



Emerging Export Opportunities in Eurasia



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Let our global network work for you.

Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.

Global Network

Our unmatched global network with trade experts in **more than 100 domestic offices and 80 countries** can provide you with on-the-ground knowledge and connections.

Results Driven

Our expert, in-person counseling is unparalleled and designed to help you succeed in global markets.

Contact your local office to plug into our resources – we recommend that you start there.

U.S. Commercial Service: The world is open for your business.

Our Services



Export Counseling

- Develop effective market entry and sales strategies.
- Understand export documentation requirements and import regulations of foreign markets.
- Navigate U.S. government export controls, compliance and trade financing options.



Market Intelligence

- Analyze market potential and foreign competitors.
- Obtain useful information on best prospects, financing, laws, and cultural issues.
- Conduct background checks on potential buyers and distributors.



Business Matchmaking

- Connect with pre-screened potential partners.
- Promote your product or service to prospective buyers at trade events worldwide.
- Meet with international industry and government decision makers in your target markets.



Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets.
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests.



Agenda



- Consider Eurasia: economic snapshot and 2021 projections
- Doing Business: due diligence, legal frameworks, global integration, and USG support.
- Three sectors
- Upcoming events to explore opportunities.

Consider Eurasia



- Uzbekistan liberalizing visas for tourists (pre-Covid), linking the great Silk Road cities up by train from Tashkent.
- Lviv, Ukraine - pre-tourism Prague/Krakow, UNESCO site.
- Moscow won best travel destination city last two years (World Travel Awards).
- Georgia and Armenia wine rivalry for cradle of wine. Georgia's 500 varieties of grapes. Archeological sites and 6th century Christian churches.



Examples of U.S. Companies Operating in Eurasia

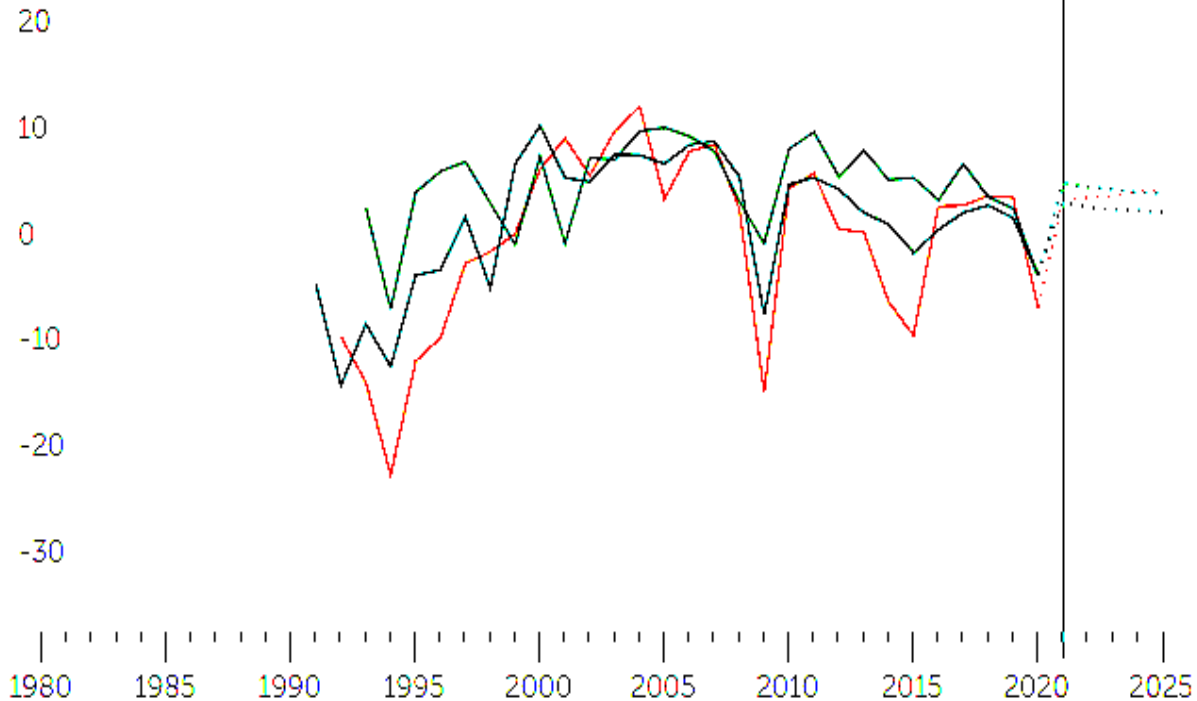
Eurasia is attracting many companies from the U.S.



