

# Impacts of trade ‘meta-agreements’ on Russia \*

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## Non-Technical Summary

The paper focuses on assessing possible effect on Russia of trade ‘meta-agreements’: the Transatlantic Trade and Investment Treaty (TTIP) and the Trans-Pacific Partnership (TPP). The results of the GLOBE model runs suggest that Russia would not gain unless Eurasian Customs Union joins the trade liberalization process. Given the broad scope of new initiatives the legitimate question is what should be the basis for the new trade liberalization effort — should it be WTO or multilateral negotiations platforms. We tend to agree with *Thorstensen and Ferraz, 2014* [7] that, in the presence of ‘meta-agreements’, revitalizing trade talks under WTO umbrella would be beneficial for countries excluded from TTIP and TPP, such as Russia.

**Key words:** International Trade Agreements; Eurasian Customs Union; Eurasian Economic Union; Russia; TTIP; TAFTA; TTP; CGE; Computable General Equilibrium; GLOBE model.

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# 1 Introduction

## 1.1 Present state of the Russian trade policy

At the 22nd of August, 2012, after 18 years of negotiations, Russia finally became the World Trade Organization member. While it is too soon for the deep analysis, we can say that the Russian economy almost did not notice this important event. Neither negative outlook describing substantial damage to agriculture and light industry nor positive forecasts of increase in GDP, services, and FDI, did not materialize due to a number of reasons, mainly of domestic origin.

Thought Russian trade policy is not idle. Regional trade integration in the form of Customs union with Belarus and Kazakhstan (Eurasian CU) goes deeper and stretches further.

The core of the Eurasian Customs Union (the EaEU) is cemented with the political wills of the leaders of the three countries, which are aimed on further integration and call for the removal of all barriers to trade in goods, services and movements of factors. Deeper integration of Belarus, Kazakhstan and Russia will be formalized in creation of the Eurasian Economic Union on January 1, 2015.

Despite the fact that all three countries were once part of the Soviet Union and developed under uniform standards and rules of administrative economy, there have been significant changes in the regulatory environment during independent reforms since 1991. This applies to laws, standards and administrative procedures affecting the free movement of goods, services and factors. Ongoing work on the unification of technical standards, the elimination of technical barriers to trade, identified significant differences that must be overcome, both at the legislative and practical levels.

Along with the unification of regulation in the countries of the Eurasian CU, which are to be the members of the EaEU, the enlargement process started: Armenia, Kyrgyzstan and Tajikistan expressed their interest in joining the EaEU. The timing or technical details of the possible enlargement are still unknown. All three candidate countries are WTO members which have much more stringent tariff commitments than the current unified customs tariff of the Customs Union of Belarus, Kazakhstan and Russia.

Enlargement of the EaEU is not the only regional initiative coming from this trade bloc. In October 2011, countries of the Eurasian CU and five other members of the Commonwealth of Independent States (CIS) signed a free trade agreement, which, as of June 2014, was ratified in seven countries: Belarus, Kazakhstan, Russia, Armenia, Kyrgyzstan, Moldova, and Ukraine. Uzbekistan joined CIS FTA in early 2014.

There are also on-going talks on bilateral free trade zones between the Eurasian CU and India, Israel, Vietnam, New Zealand, as well as several other countries.

## 1.2 Russia and ‘meta-agreements’

Activity of various countries in the creation of regional trading blocs and free trade zones achieved a whole new level with the start of negotiations on the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP).

The Transatlantic Trade and Investment Partnership agreement is negotiated between the United States and the European Union. The Trans-Pacific Partnership is negotiated by the United States and 11 other countries of the Asia-Pacific region (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam), as of June 2014.

These agreements go beyond ‘traditional’ FTA agreements: in addition to the reduction of tariff protection, a significant part in the negotiations is dedicated to the harmonization of technical regulation, which could lead to a reduction in non-tariff barriers to trade. For example, prior to the sixth round of talks on TTIP European proposals for possible convergence of regulation in chemical industry, textiles and clothing, cosmetics, motor vehicles, and pharmaceuticals were published<sup>1</sup>.

