



Analysis warns that ongoing Western sanctions against Russia will lead to hyperinflation

Description

An analysis of the West's sanctions against Russia that was published last week is warning that the longer they continue, the better the chances the world will experience a cycle of hyperinflation that will lead to widespread food insecurity and massive unrest.

The analytical report, [published on Doug Casey's International Man website](#), begins by noting that Russia is far more important to the global economy than it was a mere 20 years ago, which is why sanctioning and embargoing the country "will only lead to an inflationary super storm."

The report goes on to note that Russia is a major supplier of many of the most in-demand raw materials including producing 46 percent of the world's palladium and 15 percent of the global platinum production. In addition, Russia produces a substantial amount of energy — oil, natural gas, coal — as well as important minerals like gold, silver, nickel, copper and aluminum and is one of [the world's leading producers of wheat and fertilizer](#).

"Some 20 years ago Europe (and the 'West') had the North Sea, which produced as much as Russia and the US. Now it is a shadow of its former self. And if US shale continues to disappoint, it won't be long before Russia becomes the world's biggest oil producer 'beyond reasonable doubt,'" the report said, adding:

Do you really think that Rosneft, Lukoil, or Gazprom are in trouble of being sanctioned when they supply some 36% of Europe's oil needs?

Have a look at the below chart to see who supplies Europe's oil?



In addition, the report noted that several European countries also import vast amounts of Russian natural gas; Finland, Austria and Lithuania, for example, import *100 percent* of their natural gas from Russia.



The Economist

That said, the report notes that there are some commodities supplied by Moscow that many people have not considered, such as coal in particular. Russia exports nearly as much thermal coal as Australia, while also exporting nearly as much coking coal as the U.S. and about 40 percent of what Australia exports. Cutting off Russian energy supplies, then, is going to put a massive dent in the global supply, which in turn will drive massive inflation.

In addition, the report points out, Russia supplies 50 percent of the world's enriched uranium, which is used in nuclear power plants. While the left-wing greenies in the U.S. hate zero-emission nuclear power for some reason, those plants supply fully one-fifth of our country's daily electricity needs.

Coal is another commodity that powers the U.S. grid, though it is giving way to clean-burning natural gas. And while the U.S. has the resources to make up the difference in all of these categories, much of Europe does not. And not all of our political leaders are 'on board' with restarting President Donald

Trump's energy policies, though they led the U.S. to become energy independent for the first time in decades.

"Should the rest of the world be sanctioning Russia's commodity exports, we'd likely see Weimar Republic style inflation in those countries, particularly Europe," the report concludes.

Already, prices for food and other commodities are spiking globally, as the war in Ukraine enters its fifth week. In the U.S. in particular, gas prices — which had been rising the entire one-plus year that Joe Biden has been in office — spiked following Russia's invasion and are now as high or higher in some places as they were during the spike of 2008.

And as the price of gasoline and diesel fuel rises, so, too, does the cost of getting goods to market. Haulers will not simply eat the additional fuel costs; those are going to be passed on to consumers and will only add to an existing cycle of record-high inflation.

The war in Ukraine may be 'over there' for Americans and much of the rest of the world, but because Russia supplies so much of what the world needs to function, the longer the war and sanctions continue, [the worse inflation will get](#).

Sources include:

[InternationalMan.com](#)

[NaturalNews.com](#)

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