
Economic Warfare: Impact of the Post-2022 International Sanctions on Russia

Mohammed Husain

Dubai International Academy, Emirates Hills, Dubai, United Arab Emirates

Abstract

Despite economic sanctions being a common tool used against adversaries, their effectiveness in achieving the intended outcome often varies. This research paper aims to investigate and understand the impacts of the international sanctions imposed on Russia after the invasion of Ukraine in 2022. The overarching goal of these sanctions, imposed by the West, was to force Russia to end the conflict and its occupation of Ukrainian territory by putting pressure on the Russian economy. This paper analyzes key economic indicators, including GDP, inflation, unemployment, exchange rate, and foreign trade to determine the impact of the sanctions, and it explores strategies used by Russia to minimize the effects of the sanctions. The research indicates that even though the international sanctions were effective initially, Russia was able to circumvent them and reduce their impacts by refocusing on the Asian markets, using a “shadow fleet” to transport oil, and legalizing parallel imports. As a result, more than three years after the invasion, Russia has not ended the war in Ukraine and continues to occupy about 20% of Ukrainian land.

Keywords: economic sanctions, Russia-Ukraine war, macroeconomic indicators, international trade, shadow fleet, parallel imports, oil and gas exports

1. Introduction

Sanctions have been used throughout history to achieve some political goals, ranging from regime change to a form of punishment for human rights abuses or violations of international law. One example of this is the decades of international sanctions imposed during apartheid in South Africa. In 1963, the United Nations passed the Security Council Resolution 181, which prohibited the sale and shipment of military equipment to South Africa. Two decades later, in 1987, recognizing the importance of oil both economically and militarily, the UN General Assembly imposed an international oil embargo on

South Africa. Coupled with other financial sanctions, the embargo created an economic strain and made it harder for the government of South Africa to obtain advanced technology, slowing down the modernization of its military. Finally, in 1990, the then-State President Frederik Willem de Klerk acknowledged the negative impact of the sanctions on its economy, taking dramatic steps like releasing famous anti-apartheid activist and politician Nelson Mandela from prison, where he had been serving a life sentence since the 1960s, and beginning negotiations to end apartheid. Mandela later went on to become the first post-apartheid President of South Africa (Museum of Protest, 2025).

Another example is the United States embargo against Cuba, enacted by President John F. Kennedy in 1962, resulting in the banning of most trade and financial transactions with Cuba. The objective in this case was to force the Communist Party of Cuba and the First Secretary Fidel Castro to either significantly reform or to step down from power. However, the Soviet Union helped reduce the impact of the American embargo until its dissolution in 1991. Virtually all of Cuba's estimated 10 million tons of oil was furnished through the Soviet Union. In return, Cuba exported sugar, some citrus, and nickel to the Soviets. By the late 1980s, Cuba had become the Soviet Union's largest aid recipient, with estimates ranging from USD 3.5 to 4.5 billion per year (Purcell, 1992). Regardless, the embargo had a detrimental economic impact on the Cuban economy. A 2015 Al Jazeera report calculated the cost to be over USD 1.1 trillion (Kennedy, 2015). Even though the sanctions remain in place more than six decades later, Cuba remains a one-party state, with the Communist Party still yielding great power in the state and the government (Oliver & Venancio, 2025).

These sanctions can last for as long as 70 years, such as the international sanctions against North Korea due to the Korean War, its nuclear weapons program, and its human rights abuses, or as short as just nine days, as in the case of sanctions on Turkey by the United States in 2019 due to its offensive in northern Syria (Kim et al., 2023; Press, 2019). A pattern can also be seen here. Most sanctions are imposed by nations with strong economic and political influence and those that are members of blocs like the European Union and G7.

In modern history, one of the most sweeping uses of embargoes are those that followed the Russian invasion of Ukraine. In February 2022, in response to the Russian Federation's invasion of Ukraine, several nations and supranational organizations, including the European Union, the United States, the United Kingdom, and the G7, imposed sanctions on Russia. The primary objectives of these sanctions were to limit Russia's energy revenues and, hence, their military funding while also isolating Russia both economically and politically to force an end to the conflict in Ukraine. These sanctions have led to an increase in general prices, a fall in the value of the Russian ruble, and shortages of significant parts and machinery. However, Russia has adapted to this by not only encouraging domestic production but also by shifting their trade relations to focus on the Asian markets.

However, as can be seen from the above examples, the effectiveness and success of sanctions can vary. It may be successful as in the case of South Africa, or ineffective as in the case of Cuba. While the conflict is ongoing, with the long-term effects of the international sanctions still unclear, the three and a half years of the sanctions have left an indelible mark on Russia's economy, its government, and its prospects. This research paper evaluates the effectiveness of the sanctions, looking into the macroeconomic indicators like GDP growth, inflation, unemployment, as well as the sanctions' impact on Russia's international trade. The paper also investigates how Russia has adapted to the sanctions and reduced their effect on the Russian economy.

Several researchers and economists have explored the impact of sanctions against Russia. Most, however, focus narrowly on particular industries or markets. For instance, researchers Jonathan Benchimol and Luigi Palumbo have examined the consequences on online prices in Russia, while Alexandra Lukyanova and Ayz Zeynalov have focused on how the sanctions



have influenced agriculture (Benchimol & Palumbo, 2024; Lukyanova & Zeynalov, 2022). The paper on online prices was especially notable. Relying on daily online data, the researchers outline that the sanctions caused a substantial surge in inflation, while demonstrating that the availability of products remained relatively stable. Meanwhile, researchers from the Federal Reserve Bank of Dallas have focused on the impact on Russian oil prices, and Yuliya Rodionova and Andrei Yakovlev focused on the Russian policy for import substitution. Research by Rodionova and Yakovlev found that the 2014 international sanctions did not restrict the public procurement of imports. Rather, they relied on imports that could easily be substituted by Russian alternatives. This also helps explain the impact on the Russian economy after the harsher 2022 international sanctions (Kilian et al., 2024; Rodionova & Yakovlev, 2024). Lastly, the International Monetary Fund's research on the medium-term macroeconomic impact of the 2024 sanctions and its implications for global energy and emission targets found that due to the sanctions, Russia will suffer large GDP losses, mainly due to a drastic fall in gas exports. In contrast, the European Union is projected to lose less than a percent of its GDP by 2030, with the largest impact being on countries heavily reliant on Russian gas, such as Germany and Italy. It also noted that while the price of natural gas will rise in the short run, by 2030 the rise will be only about 1%. As for emission targets, the research states that it will now be slightly cheaper for the European Union as they will be further incentivized to shift to renewable energy (Rojas-Romagosa, 2024).

This research paper, in contrast, looks at several economic parameters to provide a more comprehensive review of the impact of the sanctions. Because of the ever-evolving nature of the sanctions—and Russia's efforts to circumvent them—along with changes in the leadership of the Western governments imposing the sanctions, it is important for governments and independent researchers to regularly reevaluate the impact of the sanctions on Russia to assess their effectiveness.

2. Methodology

This research paper utilizes quantitative data from international organizations such as the World Bank and OPEC, along with independent economic institutions and Russian institutions. These data were used to produce graphs of macroeconomic indicators to better compare the state of the economy of Russia before and after the international sanctions. Quantitative analysis of macroeconomic data were also used to compare the differences in the effects of the international sanctions of 2014 with those of 2022. As for the qualitative and analytical data, efforts were put into using trustworthy sources including Financial Times, Reuters, The Guardian, and The Kyiv Independent.

The paper also uses government websites and publications to understand the sanctions imposed by those countries on Russia. Similarly, Russian government sources were also used, while acknowledging their limitations.

3. History of Sanctions on Russia

The 2022 invasion of Ukraine was not the first time that Russia was sanctioned by major global powers. In 2014, following the Russian annexation of Crimea, the same nations and organizations that imposed sanctions in 2022 also imposed sanctions on Russia. Then-President of the United States Barack Obama signed the Executive Order 13662 that restricted American citizens from engaging in transactions with certain Russian industries, including financial services and energy (The President Executive Order 13662-Blocking Property of Additional Persons Contributing to the Situation in Ukraine, 2014). Similarly, the European Union prohibited financial transactions, such as buying or selling new bonds from certain firms, while also restricting oil exploration. Firms affected included Gazprom, a major energy corporation that supplied much of Europe's gas, and Sberbank, the largest banking and financial services company in Russia (Korhonen, 2019).



As for the effects of these sanctions, researchers conclude that even though they disrupted Russia by limiting financial market access, technology transfers, and key industries, the Kremlin was able to reframe these sanctions and embargoes as reflections of anti-Russian sentiment and typical Western imperialism. This bolstered and reinforced nationalistic sentiment and support for Russian President Vladimir Putin (Russell, 2016). Furthermore, while the sanctions initially led to GDP contraction, trade reduction, and inflation, Russia adapted by increasing domestic production and partnering with powerful non-Western nations such as China (Waplan, 2024). To conclude, the international sanctions of 2014 initially led to a negative impact on its economy, but it was able to adopt policies that helped it minimize those impacts and adapt to them by 2022. Research conducted shows how the lessons learnt in 2014 were then later used in 2022.

4. International Sanctions following the Russian Invasion of Ukraine

On 24 February 2022, Russian President Vladimir Putin ordered a full-scale invasion of Ukraine, a NATO and EU ally. In response, Ukraine's largest allies imposed sanctions on Russia in hopes of pressuring Putin to withdraw from Ukraine. The largest and most effective sanctions, however, can be attributed to three Western allies: the European Union, the United Kingdom, and the United States. Looking more closely into their sanctions makes it easier for one to analyze the main impacts on the Russian economy.

