

Conflict Update # 140

August 3rd, 2022

Conflict Assessment

Key Assessments

Kherson cut off: Ukrainian counter-offensive gaining momentum in southern city - Ukraine has made it clear that it intends to take back Kherson, a Russian-occupied city in the south, as its counter-offensive gains momentum. That's according to a Thursday update from British defense and intelligence officials.

Ukraine's efforts have virtually cut off Kherson and left thousands of Russian troops stationed near the Dnipro River "highly vulnerable."

Britain's Defence Ministry said Ukrainian forces have probably established a bridgehead south of the Ingulets River, and had used new, long-range artillery to damage at least three of the bridges crossing the Dnipro.

"Russia's 49th Army, stationed on the west bank of the Dnipro River, now looks highly vulnerable," it said in a regular intelligence bulletin on Twitter, adding that Kherson was virtually cut off from the other territories occupied by Russia.

Russia lacks reserves for major offensive in Ukraine, Israeli officer says - According to Levin, despite much media chatter about potential renewed Russian advances across a whole range of areas – from Kyiv to Odesa – Moscow lacks the reserves to mount a new major operation.

"Everyone's terrified of Russian plans to advance everywhere," said Levin.

"While the (Ukrainian) General Staff realizes Russia can't attack everywhere at once, especially since they are weakening their Donbas force, redeploying troops to southern Ukraine, the Ukrainian army is gradually advancing near occupied Izyum, Kharkiv Oblast, Levin noted. "This means that (Russian) Izyum grouping isn't doing great, and some of the troops were withdrawn from there," said the expert.

Levin suggested that some kind of a Russian advance near Kharkiv could happen after all, but it would merely be a distraction, aimed at diverting and dispersing Ukrainian reserves from critically vulnerable Russian positions elsewhere.

"They could make it look like their armada is indeed marching on Kharkiv," Levin said, describing a potential Russian military ruse.

A similar thing could happen with some minor skirmishes along the border with Belarus, which could create the impression that Kyiv urgently needs to reinforce its northern flank, according to Levin.

Russia's primary focus is now on trying to hold on to occupied areas in southern Ukraine, the officer said, in particular – Melitopol, Zaporizhzhia Oblast, which is an often overlooked key city.

Levin concludes by saying that lacking capacity for another major advance, Moscow still thinks it has enough troops to hold onto what they've already captured in Ukraine.

Donetsk terrorist Korsia, who 'enjoyed killing Ukrainians,' eliminated in Donbas - Kachur used to be a commander of the "Grad" MRLS division, which fired on civilians in Donbas.

Ukrainian journalist Denis Kazanskyi drew attention to the reports of her death. The Strategic Communications Department of the Armed Forces of Ukraine confirmed that Kachur had been killed.

According to the department, Kachur often disguised herself as a member of the Armed Forces of Ukraine while committing war crimes in order to discredit the Ukrainian army.

During interviews with Kremlin propaganda, Kachur openly admitted that she enjoyed killing Ukrainians. According to Kazanskyi, the terrorist previously worked in the Horlivka Police department, but in 2014 she defected to Russian invading forces.

Eight cruise missiles fired at Ukraine in just one day cost Russia almost US\$100 million - The launch of eight Kh-101 (Kh-555) missiles on Ukraine by the occupying forces on 2 August cost Russia almost US\$100 million.

According to Forbes Ukraine, a Kh-101 missile costs \$13 million, a Kalibr \$6.5 million, an Iskander \$3 million, an Onyx \$1.25 million, a Kh-22 \$1 million, and a Tochka-U \$0.3 million.

Therefore, the cruise missiles that the Russians fired yesterday alone cost \$91 million.

Ukraine takes out Russian ammunition railway connecting Kherson to Crimea - Ukrainian forces have taken out a Russian ammunition railway connecting Kherson to Crimea and further blocking Russian supply lines the U.K. Ministry of Defense said Wednesday.

The intelligence update said that Russian forces would likely be able to repair the line that logistically connects occupying forces in the south to more robust supplies on the Crimean Peninsula but noted it will "remain a vulnerability."

Russia has constructed at least two pontoon ferry crossings capable of transporting civilians, vehicles and supplies to its forces after Ukrainian troops damaged the strategically important Antonovskiy Bridge last week using U.S.-supplied HIMARS.