Along with redesign of the regulatory environment there are proposals that raised a lot of controversy: investor protection, including the proposed mechanism for disputes settlement between states and investors (SIDS), and proposed measures aimed at strengthening the protection of intellectual property rights.

Russia, as the countries of the Eurasian CU, and other BRICS countries, do not participate in the negotiations on the new ‘meta-agreements’. Theoretically, countries excluded from trade liberalization initiatives may suffer a welfare loss due to trade diversion effect. Research on implications of the TTIP (*Francois et al., 2013* [2]) shows the total positive effects of the creation of TTIP for the rest of the world, without regional details on the level of the Eurasian CU countries. According to authors’ estimates, presented in section 3, there is no evidence of a significant reduction in welfare of the Eurasian CU countries in simulations of the TTIP and the TPP. However, there is no positive effect either, as economies of Russia and Kazakhstan are neutral to the ‘meta-agreements’, and the economy of Belarus suffered a minor loss.

Along with the TPP in the Asia-Pacific region, there are several other initiatives aimed at bringing together the countries of the region on the basis of free trade and partnership agreements: free trade area of the Asia-Pacific or FTAAP, Regional Comprehensive Economic Partnership, a free trade zone of China-ASEAN and a large number of bilateral free trade agreements. Several years ago, Russia was considering the possibility of joining a free trade zone with ASEAN countries, but has so far refrained from decisive steps in this direction, limited only to the negotiations of a free trade zone with one country in the region — Vietnam.

As a hypothetical experiment, the authors evaluated the effects of Russia, Kazakhstan and Belarus joining a comprehensive free trade zone and a partnership agreement in the Asia-Pacific region (Free Trade Area in Asia-Pacific, FTAAP), which includes 20 countries: Australia, Brunei, Canada, China, Chile, Indonesia, Japan, Malaysia, Mexico, New Zealand, Peru, Philippines, Singapore, South Korea, Thailand, USA, Vietnam, plus Russia, Kazakhstan and Belarus.

Results of the FTAAP simulations, presented in section 3, show that the all countries of the Eurasian CU has an opportunity to obtain economic benefits from joining the multilateral trade initiative in the Asia-Pacific region.

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<sup>1</sup><http://trade.ec.europa.eu/doclib/press/index.cfm?id=1076>

The rest of the paper is organized as follows. Section 2 reviews the model used for simulations, presents data and describes the design of experiments. Part 3 follows with numerical results for three scenarios: TTIP, TPP, and FTAAP, and Part 4 concludes.

## 2 Numerical simulations: the GLOBE model, data review, and scenario design

### 2.1 The GLOBE model

Authors use static version of the GLOBE model for numerical simulations. The detailed description of the model is presented in *McDonald, Thierfelder, Robinson, 2007* [5]. Distinctive features of the GLOBE model are treatment of nominal and real exchange rates and use of a ‘dummy’ region (globe) for treatment of interregional transactions with unidentified source or destination.

The structure of a regional economy in the GLOBE model is quite standard in many ways: perfectly competitive producers with CES or Leontief production functions offers output to domestic market or for export<sup>2</sup>. Consumers with Stone-Geary utility functions purchase composite final goods, which are an Armington mix of domestically produced and imported varieties. Consumers save a fixed proportion of after-tax income with investment-driven savings rates, according to default closure rules. Each region’s government collects taxes, purchases final goods and makes transfers to households. Government consumes fixed proportion of aggregate real demand, thus endogenizing internal balance. Investment sector with implicit Cobb-Douglas utility function demands a fixed share of total aggregate demand in real terms.

### 2.2 Data

The GLOBE model uses data in the form of Social Accounting Matrices (SAM) derived from the GTAP database (see *Hertel, 1997* [3]). Detailed methodology of constructing a set of SAMs from the GTAP dataset is discussed in *McDonald, Thierfelder, 2004* [6].

