EAEU INDUSTRIAL POLICY: FROM ITS CREATION TO THE FIRST RESULTS

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MOSCOW
2015
“The industrial policy within the Union shall be aimed at accelerating and improving the sustainability of industrial development, improving the competitiveness of industrial complexes of the Member States, implementation of effective cooperation aimed at increasing innovation activity, and elimination of barriers in the industrial sector, including with respect to the movement of industrial products from the Member States”.

Treaty on the Eurasian Economic Union
Section 24, Art. 92
Astana, May 29, 2014
Since the beginning of this year, economies of our states have begun full-scale cooperation in the new realities and circumstances... Work should be focused on increasing trade and investment flows, strengthening business ties, institutions of the EAEU, and finally – achieving a higher level of integration of our economies.”

The President of the Republic of Armenia
Serzh Sargsyan
“The most important thing, in our opinion, is coordination of actions in the industrial sector... Its main goal is diversification of the national economies, creation of new production facilities, and development of human capital. This requires a comprehensive thoughtful approach aimed at combining scientific, material and investment resources for industrial restructuring and priority development of knowledge-intensive industries.”

The President of the Republic of Belarus
Alexander Lukashenko
Deepening the Eurasian integration is for the benefit of our countries and peoples. One of the main aims is to combine the capabilities of each of the countries to jointly modernize and increase the competitiveness of our economies.”

The President of the Republic of Kazakhstan
Nursultan Nazarbayev
“Kyrgyzstan has joined the Eurasian Economic Union, and the first steps taken as a full member of the organization, give evidence of our correct choice. New sales markets have opened for our manufacturers, the export potential of the economies is increasing.”

The President of the Kyrgyz Republic
Almazbek Atambayev
“I am confident that through the modernization of industry, construction of new enterprises, localization of competitive production in Russia – we are able to – I want to emphasize – without violating the rules of international trade, without introducing any restrictions and barriers – substantially reduce imports of many items, and return the local market to domestic producers.”

President of the Russian Federation
Vladimir Putin
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WELCOMING ADDRESS
BY THE MEMBER
OF THE BOARD
(MINISTER) FOR
INDUSTRY AND
AGROINDUSTRIAL
COMPLEX,
S.S. SIDORSKIY
Dear readers!

At the current stage, a country’s place among the developed states is primarily determined by the development level of its industrial complex. This is the industry that concentrates the achievements of scientific and technical progress and is a conductor of innovative economic development of its country.

The Member States of the Eurasian Economic Union (hereinafter referred to as the Member States, the Parties) and the Eurasian Economic Commission (the EEC, the Commission) focus on accelerating industrial development, improving competitiveness of the industrial complexes and eliminating barriers in the industrial sector. The agreed industrial policy implemented by the Parties in the framework of the Eurasian Economic Union (the EAEU, the Union) and coordinated by the Commission is aimed at execution of this task.

At the stage of the Customs Union (the CU) in 2010–2011, Belarus, Kazakhstan and Russia drew up common rules in the areas of customs, technical, customs and tariff and non-tariff regulations. The issues of industrial cooperation at this stage of the integration were not considered.

During the preparation of the Common Economic Space (the CES), among the seventeen international acts forming the legal basis of the Common Market, the Agreement on Common Rules for Provision of Industrial Subsidies of December 9, 2010 was adopted. This document laid the conditions for fair competition in the industry within the single customs territory.

The deepening of integration processes, which began under the CES, has highlighted the issue on expansion of industrial cooperation and coordination of national industrial policies. The first practical step in this regard was Decision No. 40 of the Supreme Eurasian Economic Council at the highest level “On Main Directions of Coordination of National Industrial Policies of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation” adopted in May 2013.

That is why the Treaty on the Eurasian Economic Union (the Treaty on the EAEU), developed and adopted on
May 29, 2014 by the Presidents of our countries, gives particular emphasis to the industrial policy, where the Section “Industry” addresses prospects for its medium- term development. In furtherance of the Treaty on the EAEU the Main Directions of Industrial Cooperation within the framework of the EAEU were developed and agreed, which were approved in September 2015 by the Heads of Governments of the Member States. These documents are aimed at the provision of sustainable industrial growth, stimulating innovation activity, joint development of high-tech industries, rational cooperation and effective integration, as well as at development of new types of competitive export-oriented products.

Throughout four years, the Commission has worked in close cooperation with the Parties and the business community of the Union. The Consultative Committee for Industry consisting of Deputy Ministers of Industry and Economy of the countries and representatives from the Business Dialogue plays an important role in decision-making.

Experts of the authorised authorities of the Parties and the Commission formed working groups on priority and challenging issues of industrial cooperation. These are the experts of these groups in the Commission that begin consideration of particular issues in the industry sector. This format of the work throughout the whole period of the EEC activities allows us discussing key and outstanding issues, taking into account interests of the Parties and the business communities of the Union countries when making the Commission’s decisions.

Of course, the negotiations concerning the interests of several states is not a simple procedure. Especially when the subject of discussion are issues of deeper collaboration in the real sector, where the interests of the Parties almost always intersect, overlap, coincide or diverge sharply somewhere... This is due an objective reason – a significantly different structure of industrial complexes of the Member States. So, the result achieved becomes of greater significance.

1 Industry cooperation framework is provided in Annex No.1.
SECTION I
SETTING THE FOUNDATIONS OF INDUSTRIAL POLICY (THE PERIOD OF THE CU AND THE CES)
Section I. Setting the Foundations of Industrial Policy (the period of the CU and the CES)

In December 2011, at the session of the Supreme Eurasian Economic Council (the SEEC), the Presidents of Belarus, Kazakhstan and Russia approved the composition of the Eurasian Economic Commission. S. Sidorskiy was appointed as the Member of the Board (Minister) for Industry and Agroindustrial Complex, whose competence includes issues of industrial policy.

The Industrial Policy Department (hereinafter referred to as the Department) was formed, which started to implement its powers in the areas of industrial policy and subsidies, interstate programs and projects. We have reviewed the programs implemented by the Member States of the Customs Union and the Common Economic Space (the CU and the CES) in the field of industry and the existing structure of cooperation between producers of industrial products. Based on the results of this review, proposals on directions for deepening industrial cooperation between Belarus, Kazakhstan and Russia as well as for coordination of national industrial policies with the prospect to adopt an agreed industrial policy were prepared.

Whereby, the industrial block of the EEC carefully studied the expertise of the European Union, NAFTA, MERCOSUR, APEC regarding the organization of industrial, scientific, technological and innovation cooperation.

Such complex activity resulted in the first of the fundamental instruments in the field of industrial policy prepared in cooperation with the Parties – Decision No.40 of the Supreme Eurasian Economic Council made at the highest level of May 31, 2013 (hereinafter referred to as Decision No.40 of the SEEC).

This instrument specified the industrial sectors of the Parties of highest priority for the integration as well as the Main Directions of Industrial Cooperation. These directions included without limitation:

- implementation of a complex of measures to protect the market of industrial products of the CU and the CES Member States;
- establishment of common approaches to supporting export of goods of the Customs Union to third countries;
- establishment of a mechanism to jointly enter the markets of third countries in order to promote co-production; formation of a complex of measures to support priority sectors;
- creation of integrated structures and transnational companies for development of export-oriented industries and acceleration of product localization processes;

- formation of technology platforms and industrial clusters, aimed at achieving the state-of-the-art level of technological development;
- cooperation in the field of science and technology.

Decision No.40 of the SEEC at that time was the basic instrument for further work on development of the industrial policy. Its further implementation allowed taking certain steps to promote integration in the priority sectors and to ensure a gradual transition to a more profound cooperation in the industry.

COORDINATION OF NATIONAL INDUSTRIAL POLICIES

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Decision No.40 of the SEEC at that time was the basic instrument for further work on development of the industrial policy. Its further implementation allowed taking certain steps to promote integration in the priority sectors and to ensure a gradual transition to a more profound cooperation in the industry.
The Parties came to an understanding that the conduct of an agreed industrial policy will provide deepening of cooperation and contribute to creation of integrated structures, including transnational ones. Implementation of the agreed industrial integration in practice will allow elaborating a mechanism for joint access to the markets of third countries, forming a complex of measures to support priority sectors, developing common rules for creation of technology platforms and industrial clusters. Another achievement of an agreed industrial policy is the possibility of implementing a complex of measures to protect the market of industrial products of the CU and the CES Member States for sensitive types of products. But the most priority and prospective direction of the joint work should be the promotion of innovations, research and technology development.

Considering the mutual interest of the Parties to the issues listed above, the Heads of the Governments by Decision No.40 assigned the Commission in cooperation with the Member States to develop a draft agreement on industrial policy. This draft was developed by us. At a later stage, its key provisions were taken into account in development of the Section “Industry” in the Treaty on the EAEU.

Further work on the formation of the legal framework of industrial integration was carried out under the drafting of this Treaty.
One of the important functions of the Industrial Policy Department is the control of compliance by Parties with common rules for provision of industrial subsidies (hereinafter referred to as the common rules). These rules apply in accordance with the Agreement on Common Rules for Provision of Industrial Subsidies of December 9, 2010 (hereinafter referred to as the Agreement), and from January 1, 2015 – with Article 93 of the Treaty on the EAEU and Annex No.28 thereto (hereinafter referred to as the Agreement/Treaty, the Union law in respect of industrial subsidies).

From February 2012 to the present day, the Commission is continuously monitoring and making comparative legal analysis of the legislations of the Member States in this area on a systematic basis.

When conducting the comparative legal analysis of the national laws of the Member States, registers of normative legal acts of the Parties are formed, in accordance with which industrial subsidies are offered. These registers along with the consolidated information include the results of the analytical evaluation made by the Department of compliance of these acts with the common rules. The analysis identifies those normative legal acts, which, according to the EEC, contain rules contrary to the provisions of the Treaty. Subsidies provided under these acts, respectively, may be attributed to both substitutional or export subsidies that are prohibited.

According to the results of monitoring and comparative legal analysis on the basis of notifications on subsidies submitted by the countries the Commission prepares annual reports on compliance by the Member States with the provisions of the Agreement/Treaty. Reports are represented at the sessions of the Board of the EEC with the conclusions in respect of compliance by the Parties with the common rules and with the proposals to improve the arising situations of disputes.

Currently, the Commission’s experts are monitoring performance by the Parties of the provisions of the Treaty on the EAEU in 2015. Taking into account the accession to the Treaty of Armenia and Kyrgyzstan, the report for 2015 will be formed already for five Member States.

Over the previous years, the industrial block of the EEC has reviewed and analysed more than a thousand and a half of regulatory legal acts of various levels, according to which the Parties provided subsidies to their producers. As a result, we identified a number of problematic issues related to implementation by the Parties of the provisions of the Agreement/Treaty. To resolve them, and to develop common approaches on the issues, the Department of Industrial Policy on a regular basis conducts consultations and meetings with participation of representatives of the competent authorities of the Parties. In order to address inconsistencies identified, the Commission makes appropriate decisions.
Meetings of the bodies of the Eurasian economic Union

The Supreme Eurasian Economic Council

The Council of the Eurasian Economic Commission
Section I. Setting the Foundations of Industrial Policy (the period of the CU and the CES)

Eurasian Intergovernmental Council

The Board of the Eurasian Economic Commission
In furtherance of these international acts, the Commission have done a great regulatory developing work to develop common approaches to implement them. If converted into dry figures, it is for these purposes that the Commission developed and approved at various levels more than 20 decisions (Annex No.2). This has greatly improved the conditions for fulfilling by the Parties of their obligations.

It should be noted that compliance by the Parties with the Union law provisions in the field of industrial subsidies ensures creation of a level playing field in the Common Market for industrial producers. This is the key to successful development of industrial cooperation between our countries, and therefore is of fundamental importance.
Section I. Setting the Foundations of Industrial Policy (the period of the CU and the CES)

ELIMINATING BARRIERS TO INDUSTRIAL COOPERATION

The Commission is systematically working to identify and eliminate barriers to the functioning of the internal market of the Union. Due to the high significance of the development of integration processes within the Eurasian Economic Union, the issue of eliminating barriers in mutual trade is constantly raised at the highest level – by the Presidents and Prime Ministers of the Member States. Creating a barrier-free environment is one of the main factors of real provision of freedom of movement of goods, services, capital and labour and creation of the Common Market for participants of economic activities in the all five countries of the EAEU.

Following the joint activity, the Commission and the Member States developed and mainly already implemented the necessary measures to eliminate the most part of barriers. The adoption of the Treaty on the EAEU and alignment of acts and international treaties with it also eliminated a number of exemptions and barriers. The Parties still have to make decisions in respect of a number of barriers related to taxation, services, technical regulations, intellectual property, public procurement, etc. Their elimination will contribute to development of integration processes in the industry.

At the same time, there is still a barrier in the industry for application of the recycling fee in the territories of Belarus, Russia, Kazakhstan, Armenia and Kyrgyzstan.

In general, based on the results of cooperation with industry associations of the Member States, the industrial block of the EEC, jointly with the Parties developed decisions to solve the most problematic issues. This was achieved through:

• development and adoption by the Supreme Eurasian Economic Council, the Intergovernmental Council and the Commission of the key decisions on development of cooperation in priority sectors;

• agreements of the Parties to maintain exemptions for the Member States until the expiry of the transitional periods stipulated in Annex No. 28 “Protocol on the Common Rules for the Provision of Industrial Subsidies” to the Treaty on the EAEU.

EXAMPLES OF EXCEPTIONS KEPT IN THE TREATY ON THE EAEU

For exemption under the local content in subsoil use contracts between the Government of the Republic of Kazakhstan and a subsoil user concluded before January 1, 2015 pursuant to Law No.291-IV of the Republic of Kazakhstan of June 24, 2010, On Subsoil and Subsoil Use a transitional period until January 1, 2023 has been fixed.

For the exemption of Russia on the measures applied in accordance with Federal Law No.16-FZ of January 10, 2006, On Special Economic Zone in the Kaliningrad Region and on Amendments to Certain Legislative Acts of the Russian Federation, a transitional period until April 1, 2016 has been fixed.
EXAMPLES OF ELIMINATED BARRIERS

The Parties had difficulties with the definition of a uniform interpretation of the term «subsidies» and classification of expenditures for state support of the industry that led to the subjective attribution of specific subsidies to a particular type. To eliminate these barriers the Commission adopted Recommendation No. 14 of the EEC Board of September 10, 2014 on clarification of the classification of industrial subsidies.

A great deal of work has been done in respect of the definition of the conditions for application of the term “industrial assembly of motor vehicles”. Based on its results the SEEC Decision No. 72 taken at the highest level of May 29, 2014 “Concerning the Conditions for Using the Term "Industrial Assembly of Motor Transport Vehicles" on the Territory of the Member States”.

The SEEC Decision No. 73 of May 29, 2014 established equal conditions in provision of industrial subsidies to producers – tax residents of one Member State with the requirement to mandatory implementation of certain types of manufacturing operations in the territory of the subsidizing state. This Decision provides recording of such operations made in the territories of other Member States.

In the future, the work on creation of barrier-free environment will be continued on a regular systematic basis. It is necessary in order to eliminate existing barriers to mutual trade between the Member States, as well as to monitor and control emerging barriers. Whereby, it is important that the Member States of the EAEU do not take unilateral actions that would expand the list of obstacles, and the business communities of the Member States continue to actively participate in this process, identifying new barriers and signalizing about them to the EEC.

