

Секция «Международные организации и мировые политические процессы»

## The Eurasian Economic Union and the realities of COVID – 19

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The most difficult year was 2020 - a year of trials, for the Eurasian Economic Union since 1991, as well as for the world economy. The Covid-19 pandemic became a global shock and affected all areas of life. On the supply side, there is a reduction in the supply of labor and its productivity, blockages, closings of enterprises and social distancing also cause certain crisis phenomena.

COVID - 19 has not left the Eurasian Economic Union untouched either. It is believed that the coronavirus pandemic has had a significant impact on the social and economic life of the member countries of the union. [3] After the first wave, the Governments of the countries had the question of saving the economies of their countries from the consequences of eliminating the virus.

Conditionally, the impact of COVID-19 for the Eurasian Economic Union can be divided into three directions:

- 1) cooperation of the EAEU members among themselves, as well as with other countries with which cooperation takes place;
- 2) protective measures that have been introduced by countries for trade with third countries and trade between EAEU member states;
- 3) the labor market both in each country individually and on the general labor market of the Union.

Therefore, for the EAEU, the danger was not only the virus as a threat to the life and health of the population, but also the impact of the fall in oil prices for the economies of the countries. Commodity prices may remain low for a long time due to the fall in demand due to the lockdown regime. [1]

The World Trade Organization assumes that trade in foreign economic activity will deteriorate by 9.4%, which may cause a decrease in exports from the member countries of the Eurasian Economic Union by almost 1.5 times by the end of 2020, which will amount to \$ 306.2 billion. \$ 459.3 billion in 2019. This could cause a deterioration in the balance of payments of member countries. But economists point out that these losses can be made up by increasing trade between the EAEU member states, as well as entering new markets or expanding existing trade ties with the Shanghai Cooperation Organization countries.

Because of Kazakhstan's refusal to participate in world trade, Russia began to replace the country on the world stage and coped with this task successfully. [4]

Mutual trade of the member States of the Eurasian economic Union (EAEU) in food products increased by 2.5% in the first half of 2020, to \$4.1 billion, compared to the same period last year. In turn, sales of non-food agricultural products increased immediately by 13.0%, to \$0.32 billion. A significant contribution to the growth of mutual trade was made by soybeans, which showed an increase of 8.4 times, sugar sales increased by 26.2%, cheese and cottage cheese-by 10.2%. [5]

The labor market plays an important role in the Eurasian Economic Union, since Russia is the

center of labor migration. Therefore, the issue of limitation has become very relevant. [2] So, in January 2020, the number of officially registered people as unemployed was 700 thousand people, and in April the number exceeded 950 thousand people.

Thus, the COVID - 19 pandemic contributed to the de-globalization of some countries, which led to a decrease in both the mutual trade of the EAEU member states and to structural changes in trade with third countries. The decline in oil prices due to a decrease in demand for it affected the financial condition of the economies of the EAEU countries, making them unstable and unattractive for investment. In general, COVID-19 had a negative impact on the EAEU economy, as well as on the world economy.

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