Authors use GTAP version 8.0<sup>3</sup> database for the 2007 base year, with product coverage of 51 GTAP product and services groups, of which there are 42 commodities and 9 services. Out of possible 129 countries and regions, contained in the version 8.0 of the GTAP database, the authors identified 19 countries and regions for numerical simulations. List of all the countries is shown in *Table 4* in the Appendix.

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<sup>2</sup>The GLOBE model uses a three-stage export procedure with CET elasticities that differs for commodity, region and region group. In this respect the GLOBE model differs from the structure of the GTAP model. Authors plan to alter treatment of exports in the GLOBE model in sensitivity and robustness checks as a part of the future work.

<sup>3</sup><https://www.gtap.agecon.purdue.edu/databases/v8/>

### 2.3 Tariff and non-tariff barriers

All new regional integration initiatives focus on non-tariff barriers in goods and services. Estimation of tariff equivalent of non-tariff barriers is a difficult question, which raises lots of attention nowadays. There are studies employing different techniques and, as a consequence, delivering different set of tariff equivalents for trade in services. We use tariff equivalent data published in *Lee and Itakura, 2013* (see *Table 7* in the Appendix), as well as GTAP 8.0 estimates of tariff protection around the world.

The only exception is the trade protection of countries of the Eurasian CU (Belarus, Kazakhstan and Russia). For those three countries we use updated tariff data, calculated on the basis of the latest available tariff schedule of the Eurasian CU, including estimation of tariff equivalents of combined tariff lines, as of the end of 2013.

Detailed description of the calculation of ad valorem equivalent of the current level of Eurasian CU's tariff protection is presented in *Abramov and Ananyev, 2014* [1]. Trade-weighted tariffs of the Eurasian CU used in the current model are presented in *Table 5, 6* in the Appendix.

### 2.4 Scenario design

In all experiments, it was assumed that the creation of a free trade zone will be carried out without exemptions, thus setting all tariffs rates on goods to zero. Tariff equivalents of non-tariff trade barriers will be reduced by 25% as a result of the implementation of the package of 'deep' integration part or the partnership agreements.

#### 2.4.1 TTIP

The Transatlantic Trade and Investment Partnership (TTIP) between 28 countries of the European Union and the United States is an example of a 'deep' free trade agreement. In addition to removal of tariff protection the partnership agreement is aimed on harmonization of technical regulations, as well as on increase in protection of investors' rights. In our simulations TTIP is designed as setting zero tariffs on trade in goods between the EU and the US. Additional 25% reduction of tariff equivalents of NTMs in services depicts efforts on regulatory harmonization in services trade.

#### 2.4.2 TPP16

The Trans-Pacific Partnership (TPP) expanded to trade negotiations process involving 12 countries in the Pacific rim: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Thailand, and the United States, as of June 2014. For the modeling purposes we model TTP16 instead of TPP12, adding Indonesia, the Philippines, South Korea, and Vietnam to the TPP club.

The experiment design is very similar to the one in the TTIP simulation: all countries of the TTP16 abolish tariffs on imports from each other, and there is a 25% decrease of NTMs in services trade among the TPP16 countries.

### 2.4.3 FTAAP

Free Trade Area in Asia-Pacific is considered by APEC countries as a way to proceed in the presence of various trade and economic challenges of the region (*Kim et al, 2013* [4]).

We simulated FTAAP as a ‘deep’ free trade area between 20 countries TTP16, China, and the Eurasian CU. The assumption behind this list of countries is that in the presence of TPP initiative and active position of the US in the Pacific, comprehensive regional trade agreement should include US as well. Our hypothesization lies in addition of the Eurasian CU countries to this trade block.

The experiment design is very similar to the previous two simulations: all 20 countries of the FTAAP abolish tariffs on imports from each other, and there is a 25% decrease of NTMs in services trade among the group.

