



Gazprom cuts off gas supply to several EU members in response to sanction threats

Description

EU: Gazprom has [cut off gas supply](#) to Denmark's Orsted, as well as to Shell Energy for its contract to supply gas to Germany.

The Russian gas producer announced the move Wednesday, June 1, citing the companies' failure to make payments in rubles. It was an obvious response to recent statements by European Union (EU) leaders that they will block most Russian oil imports by the end of 2022 to punish Moscow for invading Ukraine.

Russia has also halted gas supply to Dutch gas traders GasTerra, Bulgaria, Poland and Finland after their refusal to pay in Russian rubles. Gas importers from Germany, Italy and France said they would engage with the Kremlin's payment requirement to maintain their supplies. (Related: [European gas importers quietly surrender to Russia and begin buying gas in RUBLES... while the West's economic warfare scheme disastrously BACKFIRES.](#))

Meanwhile, Danish system operator Energinet's data showed that the flow of natural gas to Denmark via Germany remained steady as of Wednesday.

The EU gets about 40 percent of natural gas from Russia, which is also the bloc's main oil supplier. Some countries are more dependent on Russian fossil fuels than others, so the supply cuts could have [varied economic impacts](#).

Nathan Piper, head of oil and gas research at Investec, warned of the ongoing risk that efforts to reduce Russian oil and gas imports would result in higher oil and gas prices. "Russian volumes may gradually be reduced but they are 'compensated' by higher overall prices," he said.

The EU bloc has been filling gas storage sites in preparation for the winter following the threats of cutting the Russian supply. No sanctions on Russian gas exports have been imposed, although plans to open a new gas pipeline from Russia to Germany have been frozen.

Meanwhile, EU leaders have agreed on an immediate [ban on Russian oil](#) being transported into the bloc by sea.

In late March, Russia said “unfriendly countries” would have to start paying for its oil and gas in rubles after Western allies froze billions of dollars it held in foreign currencies overseas.

Under the decree, European importers must pay euros or dollars into an account at Gazprombank, the Swiss-based trading arm of Gazprom, and then convert this into rubles in a second account in Russia. Ninety-seven percent of EU companies’ gas supply contracts with Gazprom stipulate payment in euros or dollars.

EU’s dependence on Russian oil means it is bankrolling the war in Ukraine

EU countries are aware that their [dependence on buying gas and oil from Russia](#) means bankrolling the war in Ukraine but they cannot do much about it, Italian Prime Minister Mario Draghi admitted after a two-day EU summit in Brussels on May 31.

During the summit, EU leaders agreed to a partial embargo on Russian oil.

“There is, especially in some countries, an awareness of the impossibility of [not buying Russian energy]. So, it is a very frustrating situation, but it will have to be resolved. It is a very embarrassing situation,” Draghi added.

EU also knows, Draghi admitted, that Russia uses the proceeds from energy exports to support its efforts in the Ukraine conflict.

The [Russian decree created in March](#) indicates that one account be created in euros or dollars and another one in rubles.

The move was initially rejected by the EU since the transaction could involve the sanctioned Russian central bank. But later, EU revised the guidelines on the issue, which led some companies, including Italy’s Eni SpA, to allow the payment method.

Draghi said the mechanism left him confused, but stated that Eni legally settled its bills in euros, which allows it to remain compliant with EU sanctions. Eni has said it has opened accounts in both rubles and euros with Gazprombank.

Italy depends highly on the Russian gas supplies, but Draghi said the Italian government is now working on securing new gas deals in Africa and other suppliers elsewhere.

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Watch the below video about [Russia halting gas supply to Finland](#).

This video is from the [Chinese taking down EVIL CCP channel on Brighteon.com](#).

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by: Belle Carter

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