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POLICY

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Russian Federation

Post: Moscow

Fishery and Forestry Tariffs Lowered

Report Categories:

FAIRS Subject Report

Fishery Products

Wood Products

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Report Highlights:

On August 4, 2015, the Government of Russia (GOR) approved Resolution #786, "On amendments to export customs tariff rates for commodities, exported from the Russian Federation outside of the boundaries of states - members of the Customs Union Agreement." The Resolution decreases export duties on certain types of agricultural and non-agricultural products, including fish, seafood, and wood products. The document comes into force starting September 1, 2015. Lower export taxes are expected to increase exports and increase domestic prices for these products.

General Information:

On August 4, 2015, the GOR approved Resolution #786, “On amendments to export customs tariff rates for commodities, exported from the Russian Federation outside of the boundaries of states - members of the Customs Union Agreement.” The GOR has reported that the draft resolution was prepared by the Ministry of Economic Development of the Russian Federation in accordance with international commitments of Russia’s accession to WTO.

According to the current Resolution, starting September 1, 2015, the government will decrease export tariffs on certain types of fish, seafood, oilseeds [1] , wood products, and some other non-agricultural products. Thus, the export duty on fish, such as salmon, halibut and tilapia, will be decreased from 2.5 percent of customs value to 1.25 percent, the export duty on certain seafood products, such as crayfish, shrimp and some crab species, will be lowered from 5 percent to 2.5 percent. The export duty on certain types of wood products, such as wood of coniferous and non-coniferous species, will be reduced from 3.75 percent to 1.25 percent. The export duty on lumber from oak will be lowered from 7.5 percent to 2.5 percent but not less than 2.5 Euros per 1 m³. The link to the document in Russian can be found here:

<http://government.ru/media/files/UIGIvuvUXQ1dsul3bF1yFphaKwG1ksV2.pdf>
<http://government.ru/docs/19186/>

Unofficial translation:

Begin Text:

Government Resolution #786

On amendments to export customs tariff rates of commodities, exported from the Russian Federation outside of boundaries of member-states of the Custom Union Agreement.

August 4, 2015, Moscow

The Government of the Russian Federation decrees:

1. Approve attached amendments in the export customs tariff rates for commodities, exported from the Russian Federation outside of boundaries of member-states of the Custom Union, approved by the Russian Government Resolution # 754, dated August 30, 2013: “On Approving Export Customs Tariff Rates for commodities, exported from the Russian Federation outside the boundaries of the member-states of the Custom Union Agreement, and on recognition of ceasing to be in force some acts of the Government of the Russian Federation” (Collection of legislative acts of the Russian Federation, 2013, #36, article 4582; #47, article 6109; #52 article 7188; 2014, #30, article 4324; #31, article 4421; 2015, #1, article 285; #21, article 3106; #23, article 3317, 3318).
2. The current Resolution comes into force starting September 1, 2015.

Chairman of the Government
Russian Federation
End unofficial translation.

D. Medvedev

From attachment:

Amendments to export customs tariff rates of commodities, exported from the Russian Federation outside of boundaries of member-states of the Custom Union Agreement.

Codes TN VED EAEC [2]	Product Name	Export Tariff
From 0303 11 000 0 to 0303 90 900 0*	Fish, Frozen, excluding fish fillets and other fish meat without bones; Fish livers and Roes, frozen	1.25 %
From 0306 11 100 0 to 0306 19 900 0; and from 0306 24 300 0 to 0306 29 890 0*	Crustaceans, whether in shell or not, dried, salted or in brine; crustaceans in shell, steamed or boiled, chilled or non-refrigerated, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for consumption	2.5%
4401 21 000 0 and 4401 22 000 0	Wood in chips or particles, coniferous and non-coniferous	1.25%
From 4407 91 150 0 to 4407 91 900 0*	Oak wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed etc., over 6 mm thick	2.5%, but no less than 2.5 Euros for 1 m ³
4407 93 990 0 and 4407 94 990 0	Maple (Acer App.) and Cherry, sawn or chipped lengthwise, sliced or peeled	2.5%, but no less than 1.25 Euros for 1 m ³

*more detailed description by product within this range can be found in the full attachment of the Resolution: <http://government.ru/media/files/UIGIvuvUXQ1dsul3bF1yFphaKWG1ksV2.pdf>

Comments

Fisheries

The Federal Custom Committee reported that Russian exports of fish, frozen, excluding fish fillets and other fish meat without bones; fish livers and roes, frozen fish and seafood (HTS code 0303) and fish under HTS 0306 (crustaceans, live fresh chilled Frozen dried etc.; smoked; in shell, cooked by steam or boiling water) from January through May, 2015, decreased 12 percent to \$0.8 million, and to \$0.17 million, or down 18 percent, respectively. Lower exports in both categories have been attributed to the call for local producers to supply more fish and seafood domestically in support of GOR's import substitution initiative. However, many fishing companies prefer exporting to Asian markets, rather than selling their products domestically, because Asia offers more competitive prices, fewer logistical and administrative obstacles, and a large and steady consumer demand. Additionally, whether a specific fish is supplied domestically or exported depends on the species and market preferences. For example, most pollack, mollusks, and crabs are exported, while most herring is sold domestically. According to trade sources, as a result of the lowered export tariffs and a seasonal increase in railway tariffs for transportation of fish from the Far East to central Russia, both exports of fish and seafood and prices for most fish species are likely to increase.

Forestry

Russia's market share of the global wood products market is still low and consists mostly of unprocessed wood products. Total exports of forest products (Chapter 44 HTS) in 2014 were \$7.8 billion, up 6.7 percent from 2013. This increase in exports is mostly attributable to continued strong demand from China, Japan, and to a lesser extent, Finland. There has also been an increase in exports to other markets such as Uzbekistan, Egypt, the United States, and South Korea. However, Russian exports of low-processed solid wood products are still highly concentrated in four markets – China, Finland, Uzbekistan and Japan. These markets account for 50 percent of all forest product exports from Russia.

Experts believe that lowering export tariffs on forestry products, in combination with the weak ruble, will strengthen Russia's export position for low-processed forestry products. It is likely that the North Western, Baikal and Angara regions of Russia will see the greatest increase in forestry product exports. Trade sources have also indicated that it is possible that if exports increase as predicted, investors will likely lose their incentive to invest into deep processing. Moreover, an increase in exports could possibly lead to a deficit of raw wood in the domestic market.

^[1] For more information on changes on export taxes for Oilseeds please refer to FAS [GAIN Report](#)

^[2] Codes TN VED EAEC – Custom Codes of the Foreign Economic Activity of the Eurasian Economic Union are close to the HS codes