

Berger, Eva M. et al.

Working Paper

A potential sudden stop of energy imports from Russia: Effects on energy security and economic output in Germany and the EU

Arbeitspapier, No. 01/2022

Provided in Cooperation with:

German Council of Economic Experts

Suggested Citation: Berger, Eva M. et al. (2022) : A potential sudden stop of energy imports from Russia: Effects on energy security and economic output in Germany and the EU, Arbeitspapier, No. 01/2022, Sachverständigenrat zur Begutachtung der Gesamtwirtschaftlichen Entwicklung, Wiesbaden

This Version is available at:

<https://hdl.handle.net/10419/253553>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

A potential sudden stop of energy imports from Russia: Effects on energy security and economic output in Germany and the EU

Eva Berger¹⁾
Sylwia Bialek¹⁾
Niklas Garnadt¹⁾
Veronika Grimm²⁾
Lars Other¹⁾
Leonard Salzmänn¹⁾
Monika Schnitzer³⁾
Achim Truger⁴⁾
Volker Wieland⁵⁾

Working Paper 01/2022
April 2022

1) German Council of Economic Experts, E-Mail: eva.berger@svr-wirtschaft.de; sylwia.bialek@svr-wirtschaft.de; niklas.garnadt@svr-wirtschaft.de; lars.other@svr-wirtschaft.de; leonard.salzmänn@svr-wirtschaft.de

2) University of Erlangen-Nuremberg & German Council of Economic Experts, E-Mail: veronika.grimm@fau.de

3) Ludwig Maximilian University of Munich & German Council of Economic Experts, E-Mail: schnitzer@econ.lmu.de

4) University of Duisburg-Essen & German Council of Economic Experts, E-Mail: Achim.Truger@uni-due.de

5) Goethe University Frankfurt & German Council of Economic Experts, E-Mail: wieland@imfs-frankfurt.de

I. INTRODUCTION

The Russian war of aggression against Ukraine since 24 February 2022 has intensified the discussion of Europe's reliance on energy imports from Russia. A ban on Russian imports of oil, natural gas and coal has already been imposed by the United States, while the United Kingdom plans to cease imports of oil and coal from Russia by the end of 2022. The European Commission has announced on 5 April 2022 to ban coal imports from Russia (Europäische Kommission, 2022a). It has been wrestling with the idea of an oil and gas embargo against Russia. At the same time, Russia may decide to stop its energy exports to countries that are imposing sanctions. The German Federal Government is currently opposing an energy embargo against Russia (BMWK, 2022a). However, the Federal Ministry for Economic Affairs and Climate Action (BMWK) is working on a strategy to reduce energy imports from Russia (BMWK, 2022b, 2022c). The urgency to reduce dependency on Russian gas seemed to have increased particularly after the Russian president announced Russia would accept only the Russian currency Ruble for energy exports – even though the issue seems to have been solved by energy importers opening accounts at the Gazprom bank. On 30 March 2022 the BMWK has declared early warning, i.e., the first of three crises levels according to the emergency plan for gas (BMWK, 2022d), which is based on the EU regulation 2017/1938 concerning measures to safeguard the security of gas supply (BMWK, 2022d). The crisis level of early warning primarily serves at improving information flows and cooperation between the relevant authorities; currently, no market intervention is undertaken.

In this paper we first give an overview of the German and European reliance on energy imports from Russia with a focus on gas imports (Section II) and we discuss price effects (Section II.1), alternative suppliers of natural gas (Section II.2), and the potential for saving and replacing natural gas (Section II.3). In Section III, we provide an overview of estimates of the consequences on the economic outlook if the conflict intensifies. Section IV concludes.

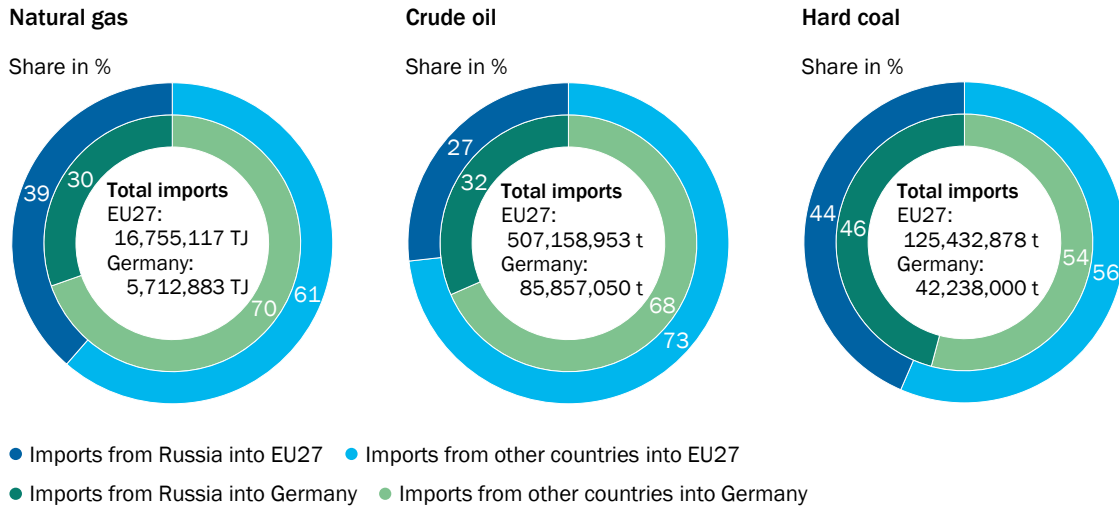
II. RELIANCE OF GERMANY AND THE EU ON ENERGY IMPORTS FROM RUSSIA

Russia plays an important role as an energy supplier not only to Germany but to the European Union as a whole. According to Eurostat, 39 % of natural gas, 27 % of crude oil, and 44 % of hard coal imported into the EU-27 in 2019 came from Russia. ↘ [FIGURE 1](#) In Germany, 30 % of gas imports, 32 % of oil imports, and 46 % of hard coal imports came from Russia according to official data (BAFA, 2022;

BMWK, 2022e). Note that these are the shares based on *total imports* of the relevant fuel. If, in contrast, the German natural gas imports from Russia are reported as a share of total gas *consumption*, the number is higher at 54 %. [↘ FIGURE 2 RIGHT](#) This is due to the fact that part of the gas imported into Germany is re-exported to other European countries and thus gas consumption is substantially lower than total gas imports.

↘ FIGURE 1

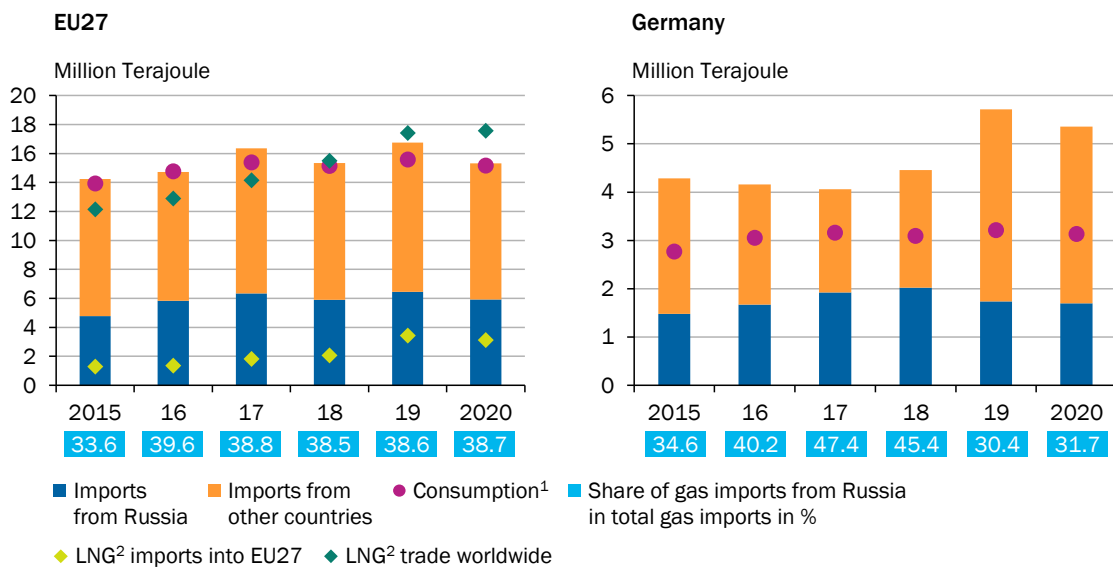
Share of energy imports from Russia in total energy imports
Year 2019



Sources: BMWK, Eurostat, own calculations
© Sachverständigenrat | 22-116-01

↘ FIGURE 2

Natural gas consumption and imports



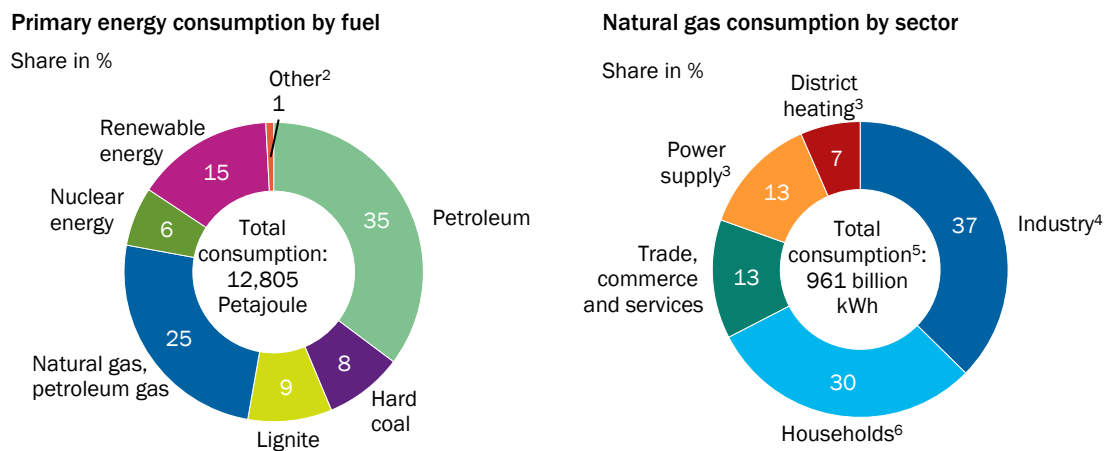
1 – For Germany: Primary energy consumption (natural gas and petroleum gas). 2 – Liquefied Natural Gas.

