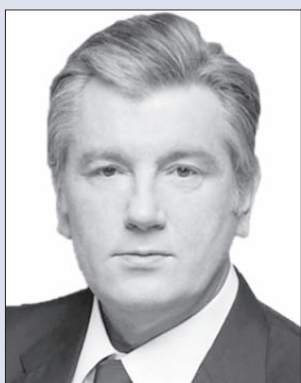


# PROBLEMS AND PROSPECTS OF UKRAINE-RUSSIA PARTNERSHIP\*

**LONG-TERM FRUITFUL AND MUTUALLY ADVANTAGEOUS  
COOPERATION OF UKRAINE AND RUSSIA IS OF OUR  
MUTUAL INTEREST**



**Victor YUSHCHENKO,**  
*President of Ukraine*

**– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?**

Ukraine and Russia are strategic partners, and this is provided in the Treaty of Friendship, Cooperation and Partnership.

This dimension of bilateral relations rests great responsibility on the partners. Irrespective of the rhetoric and persons, this partnership and neighbourhood remains a weighty factor of our cooperation on the basis of mutual respect, understanding each other's interests, good will of the parties.

We in Ukraine never forget that our state and our people are tied with the Russian Federation by countless cultural, social, historic, personal and other links. Russia is one of the main trade and economic partners of Ukraine, and our state is in the top ten main trade partners of Russia. The economies of our countries are closely interrelated.

I cannot deny that recently, an element of tension has appeared in our bilateral relations with Russia, but I would not call it a "crisis of partnership", moreover that the reasons for such an uneasy period of our relations are known.

These are the different socio-political models of development of the states, unjustified politicisation of a number of unresolved issues of bilateral relations, Ukraine's own idea of the known August events, and our steady Euro-Atlantic course.

Among the reasons, I cannot but mention also the January situation dealing with supply of Russian natural

gas to European consumers and its transit across the territory of Ukraine. Unfortunately, not only immediate parties to the conflict suffered from it. To establish control of the Ukrainian gas transportation system and dictate conditions not only to us but to all Europeans, a dangerous situation was created, questioning energy security in Europe, all stability of gas supply.

I wish to note that the reliability of our GTS and its technical capabilities made it possible to avoid the situation that occurred on April 9, 2009, in Turkmenistan, on a segment of the Central Asia – Centre – 4 gas pipeline.

There is also a number of issues whose excessive politicisation and non-productive discussion slow down the development of our cooperation. I mean the attitude to pages of common history. It is quite natural for us to produce own assessment of our history, since we have a national idea of our priorities and values. The issue of celebration or commemoration of historic dates, dates of the Ukrainian national history is a purely internal issue of our sovereign state.

We consider unacceptable any political speculations on historic subjects.

I see the way out, first of all, in close cooperation of academic communities, in particular, in the Subcommittee for Humanitarian Cooperation and the Joint Commission of Historians, to shift the discussion from the political dimension solely to the expert level.

Frankly discussing the past, analysing the mistakes made, we are clearing the road into the future. This is not a new scheme. Many European states passed this road. Why cannot Ukraine and Russia, as European democratic states, follow such examples? Why cannot the experience of settlement of similar issues between Poland and Russia be used in our bilateral relations?

Another subject, now in terms of emotional discussions – prospects of the Russian Black Sea Fleet stationing on the territory Ukraine. Our state has always remained and will remain faithful to assumed contractual commitments of the Russian Fleet stationing on the territory of Ukraine till 2017 and hopes for the same approach on the part of our Russian partners.

Initiation at the present stage of a dialogue on identification and implementation of measures related with the expiration of the validity of the basic agreements in 2017 lies, first of all, in practical terms.

Ukraine is disposed to build pragmatic, predictable, equal and mutually advantageous relations with Russia. I more than once spoke about that.

Unfortunately, our constructive stand not always finds due understanding of the Russian side.

\* The Round-table by correspondence was held in May 2009. Razumkov Centre turned to the President, Prime Minister, ministers, heads of concerned committees of the Verkhovna Rada with a request to present their view of the problems and prospects of development of Ukraine-Russia relations.



We do not accept as a friendly policy the massive information campaign aimed against Ukraine, blackmail with prices of energy resources and volumes of their transit. We are concerned about the stated intention to bar the movement of our country to NATO membership by all means. It is unacceptable for us when some Russian political circles and separate persons use and play the so-called “Crimean card”, force anti-Ukrainian spirits in Crimea and stir up the public.

Of course, all this is inconsistent with the spirit of relations between two fraternal peoples and countries, with the present-day international practice, and creates the atmosphere of mutual mistrust.

**– What are the ways and mechanisms to remove problems in bilateral relations?**

Reiterating our disposition to development of bilateral relations with the Russian Federation, we are ready for the forms of interaction resting on mutual respect, utmost concrete and constructive, pragmatic, good-neighbourly and friendly by their nature.

We should overstep the barrier of misunderstanding, shift bilateral relations into the legal domain, make them transparent and predictable. Furthermore, in the conditions of the global financial crisis, the need arises to strengthen the economic dimension of the Ukraine-Russia cooperation. The priority task today is not just to preserve our commodity markets, cooperative ties, joint economic projects.

We should find additional opportunities to support our economies, to prevent the spread of negative phenomena, in particular – to refuse from national protectionism and raise new barriers for trade in goods and services.

I also see it urgent to review the available resources for effective cooperation with the purpose of concentration on implementation of existing projects in the energy, science and technology, aviation, space and other sectors beneficial for both countries.

