

English translation of a post **by Andriy Kobolyev** on Ukrainian proposals to tax Russian oil if its price cannot be capped, and conclusions from the Berlin Energy Roundtable, 24 Oct. 23.

Took part in the round table "Is Europe winning on the energy front?", organized by the #DivanCentre in Berlin.

Ben Aris has presented very interesting data on the export of Russian energy carriers.

Two conclusions can be drawn from them:

The first slide: Russian energy is resold in large amounts by other countries as their own resource. An example is Malaysia, which has increased its oil exports to China to a level that is three times higher than its own production. And, unfortunately, there are many such examples.

Second slide: Russia's income from oil sales has returned to pre-war levels.

It is very, very bad for us.

After all, it means that Russians have learned to circumvent sanctions by using other countries as hubs for mixing or processing Russian gas and oil. They will then be resold to Western countries as non-sanctioned goods.

This tactic has been known for a long time, no one particularly hides it anymore. What is the value of loud statements about the creation of a Russian gas hub in Turkey, which is essentially a replacement for the Nord Streams.

The question arises - what can be done now?

At the round table the greatest interest was caused by the Ukrainian proposal to Western partners: "If you can't sanction - impose a special fee on them."

The essence of the proposal is based on the mechanism of anti-dumping duty or anti-subsidy levy. It was often used to protect European manufacturers from unfair competition from other countries, including Ukraine.

In the case of Russian energy supplied to Western countries, such a levy can be used to reduce the maximum level of price that the intermediary country will be willing to pay in favor of Russia to the allowed maximum.

As an example, let's take gasoline, which is produced from Russian oil in Turkey and then exported to Europe.

Since gasoline is sold at the market price in Europe, the price of oil paid to Russia by the Turkish refinery will also be the market price.

The introduction of an anti-dumping duty on such gasoline in the country of its import in the amount of 40 dollars per barrel will force the Turkish refinery to demand a 30-dollar discount on a barrel of Russian oil (assuming 75% oil to final product conversion rate).

This approach can be applied to any group of goods produced by an intermediary country and has several advantages:

- 1) returns the business of trading energy from intermediary countries to Western countries. Namely, the loss of such business is one of the main reasons for the negative attitude of politicians like Fico towards us.

2) does not provoke a shortage of energy resources in the world, which is so feared in the West, and especially in the USA in anticipation of the upcoming elections.

3) fills the budget of our allies, not our enemy. Alternatively, the money from such a fee/duty can be transferred to Ukraine.

I understand that it sounds rather complicated, but the time of simple and quick solutions has already passed. We need new methods of economic struggle, protected from hacking by such primitive methods as Russia currently uses.