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Descriptive outlook of trade sanctions

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Executive summary:

We estimated coverage of sanctioned exports to and imports from Russia. We used the trade data of 2019 for all computations, as some countries have not reported the trade data for 2021 yet, while 2020 was a shock year (pandemic). We use the trade data (imports and exports of Russia) from World Integrated Trade Solutions and the data on the trade restrictions imposed by the partners of Ukraine from the website Global Trade Allerts.

As of 21st of July, countries from the sanction coalition have imposed major export sanctions on 25% of total Russian imports which cover 55 billions USD. **Major import sanctions cover 8% of Russian exports or 33 billions USD, while oil embargo from the EU and Norway will add 21 p.p. or 84 billions USD in coverage.** The highest nominal sanctioned exports were imposed by the EU (40 billions USD in value, or 42%) and the highest share of sanctioned exports were imposed by Japan (91%), UK (63%), Canada (62%). The highest nominal sanctioned imports were imposed by the EU (15 billions USD, or 10%), while the oil embargo will add 83 billions USD (55 p.p.). The highest share of sanctioned imports were imposed by New Zealand (99%), Canada (97%) and Australia (92%).

While the sanction coalition imposed a significant economic pressure on both Russian exports and imports, there is still room for increasing the cost of unprovoked and unjustified Russian war. EU, as the main trade partner with Russia, can increase the sanction coverage the most. However, other countries from the sanction coalition could also cover a significant share of Russian trade together. For instance, non-sanctioned imports from Russia to the United Kingdom, Republic of Korea, Japan and Singapore together give more than 11% of total Russian exports.

At the same time, sanction coalition countries should stick to their commitments about cutting trade with Russia and should impose supervision on exports to/imports from Russia via other countries and, if necessary, impose secondary sanctions.

Major import sanctions

The sanction that gives the highest coverage of the import from Russia is the oil embargo from the EU that will come into force next year. It will compose 71% of Russian exports under major import sanctions. (Figure 6)

Major import sanctions with the highest coverage in absolute terms were introduced by the EU and USA. (Figure 1) However, in relative terms the highest share of import from Russia was covered by major import sanctions from New Zealand, Canada and Australia (all imposed sanctions with >90% coverage). (Figure 2,3,4)

In total Russian exports, 8% (or 33 billions USD) are currently under major import sanctions. Oil embargo from EU and Norway will add 21 p.p in coverage (or 84 billions USD). 27% of total Russian exports will remain non-sanctioned imports of the sanction coalition even after the oil embargo comes into force. In addition, 43% of Russian exports are exports to other countries. (Figure 5)

