



**Biden administration**

## Biden administration imposes toughest sanctions on Russian oil and gas

Measures targeting Russian energy sector attempt to leverage peace deal for Ukraine in Trump administration

**Joseph Gedeon** in *Washington and agencies*

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The **Biden administration** on Friday imposed its broadest package of sanctions yet targeting **Russia**'s oil and gas revenues in an attempt to give Kyiv and the incoming administration of **Donald Trump** leverage to reach a deal for peace in **Ukraine**. The move is meant to cut Russia's oil revenues for the war that started in February 2022, and has killed or wounded tens of thousands and reduced cities to rubble.

National Security Council spokesperson John Kirby said the timing of the was chosen because "oil markets are in a fundamentally better place" and the US economy is better positioned to absorb any market disruption.

"Since the start of Russia's war benchmark oil prices have fallen almost \$35 per barrel. Average US gasoline prices have dropped from roughly \$4 to just over \$3 per gallon," Kirby told reporters at a White House briefing.

The measures target Russian oil producers, tankers, intermediaries, traders and ports in what a [senior US official](#) described as “the most significant sanctions yet against the Russian energy sector”. The US treasury slapped sanctions on Russian companies Gazprom Neft and Surgutneftegas that explore, produce and sell oil and 183 vessels that have shipped Russian oil, many of which are in the so-called shadow fleet of aging tankers operated by non-western companies. They also include networks that trade the petroleum.

When pressed about whether previous high gas prices had prevented earlier action against Russian oil revenues, Kirby responded “of course”.

Many of those tankers have been used to ship oil to India and China as the price cap imposed by the G7 countries in 2022 has shifted much of Russian oil trade from Europe to Asia. Some of the tankers have shipped both Russian and Iranian oil.

The sanctions come just days before Trump takes office, though Kirby denied they were intended as a bargaining chip for future peace negotiations. “There’s no expectation right now that either side is ready to negotiate,” he said.

Global oil prices jumped more than 3% with Brent crude nearing \$80 a barrel. [Oil](#) prices rose ahead of the Treasury announcement as a document mapping out the sanctions circulated among traders in Europe and Asia.

The sanctions are part of a broader effort, as the [Biden administration](#) has furnished Ukraine with about \$64bn in military aid since the invasion. This includes \$500m this week for air defense missiles, air-to-ground munitions and support equipment for fighter jets.

Volodymyr Zelenskyy, Ukraine’s president, welcomed the sweeping sanctions, saying: “These measures deliver a significant blow to the financial foundation of Russia’s war machine by disrupting its entire supply chain.”

Friday’s move followed US sanctions in November on banks including Gazprombank, Russia’s largest conduit to the global energy business, and earlier in the year on dozens of tankers carrying Russian oil.

The Biden administration believes that November’s sanctions helped push Russia’s rouble [to its weakest level](#) since the beginning of the invasion and pushed the Russian central bank to raise its policy rate to a record level of over 20%.

“We expect our direct targeting of the energy sector will aggravate these pressures on the Russian economy that have already pushed up inflation to almost 10% and reinforce a bleak economic outlook for 2025 and beyond,” a second Biden administration official said.

Biden aides have briefed Trump’s aides on the sanctions. But a Biden official said it is “entirely” up to Trump, who takes office on 20 January, on when and on what

terms he might lift any Biden-era sanctions. The military aid and the sanctions “provide the next administration a considerable boost to their and Ukraine’s leverage in brokering a just and durable peace”, one of the officials said.

The **return of Trump**, a Republican, to the White House has sparked hope of a diplomatic resolution to end Moscow’s invasion but also fears in Kyiv that a quick peace could come at a high price for Ukraine.

Advisers to Trump have floated proposals to end the war that would effectively cede large parts of the country to Russia for the foreseeable future.

The Trump transition team did not immediately respond to a request for comment about the new sanctions.

Any administration wishing to reverse the new sanctions will have to notify Congress and give Congress the ability to take a vote of disapproval, said one of the Biden officials, who added that a number of Republican members of Congress have urged Biden to impose Friday’s sanctions.

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