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Sanctions ‘Failed’ to Undermine Russia’s Financial Stability – PM

By AFP

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Western sanctions for Moscow's military campaign in Ukraine have "failed" to undermine the "financial stability" of Russia, the country's Prime Minister Mikhail Mishustin said Thursday.

Western capitals pummeled Moscow with a barrage of sanctions after President Vladimir Putin ordered troops into Ukraine, but the Kremlin maintains that Russia has weathered the economic penalties.

"Unprecedented sanctions were imposed on our country. But their initiators did not achieve their main objective. They failed to undermine our financial stability," Mishustin told a financial forum in Moscow.

He said the government "has succeeded in significantly mitigating the negative impact of

hostile actions on our citizens and businesses."

A slowdown of the economy was "inevitable" in the face of sanctions, he said, "but it did not prove destructive."

According to Mishustin, Russia's GDP dropped by just over 1% year-on-year in the first six months of 2022.

"We were predicted to have a deep recession. But that did not happen," Mishustin said, adding that Russia will emerge from this period "even stronger and better prepared."

He said the West's "attempt to limit energy exports" from Russia "led to a natural increase in oil and gas revenues in our budget, almost by half."

The EU has looked to reduce its dependence on Russian energy resources and has agreed a plan to decrease natural gas consumption across the bloc.

Since the start of the Kremlin's offensive in Ukraine, Russia has reduced or halted supplies to different European nations, fueling fears of an energy crisis with winter fast approaching.

On Tuesday, Russian energy giant Gazprom announced that China will start paying for its natural gas deliveries in Russian rubles or the Chinese yuan.

"A significant reduction in the use of the U.S. dollar is a long-term trend," Mishustin said, calling on countries to "form a multipolar system of international transactions."

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