

How effective have Western sanctions on Russia been in achieving their stated economic and political objectives?

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ABSTRACT

The study analyzes the effects of economic sanctions by the West against Russia since the outbreak of the Russia-Ukraine war in February 2022. It looks into the issue of sanctions through four main aspects: GDP, trade, fiscal aspects, and the energy sector. Using secondary statistics taken from the World Bank, International Energy Agency, US Energy Information Administration, Eurostat, ECIPE, Argus, Vortexa, Reuters, ORF, and Trackr, graphical methods were employed in order to discover how the performance of Russia's economy and its external economic relations changed from 2020 to 2025. A simple pre-sanction GDP trend was extrapolated in MS Excel from 2020-2021 values, thus making it possible to provide a simple comparison. The results demonstrate that Russia has suffered from serious economic recession in 2022 which then has been followed by a minor positive economic growth. Trade with the European Union has decreased considerably while the economic relations have expanded with China and India. The volumes of Russian crude oil exports have remained moderately stable while the export destinations have greatly shifted toward Asia and the oil revenue decreased compared to 2022 peak levels. Overall, it can be concluded that the sanctions have applied considerable economic pressure and changed Russia's trade and energy structure, but did not eliminate its capacity for economic adaptation. The study therefore emphasizes the distinction between economic disruption, resilience, and broader political effectiveness.

1. Introduction

Economic sanctions play an increasingly significant role in international economic statecraft by enabling governments to inflict economic pain on an adversary in a non-military way. The principle behind sanctions is rather simple: by limiting a country's access to trade and financial resources, the sanctioning country has the opportunity to limit its adversary's economic resources and seek changes in its behavior. However, the efficacy of sanctions is not merely based on the strength of sanctions but also on the economic structure of the target country, as well as

availability of alternative suppliers, responses to sanctions domestically, and the ability to adjust (Gaur et al., 2023).

The case of Russia is particularly significant when it comes to presenting this differentiation. In February 2022, after the beginning of Russia's military invasion of Ukraine, the United States, EU, UK and other countries imposed significant sanctions on Russia regarding financial, trade, technological and energy matters as a response to Russian actions. The measures of these sanctions greatly exceeded many earlier restrictions imposed on Russia after the annexation of Crimea in 2014. The U.S. Treasury revealed two primary goals of its sanctions policy: to deprive the Russian government of funding for its military campaign and hinder Russia's military activities through halting the provision of necessary supplies (U.S. Department of the Treasury, 2022). Similarly, the European Union stated that it enforced the sanctions in order to put pressure on the Russian government (Council of the European Union, 2022).

While the magnitude of the economic shock initially appeared considerable, things took a different course afterward. After the invasion took place, the World Bank estimated at the time that Russia's GDP could drop by as much as 11.2 percent in 2022, stating that the application of sanctions, interruptions in trade, restrictions in finance, and declining investment would affect the Russian economy adversely. However, later on, the picture became more nuanced. In 2022, the real output of the Russian economy decreased, but in subsequent years, it overcame the crisis and started to grow. However, at the same time, Russia's trade was subject to serious geographical transformation. As far as the trade relations undergo the process of transformation, the process also involves weakening of economic ties with the West and broader use of alternative markets. Nevertheless, the fact that the economy was able to recover does not necessarily mean that the sanctions had no effect – instead, it raises the question whether they decreased the economic potential of Russia or merely increased the costs for conducting international economic activities.

In the realm of energy dependence, the importance of this distinction cannot be overstated. Russia's dependency on hydrocarbon sales has been the cause of its complicated situation for Western decision-makers. While revenue from energy exports forms a substantial part of its earned foreign-exchange and government income, being a prominent global energy player does mean that removing Russian oil altogether from worldwide markets would yield massive concerns for the system of energy supply on a global scale. The G7 price-cap mechanism was thus envisaged as a way to diminish the amount of revenue received by Russia through oil exports while keeping the oil itself delivered to the international markets (U.S. Department of the Treasury, 2023). The resulting shifts in trade ties serve as an example of the possibility to impose sanctions while simultaneously being able to make them adaptable in a way to mitigate costs.

In this context, the current research assesses how successful are the Western sanctions imposed on Russia looking at four interrelated economic parameters such as GDP, international trade, fiscal situation, and energy exports. The graphical analysis allows to investigate how Russia's economy has changed after the imposition of the principal sanctions regime in 2022. The paper pays special attention to the gaps between Russia's actual GDP and the estimated GDP before the sanctions, the analysis of import and export dynamics specifically regarding Russia's trade directions, oil export volumes, and revenue.

