

Moscow 'Tired' of Supporting Ukrainian Economy, Medvedev Says

By The Moscow Times

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Russian Prime Minister Dmitry Medvedev.

Moving closer to the European Union offers no panacea for Ukraine's financial problems and will mean big losses in economic ties with Moscow, Prime Minister Dmitry Medvedev said in an article published Monday.

He said Moscow had for many years provided generous terms in deals with Kiev that had helped build up Ukraine's economy, but the relationship would from now on be based on purely "rational and pragmatic" terms that put Russian interests first.

"We will no longer support the Ukrainian economy. It is a burden for us, and to be honest we are tired of it," he wrote in Nezavisimaya Gazeta, a privately owned daily newspaper.

The article's publication coincided with a visit to Brussels by Ukrainian Prime Minister Arseniy Yatsenyuk.

Relations between Kiev and Moscow have deteriorated since the overthrow in February of a Moscow-backed president who had spurned a trade pact with the EU. Russia then annexed the Crimea peninsula and sided with separatists in eastern Ukraine, and Kiev changed course back towards mainstream Europe.

Medvedev, long an ally of President Vladimir Putin, said Ukraine faced the possibility of economic and social collapse and the EU, which he accused of having a "neo-colonial" attitude to Kiev, was wary of granting it more financial assistance.

He said Kiev would struggle to meet EU industry standards and domestic products would be replaced by superior European goods once an association agreement deepening trade ties with the EU goes into force at the end of 2015.

EU membership may never come, he hinted, suggesting Kiev could be left waiting at the altar.

Reiterating earlier threats, he said a customs union grouping Russia and some other former Soviet republics would have to restrict the flow of goods from Ukraine to prevent cheap goods flooding their markets — costing Kiev about \$15 billion.

Medvedev, who was president for four years until 2012, made clear Moscow would be tough in enforcing visa rules for Ukrainians working in Russia, causing this group a potential \$11-\$13 billion loss of earnings.

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