

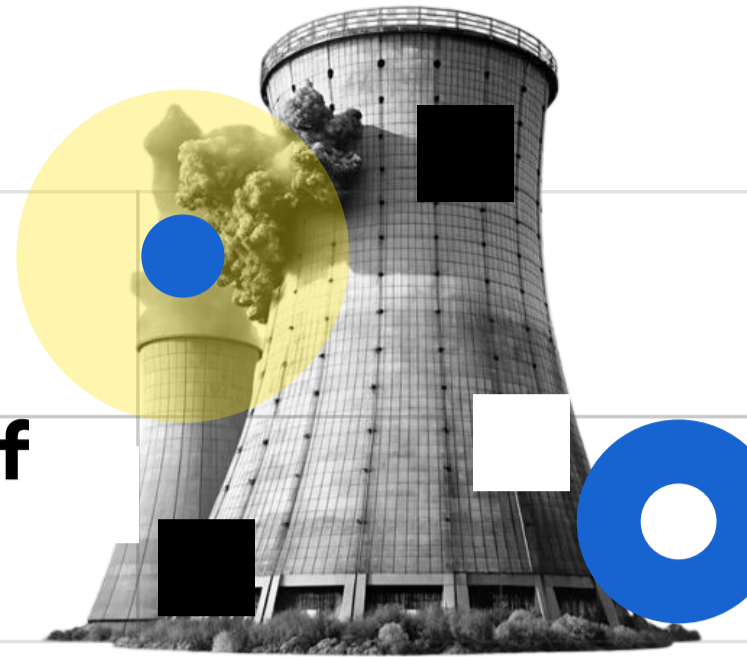
# Sanctions against Russia: energy sector

Since the beginning of Russian military aggression against Ukraine in 2014 and its escalation in 2022, **the international community has adopted some sanctions** aimed at limiting Russia's economic and military capabilities.



**Special attention was paid to the energy sector, which is the core of the Russian economy.** Although crude oil, gas, and nuclear energy are different industries with certain inherent characteristics and specific features, they all have one thing in common: they are all directly or indirectly subject to sanctions imposed by the EU, the USA, and other countries, including bans on crude oil and petroleum product imports, restricted access to high-end technologies and financial resources, as well as measures to limit shipment of energy products. These restrictions are aimed at weakening Russian potential to finance its aggression and support its military-industrial complex. While Ukraine is defending its independence, the international community is preparing additional sanctions, namely in the energy sector, to further increase pressure on Russia and force it to cease violating international law.

# Conflicts and prospects of EU sanctions against the Russian energy industry: a chronology of recent events



The civilized world is set on achieving the goal of removing Russia from the global nuclear energy markets. The nuclear energy industry is a rather complex sector, so the processes of replacing nuclear fuel and technology suppliers here are much slower than elsewhere. We have recently been observing a global renaissance of atomic energy, therefore it is very important to support this process given that it is also helping achieve the “green” transition goals.

**Given the context, it is crucial not to allow a single incident at the Russian-occupied Zaporizhzhia Nuclear Power Plant, as it may call into question the prospects for further nuclear industry development. Russia should leave the territory of the ZNPP as soon as possible and return the station under the full control of Ukrainian personnel, thus fulfilling the requirements of the IAEA resolution adopted by the last General Conference of the agency.<sup>1</sup>**



## **January 15, 2024:**

*The only way to get the Russians to comply with IAEA resolutions is to impose sanctions on the Russian nuclear industry.<sup>2</sup>*

On February 5, 2024, Peter Szijarto, the Minister of Foreign Affairs of Hungary, stated that the country's authorities do not support the new EU sanctions imposed on Russia, nor will they support any additional restrictions on cooperation with the Russian Federation in the energy and nuclear industries.<sup>3</sup>

On February 20, 2024, Simonas Satunas, the Deputy Minister of Foreign Affairs of Lithuania, stated that with the 13th package of sanctions against Russia, the European Union should immediately start discussing further sectoral sanctions, in particular those related to Russian liquefied natural gas (LNG), aluminum, and nuclear energy.<sup>4</sup>

On March 8, 2024, Herman Halushchenko, the Ukrainian Minister of Energy, when commenting on the resolution on the urgent return of the ZNPP under the full control of the Ukrainian authorities adopted by the IAEA Board of Governors on March 7, 2024, stated that if the Russian party refuses to comply with it, Ukraine would demand further sanctions.<sup>5</sup>

On March 18, 2024, two years after sweeping sanctions were imposed on it by the USA and the European Union, the Russian economy is indeed doing better than expected. However, it is not as strong as some experts believe. Moreover, Russia is very vulnerable to a fall in energy prices or an increase in the production of military equipment resulting in a cutback across other sectors.<sup>6</sup>

March 18, 2024 Sanctions against Rosatom would neutralize one of the most powerful energy weapons of Russia – Herman Halushchenko, the Minister of Energy of Ukraine.<sup>7</sup>

Gitanas Nauseda, the President of Lithuania, assures that he wishes for the state corporation Rosatom to be included in the 14th package of sanctions against Russia, as well as Russian aluminum and even more Russian banks.<sup>8</sup>

April 11, 2024 The European Parliament approved rules allowing European governments to ban imports of Russian liquefied natural gas (LNG), thus preventing Russian companies from booking gas infrastructure capacities. The European Union has been avoiding imposing sanctions on Russian gas owing to some of its member states being heavily dependent on it.

