

2019

Lisbon Vladivostok

Initiative for the creation of a
common economic space

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Founding Members



Supporting Institutions



Signatories Companies & Associations



Signatories Companies & Associations



Memorandum

on a Common Economic Space from Lisbon to Vladivostok

We, the signatories, share the vision of a Common Economic Space from Lisbon to Vladivostok. In order to achieve this, we ask the political actors in all countries of the EU and the EEU to give the European Commission and the Eurasian Economic Commission respectively the mandate to start an official dialogue on the harmonization of regulations. This dialogue should also respect the interests of all countries in Europe, which are trading partners of both economic areas. We see this commitment to a Common Economic Space as a clear statement against protectionism, a statement, which we believe is more important now than ever before.

Economic benefits:

- A dialogue on a far-reaching congruent application of customs procedures, common rules of certification, common technical standards, visa free travel and capital movement would contribute towards an economic upswing and increase the competitiveness of Europe and Eurasia.
- Simplified tax regulations, recognition of official documents and the harmonization of relevant jurisdictions could open the door to a common judicial area.
- Our Common Economic Space brings together countries with considerable raw material resources and countries with highly innovative enterprises. It also combines Western engineering knowledge and experience with the outstanding IT skills in the East, thus enhancing the “fourth industrial revolution” in the EU, EEU and in the countries in-between.
- An important factor for stronger economic cooperation is a common infrastructure. The East-West corridor needs to be developed further with common investments directed at strengthening connectivity. Simultaneously, an improvement of the conditions of transit would allow the EEU to function as a link between the EU and China, similar to China’s concept of its new Silk Road.

- Talks on a Common Economic Space shall eventually lead towards a free trade zone of more than 700 Million people in Europe and Eurasia.
- Analytical studies, for instance those of the Munich ifo-institute or the Vienna IIASA-institute, have already shed light on the distribution of economic advantages for the West as well as the East.

Political benefits:

- We believe that the proposed talks on a supranational level between the European Commission, representing 28 countries, and the Eurasian Economic Commission, representing five countries, is in the interest of all parties.
- The importance of a common space from Lisbon to Vladivostok goes beyond the economic facets. Built on the principles of the international law and OECD, a common humanitarian space, where people can travel without bureaucratic hindrances, creates peace and plays an important role to give new impulses to the current situation and further economic development.
- We believe in initiating steps that can already be taken now, in the short run, which will be useful to all countries involved and pave the way for the development of this mutually beneficial project.

Let’s talk now!

First signed
in April 2017

About the Working Group

The working group “Common Economic Space from Lisbon to Vladivostok” was founded in 2015 on the initiative of Ulf Schneider and Alexander Rahr, together with the German-Russian Forum (DRF). Since then, nine other associations (e.g. Ost-Ausschuss) representing European business interests in the Eurasian region and thirteen companies, including German blue chips such as Siemens, Allianz and Metro, joined the initiative.

The working group brings business people from several countries between Vladivostok and Lisbon together with policy makers and influencers. Businesses have long been transnational, and now it is time that the approach of policy makers reflects this fact. The creation of a Common Economic Space, uniting all countries between Vladivostok and Lisbon, is an important step towards the elimination of both old and new obstacles and to the joint solution of the political problems that have recently arisen in this area. It is the economy's contribution to peaceful cooperation. The initiative sees itself as an open circle including all countries from West to East to create a movement that goes beyond the current set-ups and escapes bilateral dominances. Kazakhstan is at the origins of the idea of a Common Economic Space and a driver of the EEU today. Kazakhstan thus seems a natural partner of the initiative, which is eager for deeper cooperation.

The core aspect of a Common Economic Space is a multi-level partnership between the EU and the EEU. It is crucial to understand that cooperation between the EU and the Eurasian Economic Union (EEU) is beneficial for all sides. Despite the different powers of the EU and the EEU, a dialogue between them should be led both on a political and on an economic level. This should be done through creating lasting networks between officials of the two commissions and by setting up a permanent dialogue. In 2017, we have achieved a rapprochement between the two commissions, which materialized in informal talks on the grounds and regular exchanges during our working sessions in different cities in greater Eurasia. Besides establishing a free trade zone in the long-run, there are many regulatory and technical areas where we can already start working together (e.g. product certification and technical standards; simplified tax regulation for

facilitating international trade and cross-border services; harmonization of the national economic jurisdictions; mutual recognition of official documents without the need for apostilles; facilitation of visa regimes). Three task forces (customs procedures simplification, technical regulation, visa simplification) are working on practical policy recommendations inspired by industries' real experience in the form of White Papers. In the last months, both the EU and national governments have taken steps towards establishing a common understanding on a possible harmonization of technical standards between the EU and the EEU.