Sources: BAFA, BMWK, BP (2021), Eurostat, own calculations
© Sachverständigenrat | 22-114-01

In 2019, 35 % of primary energy consumption in Germany was covered by petroleum, 25 % by natural gas, and only 8 % by hard coal. [↘ FIGURE 3 LEFT](#) EU Member States are required to hold reserves of oil for emergency situations and these must, at a minimum, correspond to 90 days of net imports or 61 days of consumption – depending on which quantity is larger (European Commission, 2022a). It is unclear, however, how large the European Union’s reserves of hard coal are. Some 2.6 million tonnes (MT) – roughly equivalent to three weeks of imports from Russia – are currently stocked in ports but additional reserves should be available at power plants (McWilliams et al., 2022a). A sufficient quantity of lignite is mined within Europe itself (McWilliams et al., 2022a). The markets for crude oil and coal are globally integrated. This means that oil and coal imports from Russia could be replaced by global market procurement if supply is suspended. The associated challenges of procurement and logistics are not discussed below. In contrast, the natural gas market is regionally segmented, which goes a long way towards explaining the significant regional differences in natural gas prices (Barbe and Riker, 2015). [↘ FIGURE 6 RIGHT](#) Due to insufficient global transport capacities, Russian natural gas imports cannot be fully replaced in the short term, i.e., over the course of a year (McWilliams et al., 2022b).

[↘ FIGURE 3](#)

Energy consumption in Germany in 2019¹

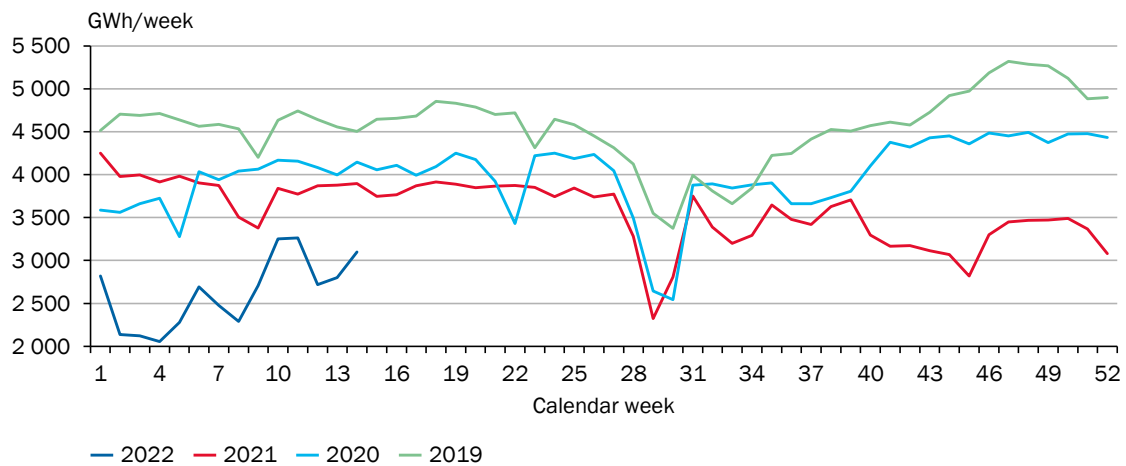


1 – Differences in the totals due to rounding. 2 – Other fuels such as mine gas and non-renewable waste; includes the balance of cross-border power trade of -0,9 %. 3 – Including combined heat and power plants. 4 – Including industrial power plants. 5 – Natural gas sales do not include the gas industry's own consumption. 6 – Including housing companies.

Sources: AGEb, BDEW, BMWK
© Sachverständigenrat | 22-115-01

▾ FIGURE 4

Natural gas imports from Russia into the EU via pipeline

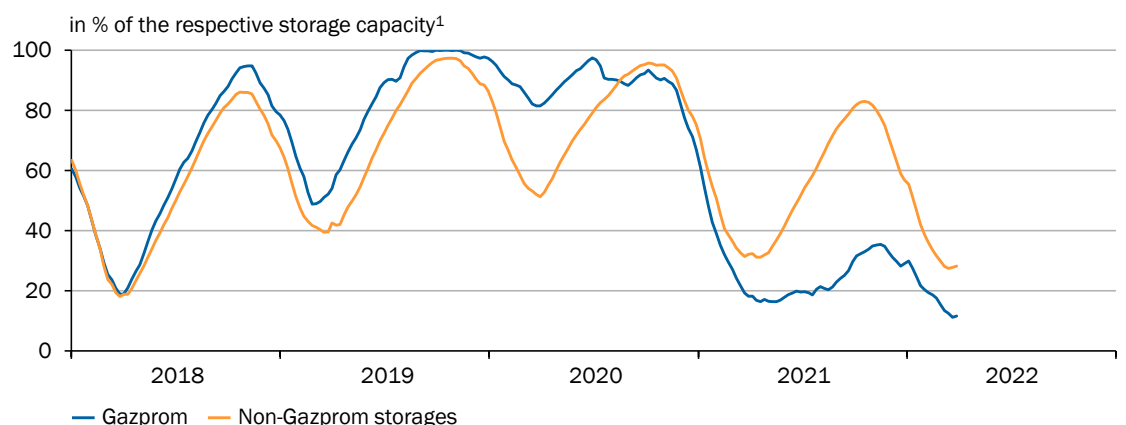


Sources: entsog, own calculations
© Sachverständigenrat | 22-093-01

In 2021, the supply of gas piped from Russia has declined considerably. ▾ FIGURE 4 At the end of the year in particular, flows were falling compared to earlier years and had dropped to a very low level by the start of 2022. While Russia was continuing to meet its long-term contractual obligations, 2021 in particular saw a significant short-term drop in the volume of natural gas that was made available for purchase on the spot markets (Elliott, 2021). Natural gas imports from Russia have risen again since the start of the war in Ukraine. European gas in storage is currently at a low level of around 25 % as at 16 March 2022 (GIE, 2022), while the levels of gas stored in Russian-owned Gazprom facilities are significantly lower on average at 13 % as at 16 March 2022 (Zachmann et al., 2022). ▾ FIGURE 5

▾ FIGURE 5

Natural gas storage levels in the EU



1 – Average weekly values.

Sources: Gas Infrastructure Europe (GIE), own calculations
© Sachverständigenrat | 22-102-01

1. Price effects

Since the start of 2022, the price of natural gas on the European market has climbed by more than 35 % (as at 17 March 2022), temporarily sky-rocketing by over 200 % – a much greater rise than has been seen in the US market. [↪ FIGURE 6 RIGHT](#) Compared to the average price in 2019, the price of natural gas has even increased roughly sevenfold. On the supply side, the sharp price hike in Europe is primarily due to reduced natural gas exports from Russia. [↪ FIGURE 4](#) A further reduction or complete cessation of Russian supplies with a (partial) replacement with supplies from other sources (such as the import of liquefied natural gas, LNG) would drive the gas price higher again. At the same time, longer-term contracts with much lower prices would be interrupted. Around 70 % of global trade in LNG is in connection with long-term supply contracts lasting 10 years or more (The Economist, 2022). The remainder is traded on spot markets and as part of short-term supply agreements. This would mean that in total 145 billion cubic metres of gas is traded for immediate delivery – a figure slightly less than the quantity supplied by Russia to the European Union in 2019 (around 160 billion cubic metres). The prices of LNG could continue their upward trend due to scarcity accompanied by increased demand from Europe – although a portion of the price rise due to expectations of scarcity may already been included in current prices. Despite fragmentation of the markets, the increased demand in Europe is having an impact on prices in Asia. [↪ FIGURE 6 RIGHT](#) This could reduce the demand for LNG from Asia. In addition, the mandatory gas storage levels that are currently planned for Germany (Deutscher Bundestag, 2022) may temporarily drive prices up even further. Extracting larger quantities of gas in Europe should be possible only at those gas fields which have spare capacity (McWilliams et al., 2022b). Spare capacities can be found in Norway, the United Kingdom and the Netherlands (McWilliams et al., 2022b; Patterson and Zhang, 2022). Higher prices could induce higher extraction quantities. Moreover, some commentators argue that gas production in Germany could be increased quite rapidly, if the ban on fracking was lifted (Wirtschaftswoche, 2022).

