

THIRD CHINA ROUND TABLE ON WTO ACCESSIONS
**"Maximizing the Benefits of WTO Membership and Global
Economic Integration"**

Dushanbe, Tajikistan, 2 to 5 June 2015

Dear Ladies and Gentlemen!

Today, during the round table representatives of many countries of the world, the various regional integration organizations surround us and it is not accidental.

The new architecture of the world economy, which is forming now, determine the development direction for many years in advance.

World Trade Organization (WTO) - an international organization that regulates trade relations between countries through international regulations. Today the WTO includes 161 countries.

The process of accession of Kazakhstan to the World Trade Organization began on January 26, 1996 with the filing of the WTO Secretariat's official application for admission to the WTO. In February 1996, Kazakhstan granted the status of an observer in the WTO.

At the same time, a working party was established on Kazakhstan's accession to the WTO (the Working Party), which currently consists of 40 member countries of the WTO. All of the major trade partners of Kazakhstan, who expressed a desire to discuss conditions and commitments of the republic on accession to the WTO, came to the Working Party. The Working Party on Kazakhstan's accession to the WTO currently has 50 WTO member states that are major trading partners of the Republic of

Kazakhstan.

In order to develop a coherent negotiating position of Kazakhstan in the process of WTO accession on specific issues of trade and economic policy, working Interdepartmental Commission of the Republic of Kazakhstan on trade policy and participation in international economic organizations.

Negotiations held at the multilateral and bilateral levels in the following key areas:

- Negotiations on systemic issues;
- Negotiations on Agriculture;
- Negotiations on market access for goods;
- Negotiations on market access for services.

I. Negotiations on systemic issues are carried out in the framework of the Working Party to review the foreign trade regime and the foreign trade of Kazakhstans' legislation for compliance with the WTO multilateral trade agreements, as well as determination of measures necessary for harmonization of national legislation with the rules and regulations of the WTO.

The Working Party meetings addresses issues in the field of economic and trade policies of the country, such as foreign investment treatment, tax system, regulation of imports and exports, state property and privatization, anti-dumping and countervailing measures, sanitary and phytosanitary measures, and others.

II. Negotiations on agriculture are conducted within the framework of multilateral negotiations on specific measures of domestic support and export volume of agricultural subsidies.

III. Bilateral negotiations on market access for goods include identification and coordination with interested WTO members maximum levels of binding of import duties, which Kazakhstan will have the right to apply after the accession to the WTO.

IV. Bilateral negotiations on market access for services are carried out with a view to harmonize the conditions of access for foreign service providers to the Kazakh market.

WTO and CU/EAEU/EEC

From 1 January 2010, started functioning Customs Union, and from 1 January 2012 - the Common Economic Space between Belarus, Kazakhstan and the Russian Federation. In order to create conditions for the full functioning of the Customs Union after the accession of member states to the WTO negotiations on accession to the WTO were based on a harmonized position on those issues that are in the competence of the Eurasian Economic Commission.

Thus, the parties signed the Treaty on functioning of the Customs Union within the framework of the multilateral trading system on May 19, 2011, according to which the commitments of the Parties under the WTO on issues within the competence of the Customs Union, have become part of the legal system of the Customs Union. The Treaty defines the relationship of rules and regulations established by the WTO and the Customs Union, as well as the procedure of coordination of operation of the member states of the Customs Union in the relationship of adoption of its commitments under the WTO. This contract also has retained its strength within the Eurasian Economic Union.

In order to harmonize the regulatory framework of the Customs Union, amendments and addenda has been made to the following agreements:

- Agreement of the Customs Union on rules of import licensing;
- Agreement of CU on customs value;

- Agreements of CU on application of special protective, antidumping and countervailing measures against third countries;
- Agreement of the CU in veterinary, sanitary and phytosanitary measures.

On January 1, 2015 came into force the Treaty of the Eurasian Economic Union, which is a codification of agreements of the Customs Union and Common Economic Space. Which have been brought into conformity with WTO rules and regulations.

Not only countries, but also entire regions rely on the possibility of taking joint decisions on competition issues, cooperation and trade in the framework of trade and economic union. In recent decades, the world economy has increased the trend of regional associations. In East Asia, developing the largest free trade zone with China and the Association of South - East Asian Nations (ASEAN), covering more than 2 - billion consumers. Strengthened the integration of North and South America, Africa.

Sustainable economic growth of any country provided by the expansion of markets, creation of conditions for attracting investment. And this is, of course, can be achieved through participation in integration processes.

