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Date: 8/19/2015

GAIN Report Number: KG1503

Kyrgyzstan - Republic of

Post: Moscow

Kyrgyzstan Joins Eurasian Economic Union

Report Categories:

Trade Policy Monitoring Agricultural Situation Agriculture in the Economy

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Report Highlights:

On August 12, 2015, Kyrgyzstan officially became the fifth member of the Eurasian Economic Union [1] (EAEU). As part of its EAEU accession package, Kyrgyzstan has committed to eventually adopt the unified tariff schedule of the EAEU. This report contains an unofficial translation of the agriculture-related portion of Kyrgyzstan's EAEU import tariff commitments. Kyrgyzstan will be able to apply customs duties that are different (lower) from the EAEU tariff rates for a handful of agricultural items (bovine and fish genetics, young plants, seed potatoes, kidney beans for sowing, corn seed hybrids, sauces, and preparations for animal feeds) until 2020.

[1] Current members are Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia.

General Information

On August 12, 2015, the Eurasian Economic Commission, the working body of what has now become the Armenia-Belarus-Kazakhstan-Kyrgyzstan-Russia <u>Eurasian Economic Union</u> (EAEU), <u>announced</u> that the <u>Treaty on Accession of the Kyrgyzstan to the Treaty on the Eurasian Economic Union of May 29, 2014</u> came into force and the Kyrgyzstan became a full-fledged EAEU member.

According to the Kyrgyz EAEU accession deal, specified in a separate <u>Protocol</u> of May 8, 2015, Kyrgyzstan will enjoy a transition period after accession in various spheres, such as participation in the Eurasian Economic Commission (the working body of the EAEU); customs operations, procedures and fees; tax issues; import tariffs and WTO commitments; trade remedies; technical regulation; SPS issues; trade in services; competition policy; regulation of natural monopolies, energy, and railway transport; public procurement, and IPR.

In particular, according to the protocol, application of the Customs Union ¹ (CU) technical regulations related to food products will be phased in Kyrgyzstan. Thus, the <u>Customs Union Technical</u> Regulation on Safety of Grain will come into force for Kyrgyzstan six months after the entry into force of the Treaty on Accession of Kyrgyzstan to the Treaty on the Eurasian Economic Union of May 29, 2014. All other food-chain related CU technical regulations will become applicable in Kyrgyzstan a year after its EAEU accession. For additional information on the CU Technical Regulations related to food products please see <u>RS1343 Customs Union Food Technical Regulations in Force as of 1 July 2013</u>, RS1382 Customs Union Technical Regulation on Milk and Dairy Products, and <u>RS1384 Customs Union Technical Regulation on Meat</u>.

Additionally, as part of its EAEU accession, Kyrgyzstan has committed to eventually adopting the unified tariff schedule of the EAEU. According to the <u>Protocol</u> of May 8, 2015, Kyrgyzstan will be able to apply customs duties on a number of goods that are different from the EAEU tariff rates until 2020. The list includes a handful of agricultural items such as bovine and fish genetics, young plants, seed potatoes, kidney beans for sowing, corn seed hybrids, sauces, and preparations for animal feeds. Any of the above-mentioned items may see some import tariff increases by 2020. Kyrgyzstan is expected to launch talks with the member-states of the WTO on changing its tariff commitments due to its EAEU accession.

This report contains an unofficial translation of the agriculture-related portion of the Kyrgyz transitional tariff schedule approved by the <u>Protocol</u> of May 8, 2015.

The <u>Protocol</u> of May 8, 2015 contains a provision that Kyrgyzstan shall ensure that goods imported into the country at lower tariffs than the unified EAEU tariff will be used only in its territory and will not be re-exported to other EAEU Member-States without payment of the difference between the respective import tariff rates. Moreover, the <u>Protocol</u> also contains a provision that other EAEU Member-States shall have the right to establish a procedure for handling the arrival of such goods into its territory.

¹ Customs Union, established by Belarus, Kazakhstan and Russia in 2010, was the "predecessor" organization for the EAEU. For details, please see GAIN report <u>RS1478 Eurasian Integration Continues with the Eurasian Economic Union</u>.

ATTACHMENT No. 2

to the Protocol on the Terms and Transitional Provisions for the Application by Kyrgyzstan of the Treaty on the Eurasian Economic Union of May 29, 2014, Certain International Agreements Forming the Legislation of the Eurasian Economic Union, and Acts of the Eurasian Economic Union Bodies in connection with the Accession of Kyrgyzstan to the Treaty on the Eurasian Economic Union of May 29, 2014 BEGIN UNOFFICIAL TRANSLATION:

LIST
of goods and rates that shall be subject to a transition period during which Kyrgyzstan shall apply the rate of import customs duties
differing from the rates established by the unified customs tariff of the Eurasian Economic Union

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	Item	Rate of import customs tariff						
HS Code		(as a percentage of customs value or in Euros or in US dollars)*						
		for	for	for	for	for	for	
		2015	2016	2017	2018	2019	2020	
0511 10 000 0	- bovine semen	0	0	0	0	0	Unified Customs Code (UCC) rate	
0511 91 901 9	other	0	0	0	0	0	UCC rate	
0602 90 450 0	rooted cuttings and young plants	0	0	0	0	0	UCC rate	
0701 10 000 0	- seed	0	0	0	0	0	UCC rate	
0713 33 100 0	for sowing	0	0	0	0	0	UCC rate	
1005 10 110 0	double hybrids and top cross hybrids	0	0	0	0	0	UCC rate	
1005 10 150 0	simple hybrids	0	0	0	0	0	UCC rate	
2103 90 900 9	other	0	0	0	0	0	UCC rate	
2309 90 100 0	fish or marine mammals solubles	0	0	0	0	0	UCC rate	
2309 90 990 0	other	0	0	0	0	0	UCC rate	

*Rates of import customs tariff shall be applicable as of January 1 of the specified year; in 2015 – as of the day of adoption by the Supreme Eurasian Economic Council of a decision on the cancellation of customs control of goods and vehicles moved across the Kyrgyz-Kazakh sector of the state border.

END UNOFFICIAL TRANSLATION.