

ITMO UNIVERSITY

# ANALYZING THE EFFECTIVENESS OF THE EURASIAN ECONOMIC UNION

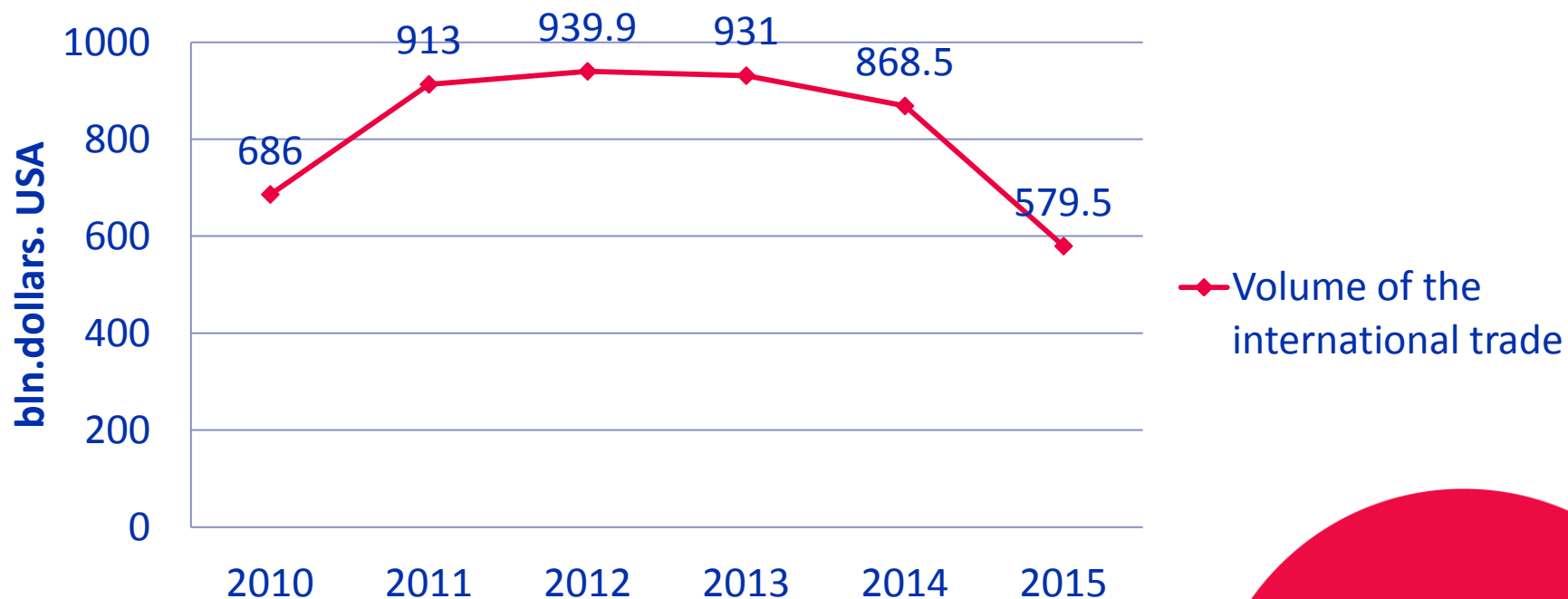
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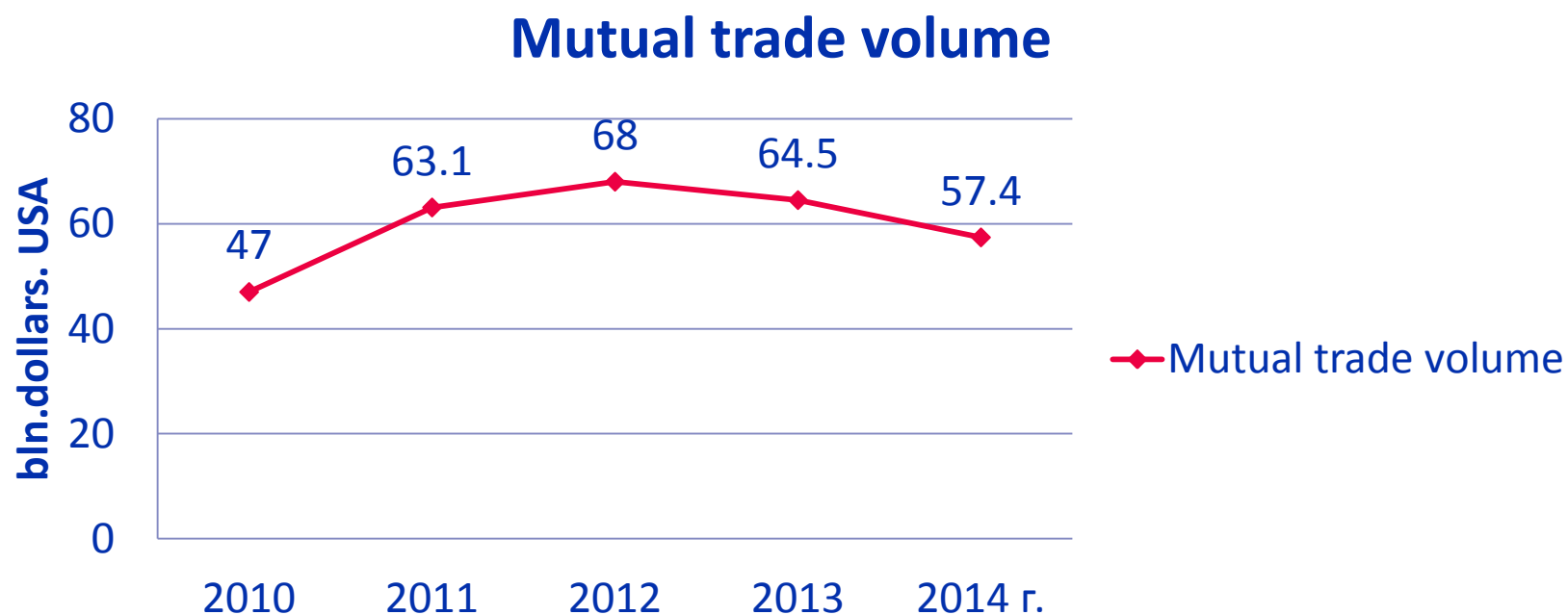
## INDICATORS OF THE MUTUAL TRADE VOLUME AND TOTAL VOLUME OF INTERNATIONAL TRADE

