

Russia Takes Steps to Cushion Impact of Food Import Ban

By The Moscow Times

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Earlier this month Russia banned all meat, fish, dairy, fruit and vegetable imports from the United States, the European Union, Norway, Canada, and Australia for a year.

Russia will allow imports from neighboring Belarus and Kazakhstan of food processed from Western raw materials as Moscow seeks to damp down domestic food price rises triggered by its ban on food imports from the West.

On Aug. 7, Russia banned all meat, fish, dairy, fruit and vegetable imports from the United States, the European Union, Norway, Canada and Australia for one year to retaliate against Western sanctions on Moscow over the Ukraine crisis.

However, the government has struggled to control price rises as some 50 percent of Russian consumption of fish, milk, beef and cheese had been previously met by imports.

"Our Customs Union colleagues can win in this situation because some products, which were

previously coming to us directly, will be processed there," Russian news agencies quoted Deputy Prime Minister Arkady Dvorkovich as saying.

A duty-free Customs Union was set up this year by Russia, Kazakhstan and Belarus to boost economic ties and trade.

Prime Minister Dmitry Medvedev said on Monday he hoped Western food import bans would not last too long.

Belarus and Kazakhstan said they will continue to import food banned by Russia but Minsk has said it will make sure sanctioned goods do not cross into Russia.

However, since Moscow announced the bans some traders have been looking for ways to sidestep them.

Last year, Russia imported \$17.2 billion worth of food from the countries covered by the sanctions, of which \$9.2 billion was in the affected categories, according to the International Trade Center, a joint venture of the United Nations and World Trade Organization.

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