

Ukrainian proposals on the agreement for a deep and comprehensive free trade area

On 2 March in Brussels, the first Deputy Prime Minister of Ukraine Andriy Kluyev presented the EU with his country's proposals for a deep and comprehensive free trade area (DCFTA). The increased high-level activity on this matter gives hope that an association agreement will be signed this year. In addition, a memorandum was signed to give €470 million of assistance to Ukraine.

Kluyev, who is Ukraine's coordinator for negotiations on the DCFTA, presented the European Commission with Kyiv's proposals on the main points of contention, including agriculture, energy and services including transport. The details have not been revealed, although to judge from previous statements by Prime Minister Mykola Azarov, it appears that Ukraine would like to see a gradual annual increase in quotas for the duty-free export of cereals and other agricultural products to the EU until full liberalisation is achieved. The proposals are now being analysed by EU experts. Both sides have expressed interest in reaching a compromise on the fundamental issues before the 16th round of negotiations scheduled for April. The signing of a memorandum on assistance within the framework of the European Neighbourhood and Partnership Instrument (ENPI) for the years 2011-2013 was only a formality, because the funds for this purpose had already been assigned.

In recent times the negotiation process on DCFTA has passed beyond the level of experts, and is now being conducted at the political level, which was not previously the case. In addition, the larger EU member states have strengthened their pressure on Ukraine regarding the free trade area, which additionally increases the chance of a compromise being reached in the coming months. <smat>