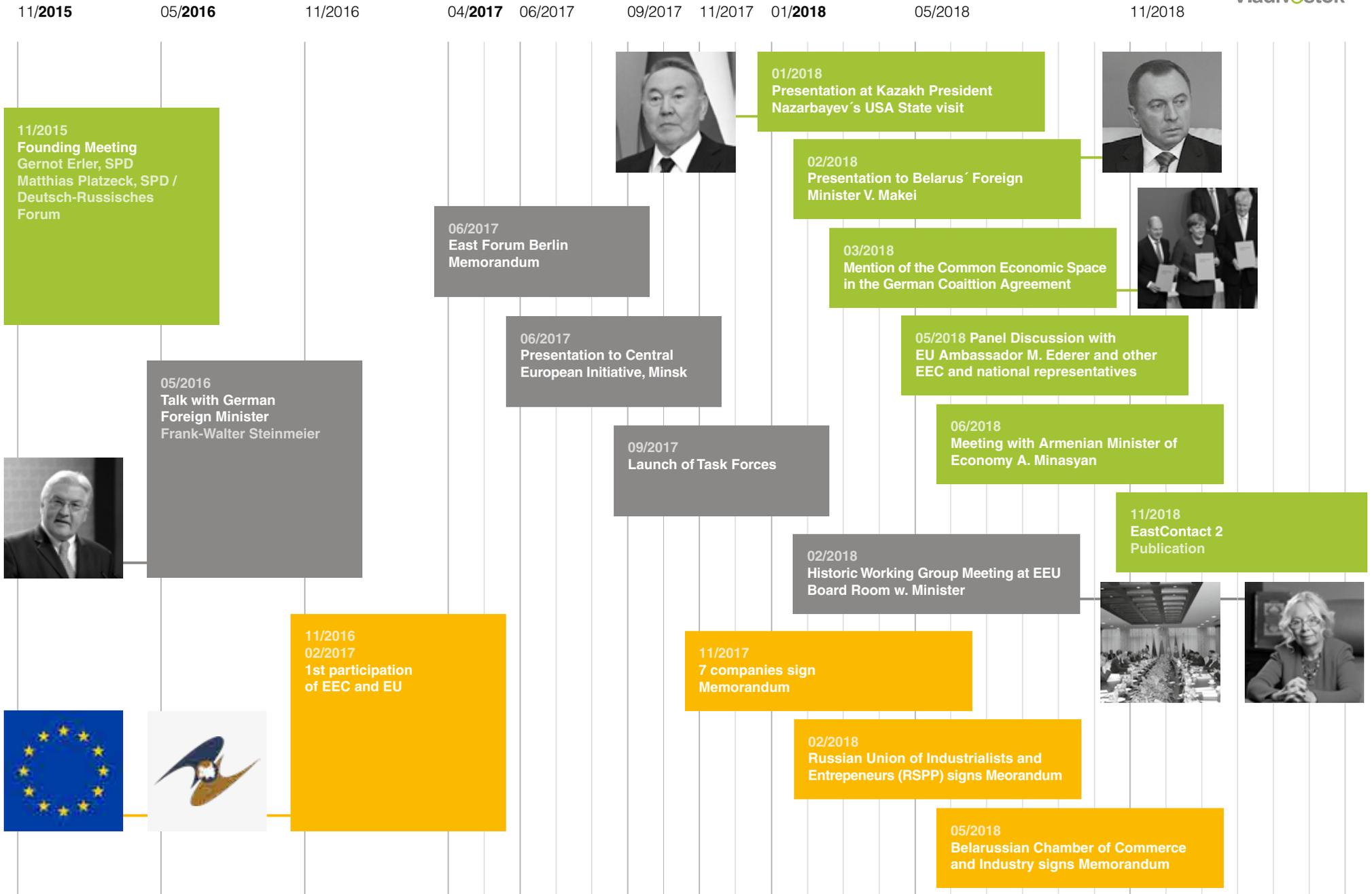
The aim of the working group is to achieve:

