

## EUROPE: CEE PULSE

A month after the snap parliamentary elections, **Bulgaria** is not closer to forming a government. The EU is expected to extend tariff-free imports of agricultural products from **Ukraine** until June 2024, but some exceptions will likely be made for certain CEE countries. Multilateral talks on extending the Black Sea Grain Initiative (or the so-called grain deal), which **Russia** considers valid until 18 May, are expected to heat up ahead of the deadline. The leaders of **Serbia** and **Kosovo** are meeting in Brussels to discuss the implementation of the agreement on the normalization of relations. Finally, the outcome of the constitutional referendum in **Uzbekistan** has paved the way for President Shavkat Mirziyoyev to remain in office until 2040.

### Bulgaria

While President Rumen Radev (independent) is obliged by the constitution to nominate a Prime Minister-designate from the largest parliamentary group (Citizens for European Development of Bulgaria or GERB), he is not bound by official deadlines. In fact, Radev has been delaying the nomination to give political parties more time to reach a compromise. On 2 May, a centrist pro-European alliance of We Continue the Change (PP) and Democratic Bulgaria (DB) proposed a cabinet lineup it would put forward if the election winner Citizens for European Development of Bulgaria (GERB) were to fail to secure parliament's support. Such a cabinet, which includes academic and former minister of education Nikolai Denkov (independent) as Prime Minister and Assen Vassilev (PP) as finance minister, is unlikely to receive majority support in parliament and instead should be viewed as part of the wider negotiating process. At this point, all three options [outlined after the vote](#) — including a GERB-majority government, a PP-DB minority cabinet, or a temporary technocratic cabinet — remain possible. However, neither of the options points to political stability or significant reform progress.

### Ukraine/EU

This month, the EU is set to extend the suspension of customs duties for fruits, vegetables, and agricultural products for trade with Ukraine for another 12 months after the existing trade concessions expire on 6 June. Such a proposal was approved last week by the international trade committee in the European Parliament (EP) and the member states' permanent representatives (Coreper) to the EU. The decision still requires approval from the EP in the plenary vote, which is scheduled for 8-11 May, and the European Council. The final deal is expected to include some exceptions for CEE countries — such as Bulgaria, Hungary, Poland, Romania, and Slovakia — most of which have recently imposed unilateral import bans on agricultural products from Ukraine to placate domestic farmers. These countries are expected to receive financial support and retain the possibility of restricting the imports (but not the transit) of certain agricultural products from Ukraine.

### Russia/Ukraine

Contrary to the [previous negotiations in March](#), this time, the chances of reaching an extension of the grain deal before the deadline appear slimmer. For weeks, various Russian officials have been telegraphing Moscow's dissatisfaction with the current agreement, which allegedly disregards Russia's demands. They include (1) the reconnection of Rosselkhozbank to SWIFT; (2) the removal of sanctions on the supplies of agricultural machinery; (3) the easing of sanctions on insurance services and port access; (4) the restoration of the operation of the Togliatti-Odessa ammonia pipeline and (5) the unfreezing of the assets and accounts of Russian companies associated with the production and transportation of food and fertilizers. The political context for extending the deal might become more challenging if Ukraine starts its counteroffensive,

especially in the direction of Crimea. In addition, Moscow has warned that it would not extend the deal if G7 countries impose the proposed near-total trade ban with Russia in their next summit on 19-21 May in Japan.

### **Serbia-Kosovo**

Today, 2 May, Serbia's President Aleksandar Vucic and Kosovo's Prime Minister Albin Kurti are scheduled to hold a meeting in Brussels, mediated by the EU's external affairs chief Josep Borrell and the bloc's Special Representative for the Belgrade-Pristina Dialogue Miroslav Lajcak. This meeting will be part of a series of regular consultations between the two sides to implement the agreement on the path to normalization [tacitly approved](#) at the end of February. On Tuesday, the two sides are expected to endorse the Declaration on Missing Persons and discuss the statute of the association of Serb-majority Municipalities in Kosovo. It is important to watch whether any progress is made on the latter issue, which is one of the most important yet contentious ones.

### **Uzbekistan**

As [anticipated](#), voters in the 30 April referendum approved by an overwhelming majority a series of constitutional changes, including those allowing President Shavkat Mirziyoyev to seek two more seven-year terms in office. The amendments were supported by 90.2% of voters, while turnout reached more than 84%, according to the central election commission. Although the vote went smoothly, international election observers noted that the referendum lacked pluralism and competition. Mirziyoyev is expected to continue with his ambitious economic liberalization agenda. Still, the lack of viable political opposition and weak democratic institutions heightens uncertainty about the eventual political succession and the sustainability of reforms in the long term.

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