УДК 804.0

ECONOMIC ASPECTS OF THE CUSTOMS UNION OF THE RUSSIAN FEDERATION, THE REPUBLIC OF BELARUS AND KAZAKHSTAN

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The Customs Union of Russia, Belarus and Kazakhstan is a striking example of a mutually beneficial political and economic cooperation of three countries. The agreement on establishment of the Customs Union was signed at the meeting of EurAsEc on November 27, 2009.

'The main goal of the Customs Union is creating a single economic space', said Aleksandr Lukashenko, 'It may promote free trade, which promises good profit for the counterpart'. As Nazarbaev stated, 'It was counted that the Customs Union will increase the GDP of Belarus by 15%'. In other words, it will bring in revenue of 16 billion dollars to the Belarusian economy due to the common market for services, overall financial market of monetary integration, and other uniform rules and procedures.

During the period of economic downturn the issue of profitability of the Customs Union has become vital. To consider this point let's look into the pros and cons of the Union.

First of all, let's observe the benefits. Customs Union gives freedom of trade without restrictions. We can see increasing competition among enterprises of the three countries, which is good for the customers. Competition provides better goods for better prices. Customs Union also calls for the inflow of investments, renews our economy and improves political relations with the counterparts of the union.

Talking about the pros, we can not but mention the cons. Many cons are attributed to the pros. For example, opened trade barriers have already raised duties on some products and services. Instead of high-quality products we may get down-market fakes, which would replace our local market products. There is no doubt that some of Belarusian companies won't stand the competition with foreign manufacturers.

Thus, every economic decision of the government influences life of the people. And the influence of the Customs Union is already noticeable: many Belarusians have heard about the introduction of new duties on cars (which were raised due to the Customs Union), and rushed to buy them up, which may be one of reasons to have stirred up the present day situation on the currency market.

The main goal of the Customs Union is that of the economies of all counterparts being on the same high level of development, which can increase the rate of economic development of Belarus.