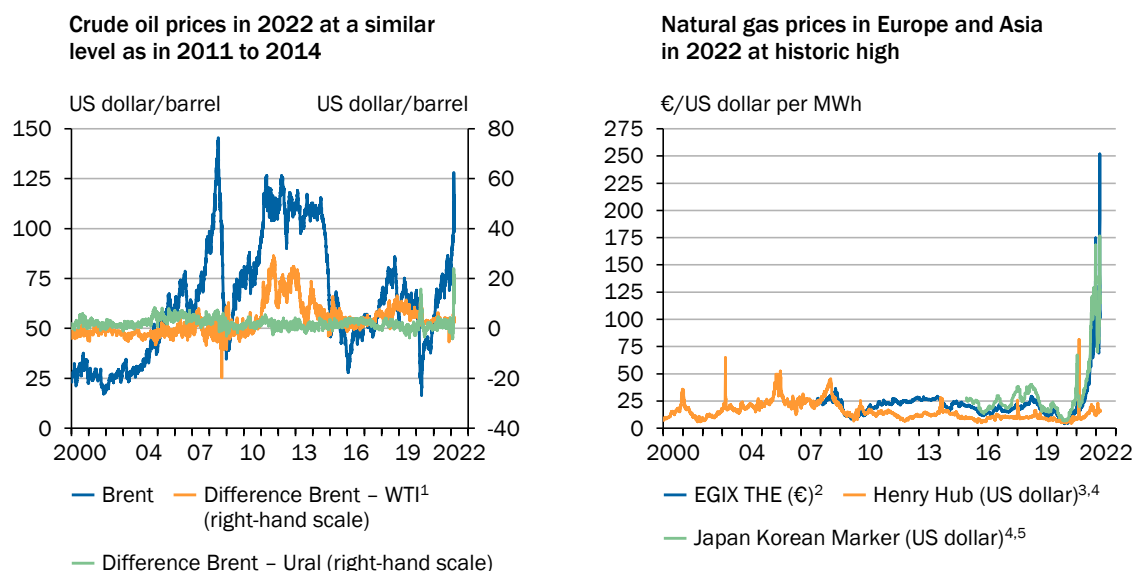
The extent to which energy companies can pass on higher costs of procurement to their customers depends on the type of contracts in place and on the price elasticity of demand. Burke and Yang (2016) estimate that increasing the consumer price of natural gas by 1 % would cause consumption to drop by 0.13 % for households and by 0.37 % for the industry within one year. Given the low price elasticity of demand, a sufficient short-term adjustment in the demand for natural gas in line with reduced supply is therefore unlikely. In addition, rises in wholesale prices are passed on to consumers after a delay rather than immediately.

In accordance with the principle of marginal pricing, the rising prices of natural gas contribute to an increase in energy wholesale prices. It is estimated that gas power plants determined the price in European energy markets during 30 % of hours in 2020 (Blume-Werry et al., 2021). However, energy prices vary significantly for the various economic players due to the diverse structure of supply contracts, as well as rates and levies. At the start of 2022, for example, the average energy price for German households rose by 12.5 % compared to the annual aver-

age for 2021, while the corresponding figure for small and medium-sized companies (SMEs) was 27 %, with this difference being explained by the lower charges and levies and thus the larger share of the wholesale price in the retail price (BDEW, 2022a). As the procurement costs for energy suppliers have continued to rise recently, further price increases are possible in the coming months (BDEW, 2022a).

↘ FIGURE 6

Development of oil and natural gas prices in the longer term



1 - West Texas Intermediate. 2 - The European Gas Index (EGIX) is based on exchange trades which are concluded in the respective current front month contracts (THE). 3 - Prices are based on delivery at the Henry Hub in Louisiana. Official daily closing prices at 2:30 p.m. from the trading floor of the New York Mercantile Exchange (NYMEX) for a specific delivery month. 4 - Prices in US dollar per MMBtu (1 million British thermal units) converted to US dollar per MWh. 5 - Japan Korean Marker (JKM) is the Liquefied Natural Gas (LNG) benchmark price assessment for spot physical cargoes. JKM reflects the spot market value of cargoes delivered ex-ship (DES) into China, Japan, Republic of Korea and Taiwan. Deliveries into these locations equate to the majority of global LNG demand.

Sources: EEX, EIA, NYMEX, Refinitiv Datastream, own calculations
© Sachverständigenrat | 22-110-02

The price of mineral oil has also risen sharply in the face of the crisis, i.e., by 36 % (as at 17 March 2022) compared to the start of the year. ↘ FIGURE 6 LEFT As a result, the oil price is currently at a level similar to that in the period 2011 to 2014. Mineral oil is the most important primary energy source in Germany (Federal Environment Agency, 2022a). ↘ FIGURE 3 LEFT Most of the oil is used as a fuel in the transport sector, for heating or as a raw material in industry (Federal Environment Agency, 2022b). Therefore, the price rise may lead to increased costs in certain industries and for households. If imports of Russian oil grind to a halt, it may be possible to find an alternative source based on globally integrated oil markets. However, price pressure may become even more intense. And even with mineral oil there are challenges to overcome in terms of transport within Europe and due to differences in oil quality depending on its origin. Moreover, an internationally coordinated approach is needed to reduce the demand for petroleum as soon as

possible (McWilliams et al., 2022a). The potential to reduce demand is particularly high in the transport sector (IEA and OECD, 2018). If there is an import embargo on Russian oil, Russia could potentially divert its supply to China, although this would involve significantly longer freight routes. As recently as February 2022, Russia and China extended contracts for oil to be supplied via the Kazakhstan-China pipeline (Bloomberg, 2022). Whether China will purchase the Russian oil that is not imported by the West will be determined by several factors such as the price and how much oil from other suppliers can be displaced (Downs, 2022). In addition, some independent refineries in China are currently reluctant to purchase from Russia due to uncertainty over sanctions (Downs, 2022). The price differences of around 25 US dollars that are already evident would also imply a significant loss of income for Russia in this case. China, on the other hand, would be in a position to benefit from the low prices. Price rises on the global market and the scale of a possible subsequent increase in supply will depend on the extent of such a re-routing of oil supplies.

2. Alternative natural gas suppliers

With a potential cut-off of natural gas supplies from Russia, the question arises as to which alternative sources could be accessed by Europe. European gas extraction can only be expanded to a limited extent. For example, the Netherlands has cut back on gas extraction in recent years due to the risk of earthquakes. In Germany, domestic natural gas production accounted for around 5% of natural gas consumption in 2021. In the short term, an increase in production of 5-10 % of current production volumes is achievable (BDEW, 2022b). Imports from Norway and North Africa could be increased slightly (McWilliams et al., 2022a). Key considerations are the extent to which LNG imports (e.g., from the United States and Qatar) could at least partly replace Russian gas and how long it would take. Imports of LNG into Europe have already increased considerably in recent years. [▶ FIGURE 2 LEFT](#) The European Union could intensify efforts to increase these imports, and these efforts could also be supported by procurement via other countries, such as Japan, South Korea and the United States. For example, the European Commission has announced an agreement with the US to import an additional 15 million cubic metres of LNG from the US in 2022 and increase the import volume from the US by 50 million cubic metres by 2030 (Europäische Kommission, 2022c). The degree to which LNG imports can be further increased depends both on the potential to expand production capacities (e.g., from the United States) in the short term, on the transport capacities of the shipping fleets, and on the European infrastructure, i.e., the capacities of LNG terminals, liquefaction plants, and gas pipelines for distributing the gas within Europe. Germany currently has no LNG terminals of its own. While two terminals are currently at the planning stage, it is likely to take several years for them to be commissioned. In addition, the German government is planning to install three floating storage and regasification units, negotiations are ongoing and the locations for the units have not been decided on (BMWK, 2022c). Another bottleneck is presented by the fact that Europe's system of pipelines is not currently designed to transport large quantities from the west to the east or from the south (e.g., Spain) to the north (McWilliams et al., 2022b). This means that the impact will be felt particularly

strongly, not only in Germany but in particular in countries in eastern Europe that currently import a large share of their gas supplies from Russia and only have limited capacity for LNG imports (McWilliams et al., 2022c).

3. Potential for saving and replacing natural gas

Due to the limited options for increasing supplies of natural gas from other countries, several expert reports (Hirth et al., 2022; Leopoldina, 2022; McWilliams et al., 2022c) have suggested that an end to imports of Russian gas will necessitate a reduction in gas consumption in the European Union. On the one hand, price increases are likely to reduce demand to a certain extent. On the other hand, additional measures to replace natural gas with other sources of energy will contribute to a reduction in demand. In the area of electricity supply, an accelerated expansion of renewable energy and storage options will only succeed in providing relief in the medium to long term – in other words, in a few years from now. In the short term, i.e., in the current year, partial replacement of gas in the electricity sector by reactivation of coal-based power generation is an option (Leopoldina, 2022). Delaying the decommissioning of nuclear power plants has also been proposed as a means of replacing Russian gas (IEA, 2022). In addition, measures to increase energy efficiency could be intensified, e.g., by means of heating settings in buildings, rapid replacement of old boilers and digital control of facilities, also in industry. Substantial savings could also be achieved through information campaigns to reduce consumption (IEA, 2022; Kuhlmann and Grimm, 2022; Leopoldina, 2022; McWilliams et al., 2022b).

