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Three ways Europe could limit Russian oil and gas revenues

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Despite major sanctions on Russia following its invasion of Ukraine, the European Union is still importing almost US$1 billion's worth of energy per day from Russia. Phasing out Russian gas and oil entirely (as the United Kingdom and United States are doing, for example) is difficult for the EU, because they account for 45% and 25% of its imports, respectively. Instead, the EU should directly limit Russian oil and gas revenues by introducing a tariff or setting a price cap on imports, while keeping them flowing.

There are three ways to reduce the risk of Russian retaliation. First, the EU – Russia's main fossil-fuel market – should assemble a large international demand cartel with an unavoidable minimum tariff on Russian energy or a maximum price cap. Second, the EU needs to improve its strategic options to buy oil and gas from elsewhere – the Middle East, for instance. Third, the EU might use an escrow account (see go.nature.com/3lnzthi) to disburse part of the withheld payments to Russia after the war; a share could go to Ukraine to repair war damage.

Importantly, the tariff could be fine-tuned to incentivize diversification in the West and to control the degree of economic pressure on Russia.

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