Economic Growth Fluctuations 1990's to Present

TREND (1980-2025)

Annual percent change



- Russia, **Central Asia/Caucasus**, **Ukraine**
- Strong growth, but sensitive to global crises, especially commodity prices.

Overarching positive trends:

- Rise of middle class and incomes.
- Integration into global value chains (chemicals, electronics components, food processing).
- Improving industrial and ag sector efficiency and developing robust services sector.

2020, Covid, and the Economy

- Russia - 4th largest number of Covid cases globally, 25,000 new cases/day. Mass vaccinations started in December.
- Some Eurasian countries - Central Asia, in particular - implemented very restrictive travel and quarantine measures to slow the pandemic's spread.
- Covid having big impact on SMEs in particular. Stressed healthcare systems. Sectors like utilities, infrastructure, telecom, food, and retail faring better.
- Oil exporting countries facing impact of decline in oil prices.
- **Across the board, though, strong increase in imports of goods and services is expected in 2021 as recovery starts.**



IMF World Economic Outlook (Oct.'20)

| | <u>Population</u> | <u>GDP Per capita \$</u> | <u>Imports of goods/services 2020</u> | <u>Imports of goods/services 2021 EST</u> |
|---------------------------|-------------------|--------------------------|---------------------------------------|---|
| Russian Federation | 147 m | 10,000 | -12% | 4% |
| Ukraine | 42 m | 3500 | -7 | 12% |
| Uzbekistan | 34 m | 1762 | -11% | 9% |
| Kazakhstan | 19 m | 8778 | -9% | 5% |

Doing Business: Due Diligence

- **Finding partners:** [International Partner Search+](#) (digital meeting)
- **Vetting partners:** [International Company Profile](#)
- Given **U.S. sanctions** - including bans on doing business with certain entities and individuals and restrictions on debt and equity transactions with certain sectors -- companies need to plan for compliance and assess future risk.
- Commercial Service can counsel you and connect you with key resources.
- **Consolidated Screen List as a starting point:** <https://www.trade.gov/consolidated-screening-list>. Brings together Commerce, Treasury, State export screening lists. Also check U.S. export controls carefully at Bureau of Industry and Security.
- ***Read CS's [Country Commercial Guide to Russia](#) - sections on sanctions and export controls for further guidance and resources.***



Upcoming CS Event: Doing Business in Russia

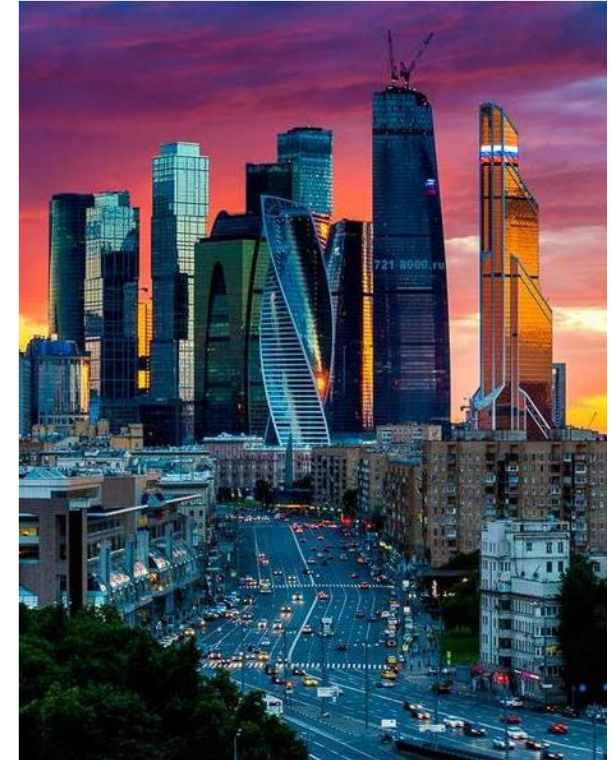
Doing Business in Russia

May 13th, 11 - 12 am ET

Cost: \$25. Register at

<https://emenuapps.ita.doc.gov/ePublic/event/editWebReg.do?SmartCode=1QDP>

- Webinar to learn about current market opportunities and challenges in Russia.
- Learn from our experts at the American embassy in Moscow and private sector who will offer market overviews and practical advice to U.S. exporters looking to do business in Russia.



Doing Business: Legal Framework

Legal and Compliance Frameworks: Bilateral Investment Treaties (ex. Ukraine, Kazakhstan, Azerbaijan, none for Russia), double-tax treaties in place.

