



## IT BEGINS: Russian gas giant halts shipments to Europe through key pipeline after German CEO warns of impending economic “catastrophe”

### Description

Economic fallout between Russia and the rest of Europe worsened on Saturday after a Russian energy giant decided to cut off natural gas to the continent that flowed through a major pipeline.

The action by Gazprom [to shut down the Yamal-Europe pipeline](#), a crucial artery for energy flows, came just a day after European countries imported the most liquified natural gas (LNG) from Russia that they had in months, apparently in an attempt to stock up on the commodity ahead of a deadline imposed by President Vladimir Putin to either pay for their purchases in rubles or be completely cut off.

Now, instead of flowing into Germany and the European Union, supplies of LNG on Friday and Saturday started flowing the other way, according to Gascade, the operator of the network.

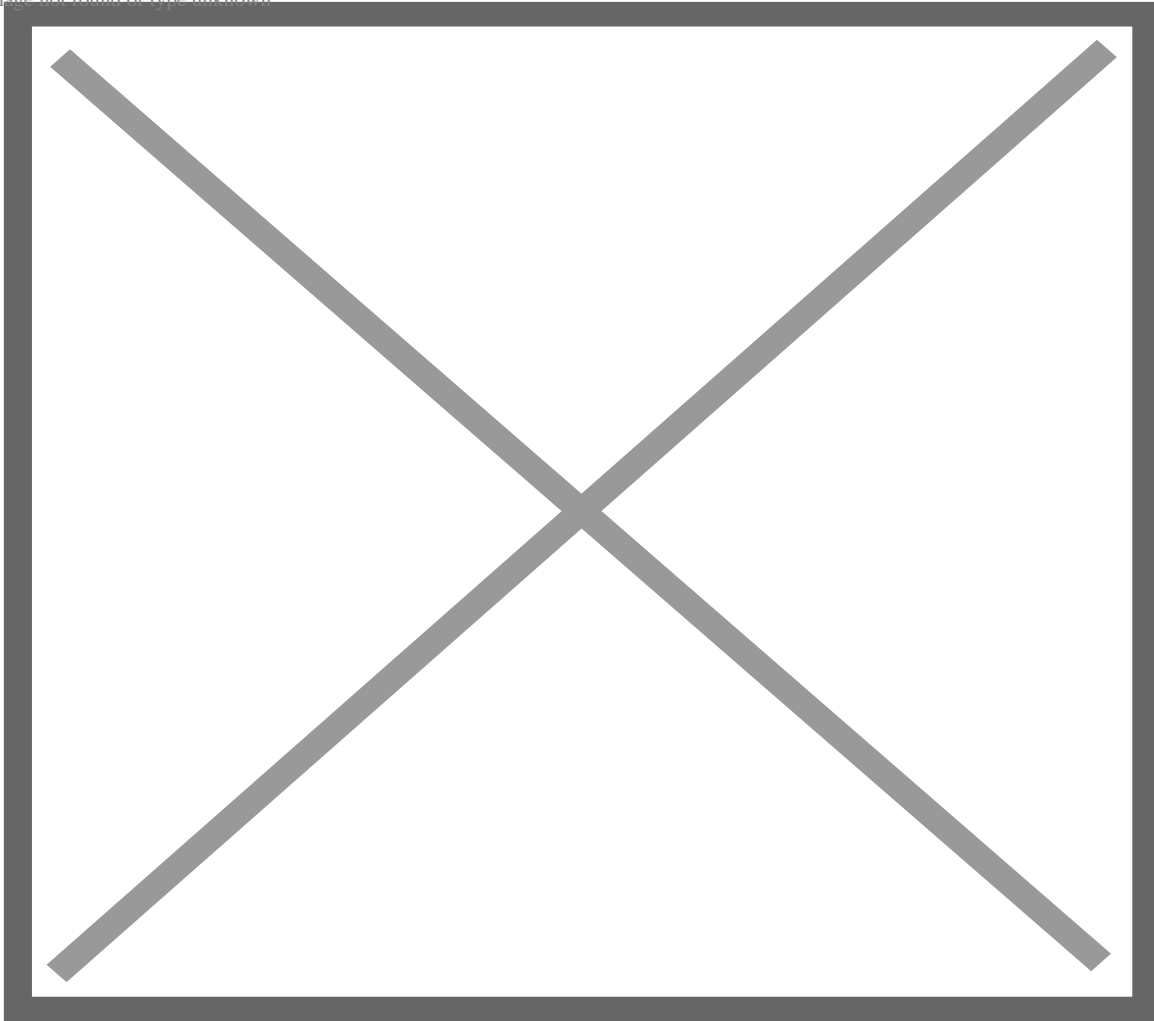
Earlier during his gaffe-filled visit to Europe to address NATO’s response to Russia’s invasion of Ukraine, President Joe Biden pledged that the U.S. would increase its exports of LNG to Europe while going on to stipulate that not all of the supply deficit would be filled by U.S. suppliers (though it could be if he would stop bowing to the left-wing ‘progressive’ lunatics and their ‘greenie’ agenda).

But that said, Goldman Sachs energy industry researchers have already shown that U.S. exports of the commodity are already at current capacity, so no additional supplies will be forthcoming.

In addition, there are other problems for European nations dependent on Russian energy: The entire continent lacks the infrastructure to rapidly expand imports of LNG because, over the past couple of decades, the left-wing EU leaders shunned “fossil fuels” in lieu of unreliable and far-more-expensive “green” renewable energy. LNG must be very carefully processed and then “regassified” before it can then be sent to utility companies and other energy distributors.

The map below illustrates the level of dependence that various European economies have on Russia:

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Quite clearly, the bulk of Europe is somewhat-to-highly-dependent-upon Russian energy — a fact that Putin was no doubt aware of before he launched his calculated attack on Ukraine.

In addition to Germany now having to deal with dramatically reduced supplies of Russian gas, British energy giant Shell has also been cut off from Moscow's supplies in response to the United Kingdom's economic sanctions on Russia, according to Dmitry Peskov, Putin's press secretary.

"London wants to be the leader of everything anti-Russian. It even wants to be ahead of Washington! That's the cost!" Peskov he said.

Zero Hedge explains what is now at stake:

*Now that Putin is turning up the pressure, the European nations have a difficult choice ahead: either they can play ball and demonstrate to the world that their efforts to wean themselves off of their dependence on Russian energy have been mostly in vain. Or they can face a "catastrophic" economic crisis as energy prices soar, leading to rationing, blackouts and other measures that will make the 1970s oil crisis in the US look like child's play.*

Ahead of the weekend, Martin Brudermuller, CEO of the world's largest chemical company, Germany's BASF, [warned that in the event of a loss of LNG from Russia](#), his country would face an economic collapse.

While "Germany could be independent from Russia gas in four to five years," it's clear that "LNG imports *cannot be increased quickly enough* to replace all Russian gas flows in the short term," he said.

"Russia covers 55 percent of German natural gas consumption," he continued, pointing out that if Russian gas disappeared overnight, "many things would collapse here" — given that "we would have high levels of unemployment, and many companies would go bankrupt. This would lead to irreversible damage."

**Sources include:**

[FAZ.net](#)

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