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Report Says Ukraine Candymaker Roshen to Cut Staff Following Russian Embargo

By The Moscow Times

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Ukraine's biggest candymaker looks set to lay off hundreds of workers after being hit by a Russian embargo on its products, a leading Ukrainian newspaper reported Tuesday.

Roshen founder Petro Poroshenko, dubbed Ukraine's "chocolate king" by Forbes magazine, denied the rumors last week, saying no job layoffs were planned as a consequence of the embargo.

The trade union of the country's agro-industrial sector said the dismissals had already been announced, Kommersant-Ukraina reported.

Russia banned imports from Roshen in late July after claiming to have detected the carcinogen benzopyrene, which can naturally occur in roasted coffee and cocoa beans, in analyzed product samples.

Analysts have been quoted by Ukrinform news agency as saying the candymaker could lose up to $200 million as a result of what has been described as its "chocolate war" with Russia.

The head of the trade union's branch in Donetsk, Yana Litvin, said some 140 employees of the Roshen factory in the southeastern city of Mariupol and some 400 employees in Vinnytsia, central Ukraine, would be dismissed by the end of the year.

Litvin said more than 1,000 employees in total could be affected by the layoffs at the Ukrainian company.

The Kommersant report said the layoffs could have been prompted by the increased frequency of checks conducted by Ukraine's Ministry of Revenue and Duties after Russia imposed its ban on imports from Roshen.

The embargo was announced against the backdrop of recent differences between Ukraine and Russia over Kiev's additional import tax on cars, which Russia believes will be harmful for its carmakers.

Russia has also been putting pressure on Ukraine to join the Moscow-led Customs Union trade area, which currently includes only Belarus and Kazakhstan.

Ukraine, however, has been reluctant to join the group and expects instead to sign a series of trade agreements with the European Union later this month.

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