What the paper argues is not whether sanctions can be classified as either successful or not, but whether the economic developments observed are in line with the objectives to which sanctions were expected to lead. Economic decline, disruption of trade, and decreased income from energy sales are evidence of the existence of economic pressure, but this does not mean that the sanctions were politically efficient. Similarly, Russia's economic adaptation after 2022 does not imply that sanctions were ineffective in generating certain costs. In this case, distinguishing between these outcomes is crucial in assessing whether Western sanctions have made any changes to Russia's economic power, constrained its access to important resources, and served its political ends.

2. Literature Review

The literature on economic statecraft considers economic sanctions to be very important, as they give governments the ability to impose costs on a target state, which allows the sanctioning government to avoid using military force. The logic is that economic sanctions can reduce the target economy's available economic resources and create a climate conducive to policy change through restrictions on trade, investment, finance, access to technology and world markets. However, a significant distinction is established between the economic impact and political efficacy of sanctions. Economic sanctions can produce economic results that are very significant in magnitude, while failing to achieve desired political outcomes of the sanctioning government. Therefore, the success of sanctions is determined by not only whether the target economy suffers economically, but also whether the economic pressure produced by sanctions is sufficient for the government of the target state to reconsider its decisions (Peksen, 2019).

One of the landmark works in the subject matter is Economic Sanctions Reconsidered by Hufbauer and colleagues (2007) in which many examples of sanctions throughout history are assessed. Authors claim that sanctions can fulfill their purposes better when the scope of the objectives is narrow, when the target is economically vulnerable, and when the countries applying sanctions have strong economic links to this target. Moreover, they point out that effectiveness of sanctions depends on the political situation in each particular case. This turns out to be extremely relevant to Russia because sanctions imposed by Western countries were aimed

at many goals simultaneously, including reducing budget revenues, restricting defense industry production capabilities, limiting access to modern technologies, as well as increasing other economic costs along the way. Hence, in order to evaluate their efficiency, it is necessary to analyze several economic metrics rather than basing the conclusion on just one measure such as GDP.

The wider sanctions literature has generally argued that historical measurements of whether sanctions worked might be overestimated. Pape (1997) believed that many instances that were deemed successful sanctions could be better described as some form of coercion or diplomacy. Likewise, Peksen (2019) points out the methodological issues with the sanctions literature like the problem of defining “success,” accounting for data collected in the static regime, and difficulties of drawing the distinction between sanctions as opposed to other tools of diplomacy. These issues are essential in relation to the Russian case mentioned before since one cannot conclude about the economic consequences after February 2022 being defined by sanctions only. The events surrounding the invasion, changes in the prices of commodities around the globe, Russian fiscal and monetary policy, increased military spending, and transformations of international trade took their place at the same time. Therefore, while it is possible to see another downward trend in economic performance, the graphical presentation of it does not provide the evidence for the causal chain.

The second category of research studies the impact of sanctions on trade. Economic sanctions create barriers to trade by raising transaction costs and thereby inhibiting trade relations between countries. However, the extent of decline depends on whether other sources of supply are available. In this respect, data from the experience of previous sanctions against Russia can be used. Crozet and Hinz (2020) show that sanctions imposed in response to the Russian seizure of Crimea in 2014 led to a serious decline in trade volumes, nevertheless, the impact of sanctions varies according to the type of restrictions.

The aforementioned difference between trade diversion and trade destruction is crucial concerning cases like Russia post-2022. According to Gaur et al. (2023), research on Russian companies influenced by sanctions acting from the aftermath of the 2014 Crimean crisis shows that sanctions led to short-term financial disruption and that sanctions impacted company performance less over time due to the adoption of strategies for adapting the operations. Such strategies are reorganization of supply chains, changes in the way international operations are structured, and establishment of new commercial relationships. This indicates that the impact of sanctions depends on the ability of the affected economy to adapt. This provides a useful theoretical basis for examining whether Russia's declining trade with Western economies was accompanied by greater economic engagement with countries such as China and India.

The quantitative economic models also examined the potential magnitude of economic losses from sanctions. According to the estimation by Mahlstein et al. (2022), a full trade embargo by the Allies can lead to a 14% drop in Russian real GDP. This analysis highlights the effects of total economic isolation on Russia. Nonetheless, it is merely a model lay-out, not an estimate of how sanctions eventually impacted GDP. This substantial difference is very relevant since the Russian economy was able to access significant non-Western markets and remained a participant in all major commodity markets. Therefore, the gap between model-based losses and real-life performance calls for the examination of the adjustment process along with the economic disruptions.

The literature also increasingly highlights that sanctions should not be examined only in terms of overall GDP. Banning or placing restrictions on exports of strategic goods, for instance, might not result in immediate changes in total economic output, but could have repercussions over the longer term by restricting the access to capital goods and technologies. Felbermayr et al. (2024) point out that the effectiveness of export restrictions against Russia differs substantially from one product to another, and so sanctions should be analyzed in light of their objectives. In the case of Russia, restrictions on technology or capital goods may well have effects that are not necessarily reflected in annual GDP statistics. This provides support for the multidimensional approach whereby GDP is studied alongside trade, fiscal and energy indicators.

