



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Nationalrat for its Opinion concerning the EU restrictive measures imposed in reaction to the events in Ukraine (2/MT/EU XXV.GP).

The EU has imposed different types of restrictive measures in reaction to the illegal annexation of Crimea and Sevastopol and in reaction to Russia's actions in destabilising the situation in eastern Ukraine. These measures are transparent and are based on legal acts unanimously adopted by the Council. The EU's measures are being kept under constant review.

In addition, the economic impact of the restrictive measures on the EU is kept under review by the Commission which informs Member States periodically in the Council. It has assessed that there has been a limited and contained impact on the EU economy overall, taking account of variations depending on sectors and Member States.

The Russian economy has been in deep recession since the end of 2014 with notably a GDP contraction of 3.7% in 2015 and further negative growth expected in 2016. The main factors explaining this situation are the low oil prices and the pre-existing structural bottlenecks. Sanctions are considered another contributing factor. While as a result of these factors, trade between the EU and Russia has fallen, trade between Russia and third countries that have not imposed restrictive measures (e.g. China) has also fallen by similar proportions during the same period.

The sectoral measures referred to by the Nationalrat have been clearly linked by the European Council to the full implementation of the Minsk Agreements. As pointed out, the implementation of these Agreements has not yet been completed and the situation remains volatile. In recognition of the prevailing situation, the Council agreed on 1 July 2016 to prolong these measures for a further six months period until 31 January 2017.

*Ms Doris BURES
President of the Nationalrat
Dr Karl Renner-Ring 3
A – 1017 WIEN*

The Commission shares the Nationalrat's view that the EU's united approach on the restrictive measures needs to be complemented by vigorous efforts to reach a peaceful solution to the crisis in and around Ukraine through diplomatic means. For this reason, the EU has been a strong supporter of the efforts underway in the context of the Normandy Format and the Trilateral Contact Group. The EU and its Member States have i.a. been the largest contributor to the Special Monitoring Mission of the OSCE.

From the outset of the conflict, the EU has followed a two-track policy in which the pressure imposed through restrictive measures is complemented by dialogue. The Commission is committed to pursuing this dialogue on the basis of the five key principles on relations with Russia agreed to by the Foreign Affairs Council on 14 March 2016.

Against this background, the Commission looks forward to the forthcoming discussions in the European Council regarding relations with the Russian Federation which are foreseen to take place in the autumn.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Nationalrat and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Federica Mogherini
Vice-President*