

Ukraine Signs for Observer Status in Customs Union

By [The Moscow Times](#)

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Azarov (left) and Viktor Khristenko (right), head of the customs union's executive body, at the meeting on Friday. **Vasily Fedosenko**

MINSK — Ukraine signed a deal Friday to become an observer in a Russia-led Customs Union trade bloc, going as far as it could to please its powerful neighbor without jeopardizing a planned free trade deal with the European Union.

Russia has long urged Ukraine to become a full member of the bloc, which also includes two other former Soviet republics, Belarus and Kazakhstan.

But Ukraine, which hopes to sign landmark agreements on free trade and political association with the EU this year, refused to join and has instead sought a deal that would be compatible with its EU agreements.

"The Customs Union is our largest trade partner and co-operation with its members is

extremely important to us," Ukrainian Prime Minister Mykola Azarov said as he signed the memorandum at a Customs Union executive body meeting in the Belarussian capital of Minsk.

The deal will not affect customs duties or other regulations on trade between Ukraine and bloc members. But, according to Azarov, it will allow Kiev to receive early notice of new policies planned by the bloc.

Ukraine's trade relations with Customs Union members have been rocky in the last few years with Russia temporarily banning imports of certain Ukrainian goods such as cheese and Ukraine, in turn, restricting shipments of some goods from Russia and Belarus.

Kiev's ties with Moscow also have been strained by disputes over the 2009 gas supply deal signed under the previous Ukrainian administration.

The government of Ukrainian President Viktor Yanukovich says the deal sets an exorbitant price for gas — about \$400 per thousand cubic meters this year.

But Moscow has said it would review the agreement only if Ukraine joins the Customs Union or allows Russian state-run gas giant Gazprom to take over the Ukrainian pipelines that ship Russian gas to Europe.

On Friday, Yanukovich's office stressed the new deal would not jeopardize Ukraine's plans for deals with the EU.

"All the potential agreements [with the Customs Union] must be viewed in the context of the search for an optimal way of cooperation that will not contradict Ukraine's strategic course of integration with the European Union," presidential adviser Kostyantyn Yeliseyev said in a statement.

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