

# On the Paradox of the Definition of Temporary Bans on a Variety of Mining Products

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## **Հանքարդյունաբերական մի շարք ապրանքների ժամանակավոր արգելքների սահմանման պարադոքսը**

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**Ամփոփում.** Հոդվածի նպատակն է ներկայացնել Հայաստանի Հանրապետությունում վարվող հովանավորչական տնտեսական քաղաքականության համատեքստում ներկայումս գործող հանքարդյունաբերական մի շարք ապրանքների արտահանման ժամանակավոր արգելքների տնտեսագիտական բովանդակությունը, այդ թվում դրանց սահմանման ժամանակագրությունը և խնդրո առարկա ապրանքների Հայաստանի Հանրապետությունից արտահանման և Հայաստանի Հանրապետություն ներմուծման ծավալների վերլուծությունը:

Հոդվածի խնդիրն է հանդիսանում ներկայացնել գործող հանքարդյունաբերական մի շարք ապրանքների արտահանման ժամանակավոր արգելքների սահմանման ոչ թիրախային և չհիմնավորված լինելու հանգամանքը, այդ թվում ներկայացնել Հայաստանի Հանրապետությունում սև մետաղների պաշարների առկայության պարագայում սև մետաղներից պատրաստված արտադրանքների, այդ թվում սև մետաղների ջարդոնների արտահանման արգելք սահմանելու պարադոքսը:

Հոդվածի շրջանակներում կատարված հետազոտությունում կիրառվել է գիտական հետազոտության մեթոդներից գիտական ճանաչողության ընդհանուր մեթոդի էմպիրիկ մեթոդներից համեմատությունը, ինչպես նաև վերլուծության և ինդուկցիայի մեթոդը:

Հոդվածի շրջանակներում կատարված հետազոտության արդյունքների հիման վրա կարող ենք եզրահանգել, որ Հայաստանի Հանրապետության կառավարության որոշումներում ներառված մի շարք ապրանքներ վերջին տարիներին չեն արտահանվել Հայաստանի Հանրապետությունից, հետևաբար դրանց առնչությամբ արտահանման արգելքների սահմանումը տնտեսագիտական հիմնավորում չունի, իսկ նշված ապրանքներին համանման մի շարք այլ ապրանքներ, որոնք տարիներ շարունակ Հայաստանի Հանրապետությունից արտահանվում են, դրանց առնչությամբ արտահանման արգելքներ նախատեսված չեն: Հոդվածի շրջանակներում իրականացված հետազոտության արդյունքում եզրահանգել ենք նաև, որ Հայաստանի Հանրապետության տնտեսական քաղաքականություն մշակող գերատեսչության կողմից ժամանակավոր արտահանման արգելքների սահմանման փոխարեն պետք է մշակվեն սև մետաղների արդյունահանմամբ ու վերամշակմամբ զբաղվող կազմակերպությունների գործունեություններին խոչընդոտող հանգամանքների վերացմանն ուղղված մեխանիզմներ և ներդրվեն համապատասխան մեխանիզմներ վերջիններիս գործունեության արդյունավետության բարձրացման նպատակով, ինչպես նաև նախադրյալներ ստեղծվեն նշված կազմակերպությունների միջև առավել ամուր տնտեսական հարաբերություններ ապահովվելու համար:

**Հանգուցաբառեր՝** Հանքարդյունաբերություն, հանքարդյունաբերական ապրանքներ, ժամանակավոր արգելք, ժամանակավոր սահմանափակում, արտահանում, սև մետաղներ, երկաթի հանքաքարի պաշարներ

## **О парадоксе определения временных запретов экспорта на различные продукты горнодобывающей промышленности**

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**Аннотация.** Цель статьи-изучить экономические причины временных запретов на различные продукты горнодобывающей промышленности в контексте политики экономического протекционизма в Республике Армения. Также рассматривается вопрос о хронологии установления запретов и анализе объемов экспорта и импорта.

В статье рассматриваются нецелевые и необоснованные обстоятельства введения временных запретов на экспорт ряда продуктов горнодобывающей промышленности, включая запреты на продукцию из черных металлов, отходы черных металлов в обстоятельствах значительных запасов черных металлов.

Анализ основан на сравнении методов исследования, общего метода научного познания, эмпирических методов и метода анализа.