## 3 Modeling Results

### 3.1 Effects on Russia

The results of the model runs suggest that Russia would not gain unless it joins the trade liberalization process. Given the broad scope of the new initiatives the legitimate question is what should be the basis for the new trade liberalization effort — should it be WTO or multilateral negotiations platforms. We tend to agree with Thorstensen and Ferraz (2014) that, in the presence of TTIP and TTP initiatives, revitalizing trade talks under WTO umbrella would suit Russia’s long-term goals.

### 3.2 Effects on Kazakhstan and Belarus

Taking into account plans to deepen economic integration between Belarus, Kazakhstan, and Russia, we can predict the growth of the mutual influence of these economies on each other. Consequently, the results of the changing landscape of international trade, affecting Kazakhstan and Belarus, could be important in shaping Russia’s position on the issue of trade integration of third countries.

Considering the response of Belarus, Kazakhstan, and Russia to common external shocks, it should be noted, that the structure of the economies of Russia and Kazakhstan are much closer to each other than to the economy of Belarus. Russia and Kazakhstan — both are resource-rich countries, with a large share of exports in GDP. The main exports of these two countries are hydrocarbons and raw materials. The main imports are machinery and equipment, as well as consumer goods. Given the similarity of the economies of these countries, it is not surprising, that Russia and Kazakhstan tend to react similarly to common external shocks caused by changes in relative prices due to trade integration of third countries.

Structure of Belarus economy differs from the economies of Russia and Kazakhstan. Chemical and petrochemical industries, as well as agriculture are significant industries for Belarus. Belarus is a hydrocarbon importer and exporter of semi-processed petrochemical products. Chemical and petrochemical industries in Belarus were founded during

the Soviet era and lacking significant advantages in productivity, dependent on low energy prices set by Russia and Kazakhstan. Differences in the structure of production between Belarus and other members of the Eurasian CU, can partly explain differences in reaction of Belarusian economy to external shocks common with other members of the Eurasian CU.

### 3.3 Detailed description of modeling results

#### 3.3.1 TTIP

As it was mentioned earlier, the core of the Transatlantic Trade and Investment Partnership (TTIP) is a ‘deep’ FTA between USA and EU, which includes harmonization of regulation in order to decrease non-tariff barriers to trade. In modeling terms creation of the TTIP results in zero tariffs on trade in goods and a 25% decrease in NTMs on services among members.

Table 1: *Scenario 1: TTIP, percentage changes in macro parameters (in real terms)*

Parameter	USA	EU	Kazakhstan	Belarus	Russia
Export supply	0.608	0.160	-0.003	-0.004	-0.012
Real GDP	0.074	0.044	0.002	-0.002	0.002
Import demand	0.385	0.144	0.014	-0.006	0.036
Domestic final demand	0.073	0.040	0.009	-0.004	0.015
Household consumption	0.073	0.047	0.009	-0.005	0.015
Government consumption	0.044	0.024	0.005	-0.004	0.012
Investment consumption	0.097	0.040	0.010	-0.003	0.017
Total domestic production	0.101	0.061	0.001	-0.007	0.000
Intermediate inputs	0.132	0.077	0.000	-0.009	-0.003
Exchange Rate	-0.123	—	-0.034	-0.014	-0.035

Source: *Author’s estimates*

According to authors’ estimations, the creation of an FTA between the EU and the U.S. coupled with harmonization of regulatory services will leave Russia neutral. There are no real changes in Russian output (0%), real exports are falling (-0.012%), and real imports increases (0.036%). These changes correspond to the strengthening of the real exchange rate (-0.035%).

#### 3.3.2 TPP16

As it was mentioned earlier, in our interpretation, the Trans-Pacific Partnership (TPP16) is a ‘deep’ FTA between 16 countries of the Pacific Rim, which includes harmonization of regulatory procedures. In modeling terms creation of the TPP16 results in zero tariffs on trade in goods and a 25% decrease in NTMs on services among members.