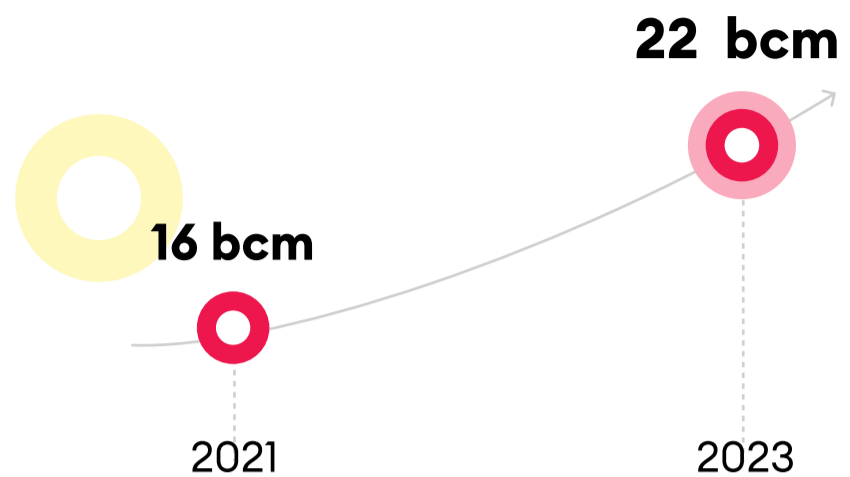
**The new gas policy aims to establish a legal way for governments to block Russian gas from entering their country, although no major importer has yet announced its implementation.**

New EU gas market rules allow governments to temporarily ban Russian and Belarus gas exporters from bidding for infrastructure capacities necessary to deliver gas and LNG to Europe.

Russia has decreased pipeline gas supplies to Europe after its 2022 invasion of Ukraine, thus cutting a major Russian delivery route to Europe short. Still, the continent continues to be supplied with Russian LNG, mainly through the ports of Spain, Belgium, and France. These countries never confirmed that they would resort to the new legal option.

A representative of the Ministry of Energy of Spain said the country supports the EU's common position on banning Russian LNG, claiming that if Spain adopted a similar decision alone, Russian companies could have simply shipped their fuel to other EU ports. The Minister of Energy of Belgium noted that their government was analyzing the law and its provisions so that the restriction on Russian gas imports did not jeopardize gas flows between EU member states.

Belgium re-exports a significant share of the Russian LNG to other countries. **According to an EU analysis, Russian LNG supplies to Europe rose to 22 billion cubic meters the previous year, from about 16 billion cubic meters in 2021.** Most EU member states should approve the policy before it can take effect, and it is expected that the law will be passed unchanged.



The EU imposed sanctions on Russian sea imports of crude oil and coal. Sanctions should be unanimously approved by all EU member states. That said, Hungary has already promised to block the ban on Russian gas imports.<sup>9</sup>

April 28, 2024 Turkey is negotiating a multibillion-dollar agreement on the purchase of liquefied natural gas with the American energy company ExxonMobil. Ankara seeks to limit its dependence on Russian energy products. Ankara will get up to 2.5 million tons of LNG per year under its agreement with Exxon. They claimed that the commercial terms of the agreement were still being negotiated, but Argus estimated the current worth of the 2.5 million tonnes of LNG supplied to Turkey at around USD 1.1 billion. The 2.5 million tons of LNG in question would be enough to cover about 7% of Turkey's natural gas consumption (as of the previous year). Turkey imported 5 million tons of LNG from the USA on the “spot” market then. Exxon has ambitions to expand its LNG portfolio to 40 million tons per year by 2030, that is, roughly double its 2020 indices.<sup>10</sup>

The Italian government claimed that the country has refused Russian natural gas, thus, it will not be affected by the proposed EU sanction package on liquefied natural gas (LNG), which is being considered by the European Commission.<sup>11</sup>

On April 30, 2024, the US Department of the Treasury allowed transactions with Russian banks to make settlements in the energy sector. The banks included are VTB, Centrobank, Sberbank, and Alfa Bank. This is stated in the license issued by the US Treasury. The Treasury license also includes Otkritie, Sovcombank, Rosbank, VEB.RF, Bank Zenit, and Bank Saint Petersburg. The prohibition on transactions is suspended until November 1, 2024, however, the permit may be extended. Transactions related to the extraction, production, processing, liquefaction, transportation, or purchase of petroleum and other energy resources, including liquefied natural gas, wood, coal, and uranium, will be considered energy-related. The license allows transactions with banks of the Russian Federation related to the production, supply, or exchange of energy via any method.<sup>12</sup>

**On May 1, 2024, the US Senate passed a draft law banning the import of enriched uranium from Russia and forwarded it to President Joe Biden for signature.** This document prohibits imports of enriched uranium from the Russian Federation 90 days after the law enters into force, with the option of temporary exceptions until January 2028. According to the U.S. Department of Energy, Russia supplies nearly a quarter of the enriched uranium for more than 90 commercial reactors in the USA, making it the largest foreign supplier. This allows Russia to bring in about USD 1 billion a year. It will take some time to see the effect of the ban on the import of enriched uranium from the Russian Federation. US NPP operators typically refuel reactors every 18 to 24 months, and fuel purchases are negotiated in advance. It means that most though not all power companies have already stocked enough uranium to keep their reactors running for at least the next few years, the paper explained. Substitution of supplies from Russia may lead to almost 20% increased cost of enriched uranium for the USA.<sup>13</sup>

As of May 5, 2024, the Russian economy proved to be surprisingly resistant to the Western sanctions. Two years after the Kremlin invaded Ukraine, Moscow continued to finance an expensive war and support Volodymyr Putin, however it is already feeling the effects of the restrictions.

