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Russian Official Suggests Grain Export Curbs, Lower Sugar Import Tax

By The Moscow Times

February 20, 2015



A field of wheat is seen during harvest in Kaluga region.

Russia should consider cutting import taxes for raw sugar, vegetables and fruit and imposing export duties on rye, barley and maize (corn), Russian news agencies quoted the head of the state Anti Monopoly Service as saying on Friday.

The Russian government has been trying to cool domestic wheat prices, which have been boosted by a slide in the ruble, with informal curbs on exports since December, to which it added an export tax from Feb. 1.

"We observe that very intensive exports of so called wheat substitutes — this is in particular rye, barley, maize — have started," Igor Artemyev told members of the lower house of parliament on Friday, according to Interfax news agency.

He proposed that the government should consider imposing export duties on these types

of grains.

The official also called for a significant cut in import tariffs on raw sugar, domestic prices for which have also spiked due to ruble weakness. He said Russia should also impose a quota on imports "so as not to kill Russian producers."

According to him, Russia is currently experiencing a deficit of raw sugar. The sugar duty in Russia, Belarus and Kazakhstan — whose customs policies are aligned under a three-nation customs union — is geared to global prices and calculated each month depending on fluctuations.

The tariff is expected to remain at $203 per ton in March, according to Russia's Sugar Producers Union.

The official also proposed cutting import duties for several types of vegetables and fruits, including potatoes, tomatoes, cabbages, onions, cucumbers, bananas, citrus fruits, grapes and apples. Russia banned imports of most of those listed from Western countries in August in retaliation against sanctions.

The cut in import duties for vegetables and fruit should be imposed and last until the next harvest, he added.

Original url:
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