Deepening of integration in hi-tech sectors of the economy would help to preserve a number of Ukrainian and Russian enterprises, brainpower and, especially important, working places for highly qualified specialists, to develop fundamental research in new promising sectors.

Implementation of joint projects will make it possible to not only strengthen positive trends in our bilateral cooperation but will add impetus to its further development on a mutually advantageous and equal basis.

Now, in my opinion, an optimal algorithm of our actions for achievement of concrete results should be worked out with account of mutual interests through a constructive, partner-like and equal dialogue.

I am sure that this approach is mutually advantageous, should meet no resistance of the partners and requires no compromise from the parties.

We proceed from the assumption that all problem issues should be settled not in newspapers or Internet publications but at a negotiation table.

I stress, we stand for constructive dialogue with Russia and propose its development within the framework of the existing interstate mechanisms, first of all, the Ukrainian-Russian Interstate Commission. I remind that

this unique key tool backing bilateral cooperation was created on the initiative of the Presidents of Ukraine and Russia. The Commission has a number of working bodies for the entire range of Ukraine-Russia relations – Committee for Economic Cooperation, subcommittees for security, international and humanitarian cooperation, Sub-commission for Operation of the Black Sea Fleet of the Russian Federation and its Stationing on the Territory of Ukraine.

The Commission is called not only to identify promising lines of cooperation but, importantly, to ensure control of implementation of adopted interstate decisions, encourage coordination of bilateral interaction, formulation of common priority tasks in the long run.

Two meetings of the Commission have been held. Now, the Ukrainian side demonstrates strong readiness for the following, third one, according to the regulations, to be held in Kyiv.

I hope that despite a number of external and internal reasons, that meeting will finally take place and become kind of an impetus for intensification of bilateral cooperation.

**– What is your vision of partnership prospects of the two countries?**

Regarding the future of Ukraine-Russia relations, our clear priority is their normalisation and further development on the basis of mutual respect and constructivism.

The positive potential of those relations is difficult to overestimate.

Trade and economic cooperation presents the practical basis for strengthening Ukraine-Russia strategic partnership. Especially promising lines of further cooperation with the Russian Federation include creation of a fully-fledged free trade area; strategic cooperation in the field of transit of energy resources, including to European markets; further development of investment cooperation; cooperation in the field of high technologies, space and aircraft building sectors, etc.

One should not forget about interregional and transborder cooperation. This is an important reserve for growth of trade and investments between our countries, development of contacts of the small and medium businesses, implementation of promising business projects.

And one more important aspect. Partnership with Russia is an integral element of the pan-European processes. In presence of some difference in approaches, our dialogue should rest on search of the principles of the international security policy taking into account the interests of our two states, and being elements of common security and stability.

Furthermore, Ukraine is interested in development of humanitarian cooperation with the Russian Federation, establishment and strengthening of contacts between the concerned state executive bodies, search of new forms of interaction in the field of culture, education and science, information, youth exchanges.

Today, despite all problems and confusions, Ukraine and Russia are trying to find points of contact and mutually acceptable approaches that would effectively contribute to restoration of the atmosphere of strategic partnership.



Maybe not so intensely as we would like, but bilateral dialogue in the framework of the interstate Commission continues, political consultations and negotiations on a number of sensitive for both parties issues take place, including the issues of the Russian Black Sea Fleet and Azov-Kerch problems. Continuous work goes on.

I believe that through joint efforts, we can do our best, for the irritants introducing destructive elements to our partnership to disappear forever between Ukraine and Russia.

Long-term fruitful and mutually advantageous cooperation of Ukraine and Russia is of our mutual interest.

I am sure that today, sound economic pragmatism should dominate in bilateral relations, and personal political emotions should be removed from our way.

Nobody should feel discomfort that would lead only to aggravation of the situation and not promote problem solution.

We stand for an equal harmonious dialogue. And we are ready for it.

I personally assess the prospects of relations with Russia optimistically. It cannot be otherwise.

The main thing in that process is that the parties are interested in drawing up a positive agenda of our cooperation and aware that it has no alternative. ■

by opponents of the Ukrainian and Russian authorities as surrender of national interests. Beyond doubt, such politicisation is no good for strategic relations.

*Second*, such state of relations also depends on some personal things, personal factors, where the attitude to the person of one or another politician prevailed upon state interests. This inflicted serious damage to our relations.

*Third*, many things were intentionally added to our relations. There are problems instigated by radical forces in both countries. This background affects the character of our relations. I am sure, however, that we can solve those problems. They should not interfere with our good-neighbourly relations.

We managed to correct a lot during my latest visit to Russia and meeting with the Prime Minister of the Russian Federation V.Putin. I consider it effective.

The main thing, it gave enough reasons to believe that Ukraine and Russia will remain partners, good neighbours and countries building their relations on the firm basis of national interests of each country, and national interests of each country will be equally considered when building our relations.

I believe that we will see our political and economic relations further recover and get stronger.

**– What are the ways and mechanisms to remove problems in bilateral relations?**

I believe that only permanent contacts between the leadership of Ukraine and Russia can make cooperation between the two countries to effectively develop on a long-term basis. We should make meetings of the interstate commission regular. I guess that working contacts on the level of ministries and agencies should be promoted.

Inter-parliamentary relations are a special subject. Exactly the MPs of both countries are the live connection that can revive our relations.

We should also promote interaction of Ukraine and Russia in the public sector, contacts between non-governmental organisations, journalists, the public, intelligentsia of our countries.