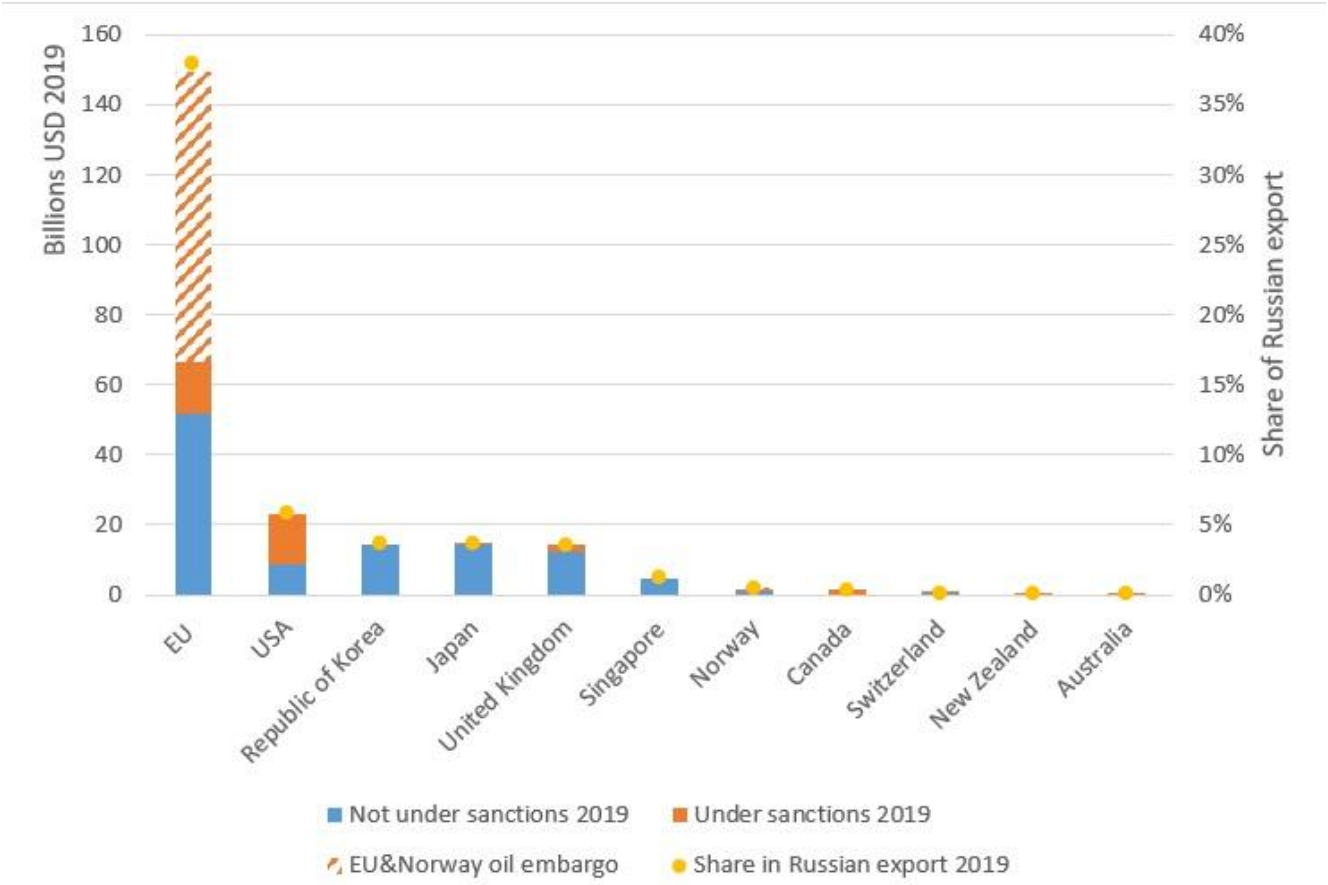


Figure 1. Import of goods from Russia in 2019 by being under major import sanctions

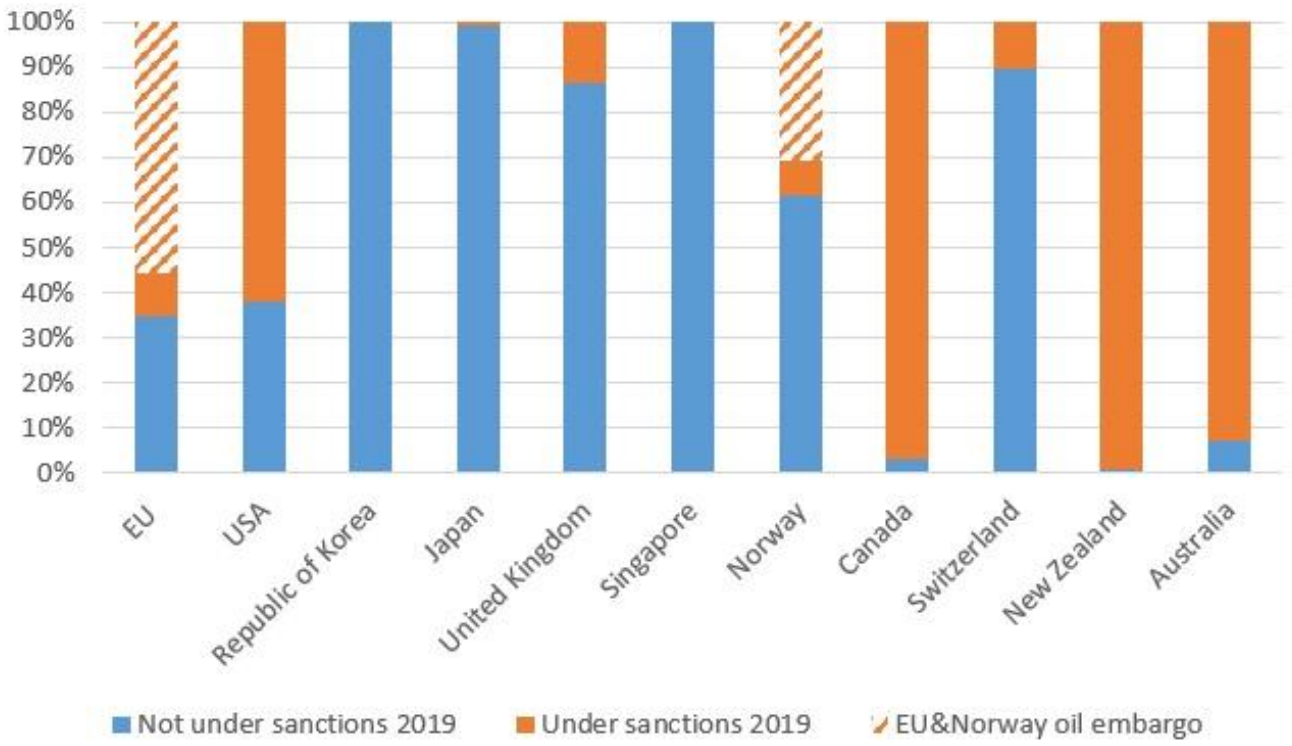


Figure 2. Share of imports from Russia in 2019 by being under major import sanctions

