

Russian Customs Service Blamed for Blocks on Ukrainian Exports

By The Moscow Times

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Russian customs officers are blocking the deliveries of products from Ukraine, lengthening delivery times and costing exporters money, the Ukrainian Employers Federation said in a statement.

Federation representatives claim that their shipments are being unloaded at the border and subjected to full, rather than selective, testing.

They estimate that the disruption in the supply of goods will cost Ukrainian exporters \$2 billion to \$2.5 billion in the second half of the year alone, and possibly lead to a decline in GDP of about 1.5 percent.

Experts linked the current situation to the increasingly hostile trade war between Russia and Ukraine as the latter prepares to sign an agreement with the European Commission in November to join its free trade zone. Russian officials have made numerous proposals

for their neighbors to join their customs union instead.

Deputy director of the Center of Political Technologies Alexei Makarkin told Gazeta.ru that Russian officials are starting to use economic obstacles in the hope that the Ukrainian producers who depend heavily on trade with Russia will appeal to their government about integrating with the fellow former Soviet republic.

The Ukrainian Employers Federation, which includes 8,500 enterprises among its members, has appealed to their Prime Minister, Mykola Azarov, to protect their interests following the recent flare ups in the trade war, the statement said.

The problems on the Russia-Ukraine began at the end of July when Prime Minister Dmitry Medvedev announced that Russia hadn't extended the quota on duty-free supplies of Ukrainian pipes. Later that month the Federal Consumer Protection Service banned supplies of Ukraine's largest chocolate manufacturer Roshen, saying that their product didn't satisfy quality and safety standards.

Before these events, Ukraine's exports to Russia in the second half of the year were expected to be worth \$8.5 billion.

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