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Vietnam Signs Free Trade Agreement With Russian-Led Economic Union

By The Moscow Times

May 29, 2015



Armenia's President Serzh Sargsyan, Belarus' President Alexander Lukashenko, Kazakhstan's President Nursultan Nazarbayev, Kyrgyzstan's President Almazbek Atambayev and Russia's President Vladimir Putin enter a hall before a meeting of the heads of state of the Supreme Eurasian Economic Council at the Kremlin in Moscow.

BURABAI, Kazakhstan — The Eurasian Economic Union (EEU) signed a free trade agreement (FTA) with Vietnam on Friday, the first such deal struck by the Moscow-led body with a third party as it seeks to boost its presence in Asian markets.

The EEU, which includes Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan, was launched in January to promote trade and economic integration. It has a combined population of 181 million and gross domestic product of around $2 trillion.

Some see the Moscow-dominated grouping as a regional counterbalance to the European

Union. Critics say this is Russian President Vladimir Putin's attempt to restore as much as possible of the former Soviet Union.

"A historic act took place today," Viktor Khristenko, chairman of the Eurasian Economic Commission's board, said after the prime ministers of the five EEU member states signed the FTA with their Vietnamese counterpart Nguyen Tan Dung.

"The Socialist Republic of Vietnam is an old good partner of all the nations taking part in the Eurasian Economic Union," he told journalists after the signing ceremony in a lakeside resort area in northern Kazakhstan.

The free trade deal covers more than 90 percent of all goods traded between the EEU and Vietnam, Khristenko said.

By signing the FTA, the EEU aims to increase its foreign trade turnover with Vietnam to at least $10 billion in five years to $4 billion in 2014, he said.

More than 40 countries and international bodies have officially expressed willingness to establish trade relations at various levels with the EEU, Russian Prime Minister Dmitry Medvedev said before the signing. He did not elaborate.

It was the second FTA that communist Vietnam, a major agriculture, seafood, textiles and electronics exporter, signed this month.

On May 5, Vietnam entered an FTA with South Korea that is expected to boost its exports to the Korean market and more than double bilateral trade over the next five years. That deal is also expected to boost investment in Vietnam's $184 billion economy.

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