



## **Fact Sheet: Biden's Failure to Sanction Russia**

**February 21, 2023**

The Biden administration fought off the Nord Stream 2 sanctions before the war. Since Putin's invasion, they have repeatedly refused to implement meaningful sanctions that would actually deprive the Russian war machine of the resources and funds to continue their rampage. They have the temerity to [claim](#) their sanctions have been a success. The facts show otherwise.

### ***Biden's Sanctions Fact Check:***

**Administration Claim:** On April 6, 2022, President Biden said "The steps we're already taken are predicted to shrink Russia's gross domestic product by double-digits this year alone."

- **Reality:** Russia's economy only [shrank](#) 2.2% in 2022.
- **Meanwhile:** The IMF [projects](#) the Russian economy will GROW by 0.3% in 2023. That's higher growth than Germany and the UK are projected to enjoy this year. Worse, the IMF predicts Russia's economy will grow by 2.4% in 2024, making up for lost 2022 growth.

**Administration Claim:** Biden: Russia's economy will [shrink](#) by half in the coming years. White House: Putin's war will [wipe](#) out the last 15 years of economic gains in Russia.

- **Reality:** At the 2022 rate of economic growth, it would take 31 years for Russia's economy to shrink in half, and 13 years to wipe out the last 15 years of economic gains.
- **Meanwhile:** At the 2023 and 2024 projected rates of growth, that would never happen because that's not how math works.

**Administration Claim:** [Biden](#): "As a result of our unprecedented sanctions, the ruble was almost immediately reduced to rubble."

- **Reality:** A dollar was worth 75 rubles prior to the start of the war. While briefly weakened in the first weeks of the war, the ruble is now stronger today than before the war, currently trading for 73 rubles to the dollar.

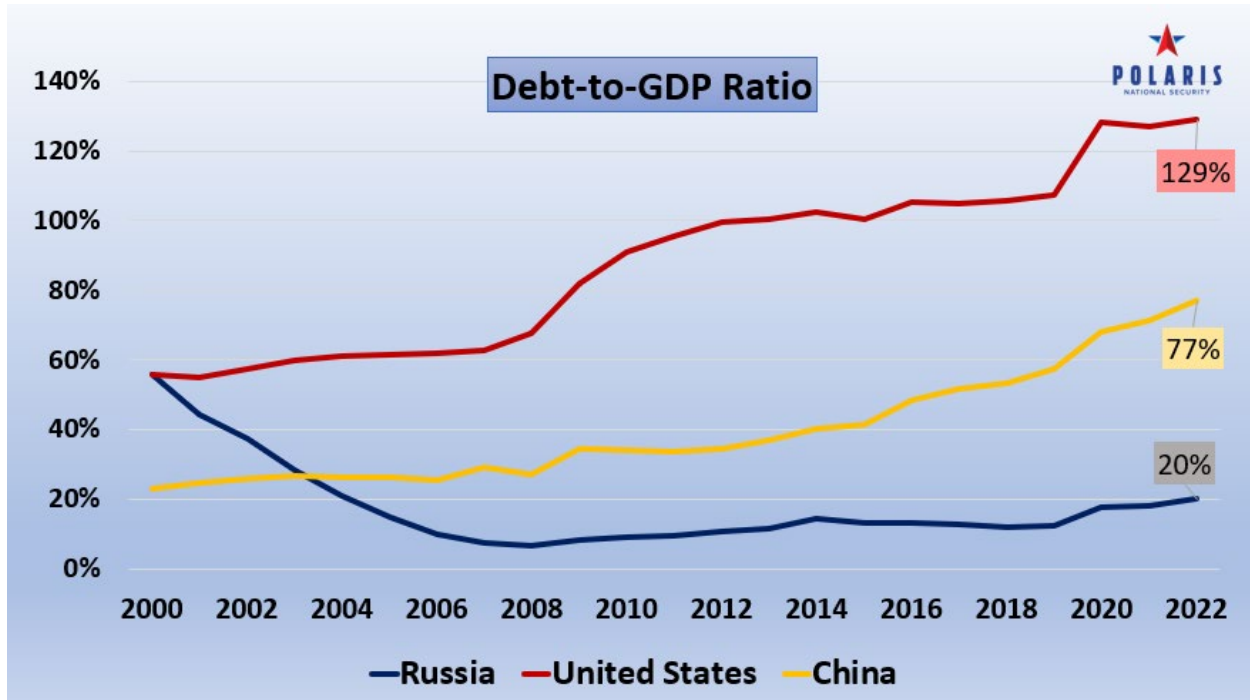
**Administration Claim:** Biden officials [claim](#): "Russia is suffering a dramatic decline in oil sales that stands to deprive the Kremlin of a key source of government revenue."