IPR: Russia and Ukraine on Priority Watch List for longstanding problems with piracy and enforcement. Check Special 301 report www.ustr.gov.

Eurasian Economic Union (2015); Russia, Kazakhstan, Belarus, Kyrgyz Republic and Armenia. Customs union, common external tariff, many trade-related decisions made by EAEU, but local implementation.

Deepening regional integration, new areas: common gas market, harmonized oil and gas legislation. Kazakhstan has presidency in 2021, transport and logistics focus.

Deep and Comprehensive FTA with EU: Ukraine, Georgia, Moldova.



Doing Business: Integration into Global Trading System (World Trade Org.)

- WTO accession - major vehicle to change transition economies and integrate them into global trading system.
- Accession protocols (40+ chapters, 100 pages or more) with judiciable commitments covering wide range of trade and economic areas (IPR, SOEs, investment, banking, customs, tariffs, NTBs, services, etc.)
- MEMBERS: Kyrgyz Republic, Georgia, Armenia, Tajikistan, Ukraine, Russia (2012), Kazakhstan (2015)
- **STILL NEGOTIATING:** Belarus, Azerbaijan, Uzbekistan. Turkmenistan accession nascent. Long process due to adoption of laws, negotiating terms.



Doing Business: Also watch WTO Government Procurement Agreement

- WTO GPA opens up procurement markets to other parties to the agreement (as agreed bilaterally).
- Binding disciplines on transparency, e-procurement, non-discrimination.
- [Ukraine joined in 2016](#). Used WTO GPA to help lock in reforms to eprocurement (Prozorro system). Armenia also a party to WTO GPA.
- [Russia submitted 1st offer in 2017](#), ongoing changes to laws, negotiations continue.
- [Kazakhstan started negotiations in 2020](#).
- International disciplines on procurement even more important as big infrastructure projects move forward.

Doing Business: Avenues for Troubleshooting Problems

- **Bilateral and Regional Trade and Business dialogues** (Commerce, USTR, State) offer opportunities raise systemic customs, non-tariff barriers, IPR, or other issues.
- Contact CS for advocacy, compliance, commercial diplomacy, business dialogues, and due diligence questions.
- Director of Office of Russia, Ukraine, and Eurasia: Matthew.Edwards@trade.gov can link you to our global resources.



Sectors: Infrastructure

- **Governments see infrastructure as multiplier for growth to help economic recovery.** Opportunities for design, architectural services, construction and project management, services, road construction machinery, etc.
- **Ukraine:** crossroads for cargo/people: transport - ports, harbors, waterways, airports, roads, railways, and shipping services. Contact: CS in Kyiv, Ilona.Shtrom@trade.gov
- **Kazakhstan:** 75% of existing transport infrastructure needs to be modernized. 10,000 km of roads built or reconstructed. National strategy to make country a regional transport and logistics hub. Contact: SCO in Almaty, Dean.Matlack@trade.gov.
- **Russia:** airport development \$100 billion, roads \$180 billion, rail \$60 billion, +residential, national projects. Contact: SCO in Moscow, James.Golsen@trade.gov.
- **Key factors: financing/navigating IFIs and MDBs (World Bank, EBRD and ADB). Use Exim and Development Finance Corporation. Finding and vetting local partners, identifying local decision makers.**



Sectors: Infrastructure - China's Belt and Road Initiative (BRI)

- Massive Chinese investment and infrastructure strategy (est. \$1 trillion by 2027).
- New Silk Road - road and rail from China to Europe “the belt”
- 260 BRI projects in Eurasia, 129 countries and 29 international organizations signed cooperation documents with BRI by 2019.
- Ex. China-Europe freight rail, Kyrgyz power transmission.

Contact for BRI, Commerce Russia Desk: Tanner.Johnson@trade.gov

Sectors: Infrastructure - Ukraine Maritime Infrastructure Modernization event- **tomorrow**

