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# They really matter?

President Joe Biden pays tribute to Ukrainians as the U.S. and E.U. pile new sanctions on Russia for the invasion of Ukraine and in retaliation for the death of Alexei Navalny. "The people of Ukraine remain unbowed and unbroken," he said. (Feb. 23)

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BY [FATIMA HUSSEIN](#), [JOSH BOAK](#) AND [EMMA BURROWS](#)

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WASHINGTON (AP) — So many sanctions. Once again, the United States, United Kingdom and European Union are hitting Russia with a new wave of sanctions over Moscow's invasion of Ukraine. This time, they come in response to the death of [noted Kremlin critic Alexei Navalny](#), who died in an Arctic penal colony last week.

With Friday's latest round of sanctions — landing one day before the second anniversary of the war — the U.S. has targeted more than 4,000 officials, oligarchs, firms, banks and others. The EU has targeted more than 2,000 people and entities, including Russian President Vladimir Putin and his associates.

President Joe Biden says the sanctions are designed to make Putin pay “an even steeper price for his aggression abroad and repression at home.” But the sanctions have not been a knockout punch to Putin's ambitions.

## What is the main thrust of the new sanctions?

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## White House promises 'major sanctions' on Russia in response to Alexei Navalny's death

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The latest sanctions focus on people and firms connected to Russia's weapons manufacturing, finance and import sectors. They also target three officials that Western leaders say were involved in the death of Navalny and others they hold responsible for kidnapping and reeducating Ukrainian children.

Many of the new sanctions target Russian firms that contribute to the Kremlin's war effort — everything from drone and industrial chemical manufacturers to machine tool importers. The EU is also targeting foreign firms that officials say have exported dual-use goods to Russia that could be used in the war.

The sanctions on people block their access to property in the U.S. and other countries that target them and their ability to travel and do business in the West. They also punish those who do business with sanctioned people or companies.

## How do the sanctions relate to Navalny's death?



The U.S. State Department is targeting three Russian officials it says are connected to Navalny's death. These include the deputy director of Russia's Federal Penitentiary Service, who was promoted by Putin to the rank of colonel general on Monday, three days after Navalny died.

The sanctions bar the three men from traveling to the U.S. and block access to U.S.-owned property. But it's unlikely they travel to or have assets or family in the West, which makes the action largely symbolic. White House national security spokesman John Kirby says there's more U.S. action to come related to Navalny's death.

The U.K. also sanctioned six Russian prison bosses this week in charge of the penal colony where Navalny died.

## How does the price cap on Russian oil fit into the picture?

The Group of Seven allies in December 2022 imposed a \$60 per barrel price cap on Russian oil, hoping to limit Russia's revenues from fossil fuels.

The Treasury Department says Kremlin oil tax revenue was more than 40 percent lower in the first nine months of 2023 because of the cap. But the IMF says Russia's economy is still set to grow, with GDP projected to increase by [2.6 percent in 2024](#).

Policy experts are divided on the effectiveness of the price cap. Some have called for stronger enforcement of the current policy, a lowering of the price cap or even a complete oil embargo.

MIT economists Simon Johnson and Catherine Wolfram wrote for the European Centre for Economic Policy Research Friday that the EU and U.S. should step up their [enforcement of the cap](#).

Treasury Deputy Secretary Wally Adeyemo says the U.S. and its allies will not lower the price cap — “rather what we'll be doing is taking actions that will increase the cost” of Russia's production of oil.

## Overall, how effective are the sanctions?

The Biden administration acknowledges that sanctions alone cannot stop Russia's invasion. And many policy experts say the sanctions are not strong enough — as evidenced by the growth of the [Russian economy](#).

Eswar Prasad, a Cornell economist, says the latest sanctions are “likely to be of limited potency in stifling Russia’s economy or its war effort.” He said the “escape valve” provided by China, Russia’s ability to maneuver around many of the sanctions and the impasse in Congress over new military aid for Ukraine “have substantially eroded the symbolic and substantive power of such sanctions.”

The West still has other options to consider in further punishing Russia.

The U.S. and Europe are considering the use of \$300 billion of Russia’s frozen central bank assets to fund Ukraine as reparations for the war, but that’s a legally complex matter. The U.S. could also designate Russia a state sponsor of terrorism, an idea that has gained bipartisan popularity in the U.S. Congress.

## How is stalled U.S. aid in Congress impacting the war effort?

With House Speaker Mike Johnson, R-La., [blocking votes](#) on Senate-passed aid for Ukraine and other countries, sanctions are stuck doing much of America’s heavy lifting in the war effort.

Russia now has a decisive advantage in terms of munitions and troops. Putin’s forces have a 2:1 edge on manpower and a [5:1 edge on firepower](#), according to Dara Massicot, a senior fellow at the Carnegie Endowment for International Peace.

This math is problematic for Ukraine’s ability to fight. It needs foreign aid to replenish its stockades and help even the odds. The new sanctions will at best limit the production of Russian factories going forward, rather than address the current gap in troops and weapons.

## How are the sanctions affecting everyday Russians?

Russia’s invasion of Ukraine was initially met with panic by some Russians after Western nations suspended flights and the ruble devalued, prompting some people to queue at cash machines to take out hard currency. It prompted Russia’s central bank to hike its key interest rate to 20% to stabilize the ruble, which went into free fall, driving up the cost of borrowing.

But two years on from the invasion, Putin is still in power and the sanctions have not yet pushed ordinary Russians to demand an end to the war. Russians are noticing a difference in the quality of their living standards as Western products have increasingly been swapped out and prices in the shops have risen.

Brands such as McDonalds have disappeared from Russia to be replaced with the Russian version – “Tasty – that’s it.” The interest rate in Russia is also still high at 16% and some people have had to put on hold plans to buy apartments because they cannot afford the cost of borrowing.

It’s still possible to get Western goods such as iPhones, but they now come at a premium. Travel abroad to Europe and the United States has also become almost prohibitively expensive as there are now no direct flights. The ruble is still weak, meaning it’s now much more expensive for Russians to spend their cash abroad.

But, there are plenty of Russians who don’t travel to Europe, who don’t rely on Western products and who think that the sanctions are a good thing because they help Russia to become more self-sufficient.

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