

Position paper

Why do we need a ban on energy imports now?

The upcoming days are decisive: we need to enhance our support to the Ukrainian resistance and to raise drastically the level of our sanctions against the Russian regime. Now.

We are sending around 800 million euro per day to the Russian Federation through our imports of gas, coal and oil. Which means we are financing the war we want to stop. Over the last month, we have already transferred more than 20 billion euro to Russia, undermining the efficiency of all measures we have taken since the beginning of the invasion. This has to stop.

The revelation of the horrendous massacre of Bucha should be considered as a turning point in the European debate. Resolute actions are needed without delay. The first one should be the ban on energy import dry out the financing of Putin's war machine.

The impact of a full energy embargo will be severe for Russia while it is manageable for the EU economy

The EU is the most important buyer of Russian oil and oil represents 70% of energy revenues paid to Moscow. Cutting off oil imports from Russia will thus severely affect Russia's war economy.

Gas is more challenging to replace but we can rely on sufficient strategic stock. Moreover, other sources such as LNG can be delivered quickly and the remaining gap should also be filled by gas consumption reduction and other energies.

The impact on Russian economy will be incomparable to the cost for EU's economy: the decline in Russian GDP is already estimated around 30% and a full embargo would bring this fall to possibly 40%.

In comparison, the ECB evaluates a possible hit of only 1.4% of the euro area GDP in most severe scenarios, which is much milder than the Covid-induced recession that our economies have been able to manage. Even Germany would feel a loss of maximum 3% GDP in the worst case scenario.

Lower income and vulnerable households will feel the consequences harder but solidarity and redistributive mechanisms at national and EU level can mitigate the effects and ensure the burden is shared evenly.

Parliamentarians' demands and advocacy strategy

In the coming days, to feed the European Commission's work on the fifth sanction package and ahead of decisive discussions in the European Council, we should push for the following measures to be taken immediately:



- Complete exclusion from SWIFT payments system of all Russian and Belarussian financial institutions, including first and foremost Sberbank and Gazprombank;
- Full and immediate embargo on all energy imports of Russian, including oil, gas, and coal;
- Significant expansion of targeted sanctions on Russian government and administration members, their family members, oligarchs and stakeholders active in critical sectors of the Russian economy; Most importantly, systematic seizure and confiscation of targeted and frozen assets and properties and allocation of confiscated assets and revenues to the reconstruction of Ukraine and compensation of victims;

Moreover, the EU and Member States should use their leverage on third countries (e.g Georgia, Serbia) to make it clear that a refusal to align on European sanctions will have a damaging impact on relationships and might bring similar restrictive measures in case of bypassing.

These demands should be raised simultaneously in the EP and in national Parliaments in the upcoming days. As well as through calls on EU leaders emerging from civil societies across the continent.