Energy is of paramount importance because the hydrocarbons have long been central to Russia's export revenues and state budget. The literature on the oil sanctions of the post-2022 period stressed, first of all, the tensions between the reduction of Russia's revenues and steady supply of energy to the world market. Johnson, Rachel and Wolfram (2023) focus on the price cap mechanism introduced by the G7 and state that the idea behind it was to mitigate Russian oil revenues while keeping Russian oil on the world markets and that this mechanism does not imply any embargo but rather reprimands Russia in terms of pricing mechanism.

New research offers that the imposition of energy sanctions led to vital changes in both Russian trade patterns and revenues. According to Babina et al. (2026), the results of their work based on the analysis of detailed customs information on Russian oil exports show that while export volume was stable after the invasion, its structure changed and exports predominantly went to Asian countries. Meanwhile, the oil revenue of Russia significantly decreased after the European embargo was put in place and the G7 price cap was adopted. Moreover, the results of the study indicate that lower amount of revenue was a result of the changes both in export amounts and global oil prices, as well as discounts on Russian crude oil (Babina et al., 2026). This conclusion is especially important for the present work as it proves that it is impossible to rely on the export amount alone when it comes to the evaluation of the impact of energy sanctions.

Likewise, in their research, Spiro et al. (2000) determined that the direct consequences of the European Union import embargo and the introduction of the G7 price cap resulted in decrease of Russian earnings from oil sales through such factors as buyer discounts and increased transportation costs. The authors have calculated that the overall sum of economic losses reached not less than 0.9 % of the Russian GDP, although they underline that economic impacts were different (Spiro et al., 2000). Thus, the evidence shows that while Russia is able to keep its oil sales, it does not mean that sanctions are ineffective.

Overall, it is possible to conclude that the topic was widely covered in the literature concerning multidimensional nature of sanctions effectiveness. The existing research demonstrates that sanctions are able to act in terms of lowering trade volumes, increasing transaction costs, reducing revenues, and limiting access to significant innovations, while at the same time, the target state is able to adapt by means of using different markets, increasing foreign or national production and modifying supply chains.

This research contains four closely related components of the analysis of the Russian economic performance since 2022: GDP, international trade, fiscal situation, and energy exports. Graphical analysis aims at checking the shifts in the course of Russian economy and evaluating the extent of trade and energy reorientations caused by the imposition of Western sanctions. The analysis pays special attention to the comparison of real GDP of Russia and the extrapolated GDP trend before the sanctions were introduced, the dynamics of import and export in the economy, changes in trade relations, the export volume of oil and oil revenues, as well as geographical patterns of Russian oil export. The research looks into this entire set of data in order not only figure out whether the Russian economy suffered a contraction but also to assess whether the sanctions changed the existing economic resources (including international economic relations) used by Russia to fulfill its political objectives.

3. Methodology and Data

In this research, quantitative descriptive research techniques are applied to determine the impact imposed by the sanctions of the West on the economy of Russia due to the rise of the conflict between Russia and Ukraine in February 2022. The evaluation of the economy of Russia will be done in the light of the effects of sanctions along three dimensions, those including: GDP, international trade and energy sector. Instead of describing the impact of sanctions as just a basis of their effectiveness, the research aims at revealing if the changes in respect of the targeted areas have taken place and whether the observed changes comply with the economic aims of the sanctions. The graphical analysis will be mainly utilized in the research to evaluate changes in the trends, shifts in the trade routes, and differences between the economies of Russia before and after the introduction of the sanctions. The application of graphical analysis is justified in the

present research, as many of the indicators that are to be examined, such as trade and energy exports, have changed significantly after 2022. However, the results are interpreted as descriptive evidence rather than definitive causal estimates, since Russia's economic performance was simultaneously influenced by global energy prices, the COVID-19 pandemic, exchange-rate movements, domestic economic policies, and changes in international demand.

The empirical dataset was built in Microsoft Excel relying on several international and institutional sources of secondary data. Macroeconomic indicators such as real GDP growth or indicators based on GDP are taken mainly from the World Bank's World Development Indicators (WDI). The data from the International Energy Agency (IEA) is applied to find the energy-market indicators. The trade data is collected from Eurostat to measure how trade between the EU and Russia changed and from ECIPE data and analysis that provides understanding of the international economic relations of Russia.