The Arctic LNG-2 project managed by PJSC Novatek is a key part of Moscow's plans to increase exports and replenish the treasury. For several months now, it has been ready to supply liquefied natural gas to new markets but is not operational due to US restrictions. Russia has long sought to increase its share of the global LNG market, with the war followed by the sharp decline in overland exports to Europe making those ambitions even more important. Moscow wishes to triple LNG production by 2030 to bring it at least USD 35 billion a year.

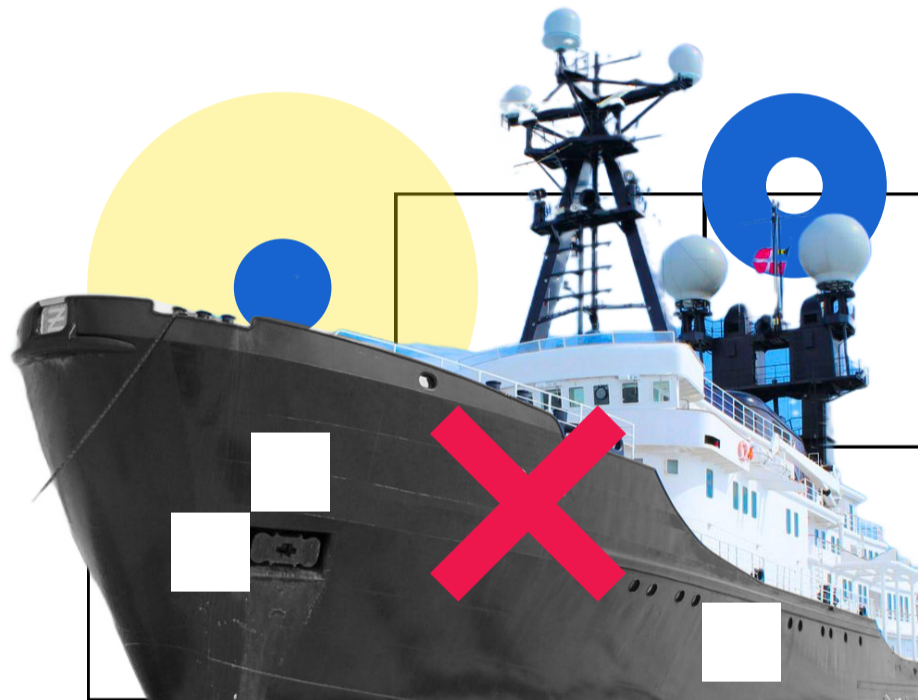
**Russia is currently the world's fourth-largest exporter of LNG,** but restrictions imposed on its flagship Arctic LNG-2 project are holding back its ambitions. Moscow is even more concerned by the fact that these sanctions are a precedent for future Western attempts to limit the Kremlin's gas revenues by targeting such projects as Yamal or Sakhalin-2 in the Far East, which are used to supply gas to Europe and Asia. Since the Biden administration imposed sanctions on the Arctic LNG-2 plant the previous year, buyers in China and India have refused to buy LNG, even at a discount. Meanwhile, lawyers in Singapore and London refused to participate in the project. Even shipbuilders are confused by the restrictions, with ships worth hundreds of millions of dollars being stuck in dry docks in South Korea. No one can buy or rent them. The gas was trapped.

Unlike continuing crude oil exports and despite price caps and other sanctions, LNG is more difficult to transport using a huge “shadow fleet,” largely due to the more complex technology required to load and transport the supercooled fuel. Currently, the USA is trying to make the Arctic project a “dead load” for the Russian Federation.

**Russia owns the world's largest share of natural gas, about 20% of global reserves,** but it still needs to turn it into revenue. New pipelines are not fast to build to redirect sales, so there is only LNG left. The Kremlin claims it wishes to export more than 100 million tons of LNG per year by 2030, as compared with about 31 million the previous year, irrespective of any sanctions.

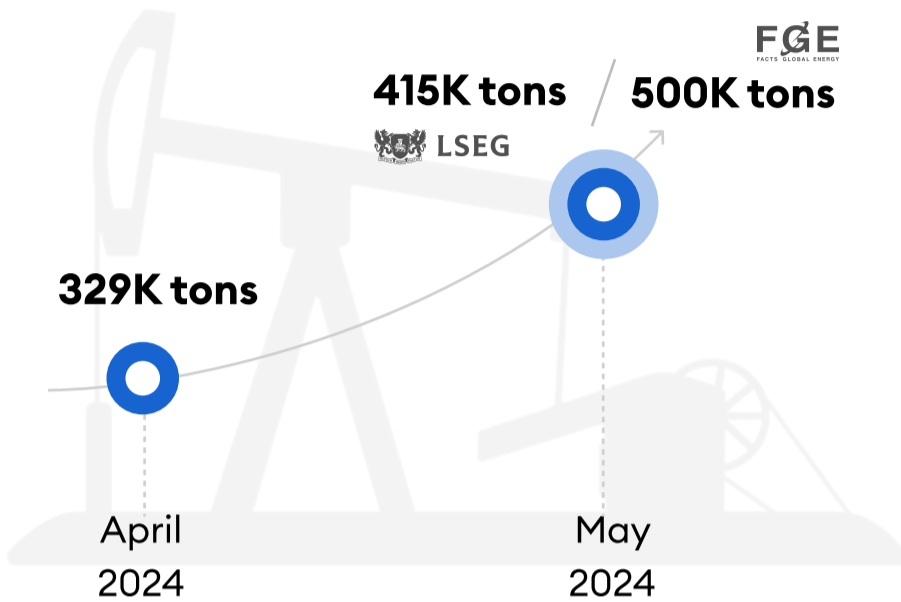
The company will face a new challenge this summer when Novatek plans to ship its first cargo from Arctic LNG-2 taking advantage of the ice thin enough to use a conventional vessel. Foreign shareholders of the Arctic LNG-2 project, which is under the Russian Novatek control, declared force majeure due to sanctions. The Russian invasion of Ukraine put Putin's most ambitious gas project under threat. A real conflict between the USA and Russia has unfolded in the Arctic region. Meanwhile, Turkey is preparing a multibillion-dollar agreement with a US company. Ankara seeks to limit its dependence on Russian energy products.<sup>14</sup>

