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Ukraine MPs Approve Tit-For-Tat Russian Trade Embargo

By The Moscow Times

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Ukrainian Prime Minister Arseny Yatseniuk

KIEV — Ukraine's parliament voted on Thursday to give the government the right to impose a trade embargo against Russia, which said last week that it would suspend a free trade zone with Ukraine from Jan. 1.

The law, supported by 291 of parliament's 420 lawmakers, will come into force when it has been signed by the president.

Russian President Vladimir Putin ordered free trade with Ukraine to be suspended in a decree last week which cited "extraordinary circumstances affecting the interests and economic security" of Russia.

The move was retaliation for Kiev's free trade pact with the European Union, due to come into force next month and which Moscow says could lead to a flood of European imports

into Russia and make its own exports to Ukraine less competitive.

Prime Minister Arseny Yatseniuk told parliament before Thursday's vote that Ukraine proposed to introduce similar restrictions from January.

"We will protect the internal market of Ukraine," he said. "Russia will receive a response from the Ukrainian government in the form of trade embargo and mirror sanctions against Russian products."

Ukraine's president Petro Poroshenko said last week he regretted Russia's decision to end preferential trade with Ukraine but was "ready to pay the price" for the EU trade accord, which would be fully implemented on Jan. 1.

Kiev has said the trade war with Russian may cost $600 million next year or about 0.6 percent of its trade turnover.

Controversy over the EU-Ukraine trade deal was the initial trigger of unrest in Kiev that culminated in the ousting of a Moscow-allied president in 2014. Russia then annexed Crimea and backed a separatist revolt in eastern Ukraine in moves that led to Moscow's worst standoff with the West in decades.

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