Table 2: *Scenario 2: TPP16, percentage changes in macro parameters (in real terms)*

Parameter	USA	EU	Belarus	Kazakhstan	Russia
Export supply	0.896	-0.016	-0.032	-0.010	-0.021
Real GDP	0.155	-0.009	0.031	0.008	0.019
Import demand	0.919	0.003	-0.035	0.029	0.175
Domestic final demand	0.203	-0.002	0.014	0.025	0.070
Household consumption	0.214	-0.001	0.016	0.020	0.071
Government consumption	0.133	-0.004	0.016	0.017	0.048
Investment consumption	0.225	-0.001	0.010	0.036	0.088
Total domestic production	0.188	-0.011	-0.040	0.007	0.010
Intermediate inputs	0.223	-0.011	-0.067	0.005	0.002
Exchange Rate	-0.313	—	-0.055	-0.056	-0.039

Source: *Author's estimates*

The authors tend to view results of the TPP16 simulation in the same vein as the results of the TTIP: economies of Russia and Kazakhstan are neutral with respect to the introduction of the TPP16, though Belarus's economy suffers a small loss (real output declines by 0.04%). The TPP16 leads to strengthening of the exchange rate in all three economies of the Eurasian CU, drop in exports, and increase in imports, stagnation of the total real output (an increase of 0.007% in Kazakhstan and 0.01% in Russia).

Note that the EU is not involved in the trade integration of the TPP16, which leads to a somewhat downward pressure on the EU's economy: there is slight decline in real GDP, output, exports, and an increase in imports. From the U.S. perspective — TPP16 brings more benefits than TTIP: U.S. real GDP grows by 0.3% in the case of TPP16, compared with 0.15% in the case of TTIP.

### 3.3.3 FTAAP

As it was mentioned earlier, in authors' interpretation, the Free Trade Area in Asia-Pacific (FTAAP) is a 'deep' FTA between 20 countries: countries of the Pacific rim, including USA, and China, and countries of the Eurasian CU. In modeling terms creation of the FTAAP results in zero tariffs on trade in goods and a 25% decrease in NTMs on services among members.

The FTAAP scenario, where countries of the Eurasian CU are included in the trade liberalization effort, can bring significant gains to participants of the FTAAP. There is also evidence that it would not harm countries excluded from the integration process. For Russia the FTAAP scenario is interesting in terms of growth of the real GDP (0.3%), final demand (0.34%), household consumption (0.4%), output (0.39%) and export (1.3%). Similar processes are occurring in the other countries of the Eurasian Customs Union: Kazakhstan's real GDP is growing by 0.6% and real GDP of Belarus is growing by 0.28%.



Table 3: *Scenario 3: FTAAP, percentage changes in macro parameters (in real terms)*

Parameter	USA	EU	Belarus	Kazakhstan	Russia	China
Export supply	1.876	0.021	0.473	1.801	1.323	4.340
Real GDP	0.302	0.012	0.287	0.664	0.308	1.398
Import demand	1.670	0.061	0.275	1.671	1.466	5.876
Domestic final demand	0.366	0.027	0.172	0.605	0.340	1.849
Household consumption	0.380	0.029	0.226	0.707	0.418	1.934
Government consumption	0.235	0.019	0.195	0.367	0.160	1.641
Investment consumption	0.427	0.030	0.086	0.536	0.328	1.847
Total domestic production	0.376	0.019	0.197	0.833	0.390	1.938
Intermediate inputs	0.467	0.029	0.162	0.950	0.468	2.205
Exchange Rate	-0.706	—	0.751	0.948	0.869	0.219

Source: *Author's estimates*

## 4 Concluding remarks

We conducted numerical simulation of ‘meta-agreements’, the TTIP and the TPP, using the GLOBE model. The modeling results suggest that Russia remains neutral with respect to the creation of ‘meta-agreements’. A possibility to obtain economic benefits for Russia and other members of the Eurasian CU appears only in the case of joining a trade liberalization process, for example, the FTAAP initiative. If Russia and countries of the Eurasian Customs Union join FTAAP, real GDP growth in Russia could reach 0.3%, according to the simulation results.

