

Common Economic Space from Lisbon to Vladivostok: Potential Benefits for Participants

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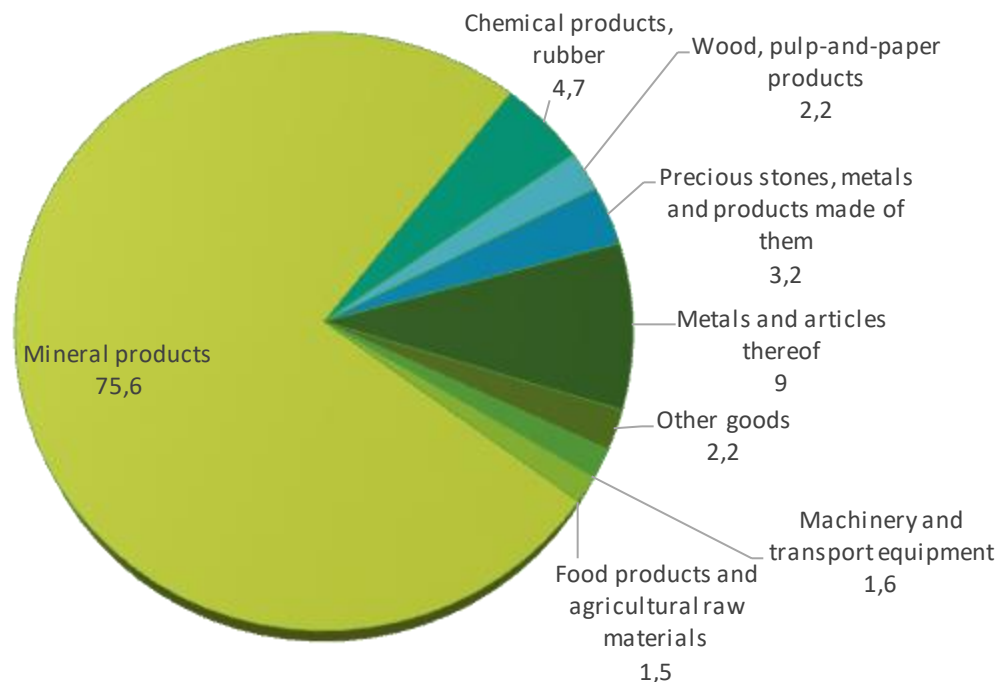
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Mutual EU-EAEU trade is recovering from low values in the middle of the decade

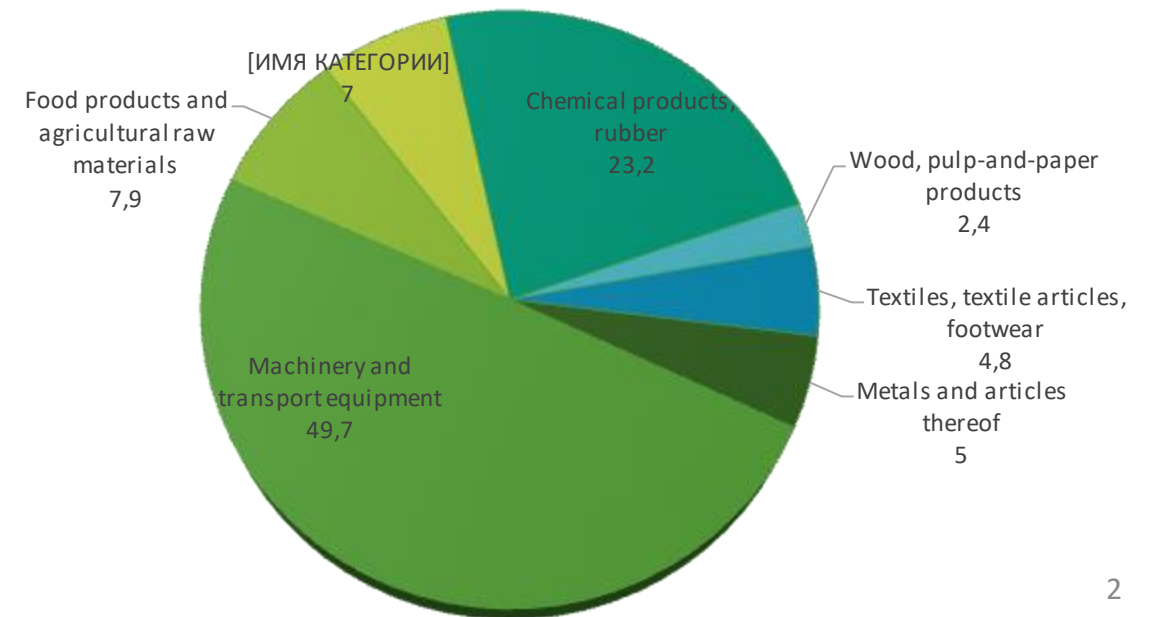
USD bn	2017	2018	2019
EAEU exports to EU	192,7	247,5	223,5
EAEU imports from EU	100,5	104,2	103,7

Major EAEU partners in the EU: Germany, Netherlands, Italy, Poland, France

EAEU exports structure, 2018



EAEU imports structure, 2018



But there exist large yet unrealized mutual trade potential due to various trade restrictions and limitations including non-economic ones

- Based on the ITC Export potential assessments methodology; covers non-raw non-energy exports.


EAEU export potential on the EU markets

USD 21 bn in the mid-term, or  1.5 times against 2018

Goods with strong export potential

Wheat, sunflower oil, methanol, uranium, mineral fertilizers, wood pulp, ferroalloys, semi-finished products made of iron or non-alloy steel, aluminum, copper cathodes, nickel, titanium and articles thereof, fuel elements for nuclear stations, tractors, trucks

EU export potential on the EAEU markets

USD 63 bn in the mid-term, or  1.6 times against 2018

Goods with strong export potential

Cheese, flour confectionery, other food products, other products of organic and inorganic chemistry, medicines and vaccines, cosmetics, plastic products, automobile tires, consoles, panels, tables, switchboards and bases for electronic equipment, devices for transmitting or receiving voice, images or other data, passenger cars, their parts and accessories, trucks, planes, helicopters, medical equipment and instruments

The potential effect of the FTA between the EU and the EAEU

The result of the implementation of zero import duties scenario in both trade directions against the background of the conservation of non-tariff barriers or their reduction by 50%

Country/region	Influence (% of GDP)	Influence (mln US Dollars)
Zero import duties scenario		
Russia	0.98%	11 600
Armenia	-0.42%	-50
Belarus	0.78%	600
Kazakhstan	0.33%	730
Kyrgyzstan	-1.00%	-75
European Union	0.10%	18 800
Zero import duties and the reduction of NTBs by 50% scenario		
Russia	2.88%	33 800
Armenia	1.69%	200
Belarus	4.35%	3 300
Kazakhstan	1.88%	4 100
Kyrgyzstan	0.70%	50
European Union	0.33%	61 200

Source: RFTA calculations

The way forward: creation of a Common Economic Space from Lisbon to Vladivostok

Elimination of trade barriers and trade facilitation

Promoting qualitative investments

Enhancing trade potential of MSMEs

Putting forward FTA agenda

Harmonization of regulatory systems

Promoting e-commerce and digital trade

Policy coordination in respect to East-West and North-South international transport corridors



Developing institutional basis of a Common Economic Space: from EAEU-EU technical contacts and consultations to full-fledged direct official dialogue between the two integration unions