The European Union, for example, agreed to immediately limit its reliance on Russian natural gas and crude oil and to eliminate it altogether by 2027. One of the strategies the European Union (along with the G7) used was to impose a price cap on Russian oil. This was enacted to limit Russia's revenue while still allowing for a continued flow of oil to the global markets, helping keep the price of the essential commodity steady (Directorate-General for Financial Stability, Financial Services and Capital Markets Union, 2024). Moreover, the European Union banned seven Russian banks, including the state-owned VTB Bank and Promsvyazbank, from the Society for Worldwide Interbank Financial Telecommunication (SWIFT), a cooperative used to initiate international payments, disconnecting the banks from the international financial system and making foreign transactions more difficult, more expensive, and less secure (Council of the EU, 2022). Furthermore, the European Union targeted Russia's aviation industry by implementing airspace bans for all Russian aircrafts and prohibiting Russian carriers from landing at any airport in the European Union. Lastly, it banned imports of Russian coal, wood, and liquor and prohibited exports of critical materials such as jet fuel to Russia (European Council, 2024).

The United Kingdom's sanctions went even further and targeted businesses in nations like China, India, Thailand, and Turkey that manufacture and supply machine tools and other equipment to the Russian Armed forces. Additionally, the United Kingdom (UK) has targeted at least 133 oil tankers – part of a shadow fleet used to circumvent the sanctions – the highest number of any European nation. These vessels were barred from entering British waters and their access to UK-based insurance policies was cut off (Krychkovska & Romanenko, 2025). The UK also prohibited Russian businesses from using its accountancy, management consultancy, or PR services, sectors that accounted for up to 10% of Russia's imports (Office, 2022). A total of 46 financial institutions were also sanctioned, including the Deposit Insurance Agency of Russia, established to insure Russian banks (Office, 2025).

Finally, the United States (US), like the European Union and the United Kingdom, imposed full sanctions on banks and other financial institutions including Sberbank, Russia's largest state-owned bank, and Alfa-Bank, Russia's largest private bank (U.S. Treasury Escalates Sanctions on Russia for Its Atrocities in Ukraine, 2022). It also prohibited exports of luxury goods and the US dollar to Russia and banned imports of Russian-origin crude oil, petroleum, oil-based products, aluminum, copper, and nickel (Federal Register, 2022). The US also sanctioned the Nord Stream 2, a natural gas pipeline between Russia and Germany



(Stinebower et al., 2022). Its sweeping restrictions on Russia’s energy sector included direct sanctions on major oil companies like Gazprom Neft and Surgutneftegas, as well as 183 oil tankers, exceeding the UK’s list of sanctioned tankers (Gedeon, 2025).

5. Impact of the Sanctions on the Economy of Russia

Macroeconomic Indicators

Gross Domestic Product

The gross domestic product (GDP) is the total value of goods and services produced in a country for one year. It is often used as a measure of economic activity in a country. Figures 1 and 2 show the GDP and annual growth of the GDP of Russia between 2008 and 2024 respectively.



Figure 1: Gross Domestic Product (GDP) of Russia between 2008 and 2024 (World Bank Open Data, 2015).

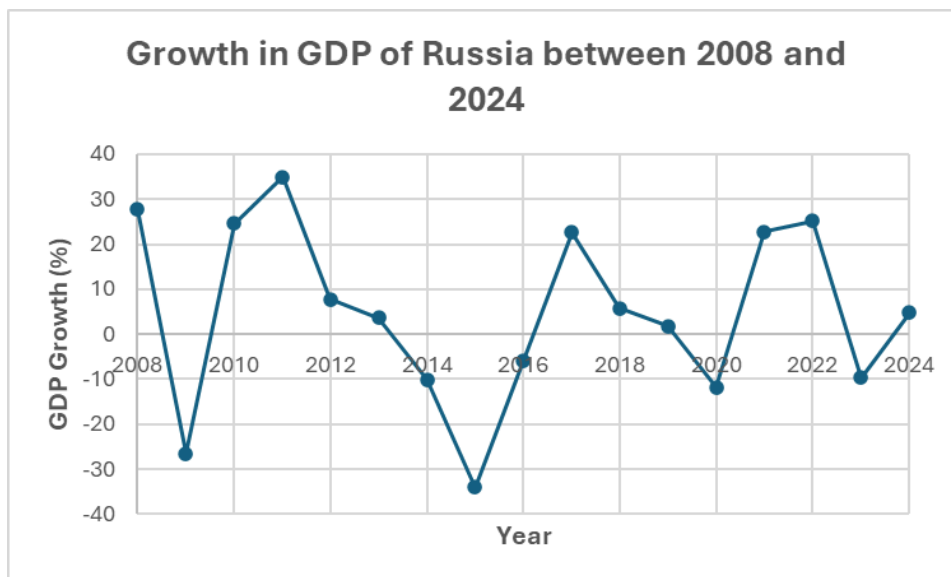


Figure 2: Growth in GDP of Russia between 2008 and 2024 (World Bank Open Data, 2015).

As Figure 1 shows, in 2021 the GDP of Russia was at USD 1.83 trillion, the highest since 2014, the year several nations imposed sanctions on Russia due its invasion of Crimea. Similarly, the GDP per capita in 2021 was USD 12,425. These figures indicate that the Russian economy had already recovered from the economic impacts of the COVID-19 pandemic.

In 2022, just after Russia invaded Ukraine and sanctions were imposed, the GDP and GDP per capita actually rose to USD 2.29 trillion and USD 15,619.6 respectively. This growth of 25% was the highest annual growth in GDP of Russia since 2011. By 2024, however, the effect of the sanctions had caused the GDP to drop back down to USD 2.17 trillion.

This increase in GDP reflects the efforts of both the Russian government and its businesses to circumvent the sanctions. Through the use of military Keynesianism, an economic policy based on the idea that the government should raise spending to boost economic growth, the government injected huge sums into the economy through new defense contracts. Moreover, due to capital controls, wealthy businesses and individuals reinvested funds domestically, allowing capital expenditure to rise to 9.8% in 2023 and 7.4% in 2024 (Fenton & Kolyandr, 2025). Another important factor is the decrease in foreign competition, which allowed domestic firms to earn higher margins and invest further (EPIC, 2025). Some of these points will be discussed in depth later in this report.

Inflation

Inflation is a general increase in prices and a decrease in the purchasing value of money. Inflation usually occurs when either the total demand for goods and services exceeds the total supply, known as demand-pull inflation, or when the total supply decreases due to an increase in the cost of production, known as cost-push inflation (Reserve Bank of Australia, 2025). Figure 3 shows the inflation in Russia from October 2021 to June 2025.



Figure 3: Inflation in Russia between October 2021 and June 2025 (Federal State Statistic Service, n.d.).

Data obtained from Russia's Federal State Statistics Service show that, before the war in February 2022, the inflation rate in Russia was 9.15% (Federal State Statistic Service, n.d.). This rate would be considered quite high for most nations: Both the United States' Federal Reserve and the European Union's European Central Bank consider an inflation rate of 2% healthy (European Central Bank, 2025; The Federal Reserve, 2020).

Soon after sanctions and other restrictions were imposed, inflation rose quickly. Just a month after the invasion in March 2022 the inflation rate was 16.69% and peaked one month later at 17.83%. This indicates that the sanctions imposed by the West were initially quite effective in increasing the general price level in the Russian economy. Moreover, this represented cost-push inflation where the sanctions resulted in an increase in the costs of production due to the lower availability of critical parts and supplies.

Little reliable data on the variation of overall food prices exist. However, investigating the price of potatoes is quite helpful, as the potato is such an important staple in Russia that it is referred to as the "second bread." In 2025, Russia experienced a shortage of potatoes, resulting in a 67% increase in prices. Though other factors such as poor harvest and increased production costs also contributed to the rise in prices, import restrictions by the European Union have played a crucial role (Newkey-Burden, 2025). The shortage was so severe that even President Vladimir Putin remarked, "It turns out that we don't have enough potatoes" (Arboleas & Manzanaro, 2025). As a response to the crisis, one of the Deputy Chairmen of the State Duma, Boris Chernyshov, called for a temporary state regulation of the price of potatoes (The Moscow Times, 2025).

Prices of other foodstuffs also increased. For instance, the price of butter grew by over 33%, peas by more than 16%, red onions by 46%, and cabbage by 38% (Gutterman, 2024).

However, learning from the effects of the international sanctions of 2014, Russia was able to minimize the rise in prices. A study by the Center for Strategic and International Studies found that Russian protectionism of its agricultural industry protected it from the sanctions of 2022. By subsidizing local production and closing the market to most Western food

suppliers, Russia was able to reduce its dependence by half to just 18% in 15 years (Fenton & Kolyandr, 2025).

Unemployment

The unemployment rate refers to the share of the labour force (the economically active population) that is without work but available for and seeking employment. Figure 4 shows the unemployment rate of Russia between 2008 and 2024.