The FTAAP scenario mimics creation of a trade block in Asia-Pacific with 20 members, which is an extensive trade initiative. It could be difficult to implement, due to diverse interests of the countries involved. Negotiations can take a long time, and the outcome of these negotiations is not defined.

It is a common view, that ‘meta-agreements’ springing around the globe can be explained by the lack of progress in the WTO negotiations. But any regional agreement inherently will leave behind a group of countries. This process is especially obvious in the case of ‘deep’ initiatives to liberalize trade, where the main focus of the negotiation process is not so much on the reduction of tariff protection, but rather on the harmonization of technical regulation of trade and cross-border provision of services. Initiatives to promote trade liberalization may actually hinder the development of trade between the members of the trade bloc and third countries, due to disparate standards of technical regulations and other non-tariff measures restricting trade.

In this context, authors suggest that, Russia may take a more active stance in WTO negotiations. The World Trade Organization, as a negotiation platform, is adapted to address all issues dealt with in the negotiations on ‘deep’ free trade areas and partnership agreements. Development of common global rules, harmonization and the removal of technical barriers to trade in goods and services will attract support among countries

that are excluded from negotiations on the ‘meta-agreements’. Currently, the natural allies of Russia in the WTO are the BRICS countries: Brazil, India, China and South Africa. The authors agree with the conclusions of Thorstensen and Ferraz (2014) that, in the presence of ‘meta-agreements’, revitalizing trade talks under WTO umbrella would be beneficial for Russia’s long-term interests.

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## 5 Appendix: Supplementary data tables

Table 4: *List of model's regions*

<b>No of regional group</b>	<b>Countries, constituting regional groups</b>
1	Russia
2	Belarus
3	Kazakhstan
4	Armenia
5	Israel
6	Viet Nam
7	India
8	Brazil
9	South Africa
10	China
11	European Union
12	Iceland, Liechtenstein, Norway, Switzerland
13	Turkey
14	USA
15	Canada and Mexico
16	Chile, Peru, Taiwan, Japan, South Korea, Malaysia, Australia, New Zealand, Singapore
17	Indonesia, Philippines, Laos, Colombia, Cambodia, Bangladesh
18	Rest of the World
19	Auxiliary model's region — GLO

Source: *Author's estimates*

Table 5: Trade-weighted Eurasian Customs Union tariffs for some countries, part 1