Результаты показывают, что ряд товаров, предусмотренных решениями, принятыми Правительством Республики Армения, в последние годы не экспортировались. В данном случае эти барьеры не имеют экономического обоснования, но в то же время никакие барьеры не применяются в отношении ряда аналогичных товаров, экспортируемых в течение многих лет. Механизмы, направленные на устранение препятствий для организаций, занимающихся добычей и переработкой черных металлов, а также создание предпосылок для обеспечения более прочных экономических связей между ними, должны быть разработаны и внедрены вместо установления временных экспортных барьеров, разработанных государственным органом, ответственным за экономическую политику.

**Ключевые слова:** добыча полезных ископаемых, продукция горнодобывающей промышленности, временный запрет, временные барьеры, экспорт, черные металлы

## Introduction

At the current stage of Armenia's economic development, those sectors declared as a priority direction, export-oriented, and have the potential (such as the mining industry), are of particular importance for ensuring economic growth. Nevertheless, from the point of view legal regulations, which are related to export of products, there are certain problems that can hinder export development. In particular, the research tackles the paradoxical norms entailed in the Decrees of the Government of the Republic of Armenia. These norms relate to temporary bans on the export of several mining products in 2021 and 2022, and the exported and imported value of these products.

## Analysis

The Republic of Armenia, being a member of the Eurasian Economic Union, decided to take advantage of the opportunity provided by articles 29 and 47 of the Treaty on the Eurasian Economic Union from May 29, 2014. Moreover, based on the provisions provided by paragraph twenty-three of Article 2 of the Law of the Republic of Armenia "On Trade and Services", by the decree 28-N of the Government of RA from January 14, 2021 [1], since January 25, 2021, the export of some goods was temporarily banned, such as goods under codes 7201, 7204, 7303 00, 7304, 7305, 7306, 7307, 7308 of Single Commodity Nomenclature of Foreign Economic Activity of Eurasian Union (SCN of FEA of EEU). They include iron and steel wastes and scraps, iron and steel metal pipes and their fittings, as well as iron and steel structures. The decree also applies to iron and steel tiles under the CCT of the EEU codes 7324 and 7326 and used cast radiators under the CCT of the EEU code 7322.

In addition, the export of waste and scrap of non-ferrous metals under the CCT of the EEU codes 7404 00, 7503 00, 7602 00, 7802 00 000, 7902 00 000, 8002 00 000, 8101 97 000, 8102 97 000, 8103

30 000, 8104 20 000, 8105 30 000, 8106 00 100, 8107 30 000, 8108 30 000, 8109 30 000, 8110 20 000, 8111 00 190, 8112 13 000, 8112 22 000, 8112 52 000, 8112 92 210, 8113 00 400 from RA including the member states of the Eurasian Economic Union were also temporarily banned. On the other hand, according to the same decree, the ban did not apply to goods that, in accordance with the customs procedures of "temporary import" and (or) "processing in the customs territory", were imported into the RA and later exported. The law also did not apply to the goods transported to the EAEU member states for processing, placed under the customs procedure of processing outside the customs territory on the condition of the return of the processed product to the RA; or the goods produced in the RA and classified under the above-mentioned CCT codes, besides the goods under codes 7201 and 7204 of CCT of the EEU.

Concluding, it should be mentioned that by banning the export of raw materials, the Government of the RA tends to stimulate the production of mining products, but in this case the possibility of export for processing of the goods under codes 7201 and 7204 of the EAEU Customs Code is unclear. Besides, the above-mentioned decree was amended according to the RA Government decree 182-N dated February 12, 2021 [2]. Hence, after 10 days after the official publication on February 12, 2021, a temporary ban was also imposed on the goods under code 854810 of CCT of the EEU, such as waste and scrap primary cells, primary batteries, and electric accumulators, discharged primary cells, batteries and electric accumulators. Meanwhile, the plan was that since February 13, 2021, the above-mentioned ban does not apply to goods declared before January 25, 2021, and authorized by the customs authorities for release, established by the same decree, since there were goods that had already been released by

the customs authorities, therefore, without such an exception, the actual export of the latter from the RA would have been banned.

Then, according to decree 798-N of the RA Government from May 20, 2021 [3], the temporary ban was extended until January 24, 2022. Later, according to the same decree, the export of non-ferrous metal waste and scrap from Armenia included in the previous decree was also banned, including those goods which were already being processed. In other words, if previously only goods classified under the codes 7201 and 7204 of CCT of the EEU were not allowed to be exported for processing, then according to this decree, the goods specified in previous decrees were also not allowed to be exported for processing, except for the goods classified under the code 854810 of CCT of the EEU.

