

Russia strikes back at Turkey by cutting business ties

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Moscow: Russia plans to retaliate against Turkey for the downing of a warplane by imposing sanctions, cutting economic ties and scrapping major investment projects.

Since the plane was shot down Tuesday in disputed circumstances on the Syria-Turkey border, Russia has already restricted tourism, left Turkish trucks stranded at the border and announced the confiscation of large quantities of Turkish food imports.

On Thursday, Russian Prime Minister Dmitry Medvedev ordered his government to also draft sanctions against Turkey within the next two days in response to the downing of the Russian Su-24, which he described as an "act of aggression against our country."

The sanctions will include "restrictions and bans on Turkish economic structures operating in Russian territory, restrictions and bans on deliveries of products, including foodstuffs," as well as on labor and services.

Overall, the nosedive in relations threatens billions of dollars of international trade, as well as further complicating the Syrian conflict.

Russia is the largest destination for Turkey's exports, and the two countries are bound by plans for a new gas pipeline and strong trade in food and tourism.

As recently as in September, Turkish President Recep Tayyip Erdogan met his Russian counterpart Vladimir Putin and predicted a tripling of bilateral trade to \$100 billion in the next eight years.

Any reaction could exacerbate both countries' economic troubles. The IMF predicts Russia's economy to shrink by 3.8 per cent this year, while the Turkish currency has slumped in value in 2015.

- AP