
Russia Slaps Embargo on Western Food Imports and Looks to Latin America

08/08/2014



Prime Minister Dmitri Medvedev announced the embargo, which opens a new chapter in trade relations with the West and will affect fruit, vegetables, milk, meat, fish and dairy imports from the European Union, the U.S., Australia, Canada and Norway.

Food exports from the EU to Russia in 2013 were worth \$16.2 billion, while U.S. food exports amounted to \$1.3 billion.

Medvedev said the measure was taken in response to sanctions passed against Russia over the Ukrainian crisis, which targeted state-owned banks, oil companies and the defense sector.

“Until the last moment, we were confident that our Western colleagues would understand that sanctions are a dead end. But they have not understood. And we had no choice but to adopt measures in response,” said Medvedev.

He added that the measures may be “revised” if the partners of Russia show a constructive stance on the issues of cooperation.

Meanwhile, the head of Russia’s Livestock and Agriculture Inspection service, Sergei Dankvert, met on Thursday with the ambassadors of Ecuador, Chile and Uruguay in a bid to find new suppliers, and was also expected to receive the representatives of Brazil and Argentina.

Dankvert said the current situation offered great possibilities for Latin American countries to increase their food exports to the Russian market.

Ecuador's ambassador to Moscow, Patricio Chavez Zabala, told EFE his country was the second or third Latin American food exporter to Russia, with \$1.5 billion in 2013, and was interested in selling more tuna, coffee, broccoli, dairy products and tropical fruit.

Chile's ambassador, Juan Eduardo Eguiguren, also expressed his country's willingness to export more meat, fish, vegetables and fruit, while the Uruguayan representative, Anibal Cabral Segalerba, reminded that Montevideo had never backed the sanctions against Moscow.

The embargo followed a decree signed by President Vladimir Putin on Wednesday.

Medvedev said Russia was also considering to bar U.S. and European airlines from using its airspace for flights to and from Asia, describing the move as one of a number of possible responses to Western sanctions that crippled his country's first low-cost air carrier.

"Of course this is a severe measure. Nevertheless, we need to mention it," the premier said.

"That does not mean that (such measures) would be implemented immediately, but they're already on the table," he said.

A closing of Russian airspace to Western carriers would result in a "drastic" increase in fuel costs for the airlines, Medvedev said.

The EU and the U.S. last month stepped up economic and individual sanctions on Russia, following a first round of measures that came after Moscow annexed the Ukrainian region of Crimea in March.
