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4 EU States Link Up to Offset Trade Losses Induced by Russia-Ukraine Row

By The Moscow Times

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BUDAPEST — Three other Central European states agreed on Tuesday to join a Polish initiative to tap into European Union funds to help their companies cope with a loss of trade due to the tensions between neighboring Ukraine and Russia.

The Visegrad Four — Poland, the Czech Republic, Slovakia and Hungary — are already losing trade with the region, putting their economic growth at risk.

"We will propose that not just Ukraine should receive sums from the globalization fund of the EU but also companies of the V4 countries that have significant exposure to the region," Hungarian Economy Minister Mihaly Varga told a news conference.

The European Globalization Adjustment Fund provides support to people losing their jobs as a result of major structural changes in world trade patterns or an economic crisis. It has a maximum annual budget of 150 million euros ($204 million) for 2014 to 2020.

Varga said companies in each central European country would feel the pinch from any targeted European sanctions on Russia over its intervention in Ukraine.

Hungary has already said it was opposed to economic sanctions against its former communist overlord for fears of damaging its export-driven economy. Several other EU states are averse to tougher sanctions for the same reasons.

"Ukraine and Russia are key economic partners of the V4 and we have a vested economic interest in preserving this economic partnership," Varga said.

"We are experiencing a slowdown in trade links, but for now do not see a grave problem," he said, expressing hope that the decline would be only temporary.

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