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# Five Years of the Eurasian Economic Union: Progress of Macroeconomic Convergence and the Common Financial Market

In 2019, the EAEU officially celebrated its five-year anniversary. The aim of the article is to investigate various issues such as the Union's aggregate economic performance over the past five years, i.e. from 2014 to 2019, its shifts towards macroeconomic stability and macroeconomic convergence, as well as ability to create common markets in banking and insurance sectors. In the conclusion of the paper a short review of findings and recommendations on potential further economic steps are provided.

**Key words:** *EAEU, macroeconomic convergence, monetary policy, financial market, capital market, economic integration.*

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## Introduction

On 29 May 2014, the leaders of three core post-Soviet states – Belarus, Kazakhstan and Russia – signed the Treaty on the Eurasian Economic Union (EAEU), which was joined by Kyrgyzstan and Armenia a year later. The Eurasian Economic Union is formally a supranational trade and economic bloc that, according to the EAEU Treaty, aims to:

1. create proper conditions for sustainable economic development of the Member States in order to improve the living standards of their population;
2. seek the creation of a common market for goods, services, capital and labor within the Union;
3. ensure comprehensive modernization, cooperation and competitiveness of national economies within the global economy.

In 2018, its aggregate GDP by purchasing power parity was 4.7 trillion U.S. dollars with a population of 184 million. Based on the EU experience and the WTO rules, the EAEU is aimed, at least in its intentions, at creating greater legality and

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a more rigorous institutionalized setting by which its member states should abide (see Table 1).

*Table 1*  
**Governing Bodies of the EAEU and the EU in comparison**

EAEU	EU
Supreme Eurasian Economic Council – convenes biannually the heads of state and responsible for strategic decision making.	European Council (Concilium)
Eurasian Intergovernmental Council – consists of the heads of government and in charge of coordinating national policies.	Council of the European Union
Council of the EEC – consists of the deputy heads of state. Board of the EEC – with 10 supranational ministers in charge of various economic sectors (customs, transport, digitalization, etc.) and its employees (situated in Moscow).	European Commission
Court of the EAEU (based in Minsk)	Court of the EU
Eurasian Development Bank (EDB) and Eurasian Fund for Stability and Development (EFSD) with formal headquarters in Almaty – main regional development institutes important for investments in infrastructure and integration projects, as well as for regional macroeconomic stability.	European Investment Bank European Regional Development Fund European Fund for Strategic Investments European Stability Mechanism (ESM)
Financial regulator of the EAEU (to be created by 2025 in Astana) – control of the common financial market.	European Central Bank (ECB)

*Source:* Compiled by the author.

## **Economic growth and sustainability**

While the EAEU’s real GDP fell from 2.4 in 2014 to 1.9 trillion U.S. dollars in 2018, its GDP by purchasing power parity (PPP) actually grew from 4.4 to 4.7 trillion U.S. dollars (see Fig. 1, Table 1). This discrepancy in numbers can be explained by a sharp devaluation of the national currencies of the member states against the US USD in 2014-2015 (see Fig. 2, Table 2).

In 2014-2015 the Union’s largest economy – Russia – was hit by several adverse factors: the Ukrainian crisis, international sanctions and a drop in oil prices, which also directly affected Kazakhstan. This led to a recession in the Russian Federation, and consequently in the other member states, which rely on the remittances and consumption from Russia. In 2015 its economy contracted by 2.5%, that of Belarus by 3.8%. By 2016 Armenia’s GPD growth rate slowed down to 0.2%. However, from 2017 onwards the Eurasian economies recovered again. In that year the EAEU’s GDP growth rate reached 1.9%, in 2018 – already 2.5% (see Fig. 3, Table 3).

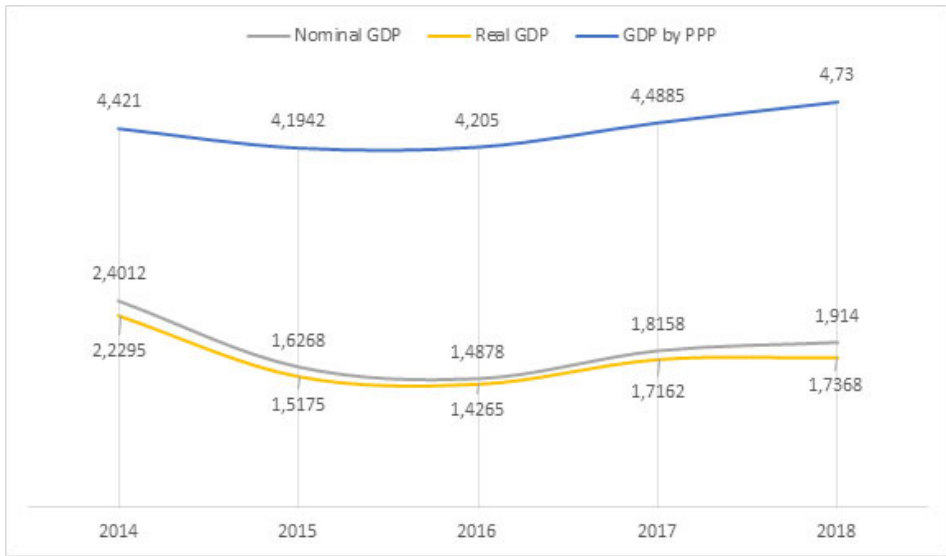


Figure 1. EAEU GDP (2014-2018; nominal, real and by PPP; trillion USD)

Source: [14, p. 391; Author's calculations].

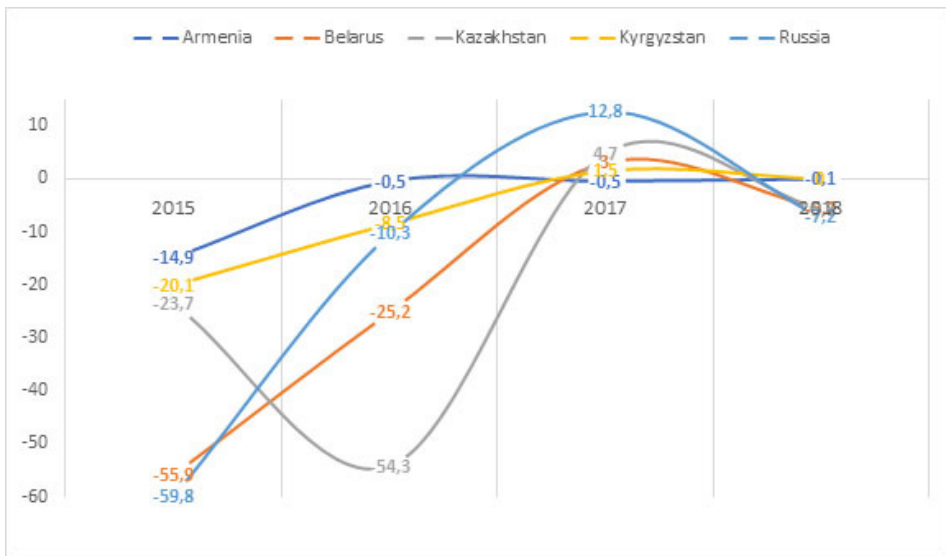


Figure 2. EAEU member states annual average exchange rate change (2014-2018, units of national currency against the US USD, % change)

Note. On 1 July 2016 Belarus changed the denomination of the Belarusian ruble by ratio of 1:10,000.