In the Eurasian space, such processes brought to the creation of the Eurasian Economic Union of Kazakhstan, Belarus and Russia. At the end of the last year, Armenia became a member of the Eurasian Economic Union. On the 8th of May this year there has been signed acts of accession of the Kyrgyz Republic.

The economic potential of the Eurasian Economic Union is significant.

The gross value of the economy of the Member States is more than 2.4 trillion USA dollars. The total volume of industrial production of three countries reaches 1.4 trillion USA dollars. Human resources are 175 million people, and the territory over 20

million sq. km.

In the conditions of reducing rate of global economic growth, participation of Kazakhstan in the Eurasian economic integration provides the necessary foundation for economic diversification and improvement of productivity.

From 2009 to 2014 the annual trade turnover of Kazakhstan with partner countries of the Eurasian Economic Union raised by 54% from 12.8 billion US dollars in 2009 to 19.7 bln. USA dollars in 2014 respectively.

Kazakhstans' export to the Eurasian Economic Union Member States was increased in 2014 in comparison with 2009 to 44.5% (from 3.6 bln. USA dollars in 2009 to 5.2 billion US dollars in 2014). The share of processed products in total export to the Eurasian Economic Union was increased from 45% to 51%. The export of finished products from Kazakhstan to the Eurasian Economic Union member states from 2009 to 2014 increased for 4 times from 92.3 mln. USA Dollars to 359 million USA Dollars.

Creation of a common market together with internal measures to improve the investment climate has allowed Kazakhstan to ensure the growth of foreign direct investment in non-primary sector of the economy. Investment in the manufacturing industry of Kazakhstan for the five year period from the period of functioning of the Customs Union from 2010 to 2014, in comparison with the previous five-year period, from 2005 to 2009, increased by 3 times, which is 6 bln. USA Dollars.

Joined market of the Eurasian Economic Union is able to "link" East and West.

Such infrastructure projects as "Western Europe - Western China" highway just contributes to the creation of transcontinental "bridges". Moreover, agreements achieved within the framework of the Eurasian Economic Union on access to the internal railway

tariffs now allows to calculate the Kazakh consignors to save up to 240 mln. USD per year. Since 2016 an agreement on the formation of the total pharmaceutical market in Kazakhstan will allow large producers to increase exports of medicines to 360 mln. USD per year.

By 2019, in the EAEU will be created total electricity market. In 2025 will be formed common markets of gas, oil and petroleum products. Creation a common market will not only ensure the stability of power systems of the Member States, but will expand the geography of supplies of energy resources in different areas of the Eurasian continent.

Kazakhstan will create a major international financial center in Astana, on the basis of the infrastructure of the exhibition "EXPO-2017". We intend to place in it also the authority to regulate the financial markets of the Eurasian Economic Union.

I am convinced that the above listed steps will allow Kazakhstan and Eurasian Economic Union countries to become a territory that unites the interests of Europe and Asia.

As you know, the world community faces challenges to reduce barriers to trade, the creation of chains of production relations among different countries and regions. The bases for this are the general rules of trade, harmonization of standards in different areas.

Given the presence of the world's rapidly developing sets of regional economic blocs, it is necessary to look for new ways of effective trade and economic cooperation.

The most logical, rational and mutually beneficial mechanism seems that way when the economies of the world interact with each other on the level of integration associations.

These initiatives are supported by world leaders. In particular,

German Chancellor Angela Merkel noted the need for trade and economic cooperation within the European Union - the Eurasian Economic Union. This will allow us to join forces with creation of conditions for free trade "from Lisbon to Vladivostok."

Similar approaches for cooperation at the level of integration units will avoid painful cyclical fluctuations in the global economy and in every region separately.

I note that the EAEU countries actively work on the expansion of cooperation with all countries of the continent.

In May 29th of this year in Kazakhstan, Borovoe, there was signed the first agreement on free trade zone between the Eurasian Economic Union and Vietnam.

On behalf of the State Heads we start negotiations on agreement of trade and economic cooperation of China with the EAEU countries. Countries such as India, Egypt, Turkey, Iran, Israel expressed interest in developing trade and economic cooperation, including through the establishment of free trade zones.

In general, the Eurasian integration processes create incentives for deeper economic cooperation of all the countries of the Eurasian region, including European countries, the countries of Central and South-East Asia.

Discussion of economic integration opens up new prospects for the full development of cooperation between leading integration blocs. I hope that the forthcoming discussions will be an effective platform for sharing experiences and making concrete practical recommendations.

I wish to all participants' constructive work.

Thank you for your attention!