**May 5, 2024 The USA has imposed a package of sanctions on more than 280 individuals and legal entities related to Russia.** In particular, sanctions affected four shipping companies involved in the Arctic LNG-2 project (“Arctic LNG-2”). These four companies are Singapore-based Red Box Energy Services, which is the operator of the Audax and Pugnax vessels that delivered LNG modules to the Arctic LNG-2 operator after it was sanctioned. It is also the Hong Kong-based shipping company CFU Shipping and its bulk carriers Hunter Star and Nan Feng Zhi Xing, which delivered the final LNG module for the project's second production line. Eco Shipping and Transstroy became two more sanctioned shipping companies.<sup>15</sup>



**The European Commission sent a draft of the 14th package of sanctions against Russia to the EU countries. Among other things, the package includes restrictions on liquefied natural gas (LNG) imports from Russia, although a full embargo is not planned.** The package includes a ban on the transshipment of Russian LNG in European ports, which is then delivered around the world. The leaders are Belgium and its port of Zeebrugge, with France and Spain also being the largest destination points for Russian LNG. The sanctions will also be imposed on the Russian Arctic and Murmansk LNG projects. The commission wishes to impose sanctions on several more vessels from the so-called “shadow fleet” of the Russian Federation, which delivers Russian crude oil despite EU restrictions. They will be prohibited from entering European ports. The proposal also stipulates that transport companies with at least a quarter of Russian ownership will be prohibited from operating in the EU. There is no ban on aluminum imports in the project, although there is a ban on helium imports. As for the export ban, it will cover, in particular, manganese ore, mining machinery, monitors, and electronics.<sup>16</sup>

**On May 10, 2024, Russia increased exports of oil products to Singapore.** According to traders and analysts, in May, volumes of exports of Russian crude oil to Singapore may become the highest in 2024.



According to LSEG Research, Singapore's imports of Russian crude oil will reach about 415,000 metric tonnes in May, while the FGE consulting company forecasts about 500,000 tonnes.

**In April, crude oil imports from Russia to Singapore increased and reached the highest volume this year – 329,955 tonnes.** According to data from Enterprise Singapore, this increased Singapore's total oil imports to 998,408 tonnes in April compared to 920,626 tonnes a year earlier.

Rosneft's export-oriented Tuapsin refinery, one of the largest in southern Russia, resumed processing earlier this month. **In May, its load is expected to reach about 16%, to 180,000 tonnes**, when it resumes exports, according to trade estimates. Meanwhile, in mid-June, the Russian Novatek plans to start test operations at a new processing unit with a 3 million ton/year capacity located at its gas-condensate complex in the Baltic Sea port of Ust-Luga, which might allow it to increase oil exports to 550,000-600 000 tons per month compared to current 350,000-370,000 tons. Novatek produces oil mainly for Asia, including China, Singapore, Taiwan, and Malaysia.<sup>17</sup>

On May 13, 2024, the Russian LNG transportation route from Arctic ports to Asia, which passed through Europe, may be blocked due to a new package of sanctions, though the impact on the Russian capabilities to export energy resources is still unknown.

Currently, Russian terminals located on its Arctic coast, such as the Yamal-LNG, export gas through Europe as arctic transport vessels (adapted to extremely low-temperature conditions) transship Russian LNG to common tankers in the ports of Belgium and France, which then travel to Asia.

That said, part of the Russian LNG transhipped in the ports remains on the European markets. The EU seeks to cut off this option with the new package of sanctions. EU politicians are discussing this step as part of the 14th package of sanctions against Russia. Although there will be no total ban, this will be the first time Europe has taken specific measures against Russian LNG. If approved, this measure could lead to an increase in the volume of Russian fuel available in Europe. It may also cause agreement issues for European logistics companies and a political response from other states that buy gas.<sup>18</sup>

**The previous year, Western companies increased their income in Russia by 40% compared to the same before the war.** In 2023, almost half of the revenues were earned by the Russian assets of three global giants: the French oil and gas company TotalEnergies, the British energy concern BP, and the Austrian bank Raiffeisen.<sup>19</sup>

On May 13, 2024, Jack Sullivan, the national security adviser to the US president, published a statement on the White House website regarding Joe Biden signing a law prohibiting the import of Russian-enriched uranium into the USA. This decision guarantees the economic and energy security of the country and will eventually lead to eliminating the US dependence on Russian nuclear fuel.<sup>20</sup>