Source: [14, p. 362; Author's calculations].

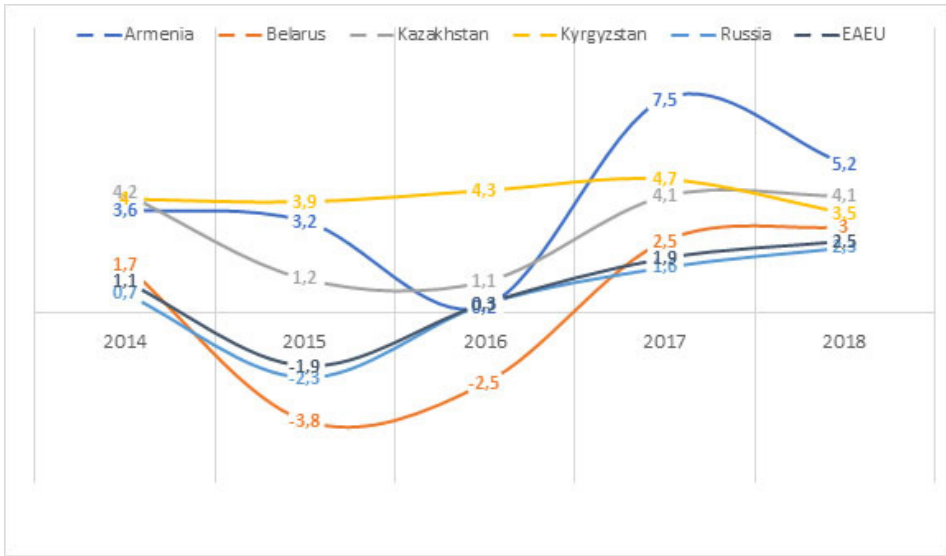


Figure 3. EAEU annual GDP growth rate (2014-2018, index of physical volume of GDP, % change)

Source: [14, p. 146].

The average growth rate of the Union during the past five years was at 0.8%. This was very low for a group of developing and emerging economies, for whom the average GDP growth rate was around 3.5 to 7% during that period. Even the developed economies grew faster, such as the EU and the USA, which had an average growth rate of 2.1 and 2.4%, correspondingly. Only South America had a comparable low growth rate (see Fig. 4, Table 4).

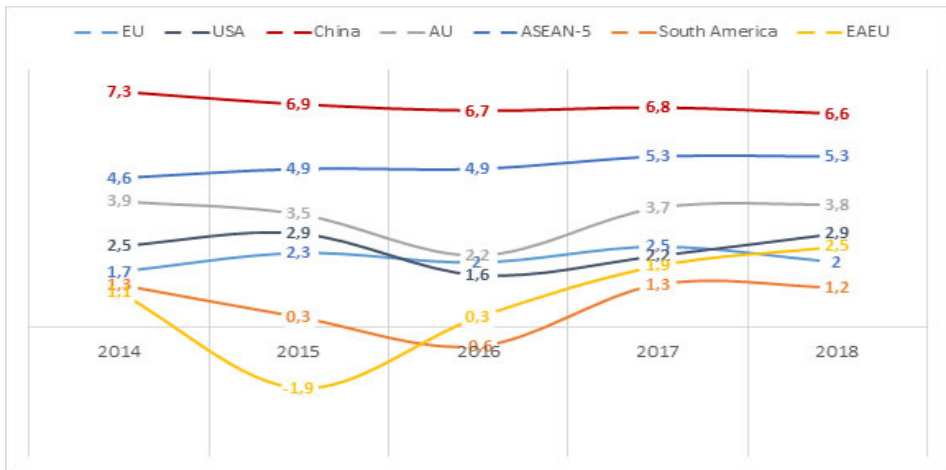


Figure 4. EAEU's GDP growth rate in comparison (2014-2018, % change)

Source: [14, p. 391; Author's calculations].

The German ifo Institute for Economic Research predicts that despite the global economic cooldown, Russia’s economy will grow by 2.6% in 2020 and even by 3% in 2021. Russian GDP growth is estimated to be higher than that of Turkey, South Korea, Latin America and the Western countries, which are expected to grow by around 1.7% to 2.4%. As reasons for the relative lively economic upswing, the Munich economists name further interest rate cuts by the Russian Central Bank, which are expected for the coming months, and, above all, a planned expansion of the national fiscal policy. As part of a program for additional investment in infrastructure, health care and the education system, which runs until 2024, the budget will provide funding of around 40 billion U.S. dollars, or 1.5% of the country’s GDP. As a result, economic expansion in Russia is expected to strengthen during the forecast period. However, due to the slowdown in the international economy and the new OPEC-Plus agreement, which foresees a reduction in oil production, exports are unlikely to increase during the forecast period. Also, no broad recovery in private investment is expected, – the research publication states. [1, p. 5]

The EAEU’s GDP per capita by purchasing power parity grew from 24,686 in 2014 to 25,740 U.S. dollars in 2018. That is an increase of 1,054 U.S. dollars per citizen, or 4.3%, over the past five years in total with an average growth rate of 1.2% (see Fig. 5, Table 5).

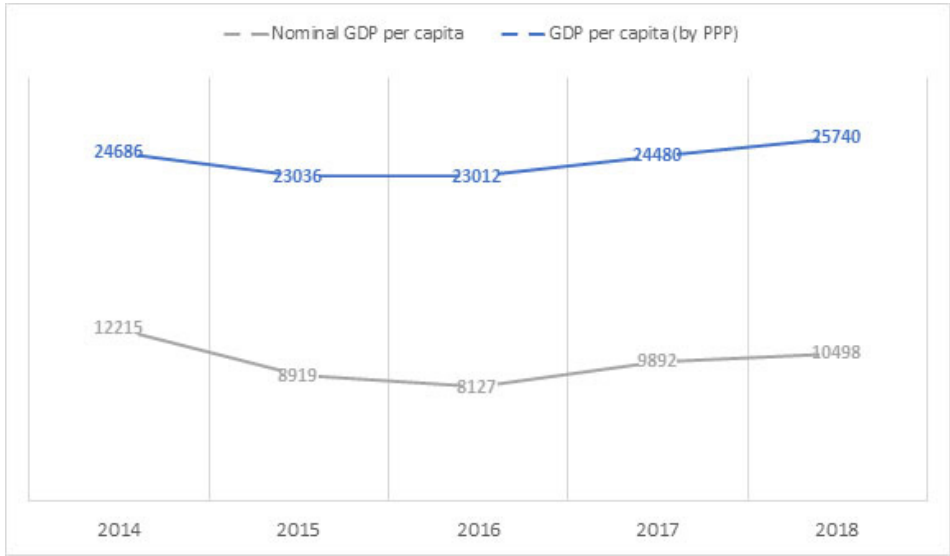


Figure 5. EAEU GDP per capita (2014-2018, USD)

Source: [14, p. 397; Author’s calculations].

