



Practical Conference:

«Four Degrees of Freedom of the EEU: Movement of Goods, Labor, Services and Capital. Experience and Lessons Learned»

Main results, challenges, lessons learned in the frameworks of Eurasian integration

Deputy Minister of Economy, A. Sazbakov

Since August 12, 2015





Terms of the accession of KR in EEU

Kyrgyzstan joined the EEU on overall favorable conditions for the country.

The following agreements were achieved:



On the removal of customs control from the moment of accession and the further elimination of sanitary and phytosanitary controls at the border



On the creation of the Kyrgyz-Russian Fund in order to support us in the period of adaptation to the new conditions of the EEU



About the transitional periods for the implementation of several provisions of the EEU Treaty, including technical regulations, etc.



On assistance from Russia and Kazakhstan to equip customs posts and veterinary, phytosanitary, sanitary and other laboratories



We were given a number of preferences on the import of goods necessary for production and consumption in the domestic market



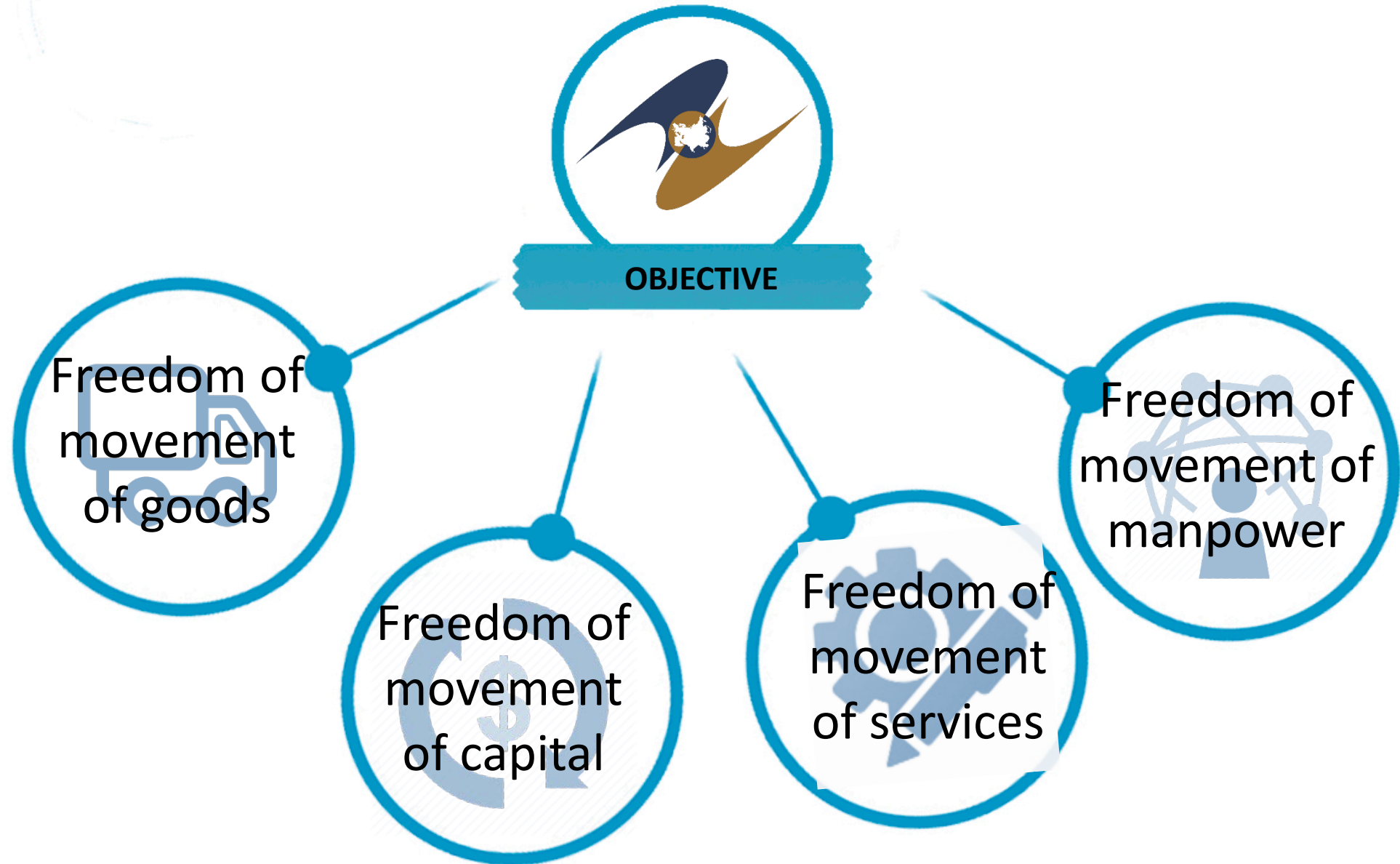
Our share in the distribution of customs duties amounted to 1, 9%, while in Armenia, close in size to the economy of Kyrgyzstan, this ratio was only 1, 11%



We have received an exemption from duties on equipment and infrastructure investment projects



The list of temporary exceptions to the EEU Common Customs Tariff has been approved in accordance with the contact on 166 commodity items





Joining results

Equal rights with other participant countries in EEU bodies

Customs procedures on the Kyrgyz-Kazakh border removed

4 checkpoints equipped - Manas, Osh, Torugart, Irkeshtam

7 veterinary checkpoints equipped - Torugart, Irkeshtam, Dostuk, Kyzyl-Bel, Kara-Suu railroad, Manas and Osh airports

November 18, 2015 phytosanitary control removed on the Kyrgyz-Kazakh border

30 accredited labs and 7 certification bodies included in the EEU Unified Registrar

