

# EU Imposes Fresh Economic Sanctions Against Russia Over Ukraine

By [The Moscow Times](#)

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A woman walks past the European Commission headquarters in Brussels Sept. 10, 2014.

**BRUSSELS** — The European Union tightened sanctions on Russia on Friday over its role in the Ukrainian conflict, restricting access to financing for top Russian banks, defense and energy firms and freezing the assets of senior politicians and rebel leaders.

The United States was set to follow suit with its own tougher sanctions later on Friday, heaping pressure on Russian President Vladimir Putin after Russia annexed Ukraine's Crimea region and sent troops to back pro-Russian separatists in eastern Ukraine.

However, the drive for tougher EU sanctions faces growing opposition from a number of EU countries that fear retaliation from Russia, the bloc's biggest energy supplier.

Russian Foreign Minister Sergei Lavrov said the EU was "choosing the path of disrupting the peace process," and that Moscow would respond "calmly, appropriately and, most of all, from

the need to protect our interests", the Interfax news agency reported.

In a move to assuage critics, the EU has said it could lift some or even all of the sanctions within weeks — if Moscow abides by a fragile truce in Ukraine and respects a peace plan.

Publishing the latest sanctions list in the EU's Official Journal, EU governments said it was "appropriate to take further restrictive measures in response to Russia's actions destabilizing the situation in Ukraine."

Russia has already banned all imports of food from the United States and all fruit and vegetables from Europe in response to previous Western sanctions.

Its response to the latest Western sanctions may include caps on used car imports and other consumer goods, a Kremlin official was quoted as saying on Thursday.

At the same time as stepping up sanctions, the EU will offer Russia more time to adjust to a European trade pact with Ukraine at Brussels talks on Friday, diplomats say, moving to ease tensions over an accord at the centre of the Ukraine crisis.

## **Politicians Targeted**

The latest sanctions included asset freezes and travel bans on Igor Lebedev and other deputy speakers of the Russian lower house of parliament, on Vladimir Zhirinovsky, an outspoken nationalist politician, and on a number of leaders of pro-Russian separatists in eastern Ukraine.

Also targeted was Sergei Chemezov, described as a close associate of Putin's from his days as a KGB officer in communist East Germany. Chemezov is chairman of Rostec, a leading defense and industrial group that includes arms supplier Rosoboronexport and a firm that is planning to build energy plants in Crimea.

This brings the total of people under EU sanctions to 119, while 23 entities remain under asset freeze in the EU.

State-owned Rosoboronexport said it did not expect the sanctions to have an impact on its business.

The new sanctions bar EU firms from providing services such as drilling and well-testing for deep water oil exploration and production, Arctic oil exploration and production, or shale oil projects in Russia.

As EU officials have said before, the new sanctions put Russia's top oil producers and pipeline operators, Rosneft, Transneft and Gazprom Neft, on a list of state-owned firms whose ability to raise capital on European markets will be restricted.

EU sanctions do not include the gas sector and in particular state-owned Gazprom, the world's biggest gas producer and the biggest gas supplier to Europe.

The battle-tank maker Uralvagonzavod, the aerospace firm Oboronprom, maker of Mil military helicopters, and the state-controlled United Aircraft Corp, or UAC, which produces

MiG and Sukhoi warplanes, are barred from raising new capital in Europe via securities with a maturity of more than 30 days.

### **Military Technology Restricted**

The EU barred the export of technology that can have military uses to nine Russian firms, including Kalashnikov, maker of the famous AK-47 assault rifle.

An earlier round of EU sanctions barred EU investors from buying or selling new bonds or equity with a maturity of more than 90 days issued by major state-owned Russian banks Sberbank, VTB Bank, Gazprombank, Vneshekonombank, or VEB, and Russian Agriculture Bank, or Rosselkhozbank.

The latest measures bar trade in new securities issued by the same five banks with a maturity exceeding 30 days.

Ukraine's President Petro Poroshenko said the fresh EU sanctions highlighted the support his country was receiving: "I never felt before this level of solidarity," Poroshenko told a conference in Kiev, also citing the pledges of support he received at a NATO summit in Wales last week.

"I feel myself a full member of the European family."

Ukraine made an historic shift away from Russia in June by signing a free-trade accord with the EU, turning its back on its old Soviet master and on a customs union with Russia, Belarus and Kazakhstan. Rows over the pact late last year triggered the unrest that toppled Ukraine's Moscow-backed leader in February.

European Trade Commissioner Karel De Gucht was to set out ways to avoid penalizing Russian exporters in meetings with Russian Economy Minister Alexei Ulyukayev and Ukrainian Foreign Minister Pavlo Klimkin in Brussels later on Friday.

Some European officials believe Moscow could use disruptions to the natural gas deliveries on which the EU depends as its trump card in the confrontation over Ukraine.

Slovak gas importer SPP saw a roughly 10 percent decrease in gas supplies from Russia for a third day in a row on Friday, a spokesman said.

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