Less than a month later, RA Government decree 979-N from June 14, 2021 [4] considered that export for processing was limited for primary cells of waste and scrap, primary batteries and electric accumulators, discharged primary cells, batteries, and electric accumulators. However, it was decided that the ban was not applied to the export of waste and scrap of non-ferrous metals under the codes 7404 00, 7503 00, 7602 00, 7802 00 000, 7902 00 000, 8002 00 000, 8101 97 000, 8102 97 000, 8103 30 000, 8104 20 000, 8105 30 000, 8106 00 100, 8107 30 000, 8108 30 000, 8109 30 000, 8110 20 000, 8111 00 190, 8112 13 000, 8112 22 000, 8112 52 000, 8112 92 210, 8113 00 400 of the CCT of the EEU, as well as goods under 854810 CCT code in the following case: if, within 10 days after June 16 until May 22, 2021 inclusive, the declarant submits the accounting document to the customs authorities justifying the purpose of transaction documentation under the Tax Code of the RA, as well as the certificate of the goods origin country provided to the declarant in accordance with the law in the same period.

Concluding all the above-mentioned, it can be said that no clear policy is being pursued. Also, hasty changes are being made in the legal acts regulating the sector, according to which, for some reason, more and more products are being banned for export. On the other hand, the deadlines for certain actions are very short, for instance, the organization must submit documents to the customs authority within 10 days, otherwise, the ban can be implemented. In other words, “surprises” are inevitable, but at the same time organizations are discriminated, as the opportunities are short-term, therefore, organizations engaged in the export of the above-mentioned goods do not have the opportunity to carry out long-term planning and also lead to a

deterioration in partnerships with organizations engaged in the import of the goods in other states.

It should be noted that this policy of the Armenian Government does not stimulate the development of Armenian production, but leads to a decrease in the efficiency of organizations. However, Government decree No. 46-N from January 20, 2022 [5], again considers a temporary ban on exports from January 25, 2022 to July 25, 2022, but with a number of changes. In particular, besides the previous ones, a temporary ban was planned on the rails classified under code 7302 of CCT of the EEU. Based on the fact that since January 1, 2022, the Single Commodity Nomenclature of Foreign Activity of the Eurasian Economic Union has been changed, including a number of codes, but the goods prohibited for export remained the same, however, the export for processing was limited for used rails classified under the codes 7302 of CCT of the EEU, as well as used grinding balls under the codes 7325 and 7326 CCT of the EEU.

Later, according to the RA government decree 769-N from May 26, 2022 [6] a temporary ban was planned on the export of those mining goods that were already planned by decree 46-N on January 20, 2022. However, as a transitional provision, the new decree was planned to come into force on July 26, 2022, that is, after the termination of the previous one. Undoubtedly, unlike the previous hasty decrees that were adopted in the last days of the deadline, this time the new decree of the Government of the RA was developed by the Ministry of Economy of the RA earlier, and the organizations, 2 months prior to the deadline, already knew that the temporary export ban would be in force until January 26, 2023.

Thus, it can be stated that such an inflexible policy of the Armenian Government may hinder, rather than stimulate, the ability of economic entities to fully realize their export potential. It also may have the worst consequences on Armenia’s stable competitive position in various international markets, including the markets of Eurasian Economic Union member states.

Hence, the policy of the RA was changeable both in 2021 and 2022 and continues to be the same, with new restrictions and exceptions.

To understand the policy pursued by the Government of RA, the necessity bases of the decrees adopted on January 25, 2021 and in May 2022 were studied.

According to the substantiation of the RA Government decree from January 25, 2021, effective steps are being taken to process secondary raw materials on the spot to provide local industrial enterprises with the opportunity to develop their

own production using scrap and waste of iron and steel and non-ferrous metals. Scrap and waste of iron and steel and non-ferrous metals are strategically important raw materials for Armenia, given the fact that there is no production of iron and steel and non-ferrous metals in Armenia, recycling of scrap and waste can make up for the shortage of these goods. In particular, there are about 30 metallurgical and metalworking companies operating in Armenia, whose products are fully or partially based on local laws on the use of scrap metal and waste. For example, Charentsavan "Dzulakentron", "Aske Group", Yerevan "Jrkonstrutsia", "Nikol Duman", "Edmet", "IN VI LAYN", as well as a number of companies producing electric wires, use local scrap and waste of iron and steel and non-ferrous metals. In the case of working with imported metal, the cost of production of these companies will increase several times making it uncompetitive. In the absence of local secondary raw materials, they will be forced to completely or partially cease their production. In 2017, about 8000 tons of iron and steel, 2472 tons of copper waste and scrap, and 2000 tons of aluminum waste and scrap were exported. In 2018, more than 12 thousand tons of iron and steel and non-ferrous metals were exported [7].