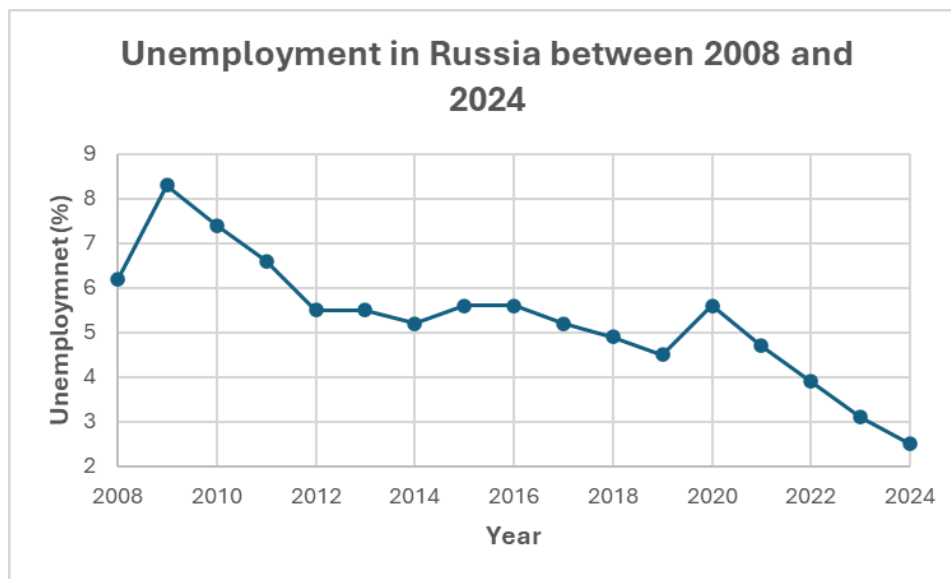


Figure 4: Unemployment in Russia between 2008 and 2024 (World Bank, 2025).

According to both the U.S. Congressional Research Service and the National Bureau of Economic Research, a healthy unemployment rate is between 4 and 5% (Congressional Research Service, 2020; Şahin, 2021). Data from the World Bank show that in 2022, the year of the invasion of Ukraine, the unemployment rate in Russia was just below that range at 3.9%. It continued to decrease over the next two years, eventually reaching a mere 2.5% by 2024, the lowest in more than 24 years. This rate is ironically lower than in the nations applying sanctions in the first place. For instance, in 2024, the European Union had an unemployment rate of 5.9%, while both the United Kingdom and the United States had an unemployment rate of 4.1% (Unemployment, Total - European Union | Data, 2023; World Bank, 2022; Unemployment, Total - United States | Data, n.d.).

This figure may seem dubious and counterintuitive at first. Due to heavy financial sectors and many international businesses pulling out, it would make sense for the unemployment rate to rise. However, the mass exodus of working-age people from Russia following its invasion of Ukraine and the growing demand for soldiers at the warfront has created a tight labor market and kept unemployment artificially low. Another factor, as stated by the Minister of Labour and Social Protection, Anton Kotyakov, is that the government is subsidizing companies and helping workers relocate to healthier companies.

Another significant reason is a decades-long demographic decline that is exacerbated by the conflict in Ukraine. Russia has

experienced a fall in the birth rates since the dissolution of the Soviet Union and the 1998 Russian financial crisis. As a result, Russia’s labor force is decreasing by 500,000 to a million each year, far outpacing those entering the workforce.

While the labour force decreases, heavy state investment in businesses has boosted the number of available jobs. About 40% of the Russian labour force is employed by the state, state-owned enterprises, or private businesses with very close affiliation with the government, making them less likely to fire employees during a crisis (Prince, 2022). Additionally, the number of military-industrial enterprises based in Russia has grown by more than 4,000, reaching a total of approximately 6,000 companies. These companies employ more than 3.5 million people, with wages surging between 20 and 60% (Ribakova, 2024).

Exchange Rate

The following figures show the exchange rate for 1 United States dollar (USD), 1 Euro, and the Russian ruble between 2020 and 2025. Note that the figure for each month is based on the value of the dollar and the Euro at the start of the month.



Figure 5: Value of the United States dollar against Russian rubles between August 2020 and August 2025 (USD/RUB - Google, n.d.).



Figure 6: Value of the Euro against Russian rubles between August 2020 and August 2025 (EUR/RUB - Google, n.d.).

The data illustrate that before the invasion of Ukraine and the subsequent sanctions, USD 1 and EUR 1 could fetch about RUB 77.39 and RUB 87.58 respectively. Furthermore, before February 2022 the exchange rates were quite stable with negligible fluctuations.

Following the sanctions imposed by the West, the value of the ruble declined sharply, reaching an all-time high of RUB 133.97 for USD 1 and RUB 144.72 for EUR 1 in March 2022, less than a month after the invasion. The fall in the value of the ruble can be attributed to the freezing of roughly USD 300 billion of the Central Bank of Russia by Western economies, as well as excluding its banks from SWIFT, hindering Russia's ability to conduct international transactions (Dabrowski, 2023). Another factor was the drop in energy revenues, especially the G7 imposed price caps and the reduction in the European demand for Russian gas by 90%. Moreover, historically, Russia's strong trade surplus bolstered the ruble, but as the surplus sharply declined post-2022, so did the value of the ruble (Davis & Patel, 2023).

As with other economic impacts, however, Russia has managed to mitigate the impact of sanctions on its currency. Between April 2022 and March 2023, the value of the United States dollar and the Euro against the ruble fell below the pre-invasion level. This has mainly been attributed to stringent capital controls, as well as a temporary gold-fixing of the ruble. Russia also required "unfriendly countries" like those in the European Union to pay for its gas imports in Russian rubles rather than Euros, thereby increasing the demand and, hence, the value of the ruble (Jobst et al., 2022; MONETARY POLICY GUIDELINES for 2023–2025 Moscow, 2022; Russia Adds Bahamas, Guernsey, Isle of Man to List of Unfriendly Countries and Territories, 2022).

Between March 2023 and January 2025, however, the Russian ruble experienced a devaluation, reaching a peak against the Euro and the USD in December 2024. This was mainly due to the United States' sanctions on Gazprombank, the third largest Russian bank by assets, which played a critical role in processing payments for Russian gas exports to Europe. This helped reduce gas revenues and foreign currency available in Russia (Sauer, 2024).

By May 2025, the value of the Russian ruble against the Euro and the United States dollar reached and stabilized at the pre-war level, averaging RUB 84.28 and RUB 93.52 for USD 1 and EUR 1 respectively. In summary, even though the sanctions led to a steep decrease in the value of rubles, due to Russia's gold-fixing of the ruble and switch to Russian rubles for payments for its imports, it was able to successfully reach pre-war values in three years.

Trade and Export Revenue

Oil and Gas Export Volumes and Revenues

The below figures show the barrels of crude oil and the volume of natural gas exported by Russia between 2014 and 2023.



Figure 7: Exports of Russian Crude Oil by Year between 2014 and 2023 (CEIC Data, 2018).



Figure 8: Exports of Russian Natural Gas by Year between 2014 and 2023 (Russia Natural Gas: Exports, 1960 – 2022 | CEIC Data, n.d.).

The above figures highlight how sanctions on Russian oil and gas have reduced exports. While in 2022 Russia exported 4,780 barrels of crude oil per day, this was reduced to 4,586 barrels per day in 2023. Similarly, while in 2021, Russia exported 244,310,000,000 m³ of natural gas, in 2023, it exported only 175,745,000,000 m³.

Before its invasion of Ukraine, most of Russia's crude oil was routed through Europe. However, due to sanctions this is no longer possible. Rerouting through China and India increased transportation costs by USD 15 per barrel. Before 2022, the largest customers of Russian oil were the EU, UK, and US, but nations like China, India, and Turkey have become its largest customers. This has allowed these Asian countries to have a higher bargaining power to demand lower prices and more favorable contract conditions (Kilian et al., 2024; IEA, 2021). Moreover, to circumvent the sanctions imposed, Russia has developed a "shadow fleet", which through various deceptive practices have been successful in evading Western-imposed sanctions. For instance, by registering vessels under different countries, such as Liberia and the Marshall Islands, it has been able to reach global markets. According to research by the Kyiv School of Economics, Russia has spent about USD 10 billion on more than 400 ships, which now account for 89% of Russia's crude oil exports (Hilgenstock et al., 2024; Rarick, 2024). However, the West has also vowed to tighten the "shadow fleet", with the United States sanctioning up to 183 tankers (U.S. Department of The Treasury, 2025).

As for natural gas, following the sanctions Russia turned its focus to maintaining pipeline exports to the Asian markets, especially China and former nations of the Soviet Union, while also expanding liquefied natural gas (LNG) exports into Asia. For instance, to increase deliveries into Asia, the Power of Siberia is being reinforced while also planning the Altai gas pipeline (CGEP, 2024). Still, Gazprom, Russia's state-owned energy corporation has suffered its first annual loss in 25 years, mainly attributed to the sanctions by the European Union, whose 50% of gas imports were supplied by Gazprom (Ilyushina & Dixon, 2025). Moreover, this reduction is estimated to cost Gazprom USD 5 billion annually (EIA, 2021).