On May 14, 2024, Hungary voiced its lack of support for new EU sanctions against Russian gas and will block any measures that may result in energy prices rising in Europe. It should be recalled that the introduction of sanctions requires the unanimous support of all 27 EU member states. Several other countries, including France, Germany, Italy, and Spain, also asked for more technical information on the measures during the initial talks. However, Hungary hesitated most about such restrictions.<sup>21</sup>

On May 15, 2024, the new Portuguese government stated its interest in increasing sanctions against Russia due to its invasion of Ukraine. The Portuguese government supports the European Union's energy policy, namely measures aimed at ensuring strategic sovereignty, just as it advocates stricter sanctions to make Russia end its invasion.<sup>22</sup>

May 17, 2024 The US Congress initiated sanctions against Rosatom. There will be sanctions imposed on Rosatom, its subsidiaries, and foreign companies involved in the construction of reactors based on Russian technologies around the world. The Committee on International Relations of the US House of Representatives supported a package of sanctions against the Russian state corporation Rosatom and personal sanctions against individuals who pose a security threat at the Russian-occupied Zaporizhzhia NPP. **The committee support is the first stage for draft laws to be adopted.** The next step is their consideration by the House of Representatives of the US Congress. U.S. representatives believe that the draft laws should put an end to “the US dependence on the nuclear energy from the Russian Federation, in particular, Rosatom, given the unprovoked Russian aggression against Ukraine.” It proposes replacing Russian suppliers with manufacturers from the USA and allied countries and to limit the Russian government's access to revenues by imposing sanctions and export controls on Rosatom. The committee also noted the role of Rosatom in the Zaporizhzhia NPP seizure. If the draft laws are approved, sanctions will be imposed on Rosatom, its subsidiaries, and



foreign companies involved in the construction of reactors based on Russian technologies around the world. “This bill is a clear message to the market that the era of dependence on Rosatom is coming to an end,” said Joe Wilson, a congressman from the Republican party.<sup>23</sup>

May 20, 2024 Dozens of Russian oil tankers have been idle for months after the U.S. Treasury imposed sanctions, proving the American capabilities in disrupting the Russian oil supply chain. **Since October, 40 vessels involved in the Russian oil trade have been added to the US sanctions list for violating the price cap provisions.** Only one of them, SMP Primoria, was loaded since its inclusion in the list. If it manages to unload without any problems, Russia may be encouraged to use even more vessels for trade.<sup>24</sup>



May 23, 2024 Andrey Kuziaiev, a Russian billionaire and a former Lukoil top manager, whose companies work for the defense industry of the Russian Federation, has not yet been included in either EU or the US sanctions lists.<sup>25</sup>

EU member states hope to agree on a new package of sanctions against Russia within the next few weeks. The biggest challenge is to improve sanctions against tankers used by Russia to transport crude oil with unverified insurance and controversial ownership structures. Countries such as **Greece, Cyprus, and Malta did not uphold such measures by claiming that these would only lead to shipping operators resorting to even more non-transparent steps to hide their fleets.** This would eventually increase the risk of a major marine disaster and potentially harm the entire shipping industry.<sup>26</sup>

To be continued... This is only a part of the complex history of global sanctions and their impact on international trade. Further events will undoubtedly reveal new aspects of this crisis, including Russia's response, the reaction of global markets, and possible political changes within the European Union. The coming weeks could be decisive in revealing the future of global energy and security.

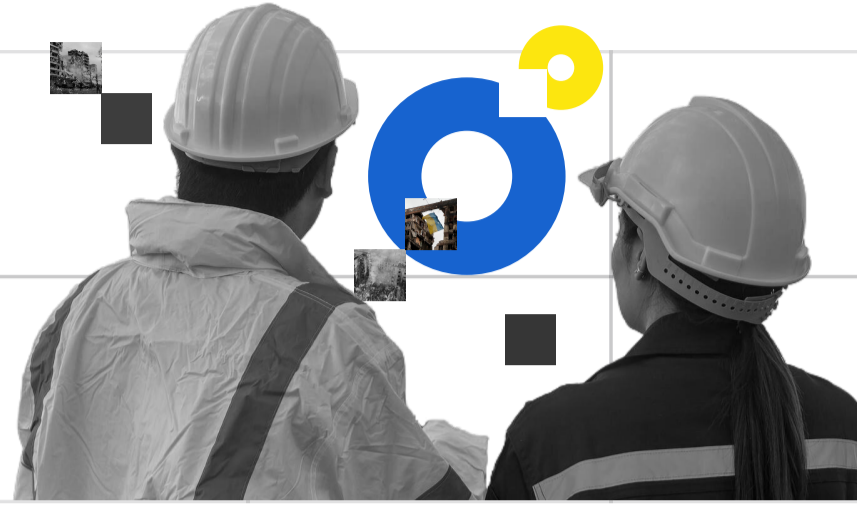
Thus, at the beginning of 2024, the world community was still working on removing Russia from the global nuclear markets. This process, which is important for global security and the environment, is slower due to the complicated process of replacing nuclear fuel and technology suppliers. There are inner EU conflicts related to the introduction of new sanctions.

Sanctions against Russia in the energy sector include a wide range of restrictive measures aimed at weakening its economy and military capabilities.