- **Reality:** Russia earned \$119 billion in oil and gas revenue in 2021. After its invasion, it earned \$180 billion in oil and gas revenue in 2022. That's a 51% increase.

**Administration Claim:** Putin is [struggling](#) to finance his war and is taking drastic measures to keep his economy afloat.

- **Reality:** Russia ran a 2.3% budget deficit in 2022, far lower than the United States' 5.9% budget deficit in 2022. They have had little problems selling bonds, and plan to [increase](#) their military budget by 40% in 2023.

- **Meanwhile:** Russia's debt-to-GDP ratio is far lower than the United States' or China's.



**Administration Claim:** Sanctions made it harder for Russia to equip its military and access foreign-provided weapons.

- **Reality:** In February 2021, the Biden administration unilaterally ended UN sanctions on Iran that prohibited it from transferring weapons to Russia, and that would prohibit Iran from sending drones and ballistic missiles to Russia this October.
- **Meanwhile:** Iran has sent hundreds of drones to Russia for its war. North Korea has sent weapons to Russia, and China may now be sending weapons to Russia' Wagner Group.

**Administration Claim:** We are going to focus on curbing sanctions evasion in 2023.

- **Reality:** Treasury's top officials have been aware of Russia's blatant sanctions evasion and chosen to ignore it for a whole year. Instead of sanctioning violators in Turkey, UAE, China, and elsewhere, Treasury officials issue repeated stern warnings, which don't help Ukraine win a war.
- **Prediction:** "We're going to enforce secondary sanctions" is poised to become the next iteration of "infrastructure week".

**Administration Claim:** The United States enacted nearly 2,000 sanctions on Russia since the start of the war.

- **Reality:** The number is accurate, but the results are what matter. The U.S. Treasury routinely targets large numbers of symbolic individuals rather than focusing on key economic industries that would curtail Russia's ability to wage war and raise revenue.
- **Meanwhile:** Biden has yet to sanction Russian fertilizer, industrial equipment, nuclear reactors, plastics, copper, tech sector, vehicles, rubber, nickel, or titanium – which collectively accounted for \$50 billion in Russian exports in 2021.

- **Meanwhile:** Biden has not sanctioned several Russian banks, including Bank Saint Petersburg, Bank DOM RF, Bank ZENIT, Uralsib, and The Post Bank.
- **Meanwhile:** Russia's state-owned nuclear enterprise, Rosatom, experienced the [highest annual revenue EVER](#) in 2022, increasing exports by 15% and revenue by 20% over 2021. They continue to work on Iran's nuclear program with zero sanctions.

→ **Key Takeaway:** The Biden administration needs to spend less time talking about how wonderful its sanctions have been and more time building sanctions packages that actually target the primary sources of Russian revenue. It should look to the Trump Administration's Maximum Pressure campaign on Iran – which cut Iranian GDP, oil revenue, and military spending by double-digits – as a rubric for a successful sanctions campaign to weaken a war machine. If Biden had sent all the systems Ukraine asked for when Ukraine needed them, many thousands of Ukrainian lives would have been saved and WWII still would not have started. Russian forces would be far weaker today, and the prospect of peace could be far closer.