

Russia considering reduction of VAT on fruit and veg to 10%

The Russian government has started discussing the possibility of reducing the VAT rate on fruits and berries from 20% to 10%. This was announced by Deputy Prime Minister Alexei Gordeev, as reported by the portal FruitNews, citing data from the website Interfax.

"Now there is a discussion within the government, and we hope that the president will make a final decision. I think this is the right one, since we are talking about vitamin-filled products that are consumed by children. Also, our apple production is actively developing," said the speaker.

Earlier, FruitNews had published news about the successful experience of Latvia, where the VAT on fruits and vegetables was reduced to 5%. The proposal was first discussed in November last year at a meeting in the Stavropol Territory with the participation of the President and the Prime Minister. Later, the decline in VAT was supported by Russian President Vladimir Putin.

Since the beginning of 2019, the VAT rate on fruit in Russia has increased to 20%. At the same time, according to the Association of Producers, Importers and Exporters of Fruits and Vegetables (APIEF), the demand for fruits and vegetables in the country has sharply declined due to the lack of money in the hands of end users. According to the APIEF, the rise of the VAT on fruit has led to an increase in the production costs and a further drop in consumption.

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