The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Former Soviet States Face Challenges Trying to Weather Low Oil Prices

By The Moscow Times

March 20, 2015



Kazakhstan's President Nursultan Nazarbayev (C), Russia's President Vladimir Putin (R) and Belarus' President Alexander Lukashenko pose for a picture as they meet in Astana on March 20, 2015.

The three main members of the Russian-led Eurasian Economic Union face a big economic challenge from the fall in global oil prices, Kazakh President Nursultan Nazarbayev said Friday.

But, speaking before talks in the Kazakh capital Astana with Russian President Vladimir Putin and Belarusian President Alexander Lukashenko, Nazarbayev said the situation had become more stable.

Belarus and oil producers Kazakhstan and Russia are joined by Armenia in the Eurasian Economic Union. A fifth former Soviet republic, Kyrgyzstan, is due to accede to the political and economic bloc this year.

Referring to relations with Russia and Belarus, Nazarbayev said: "Unfortunately, our union is now being tested by great challenges, because export prices have fallen, especially in Russia and Kazakhstan, for oil and other export commodities."

He added that "measures have been taken and everything has now been stabilized."

Putin said before the talks: "We face a really difficult situation in the global economy. Taking into account the situation on the markets."

But he expressed hope that Russia's partnership with Kazakhstan would "help us overcome the difficulties."

The fall in oil prices and Western economic sanctions over Ukraine have worsened an economic slowdown in Russia in which the ruble has dropped sharply against the U.S. dollar.

The ruble's decline has hit former Soviet trading partners such as Belarus and Kazakhstan. Belarus devalued its own ruble in January and there has been speculation on markets that Kazakhstan may soon devalue its tenge currency.

Original url:
https://www.themoscowtimes.com/2015/03/20/former-soviet-states-face-challenges-trying-to-weather-low-oil-prices-a44965