



Olaf SCHOLZ

Chancellor of the Federal Republic of Germany

23 April, 2022

Dear Chancellor,

For almost two months already, Ukraine is under brutal, unprovoked and unjustified military attack by Putin's Russia. The world witnesses horrors of war crimes and crimes against humanity committed in Bucha, Irpin, Mariupol and many other Ukrainian towns and villages occupied by the Russian military. They deliberately target civilian population with missiles, rape, torture and killing, and seek annihilation of the State of Ukraine and Ukrainians, which constitutes a crime of genocide.

Leaders of the World democracies vow to stop the war. Indeed, the EU has adopted unprecedented sanctions on Russia and has taken measures to support Ukraine. However, they failed so far to convince Putin and his generals to stop the war. The military onslaught in Ukraine continues as we speak. EU Member States have not been able to agree on full Russian energy embargo so far, and the EU is continuing to pay around 800 million EUR per day into Putin's pockets, helping to finance his war machine. Consequently, the EU was also unable to introduce full SWIFT sanctions, as major Russian banks, such as Gazprombank or Sberbank, are excluded from the sanctions since they receive payments from EU business companies for the import of energy resources from Russia.

To compare, in 2020, the EU paid Russia 64 billion EUR for energy resources¹. This was sufficient to cover the entire military budget of Russia, amounting to 61.7 billion EUR at the time. With increased oil and gas prices since the invasion, the EU is now paying 3.5 times more to Russia than it was paying in 2020.

If such situation continues, the EU will have paid for Russian energy approximately 200 billion EUR by the end of 2022. This fact puts the EU in a morally difficult position, even though, as you know, a number of EU Member States and companies have already announced a de facto embargo on Russian energy products.

Immediate embargo on Russian oil and petroleum products alone would have a huge impact on the Russian economy as they make up around 70% of EU's payments for Russian energy resources. The oil embargo can be implemented immediately, as EU Member States, including Germany, have the necessary infrastructure to ensure oil supply by sea, while 30 OPEC members can easily cover the demand with only a limited effect on oil prices².

¹ <https://www.politico.eu/article/europe-eu-oil-gas-trade-russia-budget-military-spending-ukraine-war-crisis/>

² <https://elpnariai.lt/wp-content/uploads/2022/03/OILEMBARGO-AK-0328.pdf>

The fears of high economic costs and poverty rates resulting from Russian energy embargo are highly overstated³. The effects to the German economy, despite its dependency on Russian energy imports, are likely to be substantial but manageable. Analyses show that in the short run, a stop of Russian energy imports would lead to a GDP growth decline in the range of 0.5% to 3% (cf. the GDP decline in 2020 during the pandemic was 4.5%)⁴, while the Russian economy would decline by 30-40% by the end of the year⁵. The massive effect on the Russian economy would be an important factor to convince Putin to stop the war.

The European Parliament in its Resolution of 7 April 2022 has called for an immediate full embargo on Russian imports of oil, coal, nuclear fuel, and gas⁶. The Resolution was adopted with overwhelming majority. The European Parliament represents political will of the EU citizens, vast majority of whom support Ukraine and demand sanctions on the Russian economy⁷.

Implementation of the sanctions called for by the European Parliament now depends on the leadership of each individual EU Member State in the Council.

According to international media there are several EU Member states who oppose the embargo (including an embargo on oil import only), and Germany is among them. Because of that, these EU sanctions are not adopted⁸. Essentially this means that even having witnessed the Bucha massacre, the EU continues financing Putin's war machine.

We find it hard to believe that the proud German nation, which strongly supports Ukraine and in huge majorities demands sanctions on Russia, is satisfied with such policy line of the German Government.

We understand that Germany may feel targeted by Putin's threats to cut gas supply to your country if the EU oil embargo is introduced. However, Germany, and the EU, should not prove themselves vulnerable to Putin's blackmail. Thus, we ask the German Government to take a stand on the right side of history; not to make an easy decision, but the right one. That is what the EU citizens, including our German fellows, expect from Germany, the country bearing natural responsibility to lead the community of European democracies in the face of the authoritarian aggressor.

We strongly believe that Germany can lead the rest of the EU Member States to overcome the current political impasse and immediately implement the Russian energy embargo.

Our hesitations mean continuation of war horrors. We must do our absolute everything without any delay to stop this war now.

The EU made history in the past, and it is time it makes history again.

Yours sincerely,

Andrius KUBILIUS, EPP, Lithuania

Roberts ZĪLE, ECR, Latvia

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³ https://s1.eestatic.com/2022/04/01/mundo/russian_oil_-1.pdf

⁴ https://www.econtribute.de/RePEc/ajk/ajkpbs/ECONtribute_PB_028_2022.pdf

⁵ <https://mobile.twitter.com/robinbrooksiif/status/1508009547708964865>

⁶ https://www.europarl.europa.eu/doceo/document/TA-9-2022-0121_EN.html

⁷ <https://www.jean-jaures.org/wp-content/uploads/2022/03/UkraineEN.pdf>

⁸ <https://www.politico.eu/article/germany-rejects-calls-for-banning-russian-oil-and-gas/amp/>

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