

Havlik, Peter

**Research Report**

## Vilnius Eastern Partnership Summit: A Milestone in EU-Russia Relations – not just for Ukraine

Policy Notes and Reports, No. 11

**Provided in Cooperation with:**

The Vienna Institute for International Economic Studies (wiiw) - Wiener Institut für Internationale Wirtschaftsvergleiche (wiiw)

*Suggested Citation:* Havlik, Peter (2013) : Vilnius Eastern Partnership Summit: A Milestone in EU-Russia Relations – not just for Ukraine, Policy Notes and Reports, No. 11, The Vienna Institute for International Economic Studies (wiiw), Vienna

This Version is available at:

<https://hdl.handle.net/10419/204254>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

## **Vilnius Eastern Partnership Summit: A Milestone in EU-Russia Relations – not just for Ukraine**

*Peter Havlik<sup>1</sup>*

The Vienna Institute for International Economic Studies (wiiw) and  
International Institute for Applied Systems Analysis (IIASA)

### **Introduction**

The Vilnius Eastern Partnership Summit on 28-29<sup>th</sup> November represents a milestone in EU relations not just with respect to the six Eastern Partnership countries (EaP: Armenia, Azerbaijan, Belarus, Georgia, Moldova and particularly Ukraine), but also with the EU's 'strategic partner' Russia. The turbulence and numerous speculations regarding expectations about the signature of the EU-Ukraine Association Agreement (comprising a Deep and Comprehensive Free Trade Agreement – AA/DCFTA), as well as progress in initialling similar future agreements with Georgia and Moldova, have been escalating before the summit. The association agreements would bring EaP signatory countries closer to the EU: not really closer to EU membership, but closer to the application of various EU norms and standards (takeover of the 'acquis communautaire') and – significantly – out of the Russian orbit, for the beginning at least symbolically. The postponement of the EU-Ukraine AA/DCFTA signature – Ukraine's government stopped the related preparations just one week before the summit – represents a serious setback for the EU while Russia has gained another strategic point, at least for a while.<sup>2</sup> Though the EU has no 'Plan B' and EU High Representative Catherine Ashton expressed her disappointment immediately after Ukraine's announcement, life will continue after the summit and new initiatives will have to be started.

What are the relevant issues and challenges and what is at stake? This note briefly discusses the positions of the key individual parties (the European Union, Ukraine and Russia), presents details on foreign trade and tariff data and attempts to evaluate the consequences (economic and otherwise) of alternate decisions following the Vilnius Eastern Partnership Summit. It also reviews some of the disputed arguments and discusses selected relevant economic issues.

---

<sup>1</sup> The author wishes to thank Vasily Astrov and Vladimir Gligorov for useful comments on an earlier draft. The views expressed in this note and any remaining errors are the responsibility of the present author.

<sup>2</sup> Ukraine's government proposed to establish a tripartite commission with the EU and Russia in order to discuss jointly trade and economic issues – see [www.gazeta.ru](http://www.gazeta.ru), 21 November 2013. The interruption of the AA/DCFTA process was presented as a 'tactical decision' driven solely by economic reasoning by Ukraine's Prime Minister Mykola Azarov.

## **Tug-of-war over Ukraine**

In its present form, the conclusion and implementation of an AA/DCFTA between Ukraine and the EU has been presented by both the EU and Russia as incompatible with the participation of EaP countries in the Russian-led Customs Union (BRK-CU: other members being Belarus and Kazakhstan) and especially with Ukraine's joining the envisaged 'deeper and wider' post-Soviet integration project in the framework of the Eurasian Union and the Single Economic Space (SES).<sup>3</sup> Until compromise solutions regarding tariff regimes have been negotiated, the two integration directions – either with the EU or a participation in the BRK-CU/SES – are indeed incompatible. The Russian 'success' to lure Armenia into the BRK-CU instead of opting for an AA/DCFTA with the EU announced on 3<sup>rd</sup> September 2013 was initially interpreted by some in the EU as incompatible with Armenia's prospective conclusion of an AA/DCFTA. Later on, European Commissioner for Enlargement and Neighbourhood Policy Štefan Füle attempted to de-escalate the tensions and tried to dismiss such fears by stating in October at a conference in Kyiv that the AA/DCFTA should 'not be seen as a threat but as an opportunity, a contribution to creating the area of free trade between Lisbon and Vladivostok'. Furthermore, he explained that the European Commission is 'working on the issue of legal incompatibility between the Association Agreement and Customs Union' while requiring once again from Ukraine to show 'determined action' and deliver 'tangible progress on all European Union benchmarks'.<sup>4</sup> Ukraine, for its part, would opt for signing the AA/DCFTA agreement (a corresponding decision was adopted by Ukraine's government already in September 2013) while, ideally, desiring to 'pick up the cherries' and preferring to maintain and develop good relations with both Russian-led Customs Union and the EU. One of the EU's key demands – to cease the application of 'selective justice' and in particular to release former Prime Minister Yulia Tymoshenko from prison – will obviously not be fulfilled, at least not before the Vilnius Summit.<sup>5</sup>

## **Russia's bullying pays-off**

Starting with Russia, there has been some history in this country's use of economic sanctions in order to retaliate for perceived unwelcome political developments in the 'near abroad'. Russian sanctions ranged from import bans on Georgian wine and mineral water

---

<sup>3</sup> The Eurasian Union (EurAz) currently includes, apart from Russia, Belarus and Kazakhstan, also Kyrgyzstan and Tajikistan. The future Eurasian Union and SES envisages a common market entailing 'four freedoms' modelled on the EU experience.

<sup>4</sup> See Füle (2013a, 2013b). The latter requirement was spelled out by Mr Füle in a speech before the Ukrainian parliament in Kyiv on the same day (Füle, 2013c).

<sup>5</sup> EU foreign affairs ministers reiterated conditions for signing the AA/DCFTA agreement at their meeting on 18 November 2013 in Brussels as follows: 'Determined action and tangible progress is needed in three areas: the compliance of the parliamentary elections with international standards, addressing the issue of selective justice and preventing its recurrence, and the implementation of the reforms jointly agreed in the Association Agenda' (<http://www.euractiv.com/specialreport-ukraine-way-reform/analysts-slam-germany-ukraine-po-news-531768>).

in 2004-2006 after the 'Rose Revolution' in Georgia, the interruption of gas deliveries to Ukraine and Belarus related to disputes over pricing and access to pipelines, restricting imports of wine and spirits from Moldova, imposing import restrictions on dairy products and chocolate from Ukraine, on dairy products imports from Lithuania, etc.<sup>6</sup> The latest sore point in Russian external relations with potentially severe economic consequences has been Russia's concentrated efforts in bullying Ukraine (as well as Georgia and Moldova) related to the envisaged AA/DCFTA signature at the forthcoming Eastern Partnership Summit in Vilnius.<sup>7</sup> The frequency and intensity of Russia's rather crude attempts to prevent Ukraine from signing the AA/DCFTA prior to the Vilnius Summit and to 'explain the adverse consequences of the signature', together with simultaneous efforts to 'lure' Ukraine into joining the Russian-led Customs Union with Belarus and Kazakhstan, escalated before the Vilnius Summit.<sup>8</sup> Repeatedly, Sergey Glazyev, one of President Putin's economic advisors, lectured Ukraine on the alleged adverse consequences of signing the 'discriminative' AA/DCFTA agreement while simultaneously threatening with Russian sanctions. Indeed, Russian border controls on Ukrainian exports were briefly introduced (on a 'trial' basis, but still violating the CIS FTA agreements where Ukraine participates) while simultaneously praising the economic benefits of Ukraine's joining the Customs Union. Similar warnings were spelled out by Russian Ambassador to the EU Vladimir Chizhov and reiterated, albeit in a more polite form, by Russian First Deputy Prime Minister Igor Shuvalov, who is in charge of EurAz economic relations in Russia.<sup>9</sup> Last but not least, the Russian Prime Minister Dmitry Medvedev warned his Ukrainian colleague Mykola Azarov that after signing the AA/DCFTA Ukraine will have 'zero chances' of a full-scale CU membership while Russian Foreign Affairs Minister Sergey Lavrov mentioned the possibility to tighten border controls between the two countries.<sup>10</sup> The latest serious and immediate threat was expressed by Mr Medvedev at the beginning of November in connection with Ukraine's payment arrears for Russian gas deliveries (amounting to nearly USD 900 million as of August 2013). Prime Minister Medvedev required a prompt debt repayment, rejected new Russian credit and required a pre-payment for additional gas deliveries (which is envisaged by the existing contract with Gazprom) while suggesting that if needed Ukraine should ask the EU for financial

---

<sup>6</sup> It must be added, for the sake of completeness, that Russia also employed trade sanctions – with varying justification – with respect to imports of US poultry, Polish pork, Dutch flowers, etc.

<sup>7</sup> See Moldova's Foreign and European Integration Minister (who is also chief AA negotiator) Natalia Gherman at Euractiv.com published on 30 October 2013, and the interview with newly elected Georgian President Giorgi Margvelashvili in *Kommersant Vlast*, No. 41, October 2013, respectively.

<sup>8</sup> There was even a 'secret' (yet leaked) strategy for preventing Ukraine from signing the AA/DCFTA agreement published in August by the Ukrainian paper *Zerkalo Nedely* – see [http://gazeta.zn.ua/internal/o-komplekse-mer-povvlecheniyu-ukrainy-v-evraziyskiy-integracionnyy-process-\\_.html](http://gazeta.zn.ua/internal/o-komplekse-mer-povvlecheniyu-ukrainy-v-evraziyskiy-integracionnyy-process-_.html).

<sup>9</sup> See <http://www.euractiv.com/europes-east/top-envoy-russia-offer-ukraine-e-news-530890> and <http://www.euractiv.com/europes-east/russia-reiterates-warnings-ukrai-news-530671>.

