



Economic relations between Russia and EU: Situation, factor and Measures

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Abstract

Economic relations are important parts of the relations between Russia and the European Union (EU), which is of great strategic importance. The Ukrainian crisis of 2014 brought new uncertainty to Europe, and relations between Russia and EU suffered. Due to the escalation of EU sanctions against Russia recently, Russia-EU relations have once again become deadlocked. But Within the framework of the current European Union, opinions on the development of relations with Russia are not absolutely uniform. This article deeply analyzes the factors of geo-security, the factors of energy cooperation and the factors of the United States affecting economic relations in response to the current needs for the development of relations between Russia and the European Union.

Key words: European Union; Russia; Economic relations; Geo-security; Energy cooperation; Trade; Investment; Common economic space; Partnership and cooperation agreement; Nord Stream 2; Free trade zone; USA

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European Union is Russia's most important foreign relations, Although 2020 brought the further multi-vectorialization of Russian foreign policy, which is highly likely to continue in 2021. As early as 2003, the President of the Russian Federation Vladimir Putin proposed that the main direction for the development of new economic relations between Russia and the EU was to

establish a free trade zone. In the situation of intensified confrontation between Russia and Western countries, Russia has always actively promoted cooperation with the EU's of the Nord Stream 2 pipeline. The "Greater Eurasian Partnership Concept" first introduced by Putin in late 2015 proceeds from the premise that the first steps in this direction should be taken in the economic architecture of the Eurasian continent. Russian experts believe that the economy forms the base of modern society, even though politics frequently gain the upper hand over economics in terms of imposing priorities and precepts on states. Yet, ultimately, no one can ignore their economic interests. As a rule, these interests are more stable, more rational and less subject to the influence of subjective factors than political precepts. Trade ties generally proved a more reliable unification tool¹.

THE STATUS OF ECONOMIC RELATIONS BETWEEN RUSSIA AND THE EU

Russia is one of the main trading partners of the European Union, and economic relations between Russia and EU are very close. In 1994, the EU signed a Partnership and Cooperation Agreement (PCA) with Russia, which entered into force on December 1, 1997. The agreement provides for political and economic relations between the EU and Russia and is the legal basis for bilateral trade and investment relations between the European Union and Russia. The agreement contains special provisions on economic relations between the European Union and Russia. European Union imports from Russia are mostly unlimited. However, the current rules provide more flexibility for Russia in adopting unilateral tariff measures.

¹ Andrey Kortunov, Eight Principles of the "Greater Eurasian Partnership", September 28, 2020 <https://www.google.com/amp/s/russiancouncil.ru/en/amp/analytics-and-comments/analytics/eight-principles-of-the-greater-eurasian-partnership/>

At a summit in St. Petersburg in May 2003, the European Union and Russia agreed to strengthen cooperation to create the Common Economic Space (CES) within the framework of existing partnership and cooperation agreements. The Common Economic Space is intended to empower economic operators, which is another step in creating a more open and integrated market between the European Union and Russia. The overall goal is to create conditions and create new investment opportunities for expanding and diversifying trade through closer cooperation, by achieving economic integration, removing trade barriers, regulatory convergence, market openness, trade facilitation and infrastructure development.

On May 10, 2005, at the summit of the European Union and Russia in Moscow, a “road map” for a common economic space was adopted. The document lists a number of principles and priority areas for action. It also engages in dialogue on the following trade-related issues: Investment Dialogue, Intellectual Property Dialogue, Public Procurement Dialogue, Industrial Product Regulation Dialogue, Industrial and Corporate Policy Dialogue, Energy Dialogue, Competition Dialogue, dialogue on macroeconomic and financial services, trade facilitation and customs.²

In 2008, bilateral trade between the European Union and Russia accounted for 52.3% of Russia’s total foreign trade, the European Union is Russia’s main trading partner and the most important investor in Russia. It is estimated that up to 75% of Russian FDI comes from the member states of the European Union. In 2009, the European Union exported 65.6 billion euros to Russia and imported 115 billion euros from Russia. Energy and fossil fuels