The more equal the contribution of the member states to the overall GDP of an integration bloc, the better for its sustainable economic development. Unfortunately, as already said, the EAEU is very dependent on Russia’s economic performance and its role remained high during that period: 86.7% in 2014 and 86.8% in 2018 (see Fig. 6, Table 6). However, it is worth noting that the large weight of one

of the member states is common for many other regional integrations, including USMCA and MERCOSUR. [2, p. 150]

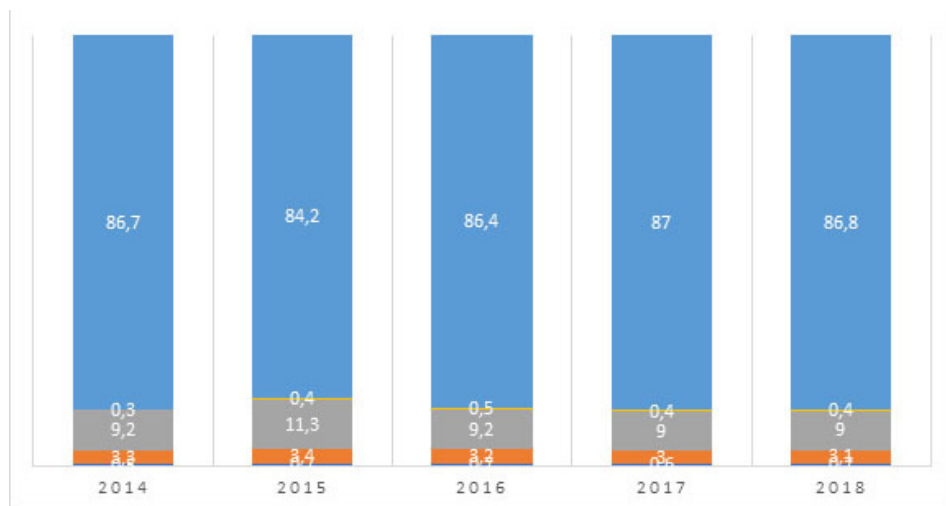


Figure 6. EAEU GDP structure by member state (2014-2018, % of total)

Source: [14, p. 391; Author's calculations].

### Macroeconomic stability

Macroeconomic convergence is a very important factor for the sustainable economic development of a given integration bloc. According to the EAEU Treaty, the member states must conduct a “coordinated” exchange rate policy (Article 64), as well as an agreed macroeconomic policy with the following “convergence criteria” (Articles 62, 63):

- the annual deficit of the consolidated budget of a state-controlled sector shall not exceed 3% of GDP;
- the government debt shall not exceed 50% of GDP;
- the inflation rate (consumer price index) per annum shall exceed the inflation rate in the member state with the lowest value by not more than 5%.

Currently, the introduction of a single currency is not planned. Instead, the member states agreed to establish a common financial market (Article 70) together with a “supranational financial regulator” by 2025. These relatively moderate aims of monetary integration in the EAEU, as compared to that of the EU, can be explained by the current trends and developments of the financial markets, monetary policies and macroeconomic conditions in the EAEU region.

The inflation rates in the EAEU member states are relatively high, with an average inflation rate of 7.5% in the EAEU over the past five years (2014 to 2018). During the past five years Belarus overshot the inflation convergence criteria three times (by 10.1 pp. in 2014, by 4.8 pp in 2015 and by 8.2 pp in 2016), Kazakhstan two times

(by 11 pp in 2016, by 1.4 pp in 2017) and Russia two times (by 6.8 pp in 2015, by 3.5 pp in 2016). In 2016 Armenia experienced a deflation rate of -1.4%. In 2018 all the EAEU member states met the inflation convergence criteria (see Fig. 7, Table 7).

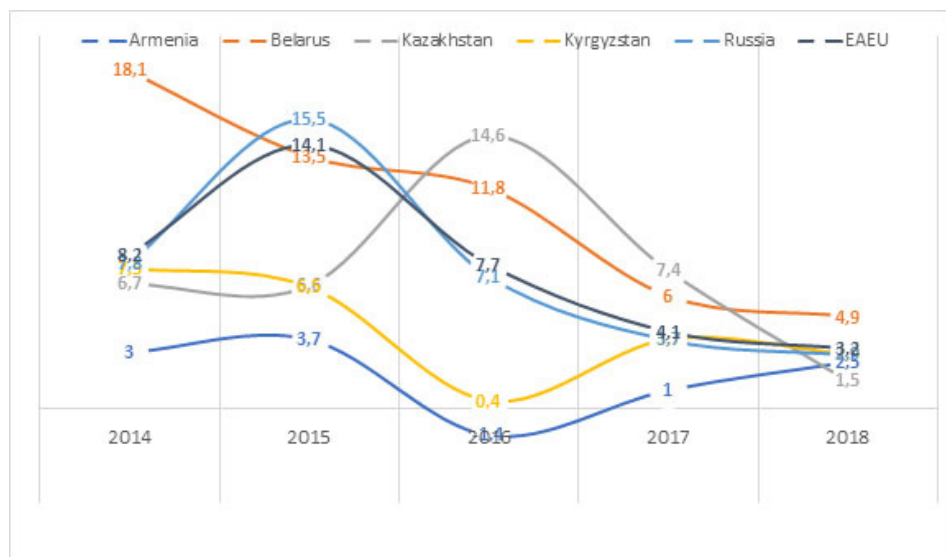


Figure 7. EAEU inflation rate (2014-2018, % change)

Source: [14, p. 116].

No common monetary policy aim, e.g. price stability, is stipulated in the EAEU Treaty. The EAEU member states conduct different monetary policy regimes, but with relatively similar equivalent mid-term inflation targets: Armenia (inflation targeting at 4%), Belarus (monetary targeting at 5%), Kazakhstan (price stability set as the aim with an operational inflation target of 3-4%), Kyrgyzstan (price stability set as the aim with an operational inflation target of 5-7%), Russia (inflation targeting at 4%) [3, p. 3].

