

EU Firms Say They Are 'Sacrificed' in Sanctions Tit-for-Tat

By [The Moscow Times](#)

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European companies in Russia warned on Tuesday they were being hurt by a Russian embargo on food imports as well as EU sanctions and risked being "sacrificed" in the standoff over Ukraine.

In comments before Foreign Minister Sergei Lavrov delivered a speech to the Association of European Businesses in Russia (AEB), the group's chairman criticized the EU but also said Russia's actions violated World Trade Organization rules.

The remarks by Frenchman Philippe Pegorier underlined the growing problems for the more than 600 European companies in his group as sanctions bite, the economy stagnates, the ruble slides, and competition from Asian firms grows.

"Minister, the European business community ... is angry, angry that it is being sacrificed by both the European and Russian authorities," Pegorier said in introductory remarks

to business chiefs in a Moscow hotel, with Lavrov at his side.

"The new sanctions hurt ... and create uncertainty for investment in Russia," he said, urging European leaders to help do more to resolve the crisis in Ukraine. But he added: "The Russian regulations also hurt our companies and do not meet Russia's commitments to the WTO."

Moscow's response to sanctions by banning some Western food imports and trying to replace sanctioned items with Russian goods, combined with its attempts to drum up new business with Asia, pose a threat to European businesses in Russia, he said.

The AEB has repeatedly criticized the sanctions, imposed over Russia's annexation of Crimea and backing for separatists in eastern Ukraine, but has been less forthright in expressing concern over the impact of the Russian government's policies.

Lavrov responded by dismissing all criticism of Russian policy over Ukraine and advising the businessmen to lobby their own governments if they want a policy change.

After the speech, some business leaders made clear they were disappointed Lavrov had not shown more sympathy with their plight as some trim spending and staff and freeze investments to try to ensure they can survive the crisis.

"What I would have liked to have seen perhaps is some signs from Mr. Lavrov and the Russian side ... to take steps in this difficult situation to make the situation easier for both Russian businesses and European businesses," said Hans Wicks, head of the Confederation of Danish Industry.

Wicks said many companies were still doing good business in Russia and were staying put.

"What is happening now though on the negative side is that companies that were looking to invest in Russia and to come here, but had not started, they are more reluctant, they are putting things on hold until there is a more clear signal of which direction the political situation will take," he said.

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