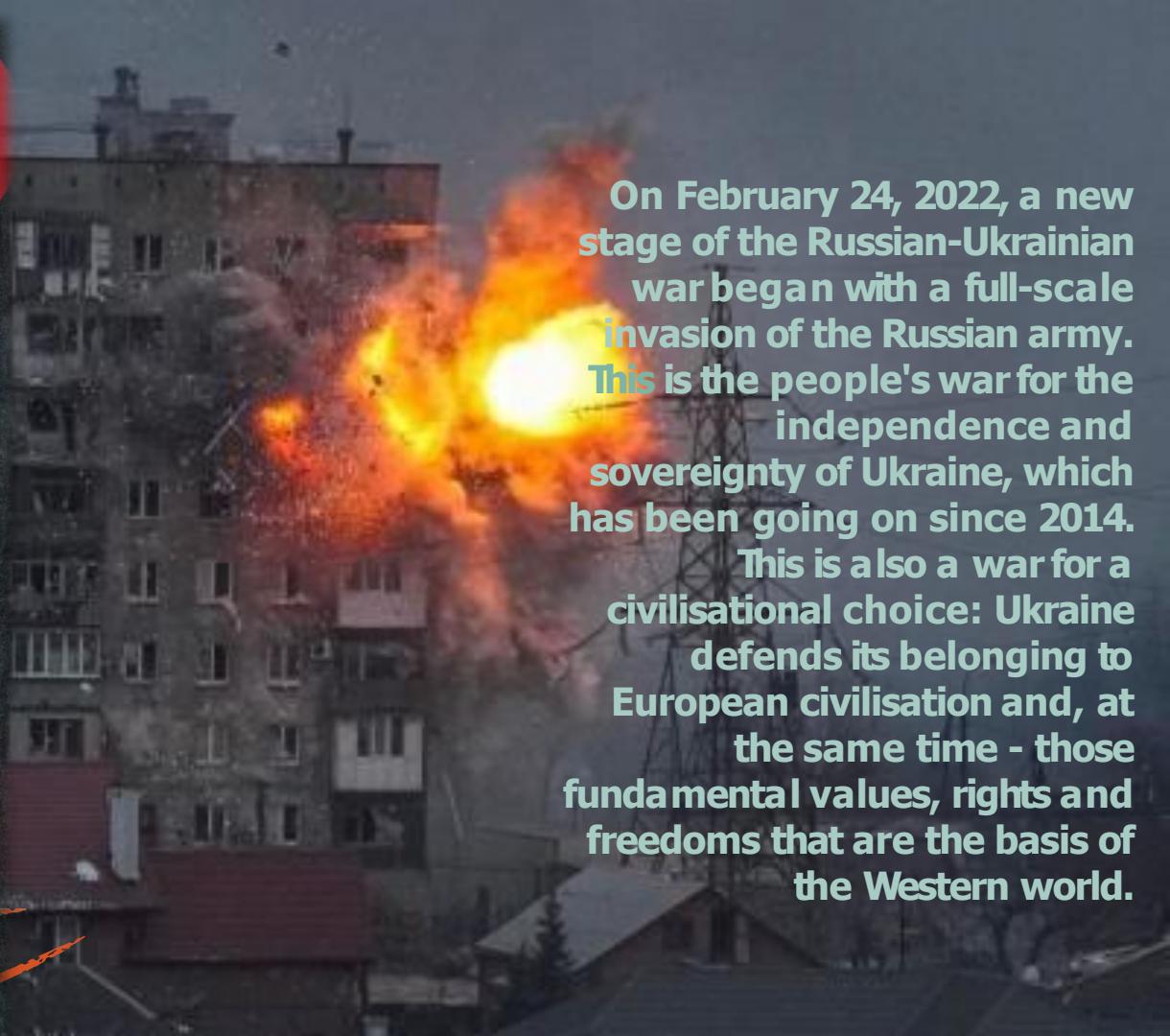


IMPACT OF THE
LIMITATION OF
RUSSIAN ENERGY
RECOURCES ON THE
EUROPEAN UNION
SUSTAINABILITY



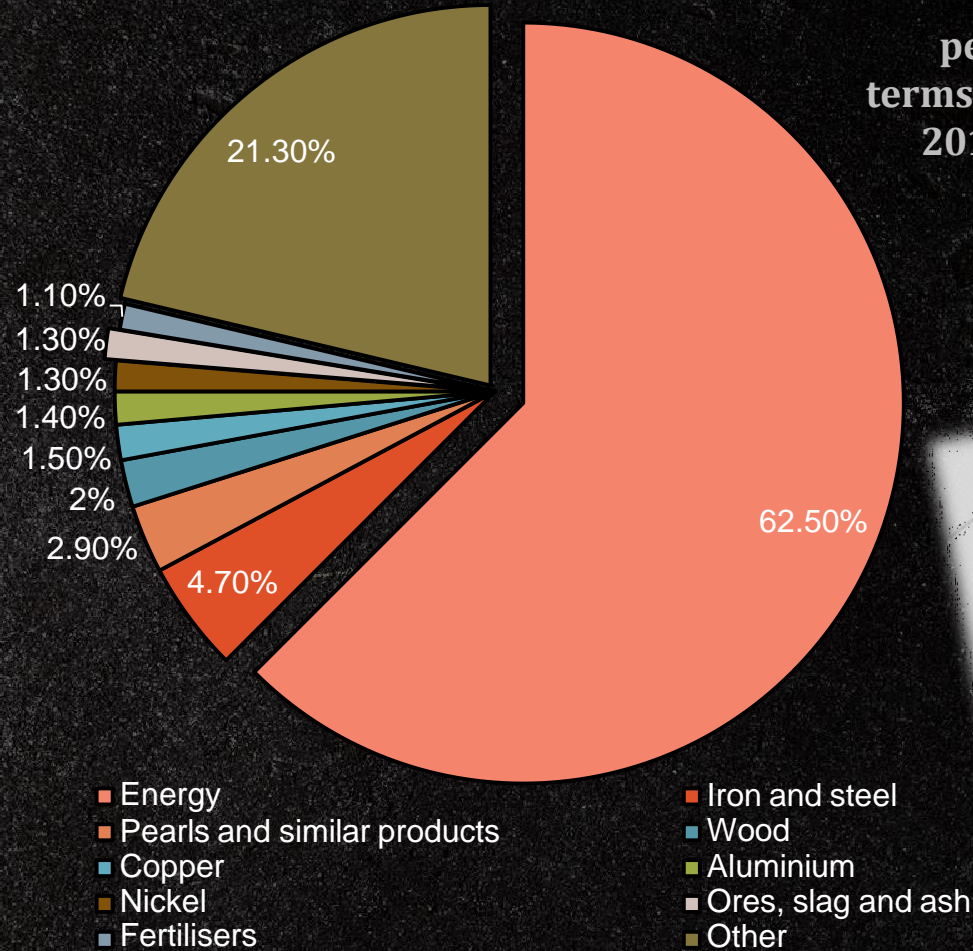
STANISLAV USENKO, IRYNA HULEVATA, OKSANA NYCHYK
NATIONAL UNIVERSITY OF FOOD TECHNOLOGIES



On February 24, 2022, a new stage of the Russian-Ukrainian war began with a full-scale invasion of the Russian army. This is the people's war for the independence and sovereignty of Ukraine, which has been going on since 2014. This is also a war for a civilisational choice: Ukraine defends its belonging to European civilisation and, at the same time - those fundamental values, rights and freedoms that are the basis of the Western world.



Main product groups in EU imports from Russia, 2021



In 2021, the EU imported €70.8 billion worth of petroleum oils from Russia. This was much less, in terms of value, than a decade earlier (€ 125.5 billion in 2011). Over the same period, the imports of natural gas increased from €16.5 billion to €21.7 billion, although with some strong annual fluctuations. Imports of coal and electricity both increased.



