



A Ban on Russian Imports; or Cutting Off Your Nose To.... 3/8/22

The administration responding to pressure from both sides of the aisle has decided to unilaterally ban the imports of Russian oil. President Biden wants to give the appearance of doing something even if it is counterproductive.

70% of Russian oil imports are not in the form of crude oil but feedstocks. These are unfinished products that need sophisticated downstream refining to turn these feedstocks into higher valued products like gasoline, diesel, and jet fuel.

Very few refineries outside the U.S. have the sophistication that U.S. refiners have. All things equal, the unilateral banning of Russian imports will reduce the amount of gasoline, diesel, and jet fuel produced in the U.S. that we so desperately need.

Unilateral sanctions in general are rarely successful. This won't be any different. In listening to the president this morning, one gets the sense that he hopes the American public has a short memory. He would like us to believe that inflation and high gasoline prices are the result of Russia's invasion of Ukraine.