Except for Belarus, which always had a sound budget surplus, all of the four other EAEU member states missed the budget deficit convergence criteria at some point during the last five years: Armenia (by 1.8 pp in 2015, by 2.5 pp in 2016, by 1.8 pp in 2017), Kazakhstan (by 1.4 pp in 2016, by 1.2 pp in 2017), Kyrgyzstan (by 1.5 pp in 2016), Russia (by 0.4 pp in 2015 and by 0.7 pp in 2016). Again in 2018 all EAEU member states met this criterion (see Fig. 8, Table 8).

Over the past five years the EAEU as a whole had a comparatively low average government debt of 12.5% of the Union's GDP. Only Armenia and Kyrgyzstan didn't meet the government debt convergence criteria. From 2016 on Armenia exceeded the acceptable level by 7 pp in average and Kyrgyzstan by 9 pp in average during the whole period. Both were able to slightly decrease their excess by the end of the period (see Fig. 9, Table 9).

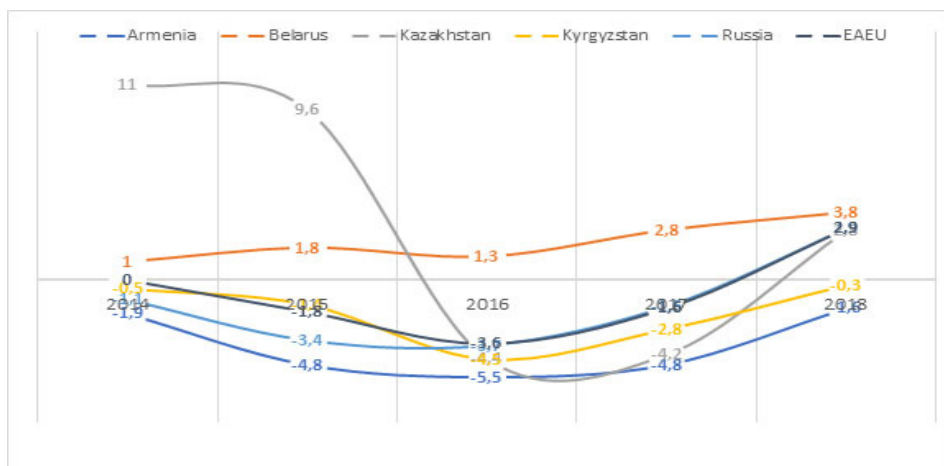


Figure 8. EAEU budget deficit (2014-2018, % in relation to GDP).

Source: [14, p. 374; Author's calculations].

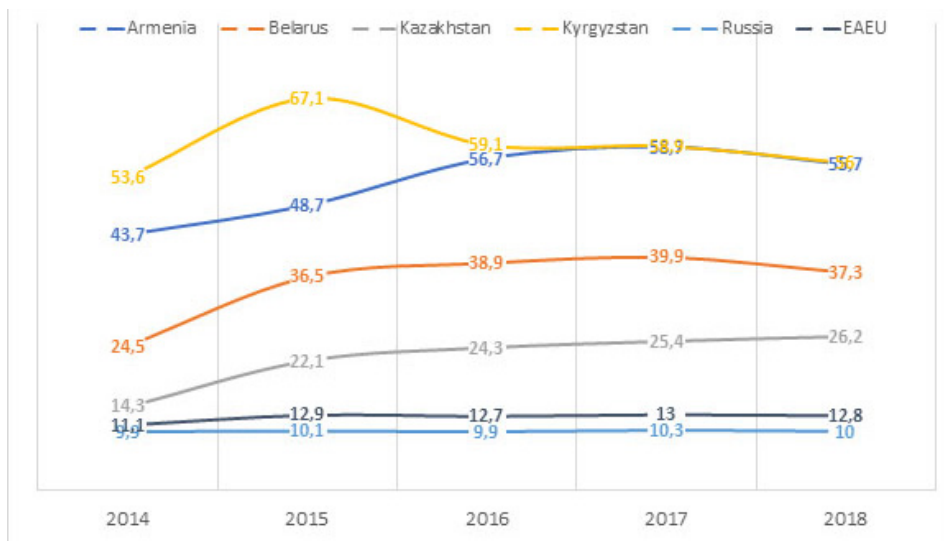


Figure 9. EAEU government debt (2014-2018, % in relation to GDP)

Source: [14, p. 386; Author's calculations].

The EAEU Treaty does not set the aim that the member states should fix or peg their national currencies to the ruble or to an EAEU currency basket, but in Annex 15 of the EAEU Treaty it is stipulated that their “exchange rate policies shall be *coordinated* by an independent authority consisting of the heads of national (central) banks of the member states determined under an international treaty within the Union”. In June 2019, the EEC Board approved the draft “Agreement on the Establishment of an Advisory Council on the Exchange Policy of the EAEU member states”.



As for now, the EAEU member states conduct different exchange rate regimes: Armenia (officially free float, de-facto pegged to the US dollar), Belarus (managed free float), Kazakhstan (in 2014 changed from pegged to free float), Kyrgyzstan (managed free float), Russia (free float) [4, p. 24].

During the past five years we saw diverging national exchange rates tendencies, with that of Belarus, Kazakhstan and Russia devaluating by 18.8%, 19.8% and 11.7% respectively (in relation to an international currency basket with 2010 as the basis year), while that of Armenia and Kyrgyzstan were revaluating by 4.5% and 14.5% respectively. Despite of this divergence, the exchange rates of all the four other EAEU member states depend more or less on the course of the Russian ruble. The exchange rates of the Russian ruble and of the Kazakhstani tenge themselves are strongly influenced by the international oil price (see Fig. 10, Table 10).