### Volume of the international trade



*Conclusion: the decline of the total volume of international trade is caused by the global economic crisis*

## INDICATORS OF THE MUTUAL TRADE VOLUME AND TOTAL VOLUME OF INTERNATIONAL



*Conclusion: the decline of the mutual trade volume is caused by the decline of the world trade volume and ruble fall*

## APPROACHES OF THE INTEGRATION LEVEL EVALUATION

1

Index of revealed comparative advantages in Balassa system

2

Relative importance evaluation of a region in terms of import (Schiff, Winters)

3

Index of bilateral trade flow intensity

4

A gravity model to evaluate effectiveness of the countries' accession to the economic integration union

5

**Indicators of markets integration and economies convergence within the project of SIEI**

6

**An aggregated model for competitive potential evaluation**

7

**Economic assessment of non-tariff barriers abolition in the EAEU**

## AGGREGATED MODEL FOR COMPETITIVE POTENTIAL EVALUATION OF THE EAEU MEMBER STATES

- ✓ *The financial and investment potential of the EAEU countries is estimated by the ratio of incoming and outgoing direct investments within 2000-2013*

$$I_{FDI} = \frac{\sum I_i}{\sum I_o}$$

$I_{FDI}$  - the ratio of incoming and outgoing direct investments;

$\sum I_i$  - incoming direct investments;

$\sum I_o$  - outgoing direct investments.