Ukrainian Marines kill 15 Russian soldiers and take prisoners of war - On the Donetsk front, Ukrainian Marines set up an ambush, as a result of which they destroyed the equipment and killed military personnel of the Russian forces, and also captured three people.

The Navy added that artillery also damaged an invader's tank on the Kherson front, and soldiers took two prisoners of war there. In addition, Ukrainian artillery units struck at a concentration of Russian manpower and equipment, engaging in a counter-battery fight. There is no information yet about any losses on the Ukrainian side.

According to the Navy, most of the prisoners of war had been forcibly mobilised from the occupied part of Donetsk region.

Russian troops in Kherson look for bomb shelters and scour for boats - Russian troops were looking to secure underground tunnels beneath a Kherson textile factory, in order to park as many as 40 armored vehicles beneath the facility.

In nearby Antonivka, Russians were buying every rubber dingy they could get their hands on – presumably due to Ukrainian artillery attacking bridges over the Dnipro River.

Armed Forces explain why Russians in Kherson Oblast are doomed: explosions inbound - According to the Armed Forces of Ukraine, Russian occupiers are accumulating their forces and resources in Kherson Oblast to deter the Ukrainian counteroffensive and to prepare for an offensive on the Kryvyi Rih and Mykolaiv fronts.

Russian troops have placed their ammunition depots either on the left side of the Dnipro or on the right side – squeezed tightly into the river bank so that they are not reached by Ukrainian weapons.

StratCom has noted that the positions of the Russians are 30-40 km away, which places their warehouses within reach of Ukrainian HIMARS weapons.

Russian forces do not have any large arms depots to provide advanced units with ammunition and fuel at a distance of less than 10-15 km. Most Russian warehouses are at a distance of roughly 30 km from their advanced positions.

StratCom hinted that they are aware of the locations of Russian warehouses in the north and northeast of Kherson Oblast.

In Kherson Oblast, three crossings connect the left and right banks of the Dnipro: the Antonivka Road Bridge near Kherson, the Antonivka Road Bridge and the dam of the Kakhovka Reservoir in Nova Kakhovka.

Russians have most often used the Antonivka Road Bridge for the transfer of their troops and equipment, since it is located closest to Kherson. But after accurate Ukrainian strikes on the bridge, it became unsuitable for crossings.

Now a considerable detour must be made through Nova Kakhovka for Russia to transfer its forces to the right bank of the Dnipro and replenish its warehouses.

At this time, the Armed Forces of Ukraine continue to destroy Russian warehouses and liberate settlements in Kherson Oblast.

Missiles strike Ukrainian border area near Poland - Two explosions occurred near Ukraine's western border with NATO member Poland. A Russian missile hit a Ukrainian military facility in the Chervonohrad district on Tuesday evening, the administration of the Lviv region announced, dpa news agency reported. There was still no information on the damage caused, regional governor Maksym Kozytskyi wrote on Telegram.

Russian soldiers accuse military commanders - A group of Russian soldiers have accused their commanders of jailing them in eastern Ukraine for refusing to take part in the war. About 140 soldiers were detained and four have filed complaints with an investigative committee, said Maxim Grebenyuk, head of Moscow-based group Military Ombudsman.

Russia blows up its ammunition while trying to hide from HIMARS - Russian soldiers blew up their own ammunition while unloading train cars under the cover of a smoke screen meant to hide the process from view and protect them from HIMARS attacks, according to Ukrainian intelligence.

The Ukrainian directorate said in a report Tuesday that the explosion took place on Monday. A train with military equipment and ammunition for Russian forces arrived at the Kalanchak station in Ukraine's Kherson region on Sunday, and the personnel began unloading the next morning, the report said. An explosion was reportedly heard in the work area at about 11:20 a.m. local time.

Immediately after the explosion, the convoy of train cars began moving in the direction of Crimea "without any warning," and Russia's personnel "scattered in panic," according to the report. While the intelligence agency said that it was not possible to determine the nature of the explosion, it presumed that it was due to "careless" handling of the ammunition or a fire "that arose as a result of inept use of pyrotechnics during the creation of a smoke screen."

The HIMARS, an acronym for M142 High Mobility Artillery Rocket Systems, that Ukraine said Russia was trying to hide from using the smoke screen have been praised by U.S. and Ukrainian officials for their effectiveness in the counteroffensive. The Biden administration announced Monday that it was sending more HIMARS ammunition to Ukraine as part of a new \$550 million security assistance package.