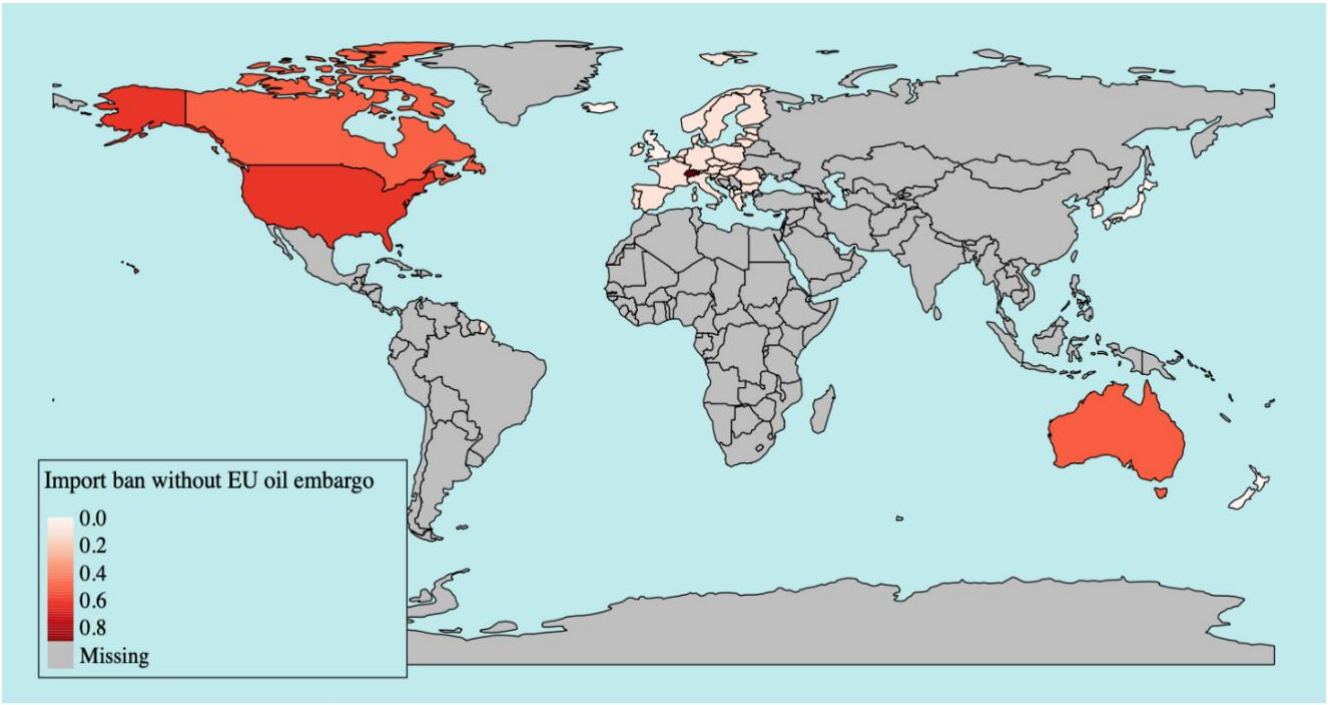


Figure 3. Map of import flows from Russia coverage by trade sanctions in 2019 without oil embargo from EU and Norway