<sup>10</sup> See report from the meeting of the two Prime Ministers in Kaluga on 15 October 2013 ([www.gazeta.ru/business/2013/10/15](http://www.gazeta.ru/business/2013/10/15)). For Lavrov's speech see [http://www.gazeta.ru/politics/2013/10/28\\_a\\_5727929.shtml](http://www.gazeta.ru/politics/2013/10/28_a_5727929.shtml).

assistance instead.<sup>11</sup> Meanwhile Ukraine is squeezed also by the IMF which urges the government to reduce budgetary expenditures and to raise domestic gas tariffs, as well as to implement a number of other unpopular reforms before resuming new financing.<sup>12</sup>

Russia's bullying attempts to pressure its neighbours to 'integrate' with Russia instead of with the EU was seen as counterproductive not only by many Ukrainians and most outside observers, but even by a number of commentators in Russia.<sup>13</sup> On the other hand, a negative view regarding the consequences of an AA/DCFTA signature is shared by Ukraine's communists who claim – probably correctly – that the country has no perspective to join the EU in the next 20-30 years and that the implementation of EU regulations would be too costly while EU integration is allegedly supported by just 40% of Ukrainians.<sup>14</sup> Last but not least, there have been tensions among current BRK-CU members as neither Belarus nor Kazakhstan – the two other members of BRK-CU – are particularly happy with the current Russian dealings related to the CU stance. For example, at the recent BRK-CU summit in Minsk (end-October 2013), Kazakh President Nursultan Nazarbayev complained about the 'excessive politicisation' of the CU Commission's decisions pursued by Russian representatives who are 'not independent enough' from the government (which contradicts CU Commission statutes). Furthermore, Belarus President Alexander Lukashenko complained at the same summit about increased bureaucratic obstacles in BRK-CU customs procedures and delays in other integration steps.<sup>15</sup> On the sidelines, Mr Nazarbayev also suggested to invite Turkey to join the BRK-CU.<sup>16</sup>

### **EU's failed Eastern Partnership**

Following a number of resolute previous 'either/or' statements regarding direction of integration by various EU representatives, European Commissioner for Enlargement and Neighbourhood Policy Štefan Füle attempted to de-escalate the situation while declaring that this issue 'is not a choice between Moscow and Brussels' and promised Ukraine a speedier AA/DCFTA implementation after Vilnius summit. Mr Füle also declared that the European Commission is 'working on overcoming the issues of legal compatibility between the AA and CU' in order to 'prevent new walls in Europe',<sup>17</sup> and sharply rebuked claims

---

<sup>11</sup> See [www.gazeta.ru](http://www.gazeta.ru), 4 November 2013.

<sup>12</sup> See IMF Mission Statement to Ukraine, Press Release No. 13/419, 31 October 2013.

<sup>13</sup> See, for instance, <http://www.vedomosti.ru/opinion/print/2013/10/29/18070451>, K.Sonin and *Financial Times*, 4 November 2013, p. 9.

<sup>14</sup> See <http://www.euractiv.com/europes-east/ukrainian-communists-expose-myth-news-531359>. It must be added that the high costs and the rationality of the request to take over the 'acquis' and other provisions of the DCFTA without prospects for EU accession is criticised by other observers as well (Dreyer, 2012). Earlier experience of CEE NMS suggests that 'acquis takeover' is indeed costly and problematic (Havlik, 2003).

<sup>15</sup> See <http://www.vedomosti.ru/politics/print/2013/10/25/17942981>.

<sup>16</sup> Ibid. Note that Turkey is in the customs union with the EU already since mid-1990s.

<sup>17</sup> See Mr Füle's speech at the conference in Yalta, Ukraine, on 20 September 2013.

regarding the adverse effects of an AA/DCFTA.<sup>18</sup> On the same day, Mr Füle announced a 'post-Vilnius agenda' for Ukraine which would include financial assistance to support the implementation of the Association Agreement amounting to EUR 186 million and to move ahead with a macro-financial assistance of EUR 610 million, 'once the conditions are in place' (ibid). The current EU stance with respect to both Eastern Partnership countries and the 'partnership for modernisation' with Russia, as well as the lack of a corresponding longer-term strategy, have long been criticised by numerous observers and experts.<sup>19</sup>

## **Economic integration effects**

Available studies dealing with the (economic) effects of alternative integration agreements provide widely conflicting results, depending on methods, assumptions and data sources. One of the common findings of these studies is that (economic) effects on Russia (or the EU for that matter) are asymmetric: they are rather small compared to effects on smaller prospective integration partners such as Ukraine, Armenia, Georgia or Moldova – owing to the sheer size of the Russian/EU economy (see, among others, Astrov et al., 2012; EDB, 2012, 2013; Vinokurov and Libman, 2012; Dabrowski and Taran, 2012; Dreyer, 2012; Movchan and Shportyuk, 2012; EBRD, 2012). Another common finding of most integration studies is that (mostly short-term) tariff reduction effects are relatively small compared to the effects from the abolishment of non-tariff barriers and the expected medium- and long-term efficiency gains from capital inflows and related restructuring. This applies not only to the post-Soviet integration or the AA/DCFTA but, for example, to the Transatlantic Trade and Investment Partnership (TTIP) under negotiation between the EU and USA as well (see Francois et al., 2013).

Regarding the effects of alternative integration scenarios, there is a plethora of different evaluation approaches, applying various methodologies, assumptions and data sets (see references for a selection of the relevant literature). Not surprisingly, the evaluation results differ by wide margins and the issue – economic effects of alternate integration directions – is excessively politicised. Ukraine has so far rejected a full-fledged BRK-CU membership and acquired 'observer status' instead. Apart from tricky geo-political aspects, important reasons for Ukraine's reluctant position are its WTO-related commitments and questions of BRK-CU compatibility with the prospective AA/DCFTA with the EU. While there seems to be little (economic) justification for Russia prompting Ukraine to join the BRK-CU

---

<sup>18</sup> See the above quoted speeches by Mr Füle at the international conference in Kyiv and before the Ukrainian Parliament on 11 October 2013 at [http://europa.eu/rapid/press-release\\_SPEECH-13-808\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-13-808_en.htm) and 13-810 (ibid).

<sup>19</sup> See, for example, Wallace (2009), Grant (2011), Emerson (2011a) and recent statements by German Bundestag MP Karl-Gerog Wellmann and former EU Enlargement Commissioner Gunter Verheugen during a panel discussion in Berlin on 18 November 2013 (<http://www.euractiv.com/specialreport-ukraine-way-reform/analysts-slam-germany-ukraine-po-news-531768>). Similar views have recently been expressed also by French diplomats (<http://www.euractiv.com/europes-east/france-supports-association-agre-news-531726as>), as well as by Youngs and Pishchikova (2013) and Wisniewski (2013).

(economic impacts on Russia are rather small, partly owing to its size), for Ukraine, on the other hand, the economic (and other) linkages to Russia are rather important.

Box 1

#### **What is the content of the EU-Ukraine DCFTA?**

The EU-UA DCFTA represents a part of the Association Agreement and consists of 15 Chapters, 14 Annexes and 3 protocols – altogether more than 900 pages of text which was published in November 2012, and few experts have probably actually read it. According to Chapter 1 (Market Access for Goods) the vast majority of customs duties (99.1% by Ukraine and 98.1% by the EU) will be removed as soon as the Agreement enters into force after the ratification process is completed. Few sectors will obtain transition periods for removing customs duties (e.g. the automotive sector in Ukraine for 15 years and some agriculture products in the EU for up to 10 years); WTO rules will be generally applied to non-tariffs barriers. According to EC estimates, Ukrainian exporters will save EUR 487 million annually due to reduced EU import duties while Ukraine will remove around EUR 390 million in duties on imports from the EU.<sup>20</sup> Ukraine will progressively adapt its technical regulations and standards to those of the EU.<sup>21</sup> Chapter 6 (which deals with services) aims at the expansion of the EU internal market ‘once Ukraine effectively implements the EU-acquis’. Similar wording is used in relation to financial services, telecom, postal and maritime services. Chapter 8 (Public procurement) provides exceptions for the defence sectors in both Ukraine and the EU. For the first time, Ukraine’s DCFTA includes specific provisions on trade-related energy issues (Chapter 11; Ukraine is already a member of the Energy Community Treaty which imposes an obligation to implement the EU energy acquis on electricity and gas). These include rules on pricing, prohibition of dual pricing and transport interruption to third countries as well as rules on non-discriminatory access to the exploration and production of hydrocarbons.<sup>22</sup> Importantly, Protocol I of the DCFTA deals with rules of origin and defines the ‘economic nationality’ of products needed to determine the duties applicable to traded goods.<sup>23</sup> Future EU-Ukraine relations will include EU-Ukraine summits and the Association Council with the power to take binding decisions. Last but not least, Article 39 of the agreement explicitly stipulates that the DCFTA ‘shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier traffic except insofar as they conflict trade arrangements provided for in this agreement’ and consultations regarding these matters will take place within the Trade Committee.

*Source:* European Commission, DG Trade and Industry. For the English version of the text see [EU Ukraine Association Agreement English - 2012\\_11\\_19\\_EU\\_Ukraine\\_Association\\_Agreement\\_English.pdf](#) published on 19 November 2012 (a concise summary was published on the European Commission DG Trade website on 26 February 2013).

<sup>20</sup> The net effect on Ukraine would thus be a gain of some EUR 100 million. In contrast, at a recent conference in Kharkiv, Sergey Glazyev predicted a deterioration of Ukraine’s trade balance in case of DCFTA signature by USD 5 billion owing to the abolishment of customs duties on 75% of imports (see [www.gazeta.ru](http://www.gazeta.ru) from 1 November 2013).

<sup>21</sup> Ibid., Chapter 3, Technical barriers to trade. There is no available EC estimate for Ukraine’s acquis takeover costs but, according to Ukrainian sources, these costs are doubtlessly considerable (see also Dreyer, 2012). Commissioner Füle, in his speech on 11 October 2013, mentioned the intention to help with an ‘indicative amount of EUR 186 million’. For an earlier experience of NMS see Havlik (2003).

<sup>22</sup> Note the similar above-quoted conditionality required by the IMF.

<sup>23</sup> The latter is one of Russia’s major complaints regarding incompatibility of the DCFTA and the BRK-CU (and the existing CIS-wide FTA where Ukraine is a member) and is used as an argument for the erection of trade barriers.



Notwithstanding the above incompatibilities which would have to be re-negotiated and doubtlessly leave room for compromises, the polarisation of Russian and EU standpoints regarding these issues is not only endangering future Russian-EU relations, but it is also counterproductive with respect to Ukraine which remains sandwiched between the two and would be ultimately adversely affected by EU-Russia frictions most. As far as foreign trade volumes are concerned, Russia and the EU are of about the same importance for Ukraine: Ukraine's exports to each of the destinations amounted to some USD 17 billion in 2012. Russia accounted for 26% of Ukraine's exports and the BRK-CU (together with Belarus and Kazakhstan) for 33% of Ukraine's exports in 2012. The enlarged EU(28) accounted for 25% of Ukraine's exports in 2012 (see Annex for additional trade statistics). As regards imports, the situation is similar: 32% of Ukraine's imports originated from Russia in 2012 (and more than 40% from the BRK-CU), whereas imports from the EU(28) accounted for 31% of the total. However, there are important structural aspects of Ukraine's trade to either destination: the structure of exports to Russia is more 'advanced' since Ukraine's exports of transport equipment and machinery play a much bigger role. Some Ukrainian estimates reckon with an additional export and GDP growth potential from exports to Russia especially in aircraft, shipbuilding and railway machinery industries.<sup>24</sup>

With respect to the EU, Ukraine's exports are specialised on vegetable products, mineral products (partly refined from Russian oil imports) and base metals. Ukraine's imports from Russia are traditionally dominated by mineral products whereas imports from the EU consist mostly of chemicals, machinery and transport equipment (Figure 1).