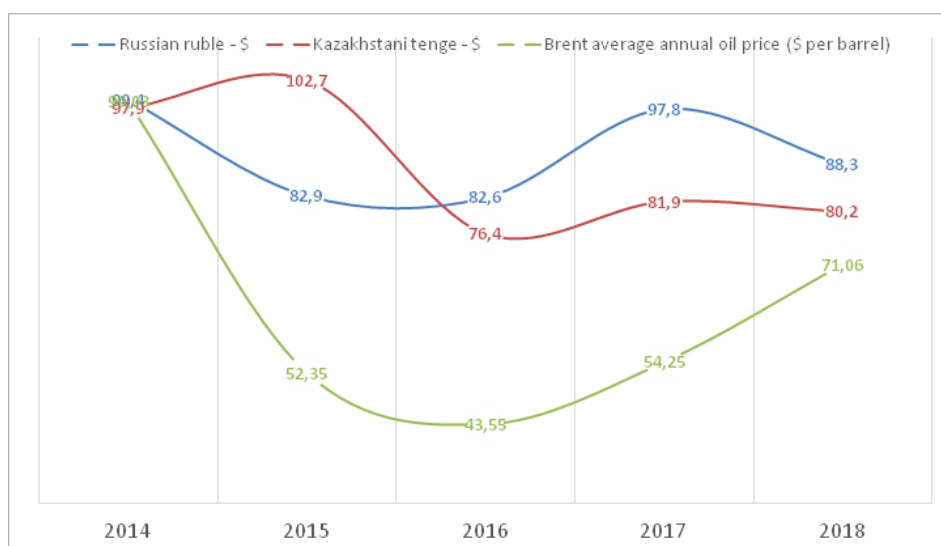


Figure 10. Influence of the international oil price on the real effective exchange rate of the Russian ruble and Kazakhstani tenge against foreign currencies (in % in relation to 2010 = 100%, Brent average annual oil price at USD per barrel, 2014-2018).

Source: [14, p. 362].

Dollarization of the financial markets, internal and external trade is considered a major challenge in the EAEU, it seriously impairs the effectiveness of the monetary transmission process. In 2016 in the EAEU on average 45% of the deposits and almost 60% of liabilities were held in U.S. dollars. In the EU these indicators were 22% and 14% respectively. Also, external trade with third parties and internal trade between EAEU members states, except with Russia, is conducted mainly in U.S. dollars and Euro [5, p. 6].

A recently published study by the Eurasian Economic Commission, which compares the degree of integration of various regional economic blocs, has shown,

that the EAEU increased its macroeconomic convergence from 56% in 2014 to 59% in 2017. In this aspect it came second to the EU, which achieved a macroeconomic convergence of 91% in 2017, but was ahead of both ASEAN (33%) and MERCOSUR (34%). [6, p. 73] Deeper macroeconomic convergence within the EAEU might be achieved if, similar to the system in the EU, the EEC would be given the right to impose sanctions on member states that violate the criteria.

At the beginning of 2019, the Eurasian Economic Commission published a report that analyzes the positions of the EAEU member states in 16 international ratings, which assess various spheres of economic development for the period from 2010 to 2018. According to the study, the EAEU overall occupies the highest positions (index values) in macroeconomic stability:

- Reliable money: money supply growth – 8.66 on a 10-point scale, standard deviation of inflation – 8.83 on a 10-point scale (Fraser Institute Index of Economic Freedom);
- Credit market regulation: loans to individuals – 8.48 on a 10-point scale, control over interest rates – 9.84 on a 10-point scale (Fraser Institute Index of Economic Freedom) [7, p. 25] ;
- State of the fiscal system: 87.2 points on a 100-point scale (Heritage Foundation Index of Economic Freedom) [7, p. 29].

### **Common financial market**

The finance sector is like the blood stream to every national economy. Effective integration in this field is therefore of pivotal importance to the proper functioning of any economic integration bloc and its common internal market. At the same time, it is a very challenging and delicate matter, since it most profoundly affects a country's national sovereignty through alterations on the mechanisms of monetary and fiscal policy.

According to the EAEU Treaty its member states plan to establish by 2025 a common financial market in the banking, insurance and equity sectors together with a “supranational financial regulator” to be situated in Kazakhstan. Currently, the EEC, together with national regulators and experts, are working on the preparation of a number of international agreements in this area. One of these key documents for creating the necessary regulatory framework and institutions is the “Concept on the Formation of the EAEU Common Financial Market”, which was adopted at a meeting of the Supreme Eurasian Economic Council (SEEC) in October 2019. In September 2018, the chairmen of the central (national) banks of the member states of the Union signed the “Agreement on the harmonization of the legislation of the EAEU member states in the field of the financial market”.

Relatively speaking, the banking, insurance and stock markets of the EAEU's member states are characterized by a small number of agents, low capitalization, low liquidity and a developing infrastructure. In 2017 only 661 banks were oper-

ating in the EAEU holding 1.6 trillion U.S. dollars in assets, as compared to 6,250 banks operating in the EU with a total of almost 50 trillion U.S. dollars (43.9 trillion Euros) in assets [8, p. 8]. Russia accounts for about 90% of the Union’s banking sector. In 2017 there were only 306 insurance companies operating in the EAEU with a total of 23.6 billion U.S. dollars insurance premiums collected, as compared to 3,400 insurance organizations active in the EU with 1.4 trillion U.S. dollars collected in insurance premiums [9, p. 9]. The same year trading volumes in the Union’s stock markets amounted to 848.3 billion U.S. dollars as compared to a staggering 10.2 trillion U.S. dollars traded in total over European stock exchanges [10]. However, in the fintech segment, e.g. instant and contactless e-payments, Russia is relatively competitive in comparison to the EU [11].

Overall, from 2014 to 2018 we can see a consolidation of the EAEU’s banking and insurance sectors. During the study period the number of Eurasian banks decreased by almost 40%, the number of insurance companies by almost 45%. However, the overall capitalization of these markets remained relatively the same at an average of USD 1 458.2 bln measured by total bank assets and of USD 23 bln measured by gross insurance premiums, respectively. At the same time the trading volumes on the EAEU’s major stock exchanges did indeed increase by almost 40% between 2014 and 2018 (see Fig. 11, Table 11).

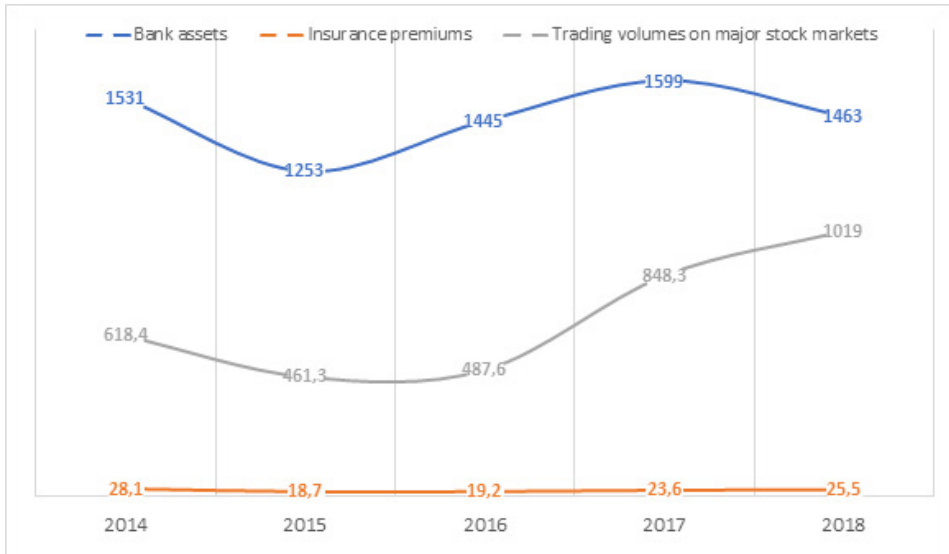


Figure 11. EAEU finance market (in bln USD, 2014-2018)

Source: [14, p. 339].

