(resistance; often misunderstood)

2025

Single market for oil, gas, and related products
(very sensitive)



Eurasian Development Bank

Thank you for your attention!

Շնորհակալություն նշանակության համար.

Дзякую за ўвагу!

Назар аударғандарыңызға рахмет!

Назар салганыңыздарга рахмат!

Благодарю за внимание!

Раҳмати калон!

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