- ➔ **Thus, the main sanctions imposed on the Russian energy sector include:**
- **ban on the import of crude oil and petroleum products.** The EU banned the import of crude oil and some petroleum products from Russia by sea. This seriously jeopardized the Russian export of energy products to Europe, which had at one time accounted for a significant part of the Russian income;
  - **restrictions on access to technology.** Russian companies have limited access to the technology and equipment for the exploitation and production of energy resources, especially in such challenging environments as Arctic shelves and deepwater projects. This complicates the update and development of the Russian energy sector;
  - **ban on the export of energy technologies.** The export of dual-purpose goods and technologies that can be used in the defense sector, including electronic components and equipment for energy production, is prohibited;
  - **financial sector restrictions.** Banning several Russian banks from the SWIFT system significantly complicates financial operations related to the energy sector, thereby limiting investment and international transaction opportunities;
  - **transportation restrictions.** Services related to crude oil transportation such as insurance and other auxiliary services are prohibited, which complicates the logistics of exporting energy products from Russia.

Thus, the sanctions against Russia in the energy sector caused significant economic losses and the need for adaptation both for Russia and the countries imposing them. Russia is actively seeking new markets and developing domestic technologies, while the EU is working on diversifying energy sources and investing in renewable sources. The continuation and improving of the sanctions policy is necessary to maintain international order and stability, meanwhile, EU member states should get ready for long-term changes in the global energy landscape.

# Priorities of future sanctions against Russia in the energy sector



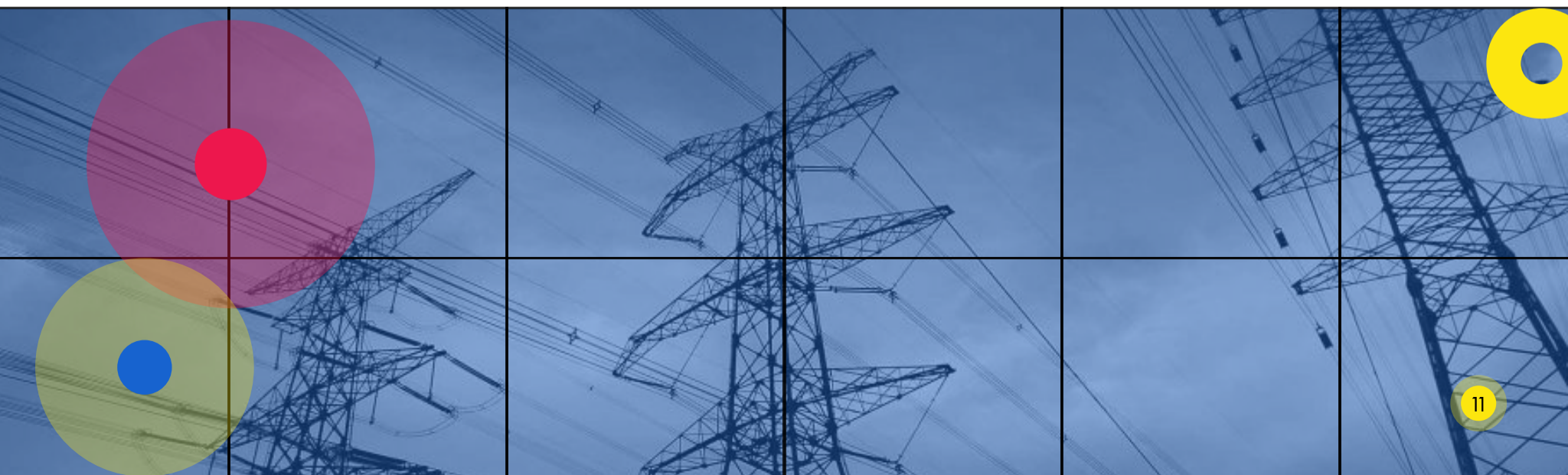
In response to Russian aggression against Ukraine, the international community has been continuously introducing sanctions aimed at limiting Russia's economic and military potential. One of the priorities of future sanctions is the energy sector, which is a main source of income for Russia.

Recently, the European Commission sent the draft of the 14th package of sanctions to EU member states. The main provisions of this package are restrictions on the import of Russian liquefied natural gas (LNG), as well as measures against the so-called “shadow fleet”: vessels Russia uses to circumvent sanctions by using third countries. Moreover, the new sanctions package includes proposals to expand the sanction list of individuals and legal entities, including those who facilitate Russia's military actions or support its economic activities undermining international security.

**This step is part of a broader EU strategy aimed at reducing dependence on Russian energy resources and increasing pressure on Moscow so that the latter ends its military aggression.**

The continuation of the sanctions policy and its adaptation to new circumstances prove the determination of the international community to support Ukraine and keep the international order.

Thus, future sanctions not only deepen Russian economic isolation but also show the international community's determination to support Ukraine. They serve as a reminder that violations of international law and aggression against a sovereign state will not remain unpunished. The EU will keep adapting its sanctions policy to new challenges to ensure the efficiency of restrictive measures and achieve its strategic goals.



# Challenges and consequences of sanctions against Russia in the energy sector



Sanctions imposed on the Russian energy sector resulted in certain challenges, including the possibility of circumventing sanctions by using third countries, as well as the need to ensure energy security for countries importing Russian energy resources.

