

Залучення Сходу Європи: український виклик

Проект здійснювався з грудня 2010 по липень 2011 року за підтримки German Marshall Fund. Його основною метою було визначення шляхів допомоги інтеграції України до європейських інституцій.

Випуск № 4

Relations with Russia: Cooling- Off or Time-Out?

RELATIONS WITH RUSSIA: COOLING-OFF OR TIME-OUT?

Short visit of Russian Prime-Minister Putin to Kyiv on October 28 has provoked a heated discussion amongst the Ukrainian foreign policy experts. Their curiosity went well beyond looking for explanation of the mysterious bruises noticeable on the face of the Russian leader that day. They tried to determine whether the atmospherics of the visit and its results indicate the beginning of the pause, if not the cooling-off phase in the process of the Ukrainian-Ukrainian rapprochement that so far has been taking place at a breathtaking pace.

Considerable number of documents signed at the issue of the session of the bilateral Intergovernmental Economic Committee did not manage to overshadow the fact that the parties failed to reach an agreement on the issue of paramount importance for the new Ukrainian regime – renegotiation of the formula of the price formation for the gas supplied by Russia to Ukraine. Contrary to the hopes of the Ukrainian authorities, who desperately need new rate cuts to keep economy moving and satisfy “bare necessities” of Ukrainian metal and chemical barons, the Russian side made it known that it was quite satisfied with existing arrangements and put on the record only its readiness “to pursue the dialogue” on this issue

Putin was obviously irritated by insistence of his Ukrainian counterpart, who mentioned Ukraine’s joining European Energy Community and adoption of the Law “On the Gas Market” as additional reasons for revisiting existing gas agreements. Azarov also stressed that joint venture between Gazprom and Naftogaz could be created only on the basis of absolute parity and excluded possibility of a merger. Ukraine’s unwillingness to cut gas transit tariffs and recent discussions held in Kyiv with Presidents of Azerbaijan and Venezuela concerning transportation of oil through “Odessa-Brody” pipeline did not go unnoticed by Moscow either. In the latter case Russia was unpleasantly surprised by the agreement of Kyiv to move Venezuelan oil to Belarus whose relations with Russia have deteriorated of late. It should be noted, however, that “Odessa-Brody” *per se* has been losing its political and especially practical significance for Russia.

This situation has proved again that the energy and particularly the “gas issue” remains the pivot of the current state of the Ukrainian-Russian relations, largely defining its content and prospects. Russia has made perfectly clear that it considered the chapter of the “Kharkiv deal” closed and further accommodations for Ukraine are possible only on the condition of gaining control over the Ukrainian gas transportation system in form of a joint venture or consortium dominated by the Russian side. Icing on the cake would be provided by Ukraine’s joining the Customs Union of Russia, Belarus and Kazakhstan.

To reinforce the latter, Russia has stepped up measures limiting access of Ukrainian goods to its market.

It looks like Ukrainian leadership has underestimated resolve and stubbornness of the Russian partners and now at least a part of the current establishment has started to have real doubts as to the ultimate wisdom of making new concessions to Russia. This way of thinking is further reinforced by the increased divisions within the President’s team where some influential players oppose – for different reasons – yielding too much space to Russian interests, especially in the energy sector (they do not want the Kremlin to monopolize pricing, sales and distribution of gas and do not favor the idea of joint export of electric energy via territory of Ukraine to Europe regarding Russian companies rather as competitors than partners). There are also emergent indications that understanding of a necessity of the conduct of a more balanced foreign policy and external economic relations is gradually gaining ground in the presidential inner circle. However, it is too early to judge which tendency will prevail. Even analysis of the documents

signed during the abovementioned visit of Mr. Putin reveals a contradictory picture. While agreement that establishes joint venture in aircraft building has a pretty loose character and was even termed by one of Ukrainian weeklies “an agreement on armed neutrality”, creation of the enterprise producing nuclear fuel based on the Russian technologies effectively terminates any hopes for the diversification of sources of nuclear power for Ukrainian nuclear power stations.