The work to removing barriers in the EAEU industry is conducted in a systematic manner. Taking the necessary measures is worked out on all levels – from the Prime Ministers to experts.
SECTION II
CREATING A LEGAL FRAMEWORK OF THE EURASIAN ECONOMIC UNION IN THE FIELD OF INDUSTRY
Eurasian integration has been developing for more than 20 years. Obviously, over the years its members have signed more than a dozen of international treaties and adopted a great number of normative legal acts. Some of them were implemented as far as possible, but there still remains no call for some others.

The functioning of the CU and the CES and transition to the formation of an economic union led to the need to update the legal framework existing at that time and to create a common codification act, which would as far as possible include the necessary standards. The Treaty on the EAEU became such an act. Thus, the process of developing the legal framework in the field of industrial policy coincided with the period of formation of the Treaty on the EAEU. That is why the whole work on the legal framework in the field of industry was conducted by the Department in the framework of codification of the contractual legal framework of the CU and the CES and development of the Section “Industry” of the Draft Treaty on the Eurasian Economic Union. Texts of the articles were regularly and comprehensively discussed at the sessions of the Consultative Committee on Industry.

It was exactly during this period that the Commission and the Parties worked out and approved the legal framework in the field of industrial policy and cooperation under the Eurasian Economic Union, which includes for today:

- Article 92 of the “Industrial Policy and Cooperation” of the Treaty on the EAEU and Annex No.27 (Minutes on Industrial Cooperation) to the Treaty on the EAEU;
- Article 93 «Industrial Subsidies» of the Treaty on the EAEU and Application No. 28 (Minutes on common rules for provision of industrial subsidies) to the Treaty on the EAEU.
The legal framework created is aimed at encouraging development of industrial cooperation between the Member States, speeding up and increasing sustainable development of industrial complexes of the Parties and their competitiveness, creating conditions for development of new innovative enterprises.

Thus, in accordance with the Treaty on the EAEU, industrial policy is a major landmark in the development and implementation of trade, customs and tariff, competition policies, and policies in the field of public procurement, technical regulations, entrepreneurship development, transport and infrastructure.

To control the execution of the Treaty on the EAEU, including Articles 92 and 93, and Annexes No. 27 and 28 thereto, the Council of the Commission approved the relevant Working Plan for development of acts and international treaties in accordance with the Treaty on the EAEU (Decision No.58 of July 16, 2014) (hereinafter referred to as the Working Plan approved by Decision No.58 of the EEC Board). The Decision and the Plan are available on the official website of the EEC online.

**Article 92 “Industrial Policy and Cooperation” and Annex No. 27 to the Treaty on the EAEU**

Article 92 defined conducting an agreed industrial policy aimed at uniting industrial, scientific, intellectual and material capacities of the Member States to improve their competitiveness as the main task.

As already noted, while developing this article, we ensured continuity with Decision No.40 of the SEEC, as well as with conceptual approaches developed and agreed by the Parties to conducting industrial policy under the CU and the CES.

Article 92 of the Treaty on the EAEU established the fundamental principles and rules of cooperation of the Member States in the area of industry. It expands the scope of integration between the Member States of the EAEU covering the field of industrial cooperation and identifying new areas of integration in this field. These include goals, objectives, principles, tools and mechanisms for implementation of industrial policy under the EAEU.

Article 92, leaving the conduct of industrial policy in the national competence, however, provides for the formation of industrial policy within the Union on the basis of deepening industrial cooperation in the main directions agreed by the Parties.

With a view to the practical implementation of cooperation, the Article provides for development of a relevant document – “Main Directions of Industrial Cooperation within the Union” (hereinafter referred to as the Main Directions, the MDIC), which should identify key parameters of an agreed industrial policy.

**Article 93 “Industrial Subsidies” and Annex No. 28 to the Treaty on the EAEU**

From November 2012 to May 2014, the Department in collaboration with the experts of the Parties actively worked to codify the provisions of the Agreement on Common Rules for Provision of Industrial Subsidies to the Treaty on the EAEU. As a result, Article 93 “Industrial Subsidies” to the Treaty on the EAEU and Application No.28 “Protocol on the Common Rules for the Provision of Industrial Subsidies” thereto (hereinafter referred to as Article 93, Application No.28) were included in it.
Meeting of the Consultative Committee for industry

The main theme of the meeting in April 2013 was compliance by the Parties of uniform rules for granting industrial subsidies in the CU and CES.

How to develop cooperation in the priority sectors of the economy – the main issue of the meeting of the Consultative committee on Industry in December 2013.
Section II. Creating a Legal Framework of the EAEU in the Field of Industry

Discussion of the major directions of scientific-technical cooperation in the EAEU at a meeting in September 2014

Consideration of the draft MDIC at the meeting of the Consultative Committee on industry in March 2015
INDUSTRIAL POLICY AND COOPERATION

ARTICLE 92 OF THE TREATY ON THE EURASIAN ECONOMIC UNION

THE MAIN DIRECTIONS OF INDUSTRIAL COOPERATION

- High-priority economic activities
- Sensitive goods

THE POWERS OF THE PARTIES

- Information exchange with regard to industrial development plans.
- Hold regular meetings (consultations) of representatives of authorised authorities of the Member states responsible for the shaping and implementation of the national industrial policy, including at the venues of the Commission.
- Develop and implement joint programmes for the development of priority economic activities for industrial cooperation.
- Develop and agree on a list of sensitive goods
- Implement joint projects, including for the development of the infrastructure required to improve the efficiency of industrial cooperation and deepen the industrial cooperation between the Member States.
- Develop process-related and information resources for the purposes of industrial cooperation.
- Conduct joint research and development activities in order to promote high-tech industries.
- Create technology platforms and industrial clusters, with the support of the Commission.
- Promote mutually beneficial industrial cooperation, with the support of the Commission.
- Accomplishment of other measures for eliminating barriers and enhancing mutually beneficial cooperation.

THE POWERS OF THE COMMISSION

- Assistance in:
  - exchange of information, holding of consultations, formation of joint platforms for discussion of issues related to the development of the main directions of industrial cooperation, including the promising areas of innovative activities;
  - development of proposals aimed at deepening cooperation between the Member States in the implementation of industrial policy within the Union;
  - exchange of experiences on issues related to the implementation of reforms and structural changes in the industry, encouraging innovation and industrial development;
  - development and implementation of joint programmes and projects
  - involvement of small and medium-sized enterprises in the industrial cooperation of the Member States;
  - information exchange;
  - development and implementation by the Member States of joint measures to counter the global economic crisis in industry;
  - provision of recommendations on the formation of the Eurasian technology platforms.

IMPLEMENTATION OF:

- submission to the Member States of recommendations on further development of industrial cooperation in the interests of each participant thereof;
- monitoring and analysis of implementation of the Main Directions of Industrial cooperation within the Union;
- review of the international experience in industrial development in order to identify industrial development methods relevant for the Member States.

According to the decision of the Intergovernmental Council:

- preparation of draft provisions on the development, financing and implementation of joint programmes and projects;
- identification of administrative and other barriers to the development of industrial cooperation within the Union and development of proposals for their subsequent elimination;
- preparation of proposals for the formation of cooperative manufacturing chains for the joint manufacture of products;
- monitoring of the market of industrial products within the Union, as well as of export markets of third countries;
- analysis of the industrial development of the Member States;
- development jointly with the Member States of other documents for the implementation of the industrial policy (the procedures of implementation of the directions of cooperation between the Parties).

GOALS OF PERFORMANCE

- Acceleration of and increasing sustainability of industrial development
- Increasing competitiveness of industrial complexes of the EAEU Member States
- Implementation of effective cooperation, to increase innovation activity
- Removing barriers in the industrial sector, including to the movement of industrial goods by the EAEU Member States

PRINCIPLES

- Equal rights and the interests of the parties, Mutual benefit, Non-discrimination,
- Fair competition, Transparency

INDUSTRIAL POLICY IN THE FRAMEWORK OF THE EAEU

Development

Goals of performance

Coordination in the development, monitoring and analysis of the results

Trade, customs and tariff, competition policy;
technical regulations;
government procurement;
development of entrepreneurship, transport and infrastructure

Development coordination in the development, monitoring and analysis of the results

PRINCIPLES

- Equal rights and the interests of the parties, Mutual benefit, Non-discrimination,
- Fair competition, Transparency

IMPLEMENTATION OF:

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- monitoring of the market of industrial products within the Union, as well as of export markets of third countries;
- analysis of the industrial development of the Member States;
- development jointly with the Member States of other documents for the implementation of the industrial policy (the procedures of implementation of the directions of cooperation between the Parties).
Whereby, some rules of the Agreement under discussion of Article 93 of the Treaty on the EAEU were amended by the Member States with mutual approval.

Thus, for example, instead of two alternatives previously provided for in the Agreement for dispute resolution – in the Court or by the Conciliation Commission – the EAEU Court Statute (Annex No. 2 to the Treaty on the EAEU) states that the Court of the Union only has the authority to settle disputes concerning the provisions of the Treaty on the EAEU. Establishment of a specialized group in consideration of a particular dispute is provided, the subject of which are the issues, including provision of industrial subsidies.

In addition, the format and the scope of powers delegated to the Member States to the Commission since 2017 was changed:

- rules relating to compulsory approval with the Commission of the specific subsidies and conduct of investigations by it since 2017, are replaced by the rules relating to voluntary approval and conduct of examination on the initiative of a Member State;

- since 2017 the Commission is assigned with the authority to resolve disagreements on issues related to implementation of the provisions of Article 93 and Application No. 28 to the Treaty on the EAEU, and to provide clarifications in respect of their application on the basis of voluntary approval of planned for provision and provided specific subsidies.

Provisions of Article 8 of the Agreement were changed that specify the procedure and the period of notification of subsidies. The Member States agreed to inform each other and the Commission about subsidies provided and planned to be provided twice a year, excluding the obligation to submit interim notifications within the time periods fixed in the Agreement. Thus, from January 1, 2017 the Member States on a regular basis will submit quarterly notifications about subsidies provided for the reporting quarter.

In addition to the changes specified in the example, new rules have been introduced to the Treaty on the EAEU.

An important innovation in the Treaty on the EAEU is the establishment of rules on mutual recognition of process operations carried out in the Member States, when one of the Parties decides on provision of specific subsidies according to the procedure determined by the Supreme Eurasian Economic Council, due to execution of a specific number of technological operations (paragraph 8 of Application No. 28 to the Treaty on the EAEU). In May 2014, the Presidents of the Union adopted the necessary decision on the procedure of process operations in the production of industrial goods in the territories of the Member States of the Eurasian Economic Union. It allowed for the procedure for recognition of process operations in accordance with this rule of the Treaty on the EAEU to be determined. Now countries, when deciding on the provision of industrial subsidies, are required to mutually take into account relevant process operations executed in other states of the Union. This innovation is aimed at stimulating the development of industrial cooperation and establishment of joint ventures between producers of the Member States.

The List of Exemptions on Benefits provided under the investment agreements on industrial assembly in relation to the benefits provided by the Belarusian and Kazakh car assembly plants operating in the mode of “industrial assembly” in accordance with the national law of the Member States and Decision No. 130 of the Customs Union Commission of November 27, 2009 was extended.

Treaty on the EAEU was created in close coordination of EEC and national governments.
The interaction of members of the Board of Eurasian economic commission

Members of the Board (Ministers) of the EEC R.Kh. Arutyunyan, S.S. Sidorsky, A.R. Nranyan

Members of the Board (Ministers) of the EEC T.D. Valovaya, S.S. Sidorsky with The Head of Secretariat of the Member of the Board (Minister) for Industry and Agroindustrial Complex N.P. Zaychenko
Members of the Board (Ministers) V.N. Koreshkov, S.S. Sidorsky

Members of the Board (Ministers) S.S. Sidorsky, T.M. Suleimenov
SECTION III
IMPLEMENTATION OF THE INDUSTRIAL POLICY IN FURTHERANCE OF THE TREATY ON THE EURASIAN ECONOMIC UNION
IMPLEMENTATION OF ARTICLE 92 “INDUSTRIAL POLICY AND COOPERATION” AND ANNEX No. 27 TO THE TREATY ON THE EAEU. ADOPTION OF THE MAIN DIRECTIONS OF INDUSTRIAL COOPERATION WITHIN THE EAEU

THE MAIN DIRECTIONS OF INDUSTRIAL COOPERATION WITHIN THE EAEU

An important event in the implementation of the Treaty on the EAEU (in terms of industrial policy) was adoption in September 2015 by the Heads of Governments of the Main Directions of Industrial Cooperation under the EAEU. This strategic document was developed by the industrial block of the EEC, jointly with the Parties in accordance with Article 92 of the Treaty. It is aimed at deepening cooperation collaboration, holding intellectual modernization of existing production facilities and creating new industrial sectors, developing advanced types of competitive export-oriented products. It laid the foundation for a new innovation economy by creating conditions for the transition to high-tech industries with high productivity and added value.

The Draft Main Directions designed with the assistance of experts and leading economists-scientists was presented for discussion to the authorized bodies and the business community of the Union already in March 2015.

In order to approve and operationally develop the draft MDIC in EAEU Member States, the Department conducted a series of activities for public discussion of the draft as an open dialogue with representatives of the interested ministries and departments of the Parties, as well as business circles and business communities.

These events were held in the framework of Belarusian Industrial Forum on May 13 in Minsk (the Republic of Belarus), on May 27 – at the forum in Astana (the Republic of Kazakhstan), on July 8 – at the site of the International Industrial Forum of Russia “INNOPROM” in Yekaterinburg (the Russian Federation). Active discussion of the Main Directions was held under the St. Petersburg International Economic Forum, on June 18, 2015, and at the meeting held on July 21, 2015 in Armenia (Yerevan). According to the results of discussions on each of these events, the participants adopted resolutions approving the draft MDIC in general and containing recommendations to governmental bodies and business communities to increase the participation in preparation of the document.
As part of the cooperation with the United Nations Industrial Development Organization (UNIDO), the international expertise of the draft MDIC was conducted after that for the first time within the CIS space an intrastate document got a positive evaluation of international experts and their support.

The version of the Main Directions agreed by the Parties was approved on September 8, 2015 by the Heads of Governments of our states by Decision No. 9 of the Intergovernmental Council “On Main Directions of Industrial Cooperation within the framework of the Eurasian Economic Union”.

With the adoption of the Main Directions, the Member States for the first time approached an agreed vision of the goals and possible ways for development of their industrial complexes using the potential of integration and with the consulting and coordinating role of the EEC.

This system document defines the goals, objectives, key areas of industrial cooperation in the medium term, as well as tools and mechanisms that the Parties will use for their implementation.

One of the first tasks is the diversification of production, engaging the existing enterprises into turnover of economies of the Parties that are capable to provide import substitution in key items, as well as export-oriented. The priority of import substitution is justified by the need to meet in the current environment the needs of the EAEU with domestic production, to increase localization of production in the territories of the Union states in order to reduce the negative impact of the foreign components on the increase in prices of our products.

The document also identified other areas of cooperation for the next five years, the most important of which are:

- mastering the manufacture of new types of competitive industrial products for saturation of the Union Common Market and export to third countries (import substitution);
- innovative development of the EAEU industry;
- attraction of investments and improvement of the availability of funding for industrial companies;
- eliminating barriers to the circulation of industrial goods on the EAEU common market.
The main hopes are placed on innovative modernization of industrial facilities, construction of new cooperative chains for production of high technology industrial products in demand on world markets.

In this regard, the MDIC provide for the phased development of a joint innovation infrastructure, including the Eurasian network of technology transfer, technological platforms, clusters, engineering centres. We also plan to digitally transform the industries of the Union states, which will facilitate the transition to the digital economy.