- a constant and productive, respectful dialogue between the supranational bodies (EU and EEU) and all countries in between;
- a result-oriented discussion platform for business and politics where problems addressed and ideas developed (see Memorandum)

The following further steps are planned in order to move the initiative forward:

- Road show in France, Italy, Kazakhstan, Baltic countries etc.
- Extension of task force work to new topical areas such as digitalization and energy cooperation
- Cooperation vectors with universities (i.e. German-Kazakh university), industrial parks and mayors
- Counterbalancing the harmful trends of protectionism and trade wars by further strengthening the idea of a common economic space on the political agenda of the EU and the member states bringing to the table the possibility of a free trade agreement between the EU and the EEU.

The working group is a project driven and financed by members and supporters, which aims to articulate the support of business for equal cooperation as a tool for trade, prosperity and peace.



Taskforce on a visa-free regime from Lisbon to Vladivostok

Intro:

We are living in times of geopolitical tensions, rising protectionism, the wide-spread building of trade barriers and the existence of complex sanction regimes. A simplification and potentially the abolition of the visa regimes in the geographical space from Lisbon to Vladivostok would be a signal that brings together businesses, people and societies. It would reduce bureaucratic costs, facilitate investments and trigger economic development.

Key Objectives

- Short-term: simplification of visa application procedures (using leeway of existing visa codes, e.g. by reducing costs and number of required documents, introduce online applications)
- Middle-term: abolition of visa regime for short-term business trips and tourism (Belarus model)
- Long-term: establishment of visa-free travel from Lisbon to Vladivostok

Status Quo

The EU has always had a long-lasting visa strategy towards its eastern partners. For most of them individual "Roadmaps towards visa-free regime" were developed. These documents contain a set of requirements for each country willing to get visa-free access to Schengen Area and are reviewed on a regular basis by the EU Commission. Due to the successful implementation of readmission agreements and to the state of reforms the EU by 2010 had offered visa-free regime to five Western Balkan countries. Georgia, Moldova, and Ukraine as members of the EU's Eastern Partnership Program were offered similar visa liberalization processes. As for Russia, until 2013 there were two visa dialogues that went in parallel: negotiations on the modification of the Agreement between EU and Russia on facilitation of the issuance of visas to EU and Russian citizens (signed in 2006) and negotiations on

implementation of Common steps towards visa free short-term travel of Russian and EU citizens. In 2013 Russia and the European Union were very close to a modernized Agreement on Visa Facilitation, including allowing holders of biometric service passports (along with diplomats) to travel without visas. Also, some progress was visible relating to "Common steps". For political reasons, these dialogues were suspended by EU in 2014. Conversely, the visa liberalization progress with Moldova, Ukraine and Georgia progressed successfully, with the EU approval of visa-free travel for Ukrainians in May 2017 being the most recent positive outcome. However, as a result today we have inconsistent visa regimes in place throughout the area from Lisbon to Vladivostok. This calls for action.

Economic Benefits

In 2016 consulates of Schengen area countries received 5.5 million applications from citizens of EAEU countries (Russia: 3,177,621) with less than two percent rejected. Conversely, two million EU citizens applied for visas to Russia alone. Assuming an average cost of EUR 100-200 per visa, this amounts to approximately 750 million to 1.5 billion Euros year on year. With regards to tourism, a EU study on the economic impact of short stay visa facilitation states that around four million of potential travelers from Russia, including 180,000 business travelers, were lost due to the Schengen zone visa regime. The study concludes a potential loss of profit of EUR 5.2 billion loss in direct contributions to GDP every year and up to 100.000 lost jobs in the EU. The effects to the Russian economy may be similar. This shows, that visa regulations are a major cost factor in doing business and a key barrier to investment. In a 2011 survey by the German Committee on Eastern European Economic Relations 20 per cent of the participating companies stated that visa problems had already resulted in contracts being lost to competitors. For almost two thirds of them the sheer number of required documents and the processing time were the biggest problems with regards to visas. The visa regime therefore acts as a traditional non-ta-

riff barrier to trade and a comparative disadvantage for companies from countries that need visas. Conversely, business travel is likely to stimulate local innovation, brings together entrepreneurs and facilitates exchange of know-how. Thus, there exist numerous economic benefits of visa-free travel, such as:

- Cutting cost for bureaucratic procedures for travelers, businesses and taxpayers (via reduced costs at consulates)
- Triggering investments and economic development, boosting tourism
- Eliminating competitive disadvantages for companies engaging in business between Lisbon and Vladivostok vis-à-vis companies from outside the region

Political Benefits

- Important signal for dialogue between countries and their peoples in times of current widespread political tensions
- Promoting stability, democracy, rule of law and social wellbeing in space from Lisbon to Vladivostok
- Using momentum of visa-free travel for citizens of Ukraine and Georgia in 2017 and take positive experience of its implementation for further enlargement of visa-free travel area
- Means for reciprocal simplification/abolition of visa regime after steps by Eastern European countries (most recently Belarus)
- Tasks to be achieved for elimination of visa barriers often involve domestic reforms, stricter document protection systems and introduction of advanced technologies that help fight against illegal migration

Societal Benefits

- Promoting better exchange for organizations of the civil society such as youth exchange, as well as people-to-people contacts and for families with relatives

living abroad

- Facilitating free flow of people and ideas in the sphere of education and R&D
- Simplifying trips to FIFA World Cup 2018 and other major international events hosted in Lisbon to Vladivostok area by building on positive experiences with Confederations Cup 2017

Countering widespread misperceptions

Unfortunately, discussions about visa simplification – instead of focusing on the potential benefits – often centers on perceived dangers such as uncontrolled immigration or rising crime. However, a closer examination reveals that these perceptions are mostly not justified, as shows the case of Moldova, whose citizens benefit from EU visa-free travels since 2014. Visa-free travel only allows for an up to 90 days stay in any 180 days period in a foreign country. A longer stay requires a work permit. Experience from existing simplified travel regimes between Poland and Ukraine or Russia and Norway shows that neither abuse nor rising crime rates can be observed. In those seldom cases of abuses there do exist repatriation/readmission agreements between the involved countries. Also, visa-free travel does not mean that border controls are abolished. Controls are still in place and the existing Schengen Information System helps to identify possibly dangerous persons. The introduction of biometric passports in many countries involved additionally guarantees more security. Generally, criminal subjects might always find ways to circumvent the existing visa regimes and a few people potentially abusing visa-free travel should not constitute the reason to put millions of people under general suspicion.

Task Force Targeting visa free regime from Lisbon to Vladivostok, November 2017

- Andreas Metz, German Committee
- Georg Hiemann, Wintershall
- Sergey Sizov, IASA

Taskforce on harmonizing Technical Regulations from Lisbon to Vladivostok

Intro: EAEU not reinventing wheels

Russia, the member states of EAEU and the other CIS states inherited the whole system of technical regulation, norms and standards from the Soviet Union. It is an enormous task to modernize this set of technical rules and standardization documents. Compared with the big amount of state norms (GOST) and other standards until 2010 only a few of them have been modernized. With the move from national GOST systems to the system of Technical Regulation (first national, then for the Customs Union), big progress has been made. Nowadays more than 60% of documents of the Russian Standard System (GOST R) have been updated after 1991. Still there is a lot to do, and of course standardization around the globe is a dynamic and ongoing development. There is a clear trend to see, that on the level of Technical Regulation in the EAEU as well on the level of interstate standards of CIS and on the national levels (e.g. GOST R, ST-B) the wheel is not being reinvented. International standards (ISO, IEC), harmonized European Norms (EN), and American Standards (e.g. ASME) have often served as blueprints for the new standards in the EAEU or CIS countries or being referred to in the updated standards. The system of EAEU Technical Regulation is based on the model of the European Directives. Although there are some systemic differences, on the technical level some of the TR CUs are almost 1:1 copies of the EU directives. Often one can see regulators in Russia/EAEU to follow updates in European legislation (e.g. on car emissions or energy efficiency) with a time gap of approximately 2 years.

Cooperation and Dialogue

EASC (CIS Interstate Council for Standardization), CEN, CENELEC cooperation formally is signed on paper. There is also a work level of communication and collaboration between the standard institutions of both Economic Areas. For Future cooperation in modernization and harmonization of standards lifting the dialog on political level between EU Commission and EAEU Commission is

considered helpful. On this level a discussion could be initiated, if the harmonized EN Norms can serve in EAEU as "acceptable norms" for the conformity assessment process. Further on the level of EASC, CEN, CENELEC it would be necessary to push for harmonization of Testing standards as they are most relevant for conformity assessments.