According to the decree of the Government of RA dated May 25, 2022, the purpose of a temporary ban on the export of scrap metal and waste was to enable local industrial enterprises to develop their own production using scrap and waste of iron and steel and non-ferrous metals as secondary raw materials. Scrap and metal waste are strategically important raw materials for Armenia, given the fact that there is no extraction of iron and steel in Armenia (there are no natural reserves of iron and steel), then the recycling of scrap and waste can make up for the shortage of these goods. As for working with metal imported by industrial enterprises in the absence of local scrap and waste, the cost of production of these companies increases several times, which makes it uncompetitive. It should be noted that after implementing the ban on the export of metals, the volume of local metal production has significantly increased. In particular, according to the Statistical Committee of RA, in January-September of this year, the volume of rolled metal alone amounted to more than 115.2 thousand tons, which increased by 8.4 times compared to last year. In particular, according to the Statistical Committee of RA, in January-September of this year, the volume of rolled metal alone amounted to more than 115.2 thousand tons, which increased by 8.4 times compared to last year. At the same time, discussing the implementation of the ban on the export of metals, a number of economic entities had

a fear that local economic entities accepting scrap would form a monopoly and this would lead to an unjustified reduction in scrap prices, but experience shows the opposite. So, last year the consumption of iron and steel amounted to 40 thousand drams (including VAT), and this year it has grown to 60 thousand drams (without VAT). To continue the measures stimulating the development of local industries on the part of the state, the Ministry of Economy of RA considers it expedient to establish a ban on the export of goods mentioned in the draft for another 6 months [8].

A number of studies have been conducted on the above-mentioned substantiation:

1. As for the lack of natural resources of iron and steel in the RA, reserves of iron and steel have been found on the territory of the RA, of which iron ore reserves may be of practical importance, first of all. The found iron mines are not equivalent in their reserves, mineral composition, operational, transport and geographical conditions. The greatest industrial value is the iron reserves of Hrazdan, Kaputan and Svarants. The Kaputan mine is located near the village of Kaputan, Kotayk region, about 25 km from Yerevan. Here the average iron content is 28-30%. The approved industrial reserves of this mine are about 244 million tons, and prospective reserves are 400 million tons. The Hrazdan deposit is located directly next to the city of Hrazdan, the average metal content is 32%, industrial reserves are 50 million tons, and prospective reserves are 150 million tons. Both of these mines have favorable industrial and geological conditions. The reserves of the Svarants mine, located in the Syunik region, are relatively large. The iron content in this mine is 21%, and the projected reserves are estimated at about 1 billion tons. But the mine's natural and climatic conditions are not so favorable. The iron from the Kaputan and Svarants mines is of high quality and can be used for the production of high-quality steel. On the territory of Armenia, iron ore reserves have also been found in the southern part of the Syunik region, on the mountain slopes of Bazum, near Noyemberyan, and elsewhere. In general, projected reserves of iron ore have been found on the territory of the RA, with reserves amounting to 3.8 billion tons [9].

At the same time, the Hrazdan iron mine was ready to be operated by "Nagin" LLC based on a special license, but later the company sold its operational rights to the Chinese "Fortune Oil" company, whose Armenian representative is Fortune Resources LLC. In particular, by order No. 27-A of the Minister of Trade and Economic Development of RA from January 26, 2007, a special license Na-A-14/453 for the extraction of the Hrazdan iron ore mine was granted to Nagin LLC for a period of 25

years, i.e. valid till January 26, 2032. Under a special license, the company was provided with fully confirmed reserves of the mine for production, that is, 50 million tons, with an annual capacity of 2.0 million tons. On May 31, 2007, the Ministry of Nature Protection of RA for additional exploration and revaluation of the reserves of the mine, the company was granted license 66 for the study of the subsoil for exploitation of minerals. Based on this license agreement 244 for the study of the subsoil for the exploitation of minerals was signed on May 31, 2007. The reserves of the Hrazdan steel mine in Kotayk region were approved by the State Commission on Reserves of the USSR by Protocol No. 4184 of December 21, 1963, and by categories B+ C amounting to 50061 thousand tons of iron ore, with the iron content of 31.98%. However, by the decree of the Agency for Mineral Reserves N152 of December 12, 2007, and N152-a of March 18, 2008, the reserves of the Hrazdan iron ore deposit were revalued and in categories B+C amounting to 77736.4 thousand tons of iron ore, with an average iron content of 26.46%, and the amount of iron of 2.6 million tons [10].