Other sources of information, like ORF, Trackk, and Reuters, are used additionally to gather information about trade data, energy markets, sanctions, and sales of Russian goods. Reuters is mostly being used as one of the additional sources of information instead of being the primary source for the information needed to conduct different measurements. Information coming from Reuters can be cross-checked with available datasets obtained from different institutions. When it comes to energy information in the dataset, a few organizations have been utilized, such as the U.S. Energy Information Administration (EIA), Argus, Vortexa, and the EIA's Short-Term Energy Outlook (STEO). The EIA openly mentions that its analysis of Russian oil export flows is based on information provided by Global Trade Tracker, Argus, and Vortexa.

The Gross Domestic Product analysis brings together real GDP growth in Russia and a graph of current GDP against extrapolated pre-sanction GDP trend. The trend was calculated in Excel based on actual GDP values of Russia for the years 2020 and 2021 and serves as a pre-sanction base. Excel's trend/extrapolation function was applied to project the trajectory for the years 2022–2025. After that, actual GDP was compared with projected GDP. The resulting measure is called "Actual GDP vs. Extrapolated Pre-Sanction GDP Trend". Importantly, this measure cannot be regarded as an estimate of the Russian GDP without the sanctions. It serves as a simple counterfactual benchmark based on the assumption that the linear trend of 2020–2021 continues. Since only two data points were used to estimate the trend and the value for the year 2020 itself was impacted by COVID–19 shock, the comparison should be evaluated with caution.

The research related to trade provides insights into the imports and exports of Russia as a part of GDP and unfolds the new geographical structure of the trade of Russia from 2022 onward. The research regarding energy provides insights about volumes of crude oil exports, revenues from exports and destinations of exports of crude oil so that one can analyze the change of scale and

structure of the energy trade of Russia at the same time. According to the EIA data, the export of Russian oil and condensate was generally high, but the structure of the export changed greatly favoring Asia in general and in particular China and India.

4. Results

The graphical analysis provides evidence of substantial changes in Russia's economic structure following the introduction of Western sanctions in 2022. Across the seven indicators examined, the results do not show a uniform contraction of Russian economic activity. Instead, the data reveal a combination of reduced access to traditional Western markets, substantial changes in energy-market orientation, a temporary deterioration in economic growth, and continued adaptation through alternative trading partners. The results are therefore considered separately across GDP, trade, and energy-related indicators.

4.1 GDP Performance and the Extrapolated Pre-Sanctions Trend

The below graph shows Russia's real gdp growth over the years



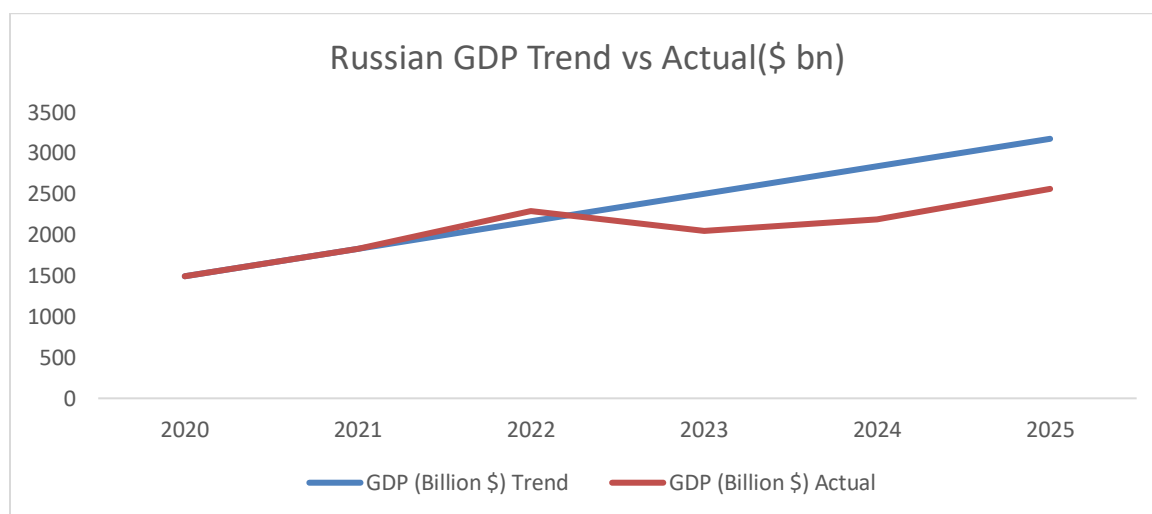
Source: World Bank

The initial GDP indicator, namely Russia's real GDP growth, indicates a clear deterioration in the year 2022, which is then quickly followed by a timely recovery to economic growth. The data demonstrates that real GDP grew by 5.87% in the year 2021 and decreased to -1.44% in the year 2022, showing a decline of around 7.3 percentage points in one year. This decline corresponds to the introduction of a number of Western sanctions and halting of foreign economic activity of Russia in the wake of the Russian invasion of Ukraine. Nevertheless, the actual figures show that the contraction is not permanent and the growth of GDP rises to around 4.07% in 2023 and

4.92% in 2024, while in 205 it drops again to an estimated rate of 1.0%. Such data is also presented in the current WDI database of World bank, which reflects macroeconomic indicators of Russia during the period in line with the other international databases used for the construction of GDP data (World Bank, 2026).