## → Challenges of sanctions against Russia in the energy sector:

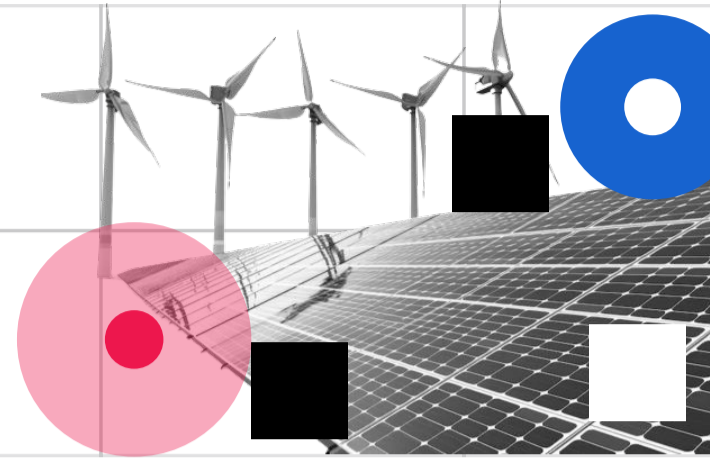
- **circumvention of sanctions.** Russia is actively looking for new sales markets for its energy products, namely in China, India, and the Middle East. These countries did not join Western sanctions and have become important trade partners for Moscow. Moreover, some export of sanctioned goods still reaches Russia through third countries or subsidiaries of European enterprises operating outside the EU;
- **European energy security.** European countries should ensure their energy security by replacing Russian energy products with alternative sources. This requires supply diversification, promoting renewable energy sources, and investing in infrastructure to store and transport energy. Such steps may reduce dependence on Russian energy resources and increase the stability of energy systems in EU member states.

## → Consequences of sanctions against Russia in the energy sector:

- **Economic consequences for Russia.** Sanctions have already resulted in a significant decrease in Russia's income from oil and gas exports, which has harmed its economy. Restrictions on access to high-end technologies and investments have slowed down the development of new energy projects and the update of existing ones. Russian energy companies face difficulties when maintaining production capacity and ensuring equipment repairs;
- **Impact on the global energy market.** The removal of Russian energy products from the European market have been causing fluctuations in oil and gas prices affecting the global economy. However, gradual adaptation to new conditions and supply diversification have contributed to the market situation's stabilization.

Therefore, sanctions against Russia in the energy sector are an important tool of pressure aimed at ending aggression and restoring international order. Despite the challenges both the EU and Russia are facing, these measures have already resulted in significant economic losses for Moscow and limited its ability to finance military operations. Sanctions should be continued and improved to achieve strategic goals, strengthen Europe's energy security, and support Ukraine in its fight for sovereignty.

# Long-term prospects and adaptation to sanctions against Russia in the energy sector



Sanctions imposed on the Russian energy sector have already had a significant impact on its economy and continue to create numerous challenges for both Russia and the countries introducing them. Still, both parties are taking measures to adapt to the new reality.

- ➔ **Russian countermeasures and adaptation to sanctions introduced in the energy sector:**
  - **expanding sales markets.** Russia is actively re-focusing on new sales markets, namely in Asia. This allows Russia to partially compensate for losing the European markets, although the oil prices for new countries are often lower due to increased risks and restrictions;
  - **internal reorganization.** Russia is taking measures to strengthen its domestic energy sector, such as supporting national companies and developing infrastructure for energy product exploitation and processing. This also includes attempts to expand production in regions less dependent on Western technologies and equipment;
  - **investment in technology.** In response to the restrictions imposed, Russia is trying to develop its technologies and attract investments from countries that have not joined the sanctions. This includes cooperation with China in high-tech areas and the development of local innovation programs.
- ➔ **EU response and strategy given sanctions against the Russian energy sector:**
  - **Diversification of energy supply.** European countries are actively developing diversification of energy sources, in particular with increased imports of liquefied natural gas (LNG) from the USA, Qatar, and other countries. The EU is also expanding cooperation with Norway, Algeria, and North African countries to ensure stable energy supplies;
  - **Investments in renewable energy sources.** The EU continues to invest in the development of renewable energy sources, such as solar and wind power. This not only contributes to reducing dependence on fossil fuel imports but also promotes the general strategy of reducing greenhouse gas emissions and combating climate change;
  - **Improving energy efficiency.** Another important area is the improvement of energy efficiency in industrial, transport, and residential sectors. This includes infrastructure updates, the introduction of new energy efficiency standards, and encouraging innovative technologies to reduce energy consumption.