Thus, from the above, it becomes clear that the RA has reserves of iron and steel, including iron reserves, from which the goods mentioned in the resolutions of the Government of RA are made. However, it should be noted that iron and non-alloy steel in ingots or other primary forms are included in the CCT of the EEU under code 7206 and there is no export ban for goods under this code. Also, in January-February 2022, 1808.46 tons of iron ingots

with a customs value of 305 million drams were exported from the RA.

On the other hand, when exporting from the RA, the declarant is obliged to fill in the CCT of the EEU code in the declaration for goods. Therefore, if the declarant wishes to export goods from the RA that is not included in the above-mentioned decrees of the Government of RA, but is similar in nature or similar to the above-mentioned goods, but is classified under other CCT of the EEU codes, then the declarants are required to submit additional documents to the customs authority. This is done to substantiate the code of the goods mentioned in the goods declaration, therefore, as a result of this, additional obstacles are created for the declarants.

2. As for the volume of imports and exports of mining goods, the changes that occurred as a result of a temporary ban by the resolutions of the Government of RA, the dynamics of goods in 2017-2021 in groups 72 and 73 of the CCT of the EEU and under codes 7404, 7503, 7602, 7802, 7902 and 8002 of the CCT of the EEU, as well as under codes 7404, 7503, 7602, 7802, 7902 and 8002 HS of the EAEU. 8101 97 000, 8102 97 000, 8103 30 000, 8104 20 000, 8105 30 000, 8106 00 100, 8107 30 000, 8108 30 000, 8109 30 000, 8110 20 000, 8111 00 190, 8112 13 000, 8112 22 000, 8112 52 000, 8112 92 210, 8113 00 400 and 8548 10 were studied. In particular, the volumes of export and import of the products included in the latter groups were studied, including the rate of the chain growth, as well as according to the distribution to countries.

CCT of the EEU	Import 2018/2017	Export 2018/2017	Import 2019/2018	Export 2019/2018	Import 2020/2019	Export 2020/2019	Import 2021/2020	Export 2021/2020
7210	34%	-200%	-2%	100%	24%	-88%	-9%	580%
7214	32%	-	-13%	100%	19%	210%	4%	571%
7208	19%	100%	-17%	0%	-8%	-100%	56%	100%
7213	7%	-	25%	-	14%	100%	84%	-80%
7202	21%	-51%	-21%	13%	-23%	-30%	101%	90%
7217	48%	-	-3%	-	7%	100%	49%	-100%
7216	38%	-133%	19%	3250%	-15%	-96%	-4%	4100%
7209	28%	-	2%	-	-7%	100%	-4%	58%
7219	18%	-	111%	100%	10%	-40%	-25%	33%
7207	-30%	-	211%	-	-4%	100%	-23%	267%

7225	13%	-	71%	-	-10%	-	20%	100%
7211	-23%	-	18%	-	88%	-	-39%	100%
7220	65%	-200%	-43%	-	-36%	-	172%	-
7215	242%	-	-56%	100%	-69%	-78%	-40%	-100%
7228	1763%	-	-64%	100%	-3%	933%	-26%	39%
7226	338%	100%	-16%	-100%	142%	-	53%	100%
7205	1000%	-	455%	-	-69%	-	721%	-
7206	-31%	-	14%	100%	-64%	-29%	62%	15467%
7212	835%	-	-61%	-	-86%	-	32%	-
7222	-20%	-200%	123%	-	-40%	-	-2%	-
7229	70%	-	54%	-	-2%	-	-59%	-
7223	-7%	-	0%	-	15%	-	13%	-
7227	-98%	-	450%	-	1455%	-	-96%	-
7224	-100%	-	100%	-	600%	-	-100%	-
7221	-	-	-	-	100%	-	-100%	-
7218	-	-	-	-	100%	-	-100%	-
7204	-97%	25%	160%	1155%	-100%	-52%	-	-60%
7201	-100%	-	100%	-	-100%	-	-	-

**Table 1.** The rates of chain growth in the volume of imports [11.1] and exports [11.2] in 2017-2021 of goods in the group of 72 CCT of the EEU (the table is compiled by the author based on statistical data).

