

Russia Brandishes WTO Challenge to EU Cheap Energy Rules

By The Moscow Times

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Moscow may take the European Union to the World Trade Organization over rules that strip away the advantage enjoyed by Russian firms in accessing cheap energy, the country's Economy Ministry said.

Its stance heats up a wider trade dispute between Russia and Europe, which have clashed over issues such as car trade and Russian gas deliveries. Earlier this year, the EU asked the WTO to rule on the legality of a recycling fee Russia imposes on imported cars.

"Russia sent a query to the EU's representative office in the WTO today over the EU's breach of some agreements in the WTO regarding anti-dumping policies," a spokeswoman for the economy ministry said by e-mail.

She said if the issue was not resolved within 60 days, Russia may ask for a hearing from the WTO's arbitration panel.

The ministry said the EU deemed some Russian companies to be in breach of EU antidumping policies as they have had access to cheap energy in Russia's domestic market.

Russian producers of fertilizers, ferro-alloys, pipelines, other steel products and aluminum foil have lost hundreds of millions of dollars a year due to these policies, the ministry said.

The dispute has highlighted Russia's bumpy start as a member of the WTO, which it joined barely a year ago, 19 years after it first applied.

EU trade spokesman John Clancy said the bloc had received a request for consultations and would enter them in good faith.

"The consultations will provide an opportunity for the EU to better understand Russia's concerns and to respond to those concerns," he said in an e-mailed statement.

The WTO was not immediately available for comment.

The U.S. has said it is watching Moscow for any violations that thwart U.S. exports, although it has yet to announce any plans for litigation.

Japan also filed a trade complaint against Russia over the recycling fee in July.

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