

**“What is more beneficial to Ukraine – setting up a free trade area with the EU or joining the Customs Union with Russia?” – Expert Poll**

**Russia tries to revive the Russian Empire by means of the Customs Union – experts**

Prior to this week’s visit of Russian Prime Minister Vladimir Putin to Ukraine, the Gorshenin Institute asked experts to answer the following question: “What is more beneficial to Ukraine – setting up a free trade area with the EU or joining the Customs Union with Russia?”

**The deputy director-general of the Razumkov Center, Valeriy Chalyy,** believes that the discussion about the Customs Union (CU) is dictated exclusively by the national interests of Russia. “The offers to enter the CU are voiced quite persistently only because it is in Russian national interests. Russian economists analyzed the situation a long time ago and came to the following conclusion: it is necessary to expand the market in order to actively develop the domestic market within the CU. Ukraine has made its choice towards European integration and backed it up by legislation. Even the integration of some of its sectors into the CU could create substantial problems in the European direction. Therefore, the proposed ‘3+1’ formula is meaningless. This is a mere desire to simply gain some time and try to sit on ‘two chairs.’ I think that the visit of Russian Prime Minister Vladimir Putin, who is a future candidate for the Russian presidency, will somewhat adjust an optimistic outlook of Ukrainian leaders as regards Russia’s readiness to understand an extended prospect of discussing the format of interaction with the CU,” the expert concluded.

**A Ukrainian MP, Stepan Kurpil,** thinks that Ukraine should move in the European direction. “There is no doubt that a free trade area with the EU and the status of an EU associate member are more beneficial to Ukraine. Russia is not satisfied with this and its leadership has been recently taking measures to prevent this. However, all the arguments of the Russian party have to do only with one thing, which is the desire to retain Ukraine in the sphere of its influence and, to a certain degree, revive the Russian Empire by means of the CU,” the parliamentarian believes. However, according to him, an unequivocal ambiguous answer to the question about a more realistic direction for Ukraine does not exist. “It is hard to say what exactly the Ukrainian government really thinks about it. The other day, the president essentially confirmed for the first time that Ukraine was conducting talks on the CU. However, representatives of the EU emphasized on multiple occasions that Ukraine could not be part of the CU with Russia and simultaneously have a free trade area with the EU. Besides, we have commitments under the WTO. Therefore, it is difficult to say what the president’s statement implies. It might be a game with the EU in order to negotiate more beneficial conditions for Ukraine or the president might really lean towards Russia,” the lawmaker said.

**The president of the Open Politics analytical center, Ihor Zhanov,** believes that the EU market is a defining one for Ukrainian economic development. “They have large volumes of trade which are estimated at thousands of billions of dollars. There is a certain group of high-tech products there. We are interested in exporting to them the products of our food industry and agricultural produce. The major problem is to defend our interests in the economic sphere, so it is not a one-way street that only benefits the EU. It should also take into account the interests of Ukrainian producers. Yet, we understand that Russia will exert serious pressure on us, which will only intensify as a result of their preparations for the electoral campaign,” the expert noted. He is positive that the option on which Ukraine is staking is more realistic for the country. “As far as I am aware, 90 percent of documents pertaining to a free trade area with the EU have been already

agreed. Russia is proposing a different path of development to us, the CU. Did anyone actually see what rules they have there or analyze what it is and what it will bring for the economy? Also, we have World Trade Organization rules, which are currently enforced in Ukraine. If one does not follow the rules of the WTO, which one agreed to follow, their violation will bring serious fines and punitive sanctions,” Zhdanov opined.

According to a **Ukrainian MP, Volodymyr Vecherko**, Ukraine could benefit from both formats of cooperation. “If one reasons correctly, then both the CU and a free trade area are advantageous. However, the rules should be set at the very beginning. A free trade area should not have the unilateral rules which Europe wants. The rules in the CU should not be those that Russia wants. It is necessary to advance our interests and then both a free trade area and the CU will be beneficial,” the parliamentarian concluded.