We should learn to understand each other, motives and means of our actions, beginning, of course, from the authorities.

Only in this way can we establish effective cooperation between Ukraine and Russia.

**– What is your vision of partnership prospects of the two countries?**

Remaining on the post of the Prime Minister of Ukraine, I will do my best to establish truly equal, normal, civilised partner relations with Russia.

Russia is our strategic partner and one of the biggest trade partners. A policy of confrontation with Russia is senseless.

Defence of Ukraine's national interests, search of compromise – this is the truly national policy that will contribute to Ukraine's development and establishment as a sovereign state and simultaneous establishment of normal partner contacts between the two countries. ■

**ESTABLISH EFFECTIVE COOPERATION BETWEEN UKRAINE AND RUSSIA**



**Yulia TYMOSHENKO,**  
Prime Minister of Ukraine

**– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?**

First of all, I wish to say that the present level of Ukraine-Russia relations remains unsatisfactory. Unfortunately, there is no system, no routine work at building relations between our countries.

We have no established long-term strategic partner relations in the political sector, strategic economic cooperation is absent, we are insufficiently cooperate in the humanitarian and cultural sectors.

What is the reason for such state of relations?

*First*, relations between Ukraine and Russia are too politicised. They are politicised both in Russia and in Ukraine. Any step to meet the partner is presented

**GOOD-NEIGHBOURLINESS, MUTUAL TRUST AND RESPECT FOR NATIONAL INTERESTS OF EACH PARTY ARE THE CORNERSTONE OF BILATERAL RELATIONS**



**Yuriy KOSTENKO,**  
*First Deputy Minister for  
Foreign Affairs of Ukraine*

**– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?**

The state and character of Ukraine-Russia relations are now not quite consistent with the spirit and letter of the fundamental documents signed by the two countries in the recent years, first of all – the Treaty of Friendship, Cooperation and Partnership between Ukraine and Russia of May 31, 1997.

That is why I am sure that the development of relations with Russia at the present stage should concentrate on making them equal, mutually advantageous and pragmatic, resting on the norms and principles of the international law, respect for the sovereignty, territorial integrity and national interests of both states.

Russia is our eternal neighbour, our relations rest on historic, cultural, humanitarian, political and, first of all, economic factors. Such motivation should prompt both parties to build and wage dialogue based on gains, try to solve differences at a negotiation table, without unnecessary agitation and tension, concentrating joint efforts on the problems that are of interest for both the Ukrainian and the Russian side.

**– What are the ways and mechanisms to remove problems in bilateral relations?**

In this connection I wish to stress that Ukraine and Russia do not need to start from scratch. The ways of solution of problem issues in bilateral relations, in my opinion, are clear – resumption of movement towards each other for joint implementation of agreements reached on the high and highest levels. Such signals aimed at normalisation of Ukraine-Russia relations were more than once sent by the leadership of our state.

Regarding the mechanisms of cooperation between the two states, they are wide enough, by sector of activity, and varied, by membership. First of all, I wish to remind of the Ukrainian-Russian Interstate Commission, chaired by the Presidents of Ukraine and the Russian Federation. Within its framework, the Committee for Economic Cooperation is active, led by the Prime Ministers of the two states. As you know, the latest meeting of the Committee took place in Moscow on April 29, 2009.

We maintain close contacts with our Russian colleagues on a wide range of issues of bilateral and multilateral cooperation: there are regular consultations, exchange of opinions on the level of heads of concerned divisions of the foreign offices, deputy ministers of foreign affairs of Ukraine. For instance, using a tested channel of communication, Moscow on April 3, 2009, hosted another round of Ukrainian-Russian political consultations, which I chaired together with the state secretary – Deputy Minister of Foreign Affairs of the Russian Federation G.Karasin, where we discussed a wide range of issues of bilateral cooperation and topical regional problems. Recently, during a meeting of the Committee of Ministers of the Council of Europe in Madrid, Acting Minister of Foreign Affairs of Ukraine V.Khandohiy had a working meeting with Deputy Minister of Foreign Affairs of the Russian Federation O.Grushko.

To ensure the pursuance of an effective and integral state policy in the field of Ukraine-Russia relations, and considering the importance of those relations for the national security, Ukraine's President V.Yushchenko on December 1, 2008, signed a decree establishing the Interdepartmental Strategic Working Group on Ukraine-Russia relations.

**– What is your vision of partnership prospects of the two countries?**

The European choice, firmly announced by Ukraine at the dawn of its independence, will continue to shape its foreign policy. Meanwhile, Ukraine, seeing its future in the European Union, is interested in partnership with Russia to be an integral element of pan-European processes.

Although the strategic approaches of Ukraine and Russia regarding their participation and role in the European and Euro-Atlantic integration processes differ, the national interests of our state presume that despite all differences between Ukraine and Russia in approaches to the problems of international or bilateral relations, they should never exert negative influence on the formation of the Euro-Atlantic security architecture.

We are disposed to raise relations with Russia to a qualitatively new level by cherishing positive trends, first of all, in the trade and economic sector; promoting dialogue on the problems of legalisation of the state border; in the field of fighting illegal migration, smuggling, drug trafficking, illegal trade in arms, human trafficking; settlement of regional conflicts in the post-Soviet space.

By the way, in the border issue, Ukraine entirely shares the stand of the Russian side formulated in the National Security Strategy of the Russian Federation through 2020, recently approved by the Russian President, mentioning incompleteness of legal execution of borders the Russian Federation with some neighbouring countries in the list of the key threats to Russian security and interests. I hope that exactly this approach will provide a reliable platform for completion of negotiations about demarcation of the land segment of state border between Ukraine and Russia, delimitation of the Sea of Azov, the Black Sea and the Kerch Strait.