The quantity of gas that can be saved by the various measures depends on what share of overall gas consumption is attributable to the various consumer groups. In Germany, industry consumes the lion's share (36 %) of natural gas, followed by private households (31 %). [↘ FIGURE 3 RIGHT](#) In industry, a large volume of natural gas is used as an energy source and a raw material in the chemical sector, for example. In addition, 14 % of gas consumption is used to generate electricity, which is particularly important during times of peak demand (“peaking power plants”). Agora Energiewende (2022) predicts that, if Russian supplies of natural gas cease and if extensive energy-saving measures are implemented and additional supplies of gas are obtained from other countries, there will be a shortfall of 30 TWh for Germany in the short-term (meaning, in this case, up to winter 2023/24). A recent analysis conducted by the German Association of Energy and Water Industries (BDEW, 2022b) concludes that one-fifth of German gas consumption can be replaced in the short term. This corresponds to half the volume of gas imported from Russia, assuming that 40 % of gas consumed in Germany comes from Russian imports. An analysis by IEK-3 at the Jülich research centre (2022) concludes that approximately one-third of the Russian natural gas that is imported into Germany can be saved in the short term by private households, businesses, trade, services, industry and electricity generation. The German Energy Agency (2022) estimates that gas demand for buildings can be reduced within one year by about 52 TWh (15 % of the 350 TWh gas used for buildings). This corresponds to around 11 % of gas imports from Russia in the year 2019.

In the event of a physical shortage of available gas, emergency plans (BMW, 2019) are in place that prioritise gas supply for heat generation for private households as well as for the supply of critical infrastructure. In this scenario, there may be a decline in industrial production next winter (BDEW, 2022b; Leopoldina, 2022). Reducing gas consumption at an early stage, for example, by partially replacing gas-based power generation with coal-based power generation, may help alleviate bottlenecks next winter (Hirth et al., 2022; Leopoldina, 2022). Various analyses indicate that these precautionary measures need to be implemented with care to prevent Russia from viewing energy supply as a vulnerability in strategic negotiations (Hirth et al., 2022; Leopoldina, 2022).

According to recent estimates by the International Energy Agency (IEA, 2022, p. 10), the European Union can reduce its procurement of gas from Russia by up to one-third within a year using measures that are compatible with the European Green Deal. These measures include, in particular, greater use of alternative natural gas suppliers, an accelerated switch to alternative energy sources and improved efficiency in energy usage by homes and businesses. According to the IEA, this approach could potentially reduce imports of natural gas from Russia by more than 50 billion cubic metres, despite the need to increase gas storage levels in 2022. A reduction of 80 billion cubic metres in total (or around 50 %) would be possible if additional measures were implemented that are not compatible with the European Green Deal, in particular increased coal-based power generation or use of crude oil.

If gas-based power generation is replaced by coal-based power generation, the EU Emissions Trading System (EU-ETS) in its current form could ensure that CO₂ emissions do not rise as a result of this measure, because an upper limit for emissions in the power and industry sector is defined in this system. In this scenario, however, fewer emission allowances may be cancelled from the Market Stability Reserve. The additional demand for allowances would in principle increase their price, thereby burdening the companies in the ETS and their customers. This could create pressure to increase the number of allowances in the short term as a result of the crisis.

According to an analysis by Bruegel (McWilliams et al., 2022c), gas consumption in the European Union will need to drop by 400 TWh (10–15 % of annual consumption) if supplies from Russia are cut off. The analysts assume that LNG imports can be increased to the maximum capacity of the gas terminals – which is unlikely to be possible due to the inadequate piping capacities (e.g., from Spain to northern Europe). They also assume that the currently high level of imports from North Africa, Norway and Azerbaijan can be maintained. The analysts also indicate that incentives must be put in place to fill gas stores over the summer, which is likely to require regulatory intervention. The Leopoldina (German National Academy of Sciences) highlights the point that commercial gas store operators could be exposed to a significant economic risk if they fill their stores at high prices and Russian suppliers subsequently flood the market with cheap gas in the heating period (Leopoldina, 2022).

For the medium term, the EU Commission’s “REPowerEU: Joint European Action for more affordable, secure and sustainable energy” (European Commission, 2022) sets out a plan for how the European Union’s reliance on energy sources from Russia is to be significantly reduced before 2030. In particular, this plan aims to reduce the high degree of reliance on Russian natural gas by two-thirds (100 billion cubic metres) within one year. This objective is to be achieved by (i) increasing gas imports from other countries by 60 billion cubic metres (LNG imports by 50 billion cubic metres and pipeline imports by 10 billion cubic metres), (ii) increasing the sustainable production of biomethane (to replace 3.5 billion cubic metres of gas), (iii) increasing the use of solar roofs and heat pumps (to replace 4 billion cubic metres of gas) and (iv) speeding up the construction of wind and solar power plants (to replace 20 billion cubic metres of gas). In addition, energy efficiency measures, such as reduced heating in buildings, will be used to save 14 billion cubic metres of gas.

III. ESTIMATES OF THE CONSEQUENCES OF AN INTENSIFICATION OF THE CONFLICT ON THE ECONOMIC OUTLOOK

1. Consequences of an intensification of the conflict through the lense of macroeconomic forecasting models

Overall, the impact of Russia’s war of aggression against Ukraine on the German and European economy – especially in case if sanctions will be extended – is highly uncertain. To assess the effects of an intensification of the conflict on economic output, different institutions prepared risk scenarios for the economic development of Germany and Europe as part of their economic forecasts (Oxford Economics, 2016; Behringer et al., 2022; Deutsche Bank Research, 2022; EZB, 2022; Goldman Sachs, 2022; Köppl-Turyna et al., 2022; Liadze et al., 2022; OECD, 2022; Wollmershäuser et al., 2022). ↘ TABLES 1 AND 2 These scenarios examine, for example, the possible economic effects of increased uncertainty leading to a decline in consumer confidence and household spending, a deterioration of financing conditions, further restrictions on trade relations with Russia and rising costs of raw materials (GCEE Economic Outlook 2022 box 1). Due to Russia’s important role as an energy supplier for Europe and the limited possibilities to substitute Russian energy imports in the short to medium run, one of the major transmission channels in these scenario analyses works through a supply shortage of crude oil and natural gas, especially in Europe (GCEE Economic Outlook 2022 box 1). Most of these scenarios assume a temporary stop in imports of crude oil and natural gas from Russia resulting in higher prices – at least temporarily – for crude oil and natural gas in Europe. The scenario analysis by Oxford Economics (2022), in particular, assumes that the price for natural gas remain significantly

higher in the longer term. In this scenario, the price increases immediately to 190 Euro per MWh due to a stop of imports from Russia in 2022 and, subsequently, slowly decreases to roughly 70 Euro per MWh in 2025. This represents more than a quadrupling compared to the average price in 2019 and slightly less than a tripling compared to the average price in the period 2019 to 2021 (GCEE Economic Outlook 2022 item 10). Depending on the scale and the duration of the assumed rise in energy prices and a potential amplification through the financial market, these studies predict a deduction of 1.2 % to 2.2 % to the euro area GDP and of 0.9 % to 6.0 % to German GDP in 2022 compared with the forecast based on the latest situation of the war and the sanctions when the studies were conducted. The addition to the inflation rate in 2022 is in the range of 0.8 percentage points and 2.6 percentage points for the euro area and in the range of 1.0 percentage points to 2.0 percentage points for Germany depending on the respective scenario.

The strongest deduction to German GDP results in a scenario with a partial stop of Russian gas exports estimated by the IMK (Behringer et al., 2022). In this scenario natural gas prices increase to 900 Euro per MWh leading to a drop of natural gas consumption in Germany by less than 15 %. This corresponds to less than half of the gas shortfall that could possibly result from a cessation of gas imports from Russia, which is estimated at 30 % of German natural gas consumption by Bachmann et al. (2022) among others. A stronger increase in natural gas prices that would result in a reduction of gas consumption by 30 % apparently cannot be simulated in the model (NiGEM) used by the IMK due to issues with the stability of the model. An additional drawback of the model, which might also be one reason for the stability issue, is that NiGEM does only include a global price for natural gas (see equation 6.8 in NIESR, 2022). Thus, the endogenous price increase required for a 30 % drop of natural gas consumption in Germany would – in the model – also reduce natural gas consumption all over the world.

The modelling assumption of a single world market price for natural gas could result in at least two problems. On the one hand, in countries that would not suffer a strong gas price shock due to segmented gas markets, this assumption implies a stronger drop in output and demand than would be expected under the assumption of segmented natural gas markets. Consequently, exports from Germany would be lower and thus the deduction to German and euro area GDP would be larger than under the assumption of segmented gas markets. On the other hand, the assumption of a single world market price for natural gas would imply a more muted reduction of German and European price competitiveness than the assumption of segmented gas markets. If gas prices rise more in Europe than for example in the US, European firms in energy-intensive industries lose competitiveness which reduces their exports. Due to a single world market price for natural gas, this channel appears to be absent in NiGEM, resulting in a more muted reduction of German and euro area exports than would be implied by gas price differences between Europe and other regions resulting from segmented gas markets. [↘ FIGURE 6](#) Consequently, the model might underestimate the deduction to German and euro area GDP. Which one of the two effects dominates is not clear. Such caveats also apply to the NiGEM-based scenario analysis of Liadze et al. (2022).