Russia and the EU are thus nearly equally important trading partners for Ukraine. From a purely trade importance point of view the either-or decision regarding the direction of Ukraine's trade integration is rather meaningless: both directions are important. Restricted access to the Russian market – if trade barriers are introduced by Russia as a punishment in case of Ukraine's 'European integration' choice – would hit a more advanced part of Ukraine's economy (located largely in the eastern part of the country) immediately and disproportionately, irrespective of the fact that a large part of these exports may represent remnants of cooperation links from the Soviet past (and are largely not competitive on EU markets). A BRK-CU-oriented integration of Ukraine would help to maintain and develop existing technological cooperation linkages, though probably without much modernisation and restructuring pressures (unless Russia itself embarks on a more radical reform path). On the other hand, the implementation of the AA/DCFTA with the EU would bring benefits to Ukraine only in the medium and long run – especially regarding the expected pressure on modernisation and reforms which would eventually lead to a significant restructuring of the Ukrainian economy and higher FDI inflows. There is little doubt that the EU as a more

---

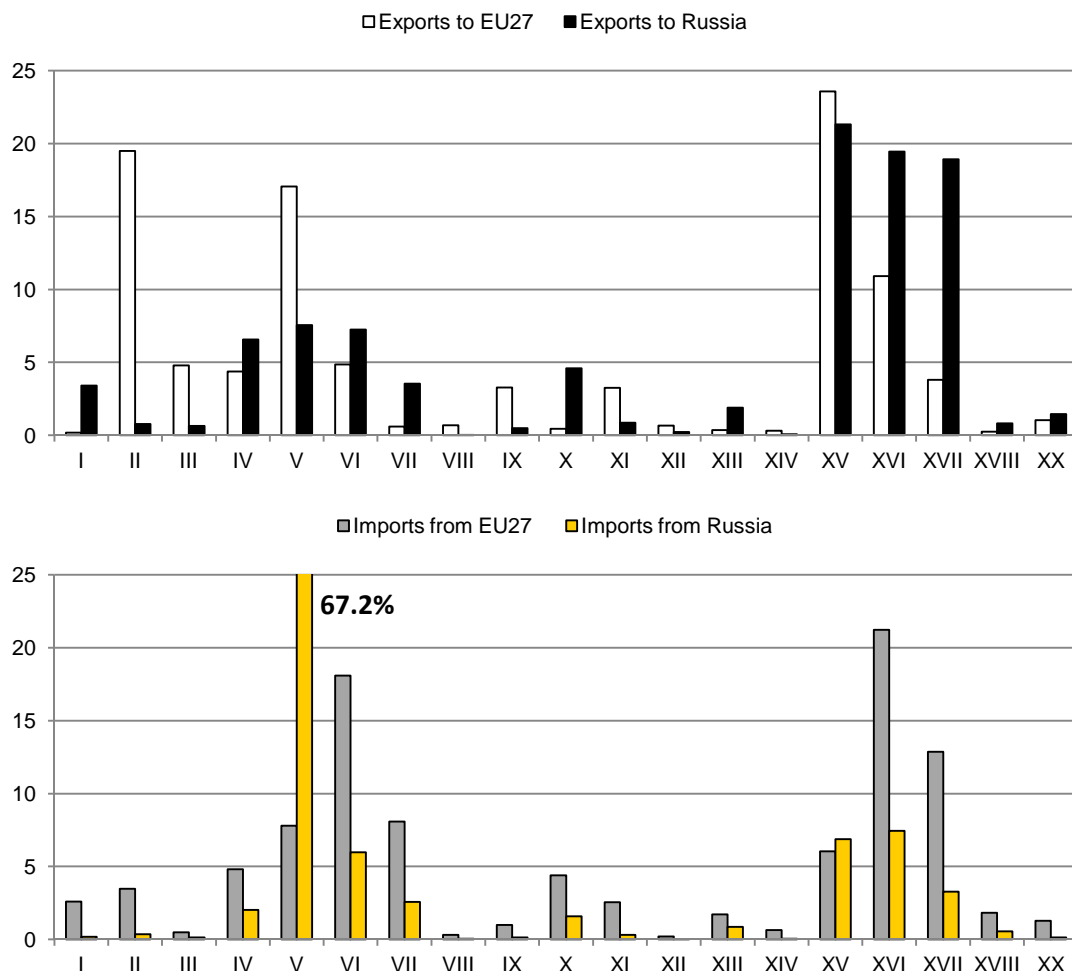
<sup>24</sup> Calculations by L. Shinkaruk, Institute for Economics and Forecasting, National Academy of Sciences of Ukraine (mimeo).



developed economy would introduce more competition, modernisation and reform pressures on Ukraine; the EU market is also much bigger than the Russian one.

Figure 1

### Structure of Ukraine's foreign trade (in % of total, year 2012)



Note:

- I Live animals, animal products;
- II Vegetable products
- III Animal or vegetable fats, oils, waxes, prepared edible fats
- IV Prepared foodstuffs, beverages, tobacco and substitutes
- V Mineral products
- VI Products of the chemical or allied industries
- VII Plastics and articles thereof, rubber and articles thereof
- VIII Raw hides and skins, leather, furskins and articles, etc.
- IX Wood and articles of wood, wood charcoal, cork, etc.
- X Pulp wood, paper or paperboard (incl. recovered) and articles
- XI Textiles and textile articles
- XII Footwear, headgear, umbrellas, walking sticks, etc.
- XIII Articles of stone, plaster, cement, ceramic products, glassware
- XIV Natural or cultured pearls, precious stones and metals, etc.
- XV Base metals and articles of base metal
- XVI Machinery, mech. Appliances, electr. equipment
- XVII Vehicles, aircraft, vessels and associated transport equipment
- XVIII Optical, measuring, medical instrum., clocks, musical instr., etc.
- XX Miscellaneous manufactured articles

Source: State Statistics Committee of Ukraine; own calculations.

As far as customs tariffs are concerned, Ukraine and Russia have formally a free trade agreement (with some important exceptions for agricultural products such as sugar) while in trade with the EU 70.6% of the value of Ukrainian agricultural products and 90.8% of the value of non-agricultural products were exported duty-free already in 2011. Russia faced similar tariff protection in the EU for agriculture products like Ukraine while nearly all Russian non-agricultural exports to the EU were duty-free (in value; in terms of the number of duty free-tariff lines, Ukraine's agricultural products face greater trade barriers in the EU – see Table 1 and Annex). Ukraine's (as well as Russian) exports face the highest tariff protection in dairy products, cereals, sugar, beverages and tobacco whereas industrial products generally enjoy more tariff protection in both Ukraine and Russia. In fact, average final bound duties in both Ukraine and Russia are very similar (except for animal products, beverages and tobacco, and wood and paper where Russian tariffs are higher and the harmonisation of tariff lines should not, given the negotiating will, pose a too big problem – with the above-quoted few exceptions, see Table 1).

Table 1

**Ukraine Tariffs and imports by product groups**

Product groups	Final bound duties				MFN applied duties			Imports		Differences in final bound duties AVG		
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %	EU-RU	EU-UA	RU-UA
Animal products	13.0	0	20	100	11.0	9.0	20	0.5	15.0	0.3	10.4	10.1
Dairy products	10.0	0	10	100	10.0	0	10	0.2	0	39.8	44.7	4.9
Fruit, vegetables, plants	13.1	10.2	20	100	9.9	18.9	20	1.4	54.6	1.5	-2.9	-4.4
Coffee, tea	5.8	35.4	20	100	5.8	35.4	20	1.3	42.0	-0.2	0.4	0.6
Cereals & preparations	12.7	3.3	20	100	12.6	3.8	20	0.9	27.1	12.1	9.5	-2.6
Oilseeds, fats & oils	10.7	11.0	30	100	8.3	20.1	30	0.9	89.9	-1.5	-5.1	-3.6
Sugars and confectionery	17.5	0.6	50	100	17.5	0	50	0.3	0	18.3	13.5	-4.8
Beverages & tobacco	7.9	25.7	64	100	12.2	26.2	424	1.2	23.9	-2.3	13.4	15.7
Cotton	1.4	40.0	5	100	1.4	40.0	5	0.0	61.3	0	-1.4	-1.4
Other agricultural products	7.6	23.9	20	100	5.5	45.2	20	0.5	19.3	-1.2	-3.5	-2.3
Fish & fish products	3.7	61.7	20	100	2.6	68.2	20	0.7	68.0	3.4	7.2	3.8
Minerals & metals	4.5	42.4	20	100	3.0	47.6	20	32.8	79.0	-6	-2.5	3.5
Petroleum	1.5	72.0	10	100	0.9	84.3	10	13.7	97.3	-3	0.5	3.5
Chemicals	5.1	16.1	10	100	3.2	39.3	65	12.7	55.4	-0.6	-0.5	0.1
Wood, paper, etc.	0.4	95.8	10	100	0.3	95.8	10	3.1	99.1	-7	0.5	7.5
Textiles	4.1	33.7	13	100	3.8	35.6	13	2.1	25.6	-1.3	2.4	3.7
Clothing	11.4	1.0	12	100	11.3	1.1	12	0.6	0.1	-0.3	0.1	0.4
Leather, footwear, etc.	7.2	14.9	25	100	5.4	27.0	25	1.9	20.3	-2.2	-3	-0.8
Non-electrical machinery	4.2	38.7	12	100	2.1	51.3	10	8.8	62.4	-4.1	-2.5	1.6
Electrical machinery	5.3	33.0	25	100	3.8	39.1	25	6.8	34.2	-3.8	-2.9	0.9
Transport equipment	7.5	15.8	20	100	5.1	39.6	20	7.5	21.4	-4.8	-3.4	1.4
Manufactures, n.e.s.	6.4	31.9	25	100	5.5	32.0	25	2.1	68.6	-5.9	-3.9	2

Source: WTO; own calculations.

## **Conclusions: cooperation and integration, not confrontation**

The earlier (both positive and negative) integration experiences of the new EU Member States (NMS) may provide a useful reference point for Ukraine. NMS trade integration with the EU was advancing rapidly after they had signed association agreements and inflows of FDI to the region accelerated already before the EU accession. FDI inflows have brought new technologies, higher quality standards, and better know-how in management and marketing (Hunya, 2008). Last but not least, FDI inflows have facilitated access to EU markets and fostered modernisation; they even contributed to a revival of intra-NMS trade (Richter, 2011). FDI-induced modernisation was crucial also in raising the energy efficiency of the recipient countries' economies (which remains an important challenge for Ukraine – see Astrov et al., 2012). In this way, the former COMECON countries have successfully restructured their industrial sector, which in many cases became competitive on the European scale and has been gaining global market shares (Havlik, 2008). But the experience of the NMS in the recent crisis has also taught important lessons regarding negative effects of capital flows and integration – neither being a panacea with respect to growth and convergence (see, for example, Gligorov et al., 2012).

In the case of Ukraine – unlike in the above-mentioned NMS countries – one important factor behind the success restructuring story, namely the 'carrot' of prospective EU membership, is missing and is unlikely to be in place any time soon. Theoretically, Ukraine (just as Russia) could still try to emulate these developments via closer EU integration – even without a formal accession anchor, as the Baltic States did in the early 1990s.<sup>25</sup> The latter does not rule out that Ukraine maintains close economic links with Russia, e.g. via a preservation of the current free trade regime (albeit with exemptions and limitations). The BRK-CU members – and first of all Russia – should also advance their integration with the enlarged EU, at least to the stage of a free trade area. A closer EU-BRK-CU integration which would include Ukraine is a potentially preferred option in the future which, if accompanied by a parallel integration of other EaP countries, would lay the foundation for a broader Pan-European Economic Space and a wider Eurasian integration 'from Lisbon to Vladivostok'. This could be part of the new inclusive strategy for the EU Eastern Partnership which would refrain from the strategic rivalry with Russia and revitalise the Partnership for Modernisation, especially in order to avoid trade wars and raising new walls in Europe (Samson, 2002; Havlik, 2010; Emerson, 2011a; Havlik, 2013; Wisniewski, 2013; etc.).