We are absolutely positive that good-neighbourliness, mutual trust and respect to national interests of each party should be the cornerstone of the relations between the two countries. ■



**INTENSIFICATION OF BILATERAL RELATIONS WITH THE RUSSIAN FEDERATION IS ONE OF THE MAIN TASKS OF THE FOREIGN ECONOMIC POLICY OF THE STATE**



**Bohdan DANYLYSHYN,**  
*Minister of Economy  
of Ukraine*

**– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?**

I wish to note that the Ministry of Economy consistently takes measures for intensification of trade and economic cooperation between Ukraine and the Russian Federation. Perfection of international cooperation, introduction of new forms and lines of trade and economic relations are among the main tasks of the Government.

As we know, the Russian Federation is (and for a sensible time will remain) one of the most important trade partners for Ukraine.

The same is witnessed by the indices of trade and economic cooperation of Ukraine and Russia: by the results of 2008, Russia's share in Ukraine's total foreign trade amounted to 23.3%, or \$39.9 billion (goods and services), which is \$6.3 billion more than in 2007.

If we analyse the main factors influencing the state of trade and economic cooperation of Ukraine with Russia, we should note reorientation of substantial segments of the Russian market to products from outside the CIS states. In particular, according to the customs statistics of the Russian Federation, the share of the CIS countries in Russia's total trade turnover remains low (2000 – 19%, 2007 – 15%). Some segments of the Russian market (pipes, meat and dairy products, starch and malt treacle, etc.) are shrinking for Ukrainian exporters due to application by the Russian side of special and antidumping investigations against Ukrainian goods.

Regarding Ukraine, we should promptly do away with the low activity of Ukrainian manufacturers promoting domestic goods on the Russian market, in particular: creation of joint ventures, participation in tenders, exhibitions, fairs, etc. In view of the above-mentioned reorientation of substantial segments of the Russian market to products from outside the CIS, Ukrainian exports are ever more diversified to third countries.

**INDICES OF TRADE AND ECONOMIC COOPERATION BETWEEN UKRAINE AND RUSSIA**

The Russian Federation accounts for over 23.5% of the total exports of Ukrainian produce. At that, in 2008, exports of Ukrainian goods to Russia increased by 24.2%, hitting \$15.7 billion.

Foreign trade in goods and services between Ukraine and the Russian Federation in the 1st quarter of 2009 totalled \$4,380.1 million, export of goods and services in January-March 2009, amounted to \$2,249.9 million, import – to \$2,130.2 million.

The trade balance with Russia in January-March 2009, showed a saldo of \$119.7 million, improving by \$509 million compared to the same period of 2008.

Trade in services (works) amounted to 18.1% in the foreign trade structure in the 1st quarter of 2009, in that: in total exports – 29.6%, in total imports – 6.1%.

Ukraine's trade with Russia in January-April 2009, totalled \$3,585.7 million.

Export of goods in the I quarter of 2009 amounted to \$1,584.5 million.

In Ukraine's total export in January-March 2009, goods accounted for 70.4%. In the structure of export of goods, the main commodity groups were:

- engineering products – 31.9%;
- metal products – 19.9%;
- food products – 17.1%;
- chemical products – 11.9%.

Import of goods in the 1st quarter of 2009 amounted to \$2 001.2 million.

In Ukraine's total import in January-March 2009 goods made 93.9%.

In the structure of import of goods, the main commodity groups were:

- energy resources – 61.2%;
- engineering products – 8.9%;
- metal products – 6.5%; chemical products – 11%.

The saldo of trade in goods amounted to \$416.7 million

In this context, the most topical problem issues of bilateral trade and economic cooperation that require solution on the part of Russia include:

- (1) abidance by the Memorandum between the Government of Ukraine and the Government of the Russian Federation on the principles of application of special measures to imports of goods originating from customs territories of the parties of October 4, 2001 (hereinafter – the Memorandum);
- (2) cancellation of regulatory-legal acts of the Government, agencies of the Russian Federation and the Federal Customs Service of the Russian Federation, creating artificial or discriminatory barriers for Ukrainian goods;
- (3) full-scale restoration of deliveries of Ukrainian meat and dairy products to Russia.

**– What are the ways and mechanisms to remove problems in bilateral relations?**

I already stressed that the issue of intensification of Ukraine's bilateral relations with Russia is among the most important in the foreign economic policy of the state.

Preservation of the Russian markets, further development of equal trade and economic relations between our states acquire particular importance in the present-day global economic processes.



The priority lines in this respect include:

- further development of bilateral cooperation in the fuel and energy sector (participation of Ukrainian and Russian enterprises in joint ventures for construction and upgrade of Russia power engineering facilities, participation of Ukrainian enterprises in implementation of programmes of gas supply to Siberian regions, etc.);
- implementation of measures in line with the Programme of Economic Cooperation between Ukraine and the Russian Federation for 2008-2010 and measures in line with the Programme of Interregional and Transborder Cooperation with the Russian Federation through 2010;
- intensification of investment activity, provision of participation of Ukrainian capital, first of all, in the development of the Russian fuel and energy sector, and of Russian capital – in the Ukrainian agriculture, machine-building, metallurgy and chemical sectors;
- settlement of issues related with application of protective measures in line with the provisions of the above-mentioned Memorandum;
- resumption of full-scale deliveries of Ukrainian meat and dairy products to Russia;
- implementation of measures in line with the Programme of Ukraine-Russia cooperation in the field of research and peaceful use of outer space for 2007-2011;
- intensification of exhibition and advertising activity of Ukrainian business entities in Russia, their creation of joint ventures, service centres, consignment warehouses, expansion of the network of enterprise representative offices, deepening of studies of commodity markets and the competitive environment for search of trade partners.

