

## **Frequently Asked Questions about the EU-Ukraine Association Agreement including a Deep and Comprehensive Free Trade Area**

### *Are Eastern Partnership and the EU-Ukraine Association Agreement meant to force Ukraine to choose between east and west?*

Leaving aside for a moment Russia's recent actions, which have clearly violated Ukraine's sovereignty and territorial integrity, the EU has underlined time and time again that Eastern Partnership is not about spheres of influence or a choice between the EU and Russia; that Russia's strong economic and social links with its neighbours are not under any threat, or at least not from the EU.

At the EU-Russia summit in January 2014 President Putin stressed Russia's commitment to promoting stability and prosperity in our common neighbourhood and recognised that the EU's Eastern Partnership shared these very aims. The joint pursuit of these aims is only possible, however, if based on respect for the independence of our neighbours and their freedom to pursue their own paths.

Russia enjoys free trade agreements with most of the Eastern Partners, including Ukraine. Like Russia, the EU is an important trading partner in the region – the first for most of these countries. So it is only natural for the EU to offer free trade agreements. But no one is being forced to choose; these countries can perfectly well have free trade agreements with Russia and the EU at the same time.

### *If the EU had consulted Russia on the Eastern Partnership or the EU-Ukraine Association Agreement could we have avoided this crisis?*

Eastern Partnership is a transparent process. Since its joint inception by the EU, its Member States and Eastern Partners at the Prague Summit in 2009, all initiatives undertaken in this framework by the EU and the respective partner countries have been widely publicised. Action Plans, annual country and regional progress reports are all public documents. Moreover, Russia participates, at Senior Officials level, in the "Eastern Partnership Information and Communication Group".

Eastern Partnership is also the Eastern dimension of European Neighbourhood Policy, which Russia was invited to join in 2003. Russia has long been aware of the initiative and, until 2013, did not manifest any concern. There have been two EU-Russia summits per year since before Eastern Partnership was launched, during which Russia requested no further information on its development.

The EU believes it is important to underline that Ukraine is a sovereign state and is free today as it has been in the past to engage in trade relations with other partners, as it considers best for its economy and people.

### *Could the trade part of the Agreement lead to economic difficulties?*

Since 23 April 2014, date of entry into force of the EU's Autonomous Trade Measures (ATM), Ukrainian exporters already enjoy access to the EU market as import tariffs have been reduced unilaterally by the EU. This has brought tangible results already and while Ukraine's export generally decreased in 2014, exports to the EU remained stable.

On 1 January 2016, the AA/DCFTA will be provisionally applied and the AA/DCFTA will take over the process of tariff liberalisation started with the ATM and make it reciprocal. Thanks both to tariff liberalisation and above all to regulatory approximation, Ukraine should quickly take advantage of new trading opportunities and easier access to the largest market in the world. It can be expected to reap the benefits of a choice that flags its firm commitment to a path of much-needed institutional and economic reforms. Looking at the series of trade restrictive measures adopted by the Russian

Federation recently, ranging from suspiciously-timed introduction of bans on exports of dairy and confectionary products, to the intensification of border controls, the only negative short-term consequences for Ukraine's external trade and the overall economy can be traced to adverse policy choices that cannot be attributed to the Agreement.

*Does the Agreement with the EU prevent Ukraine from establishing or maintaining closer links with the Customs Union between the Russian Federation, Belarus and Kazakhstan?*

No. The Agreement with the European Union leaves Ukraine free to determine its own trade policy. For example, if Ukraine wanted to maintain independent preferential trade relations with both the EU and the Customs Union, this would still be entirely possible, through the establishment of a Free Trade Area between Ukraine and the Customs Union.

*Will Ukrainian companies be able to cope with the introduction of EU standards and regulations or will they lose out to EU companies?"*

Although the Agreement requires producers based in Ukraine aiming to export to the EU to adopt certain EU standards, such changes will be phased in over time and should be manageable. While this will be a major shift in practices for many companies, the long term results will be positive: Ukrainian companies will be rewarded with easier access to the EU market and become more competitive globally, as EU standards are widely recognised worldwide. Modernisation of Ukrainian industry is urgently needed in any case: the requirement to introduce international production standards is an essential part of that modernisation process. A combination of targeted assistance, investment and advice will help the process of adjustment.

For more Frequently Asked Questions on EU-Ukraine relations, **click here:**  
[http://eeas.europa.eu/statements/docs/2014/140612\\_01\\_en.pdf](http://eeas.europa.eu/statements/docs/2014/140612_01_en.pdf)

*Will Ukraine's traditional exports to Russia, as well as cooperation with Russia companies, be disrupted because of the adoption of European standards?*

EU standards are not a burden for EU companies when exporting to Russia or cooperating with Russian companies. Indeed, the EU is Russia's main trade partner. So why should they cause a problem for Ukrainian companies? Ukrainian companies that are already exporting to the Russian / Customs Union market and cooperate with companies there can continue to do so, even after the Association Agreement is implemented (unless blocked artificially by politically motivated bans and restrictions).

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*What are the benefits for Ukrainian citizens resulting from the Agreement?*

Independent studies suggest that the simple implementation of the agreement would bring benefits of +6% of additional GDP over the medium run and +12% in terms of increased welfare for the Ukrainian people. And much more can be expected if Ukraine genuinely implement the reforms foreseen by the Agreement, as they would improve the business climate and help to attract foreign investments and technology transfers.

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*Will entry into force of the trade-related part of the Agreement lead to a flood of EU goods entering Ukraine, threatening Ukrainian producers?*

No. The Ukrainian negotiators of the Agreement made sure that this would not happen by building in protection (progressive adaptation) for the more sensitive sectors. The Agreement is "asymmetrical" in favour of Ukraine: while Ukrainian exporters will have almost immediate access to the European markets, Ukraine will open its border much more progressively.

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*Will Ukrainian companies be able to comply with EU standards so they can export to the EU?*

About 25% of Ukrainian exports were already sent to the European Union and this figure has risen to 33% in the first six months of 2014. This demonstrates that Ukrainian companies are already able to adapt to EU standards and export there.

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*Have countries from the former soviet bloc that have developed closer economic links with the EU over the past decades benefited from this?*

All countries that developed closer economic links with the EU in the early 90s (through association agreements) have greatly benefited from this, through strong economic development, with the result materialising many years before their accession to the European Union..

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*Does the signature of the Agreement represent a first step towards EU membership for Ukraine?*

The Agreement is not about EU membership for Ukraine. Whether or not to apply to join the EU is a decision for each individual country to make. Association is one step in the process, and allows each

country to weigh up whether or not to take things further. We take note of recent opinion polls which show that a majority of Ukrainians supports future EU membership.

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*Will the Association Agreement force Ukraine to allow same sex marriages*

There is nothing at all in the Association Agreement that would force Ukraine to adopt regulations related to same sex marriage.