Problem Areas

Applicant and Product Liability

Although EAEU Technical regulation similarities to EU directives are clearly visible, there are systemic differences in the way to provide the necessary conformity proofs. In the EU this is a manufacturer oriented Process which results in a declaration of conformity in sole responsibility of the manufacturer. In the EAEU more and more products are subject to declaration, however the process is different and still involves third parties (Certification Bodies) who need to register the declaration. What is also missing in the EAEU is a clear regulation on the liability and responsibility of the manufacturers as it is in effect in the EU with the product liability directive 85/374/EEC dd 25th July 1985 or the general product safety directive 2001/95/EC. Manufacturers and manufacturers' representatives in the EU who sign CE Declarations of conformity clearly take over these responsibilities of product liability and product safety. In Russia and EAEU these concept still is far from realization. Also the idea to have manufacturers' representatives who sign declarations or apply for certifications (so called "Applicants") which seems a copy from EU legislation don't serve the purpose of product liability as such "applicant" agencies can be easily founded (400 EUR liable capital) and simply closed in any case of claim. At the end it has become a more bureaucratic process for importers without any benefit for the product safety and the consumers/end users in the countries of EAEU. Here we recommend searching for a mutually agreed and defined process, which allows European manufacturers to act directly as manufacturers in the territory of EAEU. As suggestion this could be realized with

a white-list of “trustful manufacturers” and/or contractual clauses which regulate the clear takeover of product liability as well as clarifications for court and applicable law. In the EAEU there is currently an ongoing discussion and revision of the schemata of conformity assessments. This is a good momentum to bring into this discussion a harmonization of the schemata with the modules of EU Decision No 768/2008.

Acceptance of Labs

Another problem arises from the fact that only proofs and Test Reports from Labs, accredited on the territory of EAEU, can be used for TR CU Conformity assessment. Thus, many products, which have already been tested by accredited labs in EU or elsewhere need to be tested again, which will lead to logistic efforts for sample sending or Lab expert traveling. And so, in practical terms the test protocols are often only paper fiction for big money. For further discussion, a more honest approach would be to allow acceptance of the results from accredited or notified Test Labs (e.g. mutual white lists of acceptable TL). Unfortunately, the current discussion in EAEU seems to go into opposite direction trying to reverse acceptance of Test Reports, which already exists (e.g. in sphere of Low Voltage, Electrical Safety). Beside the political levels and technical regulation level it is necessary to involve lobby of interested Russian Industry (e.g. Oil & Gas, Power, Mining - who import equipment for investment projects) into this discussion, because they will suffer most from those retrograde steps.

Summary:

First of all establish a channel of communication between EU commission and EAEU commission as the both law-making instances for EU Directives resp. EAEU Technical Regulation.

The following points could be subject of further dialogue/initiatives:

- Influence European and Eurasian standardization organizations to activate a formal process on harmonization EN – GOST
- Propose the initiation of active harmonization of Testing Standards under the lead of EASC and CEN/ CENELEC, as testing standards are most relevant in conformity assessment.
- Initiate a discussion on the working levels of EU and EAEU commissions about mutual acceptance of Test Laboratories and/or their Test Reports as basis for conformity assessment certification. Thinkable would be common accreditations for EU/EAEU. This should not be a one way road.
- Harmonize the certification/declaration schemes of EAEU (which are currently under discussion/revision) with the modules of the EU.
- Involve European exporters and interested parts of Russian industry in a discussion with EAEU commission about a solution with the “applicant” issue, that makes sense in terms of bureaucracy and a valid product liability
- Implement a communication/working platform on Harmonization of Technical Regulation for exchanging experiences, addressing issues, search for solutions etc. for the interested partners from the industry with involvement of politics. At the time being the topic of technical harmonization is being treated in the available work groups / discussion forums under “other”, if it will be touched at all.

Task Force Harmonized technical standards from Lisbon to Vladivostok, November 2017

- Sven Grube, SGS
- Gerd Slapke, Eurasia Connect
- Andrey Lotsmanov, RSPP

Taskforce on a common transports and logistics market from Lisbon to Vladivostok

What does the EU want to achieve in Logistics and Transport?