Noteworthy, active efforts of the Committee for Economic Cooperation of the Ukrainian-Russian Interstate Commission and continuous dialogue on the level of concerned ministries, heads of governments of Ukraine and the Russian Federation (in 2008, some 15 meetings were held with Russian partners on different levels) made it possible to achieve record high foreign trade in goods and services in 2008, totalling \$40 billion; trade in goods exceeded \$35 billion.

For the development of Ukraine-Russia economic cooperation, promotion and implementation of joint Ukrainian-Russian projects, Kyiv hosted the Ukrainian-Russian forum “Ukraine-Russia – dialogue of effective strategic partnership” that involved representatives of the Ukrainian and Russian governments, the Verkhovna Rada of Ukraine, business circles of both countries, research institutions, etc.

I am sure that the Forum will continue the Ukraine-Russia dialogue in the economic sector and contribute to the search of joint decisions aimed at removal of effects of the world financial crisis.

***– What is your vision of partnership prospects of the two countries?***

I am sure that Ukraine-Russia relations have huge prospects. The latest example – the fourth meeting of the Committee for Economic Cooperation of the Ukrainian-Russian Interstate Commission attended by Ukraine’s Prime Minister Yu.Tymoshenko and the Prime Minister of the Russian Federation V.Putin. Discussed at the meeting were critical issues of trade and economic cooperation, interaction of the parties in the energy sector, cooperation in the field of aircraft building and other sectors.

In the field of industrial policy, determined as the main lines were further efforts for implementation of joint projects in machine building, in the mining and metallurgy sector and chemical industry, and development of production cooperation.

In agriculture, drafting of an intergovernmental Agreement of Cooperation in the Field of Quarantine of Plants is underway.

Agreements were reached on regimentation of deliveries of Ukrainian treacle to the Russian market and consultations about the state and prospects of bilateral trade in sugar.

In the field of scientific-technological cooperation, the Federal Agency for Science and Innovation of the Russian Federation and the Ministry of Education and Science of Ukraine are preparing for signing the Ukrainian-Russian bilateral programme “Development of Cooperation in the Field of Nanotechnologies between Russian Federation and Ukraine for 2009-2012”.

Regarding deepening of trade and economic cooperation with Russia and giving an impetus to economic relations, we should, first of all, establish mutually advantageous trade with account of the WTO norms and rules without exceptions and restrictions, deepen production cooperation in hi-tech branches, aircraft building and creation of space system, ensure joint access to markets of third countries with goods and services.

This can be attained by means of:

- preservation and expansion of presence of Ukrainian export produce on traditional markets in Russia, first of all – products with high added value;
- continuation of efforts aimed at settlement of the issue of export of Ukrainian meat and dairy products to the Russian Federation;
- further development of bilateral cooperation in the fuel and energy sector;
- intensification of efforts at implementation of joint projects with the Russian side of production of goods for domestic markets of the parties and for markets of third countries;
- further implementation of measures in line with the Programme of Economic Cooperation between Ukraine and Russia for 2008-2010 and the Programme of Interregional and Transborder Cooperation with the Russian Federation through 2010; and measures in line with the Programme of Ukraine-Russia Cooperation in the Field of Research and Peaceful Use of Outer Space for 2007-2011;
- intensification of exhibition and advertising activity of Ukrainian business entities in Russia.



Promising lines of cooperation should cover such key joint projects in the field of aircraft building and space industry as development of regional passenger turbojet An-148; resumption of batch production of upgraded versions of An-124-100M-150, -300 transport airplanes on the basis of military transport An-124 “Ruslan”; preservation of cooperative ties at production of aircraft engines (by “Motor Sich” JSC).

In agricultural machine building, joint production of grain and fodder gathering machinery looks promising.

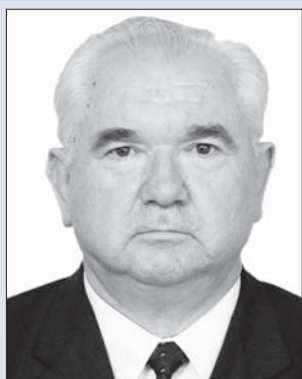
Cooperation in the oil sector involves technical re-equipment and overhaul of Ukrainian refineries for deeper processing of oil, growth of production of light petroleum products and raising their quality to the European standards.

In the gas sector, the agreed (within the framework of the investment phase of the International Consortium for management and development of Ukraine’s gas transportation system) project of construction of Bohorodchany-Uzhhorod gas pipeline should be implemented.

Cooperation in the field of railway engineering looks promising. In particular, it involves further marketing of Ukrainian-made freight carriages (of Azovmash OJSC and Kryukov Carriage Works OJSC) on the Russian market. Furthermore, cooperation should be established between “Transmashholding” CJSC and “Luhanskteplovoz” Holding Company for development and joint production of mainline electric locomotives.