## → **Geopolitical changes as a response to sanctions against the Russian energy sector:**

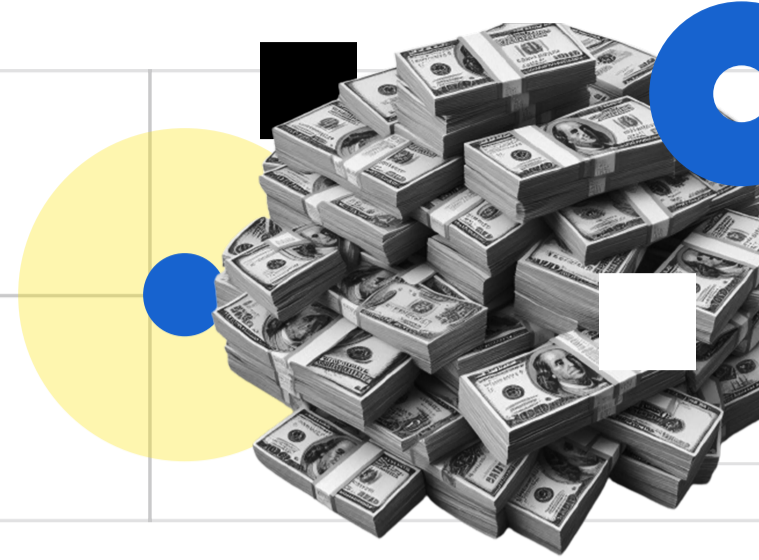
- **The increased roles of China and India,** which have become main buyers of Russian energy products, and their increased influence on global energy policy. This results in a new dynamic in the relations between the said countries and the EU, the USA, and other Western states. In particular, China is using this situation to strengthen its energy security and economic might;
- **Transformation of the European energy policy.** Europe is accelerating its transition to renewable energy sources and looking for new oil and gas suppliers. This contributes to improving the EU's energy independence and reducing dependence on fossil fuels. For example, increased investment in solar and wind power contributes to achieving the goals of the European Green Deal;
- **Improved transatlantic relations.** Sanctions against Russia and the energy crisis have improved cooperation between Europe and the USA. The USA has become an important supplier of liquefied natural gas (LNG) to Europe, strengthening energy ties between the two continents. This contributes to greater synchronization of energy policies and coordination of efforts when combating global challenges.

## → **Adaptation of energy markets as a response to sanctions against Russian energy sector:**

- **Diversification of suppliers.** The EU is actively diversifying its sources of energy supply by entering into new agreements with the countries of North Africa, the Middle East, and the USA. This reduces its dependence on Russian energy sources and increases the regional energy security;
- **development of LNG infrastructure.** European countries are actively investing in the new terminal construction to get liquefied natural gas. This allows an increase in the volume of LNG imports from alternative sources, which is an important step toward reducing dependence on pipeline gas from Russia;
- **Innovation and green energy.** Sanctions have accelerated the development of renewable energy sources and innovative technologies in the field of energy efficiency. Europe is investing in hydrogen economy projects, battery technologies, and improved energy efficiency of buildings. These steps not only promote energy independence but also support environmental goals.

Thus, sanctions imposed against the Russian energy sector have long-term consequences for both the Russian economy and global energy policy. Despite the challenges both parties face, sanctions have already led to significant changes in the global energy landscape. European countries are actively diversifying their sources of energy supply, investing in renewable sources and new technologies, thus increasing their energy independence. Meanwhile, Russia is being forced to adapt to new conditions by re-focusing on Asian markets and developing local technologies. Further sanctions and adaptation measures remain important to maintain international order and stability.

# Plans to introduce further sanctions against the Russian energy sector

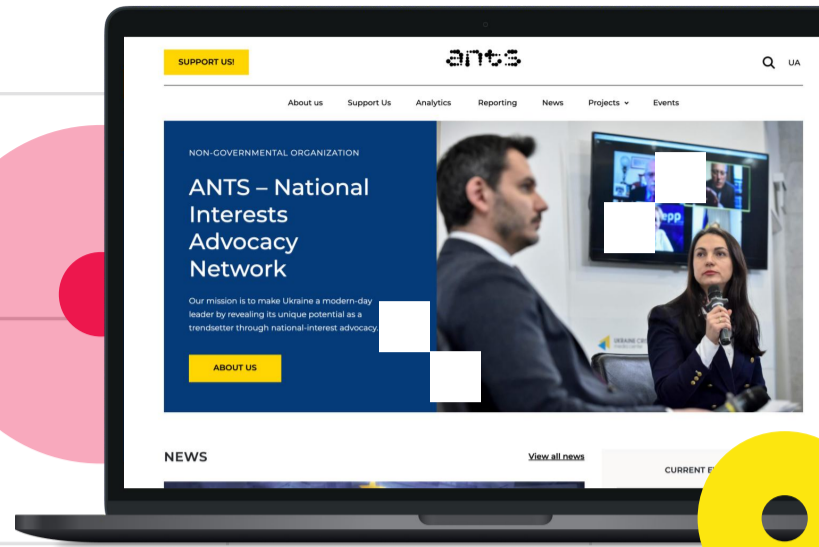


The European Union and its partners will continue their sanction policy and adapt existing measures to increase pressure on Russia. **Sanctions against the energy sector remain a priority, as it is the main source of income used to finance Russian aggression:**

- **Scaling of sanctions.** The EU plans to scale sanctions up to new sectors, including microelectronics and financial transactions. This will complicate Russian access to essential technologies and financial resources required to support military operations;
- **improving control over compliance with sanctions.** Another important component of the future policy is to improve control over compliance with sanctions, including the fight against their circumvention using third countries and the “shadow fleet.” This will require strong cooperation between EU countries and other international partners, as well as expanding the powers and capabilities of regulatory bodies.

Therefore, sanctions against the Russian energy sector are an important tool of international pressure aimed at ending its aggression against Ukraine. Although Russia is trying to adapt to the new reality, the long-term consequences of the sanctions will lead to significant economic losses and restrictions. It is necessary to continue and improve the sanctions policy to ensure the international order and support Ukraine in its fight for sovereignty and territorial integrity.

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- 19 [Rich and unfriendly](#)
- 20 [Statement From National Security Advisor Jake Sullivan on the Signing of the Prohibiting Russian Uranium Imports Act into Law](#)
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- 25 [Invaders' travel blog: the family of the Russian billionaire Kuziaiev freely travels around Europe](#)
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