

Truck Tax Will Drive Up Food Prices By New Year - Unions

By The Moscow Times

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Russian food producers have warned Prime Minister Dmitry Medvedev that food prices will rise significantly by the end of the year as a result of the new Platon truck tax, the Kommersant newspaper reported Thursday.

In a letter to Medvedev, 20 food producer unions wrote that transportation costs in Russia's regions had risen by 20 to 100 percent because of the Platon system.

The national milk producers union estimates that with the truck tax set at 1.53 rubles a kilometer, one liter of milk will cost an extra 1.2 rubles in the supermarkets.

Food producers believe that the tax should be suspended as it is ineffective. The government should raise the fuel tax instead, according to the head of the national meat association, Sergei Yushin, Kommersant reported.

Despite these claims, the government will not discuss the suspension of the Platon system,

according to deputy prime minister Arkady Dvorkovich, Ekho Moskvy radio reported Thursday.

The producers are pursuing their own agenda in a bid to raise food prices over the holidays, Dvorkovich said.

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