## AGGREGATED MODEL FOR COMPETITIVE POTENTIAL EVALUATION OF THE EAEU MEMBER STATES

- ✓ *Labor force integration into the world economy is estimated as the percentage relation of private remittance to GDP and export volume within the period of 2010-2013*

Incoming remittances to GDP, %				
	2010	2011	2012	2013
Armenia	10,7	19,7	21,3	22,7
Belarus	1	1,5	1,7	1,7
Kazakhstan	0,2	0,1	0,1	0,1
Kyrgyzstan	26,4	27,6	31,4	34
Russia	0,3	0,3	0,3	0,3

Incoming remittances to export volume, %				
	2010	2011	2012	2013
Armenia	98	151,5	148,7	164,6
Belarus	2,3	2,2	2,3	3,3
Kazakhstan	0,4	0,2	0,2	0,3
Kyrgyzstan	72,1	86,4	107,2	127,9
Russia	1,3	1,2	1,1	1,3

# MARKET INTEGRATION AND ECONOMIC CONVERGENCE INDICATORS

## Market integration

*mutual trade*

*electrical power*

*agriculture trade*

*labor migration*

*academic mobility*

*direct investments*

## Economic convergence

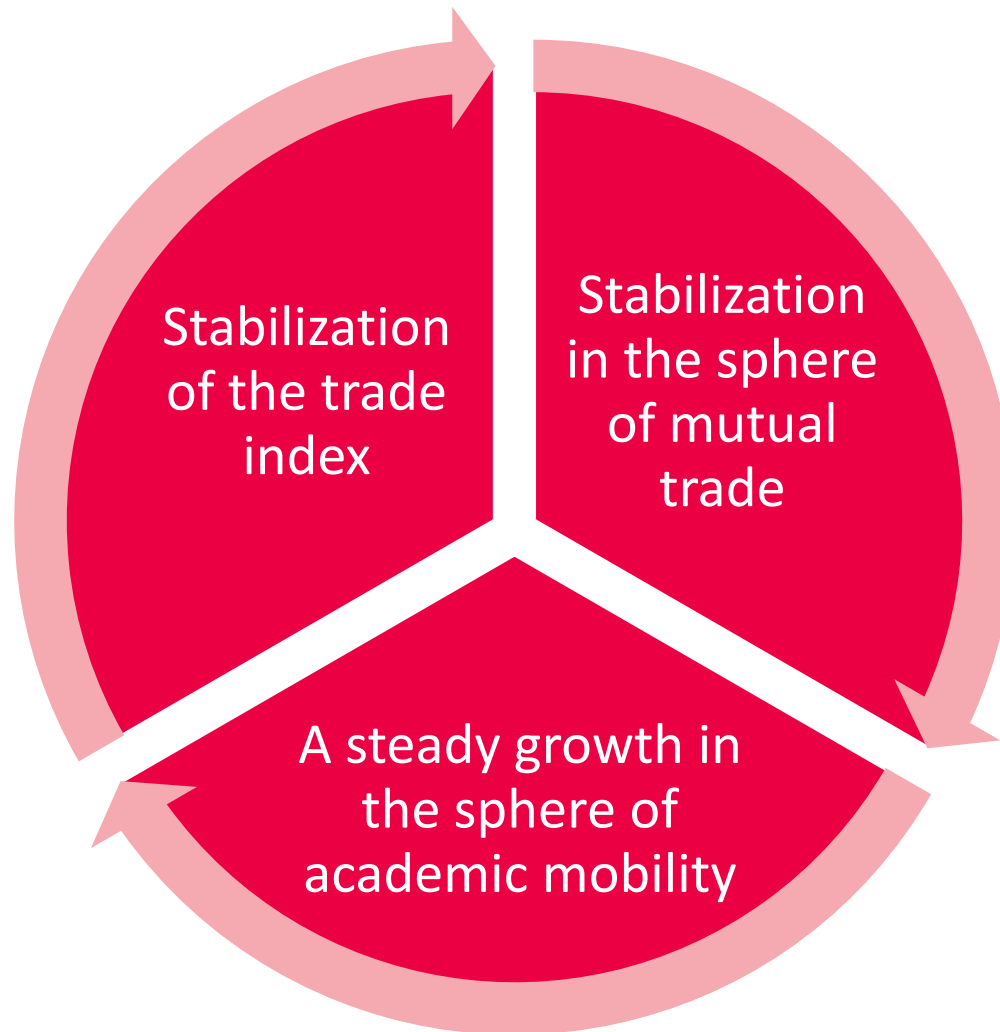
*macroeconomics*

*monetary policy*

*fiscal policy*

*financial policy*

# MARKET INTEGRATION AND ECONOMIC CONVERGENCE INDICATORS





## THE EFFECTS OF NON-TARIFF BARRIERS ABOLITION

Belarus

- Mechanical engineering, chemical industry, manufacturing of rubber and plastic products, metallurgy.
- Result – the growth of population welfare by 7.3%

