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«Promoting economic progress and security in the OSCE area through innovation, human capital development, and good public and corporate governance»

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Session I: Digital economy as driver for growth and connectivity

Distinguished Chairman and participants!
Ladies and gentlemen!

Let me first use this moment to thank you for the opportunity to continue the dialogue between the Organization for Security and Co-operation in Europe (OSCE) and the Eurasian Economic Union (EAEU), initiated last fall in these walls and encouraged by the Chairman of the Board of the Eurasian Economic Commission T. Sargsyan.

My first task for today is to share experience of unlocking digital transformation potential for the Eurasian integration processes and the second one is to outline basics of the EAEU digital agenda.

Obviously not only technological innovations but also business-processes and new business models creating added value primarily through data management and analytics lie at the core of global digital transformation phenomenon. This phenomenon is highly controversial as from the one hand it creates new challenges and from the other hand - new opportunities.

We observe tightening development opportunities; depreciation of traditional assets; labour market imbalances and out-migration to other more competitive digital economies, digital ecosystems and platforms. The explosively growing risk of personal and other data-types misuse is also of the highest concerns.

Simultaneously new opportunities arise and lead to:

Boosted competitiveness;

Conducive environment for innovations and technologies;

Sustainable development;

Co-creation of digital assets resulting from cross-border projects;

Innovative jobs in emerging sectors of the economy, etc.

If realized through sustainable and harmonious approaches digital transformation can be of interest to all: from individuals to integration unions.

The EAEU triggered its digital agenda discussions in 2016, having had realized the need for economic shift to the digitally enabled economic development as well as for innovative environment stimulation.

The EAEU member-states agreed upon the following principles:
 equal partnership, comprehensive cooperation and synergy effects;
 digital inclusion;
 competitive business environment;
 mutual benefits;
 equal access to data sets;
 interoperability.

Coherence between the member-states' digital economy strategies and the joint digital agenda allow getting the best outcome desired: digital space without digital barriers.

October 11, 2017 heads of the EAEU member-states adopted "Main directions the EAEU digital agenda – 2025" and outlined priorities for the upcoming years.

The EAEU digital Agenda framework includes:

Digital sectoral and cross-sectoral transformation (end-to-end digitization of physical assets and their integration into digital ecosystems);

Digital single market (single market for goods, services, capital and labour without digital barriers);

Digital transformation management (accelerating digital transformation of public administration);

Digital infrastructure and security (infrastructure stability and reliability).

The research conducted together with the World Bank («EAEU digital agenda – 2025: prospects and recommendations») revealed the potential effects, which stem from the EAEU digital agenda implementation:

1% per annum additional GDP growth;

8 million additional jobs;

\$50 billion business savings.

There are several EAEU digital agenda mechanisms, most important from which include:

Coherent policy;

Integration initiatives and projects.

These mechanisms are accompanied by comprehensive dialogue with stakeholders and centers of competence on the ground of the Commission.

Commission is open for initiatives from each country. In case of their compliance with digital agenda and support of at least two of the parties, developmental work starts.

There six priorities agreed upon at the EAEU highest managerial level:

Digital traceability of products, goods, services and assets;

Digital transport corridors;

Digital trade;

Digital industrial cooperation;

Data flows agreement;

Regulatory sandbox ecosystem.

EAEU digital agenda implementation did not start from scratch. The automatization is being actively promoted for several years, so far. Open integration model is based on the principles of interoperability. Its main elements are the data model, the EAEU common processes, reference

information and standards system, cross-border space of trust. Currently there are 75 common EAEU processes designed.

Mutual interest, equitable partnership and complementarity of actions underpin mutually beneficial digital economy development.

There are several principles which are the backbone of international cooperation in the context of digital transformation of economy:

Integrated information system as a platform for interaction with other partners through common processes (for example, between the Union and the Socialist Republic of Vietnam);

Elaboration of international standards to ensure interoperability, end-to-end processes and set the basis for the development of the global digital infrastructure;

International digital cooperation in high-tech sectors.

Dear colleagues, I would like to highlight some key takeaways and outline final proposals for the Forum.

EAEU member-states are OSCE members as well. Thus, two organizations have a common ground for cooperation in a variety of fields including digital transformation of economy.

Mutual interest, equitable partnership, interactive dialogue and risk reduction can underpin OSCE-EAEU cooperation.

Projects increasing infrastructure connectedness, services interoperability and reducing cross-border digital barriers are promising fields of cooperation. In this regard we propose cooperation realized through projects on issues such as digital transport corridors, digital industrial cooperation, traceability of products, goods, services and assets, digital infrastructure compatibility and interoperability, digital space of trust.

Together we can consolidate efforts on production and transit of goods through the Eurasian corridors Europe – EAEU – China. We are ready to launch consultations on common projects and develop expert proposals for international consortia establishment to implement these projects.

Finally, we believe that opinion diversity, stakeholder engagement, inclusive dialogue and international networks of competences and expertise will allow all of the parties involved reap the benefits from digital transformation projects.

Thank you!