TABLE 1

Selected scenarios on the consequences of an intensification of the conflict for the economic outlook

Institution	Publication date	Scenario	Assumptions	GDP-deduction ¹	Additional inflation ¹	Region
Effects relative to a baseline scenario incorporating the state of the conflict and sanctions at time of publication						
Deutsche Bank Research ²	09.03.2022	Negative scenario with a temporary import stop of natural gas and oil from Russia	Sharply higher energy prices (oil 140 US-\$/barrel; natural gas 150 €/MWh)	1.5	1–1.5	Germany
ifo ² (Wollmershäuser et al.)	23.03.2022	Alternative scenario	Sharper and longer increase of natural gas and oil prices (oil 140 US-\$/barrel in May; natural gas 200 €/MWh in May); longer lasting uncertainty and supply chain shortages	0.9	1.0	Germany
IMK ² (Behringer et al.)	29.03.2022	Risk scenario	Sharper and longer increase of natural gas and oil prices (annual average of oil 141 US-\$/barrel; natural gas 200 €/MWh in Q2); longer lasting uncertainty	2.4	2.0	Germany
IMK ² (Behringer et al.)	29.03.2022	Partial stop of Russian natural gas imports	Increase of natural gas price to 900 €/MWh	6.0	-	Germany
Oxford Economics ²	02.03.2022	Stop of Russian natural gas imports for 6 months	Oil price between 100 and 115 US-\$/barrel, natural gas price at 190 €/MWh	1.5	2.6	Euro area
Goldman Sachs ²	06.03.2022	Stop of Russian natural gas imports		2.2	-	Euro area
ECB ²	10.03.2022	Adverse scenario	Sharp temporary increase of natural gas prices and increase of oil prices	1.2	0.8	Euro area
ECB ²	10.03.2022	Severe scenario	Sharper and longer increase of natural gas and oil prices; strong second round effects	1.4	2.0	Euro area
IMK ²	29.03.2022	Risk scenario	Sharper and longer increase of natural gas and oil prices (annual average of oil 141 US-\$/barrel; natural gas 200 €/MWh during Q2); longer lasting uncertainty	2.2	2.1	Euro area
Effects relative to a baseline scenario not incorporating the state of the conflict and sanctions at time of publication						
NIESR ² (Liadze et al.)	02.03.2022		Oil price at 140 US-\$/barrel higher public spending	0.8	2.5	Euro area
EcoAustria ² (Köppl-Turyna et al.)	08.03.2022	Increase of natural gas prices and stop of exports to Russia	Natural gas price of 172 €/MWh and no exports to Russia and to Ukraine	1.3	-	Austria
OECD ²	17.03.2022		Shocks of the commodity and financial sectors observed during the first weeks of the war extend to one year	1.4	2.0	Euro area

1 – In percentage points relative to the baseline. 2 – Deduction or addition for the year 2022.

Sources: Behringer et al. (2022), Deutsche Bank Research (2022), ECB (2022), Goldman Sachs (2022), Köppl-Turyna et al. (2022), Liadze et al. (2022), OECD (2022), Oxford Economics (2022), Wollmershäuser et al. (2022)

© Sachverständigenrat | 22-104-05

Whether the risk scenarios of other institutions account for heterogeneous natural gas prices between different regions and thus account for a lower reduction in export demand and the higher loss in competitiveness in comparison to a scenario with a single world market price for natural gas is not clear. The risk scenarios based on specific forecasting models for a single region, that likely use an export demand indicator and an indicator for price competitiveness as a direct input, as for example the ones used by the ifo (Wollmershäuser et al., 2022) and the ECB (2022), likely incorporate both channels.

2. Estimates of GDP deductions resulting from a cessation of energy imports from Russia

In addition to these scenarios, which focus in particular on estimating the consequences of higher energy prices within the standard forecasting models, there exist additional approaches to estimate GDP deductions, for example as a result of a complete stop of Russian energy imports. Bachmann et al. (2022) use different approaches to estimate the potential effect of a complete stop of Russian energy imports. On the one hand they calculate two different equilibria within the neo-classical multi-sector trade model of Baqaee and Farhi (2021). One with imports to the EU from Russia and one without. With this approach one can estimate the long-run effects of a potential stop of imports. The stop of imports is simulated by an increase of trade barriers which induces a complete cessation of trade between Russia and the EU. Due to possible adjustments of trade flows that are likely to occur in the long run, the resulting deduction to GDP of 0.2 % to 0.3 % is very small. [↘ TABLE 3](#) This result is in line with a simulation of Felbermayr et al. (2022) who compare two long run equilibria, one with trade and one without trade between Russia and the US and its allies in the “Kiel Institute Trade Policy Evaluation Model”. This is simulated with a doubling of non-tariff barriers that would decrease trade between Russia and the US and its allies by more than 95 % and would result in a welfare loss of 0.4 % in Germany.

On the other hand the Bachmann et al. (2022) use a production function approach with very conservative substitution elasticities. To this end, the authors derive a theoretical relationship that allows to estimate the change in gross national expenditure (GNE) and in GDP using changes in the quantity of energy inputs (E) and the elasticity of substitution between energy inputs and other inputs (σ) as well as the initial expenditure share of energy inputs (α).

$$\Delta \log GDP \approx \alpha \times \Delta \log E + 0.5 \left(1 - \frac{1}{\sigma}\right) \alpha (1 - \alpha) \times (\Delta \log E)^2$$

TABLE 2

Selected scenarios on the consequences of an intensification of the conflict for the economic outlook

Institution	Publication date	Scenario	Assumptions	GDP-deduction ¹	Additional inflation ¹	Region
Estimates of Felbermayr et al. (2022), Bachmann et al. (2022), Bayer et al. (2022) and Baqaee et al. (2022)						
Felbermayr et al.	03.03.2022	Decoupling between Russia and the US and its allies (Scenario 3C)	Doubling of non-tariff barriers in the Kiel Institute Trade Policy Evaluation Model, which lead to a drop of bilateral trade between Russia and the US and its allies by more than 95 %	0.4 ^a	-	Germany
Bachmann et al. ³	07.03.2022	Cessation of trade between Russia and the EU	Introduction of trade barriers in the model of Baqaee and Farhi (2021), which lead to a stop of all imports from Russia to the EU	0.2–0.3	-	Germany
Bachmann et al. ⁴	07.03.2022	Stop of Russian natural gas imports	30 % decline of natural gas imports; elasticity of substitution between natural gas and other inputs of 0.1	2.2	-	Germany
Bachmann et al. ⁵	07.03.2022	Stop of Russian energy imports	30 % decline of energy imports; change of the cost share of energy imports in the GNE by 5 percentage points to 7.5 %	1.4	-	Germany
Bayer et al. ⁶	29.03.2022	Stop of Russian energy imports	Stop of Russian energy imports decreases productivity (-2.2 %) temporarily and eliminates part of capital stock (-3 %) in a DSGE model	3.0	2.3	Germany
Baqaee et al.	04.04.2022	Stop of Russian energy imports	Introduction of trade barriers in the model of Baqaee and Farhi (2021), which lead to a stop of all imports from Russia to the EU	0.2	-	France
Baqaee et al.	04.04.2022	Stop of Russian energy imports	15 % decline of natural gas imports	0.3	-	France

1 – In percentage points relative to the baseline. 2 – Deduction or addition for the year 2022. 3 – The estimate based on the trade model of Baqaee and Farhi (2021) compares two different long run equilibria with different levels of trade barriers between Russia and the EU. It does not incorporate common macroeconomic amplification mechanism.

4 – Based on a production function approach with conservatively estimated elasticities of substitution, without common macroeconomic amplification mechanisms. 5 – Approximation of the GNE loss based on a sufficient statistic. Lemma 1 in Bachmann et al. (2022) derives the approximation in the general model of Baqaee and Farhi (2021). The approach not incorporate common macroeconomic amplification mechanisms. 6 – Strongest effect on GDP after 18 months; inflation immediately rises about 2.3 percentage points and falls as a result of the central bank reaction. a – Deduction in welfare in the Kiel Institute Trade Policy Evaluation Model.

Sources: Bachmann et al. (2022), Baqaee et al. (2022), Bayer et al. (2022), Felbermayr et al. (2022)

© Sachverständigenrat | 22-104-05

Additionally, they derive an approximation of the change in GNE by the way of a sufficient statistic. This allows to estimate the change in GNE by using an assumption about the change of energy imports (m_E) and the change of the average price of energy imports (p_E) instead of using an assumption about the elasticity of substitution in order to arrive at an estimate of the change in GNE.

$$\Delta \log GNE \approx \frac{p_E m_E}{GNE} \Delta \log m_E + 0.5 \Delta \frac{p_E m_E}{GNE} \Delta \log m_E$$

They present a pessimistic scenario in which a stop of Russian gas imports leads to a 30 % decline of German gas imports and the elasticity of substitution between natural gas and other energy inputs is very low (0.1). In this scenario which the authors interpret as a very pessimistic scenario for the short run, the German GDP declines by 2.2 %. [↘ TABLE 3](#) In another scenario the authors assume a complete cessation of all Russian energy imports and that the expenditure share of energy imports in the GNE increases by 5 percentage points to 7.5 %. In this scenario, German GDP would decline by 1.4 %. [↘ TABLE 3](#)

However, this approach omits common macroeconomic amplification mechanisms such as those triggered by investment adjustment costs, price rigidities or financial market frictions. Thus, these estimated effects could potentially come on top of the aforementioned scenarios that do not take account of a full cessation of Russian energy of natural gas imports. Bayer et al. (2022) use the approximated shock to German GNE and a conservative estimate of the natural gas-intensive industry in Germany to calibrate a shock to productivity and to the capital stock in a DSGE model which accounts for a number of these amplification mechanisms. They arrive at a deduction to German GDP of 3.0 % after 18 months.