Kazakhstan

- Mechanical engineering.
- Result -the growth of population welfare by 1.3%

Russia

- Food industry, production of leather and leather products, footwear manufacturing and agriculture.
- Result -the growth of population welfare by 0.5%

# CONCLUSIONS

1

- A positive balance of direct investments in Armenia

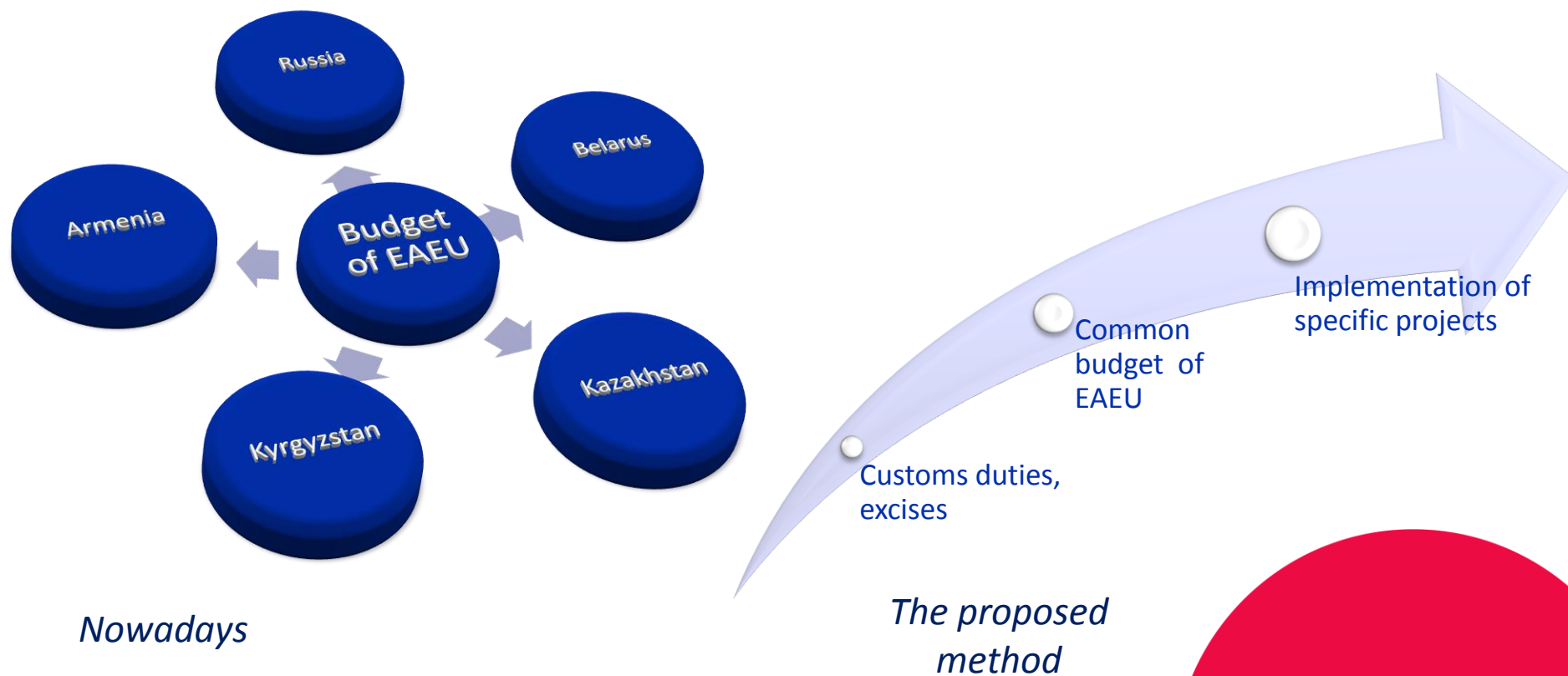
2

- The disintegration trend cease
- A steady growth of academic mobility by 100-115%.

3

- Benefits for economic sectors
- Population welfare growth

# Conclusions



*Nowadays*

*The proposed  
method*



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***Thank you for attention!***

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