In addition, the Main Directions provide implementation of joint programs and projects, increasing the level of localization of the products manufactured, development of subcontracting, joint access to third countries’ markets.

It is planned to increase motivation of the business and its incentives for creation of joint dealer and service networks, certification centres for machinery and equipment and technical support, special combined sales companies and consortiums.

Opportunities for the use of advanced financial products (leasing, pre-export and export financing jointly manufactured products), priority use of international and regional technical standards, introduction of quality management systems will be created – all of these changes will affect particular factories, plants, enterprises in all the Member States.

Deepening cooperation between industrialists of the Parties will extend the relations between them, involve in the process of integration a large number of small and medium enterprises, create new production chains, provide the possibility for common win-win sales strategy on the markets of third countries (instead of undue competition).

The Main Directions also establish a list of priority areas and sensitive goods for industrial cooperation. Definition by the Parties of the list of such industrial sectors will enable them to concentrate on the most important and effective industries for cooperation.

For reference. For the first time the industries of priority for cooperation between the Member States of the CU and the CES were approved by Decision No. 40 of the SEEC. The list contained 19 priority sectors of the economy, including almost all the sub-sectors of mechanical engineering, pharmaceutical, woodworking, light, chemical and petrochemical industries, metallurgy, building materials industry as well as biotechnology and nanotech industry.
To form the List of sensitive goods we needed, first of all, to agree the criteria for classifying a product as a sensitive one. It should be noted that the consensus on the issue was possible only within the framework of the Main Directions of Industrial Cooperation within the framework of the EAEU. According to the Treaty on the EAEU, with respect to sensitive goods, the Member States shall hold consultations for mutual consideration of their positions prior to the adoption of any industrial policy measures. In addition, in respect of these goods, the Parties agreed to inform each other in advance about planned directions of implementation of the national industrial policy. The procedure for consultation and mutual informing in respect of sensitive goods is included in the Main Directions as an annex. Such cooperation and coordination is expected to avoid damage to industrial complexes of each other with the decisions on support and regulation measures taken by the Member States.

For reference. The Parties have agreed to consider the sensitive goods as products with high level of competitiveness between producers from different Member States. At this stage, products of metallurgy industry, automotive building industry, machinery and equipment production for agriculture and forestry, building material industry and light industry are considered sensitive goods.

Implementation of the Main Directions will provide the integrated effect from the co-development of industrial production of the EAEU Member States, namely, improve the qualitative and quantitative development of the industry of the Parties, reduce the backlog of productivity level in the Member States to the industrialized countries of the world, increase volumes of cooperation supplies and mutual trade of industrial products in the Union.

In general, the implementation of the MDIC will create: the basis for joint innovation and technological progress in the industry of the EAEU countries in the short term, as well as prerequisites for sustainable industrial development of the EAEU Member States.

In accordance with the instruction of the Prime Ministers of the Member States, in furtherance of the Main Directions the industrial block of the Commission developed the Plan for Elaboration of Acts for their Implementation adopted by the Board of the EEC.

For reference. The Main Directions of Industrial Cooperation within the EAEU are available on the official website of the EEC online, and issued as a separate publication.
Development of industrial cooperation

Development of cooperative ties is a pre-emptive right of the producers directly involved in cooperation value-added chains. The Commission’s task in this area is creation of favourable conditions for development of this direction of industrial integration.

This activity is particularly relevant given the ongoing policy of import substitution carried out by the Member States of the Union. Currently, the greatest significance for the Union industry growth is mastering the manufacture of products similar to imported ones, primarily components of engineering products. For this reason, obviously, it becomes appropriate to integrate industrial producers of the EAEU Member States in cooperative chains formed by each state.

To this end, the Department analysed tools for development of industrial cooperation and involvement of small and medium-sized businesses in the production chains. A series of consultations with associations and centres that implement the tasks of developing industrial (production, scientific, technical, trade, marketing, finance) cooperation in the Member States was organized.

Following this work in the Main Directions, establishment of the Eurasian network of industrial cooperation and subcontracting, and in the Working Plan for the MDIC implementation – development of the Concept of creation and functioning of the Eurasian network of industrial cooperation and subcontracting up to the end of 2016 was provided.

It is expected that the Parties, under the coordination of the EEC, will establish a common information system for the search and arrangement of orders in the industry, which will contain databases of industrial enterprises and products manufactured, production capacities and available resources. The Eurasian network of industrial cooperation and subcontracting will be based on development and operations of national segments (national networks) of industrial cooperation and subcontracting of the EAEU Member States.

Establishing and running subcontracting exchanges in the Member states will allow for the creation of platforms used to find partners, run negotiations and conclude preliminary agreements.

The Eurasian network of industrial cooperation and subcontracting should be a real tool for building cooperation ties between industrial enterprises of the EAEU Member States, involving small and medium enterprises in industrial chains. Such a network will help to optimize manufacturing processes through the placement of orders by industrial enterprises for development, manufacture and service of industrial products, as well as execution of technological processes in other industrial enterprises. This will build a more effective organization structure of production and use production capacities in the optimum way.

In order to develop industrial cooperation the Main Directions also provide improvement of investment conditions in the industry. An important role in this regard is given to the increase of volumes and privileged funding by the Eurasian Development Bank, in particular, of long-term cooperation projects. To this end, the Bank agreed that with the participation of the EEC, the necessary regulations will be developed.
IMPORT-SUBSTITUTING INDUSTRIAL POLICY – STIMULATION OF THE DEVELOPMENT OF INDUSTRIAL ENTERPRISES USING THE POTENTIAL OF THE INTERNAL MARKET

I. FORMATION OF THE TARGETS OF IMPORT SUBSTITUTION

Monitoring and forecast of the common EAEU market according to key indicators

Monitoring:
- Share and trends in imports by the industry segments
- Share and trends in mutual supplies of the EAEU Member States
- Direct supplies by manufacturers to their supranational segments of common EAEU market
- Exports
- Analysis of factors: comparative price levels, the level of customs protection, production capacities and their load, etc.

The annual report with proposals for the use of the common market potential
Decisions to promote import substitution

The list of priority activities

Formation of the List of priority activities
Application of the List of priority activities in the implementation of joint measures for cooperation

II. COORDINATION OF THE POLICIES OF IMPORT SUBSTITUTION

Providing uniform “rules of the game” in the common market

Providing uniform rules for granting Industrial Subsidies:
- Monitoring and comparative legal analysis of the laws of the EAEU Member States
- Annual report on the compliance of the Member States with the uniform rules
- Consultations on controversial issues
- From January 1, 2017 the powers of the Commission on the harmonisation the specific subsidies

Removing barriers on the basis of monitoring the strategic industrial enterprises:
- Preparation of a list of strategic industrial companies
- Monitoring of strategic industrial companies in the form of surveys
- Annual report to identify barriers
- Adopting Decisions on the removal of barriers

Promotion of cooperation

The development of added value chains in the EAEU
Inter-state programs for development of priority activities
Formation of the concept of “Product of the Union”, the definition of the criteria for inclusion in the concept of “Product of the Union”

Incentive measures in trade, customs and tariff, competition in government procurement, technical regulations, business development, transport and infrastructure and in other areas

Leasing
Development of scientific, technological and innovation cooperation

Scientific and technical cooperation plays an important role both in the development of science and technology of the Member States, and in innovative development of their economies as a whole. In order to implement this cooperation in the framework of the EAEU, the industrial block of the EEC, jointly with the Parties, on the basis of a systematic approach developed cooperation tools for the Member States in this area. These include the development and formation of the Eurasian network of technology transfer, the Eurasian network of industrial cooperation and subcontracting, international programs and projects, business innovative infrastructure, as well as cooperation with international organizations.

Based on the experience of various integration associations, the most common and effective form of this type of cooperation is the creation of joint research structures for the use of the latest scientific and technical ideas, design and market research. In furtherance of the development of this direction, Recommendation No.3 of the EEC Broad discussion on the draft MDIC in Astana of February 19, 2013 “On the Need to Prepare the Procedure for Development and Implementation of Interstate Programs within the CES” was adopted.

For a more detailed study of this problem, the Department conducted a survey of more than 40 organizations from the Member States and a series of consultations with more than 20 institutes for innovation and scientific and technological development of the Member States. Following this work, as well as study of the experience of the European Union in this field, analytical findings on cooperation in science and technology were prepared, which were used in the development of the relevant section of the Main Directions. As a result, the MDIC provide for implementation of international programs and projects, and the Working Plan of the MDIC implementation provides for preparation of the Regulations on development, implementation and funding of international programs and projects under the EAEU up to December 31, 2017.
I. DEVELOPMENT OF INNOVATIVE PRODUCTS

1. The Eurasian technology transfer network
   A common network search system that would allow technology engineers and interested companies to be found
   A common network search system that would allow partners for joint research and development activities to be found
   Integration of the Eurasian network structure into the international one

2. Eurasian network of industrial cooperation and subcontracting
   General information search system and organization of industrial orders
   Conducting subcontracting exchanges
   Ongoing assistance to industrial enterprises in the search for co-partners

II. INTRODUCTION OF INNOVATIVE PRODUCTS

3. Cooperation with international organizations
   Participation in the programs and projects of UNIDO
   Replication of the UNIDO practices and standards in the industrial complexes of the EAEU Member States
   Using the UNIDO platforms to promote the interests, goods and services of EAEU Member States to third countries

4. Interstate programs and projects in the innovation sphere
   Co-financing of scientific-technical and innovative projects and programs
   Coordination of financial efforts towards the innovative activities, including by way of venture investments
   Formation of the general funds for the financing of scientific and technical and innovation projects

III. INNOVATIVE PRODUCTION

5. The Eurasian innovative industrial clusters
   The formation of consortia among enterprises – industrial manufacturers
   Development of a package of measures to support businesses by way of various instruments
   Providing access to the export and assistance in the implementation of major infrastructure projects

6. Cooperation in the area of special economic zones, industrial and technology parks, business incubators
   Implementation of standards of industrial infrastructure in accordance with international practices
   Introduction of best practices of state support
   Interaction between the innovative and industrial infrastructure facilities of the EAEU Member States
In addition, the Main Directions also include formation of the Eurasian network of technology transfer, and the Working Plan provides for development and adoption of relevant Concept up to July 1, 2017.

The Eurasian network of technology transfer should be one of the means for promotion of innovations in the EAEU Member States, a tool for transfer of intellectual property, as well as rights for the use thereof, between individuals and legal entities for the purpose of their further application and/or commercialization. To this end, the Parties shall create a common network system on the basis of national systems to search for technology developers, enterprises, and interested partners in such technologies for the implementation of joint research and development projects. Whereby, in the long term we should focus on integration of the Eurasian network system into the international one.

**Establishment of Eurasian Technology Platforms**

A distinctive feature of the Technology Platforms (hereinafter – TP) is their direct focus on the practical implementation of scientific achievements in the real economy, including medium and small-sized business.

**For reference.** The Concept of Technology Platforms first was introduced in 2002 in the European Commission’s report entitled “Industrial Policy in an enlarged Europe”. The European Technology Platforms were identified as a tool for combining the know-how and interested parties to develop long-term strategic plans for the research and development of certain technologies, which have a significant social and economic effect. They were intended to provide links between the main players in the innovation system for the establishment of interrelation between fundamental, applied studies and technology transfer. TP were defined as the site where the development strategy of scientific and technological areas is elaborated to form the basis of certain programs and projects. Today, the European Technology Platforms are a mechanism for forming scientific and technical priorities.

In this regard, the Industrial Policy Department developed and adopted a step-by-step plan for the formation of the Eurasian Technology Platforms (ETP), and a Working group on the formation and functioning of the ETP was established. The interaction system of the Commission and the Parties was drawn up, and the national bodies responsible for coordination of the ETP formation were defined: the State Committee of Science and Technology of Belarus, the Ministry of Investments and Development of Kazakhstan, and the Ministry of Economic Development of Russia.

Following the results of the organized work under the EEC coordination, eight pilot ETPs were determined by signing the Agreement on Consortia: “Supercomputers”, “Medicine of the Future”, “LEDs”, “Photonics”, “Biotech”, “Light industry”, “Environmental development technology” and “the Agroindustrial Complex”.

In 2014–2015, a list of joint pilot cooperation and infrastructure projects under the Eurasian Technology Platforms was created. The Parties approved the proposal of the EEC to elaborate draft Provisions on the formation and functioning of the Eurasian Technology Platforms.
CONCEPT OF OPERATION OF EURASIAN TECHNOLOGICAL PLATFORMS (ETP)

Technology platform means an object of the innovation infrastructure enabling efficient communication and the creation of advanced commercial technologies, high-tech, innovative and competitive products based on the participation of all stakeholders (business, science, state and public organisations).

I. FORMATION OF ETP

The aim of ETP, as a mechanism for cooperation in science and technology and innovation, is to ensure an effective cooperation of all stakeholders (business, science, state, public organizations) based on combining the potential of the Member States of the Union to promote mutually beneficial innovative development of the national industrial complexes, development of advanced commercial technologies, high technology, innovative and competitive products.

II. SYSTEMATIC OPERATION OF ETP

Accumulation and distribution of knowledge about advanced national and world achievements:
- Unified register of advanced technologies and products
- Unified information and communication systems and portals
- Advisory support to the introduction of advanced technologies and training of modern personnel

Determining the needs for new technologies in the real economy:
- Unified register of the need for new technologies and types of products
- Assessment of the level of technologies and products in the real sector, comparison with foreign analogues
- Forecast of development of markets and technologies in industries and sectors of economy

Identification of priority areas of cooperation in science, technology and innovation:
- Participation in the development of priority areas of science, technology and innovation
- Participation in the development of sectoral programs in the real sector

Arrangement of cooperation and support for joint initiatives, cooperation projects:
- Ensuring representation of the business, science, public organizations, key customers
- Preparation of proposals for joint initiatives and cooperation projects
- Implementation of cooperation projects

Improvement of the regulatory framework for cooperation in science, technology and innovation:
- Development of proposals for improving the regulatory framework
- Development of drafts of regulatory legal acts
- Participation in the work of EEC as consultants and experts

Monitoring of the results of cooperation in science, technology and innovation:
- Monitoring of the results of cooperation
- Monitoring of the implementation of new technologies and products
- Preparation of reviews and reports

III. COOPERATION PROJECT OF ETP

Joint creation of innovative products and technologies:
- New generation of liquid cooling based supercomputers
- Development of a light multipurpose turboprop aircraft
- Development of a locomotive with hybrid diesel-electric propulsion

Joint implementation of innovative products and technologies:
- Metal hardening and obtain superhard coatings technology

Transfer of technology from abroad and among the Parties:
- Transfer of technology for creation of biological units for energy generation on the basis of the Belarusian experience

Formation of conditions for innovative development of the industry:
- System of voluntary certification in designing and manufacturing LED products
- Unification of drug tests with international standards
On May 29, 2015, the Intergovernmental Council approved the Disposition No.11 on the development of draft Provisions on the Formation and Functioning of the Eurasian Technology Platforms.

As a result of activities carried out by the industrial bloc of the EEC and the Working Subgroup, draft Provisions on the Formation and Functioning of the ETP was prepared and approved, as well as the list of directions of the ETP formation that was planned to be considered by the Union's authorities by the end of 2015.

The adoption of this document will create the legal framework for wide formation of ETP by the interested institutions of the Member States.

