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EU countries call for lowering of G7 price cap on Russian oil

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- by Shipping Telegraph

Nordic and Baltic countries have asked the European Commission to tighten the price cap on Russian oil as a matter of high priority, as it would severely impact “Russia’s war chest.”

Swedish Foreign Minister, Maria Malmer Stenergard, wants to lower the price ceiling on the Russian oil. The lower the price for Russian oil, the faster the peace, she said in her speech at the defense conference in Sälen.

In a joint letter addressed to the European Commission, the Nordic and Baltic countries have asked a revision of the oil price cap.

The Swedish minister for foreign affairs, Maria Malmer Stenergard, has confirmed that along with her Nordic and Baltic colleagues, has written a letter urging the EU Commission to lower the oil price cap within the G7.

“We are constantly working to stem the flow to the Russian treasury. A third of its income comes from energy exports. Sweden is pushing to lower the oil price cap, which would severely impact Russia’s war chest,” noted Stenergard.

It is estimated that lowering the oil price cap of \$10 per barrel, from the current \$60 per barrel, would mean losses for Russia of over 200bln Swedish kronor (SEK) per year.

As it is reported, that would equate to some 15 per cent of Russia’s military budget this year.

To remind, the price cap rate has been set in legislation by the European Council and agreed by the international Price Cap Coalition.

The cap is a ground-breaking initiative introduced in late 2022 with the aim to “keep low-priced Russian oil flowing onto global markets and to reduce the Russia’s revenues to be able to wage war.”

Sweden is also intensifying, according to the Foreign Minister, the work on preventing the so-called shadow fleet, which Russia uses to circumvent the oil price ceiling.

The “shadow fleet” has been accused of deceptive practices and has also raised fears for its potential to cause an environmental disaster at sea.