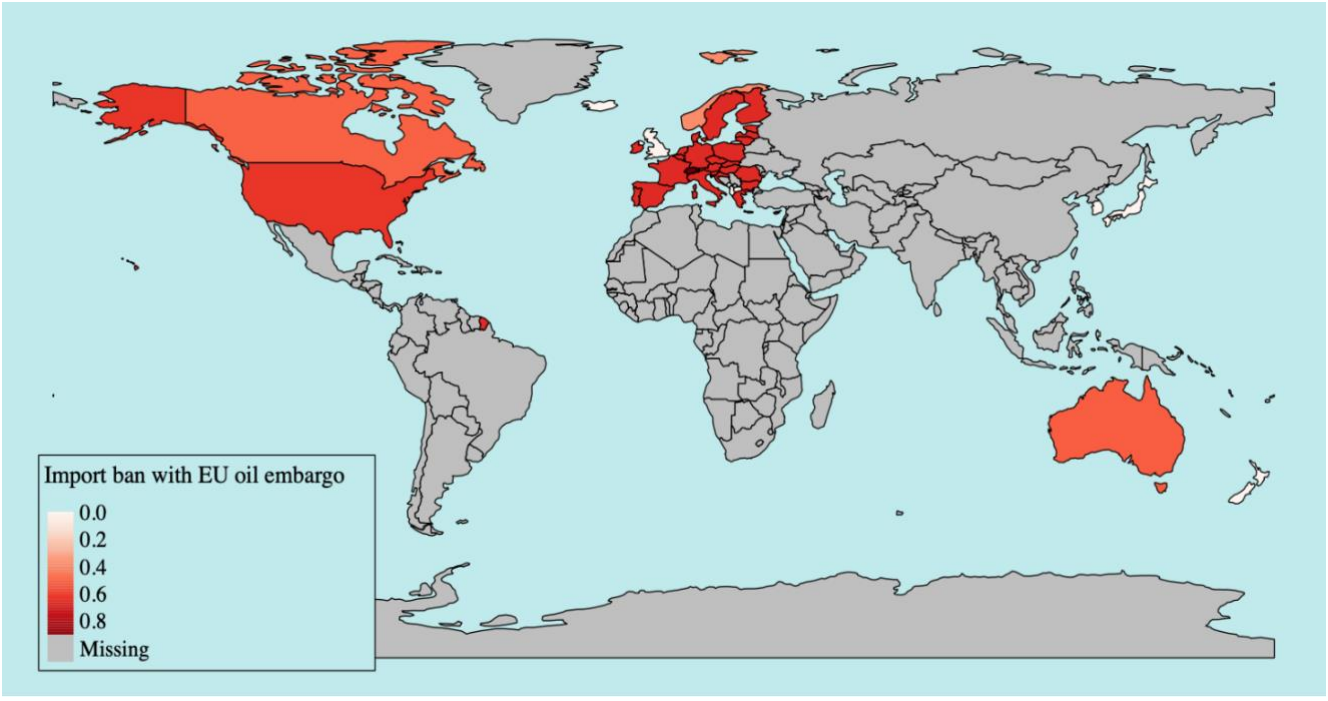


Figure 4. Map of import flows from Russia coverage by trade sanctions in 2019 including oil embargo from EU and Norway

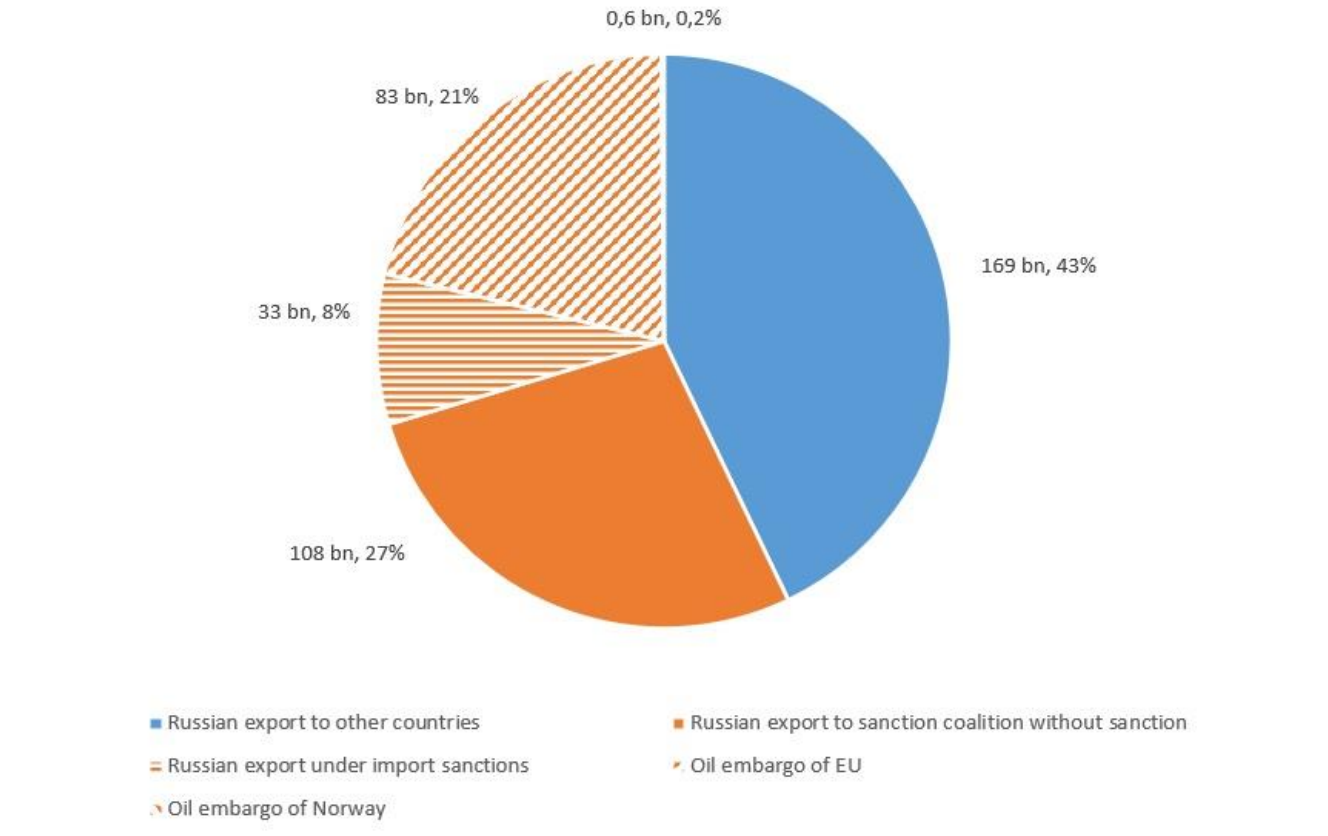


Figure 5. Russian exports of goods in 2019 by being under major trade sanctions, billions USD