The trends set out above help in understanding the economic consequences of sanctions. The initial drop in output indicates that the economy suffered a large short-term shock, but the recovery later on suggests that this shock did not lead to a prolonged downturn. The growth rates for 2023 and 2024 show that the Russian economy has managed to return to positive growth despite the sanctions. However, this does not mean that there was no economic impact of the sanctions; rather, that as soon as the initial shock was passed, the economy adjusted and recovered. The second GDP chart allows for another view on the situation as it compares the actual GDP and the predicted trend of the pre-sanction period. The actual GDP increased from around \$1.49 trillion in 2020 to \$1.83 trillion in 2021. Based on these two data points, a linear trend was computed using Excel to make predictions on the following years. According to this trend, the GDP would have reached approximately \$2.17 trillion in 2022, \$2.50 trillion in 2023, \$2.84 trillion in 2024, and \$3.17 trillion in 2025. If we take the actual GDP into account, it would amount to around \$2.29 trillion in 2022, \$2.05 trillion in 2023, \$2.19 trillion in 2024, and \$2.56 trillion in 2025. The gap between the extrapolated trend and actual GDP consequently becomes particularly visible from 2023 onward.

The below figure shows the difference between the actual Russian GDP vs the Russian GDP trend



Source: Author

The chart indicates that Russia's GDP curve in the post-2022 period has been below the simple extrapolated trend which would be derived from the 2020–2021 growth. By 2025, the discrepancy between the extrapolated trend and the actual GDP is close to \$612 billion. However, that should not be interpreted as a \$612 billion loss due to the sanctions, since this trend is a simply calculated benchmark and not a cause-and-effect counterfactual, based on only two data points and the fact that 2020 was a special year due to the pandemic. Additionally, the GDP figures presented in the chart measuring GDP in nominal dollars, may be affected by fluctuating exchange rates, inflation, and the changing dollar value of Russia's output. Therefore, the graph is more informative in terms of deviation from the historical trend rather than the estimation of GDP in a sanctions-free Russia.

4.2 Changes in Russian Trade Integration

Analysis of trade indicators indicates that there was a noticeable decline in the international trade activity of Russia by 2021. The volume of imports in 2020 reached 20.44% of GDP and slightly increased reaching 20.58% in 2021. With sanctions imposed the share of imports in GDP has declined drastically to 15.06% in 2022. Later on, in 2023 this index increased again and constituted 18.57%. After that there was again a decline of this indicator to 17.56% in 2024 and to 15.51% in 2025. The dynamics show that there was a shocking decline of imports after the conflict broke out leading to slight recovery of the situation after but still lower than it was seen in 2021.

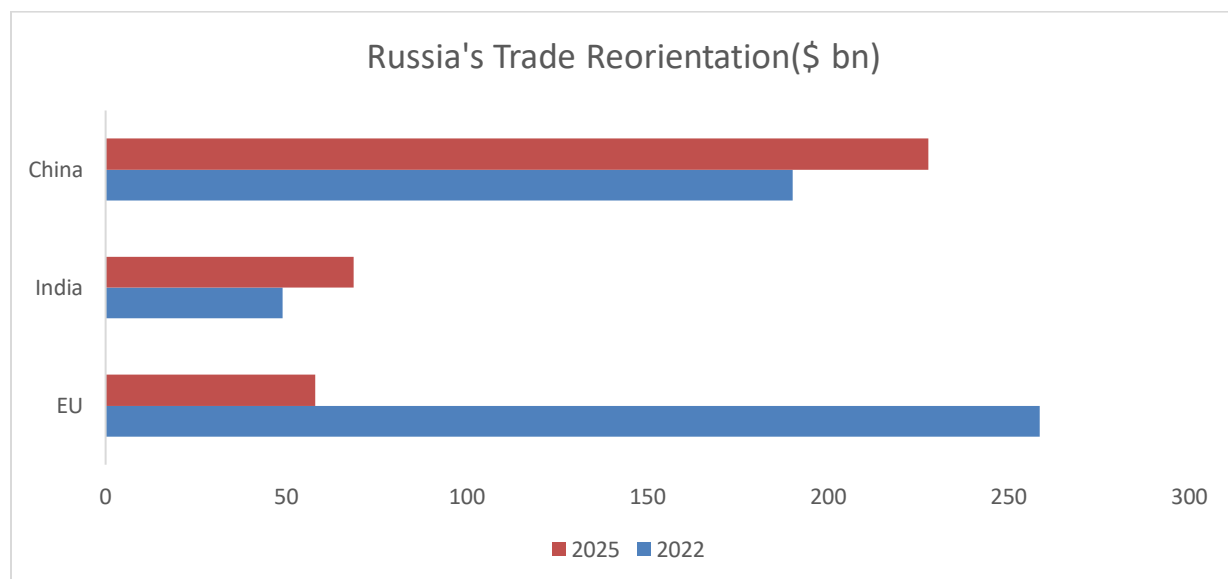


The above graph shows the Russian Imports and Exports over the years.