**Establishment of the Eurasian Engineering Centre**

The Commission carried out a great deal of preparatory work to organize the re-equipping and modernization of the engineering enterprises within the EAEU. All strategic and program documents of the Parties in the tool-making industry, the current state and development prospects of engineering in the Member States were analysed. The analysis results demonstrated the existing problems that suppress the development of this sector of the economy. According to the results, proposals on elimination of the problems, as well as on the creation of conditions for engineering development were elaborated. The Parties came to an understanding of the primary need to create the Eurasian Engineering Centre as a network structure that would bring together the scientific and technical potential of the Parties. This issue was considered at the sessions of the Consultative Committee for Industry of the EEC, the expert group for development of tool-making industry in the EAEU territory, as well as at different dialogue platforms with participation of representatives of the government authorities, business and scientific community of the EAEU Member States. Creation of the Eurasian Engineering Centre, as well as proposals on its structure, forms, goals and objectives were approved at the session of the Coordination Council for the development of engineering of the Customs Union.

According to the results of work of the Department, the Consultative Committee for Industry and Member States, the Eurasian Intergovernmental Council adopted the decision on development of the Concept for establishment of the Eurasian Engineering Centre of the tool-making industry in accordance with Disposition No.5 of February 06, 2015. The Commission and the authorised authorities of the EAEU Member States prepared the draft Concept for the establishment of the Eurasian Engineering Centre, after approval of which, the process of the Centre creation will be put into action. An active discussion of the draft Concept was initiated at different public events of the industry sector. In particular, the draft Concept was discussed at the International Forum of Mechanical Engineers of Kazakhstan. Currently, the final version of the Concept of the Eurasian Engineering Centre is being approved in the EAEU Member States. Establishment of the Eurasian Engineering Centre is also stipulated by the Main Directions.

*The first discussion of the initiatives on the establishment of the CU and CES Engineering Center for machine tools, December 2013*
SYSTEM OF COOPERATION OF THE COMMISSION, EIC, GOVERNMENT AGENCIES AND PARTICIPANTS OF THE EAEU SINGLE MARKET

CREATION OF INNOVATIVE PRODUCTS

THE EURASIAN ECONOMIC COMMISSION

CREATION OF CONDITIONS ON THE EAEU SINGLE MARKET

PRODUCTION REQUIREMENTS – LONG-TERM R&D

FORESIGHT – PROMISING PRODUCT NICHES

EAEU Member States

Creation of conditions at the national level

DESIGNING OF PRODUCTION SYSTEMS

PRODUCT REQUIREMENTS

SUPERJET

PRODUCTION SYSTEM

DESIGNING OF PRODUCTS

PRODUCTION

AFTER-SALES SERVICES FOR THE PRODUCTION SYSTEM

OPERATION, MAINTENANCE

Eurasian Engineering Centre

Plants – machine tool manufacturers

National Coordinators (National Programs)

Plants – consumers of equipment
Addressing the issues of cooperation between the facilities of industrial and innovation infrastructure of the EAEU Member States

Development of the facilities of industrial and innovation infrastructure is one of the most important directions of industrial cooperation.

For elaboration of approaches to the coordination of the national industrial policies of the EAEU States in respect of the facilities of innovation infrastructure, the Commission analysed the operational conditions of the industrial clusters, industrial and technology parks existing in the Union States. The EEC is actively interacting with national associations and institutions of development responsible for the development of industrial and innovation infrastructure objects in the Member States (for example, the Association of Industrial Parks, the Association of Technology Parks and Clusters, etc.)

According to the results of work, the Industrial Policy Department made proposals that were taken into account while elaborating the Main Directions. The Working plan on implementation of the Main Direction of Industrial Cooperation stipulates the adoption of the Recommendation at the level of the EEC Council on the organization of cooperation in the development of facilities of industrial and innovation field by the end of 2016.

The main direction of cooperation in this sphere is supposed to include the development of coordinated national standards (requirements) for the creation and functioning of the facilities of the industrial and innovation infrastructure, as well as the creation of the list of these facilities (specifying their characteristics) within the EAEU with their publication on the Internet.

In addition, for development of the Common Trade (Industrial) and Information Space, the Main Directions of Industrial Cooperation stipulate the creation of conditions for the “digital” transformation of the industry and the formation of the common “digital” industrial space within the EAEU, as well as development of draft Recommendations of the EEC Council on the creation of conditions for the “digital” transformation of the industry and formation of the common “digital” industrial space within the EAEU by December 31, 2018.

Joint measures on the development of EAEU industrial good exports

The Main Directions stipulate the solution of the task of increasing exports of non-primary goods in the EAEU States. This task includes the interaction between the Union Member States to form joint dealer and service networks, the organization of joint trade houses, certification centres for machinery and technical products and technical support centres, as well as special united sales companies and consortia.

It is also planned to develop information and consultation support of exporters from the EAEU Member States, to apply new financial products on exports support (for example, leasing, project (investment), pre-export and export financing of jointly manufactured products, etc.).
SUPPORT FOR EXPORT TO EAEC

The priority area for the system of export support is the development of export of products of manufacturing industries, increased competitiveness of products of the Union in third countries and promotion of industrial cooperation within the framework of creation of export-oriented products.

### I. MEMBER STATES’ NATIONAL SYSTEMS OF EXPORT SUPPORT

1. **LOANS**
   - granting concessional export loans and loans with subsidized interest rates

2. **INSURANCE**
   - insurance of supplier’s loan, buyer, complex export loan insurance
   - insurance of investment, exporter’s loans for working capital
   - insurance of export factoring

3. **GUARANTIES**
   - state guarantees to secure obligations of the exporter and of the foreign buyer

4. **INFORMATION AND ADVISORY MEASURES**
   - specialized agencies for support of exporters
   - network of sales offices abroad
   - regional network of centres for support of exporters
   - specialized information portal

5. **PROMOTIONAL AND ORGANIZATIONAL MEASURES**
   - exhibition and fair activities
   - conduction of business missions to countries
   - promotion of trademarks and products to foreign markets
   - marketing and educational services

### II. SUPRANATIONAL MEASURES TO SUPPORT EXPORT ARTICLE 41 OF THE TREATY ON THE EAEU

1. **INSURANCE**
2. **LENDING**
3. **INTERNATIONAL LEASING**
4. **EXHIBITION, FAIR AND EXPOSITION ACTIVITIES**
5. **PROMOTION OF THE CONCEPT OF THE EAEU PRODUCTS AND INTRODUCTION OF UNIFIED PRODUCT LABELING OF EAEC**
6. **CONDUCTION OF PROMOTIONAL AND IMAGE EVENTS ABROAD**

### III. SUPPORT FOR EXPORTS WITHIN THE FRAMEWORK OF THE EAEU INDUSTRIAL POLICY

1. **COORDINATION AND COOPERATION OF THE MEMBER STATES**
2. **COORDINATION AND COOPERATION OF NATIONAL FINANCIAL AND INSURANCE INSTITUTIONS**
3. **PROMOTIONAL SUPPORT FOR EXPORT OF THE EAEU PRODUCTS**
4. **DEVELOPMENT OF COMMON FOREIGN DISTRIBUTION NETWORK**
5. **INFORMATION AND CONSULTING SUPPORT**
Currently, in accordance with the Main Directions of Industrial Cooperation, in the framework of implementation of the Decisions of the Eurasian Intergovernmental Council dated May 29, 2015 “On the action plan for the development of light industry of the Member States in 2015–2016” and “On the creation of conditions for the development of machinery and equipment production for agriculture in the EAEU Member States”, the Commission together with experts from the Parties is elaborating draft regulations. These documents will be focused on the development of exports of light industry products, machinery and equipment for agriculture of the Union Member States to third countries’ markets.

In order to form common approaches to support the export of EAEU goods to third countries and a mechanism to enter foreign markets with jointly manufactured products, the Department prepared proposals that formed the basis of the Decision of the Eurasian Intergovernmental Council dated May 29, 2015 “On Measures Aimed at Promoting Exports”. This decision determined the joint measures of the Member States on the development of industrial exports, as well as the system-wide tools and mechanisms for their implementation. They provide joint interaction of the industrial and trade blocs of the EEC.

Achieving goals together
SCHEME OF INTERACTION ON THE INVESTMENT PROJECTS

Recommendations of the Commission (FOR LARGE PROJECTS)

1. Joint improvement of the project and repeated submission
   - Working group
   - Business
   - EDB
   - State authorities
2. Recommendations of the Commission

WORKING GROUP

Summary: Cooperation potential

EEC Industrial Policy Department

Eurasian Development Bank

Positive opinion
Denial (need to be improved)
Request for expert examination of the project

UNIFORM PROCEDURE FOR CONSIDERATION OF APPLICATIONS

Positive opinion
Need to be improved
Interaction with Eurasian Development Bank

One of the major goals of the Major Directions of Industrial Cooperation is attraction of investments and increased availability of financial resources for the industry. It is planned that solving of these tasks will be provided, inter alia, by attracting the Eurasian Development Bank (EDB) to finance joint programs and projects with cooperative effect, provide increased financing of joint projects and programs in the industry of research and development and innovation nature, and the development of venture investment in innovations. The EEC industrial bloc conducts systemic consultations with the bank on the issues related to implementation of innovative directions of industrial cooperation of the Member States on a regular basis.

As a part of the business program of the 9th International Conference on the Eurasian integration organized by EDB on October 9, 2014, the Industrial Policy Department conducted its own workshop on the topic “Deepening Industrial Cooperation in the Framework of the Eurasian Economic Union”. Participants of the event acknowledged the need for further elaboration of the strategy to form and develop integration potential of the Eurasian integration, as well as to obtain an expert opinion on possible efficient mechanisms to finance cooperation and joint (integration) projects in the territory of Belarus, Kazakhstan and Russia.

On October 29, 2015, Moscow hosted the Jubilee 10th International Conference “Eurasian Economic Integration”. The major topic of the Forum was the transition from the economy of demand based on high oil prices to the economy of supply, where investments in new technologies and new production generate goods that can displace imports and gain new niches in the world market.

New possible sources of financing for the industrial development and additional financial tools, including the interaction with EDB on implementation of cooperative industrial projects, were discussed.

This will facilitate increasing the inflow of mutual investment in the creation and development of industrial and innovation infrastructure facilities.
The cooperation with the experts of the member States of the EAEU
Section III. Implementation of the Industrial Policy in Furtherance of the Treaty on the EAEU

The cooperation with the experts of the member States of the EAEU
IMPLEMENTATION OF ARTICLE 93 “INDUSTRIAL SUBSIDIES” AND ANNEX No. 28 TO THE TREATY ON THE EAEU

ELABORATION OF THE DRAFT DOCUMENTS ENVISAGED BY ARTICLE 93 OF THE TREATY ON THE EAEU AND ANNEX No. 28 “PROTOCOL ON THE COMMON RULES FOR THE PROVISION OF INDUSTRIAL SUBSIDIES” HERETO

The Commission constantly works to unify approaches to the application of common rules of granting industrial subsidies. In accordance with Paragraph 99 of Annex No. 28, notification forms about industrial subsidies of the EAEU Member States (approved by the Decision No. 111 of the EEC Council dated December 10, 2014) and the procedure of their filling in (adopted by the Recommendation No. 2 of the Council dated December 10, 2014) were developed. In addition, Explanatory Notes were elaborated for the classification of subsidies in accordance with the Agreement on the Common Rules for Industrial Subsidies Provision and Provisions of Article 93 of the Treaty on the EAEU. The Parties were recommended to follow these Explanatory Notes by Recommendation of the EEC Board No. 14 dated October 21, 2014. This document was very positively perceived by the authorised authorities of the Parties, as it significantly simplified understanding of the industrial subsidies classification by experts.

APPROACHES TO THE DEVELOPMENT OF THE INTERNATIONAL TREATY UNDER THE UNION STIPULATED BY ARTICLE 93 OF THE TREATY ON THE EAEU AND ANNEX No. 28 HERETO

Article 93 and Annex No. 28 to the Treaty on the EAEU stipulate the need to determine a set of instruments for provision of industrial subsidies that must be specified in an international treaty developed for this purpose (hereinafter – International Treaty).
Thus, in accordance with Article 93 of the Treaty on the EAEU, the Member States must determine the following aspect in this International Treaty:

- the procedure for the voluntary agreement with the Commission of specific subsidies and adoption by the Commission of relevant decisions;
- the procedure of examination conducted by the Commission (including the cases of violation of terms or procedure of the provision and use of specific subsidies set by the Protocol on the Common Rules for the Provision of Industrial Subsidies (Annex No. 28 to the Treaty on the EAEU);
- the criteria for the Commission to adopt decisions on admissibility or inadmissibility of specific subsidies (taking into account the development of existing and new cooperative ties between manufactures of the Member States among other things);
- the procedure and terms of the request of information on provided subsidies by the Commission.

The Treaty sets the date of the entry into force of this International Treaty as January 1, 2017.

For this purpose, the Parties already developed and approved the approaches to its elaboration, its general structure and format of the document. The authorised authorities of the Parties agreed to use these approaches while elaborating the International Treaty.

Currently, the Commission and the Parties have started elaboration of the text of the International Treaty. In accordance with the Working Plan approved by Decision No. 58 of the EEC Council, the document coordinated by the Member States should be submitted for consideration by the Supreme Eurasian Economic Council no later than June 1, 2016.

In addition, as part of the formation of the draft International Treaty, they consider the feasibility of developing a methodology for calculating the minimum acceptable rate of export loans denominated in national currencies of the countries of the Eurasian Economic Union (Russian ruble, Belarusian ruble, Kazakh tenge, Armenian dram and Kyrgyzstani som) taking into account the practice of the state financial support (subsidies) of export loans of the Organization for Economic Cooperation and Development (OECD).

For reference. For this purpose, the Commission conducted a two-stage tender and signed a contract to perform research work for the official use of the EEC on the topic “Development of a methodology for calculating the minimum acceptable rate of export loans denominated in national currencies of the countries of the Eurasian Economic Union (Russian ruble, Belarusian ruble, Kazakh tenge, Armenian dram and Kyrgyzstani som) taking into account the practice of the state financial support (subsidies) of export loans of OECD”.

In accordance with the Treaty on the EAEU, after the mentioned International Treaty takes effect, the EEC will be authorized to grant industrial subsidies from January 1, 2017. If any of the Member States addresses the Commission, it will be able to adopt binding decisions for the Member States, in particular, on the admissibility or inadmissibility of specific subsidies, as well as decisions on the results of the proceedings on the facts of the specific subsidies provision.
ELABORATION OF PROPOSALS ON DEVELOPMENT OF INDUSTRIAL COOPERATION IN PRIORITY ECONOMIC ACTIVITIES

The Commission permanently conducts systematic work on the formation of measures to develop the high-priority sectors identified in 2013 by Decision No. 40 of SEEC, as well as Annex No. 1 to the Main Directions of Industrial Cooperation.

MONITORING AND ANALYSIS OF THE STATE OF THE EAEU MEMBER STATES’ INDUSTRIAL COMPLEXES

The Department has organized activities to monitor and analyse the state of the industrial complexes by economic sectors.

As a part of this work, the industrial bloc of the Commission prepares periodic information and analytical reviews “The state of high-priority economic sectors of the Customs Union and the Common Economic Space Member States”. They are regularly published on the official website of the Eurasian Economic Commission.

The reviews provide (including graphically) a summary of:

- trends in industrial production by high-priority sectors and sub-sectors of processing industry in the EAEU Member States,
- trends in the production of certain types of goods,
- volume and trends in foreign and mutual trade of industrial goods,
- ratio of the production volume, imports and exports in the context of these industries.