Maritime Infrastructure Modernization Program

February 25th, 10:00 am-11:00 am ET, Free

Contact: Olga.Vashchenko@trade.gov

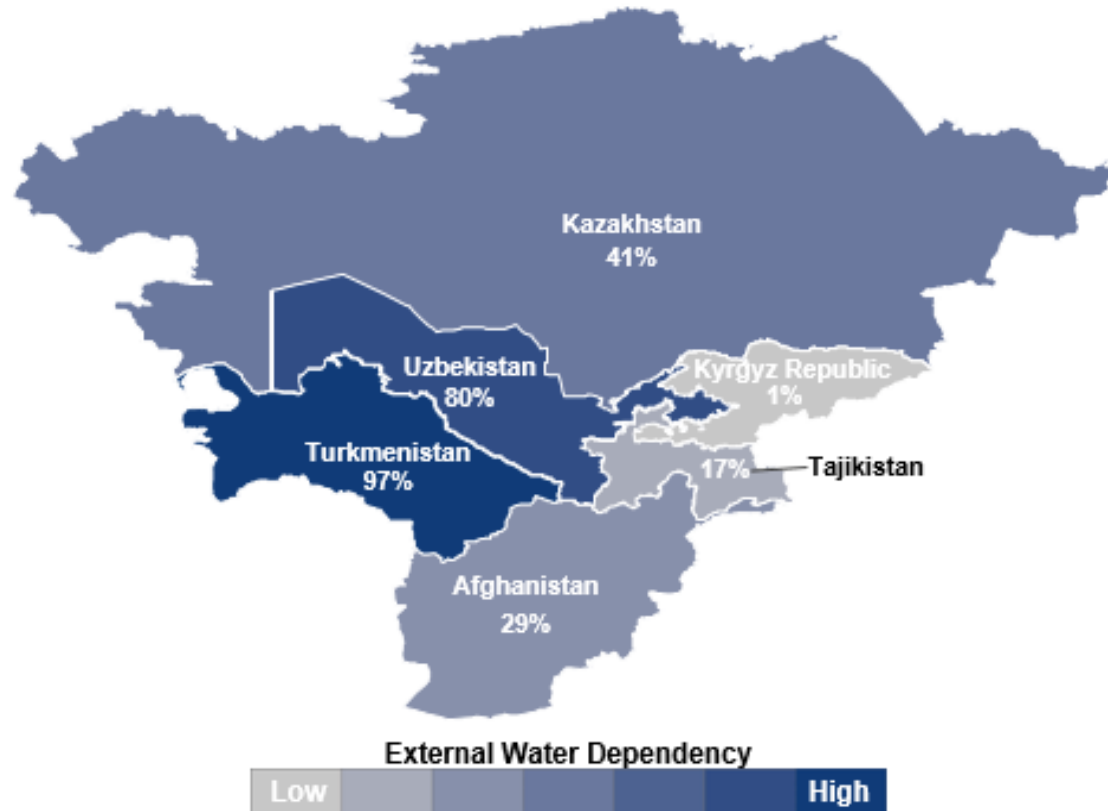
<https://emenuapps.ita.doc.gov/ePublic/event/saveWebReg.do>

- Ukraine's seaports are the main gateways for the country's exports and imports.
- Despite the pandemic, record high cargo volume last year.
- Government launching infrastructure modernization tenders for equipment and services and concessions re: seven ports.



Sectors: Environmental/Ag Technology

Percentage of Total Renewable Water Resources
Originating Outside the Country (2014)*



- Growing populations, developing industries, increased demand for water for human consumption, energy, industry, agriculture.
- Central Asia: Soviet-era water-intensive production of cotton is outdated and resulted in ecological damage (Aral Sea).

Sectors: Environmental/Ag Technology

Opportunities: water solution providers and companies involved in irrigation, water conservation, filtration, purification, de-salination, etc.

- Azerbaijan
- Turkmenistan
- Uzbekistan
- Kazakhstan

Agricultural machinery and food processing/packaging equipment:

- Ukraine and Uzbekistan - ag is 17% of GDP, Ukraine has ¼ of world's highly fertile "black soil,"
- Kazakhstan - country/steppe size of Western Europe, 70% of land suitable for agriculture, but less than ½ under production.



Sector: Educational Services

- Growing Student populations and strong interest in studying in the United States.
- 18% growth from Russia, 8% growth from Ukraine in recent 5-year period (-2018) Highly populous Uzbekistan untapped.



Our Worldwide Network of Education Experts Will Help You:

- Adopt new digital strategies
- Meet with companies that require specialized training
- Connect to high school counselors, potential recruitment partners, and universities
- Recruit international students

Sectors - Educational Services

Virtual Connection Program: Europe and Eurasia

Two-part event:

- **April 27th:** Regional education market webinar and consular updates for U.S. schools.
- **June 21-25th:** 8 am -3 pm ET. Virtual Connection Program - B2B virtual meetings to match U.S. higher education institutions and secondary schools with student recruitment agents in-country, high school counselors and directors, and foreign universities.
- Contact: bernadette.rojas@trade.gov





Thank you

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