During the study period the share of banks by member state remained relatively the same. Russian banks made up 86% of EAEU banks on average, with the banks of each of the other countries accounting for only 2.7% to 4.5% on average (Table

12). The concentration of the Union's banking sector is even more pronounced when looking at bank assets. From 2014 to 2018 assets of Russian banks accounted for 91.5% on average of total assets, that of Kazakhstan and Belarus for 5.3% and 2.4% on average (see Fig. 12, Table 13). This asymmetric country structure is also visible in the insurance sector with Russia, on average, accounting for 73.7% of the EAEU's insurance companies and for 92.2% of gross insurance premiums collected (see Fig. 12, Table 14, Table 15). Once again, the situation was different on the Union's stock markets and where one could observe a distinct geographical diversification: Russia's share of trading volumes on major stock exchanges decreased from 89% in 2014 to 63.8%, whereas that of Kazakhstan increased from 10% to 35.5% (see Fig. 12, Table 16). During that period the stock trading volumes of both countries increased, but that of Russia increased by 15.4%, whereas that of Kazakhstan by 83%.

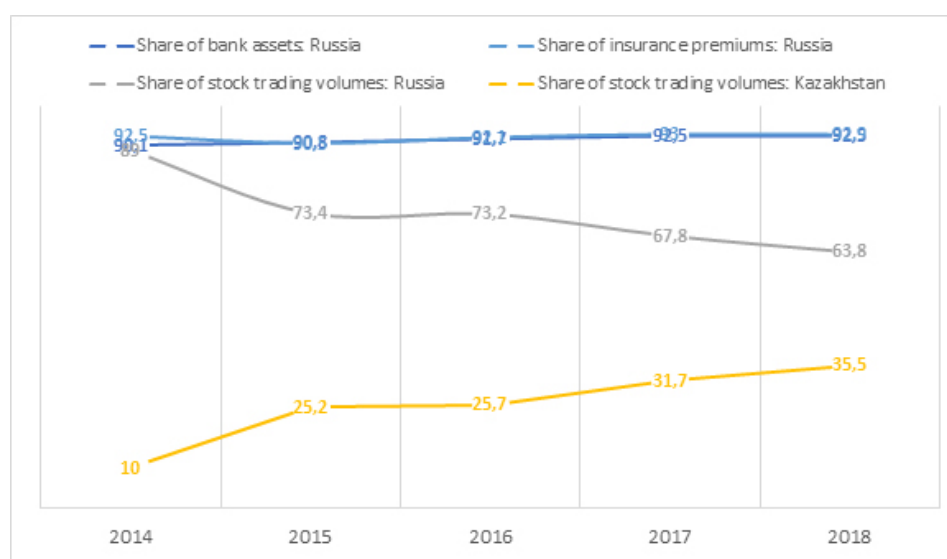


Figure 12. Russia's predominance in the EAEU finance market (in %, 2014-2018)

Source: [14, p. 339; Author's calculations].

Potentially due to the fact that the process of forming the common financial market is still its infancy, there are no obstacles per se registered in the EEC's online obstacle registry. However, the implementation of harmonization procedures and of the common financial policy outlined in the agenda is likely to create various obstacles and frictions. As experts of HSE Eurasian sector noted, the following issues, inter alia, would need to be resolved: language requirements for identification and banking documents; harmonization of national payment systems of the member states (moreover, they do not exist yet in all countries) or the creation of a new supranational payment system; regulating the commission for interbank transfers; restrictions on the amount of money transfer, for example, from Russia

to Kyrgyzstan; and the delicate issue of information exchange and database cooperation [12, p. 49].

Neither the introduction of a single currency, nor the creation of a “Eurasian Central Bank” are included in the plans to create a common financial market in the EAEU. On the one hand, as already mentioned, member states are not ready to transfer their exclusive powers on monetary policy to the supranational level. On the other hand, as stated above, at this stage there remains too much divergence and volatility of the member states’ macroeconomic indicators, so that the potential costs would outweigh the possible gains of introducing a single currency in the Union. Much more important for creating a common payment space and for improving the efficiency of the national monetary policies, according to the Commission and to the expert community, would be the de-dollarization of mutual and foreign trade and of the countries’ financial markets, as well as the introduction of a single virtual (digital) settlement unit together with a unified interstate interbank clearing system.

At the same time, the EAEU Treaty foresees the creation of a single supranational supervisor of the common financial market, to be located in Kazakhstan, which, for example, could have the competence to monitor prudential regulation and revoke licenses from commercial banks. However, already the central (national) banks of the EAEU member states are inclined not to transfer supervisory functions to the supranational level. In this case, the interstate harmonization of common rules for supervision and regulation of the EAEU financial market will become a lesser alternative. Problems of the EU and Eurozone banking sector, as well as ongoing discussions on creating a European “banking union”, have shown how important this question is for the stability of interdependent financial markets. In this regard it should be noted, that in 2018 the Astana International Financial Center (AIFC) was officially opened. It is a new regional financial platform and stock exchange within which special jurisdiction has been introduced, and the regulation of relations between participants is based on the best world standards, procedural principles and norms of English common law. The same year the EEC and the AIFC signed a memorandum of cooperation on the development of financial markets, capital markets, trade and investment interaction, as well as on the protection of the rights and interests of consumers of financial services.

According to the above-mentioned comparative study on the degrees of integration of the EAEU’s domestic markets in regard to the free movement of goods, services, capital and labor in comparison to other regional integration blocs [6, p. 72], 46% of the EAEU’s common financial market were established by 2017. This represents a rather large step forward on the path to markets integration in comparison with 2015, when this indicator reached only 33%. In this regard, the EAEU was ahead of ASEAN and MERCOSUR, whose capital markets in 2017 were united by only 23% and 25%. At the same time, all three economic blocs lagged behind the EU, where this indicator amounted to 85%.

## Conclusion

In general, the following conclusions can be drawn in response to the question of whether the Eurasian Economic Union managed to ensure the stability and convergence of the levels of macroeconomic development of its member states during its first five-year period:

Firstly, evaluating the member states by levels of socio-economic development and the degree of their macroeconomic convergence with each other, the EAEU appears as a “two-tier” economic integration bloc. On the one hand, the EAEU initiating countries - Belarus, Kazakhstan and Russia, form a “core” integration project, where the macroeconomic convergence between them is quite noticeable. On the other hand, the newer and smaller member states - Armenia and Kyrgyzstan, lag behind this “core” in terms of both the level and the speed of convergence. In the medium term, one can hardly expect a change in this trend.

