
RUSSIA SAYS WILL DITCH U.S. SECURITIES AMID SANCTIONS: RIA

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On Friday, Prime Minister Dmitry Medvedev said Russia would regard any U.S. move to curb the activities of its banks as a declaration of economic war and would take retaliatory action.

Washington said on Wednesday it would impose fresh sanctions by the end of August after it determined that Moscow had used a nerve agent against a former Russian agent and his daughter in Britain, sending Russias rouble currency to a two-year low.

Speaking on a weekly TV talk show, Siluanov said the new U.S. sanctions, some of which could restrict purchases of Russian government bonds, were unpleasant but not fatal.

We have lowered to the minimum level and will further decrease our investment in the U.S. economy, in the U.S. securities, Siluanov said, shedding light on the nature of an unexpected drop in Russias holdings of U.S. Treasury bonds.

Russia has ditched its holdings of U.S. Treasuries in the past few months as relations between Moscow and Washington have deteriorated, data showed last month.

Russia will also have more settlement in roubles and other currencies, such as the euro, than in dollars, Siluanov said.

Eventually, this will negatively impact U.S. investors. But we are not planning now any limitations such as shutting down McDonalds, Siluanov said. He referred to calls by some lawmakers to shut down prominent U.S. companies in Russia starting from 2014, when relations with the West soured over Russias annexation of Crimea and its role in Ukraines crisis.

Our citizens work in these companies, these companies pay taxes into the budget of our country, Siluanov said.

While admitting that U.S. sanctions would boost inflation in Russia as they hurt the rouble, Siluanov said there were no plans to ban using the dollar in Russia.

Of course, the government has no such plans. That would be a step to an impasse.

<https://www.reuters.com/article/us-usa-russia-sanctions-response/russia-says-will-ditch-u-s-securities-amid-sanctions-ria-idUSKBN1KX0F8>

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