The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

U.S. Downgrades Russia from 'Market Economy' Status

November 11, 2022



Russia's Central Bank has taken significant measures to protect the economy against the shocks of sanctions following the invasion of Ukraine. **Andrey Lyubimov / Moskva News Agency**

The United States has stripped Russia of its classification as a "market economy" and downgraded it to a non-market country, the Commerce Department was quoted as saying Thursday.

The move, based on findings of "extensive" government involvement in the Russian economy, could raise tariffs for Russian imports, which are already limited by sanctions and trade restrictions triggered by the invasion of Ukraine.

The $12.5 billion in Russian goods imported by the U.S. in January-September is almost half of the amount it imported in January-September 2021, The Wall Street Journal said, citing the Commerce Department.

Washington now has "the ability to apply the full force of the U.S. anti-dumping law to address the market distortions caused by increasing interference from the Russian

government in their economy," the department said in a statement quoted by Reuters.

U.S. authorities launched a review into Russia's status in 2021 triggered by complaints that Russian fertilizers are sold in the U.S. at "less than fair value."

Embed:

> Russia's market economy status has been revoked:
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> "Commerce finds that Russia can no longer be considered a market economy (ME) country and should therefore be reclassified as an [non-market economy (NME)] country for purposes of U.S. antidumping duty (AD) law." #Russia #NME pic.twitter.com/ptlBJRMf1R
>
> — Taishu Pitt (@YJTPitt) November 10, 2022

The WSJ reported that Russia, following last year's review and its February invasion of Ukraine, has backtracked in efforts to open its market and reversed policies in currency convertibility and foreign investments.

"This backtracking has included a demonstrable aggrandizement in government control over the economy; an increase in government control over prices; a deterioration in rights associated with freedom of information; and the ability of workers to bargain freely with management for wages," the Commerce Department was quoted as saying.

Russia's Ambassador to Washington Anatoly Antonov criticized the move to downgrade the Russian economy as "counter-intuitive" in a social media post early Friday.

Russia joins 11 other countries, including nine ex-Soviet republics as well as China and Vietnam, that are treated as non-market economies by the U.S.

The U.S. had treated Russia as a market economy since 2002, when it awarded the designation as a recognition of Russia's economic and political transformation away from communism during the 1990s.

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