

Report of the Deputy Minister of Economy of the KR Abakirova E.K.

Dear participants of the forum!

May I have this opportunity to express my gratitude for the organization of this seminar and the opportunity to use such an important platform for discussing one of the most pressing issues of developing trade relations at the global level - non-tariff barriers in the sphere of mutual trade.

Non-tariff regulation covers almost all measures used by the state to regulate the foreign trade, except tariffs. These means of the foreign trade policy increasingly play a significant role in the total volume of the instruments to regulate the international trade in almost all countries, which is taking place against the background of a stable global trend of reducing customs and tariff protection of national markets.

The general world trend to expand the practice of non-tariff measures to regulate foreign trade is primarily related to the global processes of liberalization and trade facilitation.

For Kyrgyz Republic, as country which was involved in the world economic process from the moment of participation in the World Trade Organization, liberalization of foreign trade, the tasks of using effective tools for implementing foreign economic strategy, protecting national interests, ensuring economic security of the country were also actualized.

The participation of the Kyrgyz Republic in the Eurasian Economic Union has created a new format for trade cooperation with the participating States and third countries. In this direction, working out effective mechanisms of non-tariff regulation and improving the system of foreign trade remain relevant.

Since the entry of the Kyrgyz Republic into the Eurasian Economic Union in 2015, the spheres of customs, tariff and non-tariff regulation are among the key areas in ensuring an unhindered regime of mutual trade in goods between member states. Non-tariff barriers have a negative impact on the movement of goods within the framework of mutual trade.

Customs or other duties, taxes and charges having an equivalent effect, measures of non-tariff regulation, special protective, anti-dumping and countervailing measures are not applied in the customs territory of the Eurasian Economic Union in mutual trade. Unified Customs Tariffs and common measures to regulate foreign trade in goods with a third countries operate in the Union. Therefore, exceptions and limitations in the spheres of customs, tariff and non-tariff regulation affect, above all, the external contour of the Eurasian Economic Union.

All goods subject to non-tariff measures are to be included in the Unified List of Goods, which contains goods that are prohibited, as well as restricted to import and export to the customs territory of the Eurasian Economic Union. The application of restrictions on such goods is based on considerations of national security, as well as to ensure international obligations. But this list is systematically revised towards liberalization. For example, licenses for the import of medicines and veterinary medicines are abolished.

In the near future, in the territory of the Kyrgyz Republic, as in other Eurasian Economic Union countries, the common market of medicines and medical products starts functioning.

In 2017, the Kyrgyz Republic continues to participate actively in the work of the Commission to improve the methodology, tools and mechanisms to remove obstacles. Within this framework, the Register of Obstacles in the Internal Market of the EAEU is updated. So, in the Kyrgyz Republic there are still 10 seizures and 31 restrictions. An important mechanism for removing obstacles should be the "Road maps" to reduce seizures and restrictions. It is expected that this document will significantly reduce the number of seizures and restrictions and thereby continue to deepen the integration processes.

In the same year, within the framework of the mentioned Commission, the Kyrgyz Republic together with the member states of the EAEU carried out work to eliminate identified barriers using, among other things, consultation instruments and directions for notifications to member states on the need for the implementation of the EAEU law.

Today, in the Kyrgyz Republic, as the member of Eurasian Economic Union, the main emphasis in the implementation of the Single Window mechanism is on its implementation in trade with third countries, but in the long term it is possible to consider its application in the mutual trade of member states, which will assist to reduce obstacles in domestic markets.

One of the principles of technical regulation, enshrined in the Treaty on the of Eurasian Economic Union, is the prevention of the establishment of excessive barriers to business. Upon accession of the Kyrgyz

Republic to The Eurasian Economic Union Treaty it have been prescribed seizures associated with simultaneous action in the Kyrgyz Republic as a technical regulations and national legislation of the Union.

In accordance with the Agreements on the accession of these states to the Eurasian Economic Union, which establish a transitional period, it is envisaged that the technical regulations of the Union and national legislation will operate simultaneously in the territories of the republics. Taking into account the conditions for the accession of the Kyrgyz Republic to the Treaty, the final transition to unified requirements and removal of this exemption will be possible only after 5 and 4 years respectively, from the date of entry into force of the Accession Agreement, that is, on 2 January 2020 and 12 August 2019.

As part of the accession of the Kyrgyz Republic to the Eurasian Economic Union, a unified system of technical regulation (standardization, accreditation, certification and metrology) has been created, which is designed to ensure the unimpeded movement of safe and quality products in the territory of the Eurasian Economic Union countries.

Compliance with the requirements for products established in the unified technical regulations of the Union ensures free movement of goods, eliminating excessive administrative and technical barriers to trade.

Within the framework of the Eurasian Economic Union, there are 35 technical regulations of the Union, which establish the requirements for the safety of a wide range of goods of mass demand.

In accordance with the Treaty, the technical regulations of the EAEC in the territory of the Kyrgyz Republic will have the force of direct action and a transitional period for the application of the technical regulations of the EAEU in the territory of the Kyrgyz Republic.

In the framework of elimination of non-tariff barriers in the sphere of technical regulations, the following activities are actively carried out:

- Development of national expert knowledges and skills in the development of technical regulations
- Capacity building of the Kyrgyz Accreditation Center
- Development of a system of testing laboratories in the country
- Development of a market surveillance strategy
- Strengthening of sanitary and phytosanitary control measures
- Elimination of gaps in legislation on quality control and assurance
- Development of calibration laboratories in the country
- Development of the system of legal metrology

In conclusion, it should be noted that, in the framework of work to remove barriers, in the short term, the Kyrgyz Republic assigns to the main tasks such tasks as:

- continuation of work on harmonization and unification of the legislation of the Member States and its uniform application in the areas defined by the Eurasian Economic Union Law;
- approval of the methodology for the separation of barriers to barriers, exemptions and restrictions;
- approval of the procedure for the formation and maintenance of the Register of Obstacles in electronic form;
- carrying out, within the framework of the work of the Commission, jointly with Member States, work on agreeing obstacles to inclusion in the agreed list of obstacles;
- development of action plans for the Road Maps to eliminate exemptions and restrictions on the internal market of the EAEU, the elimination of which was deemed expedient by the Member States, as stipulated by the Commission Regulation No. 29 dated October 18, 2016 "On the progress in identifying and removing barriers, seizures and Restrictions on the domestic market of the Eurasian Economic Union".

In the long term, the reduction of barriers will lead to an increase in the incomes of entrepreneurs, the creation of a favorable investment climate, and the development of competition.

At the same time, at the present time, in the framework of the Eurasian Economic Union, work is also being carried out with the business community to remove barriers, exemptions and restrictions, the goal of which is the subsequent elimination of obstacles, reduction of exemptions and restrictions aimed at ensuring the "four freedoms" of the market.

The experience of integration of foreign countries confirms that the presence of obstacles on the internal market of the EAEU, especially barriers, adversely affects the economies of member states and requires not only their elimination, but also the prevention of their occurrence.