Summarising, both Russia and the EU should abstain from counterproductive geopolitical games over the influence in the EaP region that have adverse consequences especially for the EaP countries concerned. EU-Russia negotiations should not be about Ukraine or

---

<sup>25</sup> It is questionable whether this incentive is sufficient for truly sustained reform efforts. WTO membership is definitely not a sufficient 'reform anchor' – see O. Havrylyshyn in Grinberg et al. (2008).

other EaP countries but involve the latter in the process. All parties should also continue/resume FTA negotiations – perhaps with a lesser and selective focus on costly harmonisations of norms and regulations. Last but not least, the progress in visa liberalisation procedures and other confidence-building measures should be decisively speeded up and here it is the EU which should deliver. Apart from confidence building measures, a closer integration of the enlarged EU, Russia and the Eastern Partnership countries – from ‘Lisbon to Vladivostok’ – would boost trade and investment thus fostering the badly needed economic growth and stability in Europe.

## Statistical Annex

### Tables from the *wiiw Handbook of Statistics. Countries in Transition 2013:*

Table A1

#### Kazakhstan: Foreign trade by country groupings

	2000	2005	2009	2010	2011	2012*
<b>EUR mn <sup>1)2)</sup></b>						
<b>Exports, fob</b>						
Total	9319	22371	30977	45387	62929	67249
EU-28	2400	9034	15164	23203	30738	35364
EU-15	2181	7752	12705	20391	27253	30665
Other countries <sup>3)</sup>	6919	13337	15813	22185	32191	31884
<b>Imports, cif</b>						
Total	5330	13939	20373	23440	26619	36021
EU-28	1253	3453	5588	5482	5271	7270
EU-15	1074	2995	4805	4567	4355	6069
Other countries <sup>3)</sup>	4077	10486	14785	17958	21348	28752
<b>Trade balance</b>						
Total	3989	8432	10604	21947	36310	31227
EU-28	1147	5581	9576	17721	25467	28095
EU-15	1108	4757	7900	15824	22898	24597
Other countries <sup>3)</sup>	2842	2851	1028	4226	10843	3133
<b>Annual growth in %</b>						
<b>Exports, fob</b>						
Total	72.6	38.3	-36.0	46.5	38.6	6.9
EU-28	62.1	59.5	-27.0	53.0	32.5	15.1
EU-15	87.0	52.7	-32.1	60.5	33.7	12.5
Other countries <sup>3)</sup>	76.6	26.9	-42.7	40.3	45.1	-1.0
<b>Imports, cif</b>						
Total	58.6	35.5	-20.9	15.1	13.6	35.3
EU-28	26.9	22.6	-4.3	-1.9	-3.8	37.9
EU-15	29.1	25.9	-3.2	-5.0	-4.6	39.3
Other countries <sup>3)</sup>	71.8	40.4	-25.7	21.5	18.9	34.7
<b>Shares in %</b>						
<b>Exports, fob</b>						
Total	100.0	100.0	100.0	100.0	100.0	100.0
EU-28	25.8	40.4	49.0	51.1	48.8	52.6
EU-15	23.4	34.7	41.0	44.9	43.3	45.6
Other countries <sup>3)</sup>	74.2	59.6	51.0	48.9	51.2	47.4
<b>Imports, cif</b>						
Total	100.0	100.0	100.0	100.0	100.0	100.0
EU-28	23.5	24.8	27.4	23.4	19.8	20.2
EU-15	20.1	21.5	23.6	19.5	16.4	16.8
Other countries <sup>3)</sup>	76.5	75.2	72.6	76.6	80.2	79.8

1) Officially registered trade.

2) Values in EUR converted from USD to NCU to EUR at the average official exchange rate.

3) Refers to total minus EU-28 from 2000.

Table A2

**Russia: Foreign trade by country groupings**

	2000	2005	2009	2010	2011	2012*
<b>EUR mn <sup>1)</sup></b>						
<b>Exports, fob</b>						
Total	111449	193709	216560	299354	371071	408182
EU-28	60780	111619	116080	160210	192189	216319
EU-15	39870	80255	88564	121657	142915	164148
Other countries <sup>2)</sup>	50668	82090	100480	139143	178882	191863
<b>Imports, cif</b>						
Total	36613	79190	120136	172579	219576	246447
EU-28	14617	35375	53962	71947	91606	96044
EU-15	12044	29283	43287	56998	74154	79421
Other countries <sup>2)</sup>	21996	43815	66174	100632	127970	150403
<b>Trade balance</b>						
Total	74836	114519	96424	126775	151495	161735
EU-28	46164	76245	62119	88263	100583	120275
EU-15	27827	50972	45278	64659	68761	84727
Other countries <sup>2)</sup>	28672	38275	34306	38511	50912	41460
<b>Annual growth in %</b>						
<b>Exports, fob</b>						
Total	63.0	32.6	-32.0	38.2	24.0	10.0
EU-28	80.1	46.2	-36.4	38.0	20.0	12.6
EU-15	71.0	51.2	-34.2	37.4	17.5	14.9
Other countries <sup>2)</sup>	46.3	17.7	-26.2	38.5	28.6	7.3
<b>Imports, cif</b>						
Total	28.9	30.3	-34.0	43.7	27.2	12.2
EU-28	17.9	27.8	-32.0	33.3	27.3	4.8
EU-15	14.9	28.0	-32.3	31.7	30.1	7.1
Other countries <sup>2)</sup>	37.4	32.3	-35.5	52.1	27.2	17.5
<b>Shares in %</b>						
<b>Exports, fob</b>						
Total	100.0	100.0	100.0	100.0	100.0	100.0
EU-28	54.5	57.6	53.6	53.5	51.8	53.0
EU-15	35.8	41.4	40.9	40.6	38.5	40.2
Other countries <sup>2)</sup>	45.5	42.4	46.4	46.5	48.2	47.0
<b>Imports, cif</b>						
Total	100.0	100.0	100.0	100.0	100.0	100.0
EU-28	39.9	44.7	44.9	41.7	41.7	39.0
EU-15	32.9	37.0	36.0	33.0	33.8	32.2
Other countries <sup>2)</sup>	60.1	55.3	55.1	58.3	58.3	61.0

1) Values in EUR converted from USD to NCU to EUR at the average official exchange rate.

2) Refers to total minus EU-28 from 2000.



Table A3

## Ukraine: Foreign trade by country groupings

	2000	2005	2009	2010	2011	2012*
<b>EUR mn <sup>1)</sup></b>						
<b>Exports, fob</b>						
Total	15764.6	27455.0	28457.9	38729.2	49129.8	53536.7
EU-28	5215.2	8256.5	6820.9	9858.6	12945.4	13321.2
EU-15	2811.6	4578.1	3906.7	5474.5	6787.7	7371.1
Other countries <sup>2)</sup>	10549.4	19198.5	21637.0	28870.6	36184.3	40215.5
<b>Imports, cif</b>						
Total	15097.7	28985.3	32571.0	45763.8	59340.2	65867.2
EU-28	4378.8	9794.8	11067.9	14428.9	18536.3	20404.6
EU-15	3116.9	6755.8	7225.0	8921.6	11938.4	13168.3
Other countries <sup>2)</sup>	10718.9	19190.5	21503.1	31334.9	40803.9	45462.6
<b>Trade balance</b>						
Total	667.0	-1530.3	-4113.1	-7034.6	-10210.4	-12330.5
EU-28	836.4	-1538.3	-4247.1	-4570.3	-5590.9	-7083.5
EU-15	-305.3	-2177.7	-3318.3	-3447.1	-5150.6	-5797.2
Other countries <sup>2)</sup>	-169.5	8.0	133.9	-2464.3	-4619.5	-5247.1
<b>Annual growth in %</b>						
<b>Exports, fob</b>						
Total	44.8	4.4	-37.8	36.1	26.9	9.0
EU-28	51.4	-7.3	-45.4	44.5	31.3	2.9
EU-15	41.2	-4.7	-40.7	40.1	24.0	8.6
Other countries <sup>2)</sup>	41.7	10.4	-35.0	33.4	25.3	11.1
<b>Imports, cif</b>						
Total	35.6	24.2	-44.3	40.5	29.7	11.0
EU-28	34.6	27.3	-44.0	30.4	28.5	10.1
EU-15	38.2	23.7	-42.7	23.5	33.8	10.3
Other countries <sup>2)</sup>	36.0	22.7	-44.4	45.7	30.2	11.4
<b>Shares in %</b>						
<b>Exports, fob</b>						
Total	100.0	100.0	100.0	100.0	100.0	100.0
EU-28	33.1	30.1	24.0	25.5	26.3	24.9
EU-15	17.8	16.7	13.7	14.1	13.8	13.8
Other countries <sup>2)</sup>	66.9	69.9	76.0	74.5	73.7	75.1
<b>Imports, cif</b>						
Total	100.0	100.0	100.0	100.0	100.0	100.0
EU-28	29.0	33.8	34.0	31.5	31.2	31.0
EU-15	20.6	23.3	22.2	19.5	20.1	20.0
Other countries <sup>2)</sup>	71.0	66.2	66.0	68.5	68.8	69.0

1) Values in EUR converted from USD to NCU to EUR at the average official exchange rate.

2) Refers to total minus EU-28 from 2000.

Table A4

**Kazakhstan: Exports to the top thirty partners**

		2000	2005	2009	2010	2011	2012*
Total exports, fob, EUR mn <sup>1)</sup>		9319.0	22370.9	30977.2	45387.1	62928.6	67248.6
<b>Shares in % (ranking in 2012)</b>							
Italy	1	10.41	15.05	15.48	15.89	17.17	17.77
China	2	7.65	8.70	13.63	16.79	18.60	16.46
Netherlands	3	2.57	3.15	5.15	6.90	7.58	8.43
Russia	4	19.87	10.51	8.21	9.48	7.99	7.09
France	5	0.18	9.57	7.83	7.36	6.18	6.52
Austria	6	0.01	0.00	2.77	4.20	4.43	5.73
Switzerland	7	5.15	19.78	6.18	2.05	5.66	5.69
Canada	8	0.08	1.90	3.21	4.06	3.00	3.56
Romania	9	0.01	1.65	1.95	2.13	2.59	3.51
Turkey	10	0.71	0.56	1.83	2.05	2.94	3.13
Ukraine	11	2.88	0.72	2.98	1.11	3.05	2.76
United Kingdom	12	2.58	1.15	2.86	2.30	1.85	1.94
Poland	13	0.64	1.32	1.93	2.02	1.49	1.87
Israel	14	.	.	2.60	2.12	1.62	1.78
Germany	15	6.25	1.47	2.08	2.90	1.84	1.61
Uzbekistan	16	1.51	0.87	2.06	1.82	1.35	1.36
Portugal	17	.	1.14	0.64	1.22	1.30	1.18
Spain	18	0.07	1.67	1.34	1.53	1.30	0.77
Greece	19	0.01	0.50	1.26	1.65	0.66	0.76
Kyrgyzstan	20	0.66	0.81	0.90	0.70	0.58	0.74
Iran	21	2.31	3.18	2.96	1.81	1.23	0.70
Japan	22	0.11	0.49	0.57	0.89	1.19	0.64
Finland	23	0.79	0.64	1.04	0.45	0.67	0.60
Tajikistan	24	0.60	0.54	0.56	0.43	0.41	0.54
United States	25	2.38	2.39	1.42	1.46	1.17	0.46
Bulgaria	26	0.02	0.00	0.42	0.28	0.55	0.41
Azerbaijan	27	0.53	0.46	0.21	0.57	0.27	0.40
Afghanistan	28	0.66	0.59	0.95	0.60	0.38	0.34
Cyprus	29	0.02	1.03	.	0.01	0.10	0.26
Korea Republic	30	0.41	0.67	0.30	0.39	0.32	0.25

1) Officially registered trade.