Source: World Bank

When it comes to exports, there is a different pattern. From 2020 to 2021, Russian exports of goods and services as a percentage of GDP went up from 25.52% to 30.00%. After that, this indicator steadily decreased to 27.71% in 2022, then to 22.77% in 2023, to 21.86% in 2024, and finally to 18.20% in 2025. Thus, although Russian exports did not instantly drop in 2022, their share of GDP decreased over this period. This result is also in agreement with the general evidence indicating that Russia's trade with its traditional European partners declined dramatically after its invasion. According to Eurostat data, Russia's contribution to the overall EU imports decreased from 9.5% in February 2022 to 1.9% in December 2023, while its share of exports dropped from 3.8% to 1.4% during the same period (Eurostat, 2024).

The trade-reorientation graph illustrates this change in structure very clearly. The database shows that the trade volume of Russia with the European Union decreased by around 78% from \$258.6 billion in 2022 to only \$58.1 billion in 2025. At the same time, the volume of trade with China went up from \$190.3 billion only to \$227.0 billion. Trade with India increased as well from \$49.0 billion to \$68.7 billion in the same period. This shows that Russia has changed the structure of its trade relations: while trade with the EU drops significantly, the trade with countries like China and India increases. Thus, trade statistics suggest that sanctions have changed composition and direction of foreign trade of Russia instead of just bringing it to the end.

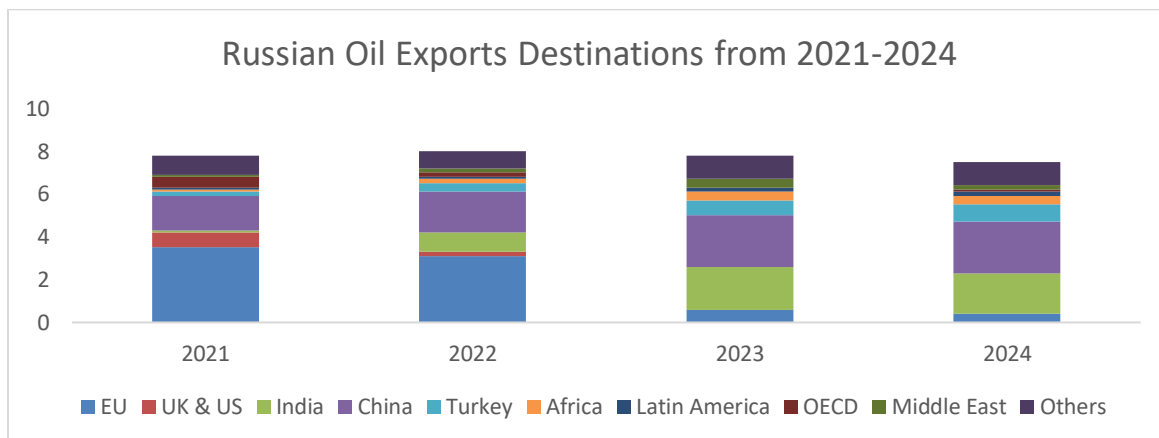


The above figure depicts the Russian trade reorientation from 2022 to 2025.

Source: ECIPE, Euro stat, ORF, Trackk, Reuters

4.3 Russian Oil Export Destinations

Evidence of trade shifts can be particularly noted in the results in the energy sector. In 2021, the EU was by far the largest destination in the dataset with about 3.5 million barrels of crude oil per day while China was getting 1.6 million barrels per day, While India's share was only 0.1 million barrels per day. By 2024, there had been a dramatic decline in exports to the EU to around 0.4 million barrels per day while there had been a substantial increase in exports to China to about 2.4 million barrels per day and an even greater amount to India at around 1.9 million barrels per day. Exports to Turkey also increased from 0.2 to 0.8 million barrels per day. The destination data shows that there was not only a clear shift in the geography of Russian crude exports but that the drop in the European purchases has led to a rise in supplies for the Asian markets rather than a total absence of Russian oil in international trade. The results go along with EIA data that claim that the share of Russian crude oil and condensate exports going to Asia and Oceania increased from 41% in 2020 to 81% in 2024, with China and India accounting for much of the increase (U.S. EIA, 2025).