(77.3%), industrial goods, chemicals and raw materials are mainly imported from Russia. European Union exports to Russia are diversified, mainly including machinery and transport equipment (42.9%), manufactured goods and foodstuffs. In 2009, the European Union exported 18.2 billion euros to the Russian trade in services and 10.8 billion euros to the Russian trade in services.³

In 2012, Russia joined the World Trade Organization. In March 2014, the European Council suspended negotiations with Russia due to the situation in Ukraine. In 2012-2016. The volume of trade between the European Union and Russia fell from 390 billion euros to 191 billion euros, down 44%. The main exports of the European Union to Russia: machinery, transport equipment, chemical products, pharmaceuticals, manufactured products. The European Union imports its main products from Russia: materials, especially oil (crude oil and refining) and natural gas. The European Union is the largest Russian investor. Three quarters of Russia’s foreign direct investment comes from the member states of the European Union, and Cyprus alone accounts for 30%.

In 2017, the United States (€ 631 billion, or 16.9% of total merchandise trade in the European Union) and China (€ 573 billion, or 15.3%) continued to be the two largest trading partners of the European Union, followed by followed by Switzerland (261 billion euros, or 7.0%), Russia (231 billion euros or 6.2%), Turkey (154 billion euros or 4.1%) and Japan (129 billion euros or 3.5%) ... Among them, Russia’s share in EU foreign trade fell from about 10% in 2012 to about 6% in 2016 and rose slightly in 2017 (see Figure 1).⁴

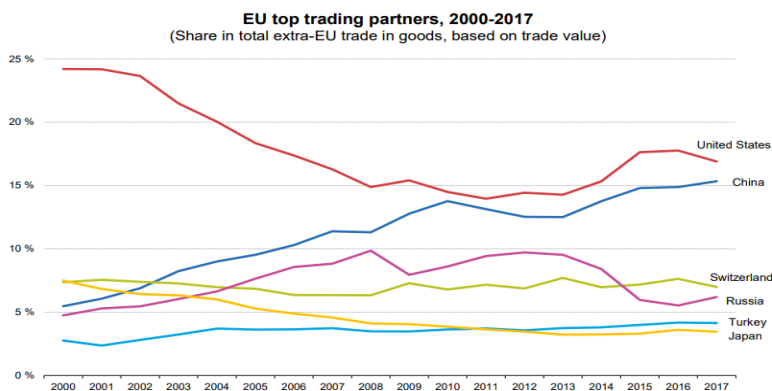


Figure 1
2000-2017 Major Trade Partners of the European Union

In 2017, Russia is the fourth largest import partner from the European Union and the third largest export partner from the European Union. Finished goods dominated the export of goods from the European Union to Russia, accounting for almost 90%, while more than two-thirds of the European Union’s imports from Russia are energy. Among the member states of

the European Union, Germany is the largest trading partner of Russia in 2017. Germany imports 29 billion

² Countries and regions.//<http://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>.

³ The EU’s Trade Relationship with Russia//<https://www.eubusiness.com/topics/trade/russia>.

⁴ The EU’s Trade Relationship with Russia//<https://www.eubusiness.com/topics/trade/russia>.

euros from Russian goods and 26 billion euros in goods⁵. In 2008-2017, trade between the European Union and Russia was in deficit (see Figure 2), peaking at 93 billion euros in 2011, but fell to 59 billion euros in 2017. The Netherlands and Russia have the largest trade deficits (€ 16 billion), while Latvia (€ 645 million), Slovenia (€ 545 million) and the Czech Republic (€ 445 million) have the largest trade surpluses⁶.