Using the sufficient statistic derived by Bachmann et al. (2022), the GCEE has produced its own estimates in additional scenarios regarding the decline in natural gas imports and the increase in natural gas prices. These scenarios complement the GCEE's economic forecast, which is based on the sanctions that have been decided at the date of completion of the forecast (March 18, 2022) and the corresponding energy price trend. However, they should not be interpreted as full-fledged risk scenarios (GCEE Economic Outlook 2022 item 39). In particular, like Bachmann et al. (2022), these estimates do not take into account common macroeconomic amplification mechanisms. In the extreme case that only a quarter of Russian natural gas imports could be compensated for and thus German gas imports would drop by 30 % (this assumes that Russia accounts for 40 % of Germany's natural gas imports, in line with BAFA's figure for the average Russian share from 2016 to 2020) and that the average import price for the remaining natural gas imports increases to 350 Euro per MWh (a sevenfold increase compared to December 2021), the German GNE would decrease by 2,0 %. [↘ TABLE 3](#)

Using this method, additional estimates of the effect of a stoppage of Russian energy imports on the GNE in other EU member states can be made. Under the same assumptions as for Germany (cessation of Russian natural gas imports, only 25 % of the shortfall can be compensated; natural gas prices increase to 350 Euro per MWh) the decline would amount to 2.2 % in Italy and to 0.6 % in Poland. With a decline of 0.14 % and 0.03 % respectively, France and Spain would be far less severely affected due to their lower volume of natural gas imports overall and the low share of natural gas imports stemming from Russia, respectively. [↘ TABLE 3](#) The deduction for France is comparable to the deduction estimated by Baqaee et al. (2022) using a similar method.

TABLE 3

GCEE estimates of the deductions to economic output and additions to inflation resulting from a restriction of imports of Russian energy carriers

Assumptions	GNE deduction ¹	Additional inflation ¹	Region
Own estimates based on the method of Bachmann et al. (2022)²			
Decline in natural gas imports amounting to 75 %	2.0	-	Germany
of the natural gas imports from Russia; Increase	2.2	-	Italy
in the average price of natural gas imports to	0.6	-	Poland
350 €/MWh	0.14	-	France
	0.03	-	Spain
Estimates of the deduction to economic output and additional inflation due to an adverse oil supply shock			
40 % increase in the oil price	0.4-0.8	1.6	Germany

1 – In percentage points relative to the baseline. 2 – Approximation of the GNE loss based on a sufficient statistic. Lemma 1 in Bachmann et al. (2022) derives the approximation in the general model of Baqaee and Farhi (2021). The approach does not incorporate common macroeconomic amplification mechanism.

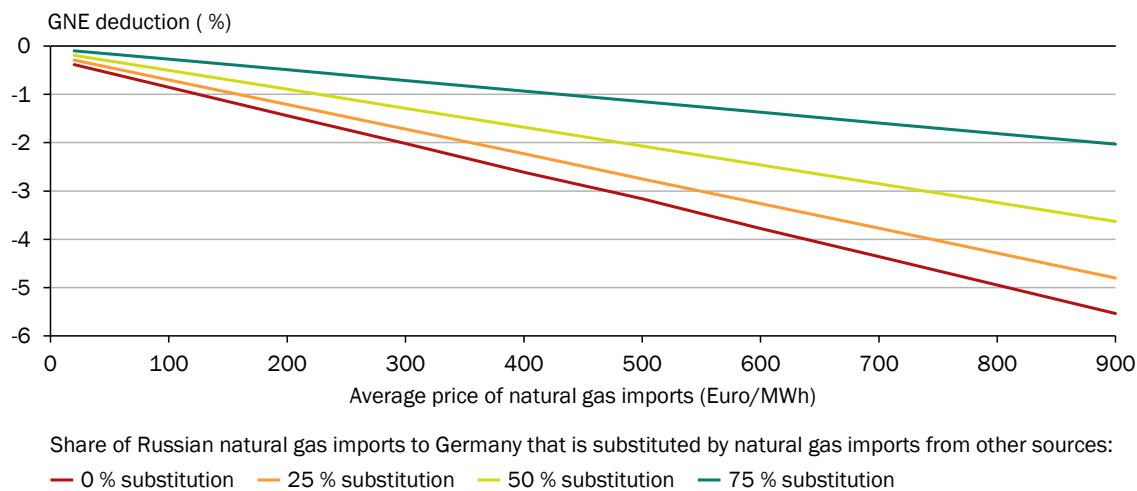
Source: own calculations

© Sachverständigenrat | 22-106-02

The estimates of the deduction to GNE resulting from a restriction of imports of natural gas from Russia according to the sufficient statistics approach depend on two main assumptions. The first main assumption is how much of Russian imports can be substituted by imports from other sources. This assumption reflects the potential to use LNG imports or pipeline imports from other countries in Europe or Northern Africa. Our main scenario presented in table 3 assumes that 25 % of Russian imports can be substituted by imports from other sources which is in line with a shortfall of natural gas of 30 % of total imports as a consequence of a cessation of natural gas imports from Russia. If more imports from Russia can be substituted by imports from other sources the resulting deduction to GNE will be lower. [▶ FIGURE 7](#) The second main assumption is how strong the average price of natural gas imports increases as a result of a restriction of imports of natural gas from Russia. A stronger increase in prices induces a larger deduction to GNE. [▶ FIGURE 7](#) For a given decline in natural gas inputs a stronger increase in natural gas prices can be interpreted as a lower substitutability of natural gas by other inputs. Thus, intuitively a stronger increase in prices i.e. a lower degree of substitutability results in a larger loss to GNE. Overall the resulting deduction to German GNE can be sizeable, even without accounting for common macroeconomic amplification mechanisms which are absent in these estimates. For example, if only 25 % of natural gas imports from Russia can be substituted by imports from other countries and the average price of natural gas imports increases to 900 Euro per MWh, as in the NiGEM scenario of the IMK (Behringer et al., 2022), the resulting deduction to German GNE would amount to a little less than 5 % compared to the deduction of 6 % in the scenario of the IMK. [▶ TABLE 1](#)

↘ FIGURE 7

Deductions¹ to German GNE due to a cessation of imports of natural gas from Russia to Germany under different assumptions regarding the price of remaining natural gas imports and the possibilities to substitute gas imports from Russia with gas imports from other sources



1 – Approximation of the GNE loss based on a sufficient statistic. Lemma 1 in Bachmann et al. (2022) derives the approximation in the general model of Baqaee and Farhi (2021). The approach does not incorporate common macroeconomic amplification mechanisms.

Sources: Bachmann et al. (2022), BAFA, Federal Statistical Office, own calculations
© Sachverständigenrat | 22-117-01

3. GDP effects of oil supply shocks

In addition to the restrictions of the natural gas imports from Russia, a restriction of crude oil supplies from Russia, which would represent an adverse oil supply shock, could spark further negative GDP effects. In general, the price of crude oil follows the development of the global economy. However, exogenous events, such as the wars in Iraq or the sanctions against Iran, can lead to increases in the price for crude oil that are not caused by economic developments. By historical standards, the price of oil (unlike the price of gas in Europe, for example) is still below the interim highs reached between 2011 and 2014, based on a monthly average. ↘ FIGURE 6 LEFT Furthermore, for the most part, there are only minor differences between the prices of crude oil in Europe (Brent) and in the US (WTI). ↘ FIGURE 6 RIGHT

Previous macroeconomic studies on oil supply shocks find moderate and lagged effects of on real economic activity and inflation (Kilian, 2008, 2009; Carstensen et al., 2013; Baumeister and Hamilton, 2019). According to a 2013 study on Germany, adverse oil supply shocks that lead to a 10 % increase in crude oil prices lower industrial production by 0.5 % after 1 year and by 1 % after 2 years (Carstensen et al., 2013). German producer prices increase by 0.5 % one year after such a shock. Our estimates based on the method of Känzig (2021) yield similar magnitudes for the effect on industrial production. Further, the consumer prices would rise by 0.4 % at the peak.

The reasons for the estimated moderate effects of an increase in the price of oil are manifold. It is argued that the share of crude oil in value added is lower today than in 1970s and 1980s (Blanchard and Galí, 2007; Herrera and Pesavento,

2009). Moreover, strong fluctuations in crude oil prices can largely be explained by aggregated, oil-specific, and expectation driven demand factors. Consequently, crude oil price increases in the past have often not been accompanied by negative economic growth (Kilian, 2008, 2009; Baumeister and Hamilton, 2019). During the oil crises of the 1970s and 1980s, it was precisely the expectation-driven and oil-specific demand component (demand grew as oil was stockpiled in anticipation of the impending drop in supply and price increase) and other non-supply-side oil shocks that were major factors in the sharp increases in the price of oil. The adverse oil supply shocks were only partly to blame (Kilian, 2009; Baumeister and Hamilton, 2019; Känzig, 2021). Finally, the global market for crude oil is highly integrated. Consequently, restrictions on the production of crude oil in one country have been at least partially offset by an expansion of production in other country (Kilian, 2009). This was also observed during the Gulf War and as a result of US sanctions on Iran (Kilian and Murphy, 2014; Caldara et al., 2019). As a direct consequence, oil supply shocks have led only to transitory and moderate increases in the price for crude oil. This is also likely to apply to the current situation if Russia's 16 % share of global oil production would be sanctioned by Western industrialized countries. Rerouting Russian oil production at a significant price discount to China, for example, would presumably at least partially cushion the supply shock through the global market.

