

EU challenges Russia at WTO over duties on vans

GENEVA, SWITZERLAND: The European Union said that it had launched a fresh challenge to Russia at the World Trade Organisation, seeking to strike down Moscow's import duties on vans from Germany and Italy.



Russia has slapped penal duties on vans imported from Italy and Germany. Image: Wikipedia

The EU's diplomatic mission at the Geneva-based WTO said it had filed a formal request for consultations with Russia, the first step towards a full-blown trade dispute.

Russia has slapped anti-dumping duties on light commercial vehicles (LCVs) made by Germany and Italy, both of which are leading global manufacturers of van in the automotive industry.

"The EU believes the anti-dumping duties are incompatible with WTO law, both on procedural and on substantive grounds," the EU said in a statement.

Both sides now have 60 days to try to negotiate an end to the dispute, before the EU has the option of asking for a WTO ruling.

WTO members are allowed to impose extra duties when goods are being dumped" or sold at below market prices to secure market share.

But they must prove that their domestic producers are suffering as a result of dumping, and that they are not simply deploying duties to hobble trade with foreign firms.

Duties choking European exports

The EU argues that "the duties of 23% to 29.6% imposed on European LCVs are significantly hampering access to the Russian market."

In 2012, the year Russia joined the WTO, European exports of LCVs to the country were worth more than €100m, it said, adding that exports have been declining since Russia imposed a "recycling fee" on cars, trucks, buses and other vehicles, days after joining the WTO.

The WTO has already been asked to rule on an EU complaint over the recycling fees, which apply only to imported vehicles.

"The anti-dumping measures are further choking off EU exports of LCVs," the organisation said.

The EU and Russia are also wrangling at the WTO over embargoes on a string of goods from ex-communist countries, several of which are now members of the 28-nation federation.

Since joining the WTO, Russia has imposed bans on dairy products, chocolates, wine and meat from countries including Lithuania, Poland, Moldova and Ukraine.

Moscow has cited quality concerns that allow countries to take such a step under WTO rules. Critics say Russia offers little scientific evidence and claim the bans are political, hitting countries that refuse to toe their Soviet-era master's line.

Russia, in turn, has hit the EU with a WTO complaint over Brussels' energy market reforms, which it says hurt its gas company Gazprom.

The WTO polices global trade accords in an effort to offer its 159-member economies a level playing field and can authorise penalties against transgressors.

Source: AFP via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>