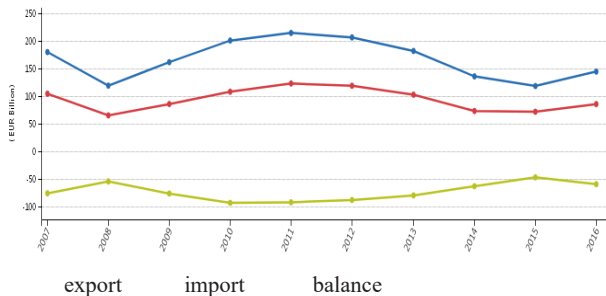


Figure 2
2007-2016 Trade Balance of Russia and the European Union

In 2018, Russia and the European Union traded 253.1 billion euros, an increase of 9.7% compared to 2017. Among them, Russia imported 85.3 billion euros from the European Union, up 0.8%, Russia exported 168.1 billion euros to the European Union, an increase of 16%. In 2018, among the main partners imported from the European Union, Russia ranked fourth after the United States, China and Switzerland, and among the main export partners in the European Union, Russia ranked third after China and the United States.⁷ As of the end of 2018, the cumulative investments of the EU countries in Russia reached 300 billion euros (373 billion dollars), «which indicates that European companies are interested in coming to Russia for commercial investment.» According to the Federal Customs Administration of Russia, the European Union is in the total volume of Russia's foreign trade. The share increased from 42.1% in 2017 to 42.7% in 2018.

In 2020, Russia is the EU's 5th biggest trade partner, representing 4.8% of the EU's total trade in goods with the world. The EU is Russia's 1st trade partner, accounting for 37.3% of the country's total trade in goods with the world in 2020. 36.5% of Russia's imports came from the

EU and 37.9% of its exports went to the EU. Total trade in goods between the EU and Russia in 2020 amounted to €174.3 billion. Two-way trade in services between the EU and Russia in 2020 amounted to €27.7 billion, with EU imports of services from Russia representing €8.9 billion and exports of services to Russia accounting for €18.8 billion. The EU foreign direct investment (FDI) outward stock in Russia in 2019 amounted to €311.4 billion, Russia's FDI stock in the EU was estimated at €136 billion.⁹

MAIN FACTORS AFFECTING ECONOMIC RELATIONS BETWEEN RUSSIA AND EU

Complex geo-security relationship between the European Union and Russia. Geopolitical and civilized factors have always been a constant factor affecting European-Russian relations after the Cold War. Based on the overall security and stability situation in Europe and its own security interests, the relationship between the European Union and Russia will continue to be based on cooperation, but due to differences in security interests, the security relationship between Europe and Russia will continue fight. Europe has always had strong precautions against Russia in history. During the Cold War, security pressure in the midst of a bitter confrontation between the US and the Soviet Union made Europe more fearful of the Soviet Union and a sense of prevention. After the Ukraine crisis, the EU imposed economic sanctions on Russia, and relations between the European Union and Russia fell to the bottom. But «Russia has special feelings for Europe, and its longing for Europe is almost an instinct of the Russian political elite.»¹⁰

Security remains one of the most complex and controversial concepts in international relations, especially as its scope and importance continues to expand. Security is no longer only about national (national) security, but already includes other mentioned entities (individuals, communities, multinational companies, environment). As the threat to security has become more complex and the number of issues that are considered as security issues has increased, security is no longer provided primarily by military means. Security relations between the European Union and Russia are no exception, and this is an emerging area of research¹¹. The reports show that when Russia, the eastern partner, takes action similar to the different countries of the European Union, all countries in the region face such an increasingly complex geopolitical

⁵ Russia-EU – international trade in goods statistics. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Russia-EU_-_international_trade_in_goods_statistics

⁶ Russia-EU – international trade in goods statistics - Statistics Explained. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Russia-EU_%E2%80%93_international_trade_in_goods_statistics#Overview

⁷ Russia – EU Trade Turnover. <http://seanews.ru/en/2019/02/18/en-russia-eu-trade-turnover-5/>

⁸ Russia-EU trade turnover up 20 pct in 2018 despite sanctions. <http://www.customstoday.com.pk/russia-eu-trade-turnover-up-20-pct-in-2018-despite-sanctions/>

⁹ EU and Russia. <https://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>

¹⁰ Син Гуанчэн (2011). Европейская эмоция и западная стратегия России // Европейские исследования. № 5.С1-2.