Table A5

**Russia: Exports to the top thirty partners**

		2000	2005	2009	2010	2011	2012*
Total exports, fob, EUR mn		111449	193709	216560	299354	371071	408182
<b>Shares in % (ranking in 2012)</b>							
Netherlands	1	4.22	10.19	12.07	13.59	12.13	14.64
China	2	5.09	5.40	5.53	5.12	6.78	6.81
Germany	3	8.95	8.17	6.20	6.46	6.61	6.78
Italy	4	7.03	7.89	8.32	6.92	6.32	6.18
Turkey	5	3.00	4.49	5.43	5.12	4.91	5.23
Ukraine	6	4.87	5.14	4.59	5.83	5.90	5.18
Belarus	7	5.40	4.19	5.54	4.55	4.82	4.68
Poland	8	4.32	3.57	4.14	3.76	4.14	3.79
Japan	9	2.68	1.55	2.40	3.23	2.83	2.97
Kazakhstan	10	2.18	2.71	3.03	2.69	2.73	2.87
United Kingdom	11	4.53	3.43	3.01	2.85	2.71	2.86
Korea Republic	12	0.94	0.98	1.88	2.63	2.59	2.63
United States	13	4.50	2.62	3.03	3.10	3.18	2.47
Finland	14	3.01	3.17	3.04	3.06	2.55	2.29
Switzerland	15	3.74	4.46	2.06	2.20	2.22	2.05
France	16	1.85	2.53	2.89	3.13	2.88	2.01
Latvia	17	1.58	0.49	1.37	1.48	1.43	1.70
India	18	1.05	0.96	1.97	1.61	1.18	1.51
Belgium	19	0.73	1.02	1.34	1.24	1.45	1.30
Hungary	20	2.33	2.07	1.29	1.35	1.50	1.27
Sweden	21	1.68	0.96	1.06	0.90	0.99	1.18
Slovakia	22	2.06	1.32	0.98	1.15	1.37	1.17
Greece	23	1.23	0.80	0.77	0.72	0.91	1.13
Spain	24	1.04	1.17	0.96	1.02	1.19	1.09
Lithuania	25	2.01	1.66	1.13	0.89	1.40	1.03
Czech Republic	26	1.69	1.58	1.47	1.39	1.05	1.00
Bulgaria	27	0.57	0.79	0.73	0.86	0.68	0.83
Estonia	28	1.20	0.88	0.38	0.43	0.55	0.70
Taiwan	29	0.39	0.60	0.26	0.45	0.41	0.63
Egypt	30	0.44	0.43	0.60	0.48	0.45	0.61

Table A6

## Ukraine: Exports to the top thirty partners

		2000	2005	2009	2010	2011	2012*
Total exports, fob, EUR mn		15764.6	27455.0	28457.9	38729.2	49129.8	53536.7
<b>Shares in % (ranking in 2012)</b>							
Russia	1	24.12	21.88	21.40	26.12	28.98	25.62
Turkey	2	5.96	5.92	5.36	5.89	5.48	5.36
Egypt	3	1.52	2.33	2.55	0.43	1.95	4.21
Poland	4	2.87	2.95	3.04	3.48	4.09	3.74
Italy	5	4.38	5.53	3.09	4.69	4.44	3.60
Kazakhstan	6	0.53	1.95	3.57	2.53	2.72	3.57
India	7	1.15	2.15	2.90	0.97	3.31	3.33
Belarus	8	1.87	2.60	3.17	3.69	2.81	3.27
China	9	4.32	2.08	3.61	0.91	3.19	2.58
Germany	10	5.09	3.75	3.14	2.92	2.58	2.39
Spain	11	1.12	1.68	1.44	0.80	1.42	2.24
Hungary	12	2.25	2.01	1.84	1.67	1.96	2.19
Lebanon	13	0.42	0.30	1.75	0.58	1.99	2.07
Iran	14	0.62	1.69	1.90	0.55	1.65	1.69
United States	15	4.98	2.79	0.63	1.58	1.63	1.47
Saudi Arabia	16	0.25	1.13	1.26	0.16	1.19	1.35
Netherlands	17	0.95	1.51	1.50	1.10	1.22	1.21
Moldova	18	1.21	1.98	1.75	1.39	1.28	1.20
Israel	19	0.73	0.85	0.99	0.31	0.75	1.16
Azerbaijan	20	0.28	0.85	1.38	1.19	1.04	1.11
Czech Republic	21	1.30	1.10	0.86	1.22	1.23	1.03
Slovakia	22	1.58	1.48	1.09	1.11	1.23	0.98
Syria	23	1.10	1.96	1.90	0.36	1.35	0.84
Bulgaria	24	2.62	1.59	1.00	0.88	1.10	0.83
Romania	25	1.13	1.43	0.80	1.37	1.39	0.80
United Kingdom	26	0.94	1.05	0.87	0.99	0.71	0.80
France	27	0.77	0.58	1.11	0.93	0.83	0.80
Georgia	28	0.26	0.58	1.00	1.03	0.96	0.79
Jordan	29	0.31	0.53	1.20	0.20	0.66	0.78
Turkmenistan	30	1.02	0.55	0.82	0.41	0.35	0.77

Table A7

**Kazakhstan: Imports from the top thirty partners**

		2000	2005	2009	2010	2011	2012*
Total imports, cif, EUR mn <sup>1)</sup>		5329.9	13939.0	20372.8	23440.1	26618.5	36021.2
<b>Shares in % (ranking in 2012)</b>							
Russia	1	48.40	37.98	31.32	39.38	41.38	36.59
China	2	3.00	7.21	12.56	12.73	13.55	16.08
Germany	3	6.66	7.50	7.19	5.93	5.62	8.26
Ukraine	4	1.61	4.87	7.50	4.37	4.68	6.33
United States	5	5.50	6.94	4.90	4.24	4.63	4.60
Italy	6	3.09	3.91	6.74	5.10	3.09	2.11
Korea Republic	7	1.66	1.48	1.32	1.69	1.68	2.09
Japan	8	2.09	3.45	2.24	1.80	1.74	1.97
Turkey	9	2.86	2.30	2.01	1.99	1.97	1.74
Uzbekistan	10	1.40	1.47	1.07	1.52	2.08	1.74
Belarus	11	0.78	1.20	1.29	1.70	1.60	1.43
France	12	1.50	1.68	1.62	1.60	1.86	1.41
United Kingdom	13	4.43	2.44	2.47	2.34	1.42	1.30
Poland	14	1.16	1.14	1.48	1.22	1.06	1.04
Kyrgyzstan	15	0.60	0.68	0.41	0.53	0.65	0.79
India	16	0.91	0.58	0.55	0.64	0.66	0.72
Czech Republic	17	0.67	0.55	0.63	0.54	0.44	0.70
Brazil	18	0.55	0.96	0.71	0.75	0.92	0.65
Netherlands	19	1.30	0.81	1.12	0.97	0.79	0.62
Austria	20	0.36	0.90	0.89	0.71	0.60	0.58
Sweden	21	0.51	1.51	0.92	0.67	0.84	0.54
Finland	22	1.14	1.14	1.09	0.67	0.67	0.54
Spain	23	0.18	0.44	0.42	0.32	0.40	0.50
Switzerland	24	1.08	1.16	0.55	0.58	0.42	0.48
Canada	25	0.46	0.73	0.87	0.70	0.47	0.45
Belgium	26	0.66	0.83	0.55	0.57	0.48	0.44
Lithuania	27	0.19	0.16	0.38	0.35	0.27	0.41
Turkmenistan	28	0.86	0.29	0.22	0.03	0.18	0.39
Hungary	29	0.51	0.40	0.35	0.41	0.44	0.31
Ireland	30	.	.	0.23	0.27	0.28	0.27

1) Officially registered trade.

Table A8

**Russia: Imports from the top thirty partners**

		<b>2000</b>	<b>2005</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012*</b>
Total imports, cif, EUR mn		36613	79190	120136	172579	219576	246447
<b>Shares in % (ranking in 2012)</b>							
China	1	2.80	7.36	13.62	17.02	15.78	15.40
Germany	2	11.51	13.45	12.69	11.66	12.32	12.09
Ukraine	3	10.78	7.92	5.46	6.14	6.58	5.68
Japan	4	1.69	5.91	4.33	4.48	4.91	4.95
United States	5	7.95	4.62	5.48	4.85	4.77	4.83
France	6	3.50	3.72	5.04	4.39	4.34	4.35
Italy	7	3.58	4.47	4.72	4.39	4.38	4.24
Belarus	8	10.95	5.79	4.01	4.35	4.48	3.56
Kazakhstan	9	6.49	3.27	2.21	1.94	2.34	2.72
United Kingdom	10	2.54	2.81	2.12	2.00	2.35	2.59
Korea Republic	11	1.06	4.06	2.91	3.18	3.79	2.17
Turkey	12	1.03	1.75	1.92	2.13	2.08	2.16
Poland	13	2.11	2.78	2.52	2.55	2.18	2.13
Netherlands	14	2.18	1.97	2.14	1.94	1.94	1.61
Finland	15	2.83	3.14	2.36	2.00	1.85	1.51
Spain	16	0.92	1.24	1.36	1.33	1.41	1.24
Belgium	17	1.42	1.50	1.52	1.43	1.35	1.18
Czech Republic	18	1.08	1.00	1.39	1.27	1.47	1.12
Brazil	19	1.14	2.38	2.08	1.78	1.44	1.03
Austria	20	1.24	1.23	1.23	1.08	1.02	0.99
Sweden	21	1.37	1.88	1.22	1.25	1.32	0.94
India	22	1.64	0.79	0.91	0.94	0.91	0.93
Hungary	23	1.19	1.11	1.57	1.37	1.09	0.88
Switzerland	24	0.80	0.89	1.17	1.05	0.97	0.86
Vietnam	25	0.11	0.18	0.41	0.49	0.56	0.71
Slovakia	26	0.31	0.51	1.08	1.09	0.97	0.66
Denmark	27	1.02	0.93	0.82	0.74	0.67	0.63
Canada	28	0.57	0.52	0.72	0.65	0.60	0.61
Taiwan	29	0.26	0.50	0.55	0.67	0.67	0.60
Norway	30	0.46	0.76	0.67	0.62	0.62	0.56

