

Prime Minister Putin threatens Ukraine

On 15 March, at a meeting of the heads of state and government of the Customs Union of Russia, Kazakhstan and Belarus in Minsk, Russian Prime Minister Vladimir Putin warned that a consequence of the contract to create a free trade area between the EU and Ukraine, which is currently being negotiated, may be that Russia will introduce barriers to imports from Ukraine. Putin's statement shows Moscow's determination to torpedo Kiev's European aspirations.

Although Prime Minister Putin has acknowledged Ukraine's sovereign right to decide on its membership in any integration structures, in his assessment it would be most beneficial for Kiev to undertake economic integration with Moscow, as part of the customs union and economic community. Putin said that in view of the great differences in the levels of customs duties (the Ukrainian customs duties negotiated with the WTO are almost half that of Russia's), the fear exists of an uncontrolled inflow of goods into Russia via Ukraine. This would compel Russia to introduce customs restrictions for the influx of these goods. Putin's critical statement should be seen as a direct response to the declaration of Kiev's desire to conclude the negotiations on a deep and comprehensive free trade area with the European Union by the end of this year. <iwo, epa>