On April 3, Latvia and Estonia stopped importing gas from Russia.

On April 5, an embargo on Russian coal was announced at the level of the European Union.

What are the sanctions on Russia and are they hurting its economy?

3 days ago



Russia-Ukraine war

On March 24, the Lithuanian state group of companies in the electricity sector, "Ignitis grupė", announced that it would refuse to purchase from Russia's Gazprom. On April 2, Lithuania completely stopped importing gas from Russia.

On April 9, UK Minister for Enterprise, Energy and Industrial Strategy, Kwasi Kwarteng, said that the UK would completely stop importing Russian oil products by the end of 2022. On April 6, the UK announced plans to phase out Russian coal entirely by the end of 2022 and "as soon as possible" from Russian gas.

Are sanctions hurting Russia?

Russia's ability to fund the war has been helped by high oil and gas prices.

David Fyfe, chief economist at research organisation Argus Media, says its crude oil revenues rose 41% over the past year.

"Oil sales make up 40% of Russia's total exports, and so they are helping greatly to fund the war," he says.

However, Mr Fyfe says sanctions are weakening Russia in other ways, "especially by blocking its access to the hi-tech components that its military sector needs".



Russia's economy in numbers*

17.1% Annual inflation in May

8-9% Retail trade set to fall this year

83.5% Car sales fall in May 2022

7.8% Official forecast of fall in Russian GDP in 2022

30% Unofficial forecast of GDP collapse by IIF


IIF

ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en

An official website of the European Union How do you know? ▾


REPowerEU actions

- Clean energy
- Clean industry
- Saving energy
- Financing REPowerEU
- Working with international partners
- Timeline
- Documents



Diversifying

The EU is working with international partners to find alternative energy supplies. In the short-term, we need alternative supplies of gas, oil and coal as quickly as possible, and looking to the future we will need renewable hydrogen too.



Saving

Every citizen, business and organisation can save energy. Small behavioural changes, if we all commit to them, can make a significant difference. Contingency measures for supply interruptions will also be

The short-term measures included:


- Common purchases of gas, LNG and hydrogen via the EU Energy Platform for all Member States who want to participate as well as Ukraine, Moldova, Georgia and the Western Balkans
- New energy partnerships with reliable suppliers, including future cooperation on renewables and low carbon gases
- Rapid roll out of solar and wind energy projects combined with renewable hydrogen deployment to save around 50 bcm of gas imports
- Increase the production of biomethane to save 17 bcm of gas imports

ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en

An official website of the European Union How do you know? ▾

Clean energy

Ending the EU's reliance on Russian fossil fuels will require a massive scale-up of renewables as well as faster electrification and replacement of fossil-based heat and fuel in industry, buildings and the transport sector. The clean energy transition will help lower energy prices over time and reduce import dependency.



Renewables are the cheapest and cleanest energy available, and can be generated domestically, reducing our need for energy imports. The Commission is proposing to increase the EU's 2030 target for renewables from the current 40% to 45%. The REPowerEU Plan would bring the total renewable energy generation capacities to 1,236 GW by 2030, in comparison to the 1,067 GW by 2030, envisaged under Fit for 55 for 2030.

The EU Solar Energy Strategy will boost the roll-out of photovoltaic energy. As part of the REPowerEU plan, this strategy aims to bring online over 320 GW of solar photovoltaic capacity installed by 2025, over twice today's level, and almost 600 GW by 2030. These frontloaded additional capacities displace the consumption of 9 bcm of natural gas annually by 2027.

It will need a significant expansion of renewable energy sources and quicker electrification and replacement of fossil-based heat and fuel in industry, buildings, and the transportation sector to end the EU's dependency on Russian fossil fuels. Over time, the move to clean energy will reduce energy costs and lessen reliance on imports. We can state that the war in Ukraine shows the world that the modern world can't have any deals with aggressors.

