

Russia's Crisis Will Cost EU Over \$100 Billion – Report

By [The Moscow Times](#)

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European Union flags flutter outside the European Commission headquarters in Brussels, Belgium.

Russia's economic crisis, caused in part by EU sanctions on Moscow over its actions in Ukraine, could cost Europe up to 100 billion euros (\$113 billion), German newspaper Die Welt reported Friday, citing a study by the Austrian Institute of Economic Research.

“The fall in exports [to Russia], which we saw in its worst manifestation last autumn, is currently the reality. Unless the situation changes radically, we will face our most pessimistic scenario,” Die Welt quoted researcher Oliver Fritz as saying.

The experts attribute the decline in European exports to Russia to the country's economic contraction — exacerbated by EU sanctions and forecast to reach around 3 percent this year — as well as Russia's counter-sanctions on food imports from the EU, which particularly affected Spain, the Netherlands and Italy.

Russia's crisis could also cost Europe around 2 million jobs, the report said. Germany stands to be affected the worst, with 465,000 jobs potentially lost, followed by Poland with 335,000 jobs under threat, according to the experts' estimates.

The report shows that European Union economies are more vulnerable to Russia's economic recession, which has been spurred on by Western sanctions, than European analysts previously forecast.

The latest report from the European Commission — the EU's executive body — said that the impact of sanctions on EU economies was “relatively small and easily manageable,” according to the newspaper.

The Russian economy has been slowing since 2013, but the slide was severely aggravated last year by a steep drop in the price of oil, Russia's main export, and Western sanctions.

The U.S. and EU struck Russian individuals and companies with several rounds of sanctions in 2014 over Moscow's involvement in the Ukraine crisis. Russia in response imposed a ban on a range of Western food imports in August last year.

The foreign ministers of the European Union are expected to ratify a decision to extend sanctions against Russia for another six months at a meeting Monday, news agency Reuters reported earlier. The agreement to extend the sanctions was reached by EU representatives on Wednesday.

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