

The EU Can't Keep Its Story Straight About U.S Sanctions against the Import of Russian Fuel

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The EU only has two choices when it comes to India selling refined Russian fuel: it can either retain the present arrangement for the pragmatic sake of all parties' pecuniary interests, or it can ban the import of these products for ideological reasons at the expense of the aforesaid.

EU foreign policy chief [Josep Borrell](#) sparked a scandal earlier this week when he criticized [India](#) for [selling refined Russian fuel to Europe](#), ominously warning that "we have to act." This implied threat prompted Indian External Affairs Minister Dr. Subrahmanyam Jaishankar to [remind everyone](#) to "Look at EU Council regulations, Russian crude is substantially transformed in the third country and not treated as Russian anymore. I would urge you to look at Council's Regulation 833/2014."

Borrell responded shortly after by sharing "[Some Clarifications On The Circumvention Of EU Sanctions Against Russia](#)" on the European External Action Service website. According to him, "The EU's measures have no extraterritorial effect, meaning they only apply to European entities." He also reaffirmed that "Once refined, these products are no longer treated as Russian but as Indian and we cannot prevent Indian refineries selling them to an EU operator, or to an intermediary."

Nevertheless, Borrell then added that

"We in the EU don't buy Russian oil, but we buy the diesel obtained by refining this Russian oil somewhere else. This has the effect of circumventing our sanctions and our member states should take measures to deal with this."

He also quoted a Ukrainian official who described this arrangement as "completely legal, but completely immoral." All that the EU's foreign policy chief did was further muddle his side's stance towards Russian energy sanctions.

On the one hand, he confirmed that this pragmatic workaround doesn't violate the bloc's unilateral restrictions in this sphere, but on the other, he said that "we cannot close our eyes to how EU companies themselves are circumventing the sanctions by purchasing refined oil coming originally from Russia." Despite saying twice that India can't be blamed for this, the subtext is that these EU companies wouldn't even have the chance to circumvent the sanctions if India wasn't selling refined Russian fuel.

Legally speaking, the EU can't punish India for this, but Borrell's initial remark and subsequent clarification were obviously aimed at harming its soft power by portraying that country as "immoral". The EU can, however, "take measures to deal with this" at home but that would require tweaking its sanctions language otherwise it wouldn't be legal. That said, any moves in this direction would raise the costs for European consumers.

The present arrangement made India [indispensable to the global energy market](#) by helping to meet the EU's related needs for a premium and thus keeping prices comparatively affordable. If its services were prohibited upon tweaking the EU's sanctions language to ban the import of refined Russian fuel, then the bloc would have to compete with other customers for the finite amount of fuel from other suppliers, thus spiking costs.

Even if those selfsame other suppliers decided to increase production, which can't be taken for granted due to the [Russian-Saudi duopoly](#) that pretty much controls [OPEC+](#), it would still take time to have an effect on the market. It's therefore in everyone's pecuniary interests to keep the present arrangement intact, thus necessitating the EU prioritizing pragmatism over the faux "values" that it claims are at the center of its [liberal-globalist "rules-based order"](#).

Therein lies the dilemma though since the Western elite is split between ideological and pragmatic factions, particularly when it comes to India. This was most recently proven by the [State Department's "religious freedoms" report](#) earlier this week that sharply criticized that country, which contrasted with [Ashley J. Tellis' article](#) from the beginning of the month for the influential Council on Foreign Relations' official magazine that called for not letting differences on any issue impede their strategic partnership.

The EU only has two choices when it comes to India selling refined Russian fuel: it can either retain the present arrangement for the pragmatic sake of all parties' pecuniary interests, or it can ban the import of these products for ideological reasons at the expense of the aforesaid. The second scenario that's presumably being debated as evidenced by the scandal that Borrell sparked and then exacerbated with his clarification could also risk harming Indian-EU relations too by depriving Delhi of additional profits.

Objectively speaking, it's best for everyone if the EU keeps everything the way that it is, but it can't be assumed that it'll do so due to the powerful influence of the ideological faction within its permanent bureaucracy. For this reason, observers should keep an eye on this issue, especially since any movement in the direction of banning the import of Indian-refined Russian fuel could lead to sudden price spikes as well as potentially complicating that country's [ongoing trade talks](#) with the bloc.

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