

Eurasian Economic Union

Presentation prepared as part of ADB Technical Assistance Project to the Kyrgyz Republic: Assisting with the Opportunities of EEU Membership, TA-8979-KGZ.

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- Customs Union

- Common external tariff
- Shared revenues
- Freedom of movement
- Transitional questions: WTO membership

- Common Economic Space

- Labour, capital: alignment of laws
- Liberalize markets, competition
- Energy transport, macroeconomic policies

European Union: Economic Integration

- 1951: The European Coal and Steel Community is set up by the six founding members
- X 1957: The same six countries sign the Treaties of Rome, setting up the European Economic Community (EEC) and the European Atomic Energy Community (Euratom)
- X 1973: The Communities expand to nine Member States and introduce more common policies X 1979: The first direct elections to the European Parliament (EP)
- X 1981: The first Mediterranean enlargement
- X 1992: The European single market becomes a reality
- X 1993: The Treaty of Maastricht establishes the European Union (EU)
- X 2002: The euro comes into circulation
- X 2007: The EU has 27 Member States
- X 2009: The Lisbon Treaty comes into force, changing the way the EU works

Economic Integration

- Free trade area
 - Eliminates tariffs within the area only. Each country retains its own policy towards non-members.
- Custom union
 - Add a common external policy to the free trade area.
- Common market
 - Factors of production can flow freely within a custom union. Free movement of capital, labor and goods/services.
- Economic union
 - Common market with common determination of some structural and macroeconomic policies.

Treaty of Rome

- Massive extension of the “Community Model” to forge “an ever closer union among the peoples of Europe.”
- The EEC as a “Customs Union”.
- oProgressive elimination of internal tariffs by 1969- Formation of a free trade area (FTA) for the EEC with the gradual elimination of tariffs, quotas and other barriers to trade among members.
- Common external tariffs of 15 percent (members’ average)-the creation of a uniform tariff schedule applicable to the imports from the rest of the world. The Goal was the formation of a common market (CM): the removal of all barriers to the movement of labor, capital and business enterprises. And coordination of economic policies (a distant goal at the time.)

Treaty of Rome

- The Adoption of the Common Agricultural Policies (CAP)-French pushed for this as a tilt of balance against the industrial Germany.
- It was a vital instrument of Community solidarity and helped restructure the declining Western European agriculture.
- The creation of an investment fund (European Investment Bank) to channel capital from the more advanced to the less developed regions of the community.
- Tax and social policy harmonization.
- Coordination of fiscal, monetary and exchange rate policies.
- Institutionalize the virtuous circle of export-led growth.
- The elimination of tariffs would create trade (trade creation).
- The imposition of external tariffs would reduce dependence from the United States, Soviet Union, etc. (trade diversion).

Single Market

- Basic elements
- Goods Trade Liberalisation
- Streamlining or elimination of border formalities,
- Harmonisation of VAT rates within wide bands
- Liberalisation of government procurement
- Harmonisation and mutual recognition of technical standards in production, packaging and marketing
- Factor Trade Liberalisation
- Removal of all capital controls (!!!), and deeper capital market integration
- Liberalisation of cross-border market-entry policies.

ASEAN

- Region of great diversity
- Approach very different from that of the EU
- Highly cautious approach.
- Does not intend to be a customs union.

NAFTA

- Market Access for Goods
 - The elimination of duties on thousands of goods crossing borders within North America.
 - Phased-in tariff reductions – now complete – and special rules for agricultural, automotive, and textile and apparel products.
 - Important rights for NAFTA services providers and users across a broad spectrum of sectors.
 - Special commitments regarding telecommunications and financial services.
 - Formal dispute resolution processes that help resolve differences that arise in the interpretation or application of NAFTA's rules.
- Protection for Foreign Investment
 - Commitment to treat each others' investors and their investments in the territory of the host NAFTA country no less favorably than their own domestic investors.
 - Commitment to provide NAFTA investors with the best treatment given to foreign investors from beyond North America.
 - A transparent and binding dispute resolution mechanism specially designed to deal with investment.

NAFTA (cont.)

- Protection for Intellectual Property
- Adequate and effective protection and enforcement of a broad range of intellectual property rights (including through patents, trademarks, copyrights, and industrial designs), while ensuring that the measures that enforce these rights do not themselves become barriers to legitimate trade.
- Easier Access for Business Travelers
- Easier access for business professionals in hundreds of different professions so that they can travel for business throughout the continent.
- Access to Government Procurement
- Access to government procurement opportunities at the federal levels in Canada, Mexico, and the United States.