Table A9

## Ukraine: Imports from the top thirty partners

		2000	2005	2009	2010	2011	2012*
Total imports, cif, EUR mn		15097.7	28985.3	32571.0	45763.8	59340.2	65867.2
<b>Shares in % (ranking in 2012)</b>							
Russia	1	41.74	35.54	29.13	36.54	35.27	32.39
China	2	0.94	5.01	6.02	2.03	7.59	9.33
Germany	3	8.13	9.36	8.48	7.58	8.31	8.04
Belarus	4	4.31	2.60	3.73	4.23	5.10	5.99
Poland	5	2.24	3.89	4.78	4.59	3.85	4.21
United States	6	2.58	1.96	2.83	2.91	3.14	3.43
Italy	7	2.48	2.85	2.51	2.29	2.43	2.64
Turkey	8	1.15	1.68	2.10	2.14	1.79	2.31
France	9	1.69	2.21	2.14	1.82	1.82	1.97
Korea Republic	10	0.79	1.79	1.25	0.46	1.50	1.83
Kazakhstan	11	2.96	0.52	4.48	1.26	2.03	1.77
Czech Republic	12	1.17	1.64	1.37	1.23	1.43	1.47
Japan	13	0.71	1.52	1.14	1.32	1.23	1.41
Hungary	14	1.19	1.79	1.49	2.00	1.61	1.37
United Kingdom	15	1.45	1.39	1.43	1.35	1.37	1.36
Netherlands	16	1.05	1.28	1.49	1.38	1.44	1.33
India	17	0.54	0.89	1.05	0.28	0.98	1.21
Romania	18	0.35	0.59	1.07	1.12	1.36	1.10
Lithuania	19	0.97	0.55	0.90	1.05	1.00	1.08
Singapore	20	0.03	0.05	0.06	0.01	0.05	0.97
Switzerland	21	1.55	0.70	0.96	0.84	0.96	0.90
Spain	22	0.72	0.65	0.82	0.77	0.83	0.88
Austria	23	1.33	1.27	1.35	1.15	0.86	0.87
Belgium	24	0.97	0.87	1.02	0.97	0.80	0.84
Slovakia	25	0.89	0.84	0.67	0.73	0.73	0.69
Brazil	26	0.67	0.86	0.83	0.17	0.66	0.68
Sweden	27	1.08	1.51	0.99	0.59	0.77	0.64
Finland	28	0.69	0.97	0.93	0.71	0.63	0.57
Indonesia	29	0.20	0.34	0.57	0.20	0.64	0.49
Norway	30	0.32	0.35	0.57	0.43	0.33	0.45



Table A10

**Kazakhstan: Exports and imports by SITC commodity groups**

	2000	2005	2009	2010	2011	2012*
<b>Exports <sup>1)</sup></b>						
Total exports, fob, EUR mn	9319.0	22370.9	30977.2	45387.1	62928.6	67248.6
<b>Shares in %</b>						
0 Food and live animals	6.7	2.2	3.5	3.1	1.8	2.9
1 Beverages and tobacco	0.2	0.2	0.1	0.1	0.1	0.1
2 Crude materials, inedible, except fuels	7.5	6.7	6.0	5.4	6.9	6.2
3 Mineral fuels, lubricants and related materials	52.8	70.1	69.5	71.7	72.0	69.9
4 Animal and vegetable oils, fats and waxes	0.0	0.0	0.1	0.1	0.0	0.1
5 Chemicals and related products, n.e.s.	1.1	1.9	4.5	4.4	3.3	3.8
6 Manufactured goods classified chiefly by material	26.9	16.7	13.7	13.0	13.7	14.0
7 Machinery and transport equipment	2.2	1.2	0.9	0.6	0.8	1.4
8 Miscellaneous manufactured articles	0.5	0.2	0.1	0.1	0.3	0.7
9 Commodities not classified elsewhere in the SITC	2.0	0.7	1.5	1.5	1.1	1.0
<b>Imports <sup>1)</sup></b>						
Total imports, cif, EUR mn	5329.9	13939.0	20372.8	23440.1	26618.5	36021.2
<b>Shares in %</b>						
0 Food and live animals	7.1	5.7	6.8	8.0	8.7	7.8
1 Beverages and tobacco	1.3	1.1	1.2	1.0	1.1	1.1
2 Crude materials, inedible, except fuels	2.8	2.0	1.2	1.3	1.4	2.3
3 Mineral fuels, lubricants and related materials	11.4	11.9	10.0	9.9	12.8	10.8
4 Animal and vegetable oils, fats and waxes	0.8	0.4	0.5	0.5	0.5	0.4
5 Chemicals and related products, n.e.s.	10.2	9.3	10.0	11.9	10.4	10.3
6 Manufactured goods classified chiefly by material	18.8	21.6	26.5	18.1	17.3	19.7
7 Machinery and transport equipment	39.7	41.5	37.0	40.3	35.8	38.0
8 Miscellaneous manufactured articles	6.4	6.5	6.8	9.0	11.8	9.4
9 Commodities not classified elsewhere in the SITC	1.4	0.1	0.2	0.1	0.2	0.4
1) Officially registered trade.						

Table A11

**Russia: Exports and imports by SITC commodity groups**

	2000	2005	2009	2010	2011	2012*
<b>Exports</b>						
Total exports, fob, EUR mn	111449	193709	216560	299354	371071	408182
<b>Shares in %</b>						
0 Food and live animals	0.9	1.3	2.5	1.6	1.8	2.5
1 Beverages and tobacco	0.1	0.2	0.3	0.2	0.1	0.2
2 Crude materials, inedible, except fuels	4.5	4.4	3.1	3.1	3.3	2.4
3 Mineral fuels, lubricants and related materials	50.6	61.8	63.0	65.6	67.0	70.3
4 Animal and vegetable oils, fats and waxes	0.1	0.1	0.3	0.1	0.2	0.4
5 Chemicals and related products, n.e.s.	6.0	4.2	4.1	4.0	4.2	4.7
6 Manufactured goods classified chiefly by material	17.8	14.8	12.3	11.2	9.8	9.5
7 Machinery and transport equipment	6.2	4.1	3.6	2.8	2.3	2.7
8 Miscellaneous manufactured articles	2.0	0.8	0.8	0.6	0.4	0.6
9 Commodities not classified elsewhere in the SITC	11.8	8.4	10.1	10.8	10.8	6.6
<b>Imports</b>						
Total imports, cif, EUR mn	36613	79190	120136	172579	219576	246447
<b>Shares in %</b>						
0 Food and live animals	15.6	12.8	13.1	11.6	10.1	10.2
1 Beverages and tobacco	3.3	2.4	1.7	1.5	1.3	1.4
2 Crude materials, inedible, except fuels	7.2	3.7	3.0	2.2	2.1	2.2
3 Mineral fuels, lubricants and related materials	4.1	1.6	1.4	1.2	1.6	1.3
4 Animal and vegetable oils, fats and waxes	1.1	0.8	0.7	0.7	0.6	0.5
5 Chemicals and related products, n.e.s.	11.8	12.7	13.1	12.8	11.7	12.1
6 Manufactured goods classified chiefly by material	13.9	13.0	11.5	11.9	11.6	12.8
7 Machinery and transport equipment	24.5	39.9	37.1	39.0	41.9	31.5
8 Miscellaneous manufactured articles	7.2	7.0	10.2	11.0	10.0	11.3
9 Commodities not classified elsewhere in the SITC	11.2	6.2	8.0	8.2	9.1	16.7

Table A12

**Ukraine: Exports and imports by SITC commodity groups**

	2000	2005	2009	2010	2011	2012*
<b>Exports</b>						
Total exports, fob, EUR mn	15764.6	27455.0	28457.9	38729.2	49129.8	53536.7
<b>Shares in %</b>						
0 Food and live animals <sup>1)</sup>	6.3	10.3	16.8	12.2	11.7	17.4
1 Beverages and tobacco	.	.	.	.	.	.
2 Crude materials, inedible, except fuels	12.7	7.2	9.6	10.4	11.0	10.3
3 Mineral fuels, lubricants and related materials	5.5	9.8	5.4	7.1	8.3	5.3
4 Animal and vegetable oils, fats and waxes	1.6	1.7	4.4	5.0	4.8	6.0
5 Chemicals and related products, n.e.s.	9.0	9.0	6.2	6.7	7.9	7.3
6 Manufactured goods classified chiefly by material	45.6	44.1	36.1	37.1	33.3	28.8
7 Machinery and transport equipment	12.3	12.6	16.6	17.3	12.9	14.4
8 Miscellaneous manufactured articles	4.5	3.8	4.0	3.5	3.0	2.8
9 Commodities not classified elsewhere in the SITC	2.4	1.6	0.8	0.7	7.1	7.6
<b>Imports</b>						
Total imports, cif, EUR mn	15097.7	28985.3	32571.0	45763.8	59340.2	65867.2
<b>Shares in %</b>						
0 Food and live animals <sup>1)</sup>	5.9	6.5	9.5	8.2	6.3	7.2
1 Beverages and tobacco	.	.	.	.	.	.
2 Crude materials, inedible, except fuels	5.6	3.9	3.4	3.7	2.8	2.6
3 Mineral fuels, lubricants and related materials	43.0	29.5	32.2	32.3	34.6	30.9
4 Animal and vegetable oils, fats and waxes	0.3	0.5	0.7	0.7	0.5	0.4
5 Chemicals and related products, n.e.s.	8.8	11.7	15.3	14.3	11.9	12.1
6 Manufactured goods classified chiefly by material	12.8	14.6	13.7	14.4	12.5	11.6
7 Machinery and transport equipment	17.5	25.0	18.5	19.6	16.6	19.5
8 Miscellaneous manufactured articles	3.6	5.4	5.8	6.0	3.9	5.1
9 Commodities not classified elsewhere in the SITC	2.6	2.9	0.9	1.0	11.0	10.4
1) Including beverages and tobacco.						

