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Finnish Dairy Company Valio to Close Plant Due to Russian Food Embargo

By The Moscow Times

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Finnish dairy company Valio is to close its plant in Finland's southern city of Tampere due to the impact of Russia's food embargo, the RBC news website reported Wednesday. Fifty people are to lose their jobs as a result of the closure.

"The milk market is still going through extremely difficult times with Russia continuing its sanctions against the EU. Due to the global oversupply of milk and a reduction of prices for dairy products, demand remains very low," Valio said in an online statement.

Valio's revenue from sales in Finland fell by 11.7 percent last year, with revenue from exports falling by 9 percent in 2014 and 12.3 percent in 2015, news outlet RBC reported.

Russia introduced a ban on a wide range of food imports from the West in August 2014 as a response to anti-Russian EU and US sanctions imposed after the country's intervention in Ukraine.

Prime Minister Dmitry Medvedev expressed his readiness to extend the ban until the end of 2017 after G7 leaders agreed to extend anti-Russian sanctions last week.

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