Exit of Western Companies

Just as Western governments condemned and protested the Russian invasion of Ukraine, so did the general populace in those countries. Through public boycotts and activism, people protested the invasion, the Russian President, and urged multinational companies to halt and withdraw their operations from Russia. This was further amplified when the President of Ukraine Volodymyr Zelenskyy, during an address to the United States Congress, urged American business to exit Russia, stating that “the Russian market is flooded with our blood” (Address by President of Ukraine Volodymyr Zelenskyy to the US Congress – Official Website of the President of Ukraine, 2022; Alin et al., 2022). Unilever, for example, sold its Russian business and factories to a local firm after public pressure from campaigners (Butler, 2024). This condemnation prompted at least 472 multinational companies to pull out of their operations in Russia, either completely or partially. For instance, Apple Inc halted all product sales, Honda halted the exports of cars and motorcycles, PepsiCo halted the exports of soft drinks, and YouTube banned Russian state media channels (Fields, 2022; PepsiCo, 2022; Russia: Foreign Tech Companies Cave to Authorities’ Pressure, 2024; Sugiyama, 2022).

This led to the government of Russia enforcing nationalization, seizing assets owned by multinational companies worth USD 50 billion. Targeted companies include the Carlsberg Group, a Danish brewer, and Uniper, a German energy company (Anisimova, 2025).

This exit has led to the disruption of supply chains, particularly for semiconductors and other high-tech components, which is expected to lead to isolation and technological holdups in the long-term. This disruption can especially be seen in Russia’s aviation industry (Sokolova, 2022).

As Western nations prohibited selling aircrafts and its equipment to Russia, its in-service commercial fleet decreased by 17% in just one year. Both Airbus and Boeing, the largest commercial aircraft manufacturers, suspended the supply of aircraft parts and services to Russia. To combat this issue, reports indicate that Russia is “cannibalizing” grounded aircrafts to avail spare parts to keep other planes airworthy. Another unorthodox route used is transporting aircraft equipment through passenger luggage. By the end of 2022, at least 10 Air Data Inertial Reference Units (ADIRU) and other critical aircraft equipment, worth USD 40,000 each, were registered as arriving in passenger luggage at airports in Moscow, destined for the S7 Airlines, Russia’s second largest airliner (Cornish et al., 2024). This has also impacted the safety of aviation in the country. The crash of Angara Airlines Flight 2311 in July 2025 in the Amur Oblast, resulting in the deaths of all 48 occupants, has been attributed to the effects of the sanctions. The aircraft in the incident was a 50-year-old Antonov An-24, which Russian airlines have been using as it does not rely upon Western-made equipment. Even though Russia was planning to phase out this model in 2025, it reversed the decision to lessen the impact of the sanctions (Office of the Spokesperson, 2022). Western sanctions have also delayed Russia’s plan to produce a narrow-body aircraft, like the Airbus A320, by up to two years (Abdullina, 2024). This is because before the war, Russia was heavily dependent on United States-developed engines. Now it would have to design and produce its own (Wyman, 2023).

Regardless, several foreign companies continue to operate in Russia, mainly from Asian markets. Examples include the Alibaba Group, AstraZeneca, Nestlé, and Procter & Gamble. These contributed to about a third of Russia’s 2025 military budget and such foreign companies have earned a profit of USD 16.8 billion in 2023 (Kulish, 2025).

Import Restrictions and Substitutions

Following sanctions and the exiting of Western multinational business from Russia, the Russian government and businesses have taken several steps to circumvent those sanctions and minimize their impacts.



Firstly, in 2022, Russia legalized parallel imports, a mechanism that allows the import of branded goods without the permission of patent or copyright holders. This program covered goods such as apparel, auto parts, electronics, and household appliances. The government has gone further and listed specific brands eligible, which include Apple Inc, Canon Inc, Ferrari, and Mercedes-Benz. Popular third-country channels that are used include China, India, Malaysia, and the United Arab Emirates (Feldman, 2024; Shmagun, 2024).

Secondly, in response to the flurry of sanctions, Russia expanded its “unfriendly countries list” in March 2022. This list not only includes the European Union, the United Kingdom, and the United States but also countries like Japan, South Korea, Switzerland, and Taiwan, for a total of 56 countries. To pay any debts above RUB 1 million per month owed to overseas creditors from those countries, Russia required its citizens to pay in rubles, helping in strengthening the value of the currency (These Are the Countries Russia Considers “Unfriendly,” 2022). Moreover, as a response to the bans on electronic exports to Russia, it prohibited the export of helium and neon to the “unfriendly countries” (Christian, 2022). Lastly, it allowed local businesses to provide no compensation to owners of patented and copyrighted goods from “unfriendly countries” (Les Nouvelles, 2023).



Figure 9: Comparison between Russia's Top Export Partners between 2021 and 2023 (Where Does Russia Export To? (2021) | the Observatory of Economic Complexity, 2021; Where Does Russia Export To? (2023) | the Observatory of Economic Complexity, 2023).

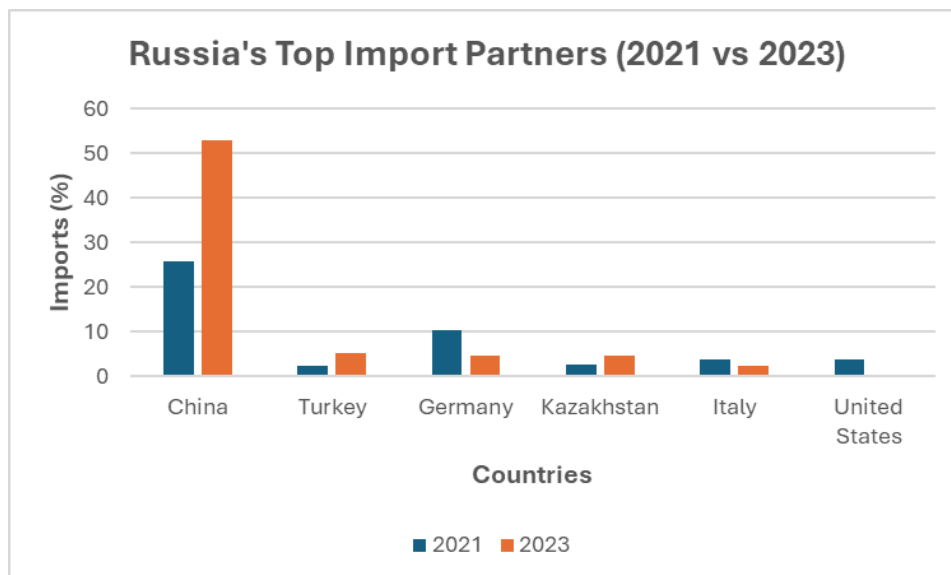


Figure 10: Comparison between Russia's Top Import Partners between 2021 and 2023 (Where Does Russia Import From? (2021) | the Observatory of Economic Complexity, 2021; Where Does Russia Import From? (2023) | the Observatory of Economic Complexity, 2023).

The above figure highlights Russia's reliance on Asian countries, especially China, India, and Turkey, post-2022. These figures do not include crude oil shipped by the "shadow fleet", which if they were to be considered, would increase the percentage for both China and India. Furthermore, economist and leading expert on economic sanctions and the economy of Russian Elina Ribakova has gone even further and stated that "Russia is now China's vassal." (Sullivan, 2025) This is because, in 2023, even though China imported 32.7% of Russian exports and exported 53% of Russian imports, Russia only imported 3.22% of Chinese imports and exported only 5.89% of Chinese imports (Where Does Russia Export To? (2023) | the Observatory of Economic Complexity, 2023; Where Does Russia Import From? (2023) | the Observatory of Economic Complexity, 2023; Where Does China Export To? (2023) | the Observatory of Economic Complexity, 2023; Where Does China Import From? (2023) | the Observatory of Economic Complexity, 2023). China, for instance, has especially helped Russia's automotive industry. As companies like Honda, the Hyundai Group, Toyota, and Volkswagen exited the Russian market, Chinese manufacturers filled the Russian market with both automobiles and automobile parts (Любовь Лежнева, 2025).

Another interesting economic and geopolitical relationship emerged between Russia and Iran, a country adapted to over four decades of sanctions. In fact, in 2022, Russia surpassed Iran to be the most sanctioned country. It is rumoured that Russia has planned to supply the Sukhoi Su-35 fighter jet to Iran in the future, in exchange for the Shahed drones (Matamis, 2023).

However, while import substitution has aided Russia, a study by the International Monetary Fund found that import substitution strategies fail to achieve sustainable growth and lead to inefficiency and uncompetitive industry in the long run. By contrast, an export-oriented industrial policy, which involves speeding up industrialization by exporting goods, has a much stronger success rate and leads to long-term development (Cherif & Hasanov, 2024).

6. Political Impact

Response of the Government and the President

In response to the international sanctions, Russian President Vladimir Putin stated, “These sanctions that are being imposed are akin to a declaration of war but thank God it has not come to that” (Kerry, 2022).

Putin and state-controlled media outlets have framed the Western sanctions as an attempt to undermine the Russian state. For instance, in Putin’s New Year’s Eve Address in 2022 he asserted, “This year, a real sanctions war was declared on us. Those who started it expected the complete destruction of our industry, finances, and transport. This did not happen, because together we created a reliable margin of safety” (Press, 2022). This language positions the sanctions as an attempt to dismantle Russia, while also celebrating national resilience and unity.

Simultaneously, Russia has engaged in a disinformation campaign, wherein the economy of Russia is being portrayed as being resilient to such Western sanctions. As in 2014, these sanctions are depicted as evidence of widespread Russophobia in the West and an attempt to destroy the lives of Russians. Russia has gone even further to claim that such sanctions have in fact strengthened the economy. Proclamations such as “Russia is not an aggressor” and “Russia is defending itself against the collective West,” are quite common in Russian media (Media Capture in Russia: An Expensive Venture - Media and Journalism Research Center, 2023).