In addition, the official website of the Commission provides industrial reviews of the state and development prospects of the high-priority economic sectors prepared by the Industrial Policy Department. These reviews provide an opportunity for the general public to get information about the high-priority sectors in the context of the Member States and the entire Union.

The industrial bloc of the EEC also carries out quarterly monitoring and analysis of the adopted regulatory legal acts and draft legal acts of the EAEU Member States for the compliance with the provisions of Article 92 of the Treaty on the EAEU in order to eliminate of nonconformities in a timely fashion so as to create the unified regulatory framework for the development of industrial cooperation between the EAEU Member States.
### THE SHARE OF INDUSTRY IN THE GROSS DOMESTIC PRODUCT OF THE EAEU MEMBER STATES, %

<table>
<thead>
<tr>
<th>Country</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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### INDUSTRIAL PRODUCTS OUTPUT BY THE EAEU MEMBER STATES, IN BILLION USD

<table>
<thead>
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<td>1 416,8</td>
<td>1 485,0</td>
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</table>
### Industrial Products Output by EAEU Member States, in % YOY; in Fixed Prices

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<tr>
<th></th>
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### Structure of Industrial Production in H1 2015, in % of Total Production

![Diagram showing the structure of industrial production in H1 2015 for Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and EAEU.](image-url)
Section III. Implementation of the Industrial Policy in Furtherance of the Treaty on the EAEU

STRUCTURE OF PROCESSING INDUSTRY PRODUCTION OF THE EAEU IN H1 2015, IN BILLION USD

- Foodstuff production, including drinks and tobacco: 55,376.20
- Textile and garment manufacture: 2,966.20
- Production of leather, leather goods and footwear: 585.7
- Woodworking and production of wood products: 3,991.40
- Cellulose and paper production; publishing and polygraphic activities: 7,752.00
- Production of coke, oil products and nuclear materials: 70,223.10
- Chemical production: 25,052.20
- Production of rubber and plastic goods: 7,178.40
- Production of other non-metal mineral goods: 11,440.90
- Metallurgical production and manufacture of ready metal goods: 52,104.90
- Machines and equipment production: 12,419.70
- Production of electrical, electronic and optical equipment: 13,596.80
- Production of transport vehicles and equipment: 21,439.20
- Other types of production: 5,342.10
ELABORATION OF PROPOSALS ON DEVELOPMENT OF COOPERATION IN HIGH-PRIORITY ECONOMIC SECTORS

For the implementation of specific measures to deepen cooperation in the priority sectors, experts of the Commission together with the expert (working) groups carry out a broad analysis of national sectoral programs of development, and research on the economy in the context of the Member States. As a result, they identify problems and bottlenecks, and develop proposals to solve these problems using the integration potential together with experts from the relevant expert groups. These measures are formed in accordance with certain economic sectors, which facilitate the identification of sectoral challenges. Similar decisions have already been taken in 2015 in respect of automotive and agricultural machinery and light industry, tool-making industry, ferrous metallurgy, production of construction materials. While proposals on the energy engineering, lifting and handling equipment, manufacturing of products for the railway transport, and a number of other industries are at the final stages of elaboration. Each of these sectoral documents is primarily focused on solving certain urgent problems at the national level.

AUTOMOTIVE INDUSTRY

Solutions in automotive industrial assembly

Since 2012, cars is one of nine products exempted from free circulation in the CU and the CES due to administrative barriers in the national legislation of the Member States. In this regard, the manufacturers of vehicles from the Member States had difficulties with the delivery of their “industrially assembled” vehicles to the markets of the other Parties. At the session in July 2012, the EEC Council considered proposals on the development of approaches to carry out coordinated industrial policy in automotive industry, which stipulated the parameters and conditions for efficient development of car assembly production in the CES. Pursuant to the specified instruction, the Commission and the Parties developed common approaches to the policy in respect of the industrial car assembly enterprises, based on which a draft Recommendation of the EEC Board "On Approaches to the Organization and Development of Industrial Car Assembly Enterprises" was prepared.

Study of the production with the production of passenger cars in the Volkswagen Company, April 2014
### PASSENGER CAR PRODUCTION, THOUS PCS.

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*Working meeting with automakers of Japan*
### AUTO TRUCK PRODUCTION, THOUS PCS.

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<td>227,7</td>
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</table>

Discussion on industrial production motors issues and administration of motors produced in the mode of “industrial production” in the customs territory of EAEU.
Simultaneously, under codification of the contractual legal framework of the CU and the CES into the Treaty on the EAEU, they carried out work to implement provisions and rules of the Agreement on the Common Rules for Industrial Subsidies Provision dated December 9, 2010. As a result of protracted negotiations between the Parties, the List of Exemptions of Annex No. 28 to the Treaty was extended with exemptions effective till December 31, 2020 in respect of incentives provided for Belarusian and Kazakhstani car assembly plants operating in “industrial assembly” mode in accordance with the national legislation of the Member States and the Decision of the Customs Union Commission No. 130 dated November 27, 2009.

The condition for approval of extension of the List of Exemptions was the development and approval of mutually acceptable common conditions for the use of the term “industrial assembly of motor transport vehicles” on the territory of the Member States by Decision No. 72 of the Supreme Eurasian Economic Council at the highest level dated May 29, 2014 (hereinafter referred to as Decision No.72 of the SEEC).

This Decision is aimed at equalization of conditions of the car assembly plants operating in the “industrial assembly” mode in all Member States. For the Parties, it determines conditions for the use of the term “industrial assembly of motor transport vehicles”, including the minimum compulsory production capacities and the common calculation formula for localization level, the time limit for validity and signing of agreements on industrial assembly, as well as conditions that provide for the free turnover of motor transport vehicles, which are produced in the “industrial assembly” mode on the territory of one Member State, on territories of other Member States.
Thus, since January 1, 2015, investors implementing agreements on industrial assembly obtained free entry to the markets of other Member States while maintaining the rules of production in the “industrial assembly” mode stipulated by the national legislation of the Member States.

In addition, the Decision No. 72 of the SEEC is aimed at stimulating production cooperation between motor transport vehicles producers and manufacturers of automotive components, which in its turn promotes development of related sectors.

In order to provide the conditions for implementation of the Decision No. 72 of the SEEC, the Department and the Parties elaborated the draft Procedure for the Formation and Maintenance of the Register of Legal Entities Producing Motor Transport Vehicles as established by the term “industrial assembly of motor transport vehicles”, and models of motor transport vehicles approved by the EEC Council Decision No. 87 dated October 9, 2014.

In addition, in accordance with Instruction No. 10 of the EEC Council dated 2014, the draft Disposition of the EEC Council On Administration of the Turnover of Motor Transport Vehicles upon compliance with the conditions of the use of the term “industrial assembly of motor transport vehicles” was developed. As a result of work on these documents, after long and numerous negotiations, the Parties agreed to take the following decisions:

- the draft Disposition of the EEC Council On Administration will contain the common approaches to the mechanism of administration of motor transport vehicle turnover, while the detailed procedure and rules of administration will be determined by the Parties independently by adopting the corresponding national legal acts;

- the mechanism of administration of motor transport vehicle turnover must be taken into account when developing rules of design, structure and format of electronic passports of vehicles (passports of chassis of vehicles) and electronic passports of self-propelled vehicles and other equipment, the development of which is provided by the Agreement on the Introduction of Common Forms of Vehicle Passport (passport of chassis of the vehicle) and a Passport of Self-propelled Machines and other Types of Equipment, and Organization of Electronic Passports System dated August 15, 2014;

- the tool of administration of certain motor transport vehicle turnover will be systems of electronic passports;

- the Disposition of the EEC Council on administration will cover not only motor transport vehicles produced in compliance with conditions of the use of the term “industrial assembly of motor transport vehicles”, but motor transport vehicles produced under other preferential regimes (under Free Economic Zone, free warehouse regime, investment project, corresponding to the priority type of activities (subparagraph 7.1.11 of Decision No. 130 of the Customs Union Commission dated November 27, 2009).

For reference. This proposal is based on the fact that the Decision No. 72 of the SEEC does not cover other preferential regimes, as a result of which unequal competitive conditions for car assembly plants operating in the “industrial assembly” mode and in other preferential regimes are created.
Based on the above mentioned decisions, the draft Disposition of the EEC Council “On Administration of the Turnover of Certain Categories of Motor Transport Vehicles” was approved by the Decision No. 94 of the Board of the Commission dated September 22, 2015 and examined at the session of the EEC Council on October 14, 2015.

The Industrial Policy Department regularly holds consultations on the issues related to the development of industrial cooperation with representatives of car assembly plants, such as KAMAZ-Engineering JSC, KAMAZ OJSC, ASIA AUTO JSC, BATE OJSC, Volkswagen Group Rus LLC, MAZ-MAN CJSC, BATE OJSC, Mitsubishi Motors Rus LLC, as well as with representatives of the Central Research and Development Automobile and Engine Institute NAMI, the INVENTRA Company and the Japan External Trade Organization (JETRO). It also analyses the automotive industry as a whole in order to identify opportunities for the development of the production of automotive components on the territory of the Member States. The results of this work allow for the determination of not only the needs of manufacturers of motor transport vehicles in units, aggregates, automotive components and parts, but also niches of their production not occupied by producers of the Member States.

**Solutions in the production and adoption of motor transport vehicles with electric engines**

In accordance with Paragraph 2 of the EEC Council Decision No. 98 dated December 23, 2013 “On Amending the Unified Customs Union Commodity Classification of Foreign Economic Activity and the Common Customs Tariff of the Customs Union in Respect of Certain Types of Motor Transport Vehicles with Electric Engines”, the EEC industrial bloc conducted analysis of the use of environmentally friendly vehicles in the Member States and foreign countries as well as the measures of the state support for the development of motor transport vehicles with electric engine.

**For reference.** Paragraph 2 of the specified Decision instructed the governments of the Member States with participation of the Commission to work on the organization of production of certain types of motor transport vehicles with electric engines, their components, as well as on the creation of an infrastructure for servicing such motor transport vehicles, including elaboration of corresponding program documents, and to introduce relevant proposals for consideration by the Council of the Commission in Q4 2014.

According to the results of the analysis, a draft Decision of the Eurasian Intergovernmental Council “On the Action Plan to ensure stimulation of the production and use of motor transport vehicles with electric engine in the Member States of the Eurasian Economic Union” was prepared. The draft Plan was discussed at the session of the Expert Council for the development of measures of legislative and regulatory promotion of the use of environmentally friendly motor transport vehicles under the Committee on constitutional legislation and state construction of the State Duma of the Federal Assembly of the Russian Federation (April 21, 2014). According to the results of the session, the proposal was supported to develop recommendations on the promotion of production and use of motor transport vehicles with electric engine in the Member States.

On May 29, 2015, at the session, the Intergovernmental Council approved the Action Plan to promote production and use of motor transport vehicles with electric engine in the EAEU Member States in 2015–2017.
Adoption of this Plan is the first step to the development of environmentally friendly types of vehicles in the EAEU Member States. Implementation of the planned measures will create conditions for organization of production of motor transport vehicles with electric engine, components, as well as corresponding infrastructure for servicing such vehicles. Despite a large number of enterprises on the territory of the Union producing such components for electric vehicles as power supply modules and driver electronics, the element base for their production is mostly imported. That is why localization of production of automotive components, units, aggregates for electric vehicles on the territory of the EAEU is one of the most promising directions of the development of environmentally friendly types of transport in the Member States.

AGRICULTURAL MACHINERY INDUSTRY

Production of agricultural machinery is a high-priority industry for Belarus, Kazakhstan and Russia, which is reflected in the Main Directions of Industrial Cooperation in the framework of the EAEU. In order to elaborate proposals on the development of collaboration and cooperation between entrepreneurs of the Member States’ industry, an expert group was created. The Industrial Policy Department and experts analysed the industry development in the Union States and defined its problems. Draft documents were prepared based on the results.

On May 28, 2015, the Recommendation “On the Development of Cooperation between the Eurasian Economic Union Member States in Production of Machinery and Equipment for Agriculture” was adopted at the session of the EEC Council. The next day, the Decision “On the Creation of Conditions for the Development of Machinery and Equipment Production for Agriculture in the EAEU Member States” was adopted at the session of the Intergovernmental Council.

The Recommendation and Decision are aimed at practical implementation of the provisions of the Treaty on the EAEU in industrial policy and elimination of negative trends in agricultural engineering, such as insufficient competitive ability of agricultural machinery of the national producers, significant imports of agricultural machinery and components, a low share of the Member States in the global production of agricultural machinery and equipment.

Implementation of these documents will create conditions for the reduction of agricultural machinery imports from the third countries and for promotion of imports substitution development in this industry, as well as increased exports of agricultural vehicles to the markets of third countries and growing competitiveness of produced agricultural equipment owing to its proper and well-minded application in accordance with established criteria of economic efficiency.
### MAIN INDICATORS OF AGRICULTURAL MACHINERY MARKET OF THE EAEU

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<thead>
<tr>
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<th>Belarus</th>
<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
<th>Russia</th>
<th>EAEU</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tractors,</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>thous pcs.</td>
<td>19,3</td>
<td>635</td>
<td>–</td>
<td>2,501</td>
<td>22,4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(↓–33%)</td>
<td>(↑+19,1%)</td>
<td></td>
<td>(↓–37%)</td>
<td>(↓–33%)</td>
<td></td>
</tr>
<tr>
<td><strong>Combine Harvester,</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>pcs.</td>
<td>65</td>
<td>172</td>
<td>–</td>
<td>2597</td>
<td>2834</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(↓–84%)</td>
<td>(↓–12%)</td>
<td></td>
<td>(↓–27,3%)</td>
<td>(↓–32%)</td>
<td></td>
</tr>
<tr>
<td><strong>Market Capacity,</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>thous pcs.</td>
<td>2,4</td>
<td>5,9</td>
<td>13,5</td>
<td>2,7</td>
<td>60,3</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td>(↑+39%)</td>
<td>(↓–23,4%)</td>
<td>(↑ в 2 раза)</td>
<td>(↑+40%)</td>
<td>(↓–39%)</td>
<td>(↓–28%)</td>
</tr>
</tbody>
</table>

↓↑ – compared to H1 2014
In order to implement these documents taking into account proposals of experts from the Member States, and following the results of the discussion of these issues at the meetings in July-August 2015, the Department prepared and elaborated the following legal acts in the Member States:

• on the organization of production of components of agricultural machinery and equipment in the EAEU Member States analogous to that produced in third countries;
• on measures to develop export of machinery and equipment for agriculture of the EAEU Member States to the markets of third countries;
• on measures to promote the demand for agricultural machinery and equipment produced in the territory of the EAEU.

Based on the positions of the authorized state authorities of the Parties, these draft documents will be improved and submitted for consideration at the session of the Commission.

LIGHT INDUSTRY

In accordance with the SEEC Decision No. 40, the light industry was determined as one of high-priority sectors for the development of industrial cooperation of the Member States.

With participation of industry experts of the Parties and scientific community, an expert group was created to analyse the state of the industry and opportunities of the integration potential in solving system-related problems of the industry and its development under the Customs Union and the Common Economic Space. In 2013, the expert group conducted a comprehensive analysis of the state of the light industry in the Member States (Slide 9), defined the key problems of development, prepared and adopted the first industry document in January 2014 – Recommendation of the EEC Council “On the Development of Cooperation between the Customs Union and the Common Economic Space Member States in the light industry”.

This document stipulates a number of measures aimed at creating conditions for deepening industrial cooperation, promoting development and increasing investment attractiveness of the industry, as well as forming the action plan to develop the light industry of the Member States under the Customs Union and the Common Economic Space.