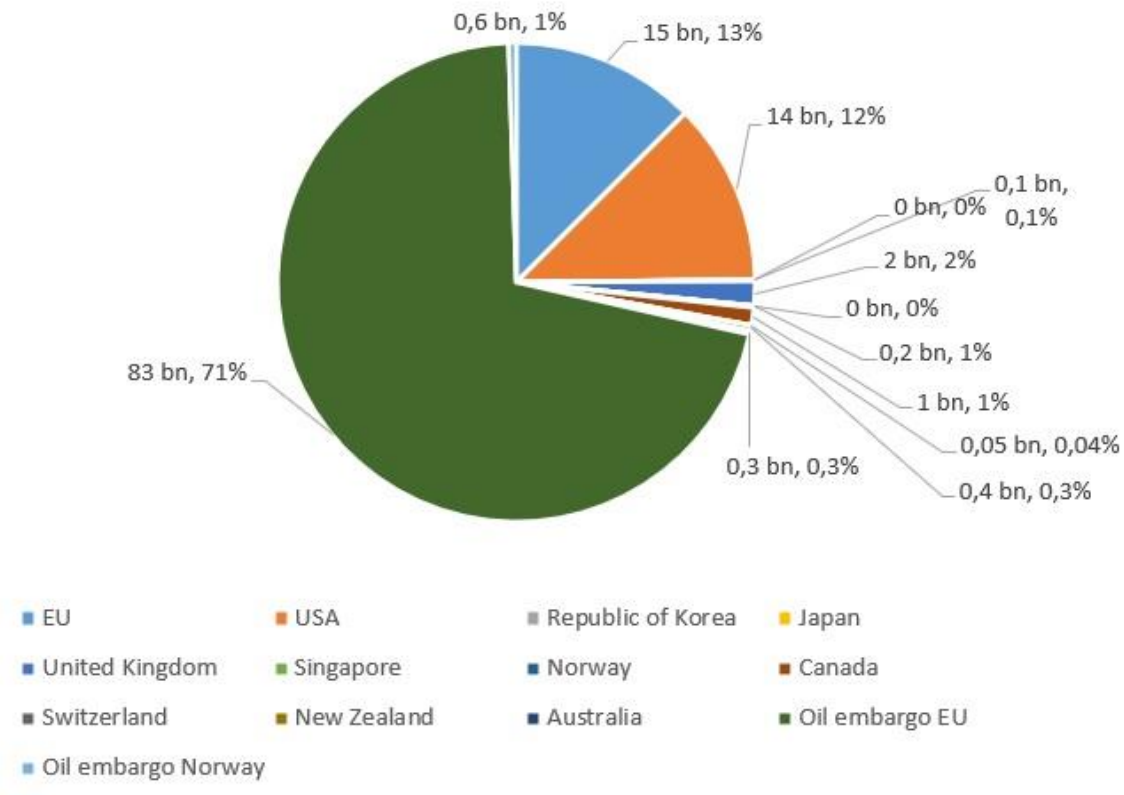


Figure 6. Russian exports in 2019 under trade sanctions, billions USD

Major export sanctions

We can see that the EU is the major trading partner with Russia. Its exports cover 43% of Russian imports. Total share of exports from the sanction coalition covers 56% (Figure 7). So far, 24% (or 55 billions USD) of total Russian imports are under major export sanctions (Figure 10). In relative terms Japan, UK and Canada imposed major export restrictions on more than 60% of their exports to Russia (Figure 8,9). The EU and USA imposed such measures on more than 40 % of their exports to Russia, while their total coverage of exports in monetary terms is more than 75% of all sanctioned Russian imports. Figure 11 shows us the distribution of sanctioned 55 billions USD of Russian imports between sanction coalition countries.