Summing up, I wish to stress that Ukraine-Russia bilateral relations conceal a huge potential. Russia was and will remain our main trade partner, and I am sure of further strengthening of relations between our countries. ■

#### STRENGTHEN TRUST BETWEEN OUR STATES



**Oleh BILORUS,**  
Chairman of the Committee  
on Foreign Affairs of the  
Verkhovna Rada of Ukraine

**– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?**

Russia is and will remain Ukraine’s strategic partner, the Ukrainian side attaches great importance to the development of equal and pragmatic relations with the Russian Federation in the spirit of the Treaty of Friendship, Cooperation and Partnership and proceeds from the imperative of their friendliness, stability and good-neighbourliness, since our peoples are lined by the common past, cultural kinship, traditional deep partner, family and economic ties.

Unfortunately, in the recent years, the relations between our countries demonstrated a steady trend to deterioration. Now, I can describe the state of relations between Ukraine and the Russian Federation as highly unsatisfactory, for a number of external and internal reasons.

Among the external reasons, the structure of economies of the states is changing with time, different political and economic interests arise. For instance, Ukraine’s accession to the WTO could not but influence the rules of trade between our states, and in some sectors, Ukraine and Russia compete on the international market.

Subjective factors of deterioration of relations are caused by historic reasons, changes on the European political map and geopolitical realities.

Russia is a strong and influential state. That is why, I guess, it is sometimes difficult for Russia to accept independence of former Soviet republics. And this is one of the main reasons “poisoning” the atmosphere of bilateral relations. Maybe, some political circles in Russia wish to further view Ukraine as the sphere of its influence, a satellite, but those times have passed away. However, Russian political actors sometimes try to continue the policy of pressure on Ukraine, using economic and cultural tools of influence, instigating national and religious problems remaining since the Soviet times.

One may just recall so-called “gas wars”, attempts to use the Russian Black Sea Fleet to influence the situation in the AR of Crimea, intentional injection of language and religious confrontation, imposition of trade restrictions, etc. There are many instances of Russian interference in Ukraine’s internal affairs, attempts to impose its view of events of the common history, shape the foreign political course of our state. I would also like to mention the disgraceful practice of “black lists”, mutual ban of entry to the territory of both states for representatives of the governments, parliaments and business.

Furthermore, some political forces in Russia and in Ukraine erroneously took the Orange Revolution, the European choice, the desire of Ukraine to join the Euro-Atlantic security system as a sign of Ukraine’s animosity to Russia. I would like to stress that Ukraine has made a choice not between Russia and the West, but between authoritarianism and democracy – the values shared by both our peoples. Joint establishment of an area of stability, security, economic prosperity, freedom and democracy on the European continent may become the uniting factor presenting the basis for further cooperation between the two states on the principles of equality, respect for the international law, defence of national interests.

All this creates the atmosphere of intentional confrontation, mistrust between the two states, affecting bilateral economic cooperation and, respectively, standards of life of the peoples of our countries.

**– What are the ways and mechanisms to remove problems in bilateral relations?**

First of all, proceeding from the above, measures should be taken for growth of trust between our states, for refusal from radical statements and mutual accusations. We have a unique opportunity for not only deepening the political dialogue on the top level but for the development of transborder and regional cooperation, “people’s diplomacy”.

Of course, I wish to specially dwell upon the potential of inter-parliamentary cooperation. Cooperation between the Verkhovna Rada of Ukraine



and the Federal Assembly of the Russian Federation (Federation Council and State Duma of the Federal Assembly of the Russian Federation) takes place along several lines: contacts on the level of parliament heads and members of legislative bodies of Ukraine and the Russian Federation; inter-parliamentary groups of Ukraine and the Russian Federation; inter-parliamentary commission for cooperation of the Verkhovna Rada of Ukraine and Federal Assembly of the Russian Federation.

The most intense contacts take place within the framework of the Inter-Parliamentary Commission for Cooperation of the Verkhovna Rada of Ukraine and the Federal Assembly of the Russian Federation. Since its establishment in 2002, eight meetings have been held that discussed such important issues as trade and economic cooperation, border crossing procedures, protection of rights of labour migrants, approximation of the legislation, development of industrial cooperation, development of applied and fundamental science, cultural, humanitarian and transborder cooperation.

During the latest meeting of the Commission (March 18, 2009, Moscow), for perfection of its work and improvement of control of implementation of agreements, it was decided to put on the agenda of the following meetings one-two especially important and practical issues of bilateral cooperation.

In particular, the March meeting considered issues of inter-regional and transborder cooperation, and the dialogue in the humanitarian sector. Upon its results, it was decided to set up a working group of the Inter-Parliamentary Commission for Development of Interregional and Transborder Cooperation and provide for regular review of proposals by the state authorities of the border regions and representatives of business circles of both countries for perfection of both national and international legal frameworks with the purpose of enhancement of the effectiveness of border contacts. In the field of humanitarian cooperation, the parties undertook to promote ties in the field of culture and arts, take part in joint celebration of the most prominent events in the socio-cultural life of both states, such as the 200<sup>th</sup> anniversary of M.Gogol, 300<sup>th</sup> anniversary of the Battle of Poltava, 150<sup>th</sup> anniversary of A.Tchekhov, 65<sup>th</sup> anniversary of the victory in the Great Patriotic War.

Deepening of the inter-parliamentary dialogue will contribute to the growth of trust between politicians of both countries, perfection of legislative support for bilateral cooperation in all sectors, which, in turn, will promote development of all-round contacts between Ukraine and the Russian Federation.

***– What is your vision of partnership prospects of the two countries?***

There is a huge potential for the development of bilateral cooperation between Ukraine and the Russian Federation, but unfortunately, it is not fully employed.