In this regard, for the further development of a coherent macroeconomic policy, the EEC and member states should not chase after some symbolic unity of indicators, behind which real distortions may lie. Instead, they should strive to implement a purely pragmatic policy, which would maximally meet the national interests of all of the member states and would provide them both comparative and absolute integration benefits. Here, further research on the implementation of optimal “multi-speed integration” would be advisable, especially since in recent years this concept has been widely discussed in the European Union [13, p. 8].

Secondly, although between 2014 and 2018 all member states in different years missed the convergence criteria in one area or another, they still generally improved their performance by the end of the study period due to a partial restoration of the regional economic cycle in 2017-2018. Especially noticeable was the convergence of inflation rates, which is partially due to a voluntary coordination and an increased efficiency of the monetary policies of the Union member states.

Thirdly, in order to achieve a sustainable coordinated economic development of the EAEU member states, further improvement of the organizational and institutional environment in this area will be required. One of the right steps in this direction will be the establishment of the “Advisory Council of the National (Central) Banks on the EAEU exchange rate policy”. Furthermore, the creation of advisory councils between the national (central) banks and national governments on inflation, budget deficit and public debt would be advisable. These inter-central bank / intergovernmental coordinating bodies on monetary policy could be located on the premises of the EAEU supranational financial regulator, which is to be set up by 2025 in Kazakhstan. And all fiscal policy coordinating bodies could be located either in Yerevan or in Bishkek.

A more concrete specification of the goals, objectives and mechanisms for pursuing a coherent macroeconomic policy would also be required. E.g., in the monetary sphere, the Union central banks could consider the feasibility of a common inflation (price stability) target of 4 percent.

In the longer term, purely voluntary interstate coordination without any supranational levers on the national governments and central banks is unlikely to be sufficient for a more sustainable macroeconomic integration in the future. Looking at the European Union, one might consider the possibility of granting the Eurasian Economic Commission or the future supranational financial regulator in Nursultan the right to impose financial sanctions on member states that violate the convergence criteria. Here it would be important to create both a warning mechanism and a corrective one.

Between 2014 and 2018 a consolidation of the EAEU's banking and insurance sectors in terms of the number of organizations occurred, while their overall capitalization in terms of gross bank assets and gross insurance premiums remained the same. During the same period the Union's stock markets, however, grew by 2/5 and saw a relative structure shift from Russia to Kazakhstan, due to substantial growth (over 80%) of stocks traded on Kazakhstan's exchanges. Fittingly, in 2018 the country launched the Astana International Financial Center (AIFC) with the aim to become the region's main financial hub. Real progress in creating a Union-wide financial market remains to be seen, not due to a lack of effort by the EEC and the national authorities, but since integration work has only just begun in this delicate and key economic sector. In the next five years, progress in harmonizing national regulations and policies will be crucial. Introduction of a single currency and of a Eurasian Central Bank neither is, nor should be an objective. Instead, the priority should be, first: on increasing stability and resilience of the member states' capital markets; and later: on the introduction of a single virtual (digital) settlement unit together with a unified interstate interbank clearing system and ensuring the transfer of effective regulatory powers to the planned supranational financial regulator.

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## Appendix

*Table A1*

**EAEU GDP, 2014-2018; nominal, real and by PPP; bln USD)**

	2014	2015	2016	2017	2018
Nominal GDP	2 401.2	1 626.8	1 487.8	1 815.8	1 914.0
GPD deflator	107.7	107.2	104.3	105.8	110.2
GDP deflator/100	1.077	1.072	1.043	1.058	1.102
Real GDP	2 229.5	1 517.5	1 426.5	1 716.2	1 736.8
GDP by purchasing power parity (PPP)	4 421.0	4 194.2	4 205.0	4 488.5	4 730.0

Source: [14, p. 391; Author's calculations].

*Table A2*

**EAEU member states annual average exchange rate change, 2014-2018, units of national currency against the USD, % change**

	2014	2015	2016	2017	2018
Armenia	-	-14.9	-0.5	-0.5	-0.1
Belarus	-	-55.9	-25.2	3.0	-5.7
Kazakhstan	-	-23.7	-54.3	4.7	-5.8
Kyrgyzstan	-	-20.1	-8.5	1.5	-0.0
Russia	-	-59.8	-10.3	12.8	-7.2

\*On 1 July 2016 Belarus changed the denomination of the Belarusian ruble by a ratio of 1:10 000.

Source: [14, p. 362].

*Table A3*

**EAEU annual GDP growth rate, 2014-2018, index of physical volume of GDP, % change**

	2014	2015	2016	2017	2018
Armenia	3.6	3.2	0.2	7.5	5.2
Belarus	1.7	-3.8	-2.5	2.5	3.0
Kazakhstan	4.2	1.2	1.1	4.1	4.1
Kyrgyzstan	4.0	3.9	4.3	4.7	3.5
Russia	0.7	-2.3	0.3	1.6	2.3
EAEU	1.1	-1.9	0.3	1.9	2.5

Source: [14, p. 146].

Table A4

**EAEU GDP growth rate in comparison, 2014-2018, % change**

	2014	2015	2016	2017	2018	Five-year average
EU	1.7	2.3	2.0	2.5	2.0	2.1
USA	2.5	2.9	1.6	2.2	2.9	2.4
China	7.3	6.9	6.7	6.8	6.6	6.9
African Union	3,9	3,5	2,2	3,7	3,8	3.4
ASEAN-5	4.6	4.9	4.9	5.3	5.3	5.0
South America	1.3	0.3	-0.6	1.3	1.2	0.7
EAEU	1.1	-1.9	0.3	1.9	2.5	0.8

Source: [14, p. 391].

Table A5

**EAEU GDP per capita, 2014-2018, USD)**

	2014	2015	2016	2017	2018
Armenia	3 852	3 512	3 524	3 869	4188
Belarus	8 289	5 829	4 997	5 729	6283
Kazakhstan	12 807	10 510	7 715	9 030	9 462
Kyrgyzstan	1 331	1 163	1 179	1 296	1 332
Russia	14 252	9 356	8 765	10 753	11 312
EAEU	13 215	8 919	8 127	9 892	10 408
EAEU (PPP)	24 686	23 036	23 012	24 480	25 740
EAEU (PPP, % change)	-	-6.7	-0.1	6.4	5.1

Source: [14, p. 397; Author's calculations].

