Alona Lebedieva: After the Trade Liberalization Regime, Ukraine Needs a New Economic Pact with the EU


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KYIV, UKRAINE, June 10, 2025 /EINPresswire.com/ -- On June 6, 2025, the special trade liberalization regime between Ukraine and the EU—known as the “trade visa-free” agreement—came to an end. Introduced in 2022 as a temporary measure to support Ukraine during the full-scale war, its termination marks a return to the system of quotas and tariffs outlined in the Deep and Comprehensive Free Trade Area (DCFTA). At the same time, the European Commission approved a transitional framework: quota volumes for most Ukrainian agricultural products have been set at 7/12 of their pre-war levels or based on 2024 volumes.

Under the new terms, for example, the corn export quota is 379,000 tonnes over seven months—compared to last year’s actual export of 14 million tonnes. For wheat, the quota is 583,000 tonnes (vs. over 7 million tonnes exported last year). Restrictions also apply to poultry, eggs, honey, and dairy products. Exports beyond these quotas are subject to tariffs that, in most cases, render deliveries unprofitable.

In response to these changes, the Ukrainian government has announced plans to offset the current account deficit with international aid. According to the National Bank of Ukraine, the foreign currency shortfall could reach up to $800 million by the end of 2025. Meanwhile, the Ministry of Agrarian Policy projects even higher losses—€2.8–3.5 billion in missed revenue from the agricultural sector alone. From January to May, the trade deficit already hit $14.4 billion—$3.7 billion more than in the same period last year.

In the view of Alona Lebedieva, owner of the Ukrainian multi-sector industrial and investment group Aurum Group, the situation calls not for short-term compromises but for a rethinking of the partnership logic between Ukraine and the EU.

“Returning to quotas is not just about volumes. It sends a signal that the partnership with Ukraine is once again seen as something temporary. But in 2025, we should be talking about a new economic agreement, not provisional concessions,” she said.

According to Lebedieva, the biggest blow affects precisely those product groups that have been the backbone of Ukraine’s exports—grains, sugar, and poultry. And while part of the supply may be redirected to Asia or Africa, that alone is insufficient without stable access to the European market.

“Revisions to the DCFTA should not be based on political pressure from individual member states but on actual economic interdependence. European processors have grown accustomed to Ukrainian raw materials—this is no longer one-sided support, but a shared interest,” Lebedieva added.

Formally, the restrictions are justified by the need for market stability, but in reality, they reflect pressure from agricultural lobbies in EU countries. The reduced access to raw materials is already impacting European processors, particularly in Poland, Germany, and Italy—posing risks of price increases in those sectors.

In the short term, losses may be offset by Western aid. But structurally, the trade deficit is likely to deepen. That is why, in Lebedieva’s view, Ukraine must not only seek broader market access but also strengthen its import substitution policy—particularly by strictly enforcing localization requirements in public procurement.

“We are not asking for privileges. We are proposing a new, realistic agreement to the EU. If Europe truly wants Ukraine to be part of its economic space, the right decisions need to be made now,” she concluded.

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