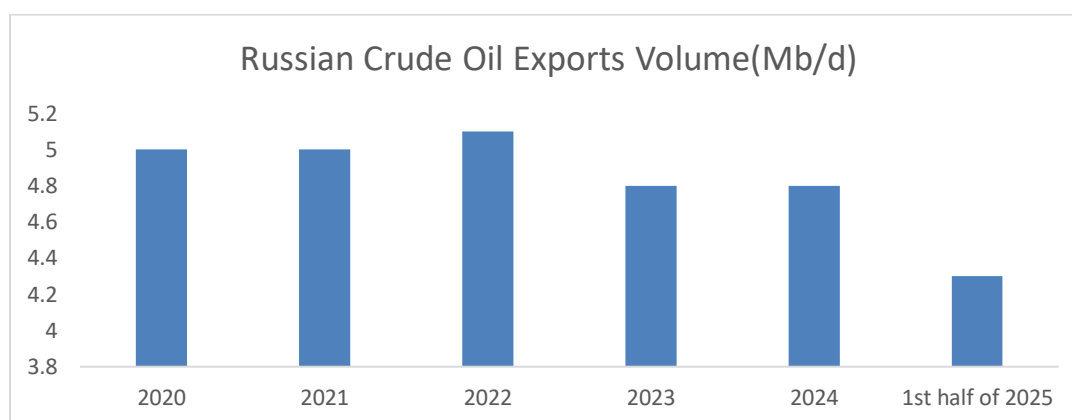


The above figure shows the destinations of Russian oil exports from 2021 to 2024.

Source: IEA

4.4 Oil Export Volumes and Revenue

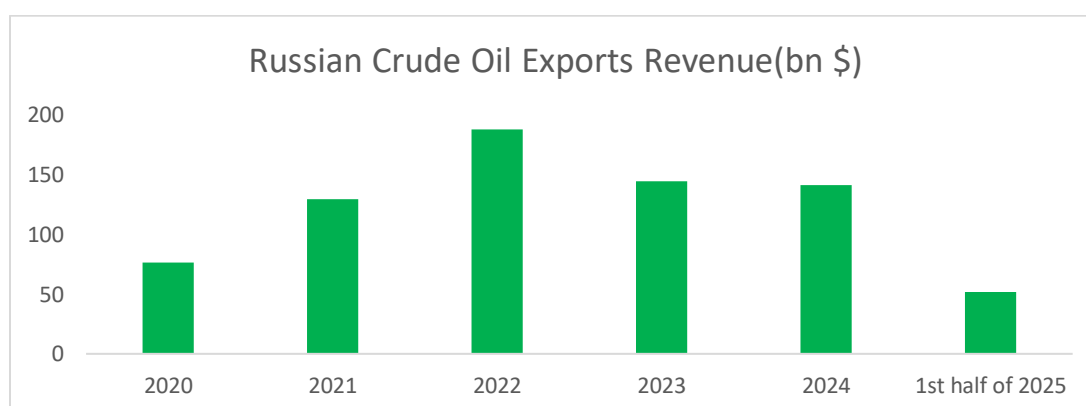
The crude-oil volume chart reveals that the country's physical export capability was fairly robust. Exports stood at about 5.0 million barrels daily in 2020 and 2021 and increased slightly to 5.1 million barrels daily in 2022. Then, in 2023 and 2024, exports dropped to 4.8 million barrels daily before hovering around 4.3 million barrels in the first half of 2025. Therefore, the decrease in export volume was quite moderate compared to the change in geographical destinations.



The above graph shows the volume of Russian crude oil exports from 2020 to the 1st half of 2025.

Source: US Energy Information Administration, Argus, Vortexa & Short Term Energy Outlook

The revenue indicator, however, has been much more variable. Estimated revenues rose from about \$76.2 billion in 2020 to \$129.1 billion in 2021 before reaching approximately \$187.6 billion in 2022. Then revenues fell to \$144.5 billion in 2023 and \$141.1 billion in 2024, with the first half of 2025 generating \$51.7 billion. The difference between the predominantly steady physical exports and revenues shows that sanctions-driven limitations proved to have a rather strong impact on Russia's financial performance in light of a not too high drop in its physical export capacity. That is to say, global oil prices, discounts on Russian crude, shipping costs, and shifting markets also play a significant role besides the volume.



The above graph shows the revenue from Russian crude oil exports from 2020 to the 1st half of 2025.

Source: US Energy Information Administration, Argus, Vortexa & Short Term Energy Outlook

4.5 Overall Results

The seven figures represent the multidimensional economic consequences of sanctions rather than uniform. GDP growth recorded a sudden drop in 2022 and later moved into positive figures. The comparison of the GDP trend suggests that the gap between actual GDP and the simple extrapolated pre-sanction trajectory widened. At the same time, trade with Europe significantly declined, while Russia started to increase the volume of its trade with China, India, and other markets.

