

As Tensions Flare, Russian Ministry Proposes Duties on Ukrainian Imports

By The Moscow Times

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Moscow fears that Ukraine may re-export EU products into Russia, avoiding duties that Russia imposes to protect its own output.

Russia's Economic Development Ministry has drafted a regulation introducing import duties on Ukrainian goods, a draft document showed, in an apparent response to Kiev's trade deal with the European Union.

Russia said last month it was likely to respond with trade barriers after Kiev signed an association agreement with the EU which provides for free trade between Ukraine and the 28-state bloc.

According to the text of the draft regulation, published on a government website, a wide range of Ukrainian goods — from beer to furniture and cars — will be subject to duties that the Russia-led Customs Union applies to "most favored nations," ending a more favorable tariff regime.

Moscow fears that Ukraine may re-export EU products into Russia, avoiding duties that Russia imposes to protect its own output. It is also concerned that an influx of EU products into Ukraine will lead to Ukraine dumping some of its own production in Russia.

The new regulation has yet to be reviewed by other government bodies and pass a legal expertise before it is submitted to the government. It does not require voting in parliament and will come into force one month after its official publication.

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