

Putin Has Last Crack at Yanukovych's EU Dream

By [Alexander Panin](#)

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Putin and Belarussian President Lukashenko speaking at Minsk's Palace of Independence during the summit. **Mikhail Klimentyev**

Turkey is interested in joining the Customs Union of Russia, Belarus and Kazakhstan, and India also wants closer ties with the organization, President Vladimir Putin said at the EurAsian Economic Community summit in Minsk on Thursday.

But some political analysts saw the summit in Minsk, which for the first time gathered all the state leaders of the former CIS countries, as the last opportunity for Putin to convince his Ukrainian counterpart Victor Yanukovych that joining the Customs Union is a better idea than integrating with Europe.

This view was partly fueled by Putin's presidential aide Yury Ushakov, who said earlier this week that Vladimir Putin and Victor Yanukovych would discuss Ukraine's plans to associate with the European Union at the summit.

Earlier this year Ukraine said it was ready to conclude a landmark agreement on trade association with the EU, planned to be signed at the Eastern Partnership summit in Lithuania next month.

Russia has made every possible attempt to stop that from happening, taking measures ranging from offers of a discount on gas prices to a temporary ban on Ukrainian imports.

But a Ukraine government source said Yanukovych was driven more by his own political agenda than the economic interests of the country.

Power is what Yanukovych is really after, a source in the Ukrainian government told The Moscow Times. The source asked to remain anonymous because he did not have permission to talk to the press.

And integration with the EU will get him much needed support in the upcoming presidential elections in 2015, he added.

Ukraine is split between a pro-Russian and pro-European electorate. According to the source, with the EU agreement there is a clear goal to get people's votes from central and western parts of the country, which are looking towards Europe.

"This scenario may lead to a loss of support from other, pro-Russian areas of the country, but the problem could be dealt with administrative levers — by strangling rival political movements there," the source in the government said.

Putin did not mention Ukraine in his speech at the summit, but a meeting with Yanukovych did take place. No results were reported.

Vladimir Fesenko, the head of Penta, a Ukrainian political think tank, said Putin might make Yanukovych some interesting offers on energy, or offer financial or political support during their meeting, Business FM radio reported.

But others deemed this course of events unlikely, saying that Ukraine had burned all the bridges behind it on the way to Europe.

"Russia has already offered Kiev maximum preferences for joining the Customs Union and was ready to yield on absolutely every issue except radically low gas prices," said Sergei Miheyev, general director of the Center of Political Environment think tank.

Ukraine has always wanted to have its cake and eat it too — to be a part of Europe and have good relations with Russia — but geopolitics do not work that way, political analysts said.

"Both the EU and Russia do not want this combination and demand a choice from Ukraine," said Fyodor Lukyanov, chief editor of "Russia in Global Affairs" magazine.

This is a political decision, which at some point could have been reversed but is impossible now that Russia has shown Ukraine how high the risks of signing a trade agreement with Europe are for its economy, he said.

Russia's temporary ban on Ukrainian imports made a retreat for Yanukovych "politically

impossible," Lukyanov said.

At the same time, analysts and businessmen both in Russia and Ukraine said that European integration would not bring any substantial benefits for the country's economy.

Repeatedly cited in news reports, Vyacheslav Boguslayev, the head of Motor Sich, a leading aircraft engine producer based in Ukraine, said the country might lose its industry this way.

An agreement with the EU would fetter the technology of locally produced goods because Europe has its own production standards and supports only the standards adopted in Western countries, the executive said. This would mean that an aircraft engine made in Ukraine would need a European certificate but will not get it due to different production processes.

"A trade association with Europe will kill our high-tech industry and only repair centers will remain," Boguslayev said.

A trade agreement with Europe would also mean that locally made goods would enter into direct competition with imported products.

"Nothing good will come out of the integration for the Ukrainian economy, and they say this in Kiev as well as in Moscow. Even the Europeans do not see a big gain for Ukraine from the agreement," Miheyev said.

"It looks like Yanukovych is playing a game of his own, which has nothing to do with the Russian relationship or even Ukrainian interests," he said.

But even if the trade agreement is signed, it will not start working immediately. It will have to be first ratified by all EU members and by Ukraine itself — a process that can take years to complete.

"The major risk for Ukraine, in this regard, is to have its products banned from export to Russia as the result of another political decision and to have European markets closed due to the ratification procedure," the source in the Ukraine government said.

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