

BELARUS' RE-EXPORT OF BANNED WESTERN FOOD TO RUSSIA: EFFECTS FOR THE EURASIAN ECONOMIC UNION

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Trade sanctions against third countries inevitably bring a challenge of controlling the flows of goods through other member states of the customs union. As the Eurasian Economic Union (EAEU) members (Armenia, Belarus, Kazakhstan, and Kyrgyzstan) did not follow the Russian decision to ban food imports from western countries, this challenge became a painful reality for Russia.

Following the ban on Western food products, Russian interdepartmental mobile groups of customs officers, border guards, police and inspectors of *Rosselkhoznadzor* (Russian Federal Service for Veterinary and Phytosanitary Surveillance) began patrolling territories bordering Belarus and Kazakhstan in order to put a barrier on the way of embargoed products. As of March 2017 more than 40 mobile groups were functioning, half of them at the Belarusian border. Border patrolling undermines the spirit of the Eurasian Economic Union² envisaging removal of controls over commodity movements.

Statistics provided by Russian customs and *Rosselkhoznadzor* indicates that Belarus is indeed the largest country of re-export of sanctioned Western products. In 2015 Federal Customs Service (FSC) initiated 256 administrative cases concerning re-export of embargoed food through Belarus, which is twice more the number of Lithuania-related or Poland-related (112) and almost 10 times more than Kazakhstan-related (28) cases.³

As Sergei Dankvert, the head of *Rosselkhoznadzor*, acknowledged in late 2014 that, after selective checks were carried out at six main highways connecting Belarus and Russia, he

¹ This is part of the research paper [Belarusian shrimps anyone? How EU food products make their way to Russia through Belarus](#) produced by [EAST Center](#) research fellow Andrei Yeliseyeu within the Think Visegrad Non-V4 Fellowship programme. Think Visegrad – V4 Think Tank Platform is a network for structured dialog on issues of strategic regional importance. The network analyses key issues for the Visegrad Group, and provides recommendations to the governments of V4 countries, the annual presidencies of the group, and the International Visegrad Fund. For more information about Think Visegrad and its members visit www.thinkvisegrad.org

² In 2014 when Russia introduced embargo on Western food it was yet the Eurasian Economic Space.

³ Белоруссия лидирует среди стран по фактам реэкспорта санкционных товаров в Россию [Belarus leads in factual cases of sanctioned products re-export to Russia], TASS, January 27, 2016. Retrieved October 10, 2017, <http://tass.ru/ekonomika/2618692> (in Russian).

realized how complicated the state of things was with re-export of sanctioned products. However, the Russian agency did not have enough human resources to check all products transiting Belarus.⁴ Indeed, according to Rosselkhoznadzor, carriers who failed to pass the checks on a highway, often turned back only to find an uncontrolled road in order to eventually deliver products to Russian customers.⁵

In order to address this issue, Russian agriculture minister Aleksandr Tkachev asked Vladimir Putin and the government to change legislation regulating state agencies' actions over detected sanctioned goods. On July 29, 2015 President Putin signed decree on destruction of sanctioned food products on Russian border. Therefore, from August 6, 2015 on, Russian agencies can destroy contraband on-site instead of sending it back to the country of origin.

As a result, from August 2015 to August 2017 the Russian side destroyed around 17,000 tonnes of embargoed products, mostly on the border with Belarus. Rosselkhoznadzor believes that countermeasures would be much more effective if another state controlling agency, Rosпотребнадзор (Russian consumer protection agency), was more active in selling points, where Rosselkhoznadzor's competences do not extend.⁶ Vladimir Bulavin, the head of Russian customs service, also acknowledged his dissatisfaction with effectiveness of the mobile groups' work. The Federal Customs Service demanded these units to be relocated to the places of sales of goods. Indeed, based on our assessment, 17,000 tonnes of detected and destroyed embargoed food is less than a percent of actual volumes of re-exported products through Belarus.

