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MINISTER IN CHARGE OF INDUSTRY AND AGRICULTURE, EURASIAN
ECONOMIC COMMISSION, AT THE CONCLUDING MEETING OF THE
27th OSCE ECONOMIC AND ENVIRONMENTAL FORUM**

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**Promoting economic progress and security in the OSCE area through energy
co-operation, new technologies, good governance and connectivity in the digital era**

Session V: Good and transparent governance in the development of digital economies and societies

Digital technologies in the industry of the Eurasian Economic Union as a driver of economic growth

Dear Forum participants,
Ladies and gentlemen,

Allow me to extend to you my greetings on behalf of the Eurasian Economic Commission, which is the standing body of the Eurasian Economic Union (EAEU).

One of our key goals is to position the EAEU as a trustworthy and reliable partner in the international arena.

The Eurasian Economic Commission actively co-operates with the governments of other countries, regional associations, international organizations and business federations.

We are working systematically on the conclusion of free trade agreements. An existing agreement with the Socialist Republic of Viet Nam is being implemented; an interim agreement that will lead to the formation of a free trade zone has been concluded with the Islamic Republic of Iran; and there are ongoing negotiations at different stages with Serbia, India, Singapore, Egypt and Israel.

The EAEU is pursuing the integration of its Member States' economies with the Chinese global initiative "One Belt, One Road". All in all, the "New Silk Road" may come to encompass more than thirty projects on the territory of EAEU countries, covering such areas as logistics, transport, international corridors and the construction of roads and railways. All these projects are intended to establish a continuous logistic system joining China, the EAEU and the European Union.

If the idea of creating a "Greater Europe" – that is, a common economic space "from Lisbon to Vladivostok" – is realized, this will also help to expand the corridor between East and West. The Eurasian Economic Commission is taking part in meetings of a working group set up on the initiative of large European businesses that are calling for the establishment of co-operation between the EAEU and the EU.

The Eurasian Economic Commission's co-operation with international organizations is achieved through the conclusion of memoranda and agreements, of which there are currently more than twenty.

In the context of the fierce competition characterizing the modern world, regional economies everywhere are faced with a range of acute challenges, risks and problems. Each country has its peculiarities, its own governance paradigms, yet the similarity of the tasks lying ahead of us is plain for all to see.

The main strategic goal of any economy is to enhance the competitiveness of its production bases and to create the necessary conditions for a transition to a new paradigm. It is only through such solutions that one can achieve dynamic development and higher rates of economic growth.

That is why I should like to share with you today the experience of EAEU countries with the digitalization of their industries, and also to point out the main pillars of our co-operation with the OSCE in this field.

The digitalization of the economy is a global trend. Not only is it changing the logic of how business is done but it is also setting the paradigm for the development of society as a whole. It is for this reason that the digital agenda has become one of the key spheres of co-operation between EAEU Member States.

We began to discuss this topic at the level of the prime ministers of our countries in 2016, and already in 2017 the "Main areas for implementation of the EAEU's digital agenda in the period up to 2025" were approved.

These areas are, first, the digital transformation of goods markets, service markets, capital markets and labour markets.

Second, digitalization of the management of integration processes.

Third, the development of digital infrastructure and ensuring the security of digital processes.

The priority projects under these areas have to do with the digital traceability of goods, transport corridors, digital trade and digital industrial co-operation.

The implementation of these projects will not only strengthen the integration framework of our countries but will set in motion a mechanism enabling them to join the global digitalization process.

In 2015, the prime ministers of the EAEU States approved the "Main areas for industrial co-operation".

In order to organize co-operation between economic entities in accordance with this programmatic document, we have drawn up the basic elements of a digital industrial platform, including:

- Eurasian networks for industrial co-operation and subcontracting;
- A technology transfer system;
- Digital transformation of industry.

It is planned to develop information resources containing information on products, services and technologies (including the levels of demand for, and supply of, these). Testing of the system has already begun on the basis of the first 6,000 businesses. We expect that by the end of 2020 over 50,000 economic entities will have been incorporated into the Eurasian Network. This system will make it possible automatically to receive up-to-date information on the true picture of industrial co-operation.

Moreover, as part of this project it is intended to develop such services as:

- Product and service certification;
- Equipment leasing;
- Logistic and customs services;
- Securing loans.

All this will give businesses the opportunity to analyse the situation and predict the evolution of their production output on the basis of up-to-date statistics on the industrial sectors of our countries.

We also envisage co-operation between the Eurasian Network participants and partners from other countries at the level of services, service providers and national components of the Eurasian Network in those States. According to our calculations, by 2024 the volume of transactions carried out using this platform will exceed 1.2 billion US dollars.

Fresh impetus for the strengthening of co-operation in the real sector of the economy both among EAEU countries and with our key partners from other countries is likely to be provided by the full launch of digital financial assets within the EAEU area. This will make it possible to reduce the volume of transaction insurance when carrying out major industrial projects. We are currently working on this matter together with experts from the Eurasian Development Bank.

Dear colleagues,

By way of concluding my statement, I should like briefly to sum up what has been said and point out those areas of co-operation between the EAEU countries and the OSCE that seem most promising to us.

First, all the EAEU States are members of the OSCE. This opens up significant opportunities for co-operation between the EAEU and the OSCE in relation to the digital transformation of our States.

I believe that industrial producers in OSCE countries will be interested in taking part in the Eurasian digital industrial platform that is being set up. That is why I am addressing these words, first and foremost, to representatives of business whom I invite to work together with us.

Second, the topic of export compliance is very relevant for us.

We have studied other countries' experiences in this field and can see the potential for co-operation with the OSCE specifically on how to incorporate the EAEU Member States into the international export compliance network.

Third, we would be interested in benefiting from the OSCE's experience as we come to implement the EAEU concept for the digital transformation of industry. In particular, we could begin to work together on drawing up proposals for the digitalization of high-tech industries.

In this connection, I should like to assure you that the OSCE will always be able to count on the Eurasian Economic Commission's support in all initiatives aimed at developing the digital economy in the EAEU countries.

Thank you for your attention. I wish all the Forum participants an interesting and productive meeting.