

# Statement on the phasing out of Russian oil imports

## **Introduction**

Thank you very much Madam Deputy Speaker. I want to start by saying what a privilege it was for all of us to hear the historic address in the House yesterday by President Zelenskyy. I am sure all Members will join me in thanking him once again for his inspiring words, his great leadership. And it is with those words in mind, Madam Deputy Speaker, that I come here today.

With your permission, Madam Deputy Speaker, I would like to make a statement on the UK phase out of imports of Russian oil in response to Vladimir Putin's brutal and illegal invasion of Ukraine.

The UK joins key allies, including the United States, in halting the import of Russian oil, which makes up 44% of Russian exports and 17% of the government revenue through taxation.

This action follows the most punishing set of sanctions the British state has ever imposed on a G20 nation.

Our trade, financial, and personal sanctions are having an effect on the Russian economy, the Ruble as I speak has now fallen by nearly 42% – and the Moscow Exchange's stock trading has been shut since 25 February.

The British government has sent a clear message to Putin's regime and those who support him in his war against Ukraine.

## **Russian Oil Supply**

It is important to remember, Madam Deputy Speaker, Russia produces only a fraction of the fuel products currently imported to the UK. In a competitive global market for oil and petroleum products, demand can be met by alternative sources of supply.

As a result of international revulsion at Putin's action, Russian oil is already being excluded from much of the market and currently it is trading at quite a sharp discount from other crude oil sources.

## **Measure detail**

But we want to go further, Madam Deputy Speaker.

Yesterday I set out that the UK is phasing out imports of Russian oil during the course of the year.

This transition will give the market, it will give businesses and supply chains more than enough time to substitute Russian imports.

## UK resilience

Businesses should use this year to ensure as smooth a transition as possible so that consumers will not be affected.

The government will work with companies through a new Taskforce on Oil to support them to make use of this period in finding alternative supplies.

Yesterday, I spoke with businesses, unions and representatives from the sector, and of course I and officials in BEIS will continue to engage and support British business.

Whilst Russian imports account for 8% of total UK oil demand, the UK is also, one should remember, a significant producer of both crude oil and petroleum products. We participate in a global market for these products and we have resources in place in the unlikely event of supply disruption.

Over the course of the year the taskforce we set up will work closely with international partners including the USA, the Netherlands, and the Gulf to ensure alternative supplies of fuel products.

Last week I addressed the International Energy Agency and tomorrow we will have an extraordinary meeting of the G7 Energy Ministers to discuss further steps.

While businesses should do everything they can to source oil from alternative sources, they will still be able, it is important to emphasise this, to import Russian oil during the transition period.

These measures target oil related products imports only. The UK is not dependent on Russian natural gas, making up less than 4% of our supply. However, Madam Deputy Speaker, I will be exploring options to end this altogether.

I want to be clear to the House that we fully intend, and we must, end our dependency on all Russian hydrocarbons.

In the meantime, we need more investment in North Sea oil and gas production as we make the move to cheaper and cleaner power.

Turning off domestic production – as some are calling for – at this moment would be completely the wrong thing to do. We're not going to do it.

The Prime Minister has also confirmed that the government will set out an energy strategy to explain the UK's long-term plans for greater energy security, including both renewable and nuclear power – building on our [Ten Point Plan](#).

## Wider sanctions

This measure – and those being taken by our allies in terms of the oil phase out – will move the West away from a dependency on Russian oil.

It will take us on a road to building a stronger more resilient British energy system.

It will increase the growing pressure on Russia's economy.

And it will ultimately hamper Russia's ability to impose further misery on the Ukrainian people.