Given the aforementioned evidence, the most recent observed increase in oil prices of more than 40 % implies a decline of 2 % to 4 % in industrial production in Germany over the course of 2 years. With German industry accounting for roughly 20 % of gross value added, the resulting deduction to GDP could be less than 1 %. [↘ TABLE 4](#) However, stronger price increases due to a stoppage of imports to Western economies and additional multiplier effects could result in larger effects. In particular, the effect on GDP depends on the reaction of the central bank to the oil price-induced increase in inflation and inflation expectations. Empirical evidence on the oil price shocks of the 1970s and 1980s suggests a strong effect on GDP (Bernanke et al., 1997). Thus, oil supply shocks result in a difficult trade-off for the central bank.

4. Potential aggregate effects of a cessation of energy imports from Russia

Overall, the different estimates show that a cessation of Russian energy imports is likely to have a considerably negative effect on GDP growth. The estimates can be interpreted as possible deductions to the baseline scenario of the GCEE's economic forecast. The different deductions could come on top of each other. On the one hand, the scenarios calculated within the established forecasting models have a hard time to estimate the consequences of a complete stoppage of Russian energy imports and any resulting short-term physical shortages. While on the other hand, the aforementioned production-function- and sufficient-statistic-based methods neglect standard macroeconomic amplification mechanisms. Furthermore, the estimates for such a complete cessation do not take into account potential spillover effects via financial market frictions.

In the short run in particular, possibilities to substitute Russian energy supplies in the case of a complete cessation of Russian energy imports could be more constrained than presumed in these estimates, and thus trigger a stronger decline in GDP growth. Consequently, a number of parties argue that short-run shortages in both natural gas and coal supplies could cause far-reaching disruptions to production at energy-intensive companies (Bardt et al., 2022; Fuest, 2022), and that these disruptions would in turn give rise to unemployment or short-time work and thus restrict demand (Dullien and Krebs, 2022; Schaefer and Küper, 2022). These interruptions of production could further exacerbate supply shortages in various sectors. Additionally, inflation, further fuelled by rising energy prices, is likely to dampen demand and thus place additional pressure on the economic outlook. Aside from the effects outlined by the authors, a sharp increase in energy prices and a decline in GDP could lead to credit losses and thus to disruptions on financial markets. Energy suppliers, for example, could struggle to cope with sharply rising energy prices if they are unable to pass these increases on to their customers because of longer-term contracts.

IV. CONCLUSION

Russia's war of aggression against Ukraine has revealed the risks of Germany's dependence on Russian energy supplies. Suspending energy supply and in particular gas supply from Russia poses considerable risks for the economic outlook. Various economic studies and forecast scenarios estimate the economic consequences of an intensification of the conflict and of Western sanctions as well as the consequences of a complete cessation of energy trade between the EU and Russia. According to these studies, the effect on German GDP ranges between 0.2 % and 6 % and that on inflation between 1 percentage point and 2 percentage points. Due to differences in the underlying scenarios, the time horizon that is considered and the models that are used, the studies highlight different aspects of the economic consequences of the war in Ukraine for the German and the euro area economy. Consequently, the deductions to GDP resulting from the different scenarios could – to some extent – come on top of each other, in particular those originating from studies that model only one aspect such as the impact of an uncertainty shock through financial markets or abstract from macroeconomic amplification mechanisms. This means that the total effect on GDP would be cumulative and could thereby easily range from 3 to 6 percent. The uncertainty is particularly high given that no comparable, large-scale and immediate interruption of energy supply as would be the case with regard to pipeline based deliveries of natural gas from Russia has previously been observed. Hence, available estimates of the likely short-run impact have to be interpreted with due caution. In any case, the GDP impact of a complete cessation of Russian energy supply to Germany could well be of similar magnitude as the GDP impact of the global financial crisis or the coronavirus crisis. At the same time, it has to be understood that the shocks and imbalances that caused those recessions were of a very different nature. Thus,

neither overall consequences nor the resulting policy prescriptions can be compared to the implication of a cessation of Russian energy imports.

References

- Agora Energiewende (2022), Energiesicherheit und Klimaschutz vereinen – Maßnahmen für den Weg aus der fossilen Energiekrise, Impuls, Berlin.
- Bachmann, R. et al. (2022), Was wäre, wenn...? Die wirtschaftlichen Auswirkungen eines Importstopps russischer Energie auf Deutschland, ECONtribute Policy Brief 029, Universität Bonn, Universität zu Köln.
- BAFA (2022), Erdgasstatistik: Entwicklung des deutschen Gasmarktes (monatliche Bilanz 1998 – 2021, Einfuhr seit 1960), Bundesamt für Wirtschaft und Ausfuhrkontrolle, Eschborn.
- Baqae, D., M. Benjamin, C. Landais and M. Philippe (2022), The Economic Consequences of a Stop of Energy Imports from Russia, CAE Focus 084–2022, Conseil d'analyse économique, April.
- Baqae, D. and E. Farhi (2021), Supply and demand in disaggregated Keynesian economies with an application to the Covid-19 crisis, Working Paper, forthcoming in the American Economic Review.
- Barbe, A. and D. Riker (2015), Obstacles to international trade in natural gas, Office of Industries Working Paper ID-15-043, United States International Trade Commission, Washington, DC.
- Bardt, H., M. Grömling and E. Schmitz (2022), Russlands Krieg in der Ukraine belastet deutsche Unternehmen, IW Kurzbericht 19/2022, Institut der deutschen Wirtschaft, Köln.
- Baumeister, C. and J.D. Hamilton (2019), Structural interpretation of vector autoregressions with incomplete identification: Revisiting the role of oil supply and demand shocks, American Economic Review 109 (5), 1873–1910.
- Bayer, C., A. Kriwoluzky and F. Seyrich (2022), Stopp russischer Energieeinfuhren würde deutsche Wirtschaft spürbar treffen, Fiskalpolitik wäre in der Verantwortung, DIW Berlin, German Institute for Economic Research.
- BDEW (2022a), BDEW-Strompreisanalyse Januar 2022 – Haushalte und Industrie, Bundesverband der Energie- und Wasserwirtschaft, Berlin.
- BDEW (2022b), Kurzfristige Substitutions- und Einsparpotenziale Erdgas in Deutschland, Fakten und Argumente, BDEW-Analyse, Version: 17.03.2022, Bundesverband der Energie- und Wasserwirtschaft, Berlin.
- Behringer, J. et al. (2022), Ukraine-Krieg erschwert Erholung nach Pandemie, IMK Report 174, IMK, Düsseldorf, March.
- Bernanke, B.S., M. Gertler and M. Watson (1997), Systematic monetary policy and the effects of oil price shocks, Brookings Papers on Economic Activity 1997 (1), 91–157.
- Blanchard, O. and J. Galí (2007), The macroeconomic effects of oil shocks: Why are the 2000s so different from the 1970s?, NBER Working Paper 13368, National Bureau of Economic Research, Cambridge, MA.
- Bloomberg (2022), Rosneft Oil Company: Rosneft and CNPC strengthen oil supply cooperation, <https://www.bloomberg.com/press-releases/2022-02-04/rosneft-oil-company-rosneft-and-cnpc-strengthen-oil-supply-cooperation>, retrieved 4.2.2022.
- Blume-Werry, E., T. Faber, L. Hirth, C. Huber and M. Everts (2021), Eyes on the price: Which power generation technologies set the market price?, Economics of Energy & Environmental Policy 10 (1), 1–14.
- BMWi (2019), Notfallplan Gas für die Bundesrepublik Deutschland, gemäß Art. 8 der Verordnung (EU) 2017/1938 des Europäischen Parlaments und des Rates vom 25. Oktober 2017 über Maßnahmen zur Gewährleistung der sicheren Gasversorgung und zur Aufhebung der Verordnung (EU) Nr. 994/2010, Bundesministerium für Wirtschaft und Energie, Berlin.
- BMWK (2022a), Pressestatement von Bundesminister Robert Habeck zu Russlandsanktionen und den Auswirkungen auf die Wirtschaft, <https://www.bmwi.de/Redaktion/DE/Videos/2022/20220303-pressestatement-nach-virtuellem-roundtable-mit-der-wirtschaft/20220303-pressestatement-nach-virtuellem-roundtable-mit-der-wirtschaft.html>, retrieved 22.3.2022.
- BMWK (2022b), Versorgungssicherheit stärken – Abhängigkeiten reduzieren, Kurzpapier, Bundesministerium für Wirtschaft und Klimaschutz, Berlin.
- BMWK (2022c), Fortschrittsbericht Energiesicherheit.pdf, 25. March.
- BMWK (2022d), Bundesministerium für Wirtschaft und Klimaschutz ruft Frühwarnstufe des Notfallplans Gas aus – Versorgungssicherheit weiterhin gewährleistet,

