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Dutch to Lose $400 Million in Exports Over Russia Sanctions

By The Moscow Times

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Antique Dutch windmills pumping water into an embanked river to prevent waterlogging of the lowlands (pictured behind).

AMSTERDAM — Sanctions Russia has imposed on agricultural products from the European Union will cut Dutch exports by "at least 300 million euros" ($400 million), based on 2013 figures, Statistics Netherlands said Tuesday.

The total value of food exports to Russia, including fruit, vegetables, meat and dairy products, was 500 million euros ($667 million) in 2013. Those exports generated 300 million euros ($400 million) for Dutch businesses, while 200 million euros ($267 million) went to service providers in neighboring countries, the bureau said.

The Russian measures — a response to sanctions against Moscow for its annexation of Crimea and what the EU says is its failure to curb separatist rebels in eastern Ukraine — could not come at a worse time for the Netherlands, the fifth largest economy in the euro zone, as it

struggles out of recession.

Gross domestic product is expected to expand a tepid 0.75 percent in 2014 and 1.25 percent in 2015. The leading Dutch economic forecaster warned on Monday that the crisis could trim 0.25-0.50 percentage points off GDP growth this year.

The Netherlands is the world's second largest exporter of agricultural products and around 2 percent of the goods it sends overseas go to Russia.

Around 5,000 jobs in the Netherlands, the bulk of them at farms and logistics companies, are linked to the Russian export business, the statistics office said.

The leading Dutch agriculture organization, the LTO, welcomed plans announced on Monday by the EU Commission to provide an initial 125 million euros ($167 million) in compensation to farmers hit by the Russian sanctions.

The economic impact for the Netherlands will be greater when including other business sectors, it said. The Baltic states sell hundreds of million of euros worth of Dutch produce, including tomatoes, cucumbers and peppers, to Russia.

The loss of that business could run into the hundreds of millions of euros, the bureau said.

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