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## Armenia Joins Eurasian Union



Armenia's President Serzh Sarkisian sign an accession treaty with the Eurasian Economic Union in Minsk. Oct. 10, 2014.

MINSK, Belarus (RFE/RL)—After months of delay, Armenia formally joined the Eurasian Economic Union (EEU) of Russia, Belarus and Kazakhstan on Friday, drawing praise from Russian President Vladimir Putin.

President Serzh Sarkisian signed a corresponding accession treaty with Putin and Presidents Nursultan Nazarbayev of Kazakhstan and Aleksandr Lukashenko of Belarus at a summit of the Russian-led bloc held in Minsk.

The signing of the document, originally expected in May, was held up by the Kazakh and Belarusian leaders for apparently economic and geopolitical considerations. It was still not a forgone conclusion in the days leading up to the Minsk summit.

Speaking at the gathering, both Putin and Sarkisian expressed hope that the treaty will be ratified by the parliaments of the EEU's three member states by the end of this year. The Armenian president said his country should be able to "start working from January 1" as a full-fledged member of an alliance which critics fear will restore Russian hegemony over much of the former Soviet Union.

Putin stressed the importance of Armenia's accession to the EEU in his opening remarks at the summit posted on the Kremlin's website. "In our view, Armenia is ready to operate in the Eurasian Economic Union on an equal footing with Russia, Belarus and Kazakhstan," he said. "Within a relatively short period of time, since the autumn of 2013, our Armenian friends have ... brought their national legislation into conformity with the norms of our integration structure."

"We hope to see positive macroeconomic effects as early as one or two years after Armenia's accession," continued Putin. He said membership in the EEU will give a further boost to Armenia's trade with Russia and the two other ex-Soviet states. "The other key indicators — Gross Domestic Product, consumer demand, real incomes of the population and employment — should also improve," he added.

Sarkisian, his government and political allies have likewise asserted over the past year that EEU membership will speed up Armenia's development by lowering the cost of Russian natural gas for its consumers and facilitating its manufacturers' access to the vast Russian market. However, the authorities in Yerevan have stopped short of forecasting higher growth rates for the Armenian economy for the next few years.

Economic growth in the country is on the contrary slowing down now primarily because of a fallout from Western economic sanctions that have been imposed on Russia in recent months. The International Monetary Fund said last week that Armenia's GDP will likely increase, in real terms, by only 2.6 percent this year and 3.3 percent in 2015. The Armenian government came up with considerably higher growth projections in its most recent policy program approved by parliament in May.

Entry into the EEU means that Armenia will have to replace its traditionally liberal trade regime with more protectionist policies pursued by the bloc's three member states. The treaty signed in Minsk allows it to exempt more than 800 types of imported goods from much higher customs duties set by the EEU. Armenian officials say that these exemptions will prevent massive price hikes in the domestic market.

Armenian critics of EEU membership argue, however, that Yerevan will enjoy the trading preferences for only several years and will eventually have to adopt the EEU barriers to trade with the rest of the world and the European Union in particular. They point out that Russia, Belarus and Kazakhstan account between them for less than 25 percent of Armenia's overall foreign trade.

The Armenian government was poised to finalize a far-reaching free-trade deal with the EU when Sarkisian unexpectedly decided in August 2013 to make his country part of the Russian-led bloc. The deal fell through as a result of his U-turn widely attributed to strong Russian pressure.