The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Austria Says Banks at Risk From Sanctions on Russia

By The Moscow Times

September 18, 2014



General view of the logo of Raiffeisen Bank International (RBI) on an office building in Vienna, Austria.

Austrian banks are most at risk from potential sanctions by Russia against Vienna in a tit-for-tat escalation with the West over the political crisis in Ukraine, Austrian Finance Minister Hans Joerg Schelling told a newspaper.

But Austria sees the situation as "manageable," he added in an interview with Der Standard printed on Thursday.

"What I hear from the Russian side is that asymmetric sanctions are planned, so one picks out countries in a targeted way. Car imports affect one country, other imports the next.
The biggest risk for Austria is the banks," he said.

He did not name any lenders, but profits at Raiffeisen Bank International and UniCredit's Central and Eastern European arm Bank Austria rely heavily on Russia.

Schelling reiterated that Austria expected to hit its target of having a structural budget deficit of 1 percent of gross domestic product this year, but that some fiscal adjustments may be needed in 2015 given slower-than-forecast economic growth.

"In addition, a worsening of the Ukraine-Russia crisis could have a severe impact," he said.

European countries and the United States imposed sanctions on Moscow after Russia annexed Crimea in March and have tightened the measures over Moscow's support of Ukrainian separatists. Russia banned most Western food imports in August and has said more sanctions may follow.

Original url:
https://www.themoscowtimes.com/2014/09/18/austria-says-banks-at-risk-from-sanctions-on-russia-a39547