

Trends and Perspectives in Ukrainian-Russian Trade and Economic Relations

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Abstract

This article examines Ukraine's trade and economic relations with the Russian Federation. Russia is not only the most important trade partner for Ukrainian foreign trade, but also the main source of inward foreign direct investment for Ukrainian economy. As one of the world's main exporter of natural gas, Russia uses energy as a tool to impact upon the foreign policy of Ukraine. This article contends that carrots and sticks are two tools used by Russia when it engages in economic leverage with Ukraine.

Keywords: Ukrainian-Russian relations, economic leverage, Ukraine, Russia