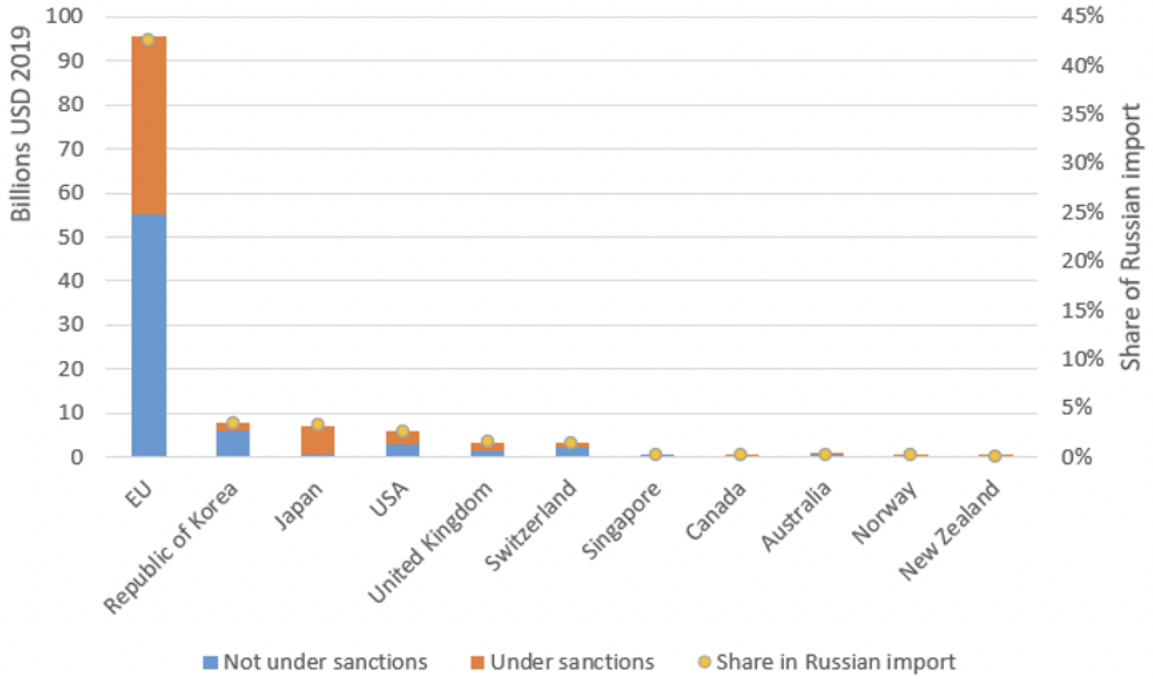


Figure 7. Exports to Russia in 2019 by status of being under major trade sanctions

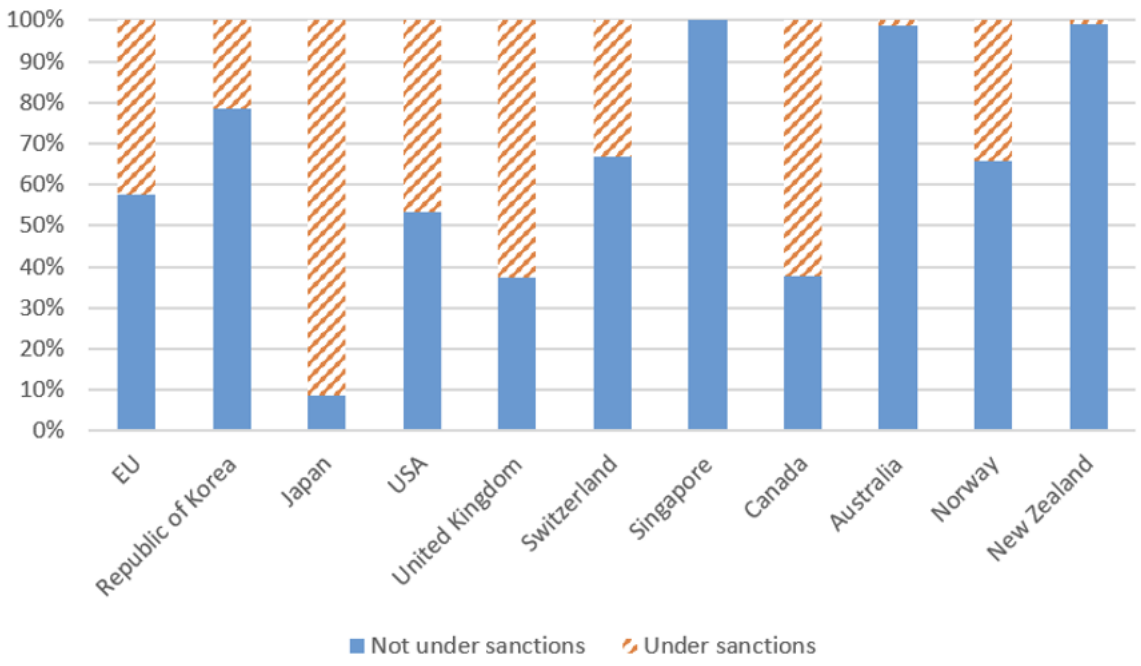


Figure 8. Share of exports to Russia in 2019 by being under major trade sanctions

