

Russia's War on Ukraine: Sanctions targeting Belarus

Belarus's involvement in Russia's invasion of Ukraine has triggered EU sanctions targeting over 700 individuals and 50 entities, as well as critical economic sectors and products in this country. The new measures, namely the trade bans on potassium chloride, have affected both the Belarusian economy and EU and global food supplies.

Earlier sanctions targeting Belarus

Belarus has been subject to EU sanctions since 2004. [Initial](#) measures comprised individual sanctions and an arms embargo adopted in response to the disappearance of four people, including two opposition politicians, a businessperson and a journalist. The EU imposed [further restrictions](#) on Belarus's presidential elections in 2020. Despite independent exit polls [reporting](#) a victory for Sviatlana Tsikhanouskaya, Belarus's Central Election Commission announced that Lukashenka had won the election with over [80 %](#) of the votes. Peaceful protesters were met with police violence and detention. [Thousands](#) were tortured and some died. The EU condemned the elections as 'neither free nor fair' and introduced [sanctions packages](#) in October, November and December 2020.

Further rounds of sanctions followed in June 2021, after the [hijacking](#) of a Ryanair flight in order to detain Raman Pratasevich, and in December 2021, in response to the government's attempt to [instrumentalise](#) migrants arriving from the Middle East and its continued human rights abuses. By inciting illegal migrant crossings, the government sought to destabilise the EU and divert attention from Lukashenka's continuous [violations](#) of human rights – among them falsifying elections, arresting protesters, crushing civil society, journalists and the opposition – by creating a crisis at the EU borders. The five rounds of sanctions in 2021 [comprised](#) individual sanctions, such as asset freezes and travel bans, as well as an embargo on arms and related materials, dual-use goods, technology for military use and communication interception equipment. Sanctions also included a ban on the provision of insurance or re-insurance to the Belarusian government, public bodies and agencies; partial trade restrictions on potassium chloride (potash), petroleum and gaseous hydrocarbon products; and a limit on the country's access to EU capital markets.

Sanctions in response to Belarus's involvement in the invasion of Ukraine

The most recent measures, adopted on [2 March](#), [9 March](#) and [8 April](#) 2022, are an expression of the EU's condemnation of Belarus' involvement in 'Russia's unprovoked and unjustified military aggression against Ukraine'. Belarus's involvement includes [participation](#) in strategic planning and granting [permission](#) to the transport of Russian troops and military equipment through, and the firing of ballistic missiles from, Belarusian territory. Restrictions build on existing EU sanctions by closing [loopholes](#) and introducing exhaustive bans on targeted sectors. Specific sanctions are individual, financial or trade-related.

Individual sanctions ([imposed on](#) 702 persons):

- asset freezes and travel bans targeting [regime-connected](#) officials and elites as well as [individuals in the military sector](#) (i.e. the defence minister and his assistants, members of the respective ministries, and military commanders).

Financial sanctions:

- financial restrictions on 53 entities operating in the defence and security sectors;
- a SWIFT ban on three Belarusian banks – Belagroprombank, Bank Dabrabyt, the Development Bank of the Republic of Belarus and their respective subsidiaries;
- a prohibition on transactions with the Belarusian Central Bank concerning the management of financial reserves, trade and investment;
- restrictions on financial inflows from Belarus to the EU, specifically 'by prohibiting the acceptance of deposits exceeding €100 000 from Belarusian nationals or residents, the holding of accounts of Belarusian clients by the EU central securities depositories'; bans on financial transactions also apply to [crypto assets](#);

- a prohibition on the sale of transferable securities and banknotes denominated in any official currency of the Member States to Belarus.

Trade restrictions:

- further restrictions on trade in goods used for producing or manufacturing tobacco products, mineral products ([expanding](#) on petroleum oils and gaseous hydrocarbon products) and all potash products, and the [removal](#) of exceptions for pre-existing contracts;
- a ban on all EU exports of dual-use goods and technology that could enhance Belarus's security and defence capacities;
- additional [bans](#) on the direct or indirect import of wood, cement, iron and steel products, rubber tyres and a wide range of machinery originating from Belarus and the [removal](#) of exceptions for pre-existing contracts;
- a ban on Belarus-established transport undertakings from transporting goods by road in the EU.

Impact of sanctions on trade in potassium chloride

The 2021 sanctions targeted only [20 %](#) of Belarusian potash. Total restrictions on potash under the new measures target it as a primary [income](#) source that is the country's second-largest export commodity ([8.7 %](#) of national exports and [18 %](#) of the global market share) and accounts for a substantial share of GDP. Due to previous sanctions (from 2021) and curtailed access to the Klaipeda port in Lithuania, Belarus's global [potash exports plummeted](#) from over 10.3 million tonnes in 2019 and 11.8 million tonnes in 2020 to close to 5.1 million tonnes in 2021. Belarus is currently searching for alternative export markets, but payment and transport issues continue to be an [obstacle](#). Sanctions appear to have made an [impact](#) on Belarus's financing, as more than half of the potash mines have ceased working, foreign companies have relocated and the country has lost 70 % of exports to the EU. Traditional importers of Belarusian potash can no longer receive shipments and are in search of alternatives from countries like Canada, Israel and Jordan.

Repercussions will not be limited to Belarus. EU Member States [produce](#) a small amount of potash, with the majority of stock located in Spain and Germany. The unavailability of potash will influence European producers and consumers, as it is an essential ingredient for the fertilisation of crops and the preservation of canned food, fruits, vegetables and processed food.

The global price [surge](#) for potash is influenced by numerous factors – [sanctions](#), limited supply and [supply chain](#) disruption, growing [energy](#) and transport costs, high [demand](#) and lack of competition. Soaring prices will predominantly impact the top European potash [importers](#) – such as Poland, Belgium and Norway – and Middle Eastern, African and Asian countries. According to estimates, EU fertiliser companies will have to find alternative supplies as early as [June 2022](#). The most likely source is Canada – the world's largest potash producer. Existing free trade agreements can be used to facilitate potash import from different locations. A European Commission [communication](#) of 23 March 2022 presented a set of actions to support EU farmers and strengthen food security amid the invasion. These include enhancing the resilience of supply chains and agriculture by substituting certain fertilisers and finding bio-based alternatives. With regard to national production, an Australian company has already started exploratory drilling in [Thuringia](#), Germany. The EU-level association of farmers, COPA-COGECA, considers that while medium-term solutions do exist, substituting 1.7 million tonnes of Belarusian and Russian potash would be lengthy and expensive.

Position of the European Parliament

In its [resolution](#) of 1 March 2022 on the Russian aggression against Ukraine, Parliament condemned Belarus's assistance to Russia in the invasion. It underlined the security risk posed by the fabricated [referendum](#) abolishing Belarus's neutrality and allowing the presence of Russian nuclear weapons in the country, and called for extending the sanctions targeting Belarus, excluding it from SWIFT, prohibiting Belarusian goods and services from EU public procurement, and terminating its software licences.

On 24 March 2022, Parliament adopted a [resolution](#) on the need for an urgent EU action plan to ensure food security inside and outside the EU in light of the Russian aggression towards Ukraine. The text recognised Belarus as a significant exporter of potash-based fertilisers and warned about the likely disruption of supply, increasing fertiliser prices and impact on industries.