The EU transport policy aims at a form of mobility that is sustainable, energy-efficient and respectful of the environment. These goals can be achieved by using multimodal transport that combines optimally the various modes of transport, exploiting each one's strength and minimizing the weaknesses. The European Commission hence pursues a policy of multimodality by ensuring better integration of the transport modes and establishing interoperability at all levels of the transport system.

Furthermore, to ensure that transport chains are satisfying the needs of the users, efficient logistics services are needed. The European Commission is working together with stakeholders to support the creation of a favorable framework for the logistics services in the EU.

The internet and digital technologies are transforming our world. But existing barriers online mean citizens miss out on goods and services, internet companies and start-ups have their horizons limited, and businesses and governments cannot fully benefit from digital tools. It's time to make the EU's single market fit for the digital age – tearing down regulatory walls and moving from 28 national markets to a single one. This could contribute €415 billion per year to our economy and create hundreds of thousands of new jobs.

<https://ec.europa.eu/transport/home>

Key points of EU transport policy:

- Sustainability & green logistics
- Multimodal transport solutions
- Green transport corridors
- Transition points with efficient transfer/ reloading
- Urban freight solutions
- Efficient information and communication technologies
- Documents unification and digitalization
- ALICE: Alliance for Logistics innovation through collaboration in Europe

<https://lisbon-vladivostok.pro>

From study "Smart and sustainable logistics for a competitive Europe" by European Commission

Main question to be answered:

What priority topics to be set in the wide field of logistics, what is achievable in this workgroup and what kind of support is needed?!

Next steps:

- Setting the framework and defining the tasks
- Studying current EU und EAEU transport and logistics policy
- Working out crossing points & differences in both policies
- Interviewing key persons in governmental organization and logistics leaders
- Discussion in workgroup including prioritization and target definition
- Presenting the results in form of a White Paper

Task Force common transports and logistics market from Lisbon to Vladivostok, November 2017

- Sven-Boris Brunner, Exportwirtschaft ICS GmbH
- Michael Hess, Hellmann East Europe

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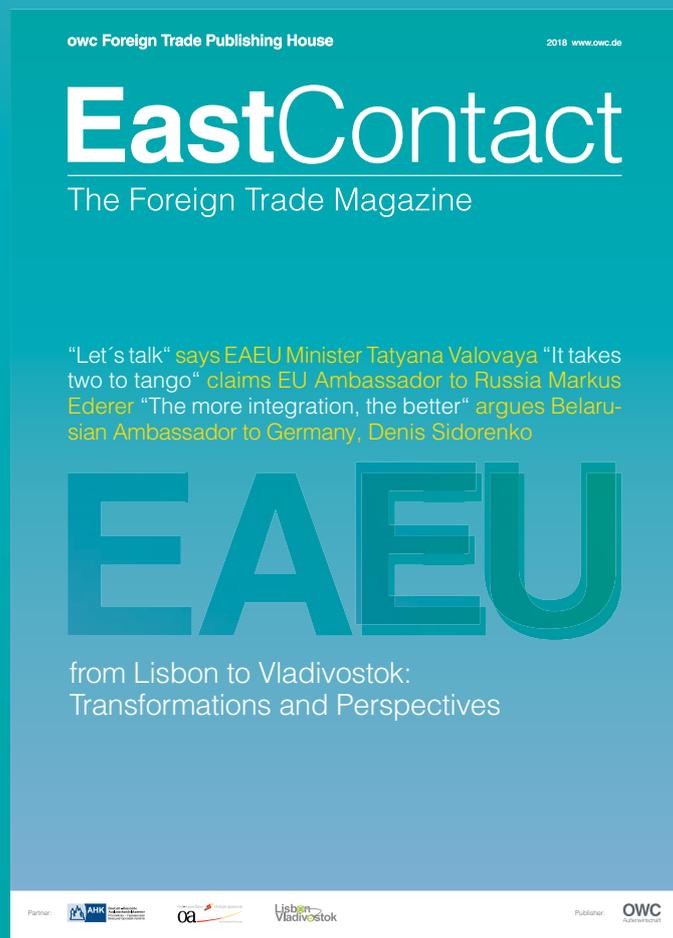


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