Sergei Dankvert repeatedly blamed Belarus for re-export of sanctions products and Belarus' unwillingness to assist Russia with re-export prevention. Furthermore, in the last three years Rosselkhoznadzor occasionally restricted access of Belarusian food products from certain enterprises to the Russian market. Although such restrictions concerned a few percent of all Belarusian agriculture exporters and less than 1 percent of Belarusian food export, Belarusian ruler Alexander Lukashenko publicly lashed out against Dankvert.

⁴ "Мы вам глазки откроем и покажем" ["We will open your eyes and show it to you"], RBC, December 1, 2014. Retrieved October 10, 2017, <http://www.rbc.ru/newspaper/2014/12/01/56bd625b9a7947299f72c627> (in Russian).

⁵ Россельхознадзор увеличит число постов на границе с Белоруссией и Казахстаном [Rosselkhoznadzor is to increase a number of road posts at the border with Belarus and Kazakhstan], Lenta.ru, August 7, 2015. Retrieved October 10, 2017, <https://lenta.ru/news/2015/08/07/jamon/> (in Russian).

⁶ Россельхознадзор отчитался об уничтожении санкционной продукции за два года [Rosselkhoznadzor reported on destruction of sanctioned products in the last two years], Interfax, August 6, 2017. Retrieved October 10, 2017, <http://www.interfax.ru/business/573698> (in Russian).

The dispute between the two sharpened in February 2017, when Lukashenko instructed Belarusian law-enforcement agencies to start criminal proceedings against Dankvert. Days later Belarus' Ministry of Interior announced that an investigation is underway whether Dankvert actions contained signs of discreditation of Belarusian enterprises' business reputation. As a result, an inspection visit of Russian specialists to Belarus previously scheduled on February was cancelled by Rosselkhoznadzor, citing concerns over possible provocations.

“Taking into account the statements by the head of the [Belarusian] state, one can imagine what can happen to an ordinary [Russian] inspector [in Belarus]. It would not be easy to prove that one did not rape someone in the hotel or did not bring half a tonne of marihuana [to Belarus]”⁷, Sergei Dankvert argued. Furthermore, he suggested to initiate a criminal case against “the entire Ministry of Agriculture of Belarus for avoiding cooperation with us and not letting joint actions either on the external [Belarus-EU] border or on the border with Russia”.⁸ In the very late May 2017 Belarus' Minister of Interior reported that the “Dankvert case” was still open. Although the verbal conflict between Belarusian and Russian officials cooled down since then, the two sides have not achieved mutual understanding either.

Expectations of Russian controlling agencies that Belarus and Kazakhstan would be more proactive in preventing re-export of banned food to Russia did not come true. In 2015 Russia reportedly asked the EAEU countries to create a common database with e-control over issued phytosanitary and veterinary documents and a possibility to track the transportation of sanctioned products online.⁹ The EAEU countries not only refused to do so, but were reluctant to share the numbers of their trade volumes with the EU. “We keep asking Belarus and Kazakhstan how big volumes of products from the EU they got, but they treat these statistics as inmost and belonging only to them”, complained Dankvert.¹⁰

⁷ «Вслед за Минском можем закрыть поставки и других регионов Белоруссии» [“Following Minsk, we can ban supplies from other Belarus' regions”]. Izvestia, February 22, 2017. Retrieved October 10, 2017, <https://iz.ru/news/666352#ixzz4ZOxNPzLa> (in Russian).