Critical bridge damaged by Ukraine - UK military intelligence says Ukrainian forces have damaged an important rail link in the Russian-occupied Kherson region in southern Ukraine, as Kyiv prepares for a counter-offensive to retake territory lost in the opening days of Moscow's invasion.

A Ukrainian missile hit a Russian ammunition train. As a result, “it is highly unlikely the rail link connecting Kherson with Crimea remains operational”, assess the UK analysts.

Russia will likely repair the railway within a few days, but “it will remain a vulnerability for Russian forces”.

Russia creating strike force aimed at Zelenskiy's hometown - Ukraine said on Wednesday that Russia had started creating a military strike force aimed at President Zelenskiy's hometown of Kryvyi Rih and warned that Moscow could be preparing new offensive operations in southern Ukraine.

Russia holds swathes of Ukraine's south that it captured in the early phases of its Feb. 24 invasion, but Kyiv has said it will mount a counter-offensive. It said on Tuesday it had already recaptured 53 villages in occupied Kherson region.

Russia's ethnic minorities lament the war in Ukraine - 80 percent of the Russian population identify as ethnic Russians, or Slavs, but the country is also home to more than 160 other ethnicities – and tensions are resurfacing between minority groups and the state, especially as the Ukraine war grinds on.

According to open source researchers, soldiers with roots in poorer regions such as Buryatia and Dagestan are disproportionately represented among Russian casualties in Ukraine.

“Most of the soldiers and officers of the ground forces and the airborne forces come from poor Russian towns and villages,” military specialist Pavel Luzin told Al Jazeera.

“This social-economic stratification has a long-term tradition in the Russian armed forces because young men from the cities with relatively good education serve in other military branches ... but the infantry consists of badly-educated soldiers from poor families and regions.”

The number of casualties from non-Russian statelets are disproportionate to those from Moscow and other Russian enclaves such as St. Petersburg. The Kremlin has pointedly refrained from aggressively recruiting from these (Russian) areas as resultant deaths will raise immediate awareness of the gravity of the Russian position as well as resistance from Russian families.

Peace Talks

Putin seeking peace talks - Gerhard Schröder, a former German chancellor and friend of Vladimir Putin, said the Russian president wanted a negotiated solution to the war in Ukraine and last month's agreement on grain shipments might offer a way forward. “The good news is that the Kremlin wants a negotiated solution,” Schröder told Stern weekly and broadcasters RTL/ntv, adding he had met Putin in Moscow last week. “A first success is the grain deal, perhaps that can be slowly expanded to a ceasefire.”

Schröder has come under fire for a private meeting held with the Russian leader, Vladimir Putin, after he travelled on holiday to Moscow to meet him. Schröder is facing an investigation by the Social Democrats of which he has been a member since 1963, over his Kremlin links and his refusal to distance himself from Putin and could yet be ejected from the party.

Ukraine has said any negotiated peace settlement with Moscow will be contingent on a ceasefire and the withdrawal of Russian troops, brushing off comments by Schroeder. In response on Wednesday, Ukrainian presidential adviser Mykhailo Podolyak described Schroeder derisively as a “voice of the Russian royal court.”

Grain

1st Ukrainian grain ship reaches Turkey - The Sierra Leone-flagged Razoni, with more than 26,000 tons of Ukrainian corn, has cleared inspection in Turkey and is proceeding to the port of Tripoli in Lebanon.