¹¹ Security Challenges in Russia-European Union Relations. <https://eg.uc.pt/bitstream/10316/85296/1/Security%20Challenges%20in%20Russia-European%20Union%20Relations.pdf>. C3.

environmental challenge. These European Union countries view security as a major concern.¹²

The Ukrainian crisis has brought new uncertainty to Europe, and the EU-Russia relationship has suffered. Within the framework of the current European Union, opinions on the development of relations with Russia were not absolutely unanimous. For example, it is believed that “the European Union has long opposed US extraterritorial sanctions. US sanctions will have an impact on Russia, but will also affect European Union companies. In the US, energy companies are lobbying to oppose the proposed energy. Field sanctions that believe that this will not only prevent them from investing in Russia, but also hinder their cooperation or ongoing cooperation with Russian oil and gas companies in third countries.¹³

- *The rugged energy partnership between the European Union and Russia.* The European Union is a net energy importer and is heavily dependent on Russian energy. The European Union and Russia established an energy dialogue in 2000, but almost all official activities were suspended due to the conflict in Ukraine in 2014. In June 2015, Gazprom announced that it would cooperate with six European energy companies, including the German energy group ENERGY. Shell Oil, French Energy and the Austrian Oil & Gas Group to form a joint venture company to jointly invest in the construction of Beixi No.2. The Russian side announced that after the completion of the construction of Basie No. 2, it will increase the throughput capacity by 55 billion cubic meters of natural gas per year. Completion of the project is scheduled for 2019. From 2020, Russian natural gas to Western Europe will no longer need transit to Ukraine and other countries.¹⁴

In the first half of 2018, crude oil accounted for 70.2% of energy imports in the European Union, and natural gas accounted for 20.1% of energy imports in the European Union. Of energy import sources, 29.9% of the European Union's crude oil imports in 2017 and 38.5% of natural gas imports came from Russia. In the first half of 2018, 28% of crude oil imports in the European Union and 40.6% of natural gas imports came from Russia.¹⁵

Europe's demand for natural gas in Russia is estimated at 17.6-21.2 billion cubic meters. M per year (with high demand) or 17.1-18.1 billion cubic meters. M per year (with low demand). This means that the total volume

of exports from Russia (by Russian standards) varies from 18.7 billion to 22.5 billion cubic meters (with high demand) or from 18.1 billion to 19.2 billion cubic meters per year (with low demand) ... This suggests that the demand for transport capacity in Ukraine can be quite high. Neither Nord Stream 2 nor Turkish Stream will be fully operational by the end of 2019, so Gazprom and its European counterparts began operations on January 1, 2020. To pass the transit capacities of Ukraine, it will take about 520-90 billion cubic meters per year. If and when these two transit diversification projects are completed, some Ukrainian transit traffic may still be required depending on the overall Russian demand for European imports.¹⁶

Although the Nord Stream 2 gas pipeline project has been approved by the European Union, its internal opinion is not uniform. The main problem is that Russia will hijack the energy security of the European Union. Russia will use the Nord Stream 2 project to increase conflicts of interest in the EU member states. It can be seen that both market and political factors influence the EU-Russian energy relations, which increases the uncertainty of the EU-Russian energy cooperation as politicization intensifies.