Elsewhere, in the European Union, Ukraine, and the United States, a Russian disinformation campaign dubbed “Doppelgänger” aims to undermine international support for Ukraine (Martin, 2023). Narratives include the assertion that such sanctions are pointless and hurt local economies. It also alleges that the European Union governments are violently repressing protests over inflation and that Ukraine is a Nazi state (Churanova, 2024; EUvsDisinfo, 2023).

Public Approval, Protests, and Emigration in Russia

Despite its invasion of Ukraine and the ensuing international sanctions, independent research institute Levada Center reports that a majority of Russian citizens believe that Russia is heading in the right direction and approve of its President and his government. The approval ratings saw a spike in 2022, following the invasion. For instance, the approval of Putin jumped by about 20%. Whereas in 2021 only 48% believed that the country was moving in the right direction, by 2024 the figure had reached 72%. Similarly, while in 2021, less than 70% approved of President Putin, this has jumped to 87%, the highest in eight years. The same pattern can be seen in approval ratings of the government. At 71%, it is the highest in 24 years.

Most people who believe that the country is moving in the right direction and support the current administration tend to be those who can afford durable goods, have attained a higher education, are older than 55 years, and are residents of Moscow (Ratings of November 2024: Sentiments, Opinions on the State of Affairs in the Country, Approval of Authorities, Trust in Politicians and Parties, Presidential Electoral Ratings, 2024). Another survey in partnership with the Chicago Council on Global Affairs found that an overwhelming 78% support continued military action and 76% believe Russia will emerge victorious. However, at the same time 59% believe that Russia should start peace negotiations to reduce household costs, while 50% distrust reports published by the Kremlin about the conflict (Smeltz et al., 2025). It is also important to note that even though the institute is independent, respondents may not completely be honest with their responses as they may deem surveyors and researchers untrustworthy and may fear state oppression. Hence, the proportion of those



supporting the government is likely lower while those supporting a peaceful resolution is higher.

Since 2022, there have also been several significant anti-war protests in Russia. In fact, in two weeks since the start of the invasion, more than 13,000 protestors were arrested across 147 cities, including Moscow, Saint Petersburg, Novosibirsk, and Yekaterinburg (Franklin, 2022; Reuters, 2022; Ukraine Conflict: Authorities Crackdown on Anti-War Protests in Russia, 2022). In response, Russia enacted two laws which made it illegal to spread “fake news” against the Russian Armed Forces, calling for an end to the invasion, or supporting sanctions against Russia (Human Rights Watch, 2022). The Russian government also arrested Marina Ovsyannikova, a journalist at Channel One, a Russian state TV channel, for protesting the invasion and Putin. She later fled Russia (Marina Ovsyannikova’s Extraordinary Flight from Moscow with RSF’s Help, 2023). As of March 2025, Russia has witnessed nearly 40,000 protests and the detention of at least 20,000 (Novaya Gazeta Europe, 2025; версия, 2025).

After its invasion, Russia has also seen a large emigration with estimates from independent organizations varying from 500,000 to as much as a million (Jerstad et al., 2024). Most of these emigrants are younger and more educated Russians, with about 28% of them belonging to the information technology sector. Largest countries that saw the arrival of Russian emigrants include Georgia, Turkey, and the Central Asian region (Benoît Vitkine, 2024; Oshchepkov et al., 2024). This decrease in the labor force in Russia has aided in keeping unemployment low, as previously mentioned, but it has also resulted in labor shortages, especially in the IT sector. By mid-2023, there was a shortage of an estimated 5 million workers. Furthermore, there is a hesitancy among the Central Asian migrants to pursue work in Russia. To compensate, Russia is recruiting migrants from the South Asian countries, especially India and Pakistan (ICMPD Migration Outlook Eastern Europe and Central Asia 2024 Eight Migration Issues to Look out for in 2024 Origins, Key Events and Priorities for Europe, 2024).

Impact on Russian Advances in Ukraine

As of August 2025, more than three years since the Russian invasion of Ukraine, Russia continues to occupy and control internationally recognized Ukrainian territory. The Autonomous Republic of Crimea along with Sevastopol, its largest city, are under full Russian control, while most of the Oblasts of Donetsk, Kherson, Luhansk, and Zaporizhzhia are in Russian occupation. The Oblasts of Dnipropetrovsk and Kharkiv are under mixed control between Russia and Ukraine. This represents almost 20% or more than 120,000 km² of the total land area of Ukraine (Liveuamap, 2019). As for the number of casualties, the United Nations reports that the invasion has left at least 14,000 civilians from both sides dead. However, this figure does not include casualties in the Armed Forces of Ukraine and the Russian Armed Forces as both countries seldom report accurate casualties in their armed forces and the aforementioned figure for civilians is likely underestimated as collecting figures for civilians is largely difficult (United Nations, 2025).

However, while advances were made, there was also a slowdown due to the implications of the sanctions. As mentioned earlier, Russia has limited access to advanced components like semiconductors, forcing Russia to scrap the production of the advanced fighter jet Sukhoi Su-57 and redirect resources to aging Cold War-era jets and tanks like the Sukhoi Su-35 and T-55 (Ruth, 2025). Furthermore, the then-High Representative of the Union for Foreign Affairs and Security Policy and the Vice-President of the European Commission Josep Borrell claimed that the Western sanctions constrained Russia’s production of precision-guided missiles, reducing the effectiveness of the Russian Aerospace Forces (Borrell, 2022).

At present, peace negotiations are at a near-standstill, with Russia demanding that Ukraine relinquish its territory and limit its defenses, outcomes that are unacceptable to Ukraine (Press, 2025).



7. Conclusion

The international sanctions on Russia following its invasion of Ukraine provide an insight into how an economic tool used so frequently since the twentieth century has become less effective. Despite the European Union, the United Kingdom, and the United States imposing sanctions covering virtually all of Russia's industry, including its banks, oil and gas companies, and restricting key imports into its economy, the above analysis shows a minimal impact on its economy.

Firstly, data from the World Bank show that between 2020 and 2024, Russia's GDP saw a significant growth of 25%. Secondly, due to sanctions, the prices of several significant vegetables, including potatoes and red onions skyrocketed. However, this initial surge in prices was reduced just within a year, with the inflation rate being stabilized and like the pre-war rate. As for unemployment, due to mass emigration, a continued demographic decline, coupled with heavy investments into local industry, the unemployment rate in Russia was low at just 2.5% in 2024. However, this also represents a labour shortage of young individuals, especially in the IT industry, which may be detrimental to the Russian economy in the long run.

One of the most prominent and notable sanctions included reducing the West's reliance on Russian energy and decreasing its access to key minerals. Russia, a country once reliant on the West for its oil and gas exports, had to look elsewhere, especially in Asian countries, like China and India. This includes Russia's efforts to improve its infrastructure to connect it to other Asian nations to supply LNG. Despite this, Russia has still experienced a fall in oil and gas revenues, with its largest company suffering a loss for the first time in a quarter of a century.

Like nations and organizations condemning Russia's invasion and imposing embargoes, several Western brands have also exited Russian markets to oppose its invasion of Ukraine. This isolation from brands has affected its supply chain of critical technological parts, with especially a severe effect on its aviation industry. Airlines in its country have resorted to using parts from grounded airlines or flying old Soviet Union-era aircrafts.

However, Russia has enacted several policies and encouraged certain activities to circumvent these sanctions. Most notably is its use of import substitution and the "shadow fleet." Through import substitutions and parallel economy, it has bought automobiles and other luxury items through neutral companies, like China, Turkey, and the United Arab Emirates. Meanwhile, it used its "shadow fleet" of oil tankers and vessels registered in different nations to supply crude oil and natural gas to the international markets.

In response, the Russian government has portrayed these sanctions as a product of anti-Russian sentiment and imperialism in the West, while simultaneously participating in disinformation campaigns, both in Russia and in Europe, to convince citizens of the strength of the Russian economy and ineffectiveness of the international sanctions. Regardless, Russia has seen a high number of anti-war protests across the country, with the government suppressing them and arresting at least 20,000, including journalists. Moreover, the Russian Armed Forces continue to occupy up to 20% of Ukraine's land area, with the invasion leading to more than 170,000 fatalities across both sides.

As the West imposes new sanctions and Russia tries new strategies to circumvent them, it is important for one to evaluate the sanctions and their impact on the Russian economy every few months. Furthermore, further research on how Russia has collaborated and learned from other allied sanctioned countries, like Belarus, China, Cuba, Iran, and North Korea can further help governments in the West understand how Russia has minimized the impact of their sanctions.