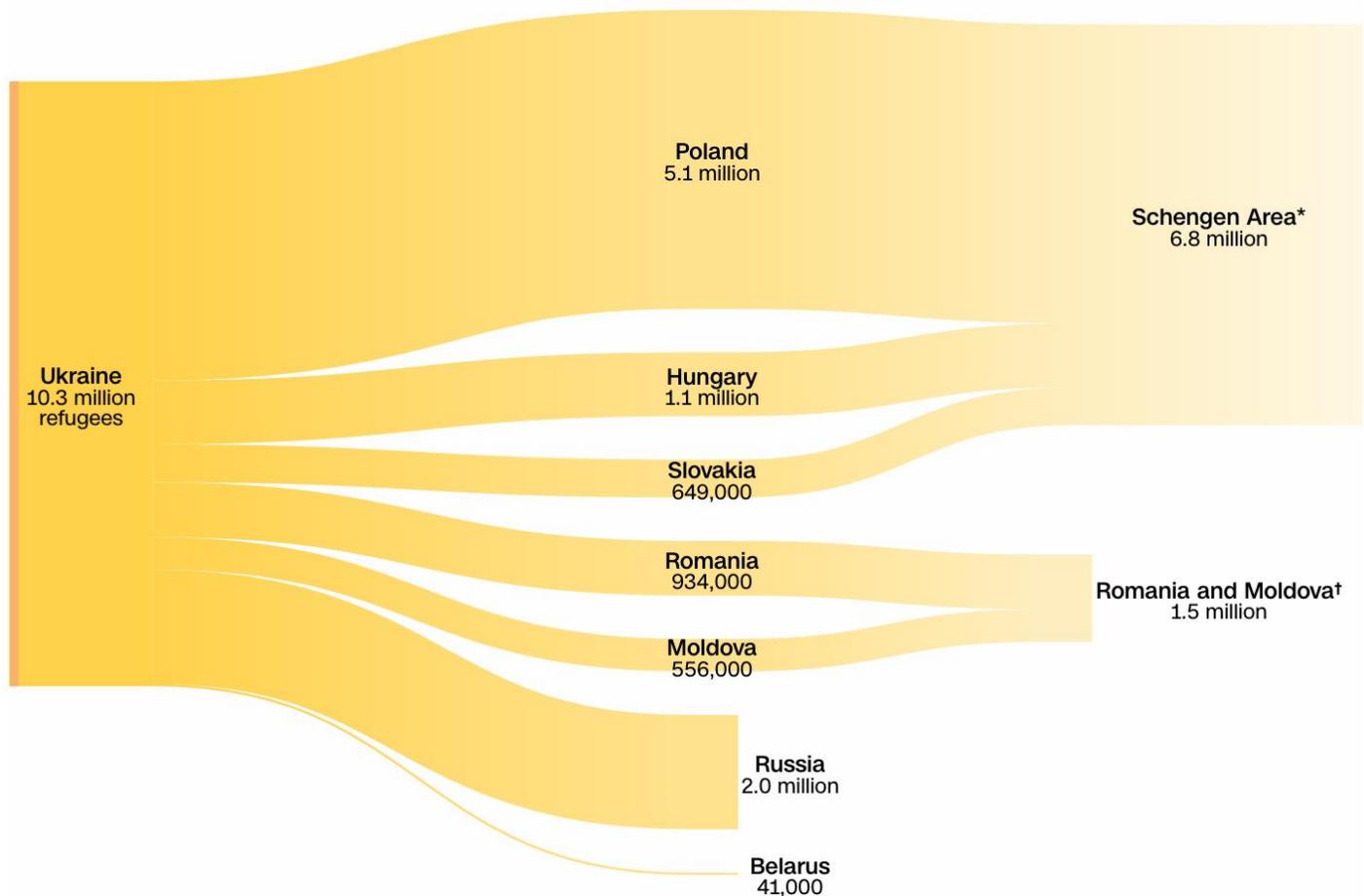
The UN said that, in a three-hour inspection, a team confirmed the crew and cargo are authorized and are consistent with the information received by the Joint Coordination Centre in Istanbul.

Ukraine plans for one ship to leave each day after 16 were bottled up in ports by Russia's February 24 invasion. Officials expect \$10 billion in foreign revenue from the resumption of exports.

Humanitarian

Ukrainian refugee movement through neighboring countries

Since the beginning of Russia's invasion of Ukraine on February 24, roughly **10.3 million** refugees have left to nearby countries. That is **25.1%** of Ukraine's population. These figures do not include the more than 300,000 refugees who have fled to other countries directly.



Impacts

Ukraine President Zelenskyy says China must not help Russia - Ukraine President Volodymyr Zelenskyy told Australian university students that China must not help Russia in its war against his homeland and remain at least neutral.

Zelenskyy addressed 21 Australian universities Wednesday in an online discussion hosted by the Australian National University in Canberra. Questioned by a student about China's stance, Zelenskyy said he would prefer Beijing join countries including the United States and Australia that have condemned the Russian invasion that began in February.

"As for now, China is balancing and indeed has neutrality and, I will be honest, this neutrality is better than China joining Russia," Zelenskyy said through an interpreter from Ukraine.