Table A6

**EAEU GDP structure by member state, % of total**

	2014	2015	2016	2017	2018
Armenia	0.5	0.7	0.7	0.6	0.7
Belarus	3.3	3.4	3.2	3.0	3.1
Kazakhstan	9.2	11.3	9.2	9.0	9.0
Kyrgyzstan	0.3	0.4	0.5	0.4	0.4
Russia	86.7	84.2	86.4	87.0	86.8
EAEU	100.0	100.0	100.0	100.0	100.0

Source: [14, p. 391; Author's calculations].

Table A7

**EAEU inflation rate, 2014-2018, % change**

	2014	2015	2016	2017	2018
Armenia	3.00	3.7	-1.4	1.0	2.5
Belarus	18.1	13.5	11.8	6.0	4.9
Kazakhstan	6.7	6.6	14.6	7.4	1.5
Kyrgyzstan	7.5	6.5	0.4	3.7	2.9
Russia	7.8	15.5	7.1	3.7	2.9
EAEU	8.2	14.1	7.7	4.1	3.2

Source: [14, p. 116].

Table A8

**EAEU budget deficit, 2014-2018, % in relation to GDP**

	2014	2015	2016	2017	2018
Armenia	-1.9	-4.8	-5.5	-4.8	-1.6
Belarus	1.0	1.8	1.3	2.8	3.8
Kazakhstan	11.0	9.6	-4.4	-4.2	2.8
Kyrgyzstan	-0.5	-1.4	-4.5	-2.8	-0.3
Russia	-1.1	-3.4	-3.7	-1.5	2.9
EAEU	0	-1.8	-3.6	-1.6	2.9

Source: [14, p. 374; Author's calculations].

Table A9

**EAEU government debt, 2014-2018, % in relation to GDP**

	2014	2015	2016	2017	2018
Armenia	43.7	48.7	56.7	58.7	55.7
Belarus	24.5	36.5	38.9	39.9	37.3
Kazakhstan	14.3	22.1	24.3	25.4	26.2
Kyrgyzstan	53.6	67.1	59.1	58.9	56.0
Russia	9.9	10.1	9.9	10.3	10.0
EAEU	11.1	12.9	12.7	13.0	12.8

Source: [14, p. 386; Author's calculations].

Table A10

**Real effective exchange rate of national currencies of the EAEU member states against foreign currencies, % in relation to 2010 = 100%**

	2014	2015	2016	2017	2018
Armenia	102.5	108.4	107.6	104.0	104.5
Belarus	95.8	92.4	84.7	80.7	81.2
Kazakhstan	97.9	102.7	76.4	81.9	80.2
Kyrgyzstan	110.0	115.1	113.2	113.3	114.5
Russia	99.4	82.9	82.6	95.7	88.3
Brent average annual oil price (USD per barrel)	99.03	52.35	43.55	54.25	71.06

Source: [14, p. 362].

Table A11

**EAEU financial market, 2014–2018.**

	2014	2015	2016	2017	2018
Number of banks	949	840	724	661	578
Bank assets (bln USD)	1 531	1 253	1 445	1 599	1 463
Number of insurance organizations	486	415	337	306	270
Sum of insurance premiums (USD bln)	28.1	18.7	19.2	23.6	25.5
Trading volumes on major stock exchanges (USD bln)	618.4	461.3	487.6	848.3	1 019.0

Source: [14, p. 339]

*Table A12***Share of banks of the EAEU member states, 2014-2018**

	2014	2015	2016	2017	2018
Armenia	2.3%	2.6%	2.6%	2.9%	2.9%
Belarus	3.3%	3.1%	3.3%	3.6%	4.2%
Kazakhstan	4.0%	4.2%	4.6%	4.8%	4.8%
Kyrgyzstan	2.5%	2.9%	3.5%	3.8%	4.3%
Russia	87.9%	87.3%	86.0%	84.9%	83.7%

Source: [14, p. 339; Author's calculations].

*Table A13***Share of bank assets of the EAEU member states, 2014-2018**

	2014	2015	2016	2017	2018
Armenia	0.5%	0.6%	0.6%	0.6%	0.7%
Belarus	2.7%	2.8%	2.2%	2.2%	2.1%
Kazakhstan	6.5%	5.6%	5.3%	4.6%	4.5%
Kyrgyzstan	0.1%	0.2%	0.2%	0.2%	0.2%
Russia	90.1%	90.8%	91.7%	92.5%	92.5%

Source: [14, p. 339; Author's calculations].

*Table A14***Share of insurance organizations of the EAEU member states, 2014-2018**

	2014	2015	2016	2017	2018
Armenia	1.4%	1.7%	2.1%	2.3%	2.6%
Belarus	4.9%	5.8%	6.8%	7.2%	5.9%
Kazakhstan	7.0%	8.0%	9.5%	10.5%	10.7%
Kyrgyzstan	3.5%	4.1%	5.6%	6.2%	7.0%
Russia	83.1%	80.5%	76.0%	73.9%	73.7%

Source: [14, p. 339; Author's calculations].

*Table A15***Share of insurance premiums of the EAEU member states, 2014-2018**

	2014	2015	2016	2017	2018
Armenia	0.3%	0.4%	0.4%	0.3%	0.3%
Belarus	2.5%	2.7%	2.6%	2.3%	2.3%
Kazakhstan	4.7%	6.3%	4.9%	4.3%	4.4%
Kyrgyzstan	0.1%	0.1%	0.1%	0.0%	0.0%
Russia	92.5%	90.5%	92.1%	93.0%	92.9%

Source: [14, p. 339; Author's calculations].

Table A16

**Share of trading volumes on major stock exchanges  
of the EAEU member states, 2014-2018**

	2014	2015	2016	2017	2018
Armenia	0.0%	0.0%	0.0%	0.0%	0.0%
Belarus	1.0%	1.3%	1.0%	0.5%	0.6%
Kazakhstan	10.0%	25.2%	25.7%	31.7%	35.5%
Kyrgyzstan	0.0%	0.0%	0.0%	0.0%	0.0%
Russia	89.0%	73.4%	73.2%	67.8%	63.8%

Source: [14, p. 339; Author's calculations].

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***Пять лет Евразийскому экономическому  
союзу: прогресс в сфере макроэкономической  
конвергенции и создании общего  
финансового рынка***

В 2019 г. исполнилось пять лет Евразийскому экономическому союзу. В статье рассматриваются различные аспекты функционирования ЕАЭС – деятельность экономических агентов и связанные с этим совокупные экономические показатели за пять лет, меры обеспечения макроэкономической стабильности и конвергенции, а также созданию общих рынков в банковском и страховом секторах. В заключении приводится краткий обзор выводов и рекомендаций по дальнейшему экономическому сотрудничеству стран-членов.

**Ключевые слова:** ЕАЭС, макроэкономическая конвергенция, монетарная политика, финансовый рынок, рынок капиталов, экономическая интеграция.

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