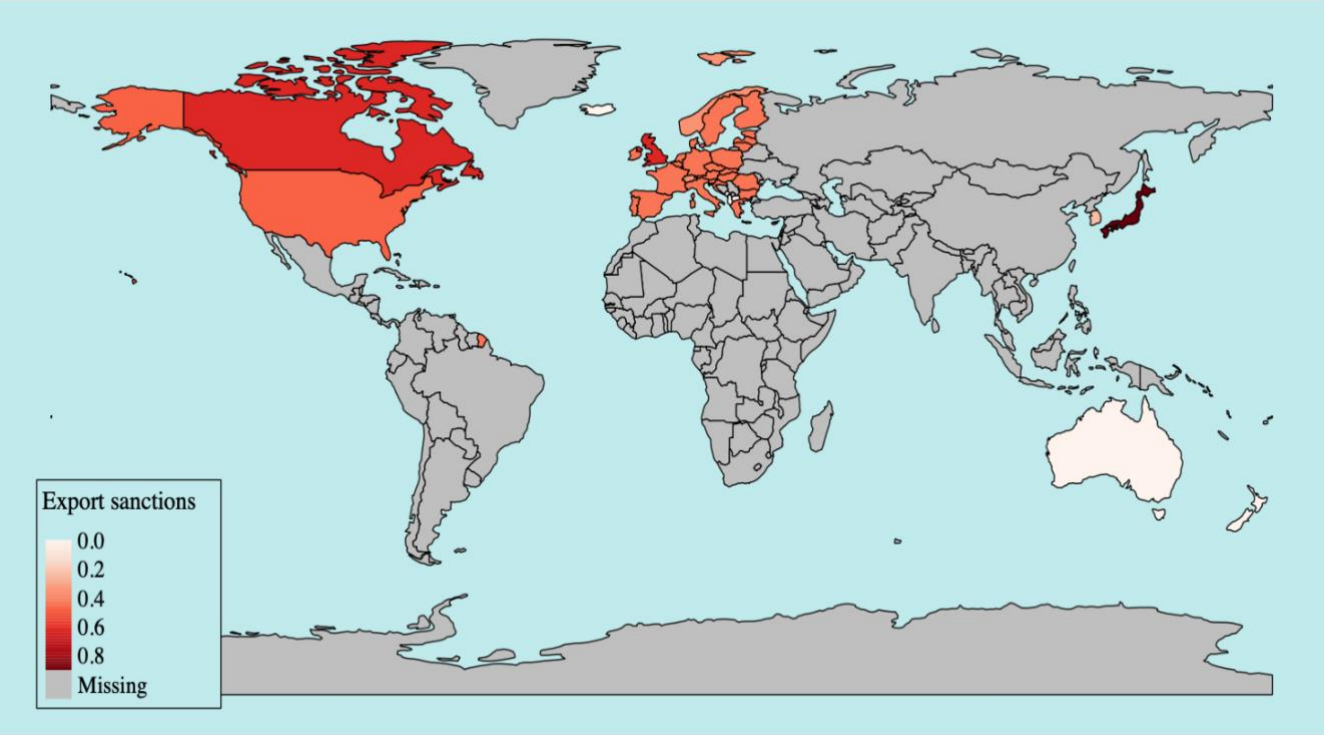


Figure 9. Map of export flows to Russia coverage by trade sanctions in 2019

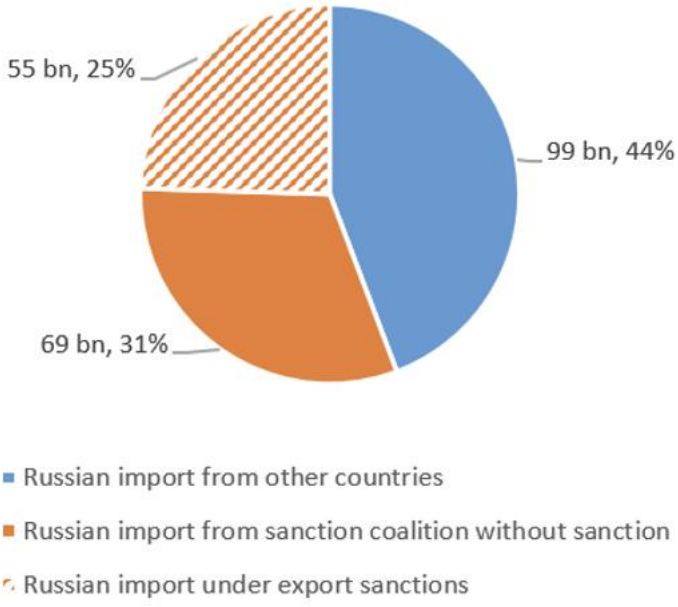


Figure 10. Russian imports in 2019 by being under major trade sanctions, billions USD