	China	Europe	India	Indonesia	Japan	ROW	Singapore	South Korea	USA	Ukraine	Viet Nam
Paddy rice	9.71	5.05	9.71	9.71	9.71	26.34	9.71	9.71	3.91	9.71	9.71
Wheat	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00	5.00
Cereal grains nec	4.97	1.72	5.00	4.55	4.55	1.24	4.55	4.55	0.00	0.15	4.55
Vegetables fruit nuts	11.85	8.95	10.25	5.00	5.38	7.50	5.00	6.48	2.62	0.47	0.53
Oil seeds	1.19	2.80	0.02	3.10	0.00	0.50	3.10	3.10	2.06	0.03	0.00
Sugar cane sugar beet	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Plant-based fibers	5.00	0.13	5.00	5.00	5.00	1.13	5.00	5.00	0.00	5.00	5.00
Crops nec	2.87	7.53	1.46	0.41	1.34	2.54	7.58	5.38	5.24	1.74	0.66
Cattle sheep goats horses	3.89	0.08	3.89	3.89	3.89	0.54	3.89	3.89	0.12	0.00	3.89
Animal products nec	14.85	2.60	5.81	7.19	5.81	3.63	6.72	5.81	1.59	0.04	5.03
Raw milk	11.67	15.00	11.67	11.67	11.67	11.67	11.67	11.67	15.00	11.67	11.67
Wool silk-worm cocoons	5.00	5.00	5.00	5.00	5.00	2.64	5.00	5.00	5.00	5.00	5.00
Forestry	5.96	19.28	5.65	15.00	15.00	17.57	15.00	15.61	8.57	5.03	15.00
Fishing	5.41	9.92	8.70	10.00	6.69	9.99	9.74	5.00	9.99	10.07	10.00
Coal	5.00	0.39	5.00	5.00	5.00	4.34	5.00	5.00	0.00	0.11	5.00
Oil	5.00	5.00	5.00	5.00	5.00	0.00	5.00	5.00	5.00	5.00	5.00
Gas	1.67	4.74	1.67	1.67	0.00	1.67	1.67	0.00	1.67	1.67	1.67
Minerals nec	4.83	3.39	1.68	5.00	5.00	4.19	4.30	4.91	4.57	0.11	0.11
Meat cattle sheep goats horse	18.41	8.83	18.41	18.41	18.41	13.53	18.41	0.00	15.06	0.00	18.41
Meat products nec	5.00	8.97	5.00	44.76	44.76	11.03	44.76	15.00	16.48	0.00	15.00
Vegetable oils and fats	11.91	5.64	5.00	0.40	6.52	1.95	0.62	17.17	13.61	0.05	9.96
Dairy products	15.00	12.25	5.00	15.61	15.61	15.03	15.61	15.61	6.16	0.00	15.61
Processed rice	20.09	12.54	15.00	10.59	6.35	11.06	10.59	15.27	11.83	10.59	14.99
Sugar	15.76	18.78	2.62	0.14	15.20	19.22	0.14	12.86	6.10	18.77	21.93
Food products nec	11.59	10.96	12.61	9.03	11.54	10.46	11.20	14.66	11.13	0.18	11.73
Beverages and tobacco products	40.51	22.56	30.00	30.00	38.47	15.77	41.40	26.64	20.42	0.02	8.17

Table 6: Trade-weighted Eurasian Customs Union tariffs for some countries, part 2

	China	Europe	India	Indonesia	Japan	ROW	Singapore	South Korea	USA	Ukraine	Viet Nam
Textiles	13.14	11.03	13.88	6.52	9.22	10.16	10.92	8.43	10.31	2.92	14.51
Wearing apparel	18.57	11.90	12.04	13.42	11.15	11.82	11.93	13.43	11.26	1.16	12.10
Leather products	17.61	12.88	4.15	14.20	14.65	14.52	17.81	10.71	15.00	0.81	14.15
Wood products	6.26	5.67	4.70	3.25	6.90	5.21	0.23	8.29	10.57	0.22	4.16
Paper products publishing	9.74	7.89	11.17	13.23	0.54	4.78	5.02	11.41	9.60	1.21	0.19
Petroleum coal products	5.00	4.78	5.00	4.95	5.00	3.53	1.12	4.97	3.95	4.87	4.95
Chemical rubber plastic prods	7.95	8.26	9.27	5.05	7.12	7.53	4.26	6.76	8.43	1.18	2.49
Mineral products nec	14.69	13.58	14.80	15.97	10.43	10.33	16.52	9.56	9.78	0.85	21.45
Ferrous metals	6.69	4.92	5.04	1.67	7.01	5.64	8.38	4.30	9.99	0.06	4.67
Metals nec	9.44	7.27	7.87	0.96	3.87	2.36	9.42	8.30	6.95	0.11	5.00
Metal products	12.10	10.77	9.51	5.84	9.35	10.13	7.61	10.06	8.39	0.78	14.70
Motor vehicles and parts	6.61	17.75	3.76	5.02	17.12	7.57	2.42	9.13	10.43	11.66	10.75
Transport equipment nec	9.76	5.21	2.15	20.00	1.99	2.98	0.00	19.75	6.92	0.11	20.00
Electronic equipment	2.16	2.48	5.00	6.97	0.82	3.89	0.77	4.47	3.79	1.12	4.92
Machinery and equipment nec	5.07	3.19	2.92	4.57	4.74	3.86	4.07	4.75	3.00	0.33	4.79
Manufactures nec	1.96	2.60	0.52	8.44	2.49	3.01	4.65	2.22	1.57	0.05	0.19
Construction and utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Transport nec	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sea transport	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Air transport	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Communication	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial services and insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business and private services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PubAdmin Defence Health Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Abramov and Ananyev, 2014