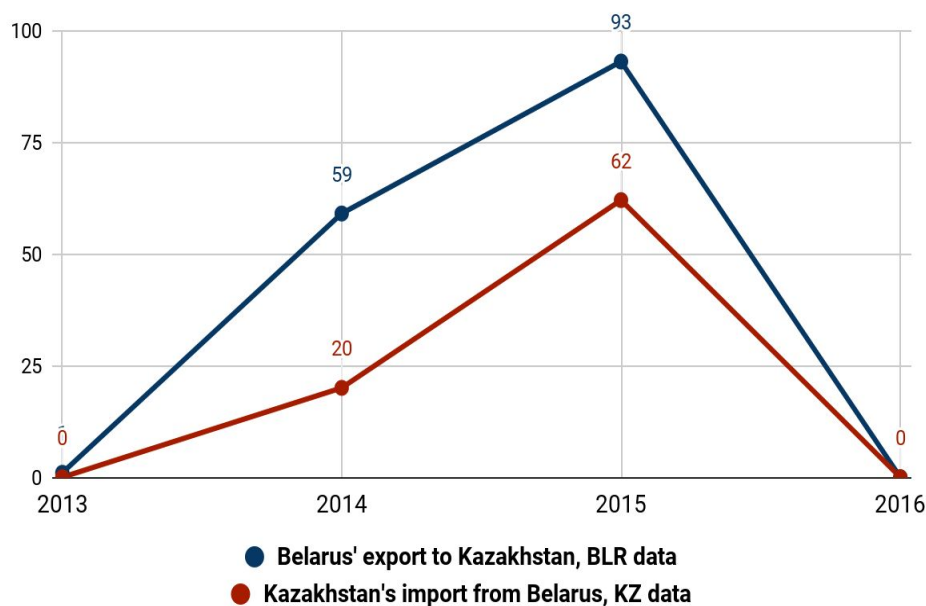
⁸ Глава Россельхознадзора считает правильным возбудить уголовное дело против Минсельхоза Белоруссии [The head of Rosselkhoznadzor believes a criminal case should be initiated against the Belarus' Ministry of Agriculture], RNS, April 12, 2017. Retrieved October 10, 2017, https://rns.online/consumer-market/Glava-Rosselkhoznadzora-predlozhit-vozbudit-ugolovnoe-delo-protiv-Minselhozproda-Belorusii--2017-04-12/?utm_source=push (in Russian).

⁹ Россия предлагает странам ЕАЭС создать единую базу для отслеживания санкционных товаров [Russia proposes EAEU countries to create a common database for tracking sanctioned goods], TASS, August 13, 2015. Retrieved October 10, 2017, <http://tass.ru/ekonomika/2185584> (in Russian).

¹⁰ “Мы вам глазки откроем и покажем” [“We will open your eyes and show it to you”], RBC, December 1, 2014. Retrieved October 10, 2017, <http://www.rbc.ru/newspaper/2014/12/01/56bd625b9a7947299f72c627> (in Russian).

This secrecy allowed Belarus and Kazakhstan to bypass Russian embargo under cover of mutual trade in sanctioned products until 2016. Before Russian ban against western products was introduced, Belarus' apple export to Kazakhstan was virtually non-existent. In 2014-2015 the volumes of exports suddenly increased up to 59,000 and 93,000 tonnes of apples, respectively. Cross-checking with the Kazakhstan's foreign trade data reveals that about 70,000 tonnes of apples were "lost" on their way to Kazakhstan, i.e. remained in Russia.

Belarus' and Kazakhstan's apple trading data, thousand of tonnes.¹¹



One of the latest Russian initiatives, which was discussed in the Eurasian Economic Commission, concerned a proposal for the EAEU countries to destroy food products when their transit detected without necessary accompanying documents.

According to Dankvert, in response to more intensive Rosselkhoznadzor checks at the border with Belarus and Kazakhstan, the number of cases increased when food products were destined to Russia undocumented.¹² The EAEU countries have not endorsed this proposal so far, thus leaving Rosselkhoznadzor to keep fighting with windmills. Therefore, the EAEU has not been instrumental for Russia in controlling re-export of embargoed products from Belarus or Kazakhstan.

¹¹ Author's compilation based on Belarus' and Kazakhstan's statistics offices data.

¹² Россия предложила странам ЕАЭС уничтожать нелегальные продукты [Russian proposal the EAEU countries to destroy illegal food products], Izvestia, June 2, 2017. Retrieved October 10, 2017, <https://iz.ru/news/722417> (in Russian)