From Table 1, it becomes clear that the total exported value of the goods classified under the codes 7206, 7207, 7208, 7210, 7213, 7214 and 7216 included in group 72 of CCT of the EEU amounted to about 70% of the total exports of goods of the same group, however, according to the resolutions of the RA Government, there is no ban on export from the RA.

Goods classified under code 7201 of the CCT of the EEU were not exported from the RA. These goods were imported from Russia and Ukraine only

in 2017. The volume of imports from each country amounted to 13,000 US dollars each, as well as 3,000 US dollars in 2019 [11.3].

Ferroalloys classified under CCT of the EEU code 7202 are primary raw materials for other goods production and are mainly exported to the Netherlands, Russia, Poland and the Czech Republic, but the goods in this group are not included in the decrees by the Government of RA [11.4].

Importing country	Exported value of goods (US Dollar thousand)				
	2017	2018	2019	2020	2021
World	84 392	125 876	142 426	99 237	188 739
Netherlands	75 329	123 565	140 546	86 218	175 320
Russian Federation	5 352	2 311	1 880	11 672	10 843
Poland	0	0	0	0	2 425
Czech Republic	0	0	0	0	151

**Table 2.** Exported value of the goods belonging to the 7202 CCT of the EEU in 2017-2021 according to statistical data [11.4].

The goods classified under the CCT of the EEU code 7204 [11.5] were exported from the RA also in 2021, therefore, the export period was studied. In particular, according to the information published on the official website of the RA State Revenue

Committee [12], the above-mentioned exports were carried out during the first quarter of 2021, in particular, goods classified under codes 7204 21, 7204 29, 7204 10 and 7204 41 of the CCT of the EEU were exported to non-member states Of the

Eurasian Economic Union, with customs clearance according to the procedure. 80% of the goods classified under code 7204 49 of the CCT of the EEU have been exported to Russia and the rest was exported to EEU non-member states.

Thus, it can be stated that the implementation of a temporary ban on goods included in the CCT of the EEU under code 7204 has substantiation since they have been exported from the RA for years.

Importing country	Exported value of goods (US Dollar thousand)				
	2017	2018	2019	2020	2021
World	244	548	6876	3307	1325
Russia	0	0	1317	361	849
Iran, Islamic Republic of	0	69	1954	1648	292
Belize	19	64	462	0	93
Lithuania	0	0	0	197	65
United Arab Emirates	184	31	0	13	27

**Table 3.** Exported value of the goods under code 7204 of CCT of the EEU for 2017-2021 according to statistical data [11.6].

CCT of the EEU	Import 2018/2017	Export 2018/2017	Import 2019/2018	Export 2019/2018	Import 2020/2019	Export 2020/2019	Import 2021/2020	Export 2021/2020
<b>7326</b>	4%	80%	16%	81%	29%	8%	-20%	137%
7318	17%	-54%	6%	9%	4%	92%	-6%	181%
<b>7302</b>	14%	-8%	16%	-96%	141%	500%	-68%	556%
<b>7322</b>	-7%	-97%	-21%	488%	7%	1426%	27%	23%
7310	75%	324%	16%	-17%	45%	-49%	-38%	276%
7321	64%	629%	-12%	-90%	-12%	1960%	46%	145%
7320	62%	328%	4%	10%	33%	29%	-21%	132%
<b>7306</b>	39%	1058%	28%	-47%	12%	-62%	7%	172%
7315	33%	190%	-22%	-41%	34%	453%	6%	121%
7323	33%	-17%	5%	-45%	-16%	-49%	14%	396%
7311	21%	33%	55%	207%	-42%	-35%	36%	54%
<b>7308</b>	-5%	-75%	-39%	616%	23%	48%	14%	43%
7314	21%	-83%	-12%	400%	4%	-20%	29%	963%
<b>7305</b>	-23%	-45%	-42%	-100%	135%	-	-45%	100%
<b>7307</b>	82%	455%	-15%	343%	60%	-89%	-26%	123%
<b>7325</b>	44%	271%	9%	-66%	2%	-63%	19%	72%
7312	36%	-86%	-5%	180%	19%	-64%	7%	340%
7309	86%	-100%	66%	100%	-12%	9850%	-64%	7%
7317	-48%	-100%	4%	-100%	-17%	100%	7%	900%
7324	4%	5160%	8%	32%	-14%	49%	-9%	2%
<b>7304</b>	53%	-97%	10%	786%	-1%	152%	142%	1%
7301	54%	-	-88%	-	121%	-	-77%	-
<b>7303</b>	3367%	-	-61%	-	-83%	-	257%	-
7319	-39%	100%	-26%	-75%	0%	0%	35%	0%

**Table 4.** The rates of chain growth in the volume of imports [11.7] and exports [11.8] in 2019-2021 of goods belonging to group 73 of the CCT of the EEU (the table is compiled by the author based on statistical data).



