The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Kremlin Aide Threatens End of Free Trade With Ukraine

By Irina Filatova

August 21, 2013



On Tuesday, Russia lifted harsh customs checks that were seen as an effective ban on Ukrainian imports. **Andrei Makhonin / Vedomosti**

Russia could annul a free trade regime with Ukraine and scrap joint projects in a number of industries if Kiev signs an association agreement with the European Union, Kremlin advisor Sergei Glazyev was quoted as saying Wednesday.

By signing the agreement — which is slated for November — Ukraine will forfeit its ability to independently regulate its international trade and customs issues with other countries, handing them over to Brussels, Glazyev told Ukrainian daily Vesti.

"The legal base for direct dialogue between Kiev and Moscow will thus disappear. We will have to discuss all trade related issues with Brussels, not Kiev," said Glazyev, who advises

President Vladimir Putin on developing Russia's Customs Union with Belarus and Kazakhstan.

The Eurasian Economic Commission, the Customs Union's governing agency, is already studying the question of canceling the free trade regime with Ukraine, he added.

Glazyev made the comments a day after Russia lifted extraordinary customs checks that all but barred Ukrainian imports from entering the country for 6 days.

The commission is "analyzing the situation and possible consequences of an agreement between Ukraine and the European Union," its spokesman told PRIME Wednesday.

The conditions of the current free trade agreement allow the Customs Union to alter the trade regime as a protectionist measure or if substantial changes in the trade regime of a partner-country with third parties result in losses for companies inside the bloc, he said.

If the Customs Union changes its trade terms with Kiev, the new conditions won't be worse than for any other partner of the bloc in the World Trade Organization, he added.

Some observers were less resolutely negative about Ukraine's prospects.

U.S. ambassador in Ukraine Geoffrey R. Pyatt expressed support of the "Ukraine's European choice" Tuesday. Tighter cooperation with Europe will boost Ukraine's economic growth and help the country create more jobs, he said in an interview with Radio Svoboda.

Pyatt estimated Ukraine's chances of signing the agreement as high, basing his judgement on messages from the Ukrainian and European authorities.

"We believe that Europe is holding the door open for Ukraine and we believe that the Ukrainian government will walk through that door," he said, adding that signing the association agreement is unlikely to jeopardize Ukraine's economic ties with Russia.

Glazyev earlier this week described as "suicidal" Ukraine's plans to sign an association agreement with the European Union in November during the Eastern Partnership summit in Vilnius.

The sudden and unprecedented escalation of customs controls on Ukrainian imports at the Russian border last week was interpreted by many as an attempt to scare the country off a European path.

EU officials expressed concerns about the escalating tension between Russia and Ukraine. Linas Linkyavichus, Foreign Minister of Lithuania, which currently holds the EU presidency, on Wednesday called for other countries of the Union to support Ukraine in its commitment to closer integration with Europe, PRIME reported.

Contact the author at irina.filatova@imedia.ru

Original url:
https://www.themoscowtimes.com/2013/08/21/kremlin-aide-threatens-end-of-free-trade-with-ukraine-a26990