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Russia's Food Ban May Cause 130,000 Job Losses in Europe

By The Moscow Times

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Russia's food ban could eventually cost Europe 6.7 billion euros ($8.9 billion) and result in 130,000 job losses, analysts at Dutch bank ING said Wednesday, the Prime news agency reported.

Earlier this month Russia imposed a one-year embargo on meat products, fruit, vegetables and dairy products from the European Union, the U.S., Australia, Canada and Norway is response to Western sanctions against Moscow over its role in the Ukraine crisis.

The food import ban will be particularly painful for Poland, which could lose about 23,000 jobs in agriculture, ING analysts said.

Poland, the EU's second-largest apple producer, used to sell 700,000 tons of fruit to Russia annually. Last year Poland's overall food exports to Russia were worth about $1.5 billion.

The Baltic states will also be hit hard by the freeze on trade relations, according to ING, with Lithuania facing a possible loss of 0.4 percent of its GDP, Estonia — 0.35 percent and Latvia — 0.2 percent.

The blow comes at a bad time for Europe, which is teetering on the brink of a recession, figures released by the EU earlier this month indicate.

Earlier this week, the EU said it will provide its farmers with financial aid to the tune of 125 million euros ($167 million) to offset the ill-effects of the food ban.

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