8. References

- Abdullina, A. (2024, February 29). Рубрики. Коммерсантъ. <https://www.kommersant.ru/doc/6536154>
- Address by President of Ukraine Volodymyr Zelenskyy to the US Congress – Official website of the President of Ukraine. (2022). Official Website of the President of Ukraine. <https://www.president.gov.ua/en/news/promova-prezidenta-ukrayini-volodimira-zelenskogo-pered-kong-73609>
- Alin, J., Eichenberg, A., Kulikov, V., & Simanovskyy, M. (2022, December 2). Public Pressure on Multinational Corporations in Russia Post-Invasion of Ukraine: a Comparative Perspective – PONARS Eurasia. PONARS Eurasia. <https://www.ponarseurasia.org/public-pressure-on-multinational-corporations-in-russia-post-invasion-of-ukraine-a-comparative-perspective/>
- Anisimova, A. (2025). Russia's Counter Sanctions: Forward to the Past! In Free Network (pp. 2, 3). Free Network. <https://freepolicybriefs.org/wp-content/uploads/2025/05/20250512.pdf>
- Arboleas, M. S., & Manzanaro, S. S. (2025, May 30). Russia's Putin looks to Belarus to dig him out of war-time potato shortage. Euractiv; EURACTIV. <https://www.euractiv.com/section/agriculture-food/news/russias-putin-looks-to-belarus-to-dig-him-out-of-war-time-potato-shortage/>
- Benchimol, J., & Palumbo, L. (2024). Sanctions and Russian online prices. Journal of Economic Behavior & Organization, 225, 483–521. <https://doi.org/10.1016/j.jebo.2024.07.013>
- Benoît Vitkine. (2024, June 16). The new Russian diaspora in Europe: Integrated and here to stay. Le Monde. https://www.lemonde.fr/en/international/article/2024/06/16/the-new-russian-diaspora-in-europe-integrated-and-here-to-stay_6674922_4.html
- Borrell, J. (2022). The sanctions against Russia are working. EEAS. https://www.eeas.europa.eu/delegations/ukraine/sanctions-against-russia-are-working_en
- Butler, S. (2024, October 10). Unilever sells Russian business after pressure from campaigners. The Guardian; The Guardian. <https://www.theguardian.com/business/2024/oct/10/unilever-sells-russian-business-after-pressure-from-campaigners>
- CEIC Data. (2018, June). Russia Crude Oil: Exports. CEIC Data. <https://www.ceicdata.com/en/indicator/russia/crude-oil-exports>
- CGEP, C. (2024, February 21). Russia's Gas Export Strategy: Adapting to the New Reality - Center on Global Energy Policy at Columbia University SIPA | CGEP. Center on Global Energy Policy at Columbia University SIPA | CGEP. <https://www.energypolicy.columbia.edu/publications/russias-gas-export-strategy-adapting-to-the-new-reality>
- Cherif, R., & Hasanov, F. (2024, April 26). The Pitfalls of Protectionism: Import Substitution vs. Export-Oriented Industrial Policy. IMF.

<https://www.imf.org/en/Publications/WP/Issues/2024/04/26/The-Pitfalls-of-Protectionism-Import-Substitution-vs-546349>

Christian. (2022, September 8). RUSSIAN GOVERNMENT UNFRIENDLY COUNTRIES LIST | Association of Accredited Public Policy Advocates to the European Union. Association of Accredited Public Policy Advocates to the European Union. <https://www.aalep.eu/russian-government-unfriendly-countries-list>

Churanova, O. (2024, March 27). Sanctions (don't) work to stop the war? How Russia uses the narrative against the West. Euractiv; EURACTIV. <https://www.euractiv.com/section/global-europe/news/sanctions-dont-work-to-stop-the-war-how-russia-uses-the-narrative-against-the-west/>

Congressional Research Service. (2020). Introduction to U.S. Economy: Unemployment. In Congressional Research Service. Congressional Research Service. <https://sgp.fas.org/crs/misc/IF10443.pdf>

Cornish, C., Seddon, M., Ivanova, P., Pfeifer, S., Cook, C., & Stognei, A. (2024, May 10). The smuggling trail keeping Russian passenger jets in the air. @FinancialTimes; Financial Times. <https://www.ft.com/content/f8d61a5d-708f-47c4-8dbd-0e80452dea5a>

Council of the EU. (2022, March 2). Russia's military aggression against Ukraine: EU bans certain Russian banks from SWIFT system and introduces further restrictions. European Council and Council of the European Union. <https://www.consilium.europa.eu/en/press/press-releases/2022/03/02/russia-s-military-aggression-against-ukraine-eu-bans-certain-russian-banks-from-swift-system-and-introduces-further-restrictions/>

Crapo, M. (2018). OUTSIDE PERSPECTIVES ON RUSSIA SANCTIONS: CURRENT EFFECTIVENESS AND POTENTIAL FOR NEXT STEPS HEARING BEFORE THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE ONE HUNDRED FIFTEENTH CONGRESS SECOND SESSION ON EXAMINING THE IMPLEMENTATION AND EFFECTIVENESS OF THE SANCTIONS PROGRAM CURRENTLY IN PLACE AGAINST RUSSIA AND THE EFFECTS OF THOSE SANCTIONS. United States Senate Committee on Banking, Housing, and Urban Affairs. <https://www.congress.gov/115/chrg/CHRG-115shrg32635/CHRG-115shrg32635.pdf>

Dabrowski, M. (2023, July 11). The Russian war economy: macroeconomic performance. Bruegel | the Brussels-Based Economic Think Tank. <https://www.bruegel.org/analysis/russian-war-economy-macroeconomic-performance>

Davis, J. S., & Patel, K. (2023). Russian ruble buckles under trade sanctions, declining export earnings. Federal Reserve Bank of Dallas. <https://www.dallasfed.org/research/economics/2023/1010/>

Directorate-General for Financial Stability, Financial Services and Capital Markets Union. (2024). Price Cap Coalition statements and guidance. European Commission. https://finance.ec.europa.eu/publications/price-cap-coalition-statements-and-guidance_en

EIA. (2021, August). International - U.S. Energy Information Administration (EIA). Energy Information Administration. <https://www.eia.gov/international/analysis/country/UKR>

EPIC. (2025, February 28). Russian war economy: going up before going down? - Friends of Europe. Friends of Europe.



<https://www.friendsofeurope.org/insights/critical-thinking-russian-war-economy-going-up-before-going-down/>

EUR/RUB - Google. (n.d.). Refinitiv and Quick Corp. Retrieved August 9, 2025, from <https://www.google.com/finance/quote/EUR-RUB>

European Central Bank. (2025). Measuring inflation - HICP. European Central Bank. https://www.ecb.europa.eu/stats/macroeconomic_and_sectoral/hicp/html/index.en.html

European Council. (2024). Timeline - EU sanctions against Russia. Consilium. <https://www.consilium.europa.eu/en/policies/sanctions-against-russia/timeline-sanctions-against-russia/>

European Parliament, & Council of the European Union. (2008, November 19). DIRECTIVE 2008/101/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 19 November 2008. Official Journal of the European Union. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0101>

EUvsDisinfo. (2023, March 6). "Sanctions do not work": Russian disinformation narratives about sanctions in the EU, in Ukraine, and in Russia itself - EUvsDisinfo. EUvsDisinfo. <https://euvsdisinfo.eu/sanctions-do-not-work-russian-disinfo/>

Federal Register. (2022, March 8). Federal Register. <https://www.federalregister.gov/documents/2022/03/10/2022-05232/prohibiting-certain-imports-and-new-investments-with-respect-to-continued-russian-federation-efforts>

Federal State Statistic Service. (n.d.). Federal State Statistics Service. Retrieved August 8, 2025, from <https://eng.rosstat.gov.ru/>

Feldman, D. (2024, June 5). The Silent Trade: Russia's Sanction Evasion via Parallel Imports. Cyberint. <https://cyberint.com/blog/threat-intelligence/the-silent-trade-russias-sanction-evasion-via-parallel-imports/>

Fenton, N., & Kolyandr, A. (2025, April 11). Down but Not Out: the Russian Economy under Western Sanctions. Center for Strategic and International Studies. <https://www.csis.org/analysis/down-not-out-russian-economy-under-western-sanctions>

Fields, S. (2022). Facebook, TikTok and YouTube ban Russian state media channels. Marketplace. <https://www.marketplace.org/story/2022/03/01/facebook-tiktok-and-youtube-ban-russian-state-media-channels>

Franklin, J. (2022, March 6). Thousands have been detained in anti-war protests across Russia. Hawai'i Public Radio; HAWAII. <https://www.hawaiipublicradio.org/npr-news/2022-03-06/thousands-have-been-detained-in-anti-war-protests-across-russia>

Gedeon, J. (2025, January 10). Biden administration imposes toughest sanctions on Russian oil and gas. The Guardian; The Guardian. <https://www.theguardian.com/us-news/2025/jan/10/biden-russia-sanctions>

Gutterman, I. (2024, December 20). Russia's Runaway Food Prices. RadioFreeEurope/RadioLiberty; RFE/RL. <https://www.rferl.org/a/russia-food-prices-inflation-interest/33244563.html>



Hilgenstock, B., Kravtsev, A., Pavytska, Y., Vlasyuk, A., Dodonov, B., Ribakova, E., & Shapoval, N. (2024). Creating “Shadow-Free” Zones Proposal for the Implementation of an Insurance Requirement to Address Key Environmental Risks. Kyiv School of Economics. https://kse.ua/wp-content/uploads/2024/10/Shadow_free_zones_October_2024_final.pdf

Human Rights Watch. (2022, March 7). Russia Criminalizes Independent War Reporting, Anti-War Protests. Human Rights Watch. <https://www.hrw.org/news/2022/03/07/russia-criminalizes-independent-war-reporting-anti-war-protests>

ICMPD Migration Outlook Eastern Europe and Central Asia 2024 Eight migration issues to look out for in 2024 Origins, key events and priorities for Europe. (2024). International Centre for Migration Policy Development. <https://www.icmpd.org/file/download/60848/file/ICMPD%2520Migration%2520Outlook%2520EECA%25202024.pdf>