Table 7: *Tariff equivalents of non-tariff barriers for services*

	Russia	Belarus	Kazakhstan	Ukraine	Europe	USA	Canada	Mexico	India	China	Japan	South Korea	Australia	New Zealand	Indonesia	Singapore	Viet Nam	Malaysia	Philippines	Thailand	Rest of ASEAN	Chile	Peru	Rest of the World
Construction and utilities	52.9	52.9	52.9	26.7	5.6	2.3	9.2	40.8	109.7	25.2	5.0	13.0	4.3	1.0	64.4	0.0	53.7	17.4	52.6	44.9	20.6	25.8	27.2	26.7
Trade	73.5	73.5	73.5	48.2	12.0	6.8	20.7	61.8	153.3	109.6	22.7	33.0	18.2	8.2	98.5	1.3	82.7	36.0	80.2	63.5	32.5	33.8	51.0	48.2
Transport nec	48.2	48.2	48.2	22.0	5.4	6.8	6.0	38.8	109.6	21.5	7.6	15.7	3.3	3.3	67.3	1.3	54.4	17.6	53.5	40.5	6.4	16.7	30.7	22.0
Sea transport	68.1	68.1	68.1	49.5	11.1	6.8	17.6	56.9	144.1	61.5	19.5	29.4	15.1	5.7	91.9	1.3	76.7	32.1	74.6	58.7	28.4	30.2	46.7	49.5
Air transport	69.3	69.3	69.3	39.9	10.3	6.8	18.3	58.0	146.1	74.3	20.2	30.2	15.7	6.2	93.4	1.3	78.0	33.0	75.8	59.7	14.9	31.0	47.7	39.9
Communication	65.3	65.3	65.3	36.6	9.3	6.8	15.9	54.3	139.2	48.1	17.8	27.4	13.4	4.3	88.4	1.3	73.5	30.0	71.5	56.1	32.8	28.3	44.4	36.6
Financial services and insurance	65.9	65.9	65.9	43.3	8.7	7.8	19.8	57.6	139.5	83.3	17.1	30.4	13.5	4.3	92.5	1.5	74.7	30.2	72.6	58.1	20.0	27.5	46.4	43.3
Business and private services	65.1	65.1	65.1	40.5	9.7	7.8	19.2	58.2	137.1	81.2	16.6	29.2	13.5	3.7	91.1	1.5	73.7	29.8	70.8	54.9	7.3	26.5	43.8	40.5
Public Administration, Defense, Health Education	69.7	69.7	69.7	45.8	14.2	6.3	17.5	60.3	154.8	84.1	25.9	34.3	23.5	10.2	97.8	2.8	84.2	36.5	76.9	61.5	24.1	33.0	47.3	45.8
<b>Mean value</b>	<b>64.2</b>	<b>64.2</b>	<b>64.2</b>	<b>39.2</b>	<b>9.6</b>	<b>6.5</b>	<b>16.0</b>	<b>54.1</b>	<b>137.0</b>	<b>65.4</b>	<b>16.9</b>	<b>27.0</b>	<b>13.4</b>	<b>5.2</b>	<b>87.3</b>	<b>1.4</b>	<b>72.4</b>	<b>29.2</b>	<b>69.8</b>	<b>55.3</b>	<b>20.8</b>	<b>28.1</b>	<b>42.8</b>	<b>39.2</b>

Source: *Lee & Itakura, 2013*