- <https://www.bmwi.de/Redaktion/DE/Pressemitteilungen/2022/03/20220330-bmwk-ruft-fruehwarnstufe-des-notfallplan-gas-versorgungssicherheit-gewaehrleistet.html>, retrieved 6.4.2022.
- BMWK (2022e), Schriftliche Frage an die Bundesregierung im Monat März 2022 – Frage Nr. 37, Antwort von Staatssekretär (im Bundesministerium für Wirtschaft und Klimaschutz) Dr. Patrick Graichen an den Bundestagsabgeordneten Dr. Dietmar Bartsch, 10. March.
- Burke, P.J. and H. Yang (2016), The price and income elasticities of natural gas demand: International evidence, *Energy Economics* 59, 466–474.
- Caldara, D., M. Cavallo and M. Iacoviello (2019), Oil price elasticities and oil price fluctuations, *Journal of Monetary Economics* 103, 1–20.
- Carstensen, K., S. Elstner and G. Paula (2013), How much did oil market developments contribute to the 2009 recession in Germany?, *Scandinavian Journal of Economics* 115 (3), 695–721.
- Deutsche Bank Research (2022), Deutschland: Konjunktur und Corona kompakt, 09. März 2022, Frankfurt am Main.
- Deutsche Energie-Agentur (2022), Kurzfristiges Einsparpotenzial von Gas und Öl - Ansätze im Gebäudebereich Deutschland. Grobaschätzung, 23.3.2022, unveröffentlichte Arbeit, 23. March.
- Deutscher Bundestag (2022), Entwurf eines Gesetzes zur Änderung des Energiewirtschaftsgesetzes zur Einführung von Füllstandsvorgaben für Gasspeicheranlagen, 15. March.
- Downs, E. (2022), Q&A: Europe's dependence on Russian gas, Columbia | SIPA, Center on Global Energy Policy, <https://www.energypolicy.columbia.edu/research/qa/qa-china-russia-energy-relations-will-new-oil-and-natural-gas-deals-help-russia-weather-economic>, retrieved 16.3.2022.
- Dullien, S. and T. Krebs (2022), Russland-Sanktionen: Wer ein Energieembargo fordert, muss die Gefahren kennen – Gastbeitrag, *Der Spiegel*, 12. March.
- Elliott, S. (2021), Commodities 2022: Uncertainty clouds gas offers on Gazprom Export's ESP auction tool, <https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/122321-commodities-2022-uncertainty-clouds-gas-offers-on-gazprom-exports-esp-auction-tool>, retrieved 18.2.2022.
- Europäische Kommission (2022a), Erklärung der Präsidentin zur fünften Runde von Sanktionen, https://ec.europa.eu/commission/presscorner/detail/de/statement_22_2281, retrieved 6.4.2022.
- Europäische Kommission (2022b), EU oil stocks, https://energy.ec.europa.eu/topics/energy-security/eu-oil-stocks_en, retrieved 18.3.2022.
- Europäische Kommission (2022c), Erklärung von Präsidentin von der Leyen mit US-Präsident Biden, STATEMENT/22/2043, Brüssel, 25. March.
- Europäische Kommission (2022d), Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions – REPowerEU: Joint European Action for more affordable, secure and sustainable energy, COM(2022) 108 final, Straßburg, 8. March.
- ECB (2022), ECB staff macroeconomic projections for the euro area, March 2022, Europäische Zentralbank, Frankfurt am Main.
- Felbermayr, G., H. Mahlkow and A.-N. Sandkamp (2022), Cutting through the value chain: The long-run effects of decoupling the East from the West, Kiel Working Paper No. 2210, Kiel Institute for the World Economy.
- Forschungszentrum Jülich (2022), Wie sicher ist die Energieversorgung ohne russisches Erdgas?, 16.03.2022, Institut für Techno-ökonomische Systemanalyse (IEK-3), Jülich.
- Fuest, C. (2022), Wirtschaftliche Folgen des russischen Überfalls auf die Ukraine, ifo Standpunkt 234, ifo Institut, München.
- GCEE (2022), Economic Outlook 2022 and 2023, German Council of Economic Experts, Wiesbaden.
- GIE (2022), AGSI – Aggregated Gas Storage Inventory, <https://agsi.gie.eu/#/>, retrieved 18.3.2022.
- Goldman Sachs (2022), Global views: Where Russia matters most, *Global Views: 6 March 2022*, New York City, NY.
- Grimm, V. and A. Kuhlmann (2022), Gastkommentar: Energieeffizienz – So wichtig wie noch

- nie, <https://www.handelsblatt.com/meinung/gastbeitraege/gastkommentar-energieeffizienz-so-wichtig-wie-noch-nie/28153482.html>, retrieved 14.3.2022.
- Herrera, A.M. and E. Pesavento (2009), Oil price shocks, systematic monetary policy, and the “Great Moderation”, *Macroeconomic Dynamics* 13 (1), 107–137.
- Hirth, L. et al. (2022), Offener Brief: Handlungsoptionen angesichts des Angriffs Russlands auf die Ukraine, *Tagesspiegel Background – Energie & Klima, Standpunkt*, 3. March.
- IEA (2022), A 10-point plan to reduce the European Union’s reliance on Russian natural gas, *Internationale Energieagentur, Paris*.
- IEA and OECD (2018), *Saving oil in a hurry*, Internationale Energieagentur und Organisation für wirtschaftliche Zusammenarbeit und Entwicklung, Paris.
- Känzig, D.R. (2021), The macroeconomic effects of oil supply news: Evidence from OPEC announcements, *American Economic Review* 111 (4), 1092–1125.
- Kilian, L. (2009), Not all oil price shocks are alike: Disentangling demand and supply shocks in the crude oil market, *American Economic Review* 99 (3), 1053–1069.
- Kilian, L. (2008), A comparison of the effects of exogenous oil supply shocks on output and inflation in the G7 countries, *Journal of the European Economic Association* 6 (1), 78–121.
- Kilian, L. and D.P. Murphy (2014), The role of inventories and speculative trading in the global market for crude oil, *Journal of Applied Econometrics* 29 (3), 454–478.
- Köppl-Turyna, M., L. Strohner and J. Berger (2022), *Ukraine-Russland-Krise und ihre Folgen – Ermittlung auf Basis von Erdgaspreisentwicklungen und Exportstopps*, Kurzstudie im Auftrag des Bundesministeriums für Finanzen Österreich, *EcoAustria – Institut für Wirtschaftsforschung, Wien*.
- Leopoldina (2022), *Wie sich russisches Erdgas in der deutschen und europäischen Energieversorgung ersetzen lässt*, Ad-hoc-Stellungnahme, *Nationale Akademie der Wissenschaften Leopoldina, Berlin*, 8. March.
- Liadze, I., C. Macchiarelli, P. Mortimer-Lee and P.S. Juanino (2022), *The economic costs of the Russia-Ukraine conflict*, NIESR Policy Paper 32, *National Institute of Economic and Social Research, London*.
- McWilliams, B., G. Sgaravatti, S. Tagliapietra and G. Zachmann (2022a), *Can Europe manage if Russian oil and coal are cut off?*, <https://www.bruegel.org/2022/03/can-europe-manage-if-russian-oil-and-coal-are-cut-off/>, retrieved 17.3.2022.
- McWilliams, B., G. Sgaravatti, S. Tagliapietra and G. Zachmann (2022b), *Can Europe survive painlessly without Russian gas?*, <https://www.bruegel.org/2022/01/can-europe-survive-painlessly-without-russian-gas/>, retrieved 27.1.2022.
- McWilliams, B., G. Sgaravatti, S. Tagliapietra and G. Zachmann (2022c), *Preparing for the first winter without Russian gas*, <https://www.bruegel.org/2022/02/preparing-for-the-first-winter-without-russian-gas/>, retrieved 28.2.2022.
- NIESR (2022), *NiGEM Technical Documentation*, <https://nimodel.niesr.ac.uk/index.php>.
- OECD (2022), *OECD Economic Outlook, Interim Report March 2022: Economic and Social Impacts and Policy Implications of the War in Ukraine*, *OECD Economic Outlook, OECD*.
- Oxford Economics (2022), *A darker economic scenario from Russia’s war*, *Research Briefing | Global 2 March 2022, London*.
- Oxford Economics (2016), *Assessing the economic implications of Brexit - Executive summary*, *London*.
- Patterson, W. and C. Zhang (2022), *Europe would face a desperate scramble to replace Russian gas*, <https://think.ing.com/articles/hold-europe-would-struggle-without-russian-gas/>, retrieved 11.3.2022.
- Schaefer, T. and M. Küper (2022), *Ukraine-Krieg: Weg vom russischen Gas*, *IW Nachricht, Institut der deutschen Wirtschaft, Köln*, 10. March.
- The Economist (2022), *If the supply of Russian gas to Europe were cut off, could LNG plug the gap?*, <https://www.economist.com/the-economist-explains/2022/02/26/if-the-supply-of-russian-gas-to-europe-were-cut-off-could-lng-plug-the-gap>, retrieved 26.2.2022.
- Umweltbundesamt (2022a), *Primärenergieverbrauch*, <https://www.umweltbundesamt.de/daten/energie/primaerenergieverbrauch>, retrieved 16.3.2022.
- Umweltbundesamt (2022b), *Energieverbrauch nach Energieträgern und Sektoren*, <https://www.umweltbundesamt.de/daten/energie/energieverbrauch-nach-energietraegern-sektoren>, retrieved 16.3.2022.
- Wirtschaftswoche (2022), *Energieversorgung: „Binnen weniger Wochen könnten wir mehr deutsches Gas fördern“*, *Wirtschaftswoche*, 31. March.

- Wollmershäuser, T. et al. (2022), ifo Konjunkturprognose Frühjahr 2022: Folgen des russisch-ukrainischen Krieges dämpfen deutsche Konjunktur, ifo Schnelldienst Digital 3 (1), 1–15.
- Zachmann, G., G. Sgaravatti and B. McWilliams (2022), European natural gas imports, <https://www.bruegel.org/publications/datasets/european-natural-gas-imports/>, retrieved 8.3.2022.