It can be seen from Table 4 that the total volume of goods exported from the RA, included in group 73 of CCT of the EEU and classified under the codes 7318, 7310, 7321 and 7320, amounted to about 40% of the total exports of goods included in the group 73 of CCT of the EEU. However, according to Government decrees, there is no ban on export from the RA. Unlike the latter, the ban on export from the RA is imposed on goods classified under code 7303 of the CCT of the EEU, which were not exported from 2017 to 2021.

Data analysis shows that the goods classified under code 7302 of the CCT of the EEU were exported in the amount of 842 tons in 2021, in contrast with 77 tons in 2020. It can be concluded that in the case of the ban on the export of products to the Islamic Republic of Iran and the Russian Federation, the demand for the mentioned product increased, but in 2022 the mentioned product was also limited.

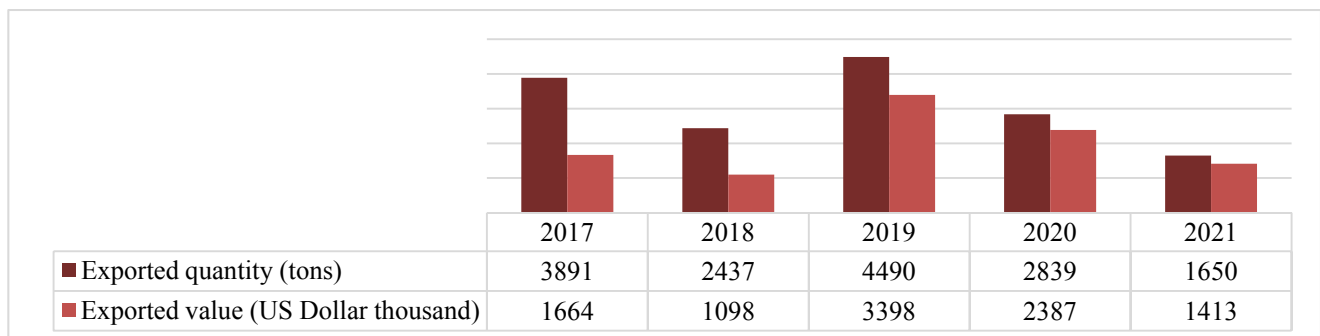
Examining the export structure of goods included in group 73 of CCT of the EEU, it becomes clear that the goods under the export ban were mainly exported to three countries in different proportions depending on the product, namely the Islamic Republic of Iran, the Russian Federation and Georgia [11.9].

The export volume and structure of products from the RA, classified under codes 7404, 7503, 7602, 7802, 7902 and 8002 of CCT of the EEU were studied according to countries. Exports of

goods classified under code 7404 of CCT of the EEU [11.10] in 2019 had the following structure: the USA-29%, China-20%, the UAE-18%, and in 2020 the USA-21%, the Russian Federation-18%, China-16%. Exports of goods classified under Code 7602 of CCT of the EEU [11.11] in 2019 had the following structure: the USA-51%, the Islamic Republic of Iran-33% and China-16%, and in 2020 the USA-52%, the UAE-25%, India-13%, the Islamic Republic of Iran-10%. Goods related to the code 7503 [11.12], 7802 [11.13], 7902 [11.14] and 8002 [11.15] of CCT of the EEU have not been exported from the RA in recent years.

As for the goods included in group 81 of CCT of the EEU, it can be stated that 50% of the goods included in the RA Government decrees are in this group. However, the paradox is that the goods under the codes 8101 97 [11.16], 8102 97 [11.17], 8103 30 [11.18], 8104 20 [11.19], 8105 30 [11.20], 8106 00 100 [11.21], 8107 30 [11.22], 8108 30 [11.23], 8109 30 [11.24], 8110 20 [11.25], 8111 00 190 [11.26], 8112 13 [11.27], 8112 22 [11.28], 8112 52 [11.29], 8112 92 [11.30] and 8113 00 400 [11.31] have not been exported from the RA in recent years.

Another good included in the resolutions of the Government of RA, primary batteries and electric accumulators classified under the code 854810 of the CCT of the EEU, has been exported to the Islamic Republic of Iran for many years by price [11.32] and quantity [11.33].



