

Sanctions on Russia Threaten 'Catastrophic' Losses for German Businesses

By [The Moscow Times](#)

March 23, 2014

The  **Moscow Times**

BERLIN — If an escalation of Europe's standoff with Moscow over Ukraine results in economic sanctions, more than 6,000 German companies who do business with Russia would suffer catastrophic losses, Germany's main trade body has warned.

"About 6,200 German companies are engaged in Russia, some of them very strongly," Anton Boerner, head of the BGA exporters' body, told the Dortmund Ruhr Nachrichten newspaper in an interview published Friday. "For them, economic sanctions would be a real catastrophe."

European Union leaders, including Chancellor Angela Merkel, who played a leading role in the frustrated attempt to persuade President Vladimir Putin not to annex Ukraine's Crimean peninsula, have retaliated with travel bans and asset freezes on 33 people close to Putin

and are preparing economic sanctions.

Boerner said energy prices would rise if the crisis endures but Moscow was unlikely to cut off all of its energy deliveries to Germany, which imports more than 30 percent of its oil and gas from Russia.

Germany's "wise men" council of economic advisers said on Thursday the Ukraine crisis was the biggest threat to global growth, and especially Germany, because of Russia's importance as an energy exporter.

The BGA said last week that while a trade conflict would be damaging for Germany, "for the Russian economy it would be life-threatening."

Meanwhile, Germany has decided to suspend approval of all defense-related exports to Russia in light of the West's diplomatic showdown with Moscow over Ukraine, a spokesman for the Economy Ministry said on Friday.

Earlier this week, the government ordered defense contractor Rheinmetall to halt delivery of combat simulation gear to Russia. The ministry spokesman said this was a "one-off" case, but that future deals would also be blocked.

"The [Rheinmetall] case that you are talking about is a one-off case. Nevertheless it is true that given the current situation in Russia, we are not approving any exports of defense goods to this country at the moment," the spokesman said.

Original url:

<https://www.themoscowtimes.com/2014/03/23/sanctions-on-russia-threaten-catastrophic-losses-for-german-businesses-a33223>