Russia remains Ukraine's main trade partner, the trade between our states is steadily growing. At that, the structure of the Ukrainian exports to the Russian

Federation is dominated by products with a high and medium degree of processing: engineering, metals, chemicals and foods.

Great opportunities for further deepening of trade and economic relations are posed by the development of interregional and transborder cooperation. To employ that potential, the latest meeting of the Inter-Parliamentary Commission for Cooperation of the Verkhovna Rada of Ukraine and the Federal Assembly of the Russian Federation passed a number of concrete decisions, in particular, to involve representatives of parliaments of the two countries to the development of the Programme of Interregional and Transborder Cooperation of Ukraine and the Russian Federation after 2010; annual arrangement of meetings of members of local councils of the two countries in border regions of Ukraine and the Russian Federation, involving heads of local administrations and other state authorities of the parties. In this connection, the Commission decided to work out proposals for conduct of such event in 2009.

Deepening of cooperation between Ukraine and Russia in the field of industrial cooperation, in particular, in the space sector, machine building, power engineering, nuclear energy, aviation industry, shipbuilding, etc. is highly promising. The Verkhovna Rada of Ukraine in this connection concentrates on creation of the legislative framework for implementation of relevant projects.

Trade and production of agricultural produce are the sectors that have an actually unlimited potential for development. The unique Ukrainian black soil, preserved traditions of production of environmentally clean and natural agricultural produce in Ukraine, on one hand, and the huge capacity of the Russian food market, on the other, create vast possibilities for establishment of trade and production joint ventures in agriculture. One cannot but mention the huge potential of cooperation in the humanitarian and scientific sectors. Ukraine and the Russian Federation have a common academic school, which enables implementation of bilateral programmes in the field of applied and fundamental science, exchanges of postgraduates, scholars and researchers. The kinship of the Ukrainian and Russian cultures open broad horizons for the cultural dialogue, mutual exchange of artistic and literary gains of our peoples. Youth programmes in the field of student exchanges, tourism, sports, etc. are similarly important.

The world economic crisis put on the agenda the need of coordination of efforts of Ukraine and Russia for removal of negative economic trends and imbalances in the economy, which can add impetus to deepening bilateral cooperation, development of industrial cooperation projects, cooperation in the field of transportation of energy resources. The crisis brings not only risks and challenges but also a chance for search of non-standard solutions, implementation of new projects, new opportunities. That is why I hope that through joint efforts, we will manage to overcome temporary negative trends in bilateral relations, achieve true strategic partnership and use all opportunities for cooperation for the prosperity of our peoples. ■



**WE SHOULD PART WITH VAIN PROMISES, CLEARLY FORMULATE OUR POSITION AND BEGIN PRACTICAL ACTION**



**Anatoliy GRYTSENKO,**  
Chairman of the National  
Security and Defence  
Committee of the  
Verkhovna Rada of Ukraine

**– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?**

Now, it is hard to produce a full and impartial assessment of the relations of our countries, because it is difficult to compare. Actually, the entire period of Ukraine's independence witnessed, in particular, tension in the information space. Russian media do not refrain from comments about everything that happens in different spheres of life in Ukraine: political, economic, military, social, cultural. As a rule, people are told about our miscalculations, scandals, tragedies, cataclysms and other mishaps. Of course, this influences the consciousness of citizens both in Russia and in Ukraine, creating an image of a conflicting, stormy Ukraine, while in Russia, everything is fine and stable...

Recently, the Kyiv International Institute of Sociology and Russian "Levada-Centre" have published data of public opinion polls in Ukraine and Russia about our relations. It appeared that the overwhelming majority of Ukrainians – 90% – are well disposed to Russia. Russians loyal to Ukraine made less than half – 41%, while those who treat Ukraine badly made nearly half – 49%!

Sometimes, a ban on transmission of Russian TV channels is considered in Ukraine. This is nonsense. We have seen that in the Soviet times, when despite strong radio interference, people found an opportunity to listen to banned radio waves. And bans only enticed them to do that.

We live in a different time and should understand that order should be established not in the air but in the heads of state figures and politicians influencing the well-being and peace in Ukraine. Unfortunately, this is not the case.

For Ukraine, Russia is not just a neighbour state but an important and strong strategic partner. It will be so in 107, and in 225 years. Spain, Canada or Japan will not suddenly appear on our north-eastern border, there will always be the Russian Federation. That is why we should build with that state mutually advantageous and equal relations. But first of all, I stress, mutually advantageous. This means that our national interest should be stated and correlated with the Russian national interest.

We see that Russia by all means, not ruling out sometimes openly aggressive ones, successfully and consistently defends its national interests. It is suffice to mention just the approval of the new Concept of Foreign Policy of the Russian Federation by Russia's President D.Medvedev in July 2008. That is quite a balanced strategic programme document taking into account the experience of the key developments around the Russian Federation, starting from 2000, setting the main priorities, means and methods of their attainment. That Concept outlined the plan of work with the whole world!

Unfortunately, Ukraine has no such Concept. Everything is situational, with elements of short-term, sometimes ill, planning. But this does not release us from relations with Russia.

We urgently need to find the balance of mutual interests beneficial for both Russia and Ukraine. I am sure that the sphere of those interests is wide enough, encompassing actually all sectors of our life.

I can cite an example from my own experience of effective cooperation with Russian colleagues, while being the Minister of Defence of Ukraine. In course of 34 months, we had no wars of the press services concerning the Black Sea Fleet stationing in Sevastopol. You will not find a single instance when commanders of the Ukrainian and Russian navies had public conflicts. All issues were resolved rapidly and constructively. I built normal relations with my colleague, Minister of Defence of the Russian Federation S.Ivanov, and we solved actually all issues by phone, without prolonged diplomatic procedures and months-long correspondence.