The next step was elaboration and adoption of the comprehensive Action Plan for the development of the light industry in the Member States for a medium-term period (2015–2016) that was approved by the Decision No.3 of the Intergovernmental Council dated May 29, 2015. The Plan involves a set of system-related measures aimed at providing conditions to increase investment attractiveness and competitiveness of the industry by means of the development of intersectoral and interstate cooperation, provision of producers’ participation in state procurements, implementation of measures to combat illegal import, production and turnover of commodities as well as improved supply of raw materials resources for producers.

Implementation of the Plan will allow national producers of the light industry goods to incorporate in the global production chains more efficiently, and increase the profit-making capacity of this sector by extending the sales markets.
In 2012, the sales of light industry products in the CES by domestic producers and importers amounted to **USD 28.9 billion**.

Textile and clothing accounted for **74%** of the market, leather, leather products and footwear accounted for **26%**.

The essential problem is a low share of domestic products in the market. It is **34%** on the average in the industry, in the segment of textile and clothing products it is **42%**, in the segment of leather, leather goods and footwear it is **26%**.
As a part of this Plan implementation, the Department and the expert group conducted analysis of cooperation in the light industry of the Member States, identified potential niches for its deepening, formed the lists of producers of the light industry goods of the EAEU Member States, the lists of investment projects on modernization and creation of new production in the industry that are implemented or planned to be implemented as well as the list of scientific institutions and enterprises engaged in innovations development in the light industry.

They also worked on the projects of cooperative chains of enterprises from the Member States in the light industry, in particular, in production of worsted tissue within the EAEU. The Parties work on proposals on the projects of cooperative chains in the industry prepared by the EEC in order to define joint cooperation projects in the industry.

In order to provide conditions for deepening cooperation in this industry, the Department is preparing the acts of the Commission on the mechanism of implementation of joint investment and innovation projects, as well as on the exports support of the light industry goods produced on the cooperation basis in the markets of third countries.

In addition, the Plan stipulates measures to reduce illegal imports, counterfeit and unaccounted products of the light industry in the common market of the EAEU, as well as products that do not comply with the requirements of the Customs Union technical regulations. In order to solve this challenge, issues related to the measures of customs administration are being elaborated under work on the draft Customs Code of the EAEU.

For reference. The legal market consisting of the supplies of domestic producers and officially imported goods from third countries amounts to about 30 billion USD (34% of which is accounted for by domestic producers).

However, this is not all the products sold in the common market. A more detailed analysis based on the statistics (the amount of goods imported by third countries to the Union States and the amount of imports registered at the external border) demonstrated that supplies totalling to over 9.5 billion dollars remain unaccounted.

Nonetheless, even these volumes do not give a complete picture of the real scale of the market. According to statistics, citizens of Belarus, Kazakhstan and Russia spend about 80 billion dollars on clothing and footwear. This sum includes only finished products without taking into account the consumption of light industry goods by the corporate sector and state procurements. If we deduct taxes, trade and transport margin (the difference between prices for buyers and prices of producers) from this sum, the volume of the actual market of the light industry products is at least 1.5 times higher than the volume of the legal market.

In accordance with Decision No.28 of the EEC Council dated April 28, 2014 and the SEEC Decision No. 88 dated October 10, 2014, activities are carried out to form and use the system of labelling of certain types of the light industry products in the common customs territory.
### PROPOSALS OF THE EAEU MEMBER STATES ON COOPERATION WITHIN THE PLAN

#### PROJECTS

<table>
<thead>
<tr>
<th>Republic of Armenia</th>
<th>Republic of Belarus</th>
<th>Republic of Kazakhstan</th>
<th>the Kyrgyz Republic</th>
<th>the Russian Federation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 PROJECTS</td>
<td>5 PROJECTS</td>
<td>0 PROJECTS</td>
<td>4 PROJECTS</td>
<td>3 PROJECTS</td>
</tr>
<tr>
<td>· Manufacturing of nonwoven materials</td>
<td>· Manufacturing of footwear</td>
<td>· Manufacturing of viscose staple fiber</td>
<td>· Manufacturing, preparation and processing of wool</td>
<td>· Manufacturing of high tech fabrics</td>
</tr>
<tr>
<td>· Manufacturing of viscose staple fiber</td>
<td>· Organization of an inter-state union of petrochemical companies</td>
<td></td>
<td>· Manufacturing of knitted goods</td>
<td>· The cultivation and deep processing of bast fibers</td>
</tr>
<tr>
<td></td>
<td>· Manufacturing of PET bags</td>
<td>· Manufacturing of special fabrics</td>
<td></td>
<td>· Production of small scale chemical materials for leather</td>
</tr>
<tr>
<td></td>
<td>· Manufacturing of polyester products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Manufacturing of viscose staple fiber</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The projects lacks for: cooperation potential mechanism for implementation and financing

Conclusion: it is necessary to define requirements for the Passport of the project

### Cooperation potential

<table>
<thead>
<tr>
<th>41 companies*</th>
<th>1 824 companies*</th>
<th>1 151 companies*</th>
<th>128 companies*</th>
<th>29 085 companies*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 company ready for cooperation</td>
<td>2 companies ready for cooperation</td>
<td>5 companies ready for cooperation</td>
<td>2 companies ready for cooperation</td>
<td>2 companies ready for cooperation</td>
</tr>
</tbody>
</table>

*According to the Statistical bodies of the Member States.
CHAIN OF PRODUCTION OF WORSTED CLOTH

**SHEEP BREEDING, 9%, USD 150 thous**
- The Russian Federation (12 breeding farms)
- The Republic of Belarus (pilot projects)

**WOOL, 0.5%, USD 100 thous**
- The Republic of Kazakhstan (breeding farms)
- The Republic of Armenia (breeding farms)
- The Kyrgyz Republic (breeding farms)

**CLEAN WOOL, 0.5%, USD 100 thous**
- Tomsk Factory
- Tokmok Primary Wool Processing Enterprise LLC
- Asia Runo LLC
- Cotton Ocean LLC
- Aida LLC
- Naran PE
- Borsk Primary Wool Processing Factory
- Ilych Wool Washers Ltd
- Factory POSH-Taraz LLP

**WORSTED CLOTH, 16%, USD 60 mln**
- Bryansk Worsted Fabric Complex LLC (3.5 mln running metres a year)
- “Pavlovo-Posad Worsted Cloth Mill” OJSC (2.3 mln running metres a year)
- “PE Sverdlovsk Worsted Factory” LLC (1.3 mln running metres a year)
- Troitsk Worsted Factory OJSC
- Quest-A LLC
- Pekhorka Textile OJSC
- Pushkino Textile OJSC
- “Kupavna” Textile Firm LLC
- Voskresensk Felt Factory LLC
- Kamvol OJSC (1.3 mln running metres a year)
- Kyrgyz Worsted and Cloth Complex OJSC
- Kasiet JSC

**CLOTHING (TAILORING), 11%, 30 mln**
- BTK Group
- Enterprises of the EAEU Member States

**SALES, 63%**
- The Ministry of Defence
- Distribution networks

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**Total capacity of EAEU enterprises (running metres a year)**
- USD 10.5 mln

**Export USD 0.3 mln**

**Worsted cloth market in EAEU (running metres a year)**
- USD 7 mln

**Surplus USD 3.5 mln**

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* Minimum cost of investment in production.
* Share in total value added of the final product.
In order to monitor industry barriers and develop proposals for the elimination thereof, system-wide work with enterprises-producers of the light industry goods is being carried out, including offsite events and expert group meetings. Experts of the EEC industrial bloc conducted the following events:

- business visits to a number of the leading enterprises of the industry in March 2014 in Minsk: Galateya OJSC (production of leather goods) and Elema OJSC (production of female and male clothes);

- business meeting with the management of the Grodno regional executive committee in the city of Grodno and visits to production facilities of the light industry in the region in March 2014: Groniteks OJSC, Conte Spa JV, and visits to the Free Trade Zone of the city of Grodno;

- business events as a part of the exhibition of the International Forum: “Prospects of the development and trade of down and fur goods between IFF-Eurasia and IFF-Asia (PRC) regions”, and a round-table discussion with participation of the management of the Association of the Light Industry Enterprises of the Republic of Kazakhstan and managers of the major enterprises of the light and textile industry of the Republic of Kazakhstan in July 2014 in Almaty;

- official and business events in the framework of the International Forum of the light industry and the 14th International Exhibition of equipment for processing and production of textiles “INLEGMASH–2014” in April 2014 in Moscow;

- a meeting on the implementation of the Eurasian Economic Commission Plan to elaborate proposals to be included in the action plan on the development of the light industry of the Customs Union and the Common Economic Space Member States on November 17, 2014 in Moscow;

- International Conference “Strategic priorities of the light industry development in the Eurasian Economic Union: efficient management, innovative development, attraction of qualified human resources” as a part of the 45th Federal Wholesale Fair “Tekstilegprom” in September 2015.
In 2014, a Working Party on the construction materials production was formed. It includes representatives of the industry associations and authorized state bodies of the Parties (EURO-Cementgroup CJSC, the Russian Union of Builders of Cement, Concrete and Dry Mixtures, the Association of Producers of Ceramic and Wall Materials, the Kazakhstan Association of Construction Materials Industry, representatives of the Kazakhstan National Chamber of Entrepreneurs, Belarusan Cement Plant OJSC, Institute of Dwelling – NIPTIS named after S.S. Atayev, the Ministry of Investment and Development of the Republic of Kazakhstan, and the Russian Ministry of Industry and Trade).

### CEMENT PRODUCTION, THOUS TONS

<table>
<thead>
<tr>
<th>Country</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>488,0</td>
<td>422,0</td>
<td>438,0</td>
<td>431,0</td>
<td>427,0</td>
<td>205,1</td>
</tr>
<tr>
<td>Belarus</td>
<td>4 531,0</td>
<td>4 604,0</td>
<td>4 906,0</td>
<td>5 057,0</td>
<td>5 618,3</td>
<td>2 140,8</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>4 734,3</td>
<td>5 619,0</td>
<td>6 411,8</td>
<td>7 071,5</td>
<td>7 976,8</td>
<td>3 965,5</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>759,7</td>
<td>1 016,6</td>
<td>1 239,8</td>
<td>1 682,7</td>
<td>1 727,5</td>
<td>770,1</td>
</tr>
<tr>
<td>Russia</td>
<td>50 389,1</td>
<td>56 152,5</td>
<td>61 690,7</td>
<td>66 503,1</td>
<td>68 544,3</td>
<td>30 408,3</td>
</tr>
<tr>
<td>EAEU (Customs Union and Common Economic Space before 2014)</td>
<td>59 654,4</td>
<td>66 375,5</td>
<td>73 008,5</td>
<td>78 631,6</td>
<td>82 139,4</td>
<td>37 489,8</td>
</tr>
</tbody>
</table>
The working meeting of representatives of the Department and the Union of Cement Producers SOYUZCEMENT on the industry’s problems took place on April 25, 2014. On September 4, 2014, Moscow hosted the session of the Round-table “Problems and Prospects of the Development of the Construction Materials Industry within the Customs Union and the Common Economic Space” with participation of the Commission’s departments, representatives of the interested state authorities and business associations of the Parties. Following the results of the meeting, the expert community determined the key directions of further development of the construction materials industry that formed the basis of the draft Recommendation of the Council of the Commission “On the Cooperation Development of the Eurasian Economic Union Member States in the Construction Materials Production, Including Cement and Glass Production”.

On April 8–9, 2015, in Minsk, in the framework of the International Research and Practice Conference “Provision of Stable Functioning of the Industry of the Base Construction Materials of the EAEU Member States in the Current Economic Environment. Problems and Solutions”, the business community supported the feasibility of the development and adoption of the methodology to assess and predict the construction materials industry development, which took into account their consumption by housing and infrastructure projects in the Member States. This methodology will be based on the balancing of demand and supply of construction materials in the EAEU market. They also recognized the need to analyse and assess the feasibility of creating new and modernization of existing enterprises producing innovative equipment for the construction materials industry in the Member States.

The draft Recommendation was approved by Disposition No.49 of the EEC Board dated May 25, 2015, and considered at the session of the EEC Council on July 15, 2015.
FERROUS METALLURGY

In accordance with the Main Directions of Industrial Cooperation, ferrous metallurgy is one of the priority economic activities. This sector is especially important for Belarus, Kazakhstan and Russia. A comprehensive analysis of the state of the ferrous metallurgy in the Member States, as well as analysis of the national strategies of this industry development, was conducted to identify the potential of industrial cooperation. The final document based on the results of this work was published on the official website of the Commission. In this document, experts of the Parties defined the common goals, tasks and priorities of the industry development, system-based problems, prepared proposals on their resolution and possible directions of the industrial cooperation development using the Member States potential.

In respect of the development of analogues of goods imported from third countries, a list of products was prepared to develop imports substitution. Proposals were prepared to develop intersectoral cooperation in the production of innovative goods of ferrous metallurgy in the EAEU Member States, and the list of sensitive goods, for which the development of cooperation ties of the EAEU Member States was proposed. Based on the results of this work in cooperation with the Parties, the draft Recommendation of the EEC Council “On the Development of Cooperation between the EAEU Member States in production of ferrous metallurgy goods” was elaborated and approved by the Disposition No. 117 of the EEC Board dated October 20, 2015. The specified draft document is aimed at creating conditions to solve the major problems of the industry and its development.

The draft Recommendation proposes the Member States to cooperate in production of ferrous metallurgy goods in three major directions under coordination of the Commission: deepening of sectoral and intersectoral interstate cooperation to stimulate demand for the ferrous metallurgy products in the common market of the Union, development of scientific and technical collaboration in the production of innovative goods, as well as implementation of joint measures to increase exports of the ferrous metallurgy products of high yield in the markets of third countries. Implementation of the measures stipulated by the draft Recommendation will promote resolution of the problems in the ferrous metallurgy development of the EAEU Member States, and creation of conditions for imports substitution and more efficient use of the Union’s market potential.
CONDITION AND PROSPECTS OF DEVELOPMENT OF MECHANICAL ENGINEERING IN EAEU

PRODUCTION

The EAEU market takes the 7th place in the world in terms of the metal-working industry consumption.

The growth in consumption is due to imports, the production is stagnating.

90% machine tools are imported

The metalworking equipment produced is worth USD 0.37 billion.

In the period from 2015 to 2020, the EAEU Member States will allocate funds from their state budgets amounting to some USD 32 billion for the development of mechanical engineering production enterprises, of which up to USD 2 billion will be allocated for buying machine tools.

INVESTMENTS AND CONDITION OF THE FUNDS

In industrialized countries, machinery equipment is updated every 7-10 years, thus providing a transition to a new technological mode (5 or more axis machines, robotics, 3D printing). Exporting countries restrict the export of dual-use goods.
MACHINE TOOL BUILDING

Machine tool building activities carried out by EEC are focused on two core areas: creating the conditions for industry development and cooperation and establishing institutions to facilitate the development of this industry (see “Establishment of the Eurasian Engineering Centre”).

In order to elaborate these activities, an expert group for machine tool building (EG) was set up; it deals, among other things, with problems related to the security of computer numerical control (hereinafter – CNC) on the territory of CU and CES.

Analysis of the current status and development prospects of machine tool building in CU and CES Member States was prepared; the problems have been identified and the solutions have been proposed.

In order to discuss the problems identified, the Department arranged and held the first EG meeting in September 2014 in Rostov-on-Don on platform of the 10th «Industrial Congress of the South of Russia». On the whole, experts approved the key approaches to create conditions for the development of machine tool building in the EAEU.

