

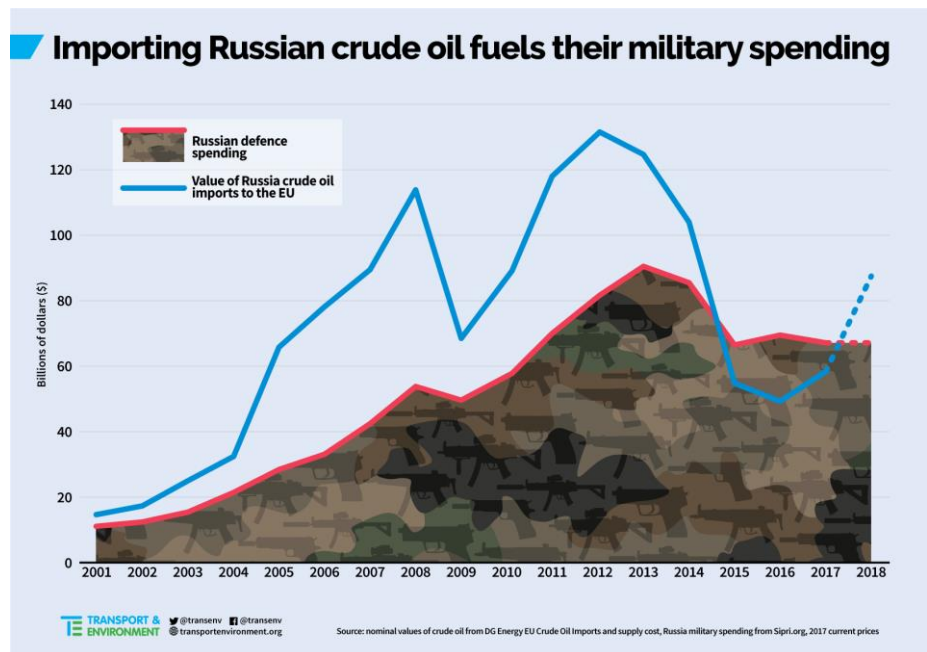
How Europe's oil addiction funds the Russian military

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1. The EU is sending money to Russia

Russian military expenditure is bank-rolled by the EU's oil addiction. Each time we fill our tanks, we are sending about €7 to Russia¹ – based on an [analysis](#) of where EU countries obtain their oil supplies.

The EU currently buys around \$125 billion of Russian oil per annum in the form of both crude oil (\$87 billion)² and refined products (\$37 billion)³. These revenues are used to fund Russia's annual military expenditure, that some estimates put as high as [\\$66 billion](#). Over a third of Russia's federal budget revenues are derived from oil and natural gas activities, and military spending is closely related to the income earned. As the price of oil and gas rises and the rouble strengthens, Russia is able to increase its military expenditure.



Rising oil demand in Europe has funded [increases in Russian military expenditure](#) over the last decade. This military spending only fell back in 2017 as a result of the collapse in the value of the rouble and low oil prices. The figure illustrates the clear link.

1.1. Five facts about the EU's oil use

1. Oil (crude oil plus petroleum products) represents [around a third](#) of the EU's total energy consumption;
2. The EU imports around 90% of the oil it needs and this share is expected to rise in the future.
3. Two-thirds of the EU's oil is used in transport.
4. Around a third of the oil used in Europe is bought from Russia and this is forecast to rise in the next decade
5. [Around 70%](#) of Russia's oil production is sold in Europe.

¹ Based on Cambridge Econometrics' Fuelling Europe's Future report (2018), 32% of money paid at the pump leaves the EU economy. The average tank of fuel costs €70 and one-third of our crude oil and refined petroleum products comes from Russia. http://www.camecon.com/wp-content/uploads/2018/02/ECF-Fuelling-Europe_EN_web.pdf

² Based on 2016 crude supply from Eurostat Table nrg_123a with 2018 Brent crude prices.

³ Eurostat Table nrg_123a. 2016 imports of diesel, petrol, and fuel oil at average 2018 prices from Weekly Oil Bulletin.

2. Who buys the most?

The Netherlands is the biggest importer of Russian crude and refined products through its Rotterdam port, buying \$25.5 billion of Russian oil products annually. That is enough revenue to buy 511 of the new Russian fighter jet, the Sukhoi Su-57, which is priced at [\\$50 million](#) per jet. Alternatively the revenues enable Russia to buy 6,907 of the new Russian battle tank, the T-14 Armata, which is [priced at \\$3.7 million](#) per tank. The biggest expenditures are tabled below:

Country	\$ million	Jets at \$50m each	Tanks at \$3.7m each
Netherlands	25,557	511	6,907
Germany	24,429	489	6,603
Poland	12,095	242	3,269
France	7,970	159	2,154
Belgium	7,601	152	2,054
Finland	6,133	123	1,658
Sweden	5,207	104	1,407
Lithuania	4,437	89	1,199
United Kingdom	4,244	85	1,147
Italy	3,404	68	920
Spain	3,072	61	830
Rest	20,447	409	5,526
EU28	124,595	2,492	33,674

Bulgaria, Poland, Lithuania and Slovakia buy more than 80% of their crude oil and refined products from Russia. This [online tool](#) shows historical and projected imports.

Only two of the top 10 oil suppliers to the EU are European (Shell and Statoil); two are Russian; three are based in the Middle East; and two are American. After Russia, a group of Arab OPEC states including Saudi Arabia, Iraq, Libya, Kuwait and Algeria supply roughly a quarter of the EU's oil – providing the revenues for military expenditure which has contributed to regional instability.

3. Towards energy sovereignty

But there is the prospect of the EU ending its bank-rolling of military superpowers [hostile to its democracy](#). Electric and hydrogen cars rely on renewable electricity that the EU can produce locally. By buying locally produced electricity for our cars we create [growth and 200,000 jobs](#) in Europe. A shift to electric cars is good for jobs, good for drivers, good for our planet and cuts off the funds to regimes that threaten and try to destabilise our democracy. It is a win-win solution.

Further information

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