IEA. Average Russian oil exports by country and region, 2021-2024 – Charts – Data & Statistics (2021). IEA. <https://www.iea.org/data-and-statistics/charts/average-russian-oil-exports-by-country-and-region-2021-2024>

Ilyushina, M., & Dixon, R. (2025, February 23). Gazprom, once a mighty tool of Russia, stumbles toward more modest future. Washington Post; The Washington Post. <https://www.washingtonpost.com/world/2025/02/23/russia-gazprom-war-ukraine-economy/>

Jerstad, E., Barrosa, E., & Student, A. C. U. (2024). Russian Emigration Patterns during the Russia-Ukraine War: Interviews with Wartime Émigrés. Stanford University. <https://fsi.stanford.edu/publication/russian-emigration-patterns-during-russia-ukraine-war-interviews-wartime-emigres>

Jobst, A., Uriel, P. E., Fortes, R., Huang, F., & Stamer, M. (2022, May 30). Appreciating ruble: How did Russia avoid a currency crisis? Allianz Trade. https://www.allianz-trade.com/en_global/news-insights/economic-insights/russia-rallying-ruble.html

Kennedy, R. (2015, June 17). Unblocking long-suffering Cuba. Al Jazeera Media Network. <https://www.aljazeera.com/features/2015/6/17/el-bloqueo-55-years-of-obstructing-the-cuban-people>

Kerry, F. (2022, March 5). Putin says Western sanctions are akin to declaration of war. Reuters. <https://www.reuters.com/world/europe/putin-says-western-sanctions-are-akin-declaration-war-2022-03-05/>

Kilian, L., Rapson, D., & Schipper, B. (2024). The Impact of the 2022 Oil Embargo and Price Cap on Russian Oil Prices. Federal Reserve Bank of Dallas, Working Papers, 2024(2401). <https://doi.org/10.24149/wp2401>

Kim, J., Kim, K., Park, S., & Sun, C. (2023). The economic costs of trade sanctions: Evidence from North Korea. Journal of International Economics, 145, 103813. <https://doi.org/10.1016/j.jinteco.2023.103813>

Korhonen, I. (2019). Economic Sanctions on Russia and Their Effects. German National Library of Economics. <https://www.econstor.eu/bitstream/10419/216248/1/CESifo-Forum-2019-04-p19-22.pdf>

Krychkovska U., & Romanenko, V. (2025, February 24). UK hits Russia with its largest sanctions package since 2022. Ukrainska Pravda. <https://www.pravda.com.ua/eng/news/2025/02/24/7499852/>

Kulish, H. (2025, February 7). Foreign business exit from Russia continues, but over 2,200 companies still fuel its economy –



KSE Institute - Kyiv School of Economics. Kyiv School of Economics.

<https://kse.ua/about-the-school/news/foreign-business-exit-from-russia-continues-but-over-2-200-companies-still-fuel-its-economy-kse-institute/>

Les Nouvelles. Laws Affecting IP Licensing—Russia. (2023). Licensing Executives Society International.

<https://www.les-russia.org/en/public/laws-affecting-ip-licensing-russia-les-nouvelles/>

Liveuamap. (2019). Ukraine Interactive map . Liveuamap. <https://liveuamap.com/>

Lukyanova, A., & Zeynalov, A. (2022). Russian Agricultural Industry under Sanction Wars. ArXiv.

<https://arxiv.org/abs/2211.09205>

Любовь Лежнева. (2025, May 14). Salvation point: The EU has reached the limit in anti-Russian sanctions. Известия.

<https://en.iz.ru/en/1885960/lubov-lezneva/salvation-point-eu-has-reached-limit-anti-russian-sanctions>

Marina Ovsyannikova's extraordinary flight from Moscow with RSF's help. (2023, February 10). Reporters without Borders.

<https://rsf.org/en/marina-ovsyanikova-s-extraordinary-flight-moscow-rsf-s-help>

Martin, A. (2023, August 29). Russians impersonate Washington Post and Fox News with anti-Ukraine stories. The Record.

<https://therecord.media/russians-fake-news-anti-ukraine>

Matamis, J. (2023, December 11). Iran May Trade Drones for Russian Fighter Jets, Helicopters, and Trainers • Stimson Center.

Stimson Center. <https://www.stimson.org/2023/iran-may-trade-drones-for-russian-fighter-jets-helicopters-and-trainers>

Media Capture in Russia: An Expensive Venture - Media and Journalism Research Center. (2023, June 22). Media and

Journalism Research Center. <https://journalismresearch.org/2023/06/media-capture-in-russia-an-expensive-venture-2/>

MONETARY POLICY GUIDELINES FOR 2023-2025 Moscow. (2022). Central Bank of Russia.

https://www.cbr.ru/Content/Document/File/139699/on_eng_2023%282024-2025%29.pdf

Museum of Protest. (2025, March 27). International sellers' embargo - Museum of Protest. Museum of Protest.

<https://museumofprotest.org/methods/international-sellers-embargo/>

Newkey-Burden, C. (2025, July 24). How potatoes became an “unusual bellwether” in Russia's economy. The Week.

<https://theweek.com/business/economy/how-potatoes-became-an-unusual-bellwether-in-russias-economy>

Novaya Gazeta Europe. (2025, June 27). Picking your battles. Novaya Gazeta Europe.

<https://novyagazeta.eu/articles/2025/06/27/picking-your-battles-en>

Office of the Spokesperson. (2022, October 21). The Impact of Sanctions and Export Controls on the Russian Federation - United States Department of State. United States Department of State.

<https://2021-2025.state.gov/the-impact-of-sanctions-and-export-controls-on-the-russian-federation/>

Office, D. (2025, May 19). UK announces major sanctions in support of Ukraine. Government of the United Kingdom.



<https://www.gov.uk/government/news/uk-announces-major-sanctions-in-support-of-ukraine>

Office, F., Commonwealth and Development. (2022, May 4). Russia cut off from UK services. Government of the United Kingdom. <https://www.gov.uk/government/news/russia-cut-off-from-uk-services>

Oliver, I., & Venancio, M. N. (2025, January 27). Understanding the Failure of the U.S. Embargo on Cuba. WOLA. <https://www.wola.org/analysis/understanding-failure-of-us-cuba-embargo>

Oshchepkov, A., Tilekeyev, K., & Gerry, C. (2024). POLICY BRIEF #1 How War in Ukraine Has Shaped Migration Flows in Central Asia. University of Central Asia. <https://ucentralasia.org/media/psdnh1p1/pbmigration-flow-change-in-central-asia-en.pdf>

PepsiCo. (2022, March 8). PepsiCo suspends production and sale of Pepsi-Cola and other global beverage brands in Russia. PepsicoUpgrade. <https://www.pepsico.com/our-stories/press-release/pepsico-suspends-production-and-sale-of-pepsi-cola-and-other-global-beverage-brands-in-russia>

Press, A. (2022, December 31). Putin Tells Russia: "Sanctions War Was Declared on Us." Voice of America; Voice of America (VOA News). <https://www.voanews.com/a/ukraine-conflict-casts-shadow-on-russia-as-it-enters-2023/6899167.html>

Press, T. A. (2019, October 23). US to lift sanctions against Turkey; Trump calls ceasefire permanent. ICT. <https://ictnews.org/outside/us-to-lift-sanctions-against-turkey-trump-calls-ceasefire-permanent/>

Press, T. A. (2025, June 3). Putin's demands emerge after latest round of Russia-Ukraine peace talks. AP News. <https://apnews.com/article/russia-ukraine-war-memorandum-talks-istanbul-6014fb7e87c15aa60e30bf72bf6cd2fd>

Prince, T. (2022, August 22). Despite Sweeping Sanctions Over The Ukraine War, Russian Unemployment Touches Post-Soviet Low. Here's Why. RadioFreeEurope/RadioLiberty. <https://www.rferl.org/a/russia-low-unemployment-sanctions-ukraine-war/31999174.html>

Purcell, S. K. (1992, February). Collapsing Cuba. Foreign Affairs. <https://www.foreignaffairs.com/cuba/collapsing-cuba>

Rarick. (2024, January 11). Russia's growing dark fleet: Risks for the global maritime order. Atlantic Council. <https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/russias-growing-dark-fleet-risks-for-the-global-maritime-order>

Ratings of November 2024: sentiments, opinions on the state of affairs in the country, approval of authorities, trust in politicians and parties, presidential electoral ratings. (2024, December 10). Levada Center. <https://www.levada.ru/en/2024/12/10/ratings-of-november-2024-sentiments-opinions-on-the-state-of-affairs-in-the-country-approval-of-authorities-trust-in-politicians-and-parties-presidential-electoral-ratings>

Reserve Bank of Australia. (2025). Causes of Inflation. Reserve Bank of Australia; Reserve Bank of Australia. <https://www.rba.gov.au/education/resources/explainers/causes-of-inflation.html>

Reuters. (2022, February 28). Anti-war protests held in cities across Russia, 2,000 people arrested. Euronews.



<https://www.euronews.com/2022/02/28/us-ukraine-crisis-russia-protests>

Ribakova, E. (2024, May 2). Russia's new economy may end up prolonging its war. Financial Times.

<https://www.ft.com/content/3fd6b61b-f9f4-47dc-9369-27909868a0b6>

Rodionova, Y., & Yakovlev, A. (2024). Micro-level incentives and the mechanism of import substitution in Russian public procurement. *Eurasian Geography and Economics*, 1–20. <https://doi.org/10.1080/15387216.2024.2376065>

Rojas-Romagosa, H. (2024, March 1). Medium-term Macroeconomic Effects of Russia's War in Ukraine and How it Affects Energy Security and Global Emission Targets. IMF.