The data on energy corroborate this pattern. The Russian crude-oil exports remained comparably strong, whereas the destination pattern transformed greatly and oil export income decreased compared to the peak of 2022. Hence, it is possible to say that there is a difference between economic disruptions and economic adjusting. While the Western sanctions entail huge changes in the Russian trade and reduced trade with Europe, along with the revenues from oil export, there is also important to take into consideration relatively stable Russian oil export, strengthening of the ties with India and China, and retrieval of GDP growth that proves that Russia managed to adjust to the restrictions. These results provide the necessary empirical background for better understanding of whether the observed economic results correspond to the goals of Western sanctions from both economic and political perspectives.

5. Conclusion

The impacts of Western sanctions on Russia due to the Russia-Ukraine conflict were investigated in this paper. The analysts explored the impacts of sanctions on the economy of Russia in four aspects: GDP, trade, fiscal policies and energy exports. In this research, graphical analysis was performed using various sources such as the World Bank, the International Energy Agency, the U.S. Energy Information Administration, Eurostat, ECIPE, Argus, Vortexa, Reuters, ORF and Trackr to differentiate between the impact of sanctions and the actual economic shifts happening in Russia. The results revealed that sanctions resulted in major changes in Russia's trade relations although the impacts differed from sector to sector.

Evidence from GDP indicates that Russia went through a significant economic shock in the short term. After a sharp drop in the real GDP growth in 2022, the country regained its positive GDP growth in 2023 and 2024. However, in 2025, the GDP growth is set to be slower. This trend shows that the economy faced a considerable initial disturbance but underwent an adjustment thereafter. Furthermore, a comparison of the real GDP with the pre-sanctions trend shows that the divergence between the actual GDP and the projected GDP has significantly increased during this period. However, this shouldn't be understood as the estimation of the GDP of Russia prior to the sanctions. The trend has only been derived from 2 data points collected before the

imposition of sanctions, making it more of a descriptive benchmark rather than a causal one. Other macroeconomic factors also played a role in determining GDP growth during the period in consideration.

The outcomes of trade show a considerably different direction in Russia's trading situation. Russia's trading ties with the EU decreased sharply after sanctions were imposed. According to independent Eurostat data, Russia's participation in extra-EU imports dropped from 9.5% in February 2022 to 1.9% in December 2023, while its share in extra-EU exports reduced from 3.8% to 1.4% [Eurostat, 2024]. The study thus demonstrates that sanctions led to a significant decline in the integration of Russia into its typical European markets. Meanwhile, however, the data on the redirection of trade point to stronger relations with China and India. Thus, it could be said that Russia's foreign trade was redirected rather than stopped altogether. The World Bank report also speaks about the long-term shift in Russia's economic orientation away from Europe and towards other regions, particularly East Asia [World Bank].

The energy industry offers probably the best example of this evolution in action. Despite sanctions, the amount of crude oil that Russia exported remained relatively high, albeit down from around 4.8 million barrels per day during 2024 to 4.3 million barrels daily in the first part of 2025. Even more important is the change in export destinations. The EIA states that the share of Russian crude oil exports that go to Europe went down from 51% in 2020 to 12% in 2024 while the share going to markets in Asia is rising. More specifically, India and China have gained considerable importance as destinations of Russian crude oil in the sense that the share of crude oil exports to India amounted to 34%, while the share of exports to China has reached 26% in 2024 according to EIA. Therefore, the results show that sanctions succeeded in changing the geographical structure of Russian energy exports more than eliminating the export capacity of Russia when it comes to crude oil.

The information on oil revenue now gives us a different perspective on the same adjustment. The figures on Russian oil export revenues showed a dramatic increase in 2022, followed by a downward trend in the years that followed, despite the fact that export volumes remained quite stable. The difference means that the financial impact of sanctions cannot be determined simply by counting barrels exported. It must be noted that discounts for Russian oil, transportation expenses, and changes in world oil prices as well as restrictions on Western shipping and financial services have all played a role.

In conclusion, the evidence highlights that the sanctions effectiveness is a multidimensional affair. The data has shown considerable economic stress, especially because of reduced European trade integration, changes in energy-market access, the fall in oil revenues compared to 2022's peak, and the divergence from the estimated GDP trends. At the same time, the GDP growth

recovery, the continuing oil exports, and the growing trade with alternative partners signal considerable economic adjustment. Thus, the findings suggest that the effectiveness of sanctions should not be reduced to a single overall economic result. They indicate rather that the effectiveness of sanctions changed the structure, cost, and direction of Russia's economy, while Russia was developing alternative channels for trade and energy export at the same time. Finally, the present study measures solely economic results and cannot speak to the question of whether such economic results have achieved political objectives of the sanctions.

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