

Nabiullina Wants to Extend Timber Duties

By [The Moscow Times](#)

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The Economic Development Ministry is proposing to extend existing export duties on timber for the next year, which would further delay the government's initial plan to raise the tariffs to a prohibitive level, Minister Elvira Nabiullina said Wednesday.

“In my view, most likely there will be a need to decide to extend the current duties for another year,” Nabiullina said, Interfax reported. She added that the government had not yet made a final decision.

Russia hopes that the eventual shift to prohibitively high duties will help the country develop the local timber industry, but the European Union has said the move would contradict free-trade rules of the World Trade Organization, which Russia wants to join.

Russia has twice postponed an increase of duties to the highest level under a program that initially envisaged doing so as of 2009. Both times Russia made the move while negotiating

permission by Finland, a major importer of Russian timber, to lay a Gazprom-backed pipeline under the Baltic Sea, the Nord Stream.

Lower duties helped the Russian timber companies survive the global economic downturn, and Nabiullina said the industry was only beginning to emerge from the crisis.

Prime Minister Vladimir Putin said Wednesday that Russia remained committed to the longer-term goal of exporting unprocessed timber.

“Russia must abandon the model of exporting raw resources,” he said. “It's a matter of the past.”

Over the past years, Russia increased exports of building materials, paper and pulp by 7 percent to 13 percent, while it reduced the exports of logs by 4 percent, Putin said.

In the wake of the forest fires that hit Russia last summer, Putin said the government was working on creating a new federal agency that will be responsible for forest management. The agency will concentrate the power and responsibility for the state of the wood processing industry, Putin said, without specifying when the new agency will start its work.

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