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## **ARMENIA STANDS TO BENEFIT FROM EURASIAN ECONOMIC UNION, IRAN TRADE DEAL**

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The Iranian Parliament ratified an agreement on the creation of a free trade zone with the Eurasian Economic Union on 10 June.

Negotiations on behalf of the union were led Armenia. As a result, all its members, including Armenia, will pay lower duties when importing and exporting more than 500 goods from Iran.

The countries of the Eurasian Economic Union have already ratified this agreement in their parliaments. However, this is still a temporary agreement. Negotiations around the main agreement will begin in a year.

The agreement between Iran and the Eurasian Economic Union provides for a reduction in customs fees for all participants.

This will concern more than 500 goods, for which customs fees will be reduced or entirely removed.

The agreement hopes to boost trade between the EEU and Iran.

The countries of the EAEU will export meat products, sweets, cosmetics, machinery and technical equipment to Iran, while Iran will export vegetables and fruits, building materials and carpets to the countries of the EAEU.

The agreement will involve a particular reduction on duties for industrial goods:

- Iran will reduce them from 22.4 percent to 15.4,
- While the EAEU will reduce duties from 8 percent to 4.7.

The reduction of duties will also affect agricultural products. In Iran, border payments for agricultural products are quite high – more than 32 percent. The agreement will reduce them more than half – to 13.2%.

In the EAEU zone, duties on agricultural products will also be significantly reduced – from 9.6% to 4.6%.

The simplification of the customs regime will allow Armenia and the members of the EAEU to export more products to the Islamic Republic. The market of this country for many years was unavailable due to high customs duties.

It is worth noting that Iran continues to remain inaccessible to many foreign exporters. Duties on industrial products in this country are 4.5 times higher than in the EAEU. The reduction of duties will affect almost half of the goods that form the trade turnover between Armenia and Iran, said economist Atom Margaryan.

Iran's economy is closed. The country resorts to serious protectionist measures to protect the local producer. Iranian scholar Vardan Voskanyan says Armenia should make the most of new opportunities:

Armenia is the only EAEU country that has a land border with Iran. And in Iran there is a point of view that Armenia should become a gate for them that goes to the countries of the EAEU, and a gate to Iran for the countries of the EAEU. So we must try to fully take on the functions of this gate for two parties.

Voskanyan says there are necessary prerequisites for this, in particular, a zone of free economic trade on the Armenian-Iranian border.

Voskanyan says that thanks to this agreement, Armenia can receive not only economic dividends, but also political ones: in the region there is a struggle for Iran between Armenia and Azerbaijan. Each country is trying to attract Tehran with large projects, in particular in the field of transport and energy. This agreement will allow Armenia to significantly strengthen its position.

<https://jam-news.net/armenia-will-receive-privileges-to-import-more-than-500-goods-from-iran/>

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