

The Treaty on the Eurasian Economic Union came into effect on January 1, 2015 after being signed by the heads of Belarus, Kazakhstan and Russia in May 2014. And this year Armenia and Kyrgyzstan have acceded to the Union.

One of the key components of the Treaty is the "Energy" section. The provisions of energy section set the relations between member states in the energy field, preparation of indicative (projected) balance sheets of gas, oil and petroleum products, access to services of natural monopolies in transportation of such energy resources as electricity, gas, oil and petroleum products.

The treaty defines the main principles for common energy markets' grouping, including provision of market pricing, promotion of competition, elimination of trade barriers in energy resources, the creation of non-discriminatory conditions for economic entities on the general markets, as well as enabling environment for investments attraction.

As an anticipated effect of common markets' grouping, primarily it is planned to ensure free movement of goods and services in the energy sector, create equal economic conditions taking into account differences of fuel-energy complexes in member states, and increase their competitiveness.

Regarding the electricity sector, according to the Treaty, on 8 May 2015 there was adopted the Concept and by July 1, 2016 will have been approved the Program for Common Energy Market Grouping. The Program is to include implementation activities until July 1, 2018.

When Program implementation is completed the parties will sign an international Agreement on Common Energy Market Grouping within the Union and ensure its entry into force by 1 July 2019. This international agreement will include common rules for access to services of natural monopolies in the electricity sector.

The access to services of natural monopolies in electricity sector in the Treaty is defined as an ability of one member state internal market player to make use of such services in other member state. Today the legislation of the Republic of Belarus relates the transmission and distribution of electricity to these services.

The principles of common energy markets' grouping consider the advantage of parallel energy systems operation, avoidance of economic damage, the use of market mechanisms, consequent common market grouping in terms of existing electricity markets models, gradual harmonization of member states' laws in electricity sector.

It should be noted that member states shall ensure unobstructed access to the services of natural monopolies in the electricity sector according to their technical capacity, provided the priority use of these services to meet internal demand in electricity (power).

Regarding the gas sector, the parties determined the schedule for common gas market grouping. According to the Treaty, by January 1, 2016 the heads of states shall have approved the Concept and by January 1, 2018 the Program for Common Gas Market Grouping. The Program is to include implementation activities until January 1, 2024.

When Program implementation is completed the parties will sign an international Agreement on Common Gas Market Grouping within the Union and ensure its entry into force by 1 January 2025. The agreement will include common rules for access to the gas transport systems of the member states.

At the same time, the member states have agreed that the relations on gas transportation originating from the territory of the third countries, as well as relations on gas transportation from the territory and to the territory of the Union are not regulated by the Treaty.

The states shall make a stepwise grouping of a common gas market and ensure access to its transportation systems, based on the principles of customs-free mutual trade in gas, priority supply to meet internal gas demand, national pricing for gas transportation, harmonization of gas norms and standards, environmental safety and information exchange.

At the same time, securing access to gas transportation systems of the member states requires implementation of number of measures such as: establishment of information exchange system, mechanisms for balance sheets' preparation, harmonization of norms and standards, supporting market gas prices.

The Methodology for preparation of indicative (projected) balance sheets of gas, oil and petroleum products is to be approved in 2015.

The agreement stipulates that the member states shall ensure unobstructed access of other member states' entities to the transmission system on the territory of the Union according to their technical and spare gas transmission capacities. It is also planned to develop common rules for the access to gas transportation systems of the member states during common gas market grouping of the Union which is to be in operation not later than 2025.

Republic of Belarus confirms its readiness to continue international cooperation on ensuring global energy security that will maximize efficient generation, transportation, distribution and consumption of energy resources in economically sound, socially acceptable and environmentally friendly way.

Geopolitical location and active position of Belarus with regard to "integration of integration process" of the European Union and countries of Eurasian Economic Union will play an important role in interoperability of national and regional energy systems and common energy market grouping.

The location of Belarus in the center of Europe between energy systems of Russia, Ukraine, Lithuania and Poland is a good precondition for win-win energy trade-offs and transit through Belarus to different parts of the world.

The Republic of Belarus as a reliable partner and transit country is open for implementation of future infrastructure projects to ensure global and regional energy security.

Strategic state governance of the energy sector in combination with Public-Private Partnership project implementation approach can be regarded as a crucial factor in making foreign investment decisions in the Republic of Belarus.

Thank you for attention