US factors for economic cooperation between the European Union and Russia. Since the end of World War II, European-American relations have become a cornerstone of US national security and global strategy. In order to strengthen its control over Europe, the United States continues to maintain its dominant position in the European security system. Therefore, the US factor plays a key role in the development of European-Russian economic relations.¹⁷ For more than seventy years, the partnership between the United States and Europe has been at the heart of the world economy, politics, and security order. The relationship between the United States and the European Union is the deepest in the world, but we should not take it for granted. The concepts and interests of the United States and the European Union differ significantly, and navigating in this area requires the nuances of diplomacy.¹⁸

In July 2014, Western countries began to impose sanctions against Russia due to the Ukrainian crisis. However, there are some important differences between the European Union sanctions against Russia and the United States: firstly, the European Union sanctions allow the continuation of the previous bill, while the

¹² Geopolitics and security—a new strategy for the south Caucasus. https://www.iwp.edu/docLib/20180215_GeopoliticsandSecurity.pdf. C10.

¹³ Putin's last term Taking the long view, By Ian Bond and Igor Yurgens. https://www.cer.eu/sites/default/files/pbrief_putin_view_ib_22.1.19.pdf. C16.

¹⁴ Ли Цзэнвэй, «Проект газопровода Северный поток-2 » заблокировал разногласия ЕС. http://www.cssn.cn/gj/gj_zjzl/gj_ggzl/201611/t20161102_3260513.shtml

¹⁵ EU imports of energy products - recent developments. <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/46126.pdf>. C2-4.

¹⁶ Russian gas transit through Ukraine after 2019: the options. <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/11/Russian-gas-transit-through-Ukraine-after-2019-Insight-41.pdf>. C18-19.

¹⁷ *The Future of the United States and Europe: An Irreplaceable Partnership.* <https://www.csis.org/analysis/future-united-states-and-europe-irreplaceable-partnership>

¹⁸ *The Future of the United States and Europe: An Irreplaceable Partnership.* <https://www.csis.org/analysis/future-united-states-and-europe-irreplaceable-partnership>. C3.

United States does not, and secondly, given the European Union's dependence on Russian gas, its energy sanctions apply only to oil. ... Departments, while the United States applies oil and gas, thirdly, the European Union and the United States do not have the same list of sanctions against individual companies, and fourthly, the European Union's sanctions against Russia apply to Ukraine, and they all began in 2014 year.¹⁹

Since the Biden administration came to power, the sanctions and anti-sanction wars between the West and Russia have escalated. On April 15, 2021, Biden formally signed an order to sanction any area of the Russian economy, and decided that from June 14th the United States will prohibit any US financial institution from participating in the primary market of Russian sovereign bonds denominated in rubles. The United States commanded the Allies to begin to outflank Russia, and the European Union chose to stand on the side of the United States to impose sanctions on Russia. According to statistics, so far more than 400 individuals and more than 500 entities in Russia have been included in the US and European sanctions lists, covering senior officials, businessmen, banks, energy companies, military enterprises, and media. As the West has advantages in finance and technology, among the many sanctions taken by the West against Russia, financial sanctions and technological blockades have the most lethal effects, and Russia's two pillar industries, energy and military industry, have been affected.

MEASURES TO PROMOTE ECONOMIC RELATIONS BETWEEN RUSSIA AND EU

The factors affecting economic relations between Europe and Russia are limited by geopolitics and the game of the big powers, are complex and volatile. We believe that, despite the uncertainty about the prospects for economic cooperation between the European Union and Russia, the overall trend is improving. At the center of the post-Cold War controversy between Russia and the West is the question of how to create a new system of international security, especially in Europe, and what position Russia takes in this agreement. This contradiction has not yet been answered. The main reason lies in the fundamental confrontation between the values and interests of all parties. Strategic and structural tensions between the US and Russia, Europe and Russia will continue to exist²⁰.

