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## **Russian Federation**

### **Sugar**

### **Sugar Tariff Update**

**1999**

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#### **Report Highlights:**

Russia recently published two decrees which implement seasonal tariff rate changes on sugar, and protect the domestic industry. The combination of the two decrees will raise import duties on refined sugar as high as 75 percent from mid-October to January.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Moscow [RS1], RS

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## **Sugar Import Duties to Increase in August**

In addition to basic tariff rates, Government of Russia (GOR) Decree # 511, imposes a seasonal 45 percent tariff on imported raw and white sugar during the domestic sugar beet harvest and processing period. From August 1 to November 30, 1999 the seasonal rate will be added to the basic tariff rate for imported raw cane sugar. This will raise the total duty rate from 1.0 percent to 46 percent. Meanwhile, from August 1, to January 31, 2000 the additional 45 percent seasonal duty rate applied to imported refined sugar will increase the tariff from 25 percent to 70 percent.

In addition, GOR Decree No. 444 separately raises basic tariff rates for imported raw and white sugar during the period from October 18, 1999 to April 22, 2000. During that period, the duty for imported cane sugar will be as high as 50 percent, and the duty for imported white sugar will reach up to 75 percent when both decrees apply simultaneously from October 18 to January 2000.

## **Why the Russia Implemented New Tariffs for Sugar**

The new duties are harsher for imports of refined white sugar because of Russia's growing preference for imported raw sugar. Last year, Russia imported almost 3 million MT of raw sugar, or more than twice the amount that it produced domestically. Higher duties on refined white sugar will encourage domestic processing of raw sugar. According to a high Russian official at the Ministry of Agriculture, seasonal duties are intended to protect domestic sugar producers from imported sugar from the EU and Brazil sold at dumping prices.

## The New Tariff Schedule

Table A below outlines the new tariff schedule according to GOR Decrees 444 and 511, while Table B indicates the total combined tariffs throughout the year.

**Table A: Sugar Tariff and Classifications based on New GOR Decrees, 1999**

HSC	Product	Sugar Tariffs based on Decree No. 511		Sugar Tariffs based on Decree No. 444  (from October 18 to April 22, 1999)
		Tariffs based on Decree No. 511	applied from	
1701. 11.100	For refining	45%	August 1 to November 30	5%
1701.11.900	Other	45%	August 1 to November 30	5%
1701.12.100	for refining	45%	August 1 to November 30	5%
1701.12.900	Other	45%	from August 1 to November 30	5%
1701.91 000	Aroma or flavor added	45%	from August 1 to November 30	5%
1701.99.100	White sugar	45%	from August 1 to January 31	30%, but not less than 0.12 EURO per kg
1701.99.900	Other	45%	from August 1 to January 31	5%

**Table B: New Sugar Tariffs Combining GOR Decrees No. 444 and No. 511**

Month	Raw sugar		White sugar	
	Basic plus seasonal tariffs	Total	Basic plus seasonal tariffs	Total
July 1999	1%	1%	25%	25%
August	1% + 45%	46%	25% + 45%	70%
September	1% + 45%	46%	25 % + 45%	70%
October 1 - October 17	1% + 45%	46%	25 % + 45%	70%
October 18 - October 31	5 % + 45%	50%	30%, but not less than 0.12 EURO per kg + 45%	75%
November	5 % + 45%	50%	same as above	75%
December	5%	5%	same as above	75%
January 2000	5%	5%	same as above	75%
February	5%	5%	30%, but not less than 0.12EURO per kg	30%, but not less than 0.12 EURO per kg
March	5%	5%	30%, but not less than 0.12 EURO per kg	30%, but not less than 0.12 EURO per kg
April 1- April 22	5%	5%	30%, but not less than 0.12 EURO per kg	30%, but not less than 0.12 EURO per kg
April 23 and beyond	1%	1%	25%	25%