Optimization of veterinary labs is carried out, 19 out of 28 will remain



Результаты присоединения

18 Kyrgyz companies are included in the registry, which can carry out production and delivery to the territory of the EEU Member States (RF and Kazakhstan)

Favorable conditions of stay for migrants and activities in terms of employment procedures simplified, social conditions of life of their families improved

Kyrgyz-Russian Development Fund created

Agreement signed and ratified about free trade between EEU and Vietnam

Negotiations with China regarding trade and economic cooperation started

Foreign investment increased by more that 3 times



Implementation of the Agreement between the Government of the Kyrgyz Republic and the Government of the Russian Federation on the development of economic cooperation under the Eurasian economic integration (200 million. \$)

Funding is provided by the Russian Party



up to 129 mln US\$

allocates to the Federal Customs Service for a state contract with a single supplier;

up to 16,42 mln US\$

allocates for the establishment, equipment, implementation of information systems of the KR and their adaptation to the law of the EEU

up to 48,58 mlb US\$

allocated for work on the technical and engineering equipment of the Kyrgyz section of the EEU border;

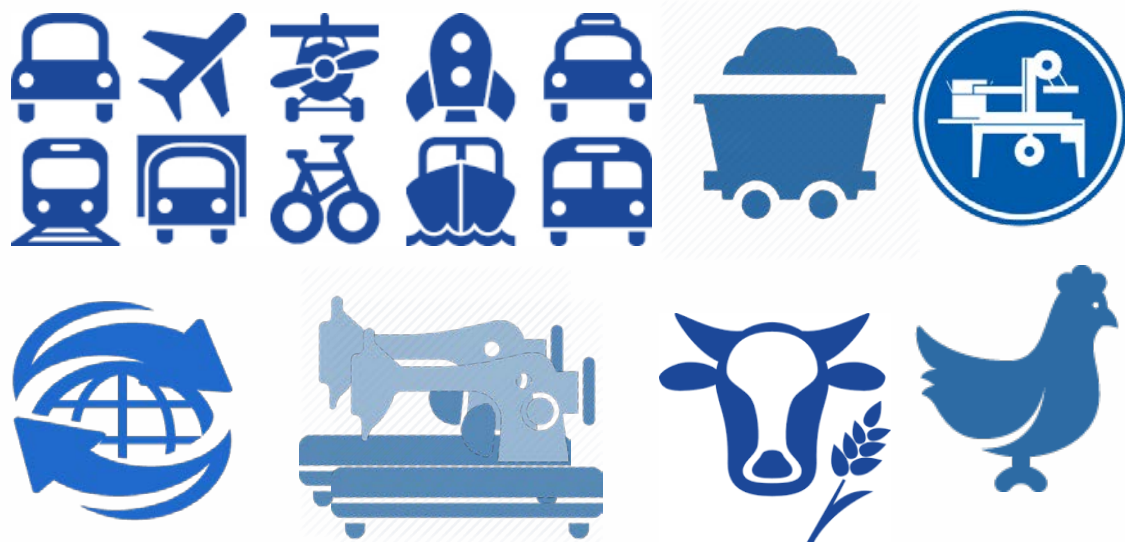
up to 6 mln US\$

provided to the relevant federal bodies of executive power to organize and conduct training of the Kyrgyz Party representatives



Russian-Kyrgyz Development Fund

Total
144,4
mln \$



15,5
mln \$



Achieving the goal of free movement of 90% of goods

From August 12, 2015 **customs control removed**.

From November 18, 2015 **phytosanitary removed**. With the opening of borders 44% of the total goods are being exported to EEU countries.



Fruits and Vegetables - 61%
(proportion in exports of KR)



Textile - 95%



Glass - 46%



Electric energy - 100%



Balbs - 39%

As of today, the **veterinary control removal** is still being discussed.

18 livestock enterprises can export in EEU countries. In addition, they will add another 7 enterprises.

Livestock products takes about **10%** of exports in Kyrgyzstan.



Milk and dairy products - 70%



Cattle - 76%



Problem and measures taken

1

Removing the veterinary control on the Kyrgyz-Kazakh state border

- The process of optimization of veterinary laboratories, as a result 19 out of the existing 28 laboratories will remain
- Implementation of electronic tracking of veterinary, phytosanitary certificates.
- Zoning of the territory of the republic on epizootic areas is being held.
- The identification of animals. By the end of this year it is planned to complete the identification of cattle breeding stock in the pilot areas, by 30.05.2017, the breeding stock of the whole country.

2

The issue related to the unification of railroad tariff in the frams of EEU

- The government has approved a draft agreement with Kazakhstan on the application system for regulating access to rail transport, including tariff policy framework. The agreement contains provisions on the unified tariffs by type of connection in relation to goods carried by rail transit between Kyrgyzstan and Kazakhstan.

3

The statistical reliability reduced

- The Government of the KR adopted the Decree on measures to ensure the integration of goods transported across the border of the Kyrgyz Republic within the framework of trade with the EEU Member States dated October 3, 2016 no.524.
- The Government adopted the Law On Amendments to Certain Legislative Acts of the Kyrgyz Republic (the Tax Code of the Kyrgyz Republic, the Code of Administrative Liability dated July 26, 2016 no. 140).

Kyrgyzstan plans for market development in EEU

- Upgrading the quality of infrastructure;
- Solution of the problems of small-scale production;
- The introduction of new technologies, including for the development of organic agriculture;
- Diversification of exports;
- Promotion of PPP;
- Promote the establishment of joint ventures aimed at export development, including with the participation of Russia, China, Kazakhstan and other countries;
- Other measures

Thank you for your attention!