Since the dependence of Russia on the European Union is greater than the dependence of the European Union on Russia, the European Union will continue to maintain its

advantages in the development of bilateral relations. This means that, on the one hand, the European Union can continue to use this advantage to advance its own goals: on the other hand, the European Union remains the most important party for determining the future development of relations between the European Union and Russia²¹. There are currently no significant changes in the existing international geopolitical landscape. Economic relations between the European Union and Russia continue to have a difficult opportunity for growth. The main thing is to see the degree of coordination of the interests of the European Union and Russia and the strategic measures taken by both sides to move towards each other. To this end, Russia should focus on promoting economic relations between Russia and the European Union in the following aspects:

It is necessary to create efforts to harmonize the main interests of Russia and the European Union. Given the long-term geo-economic relationship between the European Union and Russia, Russia has always had deep European sentiments, so we must use all positive factors to help bring the core interests of the European Union and Russia closer together. Academician of the Russian Academy of Sciences M.L. Titarenko noted that the most important prerequisite for the creation of a new world order is the creation of a lasting and reliable unity in the world and ensuring the basic interests of the countries and peoples of the West and East, North and South. Consistent. Harmony and unity of Eastern and Western civilizations are decisive factors in the whole world, from confrontation to dialogue and cooperation.²²

Relations between Russia and the European Union touch on a wide range of issues at different levels of interaction, which confirms the maturity and intense relations between the two neighbors. Relations between Russia and the European Union in the broader European context are still largely dependent on internal factors, including the particular decision-making of each participant, as well as external factors²³. Therefore, the advancement of economic relations between Russia and the European Union depends on whether the main interests can be consistent in the process of interaction between the two sides.

It is necessary to express the sincerity of the European Union on security issues. An analysis of the historical development of Russia and the security policy of the European Union shows that the security policy of Russia and the European Union largely has different starting

¹⁹ *Sanctions over Ukraine Impact on Russia*. http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614665/EPRS_BRI%282018%29614665_EN.pdf. C4.

²⁰ Цзян Йи.(2017) Нет ответа на будущее американо-европейско-российские отношения// Мир знаний. № 6. с. 20.

²¹ Ма Яньхуэй, Чен Хао.(2010) Состояние развития, мотивация и перспективы европейско-российских отношений после холодной войны//Общественные науки и технологии. №3.С 18-19.

²² М.Л.Титаренко.(2002) Россия и Восточная Азия - вопросы международных отношений и взаимоотношений между разными типами цивилизаций[M]. ISBN7-207-05042-9/К• 631. С3-10.

²³ Security Challenges in Russia-European Union Relations. <https://eg.uc.pt/bitstream/10316/85296/1/Security%20Challenges%20in%20Russia-European%20Union%20Relations.pdf>. C1-2.

points and frameworks, but there are also trends in which the security policy of different subjects tends to be close and complex. For the European Union, developing a common security policy has always been a difficult process due to the unique characteristics of its supranational integration. The European Union has proposed a normative concept of regional security based on the principles enshrined in the founding treaty, including the principles of liberal democracy, human rights, the rule of law and a market economy. The European Union manages military capabilities through an integrated mechanism of long-term structured cooperation and increases defense cooperation spending. Promoting an international order based on standardization is the main contribution of the European Union to European security.²⁴

The most important issue regarding security relations between Russia and the European Union is the impact of the enlargement of the European Union and the Neighborhood Policy on Russia's regional strategic interests and its identity as a regional and global power. A critical geopolitical interpretation of the common space between Russia and the European Union shows the relevance of overlapping countries in the security relationship between the European Union and Russia. The heterogeneity and role recognized by the common neighbors of the European Union and Russia, as well as the interaction of different cognitions (including methods of ontological security), are considered the most important for understanding and interpreting the security relations between the European Union and Russia in its neighbors.²⁵

It is very difficult to free the security relationship between the European Union and Russia at the regional level from a more global context. To build a secure relationship of mutual trust between Russia and Europe, it is necessary to start a constructive dialogue and take confidence-building measures from the very beginning. In addition, thanks to the active development of selective economic cooperation with the Eurasian Economic Union, preparation for the diplomatic process of ensuring security between Europe and Russia will give grounds for safe interaction in European-Russian relations.²⁶

