



# EU takes action to fight Russian export control restrictions on wood



The EU requested a dispute settlement consultation with Russia at the World Trade Organization (WTO) in regards to export restrictions on wood set by Russia. The two specific points which are being challenged are the increase of export duties and the reduction of border-crossing points from Russia to the EU for wood products.

At the WTO, Russia had committed to apply export duties at a maximum rate of 13% or 15% for certain quantities of exports. However, they are not compliant and apply a much higher rate of 80%, disregarding their commitments set under WTO law.

Furthermore, Russia reduced the number of border crossing points for the export of wood products from more than 30 to one which is the border crossing to Lutya (Finland). The prohibition of using other border crossing points that are fully capable of dealing such exports is a violation of a WTO principle.

These restrictions are devastating for the EU wood processing industry which relies on the export of wood products from Russia. It also upsets the global wood market and creates uncertainty.

The implementation of such restrictions were announced by Vladimir Putin back in September 2020: "I am instructing you to introduce as of January 1, 2022, a complete ban on the export of rough timber or presumably processed coniferous or valuable hardwood timber, as the deputy prime minister has proposed".

To further understand the background, Russia has been setting measures to decriminalise the forest and timber industry since 2006 when a Forest Code was enacted to manage forest resources and monitor their use. Therefore, Russia plans to "cut short unfair competition practises and strengthen the domestic companies's positions on foreign markets".

The request by the EU for dispute settlement consultations at the WTO is the first step of the dispute settlement proceedings. In case Russia and the EU do not find a solution, the EU can request that the WTO proceed in the next step and set up a panel to rule on the matter.

[i] Source: [EU Commission](#)

[ii] Source: [Kremlin](#)