Development of computer numerical control (CNC) and software for machine tools on the territory of the Union is also under consideration. A number of meetings and negotiations were held with manufacturers of CNC systems on issues related to security and imports phase-out. After Russian manufacturers had studied this problem, they pointed out their ability and readiness to arrange the required production level of these devices, as well as to the need to create CNC hardware components on EAEU territory.

Following consultations with the Parties, the Commission issued draft recommendations, which provide for certain measures to improve cooperation in the sphere of machine tool building, develop our own production enterprises, set up common requirements to machine tools, assembly parts and components manufactured in EAEU Member States, expand cooperation between EAEU manufacturers and facilitate import phase-out. The draft document was approved at the latest EG meeting which was dedicated to the development of machine tool building in the EAEU and took place in Rostov-on-Don in 2015.
In order to monitor industry barriers and develop proposals for the elimination thereof, system-wide work with machine tool manufacturers is being carried out, including offsite events and expert group meetings. Specialists of the industrial block of the EEC arranged several public events and business trips to the relevant enterprises:

- in April 2014 they visited the FINVAL Engineering Centre, where the Ambassador of Taiwan to Russia presented highly-precise metal working equipment and Taiwan’s investment capacity at the “Day of Taiwan Machine Builders in Russia”;
- in September 2014 they visited MTE Kovosvit MAS – an Azov-based joint Russian and Czech assembly plant for modern processing centres;
- in September 2015 they went to Novocherkassk to visit TRTrans JSC – an engineering company established by the French company Alstom and Transmashholding CJSC; where the experience of setting up an engineering company was discussed with the company’s management.

In order to discuss issues related to the establishment of the Eurasian Engineering Centre, specialists took part in sessions of the Coordination Board for Machine Tool Building Development in the Customs Union in June 2014 in Moscow and in October 2015 in Astana.

In addition, members of the Commission took part in certain events which were held in June 2014 in Moscow in line with the business program of “Metal work – 2014” and in July 2015 in Yekaterinburg as part of “INNOPROM – 2015”.

**RAILWAY MACHINERY**

Early in 2014, the EEC platform was used to form an expert group in the sphere of industrial output for rail transport (EG); its membership comprises the representatives of the interested agencies (economy ministries, ministries of industry and transport of the Member States), associations (NP Association of Railway Equipment Manufacturers and NP Association of Carriage Manufacturers) and transport operators (BZhD, KTZh, RZhD).

The Commission analysed the current status and development prospects of the industry and used the findings to prepare a draft industry profile and draft Recommendations of the EEC Council on the development of cooperation between Member States in the sphere of railway machinery with identification of key areas of such cooperation.

At present, pursuant to the decision of the Consultative Committee on Industry dated 3 March 2015 and taking into account the Main Directions, the draft Recommendations are being finalized by experts from the Commission and the Parties.

Moreover, in 2014, within the scope of regular work carried out by the Department in order to eliminate barriers to the development of industrial cooperation, an application filed by ZIKSTO JSC (Kazakhstan) due to problems connected with the direct purchases from Russian enterprises of components needed for final products manufacture was considered. The Commission, together with the interested agencies and manufacturers, managed to achieve some principal agreements about the direct supply of the required products without any intermediaries.
THE NANOTECH INDUSTRY

The expert group for the nanotech industry and nanotechnology was set up in 2014. Its membership comprises representatives of industry-based associations, CIS International Nanotechnology Centre, RUSNANO Group, National Company Kazakhstan Engineering JSC, National Scientific and Technological Holding Parasat JSC, the Ministry of Industry of Belarus, the Ministry of Investment Development of Kazakhstan, the Ministry of Industry and Trade of Russia, the Bauman Moscow State Technical University and the public National Nanolaboratory in Al-Farabi University in Kazakhstan.

In order to discover problematic issues within the industry and interstate cooperation prospects, a number of consultations were held with RUSNANO Group, NP Russian Nanoindustry Association, National Nanoindustry Association, NP Union of Composites Manufacturers and the Republican Nanoindustry Association at the National Academy of Sciences of Belarus. An analytical overview of the nanotech industry was prepared and sent to the ministries, organisations and development institutes of the Parties. The report was published on the EEC website.

The expert group meeting was held on 27 May 2015. The participants of the meeting studied draft recommendations of EEC Council “Concerning the Development of Cooperation in the Sphere of Nanotech Industry within the EAEU” which are now being agreed upon by the Parties.

Based on the results of consultations and expert group meetings, RUSNANO Group will consider the possibility of creating a network of joint nanotechnological centres in EAEU Member States.

Discussion on the draft regulatory act by the EEC with the Parties’ experts

EEC representatives took part in the 8th International Research and Training Conference “Composites: Production, Use, Market Trends” at November 11, 2014 and in the 3rd Congress of Nanoindustry Enterprises at December 05, 2014. While at the forums, the Commission members presented analysis findings showing the development of the nanotech industry in the EAEU Member States and the proposed areas of industrial, scientific and technical cooperation within this economic sector.
THE PHARMACEUTICAL INDUSTRY

The expert group for the pharmaceutical industry was set up in June 2014; its membership comprises representatives of the Karagandinsky Pharmaceutical Complex LLP, AbdiIbrakhim Global Farm LLP, Almaty Pharmaceutical Plant Nobel JSC, Pharmaceutical Company Romat LLP, PharmMedIndustry of Kazakhstan Association, Chimfarm JSC, Gedeon Richter OJSC, the Association of Russian Pharmaceutical Manufacturers, “Medicine of the Future” Technological Platform, NTFF Polisan LLC, Reserv-98 LLC, the Healthcare Ministry of Belarus, the Ministry of Investment Development of Kazakhstan, and the Ministry of Industry and Trade of Russia.

The Department of Industrial Policy held a round-table discussion “Problems and Development Prospects of the Pharmaceutical Industry in the CU and CES” with participation of the involved governmental agencies and business associations of the Parties within the framework of the international forum “Pharmaceuticals and Medical Products” at September 23, 2014 and a meeting with representatives of business society of the pharmaceutical industry at September 27, 2014.

Following the aforementioned events, key development problems of the industry were defined and later analysed by the expert group. Based on that, draft recommendations of the EEC Council “On the Development of Cooperation between Member States of the Eurasian Economic Union in the Sphere of Biotechnologies and Pharmaceutics” were developed. They are now being considered by the Member States.

It is planned that the expert group should examine the question concerning the creation of the Eurasian Pharmaceutical Manufacturers’ Association to solve issues related to industrial cooperation for the establishment of joint and contract-based enterprises, using the production capacities of association members etc., as well as the creation of other joint platforms for the discussion of industrial cooperation aspects and experience sharing.
ACTIVITIES CARRIED OUT IN OTHER PRIORITY INDUSTRIES

Production of lifting and handling equipment

The expert group for production of lifting and handling equipment was set up in December 2014; it includes representatives of the State Production Association (SPA) Mogilevliftmash, private enterprise Machine-Building Company (Vitebsk), the Ministry of Investments and Development of Kazakhstan, Tractor Plants Corporation (RF), and the Moscow State University of Mechanical Engineering (MAMI). The expert group analysed the current status and development trends of lifting and handling equipment production in the EAEU Member States. Based on that, draft Recommendations of the EEC Council “On the Development of Cooperation between EAEU Member States in the Sphere of Lifting and Handling Equipment Production” were issued in July 2015. They are now being considered by the Parties.

Biotechnology

The membership of biotechnology work group updated over the course of 2014 and 2015; it is now significantly wider due to representatives of industry-specific associations and business community. The work group comprises representatives of SPC Armbiotechnology at the National Academy of Sciences of the Republic of Armenia, the Microbiology Institute at the National Academy of Sciences of Belarus, FarmMedIndustry of Kazakhstan and Research and Production Enterprise Atameken, the Ministry of Energy and Industry of Kyrgyzstan, Pharmstandart OJSC, Biokad CJSC (Russia) and others.

2013–2015 saw consultations with industry-specific associations who carried out detailed analysis of proposals and the current status of the industry; and prepared a consolidated report on potential development, cooperation projects and sensitive products. Based on the analysis of strategic documents of the EEC Member States in the sphere of biotechnologies, analytical findings were produced which include the following:

- analysis of the existing barriers and production development problems in the area of biotechnologies;
- proposals for the elaboration of coordinated measures and cooperation for the purposes of biotechnological industry expansion;
- analysis of practicability of the draft Decision (Recommendations) of the Board/Council for Industry Development, based on the findings discovered.

The aforementioned materials are now being considered by Member States.
Chemical industry

The expert group for chemical industry has been set up; it includes representatives of the Belneftekhim Corporation, the Ministry of Investment Development of Kazakhstan, the National Chamber of Entrepreneurs of Kazakhstan, the Russian Association of Chemists, the Ministry of Industry and Trade of Russia, the Russian Association of Plastic Converters and members of some chemical industry enterprises.

Supported by the Commission, the expert group analyses current status and development prospects of the industry and studies issues related to cooperation between the industrial enterprises.

Pursuant to the Action Plan for Development of Consumer Industry in EAEU Member States for 2015–2016, the issues of cooperation between the chemical fibres production sector and consumer sector were analysed.

Proposals for the development of intersectoral industrial cooperation were prepared. They were taken into account upon implementation of the Action Plan for Consumer Industry Development.

Production of electronic and optical equipment and component base

MDIC implementation in the area of electronic/optical equipment and component base production is being carried out within the framework of the expert group, which includes representatives of industry business, authorized bodies and the academic community.

In order to develop a set of measures aimed at cooperation between Member States in the area of electronic/optical equipment and component base production, the industrial block of the EEC prepared an analytical overview of the current status and development prospects of this economy sector in EAEU Member States. Apart from that, it is elaborating measures to encourage cooperation between Member States in this area.

Production of road-building machinery

The expert group for development of industrial cooperation in the sphere of road-building machinery production has been set up. The Commission for tractor, agricultural, forestry, utility and road-building machinery at the Central Board Bureau of the Russian Engineering Union held a number of meetings. The attendees discussed issues related to cooperation within the scope of industry analysis, as well as barriers in particular to potential funding mechanisms used by industry players.

An analytical overview of the current status and development prospects of road-building machinery production in the EAEU Member States was prepared and sent to the Parties for consideration. Draft Recommendations of the EEC Council “On the Development of Cooperation between the Eurasian Economic Union Member States in the Sphere of Road-Building Machinery Production” are now under development; they take notice of the proposals made by the authorised authorities of the Parties.
<table>
<thead>
<tr>
<th>INVESTMENT COST</th>
<th>Description</th>
<th>Company/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 170 mln</td>
<td>PARAXYLENE, 2%*</td>
<td>Sibur Holding OJSC</td>
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<tr>
<td></td>
<td></td>
<td>Polief OJSC</td>
</tr>
<tr>
<td>USD 730 mln</td>
<td>TEREPTHALIC ACID, 2%*</td>
<td>Oil refineries in Ufa, Omsk, Kirishi, Mozyr Oil Refinery, Atyrau Oil Refinery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alco-Nafta CJSC</td>
</tr>
<tr>
<td>USD 430 mln</td>
<td>PE-FIBER, YARN, 3%*</td>
<td>Svetlogorsk Khimvolokno OJSC</td>
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<tr>
<td></td>
<td></td>
<td>Khimvolokno PTC</td>
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<td>Grodno Azot OJSC</td>
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<td>Tver Polyether OJSC</td>
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<td></td>
<td>Gazprom Khimvolokno CJSC</td>
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<td>Ivregionintez OJSC</td>
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<tr>
<td></td>
<td></td>
<td>Zavidovo Textile PTF LLC</td>
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<tr>
<td></td>
<td></td>
<td>Mogilevkhimvolokno OJSC</td>
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<tr>
<td>USD 230 mln</td>
<td>SYNTHETIC. MATERIALS, TECHNICAL TEXTILES, 3%*</td>
<td>Wes Mir LLC</td>
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<tr>
<td>USD 76 mln</td>
<td>CLOTHING (TAILORING), 2%*</td>
<td>BTK- Textile LLC</td>
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<tr>
<td>SALES, 14%*</td>
<td>export</td>
<td>civil market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>government order</td>
</tr>
</tbody>
</table>

* Share in total value added of the final product.
The power engineering industry

The Department for Industrial Policy carried out comprehensive analysis of the current status of the power engineering industry in the EAEU Member States, which is inextricably linked to the energy complex and, consequently, to energy strategies of the EAEU Member States.

The analysis involved investigation of both the global power plant engineering market (including the development prospects of power industry on the global scale) and state programs and regulations applied by the EAEU Member States in the area of power plant engineering (including power engineering development strategies). In addition, attention was paid to the output volume of power plant engineering products in the EAEU and trade relations between EAEU Member States in the sphere of power plant engineering (foreign trade turnover and mutual trade).

The findings were used to identify industry-specific problems along with development prospects and prerequisites, with due account for integration potential. Proposals were made as to further joint development of EAEU industry.

According to the Main Directions, power plant engineering is a priority area only for the Russian Federation.

Based on the analysis of the global power plant engineering market, the following aspects may be pointed out:

- Market share of EAEU power plant engineering companies (Russian Federation) makes up about 2% of the world market.

For reference. Before the 1990s, the global market share occupied by power plant equipment supplied by USSR to the external market comprised 13%.

- In fact, the Russian Federation is the only manufacturer of power plant equipment in EAEU.
- Concerning trade relations with third countries, it should be mentioned that the foreign trade carried out by Member States is characterized by a significant excess of imported power plant engineering products over those exported to third countries.

The overall characteristic of all EAEU countries is the high wear rate of the existing power plant equipment and the need for modernization with complete replacement of many units, which contributes to the urgency of issues related to the production of our own equipment.
The aviation and space industry

In order to work out approaches to cooperation development in the aviation and space industry, a working group has been set up.

In 2015, it prepared and provided Member States with an analytical overview entitled “Information about Analysis Findings Concerning the Current Status and Development Prospects of the Aviation and Space Industry of EAEU Member States”. Draft Recommendations of the EEC Council “On the Development of Cooperation between the Eurasian Economic Union Member States in the Aviation and Space Industry” taking into account the Main Directions are now under development.

INTERACTION WITH INDUSTRY-SPECIFIC ENTITIES (ASSOCIATIONS, UNIONS) OF THE MEMBER STATES

Cooperation with the Coordination Board for development of the machine-building industry of the Customs Union in particular the expert investigation of the solutions proposed in the industrial sphere

On 16 October 2013, the Republican Association of Industrial Enterprises “BelAPP”, National Chamber of Entrepreneurs of the Republic of Kazakhstan and the All-Russian Association “Russian Engineering Union” signed a memorandum to establish the Coordination Board for development of machine-building in the Customs Union. The memorandum was signed with active support provided by EEC.

The Coordination Board was set up with a view to expand interaction and improve industrial cooperation between machine-building enterprises of the Member States, prepare industry-specific expert proposals to develop draft EEC solutions for the elimination of the existing barriers in the machine-building complex.
Within the scope of work carried out jointly with the Coordination Board, a number of meetings were held to discuss the following issues:

- the creation of an engineering centre as the basis for modernization, scientific and technical cooperation in the sphere of tool-making industry update in the CU and CES Member States (following the discussion, the proposal about creation of the Eurasian Engineering Centre for Machine Tool Building was supported. FSBEI HPE MSTU “STANKIN” and other interested parties were asked to provide assistance in developing the functional tasks of the Centre);

- development prospects of agricultural machine building in the EAEU and core development areas of agricultural machine and equipment production by the Member States (following the discussion, the proposals were supported);

- technological platforms as a development mechanism for industrial cooperation between the Union’s enterprises (following the discussion, it was proposed that a working group for automobile components should be set up within the framework of the Coordination Board);

- establishment of consistent conditions for the development of machine-building production market in EAEU countries (following the discussion, the importance of extensive cooperation was highlighted, including cooperation and coordination interaction between the interested enterprises of the Member States, and also between government agencies of the Parties within the scope of import phase-out programs which are being implemented in the machine-building industry).

