

Volkswagen Rebuffed on Minivan Imports

By The Moscow Times

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The Volkswagen Transporter light commercial vehicle is one of those that suffered as a result of the duties.

German carmaker Volkswagen has suffered a setback in its attempt to reverse a government decision that bumped import duties on minivans.

The Eurasian Economic Commission rejected the company's appeal to revise the new duties, a news report said Monday, citing a commission representative.

The commission, which is in charge of the Russian-Belarussian-Kazakh customs union, slapped the levies in May, saying it sought to prevent unfair competition from producers that were dumping. The measure applies to vehicles that Volkswagen, as well as Ford, Fiat and Mercedes, produce in Turkey, Italy and Germany.

German producers are facing the highest rate of almost 30 percent. Mercedes last month

began sourcing some of its minivans from an assembly line at a Russian plant, in a move that allows the company to mitigate the effects of the protective duties.

Ford has also started production of its minivans in Russia, at a local joint venture.

Volkswagen, which imports all of the minivans it sells in Russia, sent its appeal to the Eurasian Economic Commission on June 18, arguing that the decision to introduce the duties was based on erroneous calculations of import prices, a company representative said, Vedomosti reported.

No other minivan producers have taken action against the duties, the commission representative said.

At least two of them — Daimler, the parent company of Mercedes, and PSA Peugeot Citroen — have earlier mentioned they could contest the measure.

The duties have remarkably hamstrung minivan imports, according to the Association of European Businesses. Compared to the same month last year, the imports dropped 20 percent to 4,470 in July, which was the first full month of enforcing the duties.

But the market grew almost 5 percent year on year in July, with sales of 15,314 vehicles, according to market researcher Avtostat. Ford posted the biggest increase of 30 percent.

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