<https://www.imf.org/en/Publications/WP/Issues/2024/03/01/Medium-term-Macroeconomic-Effects-of-Russias-War-in-Ukraine-and-How-it-Affects-Energy-544043>

Russell, M. (2016). Sanctions over Ukraine Impact on Russia SUMMARY. European Parliament.

<https://www.europarl.europa.eu/EPRS/EPRS-Briefing-579084-Sanctions-over-Ukraine-impact-Russia-FINAL.pdf>

Russia adds Bahamas, Guernsey, Isle of Man to list of unfriendly countries and territories. (2022, July 24). TASS.

<https://tass.com/russia/1484099>

Russia Natural Gas: Exports, 1960 – 2022 | CEIC Data. (n.d.). CEIC Data. Retrieved August 9, 2025, from

<https://www.ceicdata.com/en/indicator/russia/natural-gas-exports>

Russia: Foreign Tech Companies Cave to Authorities' Pressure. (2024, December 17). Human Rights Watch.

<https://www.hrw.org/news/2024/12/17/russia-foreign-tech-companies-cave-authorities-pressure>

Ruth, O. (2025). The Impact of Sanctions and Alliances on Russian Military Capabilities. Royal United Services Institute.

<https://www.rusi.org/explore-our-research/publications/commentary/impact-sanctions-and-alliances-russian-military-capabilities>

Şahin, A. (2021, June 30). Long-Run Trends and the Natural Rate of Unemployment. NBER.

<https://www.nber.org/reporter/2021number2/long-run-trends-and-natural-rate-unemployment>

Sauer, P. (2024, November 27). Russia's rouble plunges to lowest rate since early weeks of Ukraine war. The Guardian; The Guardian.

<https://www.theguardian.com/world/2024/nov/27/russias-rouble-plunges-to-lowest-rate-since-early-weeks-of-ukraine-war>

Shmagun, O. (2024, April 24). Parallel economy: How Russia is defying the West's boycott. Al Jazeera.

<https://www.aljazeera.com/economy/longform/2024/4/24/parallel-economy-how-russia-is-defying-the-west-s-boycott>

Smeltz D., El Baz L., & Volkov, D. (2025). Three in Four Russians Expect Military Victory over Ukraine. Chicago Council on Global Affairs.

<https://globalaffairs.org/research/public-opinion-survey/three-four-russians-expect-military-victory-over-ukraine>

Sokolova, K. (2022, May 5). Western companies leave Russia – taking Russian jobs with them | DW | 05.05.2022. Deutsche



Welle. <https://www.dw.com/en/western-companies-leave-russia-taking-russian-jobs-with-them/a-61697175>

Stinebower, C., Houck, D., Jabaji, D., & Fernández, M. P. (2022, March 28). Global Trade & Foreign Policy Insights. Winston & Strawn - Sanctions Summary – Russia Invasion of Ukraine.

<https://www.winston.com/en/blogs-and-podcasts/global-trade-and-foreign-policy-insights/sanctions-summary-russia-invasion-of-ukraine>

Sugiyama, S. (2022, March 2). Toyota to suspend Russian car production, vehicle imports. Reuters.

<https://www.reuters.com/business/autos-transportation/honda-suspend-automobile-motorcycle-exports-russia-nhk-2022-03-02/>

Sullivan, A. (2025, February 21). How has Russian economy dodged Western sanctions? Deutsche Welle.

<https://www.dw.com/en/sanctions-russian-economy-could-no-longer-survive-without-china-india-and-turkey/a-71606396>

The Federal Reserve. (2020, August 27). Why does the Federal Reserve aim for 2 percent inflation over time? Board of Governors of the Federal Reserve System. https://www.federalreserve.gov/faqs/economy_14400.htm

The Moscow Times. (2025). Telegram. https://t.me/moscowtimes_ru/31716

The President Executive Order 13662-Blocking Property of Additional Persons Contributing to the Situation in Ukraine. (2014). Federal Register. <https://www.govinfo.gov/content/pkg/FR-2014-03-24/pdf/2014-06612.pdf>

These are the countries Russia considers “unfriendly.” (2022, March 8). Al Jazeera Media Network.

<https://www.aljazeera.com/news/2022/3/8/russia-deals-with-unfriendly-countries-require-moscow-approval>

U.S. Department of The Treasury. (2025, January 10). Treasury Intensifies Sanctions Against Russia by Targeting Russia’s Oil Production and Exports. U.S. Department of the Treasury. <https://home.treasury.gov/news/press-releases/jy2777>

U.S. Treasury Escalates Sanctions on Russia for Its Atrocities in Ukraine. (2022, April 6). U.S. Department of the Treasury. <https://home.treasury.gov/news/press-releases/jy0705>

Ukraine conflict: Authorities crackdown on anti-war protests in Russia. (2022, March 7). Janes Information Services.

<https://www.janes.com/osint-insights/defence-news/security/ukraine-conflict-authorities-crackdown-on-anti-war-protests-in-russia>

Unemployment, total (% of total labor force) (modeled ILO estimate) - European Union | Data. (2023). World Bank Group.

<https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=EU>

Unemployment, total (% of total labor force) (modeled ILO estimate) - United States | Data. (n.d.). World Bank Group.

Retrieved August 10, 2025, from <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=US>

United Nations. Brutal Escalation of Large-Scale Russian Federation Attacks on Ukraine Setting Grim Casualty Records, Jeopardizing Fragile Diplomatic Momentum, Security Council Hears | Meetings Coverage and Press Releases. (2025, August

29). United Nations. <https://press.un.org/en/2025/sc16160.doc.htm>

USD/RUB - Google. (n.d.). Google; Google Finance. Retrieved August 9, 2025, from <https://www.google.com/finance/quote/USD-RUB>

версия, Р. (2025). Persecution of the anti-war movement report: Three Years into Russia's Full-Scale Invasion of Ukraine. February 2025. ОВД-Инфо. https://ovd.info/en/antiwar_3_years

Waplan, A. (2024). Effects and efficiencies of sanctions in the 2014 Crimean conflict Building bridges between the institutions of military history and economy in the context of economic sanctions. Swedish Defense University. <https://fhs.diva-portal.org/smash/get/diva2%3A1941549/FULLTEXT01.pdf>

Where does China export to? (2023) | The Observatory of Economic Complexity. (2023). The Observatory of Economic Complexity. https://oec.world/en/visualize/tree_map/hs92/export/chn/show/all/2023

Where does China import from? (2023) | The Observatory of Economic Complexity. (2023). The Observatory of Economic Complexity. https://oec.world/en/visualize/tree_map/hs92/import/chn/show/all/2023

Where does Russia export to? (2021) | The Observatory of Economic Complexity. (2021). The Observatory of Economic Complexity. https://oec.world/en/visualize/tree_map/hs92/export/rus/show/all/2021

Where does Russia export to? (2023) | The Observatory of Economic Complexity. (2023). The Observatory of Economic Complexity. https://oec.world/en/visualize/tree_map/hs92/export/rus/show/all/2023

Where does Russia import from? (2021) | The Observatory of Economic Complexity. (2021). The Observatory of Economic Complexity. https://oec.world/en/visualize/tree_map/hs92/import/rus/show/all/2021

Where does Russia import from? (2023) | The Observatory of Economic Complexity. (2023). The Observatory of Economic Complexity. https://oec.world/en/visualize/tree_map/hs92/import/rus/show/all/2023

World Bank. (2022). Unemployment, Total (% of Total Labor force) (modeled ILO estimate) - United Kingdom | Data. World Bank Group. <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=GB>

World Bank. (2025). Unemployment, total (% of total labor force) (modeled ILO estimate). World Bank Group. <https://data.worldbank.org/indicator/sl.uem.totl.zs>

World Bank Open Data. (2015). World Bank Open Data. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2024&locations>

Wyman, O. (2023, April 13). Ukraine Sanctions May Stifle Russia's Commercial Aviation Growth For 10 Years. Forbes. <https://www.forbes.com/sites/oliverwyman/2023/04/13/ukraine-sanctions-may-stifle-russias-commercial-aviation-growth-for-10-years/>



Acknowledgements and Mentor Contribution Statement

For “Economic Warfare: Impact of the International Sanctions due to the Russian Invasion of Ukraine”, Dr. Tammy Ingram acted as the Academic Mentor. While I was involved with researching, gathering sources, and analysing the data, my mentor supported me throughout the course of the paper.

Firstly, she was quite helpful in helping me pick a topic for the research paper and helped me narrow my research question. She also explained to me the importance of using published journals and other research papers while also guiding me through the citation process.

Before submitting my manuscript, she also read over my research paper, giving me some suggestions on how to improve my paper. Furthermore, after initially receiving feedback from the journal, I implemented the feedback given. At this stage as well, Dr. Ingram proofread the paper once more. However, all the data collection, analysis, and writing of the paper has been done by me. The titles and sub-titles were also my ideas.

Author Biography

Mohammed Husain is an ambitious student from the United Arab Emirates, passionate about economics and public speaking. His research explores how economics and geopolitics intersect as he goes in depth into the impacts of the international sanctions due to the Russian invasion of Ukraine. He is also the Founder and the Host of the *Victory Titans* podcast, where he interviews entrepreneurs to learn more about their journeys and inspires young people. He plans to study economics at university.