**Figure 1.** Export volume of the goods classified under code 8548 10 of CCT of the EEU from the RA to the Islamic Republic of Iran (the figure is compiled by the author).

Thus, it can be concluded that the implementation of a temporary ban on goods classified under code 8548 10 of CCT of the EEU has got substantiation since they have been exported from the RA for years.

### Conclusions and recommendations

Within the framework of this article, the policy pursued by the Government of the Republic of Armenia is researched, including regulations adopted by the Government of RA. Hence, the

following conclusions and recommendations are provided.

1. There are reserves of iron and steel in the Republic of Armenia, therefore, it can be said that the substantiation of the decrees of the Government of RA does not fully reflect the need to impose a ban on the export of goods from the country. In particular, there are iron mines in the Republic of Armenia, of which the Hrazdan, Kaputan and Svarants iron mines are of industrial importance. From the afore mentioned mines, there is a number of court decisions on the Hrazdan iron mine, and



based on the information available on the Internet, the administration of the organization is working, but currently, the right to mining is terminated by order No. 1033-A of the Minister of the Territorial Administration and Infrastructure from July 31, 2020, this order is being appealed in court.

Therefore, the recommendation to the Government agency of RA (i.e. the Ministry of Economy of the Republic of Armenia) is to carry out some work to solve the problems of organizations, as well as introduce cooperation mechanisms to establish economic ties between local organizations, instead of banning the export of iron and steel products so that local producers use them as raw materials for their production.

2. From the analysis carried out within the framework of the article, it becomes clear that the policy pursued by the Government of RA is not substantiated by figures, therefore it is rather strange to impose an export ban on goods that have not been exported for many years. On the other hand, the export ban has not been imposed on goods that have been exported for many years, so the proposal to the Government agency of RA (i.e. the Ministry of Economy of the Republic of Armenia) is to develop an appropriate draft, according to which amendments and (or) additions will be made to the relevant decisions of the Government of RA. So, the draft shall entail the following,

1) By the relevant decree of the Government of RA, the ban on temporary export will not apply to the goods classified under the codes 7201, 7303, 7503, 7802, 7902, 8002, 8101 97, 8102 97, 8103 30, 8104 20, 8105 30, 8106 00, 8107 30, 8108 30, 8109 30, 8110 20, 8111 00 190, 8112 13, 8112 22, 8112 52, 8112 92 and 8113 00 400 of the CCT of the EEU, since they have not been exported from the Republic of Armenia for many years.

2) By the relevant decree of the Government of RA, the list of goods currently operating contrary to the above mentioned will include ferroalloys under the code 7202 of the CCT of the EEU; flat-rolled products of iron or non-alloy steel, of a width  $\geq 600$  mm, hot-rolled, not clad, plated or coated under the code of 7208; flat-rolled products of iron or non-alloy steel, of a width  $\geq 600$  mm, hot-rolled or cold-rolled, clad, plated or coated under the code 7210 of the CCT of the EEU; bars and rods of iron or non-alloy steel, hot-rolled, in irregularly wound coils under the code 7213 of the CCT of the EEU; bars and rods, of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but incl. those twisted after rolling (excluding in irregularly wound coils) under the code 7214 of the CCT of the EEU; drums, cans, boxes and similar containers, of iron or steel, for any material other than compressed or liquefied gas,

of a capacity of  $\leq 300$  l, not fitted with mechanical or thermal equipment, whether or not lined or heat-insulated, under the code 7310 of CCT of the EEU; screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers, incl. spring washers, and similar articles, of iron or steel (excluding lag screws, stoppers, plugs and the like, threaded) under code 7318 of CCT of the EEU; boilers for central heating under code 7321 and springs and leaves for springs under code 7320.

It can be concluded that temporary export ban on products under code 7204 of CCT of the EEU and under code 854810 respectively has got an economic substantiation as they have been exported from RA for years.

3. The Government of RA is recommended to make changes in the policy so as to introduce mechanisms to eliminate hindrances for iron and steel mines to operate as scrap and waste of iron and steel are not unlimited.

4. The Government agency of the RA should also ensure cooperation with our countries, as well as introduce mechanisms for importing iron and steel as raw materials, without creating additional problems for the partner countries, the Islamic Republic of Iran in particular.

The afore mentioned will make it possible to eliminate unreasonable long-term restrictions.

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*Րեցենզիվանա/Գրախոսվել է 19.11.2022*

*Մուտքագրվել է 24.11.2022*