Table B1

## Russian Federation

## Part A.1

## Tariffs and imports: Summary and duty ranges

Summary		Total	Ag	Non-Ag	WTO member since	2012
Simple average final bound		7.8	11.2	7.2	Binding coverage:	Total 100
Simple average MFN applied	2012	10.0	13.3	9.4		Non-Ag 100
Trade weighted average	2011	9.9	16.7	8.8	Ag: Tariff quotas (in %)	3.2
Imports in billion US\$	2011	277.6	37.4	240.2	Ag: Special safeguards (in %)	0

Frequency distribution	Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV in %
	Tariff lines and import values (in %)								
Agricultural products									
Final bound	3.0	43.3	21.5	24.5	4.2	0.8	2.3	0.3	22.9
MFN applied 2012	8.2	36.9	7.8	30.2	10.7	3.8	2.1	0.3	28.2
Imports 2011	9.0	24.8	7.2	27.9	18.6	8.0	4.4	0.0	54.7
Non-agricultural products									
Final bound	3.4	50.0	30.4	14.9	1.2	0.1	0.0	0	7.0
MFN applied 2012	14.2	34.4	19.9	20.6	8.9	1.5	0.3	0.1	10.1
Imports 2011	32.6	21.9	17.8	12.9	8.5	6.0	0.1	0.0	9.6

## Part A.2

## Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	23.1	7.4	80	100	23.7	14.8	90	2.5	3.6
Dairy products	14.9	0	21	100	18.4	0	50	0.8	0
Fruit, vegetables, plants	8.7	0.2	45	100	11.7	4.6	134	4.1	8.6
Coffee, tea	6.4	4.2	13	100	9.1	20.8	23	1.1	34.1
Cereals & preparations	10.1	1.3	77	100	12.9	3.5	77	0.9	1.6
Oilseeds, fats & oils	7.1	8.2	25	100	8.5	10.9	48	0.8	22.1
Sugars and confectionery	12.7	0	48	100	12.9	0	39	0.7	0
Beverages & tobacco	23.6	0	292	100	29.2	5.2	292	1.6	2.7
Cotton	0.0	100.0	0	100	0.0	100.0	0	0.1	100.0
Other agricultural products	5.3	0	10	100	5.6	7.4	20	0.8	7.0
Fish & fish products	7.5	0	77	100	12.4	0.4	77	0.9	2.6
Minerals & metals	8.0	0.1	20	100	9.9	6.4	90	9.5	12.8
Petroleum	5.0	0	5	100	4.5	10.0	5	1.1	1.3
Chemicals	5.2	0.4	10	100	6.4	5.8	21	13.8	13.2
Wood, paper, etc.	7.9	5.0	15	100	12.8	6.1	30	3.3	9.8
Textiles	7.8	0	18	100	10.9	0.6	37	2.1	2.7
Clothing	11.8	0	42	100	19.6	0	100	2.4	0
Leather, footwear, etc.	6.4	0	15	100	10.3	8.7	176	3.2	7.7
Non-electrical machinery	5.8	7.9	15	100	3.4	66.2	21	18.7	73.6
Electrical machinery	6.2	23.3	16	100	7.3	25.2	27	11.1	37.8
Transport equipment	8.9	2.5	20	100	10.6	17.7	35	16.1	29.9
Manufactures, n.e.s.	8.4	7.9	20	100	11.4	17.2	190	4.4	39.7

**Part B****Exports to major trading partners and duties faced**

Part B Major markets	Exports to major trading partners and duties faced								
	Bilateral imports		Diversification		MFN AVG of		Pref.	Duty-free imports	
	in million US\$		95% trade in no. of		traded TL		margin	TL	Value
			HS 2-digit	HS 6-digit	Simple	Weighted	Weighted	in %	in %
Agricultural products									
1. Kazakhstan	2011	1,569	22	120	20.8	24.5	24.5	100.0	100.0
2. European Union	2011	1,510	22	55	14.6	7.9	1.3	21.8	67.7
3. Egypt	2011	1,386	2	2	112.0	0.5	0.0	25.0	97.4
4. Turkey	2011	863	6	13	29.5	85.4	0.0	14.2	3.7
5. Ukraine	2011	679	12	49	9.8	10.4	8.8	96.1	80.8
Non-agricultural products									
1. European Union	2011	241,503	16	62	4.1	0.3	0.2	69.5	97.1
2. China	2011	40,298	18	46	7.7	1.4	0.0	17.1	73.3
3. United States	2011	33,383	19	49	2.3	0.2	0.1	87.7	33.4
4. Ukraine	2011	28,386	45	347	3.7	0.9	0.9	100.0	100.0
5. Belarus	2011	23,958	50	540	9.5	3.3	3.3	100.0	100.0

Source: WTO (<http://stat.wto.org/TariffProfiles/>).

Table B2

## Ukraine

## Part A.1

## Tariffs and imports: Summary and duty ranges

Summary		Total	Ag	Non-Ag	WTO member since	2008
Simple average final bound		5.8	11.0	5.0	Binding coverage:	Total 100
Simple average MFN applied	2012	4.5	9.5	3.7		Non-Ag 100
Trade weighted average	2011	2.7	9.1	2.2	Ag: Tariff quotas (in %)	0.1
Imports in billion US\$	2011	82.2	5.8	76.3	Ag: Special safeguards (in % )	0

Frequency distribution		Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV in %
		Tariff lines and import values (in %)								
Agricultural products	Final bound	12.6	19.6	27.5	13.9	25.5	0.8	0.1	0	1.0
	MFN applied 2012	21.1	22.0	26.3	12.1	17.5	0.8	0.2	0.1	0
	Imports 2011	39.3	20.4	28.4	5.8	1.6	3.8	0.7	0.0	0
Non-agricultural products	Final bound	33.8	16.8	43.0	5.8	0.5	0	0	0	0.0
	MFN applied 2012	43.1	29.9	21.3	5.4	0.3	0	0.0	0	0
	Imports 2011	66.4	18.1	14.7	0.9	0.1	0	0	0	0

## Part A.2

## Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	13.0	0	20	100	11.0	9.0	20	0.5	15.0
Dairy products	10.0	0	10	100	10.0	0	10	0.2	0
Fruit, vegetables, plants	13.1	10.2	20	100	9.9	18.9	20	1.4	54.6
Coffee, tea	5.8	35.4	20	100	5.8	35.4	20	1.3	42.0
Cereals & preparations	12.7	3.3	20	100	12.6	3.8	20	0.9	27.1
Oilseeds, fats & oils	10.7	11.0	30	100	8.3	20.1	30	0.9	89.9
Sugars and confectionery	17.5	0.6	50	100	17.5	0	50	0.3	0
Beverages & tobacco	7.9	25.7	64	100	12.2	26.2	424	1.2	23.9
Cotton	1.4	40.0	5	100	1.4	40.0	5	0.0	61.3
Other agricultural products	7.6	23.9	20	100	5.5	45.2	20	0.5	19.3
Fish & fish products	3.7	61.7	20	100	2.6	68.2	20	0.7	68.0
Minerals & metals	4.5	42.4	20	100	3.0	47.6	20	32.8	79.0
Petroleum	1.5	72.0	10	100	0.9	84.3	10	13.7	97.3
Chemicals	5.1	16.1	10	100	3.2	39.3	65	12.7	55.4
Wood, paper, etc.	0.4	95.8	10	100	0.3	95.8	10	3.1	99.1
Textiles	4.1	33.7	13	100	3.8	35.6	13	2.1	25.6
Clothing	11.4	1.0	12	100	11.3	1.1	12	0.6	0.1
Leather, footwear, etc.	7.2	14.9	25	100	5.4	27.0	25	1.9	20.3
Non-electrical machinery	4.2	38.7	12	100	2.1	51.3	10	8.8	62.4
Electrical machinery	5.3	33.0	25	100	3.8	39.1	25	6.8	34.2
Transport equipment	7.5	15.8	20	100	5.1	39.6	20	7.5	21.4
Manufactures, n.e.s.	6.4	31.9	25	100	5.5	32.0	25	2.1	68.6

**Part B****Exports to major trading partners and duties faced**

Major markets	Bilateral imports		Diversification		MFN AVG of		Pref.	Duty-free imports	
	in million US\$		95% trade in no. of		traded TL		margin	TL	Value
			HS 2-digit	HS 6-digit	Simple	Weighted	Weighted	in %	in %
Agricultural products									
1. European Union	2011	3,627	15	25	13.7	4.5	0.9	27.3	70.6
2. Russian Federation	2011	2,093	17	77	15.6	20.9	20.9	99.7	100.0
3. Turkey	2011	1,183	4	11	30.6	46.7	0.0	12.7	2.2
4. Egypt	2011	997	3	5	4.6	0.2	0.0	24.3	95.3
5. India	2011	903	1	1	40.2	2.2	0.0	15.6	95.9
Non-agricultural products									
1. Russian Federation	2011	17,846	45	514	9.6	7.9	7.9	100.0	100.0
2. European Union	2011	14,866	37	249	4.0	0.9	0.6	71.5	90.8
3. Turkey	2011	3,564	14	50	5.0	7.3	0.7	66.1	39.6
4. China	2011	3,174	11	17	8.0	0.9	0.0	16.1	77.7
5. Belarus	2011	1,615	43	477	9.4	7.3	7.3	100.0	100.0

Source: WTO (<http://stat.wto.org/TariffProfiles/>).



## Selected references

- Alili, Z., T. Abbasov, D.N. Chang and M. Hoyt (2013): Accession to the Customs Union: Shaping the Strategy for Azerbaijan. CESD, Baku.
- Astrov, V. (2011): The EU and Russia: both important for Ukraine, Eastern Partnership Community, 23 May. <http://www.easternpartnership.org/community/debate/eu-and-russia-both-important-ukraine>
- Astrov, V., P. Havlik and O. Pindyuk (2012): Trade Integration in the CIS: Alternate Options, Economic Effects and Policy Implications for Belarus, Kazakhstan, Russia and Ukraine, wiiw Research Report 381, Vienna: Vienna Institute for International Economic Studies, wiiw.
- ATF Bank (2010): Customs Union: no big inflation shock, but efforts needed to offset impact on non-resources sectors, 4, April.
- Baldwin, R. (1994): Towards an Integrated Europe, London: CEPR.
- Boss, H. and P. Havlik (1994): Slavic (dis)union: consequences for Russia, Belarus and Ukraine, Economics of Transition, Oxford University Press, 2(2), 233-254.
- Cameiro, F.G. (2013): What Promises Does the Eurasian Customs Union Hold for the Future? Economic Premise, The World Bank, No. 108, February.
- Dabrowski, M. and M. Maliszewska (eds.) (2011): EU Eastern Neighborhood, Berlin: Springer.
- Dabrowski, M. and S.Taran (2012): The Free Trade Agreement between the EU and Ukraine: Conceptual Background, Economic Context and Potential Impact, CASE Network Studies and Analyses, No. 437.
- De Gucht, K. (2011): EU-Ukraine trade negotiations: a pathway to prosperity, INTA Committee Workshop, Brussels, 20 October.
- Dreyer, I. (2012): What economic benefit to expect from DCFTAs? Visegrad Group and Germany Policy Makers Seminar, Ministry of Foreign Affairs, Prague, November.
- EBRD (2012): Transition Report 2012. Integration Across Borders. Chapter 4. London.
- ECORYS/CASE (2013): Trade Sustainability Impact Assessment in support of negotiations of a DCFTA between the EU and the Republic of Armenia. European Commission, Rotterdam, DG Trade, September.
- Efremenko, D.V. (2012): Waiting for a Storm. Russian Foreign Policy in the Era of Change, Russia in Global Affairs, 2, April-June.
- Efremenko, D.V. (2013): Life after Vilnius. A New Geopolitical Configuration for Ukraine, Russia in Global Affairs, No. 3, pp. 133-146.
- EDB Centre for Integration Studies (2012): Ukraine and the Customs Union. Comprehensive Assessment of the Macroeconomic Effects of Various Forms of Deep Economic Integration of Ukraine and the Member States of the Customs Union and the Common Economic Space, St. Petersburg.
- EDB Centre for Integration Studies (2013), Monitoring of Mutual Investments. EDB Centre for Integration Studies' Report no. 15. September. EDB: St. Petersburg.
- EDB Centre for Integration Studies (2013): The Customs Union and Neighbouring Countries: Mechanisms and Instruments of Mutually Beneficial Partnership. EDB Centre for Integration Studies' Report no. 11. March. EDB: St. Petersburg.
- EDB Centre for Integration Studies (2013): Economic and Technological Cooperation by Sectors SES and Ukraine. EDB Centre for Integration Studies' Report no. 18. November. EDB: St. Petersburg.
- Emerson, M. (2005): EU–Russia – the Four Common Spaces and the Proliferation of the Fuzzy, CEPS Policy Brief, Brussels, May.