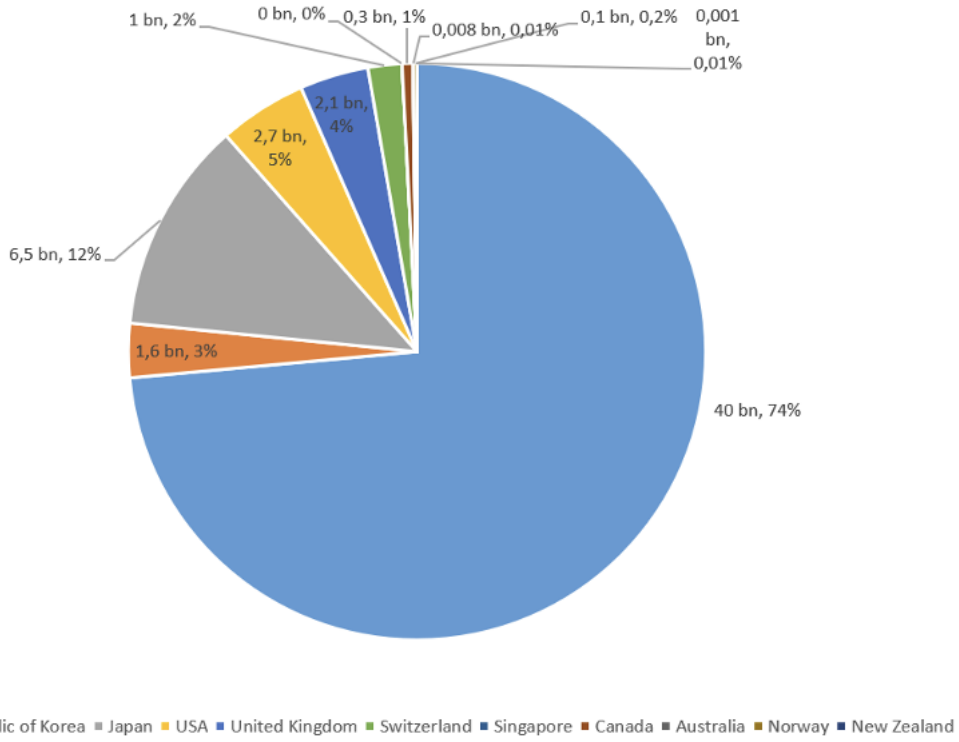


Figure 11. Russian imports in 2019 under trade sanctions, billions USD

Table 1. Major import sanctions analysis

Country	Total trade, billions USD	Under sanctions, billions USD	% under sanctions	Total products (zero trade)	# of products under sanction (zero trade)	% in Russian export	% under sanctions in Russian export
EU	149,609	14,653	9,79%	4695 (675)	444 (100)	37,91%	3,71%
Oil embargo EU	0,000	83,149	55,58%				21,07%
USA	23,185	14,421	62,20%	2365 (837)	165 (119)	5,87%	3,65%
Republic of Korea	14,567	0,000	0,00%	2136 (732)	0 (0)	3,69%	0,00%
Japan	14,317	0,121	0,85%	1273 (635)	248 (178)	3,63%	0,03%
United Kingdom	14,124	1,915	13,56%	3296 (2265)	3000 (2100)	3,58%	0,49%
Singapore	4,718	0,000	0,00%	1072 (444)	0 (0)	1,20%	0,00%
Norway	1,997	0,160	8,01%	1717 (889)	444 (353)	0,51%	0,04%
Oil embargo Norway	0,000	0,609	30,50%				0,15%
Canada	1,403	1,361	97,01%	3972 (2604)	3723 (2479)	0,36%	0,34%
Switzerland	0,452	0,047	10,36%	3627 (2052)	292 (189)	0,11%	0,01%
New Zealand	0,411	0,407	99,08%	2114 (1564)	1776 (1356)	0,10%	0,10%
Australia	0,317	0,295	92,95%	3023 (2486)	2880 (2409)	0,08%	0,07%
North Macedonia	0,142	0,000	0,00%	808 (350)	0 (0)	0,04%	0,00%
Albania	0,106	0,000	0,00%	20 (6)	0 (0)	0,03%	0,00%
Iceland	0,053	0,000	0,00%	760 (342)	0 (0)	0,01%	0,00%
Montenegro	0,010	0,000	0,00%	955 (423)	0 (0)	0,00%	0,00%
Andorra	0,000	0,000	0,00%	42 (8)	0 (0)	0,00%	0,00%
Total	225,411	117,137	51,97%			57,11%	29,68%

Table 2. Major export sanctions analysis

Country	Total trade, billions USD	Under sanctions, billions USD	% under sanctions	Total products (zero trade)	# of products under sanction (zero trade)	% in Russian import	% under sanctions in Russian import
EU	95,423	40,411	42,35%	5046 (315)	1727 (78)	42,58%	18,03%
Republic of Korea	7,774	1,668	21,46%	2986 (804)	618 (185)	3,47%	0,74%
Japan	7,178	6,544	91,17%	3352 (1766)	2952 (1554)	3,20%	2,92%
USA	5,787	2,706	46,76%	3659 (1265)	1500 (607)	2,58%	1,21%
United Kingdom	3,376	2,117	62,70%	3378 (904)	1125 (244)	1,51%	0,94%
Switzerland	3,136	1,045	33,31%	3003 (1064)	1483 (526)	1,40%	0,47%
Singapore	0,550	0,000	0,00%	1298 (457)	0 (0)	0,25%	0,00%
Canada	0,526	0,328	62,28%	2358 (919)	942 (374)	0,23%	0,15%
Australia	0,510	0,007	1,41%	1069 (586)	190 (131)	0,23%	0,00%
Norway	0,349	0,119	34,18%	2746 (1680)	1727 (1267)	0,16%	0,05%
New Zealand	0,194	0,002	0,97%	469 (273)	56 (40)	0,09%	0,00%
Iceland	0,080	0,000	0,00%	229 (136)	0 (0)	0,04%	0,00%
North Macedonia	0,052	0,000	0,00%	213 (112)	0 (0)	0,02%	0,00%
Montenegro	0,002	0,000	0,00%	135 (70)	0 (0)	0,00%	0,00%
Albania	0,001	0,000	0,00%	1 (0)	0 (0)	0,00%	0,00%
Andorra	0,000	0,000	0,00%	66 (13)	0 (0)	0,00%	0,00%
Total	124,937	54,947	43,98%			55,75%	24,52%