**– What are the ways and mechanisms to remove problems in bilateral relations?**

I am sure that relations with Russia will be stable and effective when Ukraine is united and consistent in its actions. When Ukraine has one foreign political strategy, one stand on all issues, one idea expressed by the authorities and supported by the people.

Believe me, the Russian Federation is also tired of our internal political strife. Russia is waiting for Ukraine to be credible, comprehensible and pragmatic. We should part with vain promises, clearly formulate our position and begin practical action. Russia is long ready for that. It is our turn now.

**– What is your vision of partnership prospects of the two countries?**

I believe that the present level of cooperation, if the political dimension sometimes constraining that cooperation is removed, is solid enough and mutually beneficial.

For instance, take a look at the defence sector: we take part in the trilateral initiative of Ukraine, Russia and Turkey "Black Sea Harmony"; jointly with Russia cooperate in the European naval cooperation task group BLACKSEAFOR, involving all Black Sea countries. Furthermore, Ukraine and Russia take part in the NATO operation "Active Endeavour" for detection and prevention of terrorist acts in the Mediterranean.

And if we speak of development, Kyiv should prove its readiness for restoration of wide strategic

partnership and put forward concrete proposals. I do not mean separate isolated projects. It should be a Strategic Partnership Plan, or a roadmap of mutually advantageous action. It will establish order and qualitatively renew relations with our north-eastern neighbour in the sectors of fuel and energy, defence industry, agriculture, aircraft and car building, space, healthcare, construction of infrastructure facilities, etc.

Russia and Ukraine will always be near. We are neighbours, we do not need to fly to each other across the ocean. We are just doomed to broad cooperation. And the sooner it happens, the better it will be for our peoples. Then, the very need of public opinion polls about mutual perception of Ukrainians and Russians will pass away automatically. It will no longer be interesting – without a conflict. ■

#### TASK OF POLITICIANS AND AUTHORITIES OF BOTH COUNTRIES – TO USE POTENTIAL OF CONSTRUCTIVE COOPERATION



**Borys TARASYUK,**  
*Chairman of the Committee  
on European integration  
of the Verkhovna Rada  
of Ukraine*

**– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?**

In short, as abnormal and unpredictable, alarming and concerning the international community.

The present state of Ukraine-Russia relations cannot be called temporary or unique. In course of 18 years, they have never been equal and “cloudless”. Let us recall disputes about the division and temporary stationing of the Black Sea Fleet, nuclear weapons, gas blackmail, trade wars, attempts of interference in home affairs, anti-Ukrainian information wars, finally, recent direct threats. Therefore, Ukraine-Russia relations may hardly be termed truly “strategic”, at least given that the national interests of both states often do not coincide.

The reasons for the permanent crises lie in the Russian political elite that since early 1990s has not accepted Ukraine’s independence, tried to impose its domination or establish “spheres of privileged interests” through different political projects.

Neglect of the international law, conscious protraction of delimitation and demarcation of the border between us, breach of bilateral commitments, neglect of Ukrainian

laws, aggressive reaction to the foreign political choice of Ukraine – this is far from the exhaustive list of problems in bilateral relations.

**– What are the ways and mechanisms to remove problems in bilateral relations?**

First of all, it is important to make Ukraine-Russia relations constructive and pragmatic. For that, the reasons of the problems in bilateral relations, mentioned above, must be removed. The Russian political elite and authorities should realise that Ukraine’s choice is its right, that Russia should concentrate resources and efforts on solution of Russia’s internal problems, not on vain attempts to push imperial ambitions.

Observance of the norms of the international law and international commitments, respect for legitimate rights and interests of the partner should become a norm in our relations. In particular, it should stop interference in our internal affairs, stop the anti-Ukrainian hysteria directed by the authorities, concentrate on mutually advantageous cooperation.

Ukraine-Russia relations have a vary complex, multi-level nature, their dynamism is usually determined by the parties’ ambitions. For instance, Russia views Ukraine’s attempts to secure its national interests through the EU and NATO membership as unfriendly and hostile steps. All-Russian and all-Ukrainian public opinion polls about the attitude of Russians to Ukraine and Ukrainians to Russia held in the winter of 2009 by the Russian “Levada-Centre” and the Kyiv International Institute of Sociology have demonstrated that 49% of Russians treat Ukraine mainly badly and very badly (compared to 33% in March 2008). By contrast, 91% of Ukrainians treats Russia well and very well.

Therefore, until the Russian leadership gives up its post-imperial habit to see our sovereign strategic choice as a sign of unfriendliness to it, until it concentrates on search of compromise and peaceful, fruitful coexistence, one should not expect maximum effect from our partnership. However, specific of those relations is their critical importance for the development of both countries.

**– What is your vision of partnership prospects of the two countries?**

In case of removal of the reasons complicating our relations, the dialogue should be resumed and intensified on all levels. We should concentrate on resumption of mutually advantageous projects in the sectors of rocket building, aircraft building, remove trade barriers, make our borders a reliable barrier on the road of illegal migration, smuggling, organised crime.

Cooperation should be encouraged in the humanitarian sector, in the field of tourism, contacts between regional and city communities should be promoted. The potential of constructive cooperation of our countries will be useful not only for the peoples of Ukraine and Russia but for the entire region. It is the task of politicians and authorities of both countries – to use it. ■