- Emerson, M. (2011a): Review of the review – of the European Neighbourhood Policy, CEPS European Neighbourhood Watch, 71, May.
- Emerson, M. (2011b): The Timoshenko case and the rule of law in Ukraine, CEPS European Neighbourhood Watch, 73, July.
- Emerson, M. and E. Vinokurov (2009): Optimisation of Central Asian and Eurasian Trans-Continental Land Transport Corridors. EUCAM, Working paper 07, December.
- European Commission (2010): Taking stock of the European Neighbourhood Policy, Communication from the Commission to the European Parliament and the Council. Brussels: European Commission.
- European Economy (2011): The EU's Neighbouring Economies: Coping with new challenges, Occasional papers 86, DG ECFIN, November.
- Falvey, R. and N. Foster-McGregor (2013): On the Trade and Price Effects of Preferential Trade Agreements. wiiw Working Papers, No. 102, May
- Francois, J. and M. Manchin (2009): Economic Impact of a Potential Free Trade Agreement (FTA) between the European Union and the Commonwealth of Independent States, Institute for International and Development Economics Discussion Paper 200908-05.
- Francois, J., M. Manchin, H. Norberg, O. Pindyuk and P. Tomberger (2013): Reducing Trans-Atlantic Barriers to Trade and Investment, European Commission and CEPR.
- Füle, Š. (2011): Future prospects for EU enlargement and Neighbourhood policy, Chatham House, 13 January.
- Füle, Š. (2012): Speech at the conference EU-Nachbarschaft-Der Arabische Frühling ein Jahr danach', Munich, 3 February.
- Füle, Š. (2013a): EU-Ukraine: In Yalta about progress towards signing the Association Agreement. 10<sup>th</sup> Yalta Annual Meeting, in Yalta, Ukraine, 20. September, Speech/13/727.
- Füle, Š. (2013b): EU-Ukraine: Dispelling the Myths About the Association Agreement. International Conference "The Way Ahead for the Eastern Partnership", Kyiv, Ukraine, 11. October, Speech/13/808.
- Füle, Š. (2013c): Speech at the National Round Table on European integration Kyiv, Ukraine, 11. October, Speech/13/810.
- Gligorov, V., M. Holzner, M. Landesmann, S. Leitner, O. Pindyuk and H. Vidovic (2012): New Divide(s) in Europe? Current Analyses and Forecasts, wiiw Research Report 9, Vienna: Vienna Institute for International Economic Studies, wiiw.
- Grant, Ch. (2011): A New Neighbourhood Policy for the EU, Centre for European Reform Policy Brief, London: CERP.
- Grinberg, R., P. Havlik and O. Havrylyshyn (eds) (2008): Economic Restructuring and Integration in Eastern Europe. Experiences and Policy Implications, Baden Baden: Nomos.
- Hamilton, C.B. (2005): Russia's European economic integration. Escapism and realities, *Economic Systems*, 29, 294–306.
- Havlik, P. (2003): EU Enlargement: Implications for Growth and Competitiveness', A study commissioned by the Austrian Ministry for Economic Affairs and Labour. wiiw, Vienna, August.
- Havlik, P. (2004): Russia, European Union and EU Eastward Enlargement, In: G.Hinteregger and H.G.Heinrich (eds.), *Russia – Continuity and Change*, Springer Vienna New York, 363-378.
- Havlik, P. (2008): Structural change and trade integration on EU-NIS borders', In: R.Grinberg *et al.* (eds.), *Economic Restructuring and Integration in Eastern Europe. Experiences and Policy Implications*, Baden Baden: Nomos, 119–148.

- Havlik, P. (2010): European Energy Security in View of Russian Economic and Integration Prospects, wiiw Research Report 362, Vienna: Vienna Institute for International Economic Studies, wiiw.
- Havlik, P. (2013): The European Union and Eurasia: Challenges of Economic Integration. Presentation at the VIII. Euroasian Development Bank Conference on Deepening and Widening of Euroasian Integration. Moscow, November. [http://www.eabr.org/general/upload/8\\_Conference\\_DOC/presentations/Havlik-1.pdf](http://www.eabr.org/general/upload/8_Conference_DOC/presentations/Havlik-1.pdf).
- Havlik, P., R. Stöllinger, O. Pindyuk, G. Hunya, B. Dachs, C. Lennon, M.P. Ribeiro, J. Ghosh, W. Urban, V. Astrov and E. Christie (2009): EU and BRICs: Challenges and opportunities for European competitiveness and cooperation, Industrial Policy and Economic Reform Papers, 13: [http://ec.europa.eu/enterprise/newsroom/ctf\\_getdocument.cfm?doc\\_id=5586](http://ec.europa.eu/enterprise/newsroom/ctf_getdocument.cfm?doc_id=5586)
- Havlik, P. et al. (2012): European Neighbourhood – Challenges and Opportunities for EU Competitiveness, wiiw Research Report 382, Vienna: Vienna Institute for International Economic Studies, wiiw.
- Havrylyshyn, O. (2008): Structural change in transition 1990-2005: A comparison of New Member States and selected NIS countries, In: R. Grinberg *et al.* (eds.), Economic Restructuring and Integration in Eastern Europe. Experiences and Policy Implications, Baden Baden: Nomos, 17–48.
- Hunya, G. (2008): FDI in the new EU borderland, in: R. Grinberg *et al.* (2008), Economic Restructuring and Integration in Eastern Europe. Experiences and Policy Implications, Baden Baden: Nomos, 73–94.
- Institute for Economic Research and Policy Consulting (2011): Ukraine's Trade Policy Choice: Pros and cons of different regional integration options, Kiev: IERPC.
- Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine (2011): 'Орієнтовна аналітична оцінка економічних наслідків укладення угоди про зону вільної торгівлі з ЄС або входження до Митного союзу Росії, Білорусії та Казахстану' (Approximate analytical estimate of economic consequences of FTA with EU or joining the Customs Union of Russia, Kazakhstan, and Belarus), Kyiv, mimeo.
- Isakova, A. and A. Plekhanov (2012): Customs Union and Kazakhstan's Imports. CASE Network Studies and Analyses, No. 442.
- Kolesnikova, I. (2013): WTO Accession and Economic Development: Experience of Newly Acceded Countries and Implications for Belarus. Polish Development Cooperation Program of the Polish Ministry of Foreign Affairs, Warsaw.
- Leonard, M. (2011): Europe's multipolar neighborhood, Carnegie Europe, 30 September.
- Libman, A. and E. Vinokurov (2012): Regional Integration and Economic Convergence in the Post-Soviet Space: Experience of a Decade of Growth. Journal of Common Market Studies. Vol. 50. Number 1. pp. 112–128.
- Linn, J.F. (2004): Economic (Dis)integration Matters: The Soviet Collapse Revised. Paper prepared for the conference on 'Transition in the CIS: Achievements and Challenges' at the Academy for National Economy, Moscow, 13-14 September.
- Lissovlik, B. and Y. Lissovlik (2006): Russia and the WTO: The "Gravity" of Outsider Status, IMF Staff Papers, 53(1), 1-27.
- Maliszewska, M., I. Orlova and S. Taran (2009): Deep Integration with the EU and its Likely Impact on Selected ENP Countries and Russia, CASE Network report 88, Warsaw: CASE.
- Malynovska, O. (2006): Caught between East and West, Ukraine struggles with its migration policy: <http://www.migrationinformation.org/Profiles/display.cfm?ID=365> <http://www.migrationinformation.org/Profiles/display.cfm?ID=365>
- Miszei, K. (2013): Why European and not Eurasian Integration? IPN CAMPAIGN Moldova. <http://ipn.md/en/special/57775#>.

- Movchan, V. and R. Giucci (2011): Quantitative Assessment of Ukraine's Regional Integration Options: DCFTA with European Union vs. Customs Union with Russia, Belarus and Kazakhstan, IRPC Policy Paper Series (PP/05/2011), Berlin/Kiev: IRPC.
- Movchan, V. and V. Shportyuk (2012): EU-Ukraine DCFTA: the Model for Eastern Partnership Regional Trade Cooperation. CASE Network Studies and Analyses, No. 445.
- Richter, S. (2011): 'Revival of the Visegrad Countries' Mutual Trade after their EU Accession: a Search for Explanation' (with Neil Foster-McGregor, Gabor Hunya and Olga Pindyuk), wiiw Research Report, No. 372, Vienna, July.
- Samson, I. (2002): The Common European Economic Space Between Russia and the EU: An Institutional Anchor for Accelerating Russian Reform, *Russian Economic Trends*, 11(3).
- Tochitskaya, I. (2010): The Customs Union between Belarus, Kazakhstan and Russia: an overview of economic implications for Belarus, *CASE Network Studies & Analyses* 405, Warsaw: CASE.
- Vinhas de Souza, L. (2011): An initial estimation of the economic effects of the creation of the EurAsEC Customs Union on its members, *PREM Network Economic Premise*, 47, January.
- Vinokurov, E. and A. Libman (2012): Eurasia and Eurasian Integration: Beyond the Post-Soviet Borders. *Eurasian Integration Yearbook 2012*. EDB: St. Petersburg, pp.80-96.
- Vinokurov, E. and A. Libman (2012): Eurasian integration: Challenges of transcontinental regionalism, Basingstoke: Palgrave MacMillan.
- Vinokurov, E. (2013): Pragmatic Eurasianism, *Russia in Global Affairs*, 2.
- Wallace, H. (2009): The European Union and its neighbourhood: time for a rethink, *ELIAMEP Thesis*, 4, May.
- Wisniewski, P.D. (2013): It Is High Time to Start a 'Real Partnership'. *Carnegie Moscow Center*, November. (<http://carnegie.ru/2013/11/20>).
- World Bank (2013): *Doing Business 2014: Doing Business in a More Transparent World*. Washington, D.C.: World Bank. (<http://www.doingbusiness.org>).
- wiiw (2013): *Handbook of Statistics. Countries in Transition*. The Vienna Institute for International Economic Studies, Vienna, November.
- Youngs, R. and K. Pishchikova (2013): *Smart Geostrategy for the Eastern Partnership*. Carnegie Europe, November.