Cooperation with the Retail Companies Association

The Department for Industrial Policy cooperates with the Wholesale and Retail Companies Association on a regular basis.

Within the reporting period, a number of business meetings were held. The attendees took part in discussions to solve the emerging problems and barriers which prevent the consumer goods and foodstuff produced by Member States from entering large Russian sales networks. Attention was also paid to the mechanisms used to bring goods to the Russian sales networks with a view to eliminating barriers to the free circulation of goods on the single market.
Interaction with the business community of the Eurasian Economic Union

*Russian-Belarusian-Kazakhstan business dialogue, June 2012*

*Belarusian industrial Forum—2015, May 2015*
Section IV. International operations in the industrial sphere

The Coordination Council on machine building Industry of the Customs Union, October 2013

The first meeting of the Presidium of the Business Council of the EAEU, November 2015
The Interaction with the business community and authorized bodies of the member States of the EAEU

The Forum of the CES on industrial policy in the production of building materials, 2013

The final meeting of the Board of the Ministry on Industry and Trade of Russian Federation, 2015
Section IV. International operations in the industrial sphere

Expert panel EAEU “Perspectives of development industrial cooperation within in frameworks of the EAEU”
INDUSTRIAL TRADE FAIR “INNOPROM–2015”

The Coordination Council on machine building industry of the Customs Union
SECTION IV
INTERNATIONAL OPERATIONS IN THE INDUSTRIAL SPHERE
The priority area of international operations carried out by the industrial block is the expansion of cooperation between the Eurasian Economic Commission and the United Nations Industrial Development Organization (UNIDO).

A Joint Declaration on Cooperation between the EEC and UNIDO was signed late in October 2014. The document was signed by Sergey Sidorskiy, the Member of the Board (Minister) for Industry and Agroindustrial Complex, and Li Yong, the Director General of UNIDO. The signing ceremony was attended by the ambassadors of Belarus, Kazakhstan, Russia and Armenia in the Republic of Austria in UNIDO headquarters.

Interaction between the Commission and UNIDO will facilitate the use of experience accumulated by the latter along with its research and development capacities; moreover, it will have a positive influence upon the further development of integration processes in the EAEU.

The Commission views the aforementioned Joint Declaration as an opportunity to use UNIDO's experience and knowledge in implementing the industrial policy in the Eurasian Economic Union. This will have a positive effect upon the practical deeds aimed at improving the existing capacities of Member States' production complexes.

In elaboration of the Joint Declaration, the parties reached agreements concerning the UNIDO observer status to be granted to the EEC for the purpose of creating a permanent basis for cooperation between the organizations.

In 2015, there were several bilateral consultations and meetings with UNIDO specialists and heads of structural units; they discussed strategic and program documents related to the implementation of industrial cooperation in the EAEU.

Moreover, the participants of the meetings considered the possibility of signing a Cooperation Agreement, which would provide for the involvement of the Commission in operations, carried out by UNIDO management bodies (General Conference, Industrial Development Board). This document opens up possibilities for closer cooperation between the two organizations, including the mutual participation in management bodies, as well as implementation of joint potential within the scope of regional projects and development programs in the industrial sphere.

In the course of the international conference “Sustainable Industrial Development in Middle-income Countries of Europe and Central Asia: Innovations and Technologies (Needs, Capacity and Successful Experience)” on 23 April 2015 in Minsk, a meeting of Member of the Board – Minister in charge of Industry and Agroindustrial Complex S.S. Sidorskiy and the Director General of UNIDO Li Yong was held. The meeting resulted in agreements about the expert assessment by UNIDO specialists of the draft Main Directions for industrial cooperation in the Eurasian Economic Union; they were developed by the Commission with the participation of the Parties in accordance with the Treaty on the Eurasian Economic Union.
Scheduled consultations were held in May 2015. Based on that, the international experts of UNIDO issued a positive opinion about the draft Main Directions and approved key targets, tasks and instruments to be used for the implementation of industrial cooperation in EAEU.

Within the scope of provisions established by the Joint Declaration on Cooperation, the Cooperation Program of EEC and UNIDO for 2016–2017 is now being agreed upon. It was developed with consideration for the proposals put forward by the interested structural units of the Commission and the relevant executive bodies of the Parties. Certain arrangements were made in order to complement the Program with some additional areas of joint operations and identify the most important pilot projects, which will be scheduled for implementation in the near future.

It is worth mentioning that joint events organized by EEC and UNIDO, along with the discussions of draft documents and work meetings, are held with active participation of the permanent representative offices of the EAEU Member States at UNIDO.

A key event within the scope of interaction between EEC and UNIDO in June 2015 was the consideration of EEC cooperation prospects at the 43rd session of the UNIDO Industrial Development Board. Following the results of the session, it was decided to grant UNIDO observer status to the Eurasian Economic Commission and to invest the Director General of UNIDO with the authority to sign the Cooperation Agreement between EEC and UNIDO.

The observer status will enable EEC to participate in operations carried out by UNIDO management bodies (General Conference, Industrial Development Board); furthermore, it will facilitate the beneficial cooperation between EEC and UNIDO in areas, which are of mutual interest to them.

It is planned to sign the Cooperation Agreement between EEC and UNIDO before the end of 2015.
Cooperation of the Eurasian Economic Commission with international organizations and third countries

Meeting with the Director General of UNIDO, Austria

The meeting in the administration of the Energy Holding EDP Distribution, Portugal
Following the meeting, the JETRO, Japan

COUNTRY COOPERATION

In order to expand integration of the industrial complexes of EAEU Member States, the Department for Industrial Policy pays great attention to the development of cooperation with third parties, international organizations, public and scientific organizations in the industrial sphere, the ministries of industry of international partners and large companies along with participation in international industry-specific exhibitions and industrial forums with the aim of studying their interaction experience.

Thus, during the last four years active industrial dialogue has been established with China, Germany, Portugal, Japan and the BRICS countries.

Meetings with representatives of ministries, industrial enterprises, industry-specific organizations and business community resulted in the following agreements:

- on assistance in the expansion of cooperation between EAEU Member States’ enterprises and Chinese industrial plants. Speaking of aircraft engineering, it should be mentioned that China is involved in active cooperation with Russian manufacturers in terms of AVIC wide-body aircraft development; in addition to that, a Chinese corporation is developing heavy quarry machinery and other products together with the Belorussian BelAZ;

- on cooperation projects to be carried out together with the leading European manufacturers in the sphere of LED equipment and agricultural machine-building, particularly the production of certain components for power plants;

- on preparation of the Memorandum of Cooperation between EAEU and VDMA (Verein Deutscher Maschinen und Anlagenbaubetriebe) in the sphere of agricultural machine building;

- on arrangement of cooperation with the Portuguese companies for the production of battery vehicles and infrastructure on the territory of the Member States and on proposals to be made by Portugal at the initial stage with regard to the localization of the Portuguese production plants in the Union, scientific and technical cooperation and participation of the Portuguese engineering centres in the development of new products by EAEU enterprises;
• on creation of a COBUS bus assembly plant (Portugal) on the territory of the Union and its further localization;

• on further regular consultations to be held with Mitsubishi Motors Corporation and Nissan Motor Company on issues related to the arrangement of car components production on the territory of the Union, with the use of modern technology in partnership with the EAEU manufacturers.

Further development of these and other arrangements will promote the transfer of technologies between the Member States, help to build the Union’s enterprises in transnational cooperation chains and facilitate the exploration of new types of industrial products.
Cooperation of the Eurasian Economic Commission with international organizations and third countries

The Summit of BRICS Ministers of Industry, Moscow

Speaking on conference “Ag Machinery International – Access to emerging markets: Russia, Belarus, Kazakhstan in focus”, Germany
Section IV. International operations in the industrial sphere

Meeting with the Chairman of the VDMA, Germany

Meeting with permanent representatives of countries – members of the EAEU to the International Organizations in Vienna, Austria

The meeting with the Chairman of the VDMA, Germany
Cooperation of the Eurasian Economic Commission with international organizations and third countries

Speech by director of the Industrial Policy Department V. Maltsev at the meeting with the management of Volkswagen, Germany

The meeting with the management of the German automaker Volkswagen, Germany
Section IV. International operations in the industrial sphere

Participation in the seminar “Industrial cooperation of the Eurasian Economic Union and Japan”
Among the most important middle-term industrial cooperation tasks, the Parties pointed out the following:

1. Development of cooperation for the purposes of competitive production, saturation of the Union’s common market and export to third countries (import phase-out).

2. Innovative development of EAEU industry.

3. Increasing investment and improving funding accessibility for industrial enterprises.

4. Elimination of barriers to the circulation of industrial goods on the EAEU common market.

In this way, the Main Directions of Industrial Cooperation have set a number of key tasks for the Commission and Member States. The EEC Industrial Block and the Parties have to solve these tasks with joint efforts in the next five years. The development of acts required for the solution of the aforementioned tasks is envisaged by the draft Development Plan for MDIC Acts, which was prepared by EEC, agreed upon by the Parties, and includes, among other things, the following:

– development of concepts for creation, formation and maintenance of:
  - the Eurasian network of industrial cooperation and subcontracting;
  - the Eurasian technology transfer network;
  - the Eurasian Engineering Centre;
  - the digital transformation of the EAEU industry;

– development and putting into practice of the following documents:
  - Regulations on the mechanism used to keep track of technological operations for the identification of jointly manufactured products, also for the purposes of applying joint supportive measures;
  - Regulation on formation, functioning and funding of the Eurasian technological platforms;
  - Regulation on development, implementation and funding of interstate programs and projects;
  - an agreed set of measures for protection of the EAEU market from counterfeit products;
  - the procedure for negotiation by the Member States of cooperation projects which possess integration potential and are presented to the Eurasian Development Bank for consideration of priority funding issues, including the compliance criteria used for such projects;
  - recommendations as to the promotion of industrial products (jointly manufactured) to the third country markets;
  - recommendations as to the cooperation priorities for the purposes of speeding up technological modernization and improving innovation activity of the EAEU organizations;
  - recommendations as to the distribution of best practices in terms of creation and operation of industrial and innovative infrastructural objects.
The common customs space needs favourable environment for industrial cooperation and integration between business entities, which act as the participants of economic process.

In order to secure leading positions of our manufacturers both in EAEU and on the third party markets, it is necessary to focus attention on the issues related to funding, promotion and state support of innovative development of our complexes. Common policy in the area of industrial subsidies provision may contribute to this process. EAEU currently only controls the observance of common industrial funding rules by the Parties, which is conducted with the aim of ensuring equal competitive terms. Common approaches, if developed by the Member States with a view to priority promotion of innovative development of industrial complexes, might give a more perceptible effect, compared to the autonomous operations carried out by our countries in this area.

Fulfilment of the agreements reached by the Parties in the sphere of industrial cooperation and established by the Main Directions would enable the creation of a platform for joint innovative and technological progress in the industries of EAEU countries in the nearest future. Following the course established by Main Directions of Industrial Cooperation, Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia will soon be able to bring national industrial complexes to an advanced development stage and ensure their competitiveness on the global scale.

An effective industrial policy within the EAEU will be a prerequisite for deeper Eurasian integration. Manufacturers will participate in it more and more actively. They will get the opportunity for unhindered and fruitful cooperation with partners of the five countries on beneficial terms developed within the scope of industrial cooperation. This means that economic integration of the EAEU countries will foster the national well-being of our nations even in the most difficult macroeconomic environment.
INDUSTRY COOPERATION FRAMEWORK

EEC Board

The Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy

Board Member’s Secretariat

INDUSTRIAL POLICY DIRECTORATE

- Department for industrial policy, interstate programs and projects
- Department for cooperation on industrial policy issues
- Department for industrial subsidies
- Department for monitoring and analysis of industrial complexes of CES member states

CONSULTATIVE BODIES

Consultative committee for industry

- Working group for major development areas of industrial cooperation between the Republic of Belarus, Republic of Kazakhstan and Russian Federation, coordination of national industrial policies with the prospective launch of harmonized industrial policy
- Working group for development of cooperation proposals within the scope of industrial technological platforms in the Common Economic Space
- Working group for development of working conditions for new vehicle assembly plants and expansion of the existing ones on the territory of Member States of the Customs Union and Common Economic Space
- Working group for preparation of development and implementation procedure for interstate programs within the Common Economic Space, including the funding mechanism
- Expert group for industrial products output in the sphere of rail transport
- Expert group for development of industrial cooperation in the sphere of aviation and space industry in the Eurasian Economic Union
- Expert group for machine-building development
- Expert group for building materials production
- Expert group for pharmaceutical industry
- Expert group for nanotech industry
- Expert group for lifting and handling equipment
- Expert group for chemical and oil industry
- Expert group for cooperation development in the sphere of iron and steel industry
- Expert group for consumer goods industry
- Expert group in the sphere of timber processing and the production of wood products

NATIONAL AUTHORITIES

- Ministry of Economy of the Republic of Armenia
- Union of Industrialists and Entrepreneurs (Employers) of Armenia
- Ministry of Industry of the Republic of Belarus
- Ministry of Economy of the Republic of Belarus
- BelAIE
- Ministry for Investments and Development of the Republic of Kazakhstan
- Ministry of National Economy of the Republic of Kazakhstan
- National Chamber of Entrepreneurs of the Republic of Kazakhstan (Atameken)
- Ministry of Energy and Industry of the Kyrgyz Republic
- Ministry of Economy of the Kyrgyz Republic
- Кыргызский Союз Промышленников и Предпринимателей
- Ministry of Industry and Trade of the Russian Federation
- Ministry of Economic Development of the Russian Federation
- РУЕ
LIST OF DOCUMENTS ADOPTED IN 2012–2015 FOR DEVELOPMENT OF THE AGREEMENT ON THE COMMON RULES OF INDUSTRIAL SUBSIDIES PROVISION OF 9 DECEMBER 2010 AND ARTICLE 93 OF THE TREATY ON THE EAEU


2. Decision of the EEC Board No. 132 of 16.08.2012 “On Regulations Concerning the Monitoring and Comparative Legal Analysis of National Legislation of the Member States of the Customs Union and the Common Economic Space in particular the Compliance with the Agreement on the Common Rules for Industrial Subsidies Provision of December 9, 2010”.


15. Decision of the EEC Council No. 7 of 19.02.2014 “On Information Provided by the Member States of the Customs Union and the Common Economic Space to the Eurasian Economic Commission, Provided Such Information is Submitted to Other Member States in Accordance with the Agreement on Common Rules for Industrial Subsidies Provision of December 9, 2010”.


17. Decision of the EEC Council No. 87 of 9.10.2014 “On the Procedure for Formation and Maintenance of the Register of Legal Entities Producing Motor Transport Vehicles (as established by the term «industrial assembly of motor transport vehicles” adopted in accordance with the resolution of the Supreme Eurasian Economic Council) and the Models of Motor Transport Vehicles””.


20. Decision of the Supreme Eurasian Economic Council No. 72 of 29.05.2014 “Concerning the Conditions for Using the Term “Industrial Assembly of Motor Transport Vehicles” on the Territory of the Member States of the Customs Union and the Common Economic Space”.


Annex No. 2
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