



Biden Ban On Russia Energy Applies To 'All New Purchases' — Will Allow 45-Day Winddown On Existing

Description

USA: Update (1337ET): President Joe Biden's ban on imports of Russian fossil fuels will be 'immediate' according to a US official, and apply to all new purchases, while existing contracts will be given 45 days to 'wind down' deliveries.

"The United States is targeting the main artery of Russia's economy," Biden said Tuesday morning, adding "We will not be part of subsidizing Putin's war."

The U.S. move will be matched in part by the U.K., which announced a ban on Russian oil imports, though it will continue to allow natural gas and coal from the country. Other European nations that rely more heavily on Russian fuels will not participate.

Russian oil made up about 3% of all the crude shipments that arrived in the U.S. last year. When other petroleum products are included, such as unfinished fuel oil that can be used to produce gasoline and diesel, Russia accounted for about 8% of 2021 oil imports, though those shipments have also trended lower in recent months. —[Yahoo!](#)

Biden is also banning US investment in Russia's energy sector, according to an executive order that authorizes the Treasury and State departments to 'implement and enforce' said prohibitions, according to the report.

While the ban on Russian imports isn't going to make much of a dent in overall US consumption, Europe is in a much tighter spot – as it imports roughly **4 million barrels per day** of Russian crude according to Eurostat – which accounts for around 27% of Europe's crude oil imports (based on 2019 figures provided by the European Commission).

Last month, Canada announced that it would ban all crude imports from Russia – a completely symbolic move since they haven't imported any since 2019.

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President Joe Biden is ~~expected to ban~~ announced a US ban on Russian oil imports in a Tuesday speech to 'hold Russia accountable' for the invasion of Ukraine, according to the [Associated Press](#).



The glaring omission amid an avalanche of sanctions comes **nearly a week** after White House Press Secretary Jen Psaki was asked by *Fox News*' Jacqui Heinrich if the US was 'funding the war' by continuing to buy Russian oil – after which the Biden admin scrambled to reach out to [Venezuela](#), Saudi Arabia and [Iran](#) to increase production, as **opposed to immediately tapping into job-creating domestic sources**.

.[@JacquiHeinrich](#): “As long as we’re buying Russian oil aren’t we funding the war?”

Psaki: Russian oil is “only 10% of what we’re importing”

(We import 400,000-900,000 barrels of oil and oil products from Russia every single DAY)
pic.twitter.com/Xwm3ocoWdx

— Lyndsey Fifeild (@lyndseyfifeild) [March 3, 2022](#)

According to the White House, Biden will speak at 10:45 to announce “actions to continue to hold Russia accountable for its unprovoked and unjustified war on Ukraine.”

Watch:

As we [noted earlier](#) in the day:

The ban will include **Russian oil, liquefied natural gas and coal**, according to two Bloomberg sources who noted that the decision was made in consultation with European allies, who rely more heavily than the U.S. on Russian energy. In other words, the allies agreed to disagree on how important Russian oil is to them.

Russian oil made up about **3% of all the crude shipments that arrived in the U.S. last year**, according to EIA data. Overall, imports of Russian oil and petroleum products represented about 8% of the U.S. total. U.S. imports of Russian crude in 2022 have dropped to the slowest annual pace since 2017, according to the intelligence firm Kpler. As we [reported overnight](#), Canada said that it could easily replace all US imports of Russian crude... if only the Keystone XL pipeline is approved and yet Biden still refuses to accept the simplest solution just to appease the ultra progressive wing in the Dem party.

Russia's gas and oil had so far been mostly spared from sanctions introduced by the U.S. and European countries, due to concern over the economic impact, particularly on Europe, which has greater dependence on Russian oil and, in particular, natural gas. Canada has announced a ban on Russian crude oil.

Commenting on the probability of a Russian oil ban, last [night Goldman](#) said that "if the ban is put in place, expect the White House to simultaneously announce offsetting measures, potentially including additional releases from the Strategic Petroleum Reserve (SPR) and measures to encourage domestic production. We are skeptical that Congress would suspend the federal gasoline tax to offset a rise in prices, though this cannot be ruled out." Indeed, another reserve release appears inevitable, with the IEA head Fatih Birol telling the FT that "[IEA ready to release more oil to ease soaring energy prices](#)."

by Tyler Durden

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