

Russian Oil Price Cap, Biden's Biggest Energy Folly Yet — Forbes

Description

by Dan Eberhart via [Forbes](#)



?? The “final death blow” threatens the West due to the introduction of restrictions on the cost of Russian energy resources. Sanctions against Russia “do not bode well for the architects of this policy,” because it is full of shortcomings, Forbes states

?? “This plan is good in theory, but in practice it carries a lot of risks. This is happening because politicians cannot understand the mechanisms of the energy markets,” Forbes believes

?? Large buyers, in particular China and India, will ignore the restriction. In addition, the price ceiling will provoke a new jump in prices. As a result, the Russian Federation will maintain high revenues from the sale of energy, and the world economy will be “punished”

?? The Biden administration and European officials have shown complete incompetence in the conditions of the energy crisis. “And the introduction of a price ceiling can be the final death blow for them,”

?? Russia remains a member of OPEC+. The top members of the OPEC+ cartel are fed up with Western interference in energy markets. Saudi Arabia today is more connected with Moscow than with Washington.

??It is difficult to overestimate the risk of such a market reaction, especially given that the Biden administration, as well as EU and UK politicians have proved their incompetence in the current energy crisis, and price restrictions can be a coup for them.”

??This is because politicians are unable to understand the workings and economics of energy markets. The reality is that the price cap can be easily circumvented. Just ask any oil trader.