Economic relations between the European Union and Russia should be promoted with an emphasis on energy cooperation. Energy cooperation is an important part of economic relations between Europe and Russia and a trump card for the development of relations between

Russia and Europe. Energy security issues are gradually being included in the common agenda of the European Union and Russia, reflecting the important political role of energy development in Putin's foreign policy. Energy policy in different contexts between the European Union and Russia paved the way for a consensus on common energy issues. However, in the process, the European Union has demonstrated the ability to define a common policy and a unanimous expression of views on energy-related issues. This means that the predictability of energy relations can only be ensured by creating a regulatory framework that reflects the interests of all stakeholders and fair distribution of risks. In addition, asymmetric interdependencies will highlight the vulnerability of one side and give the other side greater influence.²⁷

Since the influence of commercial factors is less than political factors, and relations between Russia and Ukraine and between Russia and the European Union are generally poor, the European Union and Russia will most likely not sign any new energy agreements that may arise from 1 January 2020. Since that day, Russian gas supplies to the European Union have been interrupted. Thus, Russia should launch a more lucrative and attractive gas cooperation plan for the European Union, promote economic relations between the European Union and Russia through energy cooperation, and strengthen Russia's core position as the future of European energy supply.²⁸

It is necessary to accelerate the construction of a free trade zone between Russia and the European Union. Since 1997, the political and economic relations of the European Union with Russia have been based on the Partnership and Cooperation Agreement (PCA). Since 2012, when Russia joined the WTO, trade relations between the European Union and Russia have also been formulated by WTO rules. In 2008, the European Union and Russia began negotiations on a new agreement aimed at creating a comprehensive framework for bilateral trade and investment relations. In March 2014, the European Council suspended negotiations due to the situation in Ukraine.²⁹ It can be noted that after the signing of the free trade agreement by Japan and the European Union, the United States is also accelerating the conclusion of a new free trade agreement with the European Union, therefore Russia should attach great importance to free trade negotiations with the European Union.

Assuming that political relations between the European Union and Russia have returned to a constructive basis

²⁴ Security Challenges in Russia-European Union Relations. <https://eg.uc.pt/bitstream/10316/85296/1/Security%20Challenges%20in%20Russia-European%20Union%20Relations.pdf>. C3.

²⁵ Security Challenges in Russia-European Union Relations. <https://eg.uc.pt/bitstream/10316/85296/1/Security%20Challenges%20in%20Russia-European%20Union%20Relations.pdf>. C6.

²⁶ Security Challenges in Russia-European Union Relations. <https://eg.uc.pt/bitstream/10316/85296/1/Security%20Challenges%20in%20Russia-European%20Union%20Relations.pdf>. C13-15.

²⁷ Security Challenges in Russia-European Union Relations. <https://eg.uc.pt/bitstream/10316/85296/1/Security%20Challenges%20in%20Russia-European%20Union%20Relations.pdf>. C6-7.

²⁸ Russian gas transit through Ukraine after 2019: the options <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/11/Russian-gas-transit-through-Ukraine-after-2019-Insight-41.pdf>. C19.

²⁹ Russia - Trade - European Commission// <http://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>

after the end of joint sanctions against Russia, the first step could be the initiation of a formal dialogue between the European Commission and the Commission of the Eurasian Economic Union. For the European Union, a free trade agreement with the Eurasian Economic Union is an economic proposition as it prioritizes access to important export markets. Now that there is the idea of a free trade agreement, the Russian side can examine some of the inevitable materials, such as tariff elimination, technical standards for manufactured goods, non-tariff barriers, agricultural food hygiene and phytosanitary standards. There are other important topics such as competition policy, government procurement, state-owned companies, intellectual property and service liberalization.³⁰

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