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Medvedev Says Russia Will Contest U.S. Sanctions at WTO

By The Moscow Times

June 20, 2014



Dmitry Medvedev speaking Friday at the fourth St. Petersburg International Legal Forum.

Russia is taking its complaints against U.S. sanctions to the World Trade Organization, and has sent the WTO a claim accusing Washington of failing to fulfill its trade obligations and violating the organization's rules, Prime Minister Dmitry Medvedev said Friday.

"When the U.S. imposed sanctions against Russia, which had a negative impact on our foreign trade, we decided to challenge these sanctions in the World Trade Organization," Medvedev told the fourth St. Petersburg International Legal Forum.

"We have sent a communique to the World Trade Organization."

The White House's sanctions against Russian individuals and companies arrived in three waves in May and April following Russia's annexation of the Crimean peninsula from Ukraine in March. The most recent sanctions list targeted 17 companies — including several banks —

owned by the likes of Arkady and Boris Rotenberg, Gennady Timchenko and Yury Kovalchuk, all of whom are believed to be President Vladimir Putin's personal friends. Once a company pops up on the sanctions list, U.S. companies are barred from cooperating with them —U.S. payment systems Visa and MasterCard, for example, cut services to several banks within hours of their blacklisting.

Medvedev said that the sanctions violate WTO rules by discriminating against the suppliers and goods of another country, and that members of the organization have the right to make use of the "protection mechanisms" that the WTO provides. However, Medvedev said Russia's chances of winning the suit are slim due to the considerable clout he said the U.S. wields in the organization. Russia joined the WTO in 2012.

"The question, of course, is which account of the legitimacy of the sanctions the WTO will accept, but it gives us the opportunity to evaluate the objectivity and impartiality of the organization," Medvedev said, according to a transcript published on the government's website.

A spokesman for the U.S. Trade Representative said the U.S. took its obligations under the WTO very seriously.

"Prior to instituting the sanctions against the Russian Federation, the U.S. carefully considered their consistency with WTO rules," he said.

The possibility of Russia contesting the sanctions has been brewing for some time — as early as April, Economic Development Minister Alexei Ulyukayev said Moscow was considering filing a lawsuit with the WTO over the U.S.' sanctions against Russian banks. Later that month, Reuters reported that Russia had circulated a confidential document at the organization setting out its grounds for launching a trade dispute.

Material from Reuters has been used in this article.

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