

Секция «Международные организации и мировые политические процессы»

Main trends in the development of cooperation in mutual trade of the EAEU member states

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Every day, the world economy faces new obstacles and challenges that require immediate and effective actions and solutions. Unfortunately, the economy of one country will not be able to cope with all the challenges alone. Hence, countries unite in economic unions and create new centers of economic power, creating favorable conditions for trade, business, and consumers.

It is generally agreed today that the main factor in the development of the economy and the world market is a free market without barriers. As a result, the market becomes more efficient and more productive.

The unions are creating to comprehensively modernize and improve the competitiveness of national economies. The Eurasian Economic Union is also such a Union. The EAEU ensures the freedom of movement of goods, services, capital, and labor, as well as the implementation of a unified policy in economic sectors.

Trade within the EAEU is one of the most important components of the integration process, which is one of the organization's priority goals. Statistics for 2016-2019 reflect a significant increase in its indicators [1]. However, there are also many problems: uneven distribution of both volumes and growth of trade within the Union (in which Russia is the leader), a disproportionate focus on foreign markets, and reliance on oil and gas resources. This and other things present the Union with many challenges that it will have to deal with in the coming years.

January 1, 2020 marked 5 years since the beginning of the Eurasian economic Union and 10 years since the launch of the Customs Union of Russia, Belarus and Kazakhstan. For today, an international economic organization currently consists of 5 countries: Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan.

Mutual trade between member countries has shown extremely high growth rates, increasing by about a third every year. According to statistics, a special increase in trade turnover can be observed between two pairs of countries: Armenia and Kazakhstan, as well as Belarus and Kyrgyzstan. Since 2015, their mutual trade has increased from us \$ 4.9 million to us \$ 17.3 million and from us \$ 61 million to us \$ 127.3 million respectively [2].

Russia is the doubtless leader in trade turnover with each of the countries. The total trade turnover increased by 26% in 2017 compared to 2016. The positive growth trend continued and the growth rate was 9.2 % in 2018 [4]. Russia supplies its partners with oil, petroleum products, gas, minerals, automobiles, equipment, chemical products, metals, food, textiles, and many others.

As for economic indicators, more than 60% of the mutual trade of the EAEU members is accounted for by Russia. Moreover, Russia accounts for all major trade flows within the borders of the EAEU 2.99%. Around 4/5 of members trade with third countries more active than with EEU partners Russia 91.1%. More than 80% of the EAEU's foreign trade is accounted for Russia [3].

Social exclusion measures, falling external demand and income from commodity exports, disruption of production chains, and a deterioration in economic sentiment have led to a

significant weakening of economic activity in the region. In Russia and Kazakhstan, composite PMI indices published by IHS Markit in April fell to the lowest values in the entire history of observations (to 13.9 and 15.3 points, respectively, from 39.5 and 42.1 in March). In the Republic of Belarus, the composite index of economic sentiment also fell to the lowest level. In Armenia, due to falling consumer and investment demand, the economic activity index in March decreased by 4.7% yoy after increasing by 9.2% yoy a month earlier. The economies of Kyrgyzstan and Tajikistan will experience an additional shock due to a decrease in remittances from migrant workers.

Monetary regulators in most of the EDB member countries have eased their monetary policy against the backdrop of increased medium-term inflation risks. For example, the Bank of Russia in April reduced the key rate by 0.5 percentage points, to 5.5% per annum. Moreover the national currency in April partially regained the positions lost in the second half of March: the Russian ruble strengthened against the us dollar by 6.4% over the month [4].

The EEU members are relatively new states that are building their nations while facing substantial challenges in separating from their Soviet past, promoting and protecting their titular languages, integrating diverse ethnic cultures, and minimizing internal disputes.

Not only the members of the EAEU are interested in the development of countries. For example, the RAND Corporation, together with the Regional Office for Cooperation and Peace in Europe (FES ROCPE), initiated a project aimed at resuming dialogue on peace, economic integration and security, as well as developing new concepts in the spirit of conflict-oriented policies. In 2020, a Consensus proposal was put forward to revise the regional order [5].

The basic scenario of the EDB forecast assumes the beginning of a period of recovery in economic activity in the region's States from the second half of 2020 year. This will be facilitated by the authorities' measures to support the economy, as well as the gradual normalization of the situation in the world, in the financial and commodity markets. However, due to the negative consequences of the current crisis, primarily related to weak investment activity, social distancing and reduced employment, the recovery process may take a long time.

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