The Cost of Sanction for Europe – up to 11.5 % in GDP

Description

The EU’s plan to ditch Russian energy may cost the bloc’s economy from 6.5% to 11.5% in GDP and up to 16 million people are at risk of losing their jobs, according to the head of Russian oil major Rosneft, Igor Sechin.

Speaking at the Verona Eurasian Economic Forum on Thursday, he said that key areas of the EU economy, such as the metallurgy, chemical, pulp and paper industries, and agriculture are affected by the energy crisis.

The potential slump in the chemical industry may reach 20-45%, while metallurgy output is feared to plummet by 30-60%, as these are among the top energy-consuming sectors. According to Sechin, Europe has already stopped 70% of its nitrogen fertilizer production capacities and reduced aluminum output by 25%.

While Washington is upholding its “hegemony at any cost,” Europe has emerged as “the main victim of US policy,” as it has lost the ability to diversify its energy supplies, he said, referring to plans by Western officials to impose a price cap on Russian oil and gas.

“Introducing a cap is an attack not only on fundamentals of the market but also on the fundamentals of sovereignty. The idea in fact is to abolish sovereign rights of the countries to their own resources, because the ‘right’ nations which lack energy resources need them more than the ‘wrong’ ones,” the Rosneft CEO said.

At the same time, no restrictions are applied to the US, where gas prices are five to six times lower than in the EU, he added.