"It's important for us that China wouldn't help Russia," Zelenskyy added.

China has refused to criticize Russia's war in Ukraine or even to refer to it as an invasion in deference to Moscow, while also condemning U.S.-led sanctions against Russia and accusing the West of provoking Moscow.

Pelosi - House Speaker Nancy Pelosi departed Taiwan on Wednesday after a whirlwind visit that drew fury from Beijing and raised fears of a potential military crisis between the United States and China.

Before boarding a plane to leave the island, she vowed solidarity with the self-ruling democracy that Beijing claims as its territory, while China launched military drills, summoned the U.S. ambassador and halted some imports from Taiwan in a display of angry protests against her visit.

"Our delegation came here to send an unequivocal message: America stands with Taiwan," Pelosi said at a news conference in Taipei after meeting with Taiwanese President Tsai Ing-wen.

"Whether it's certain insecurities on the part of the president of China as to his own political situation that he's rattling his saber, I don't know," Pelosi said during a press conference in Taipei in response to a question about the bellicose response her visit to Taiwan provoked from China and its president, Xi Jinping.

"But what matters to us is that we salute the successes of Taiwan, we work together for the security of Taiwan and we just take great lessons from the democracy in Taiwan."

She also waved off China's military action response to her visit, saying that "whatever China was going to do they'll do in their own good time."

The U.S. Air Force plane took off from Taipei Songshan Airport just after 6 a.m. ET.

Russia faces 'economic oblivion' despite claims of short-term resilience, economists say - Russia is facing "economic oblivion" in the long term because of international sanctions and the flight of businesses, several economists have said.

The IMF last week upgraded Russia's GDP estimate for 2022 by 2.5 percentage points, meaning the economy is now projected to contract by 6% this year and said the economy seemed to be weathering the barrage of economic sanctions better than expected.

The Central Bank of Russia surprised markets in late July by cutting its key interest rate back to 8%, below its prewar level, citing cooling inflation, a strong currency and the risk of recession.

The ruble recovered from historic early losses in the aftermath of the invasion of Ukraine to become a top performer on the global foreign exchange market this year, prompting Russian President Vladimir Putin to declare that Western sanctions had failed.

Meanwhile, Russia has continued to export energy and other commodities while leveraging Europe's dependency on its gas supplies.

However, many economists see long-lasting costs to the Russian economy from the exit of foreign firms – which will hit production capacity and capital and result in a “brain drain” – along with the loss of its long-term oil and gas markets and diminished access to critical imports of technology and inputs.

Ian Bremmer, president of Eurasia Group, told CNBC on Monday that while short-term disruptions from sanctions are less than originally anticipated, the real debate goes beyond 2022.

“Anecdotal evidence suggests the manufacturing dislocations are rising as inventories are depleted and scarcity of foreign parts becomes binding. Chips and transport are among the sectors cited, in some cases reflecting dual-use military demand,” Bremmer said.

“Governmental arrears may be contributing to broader shortages. Imports of consumer goods are increasing, but less so intermediate/investment goods.”

Bremmer highlighted that as sanctions intensify and popular discontent grows, the educated are leaving Russia, underscoring the importance of trade sanctions on sensitive technologies and the “longer timeline by which sanctions undermine trend productivity and growth.”

“Brain drain leads to a direct decline in the working age population, especially high-productivity workers, reducing GDP,” he said.

“It affects overall productivity, reducing innovation and affects overall confidence in the economy, reducing investment and savings.”

Eurasia Group projects a sustained, long-term decline in economic activity to eventually result in a 30%-50% contraction in Russian GDP from its prewar level.

A Yale University study published last month, which analyzed high-frequency consumer, trade and shipping data that its authors say shows a truer picture than the Kremlin is presenting, argued that rumors of Russia's economic survival had been greatly exaggerated.

The paper suggested international sanctions and an exodus of more than 1,000 global companies are “catastrophically crippling” the Russian economy.

“Russia's strategic positioning as a commodities exporter has irrevocably deteriorated, as it now deals from a position of weakness with the loss of its erstwhile main markets, and faces steep challenges executing a ‘pivot to Asia’ with non-fungible exports such as piped gas,” the Yale economists said.

“Despite Putin's delusions of self-sufficiency and import substitution, Russian domestic production has come to a complete standstill with no capacity to replace lost businesses, products and talent; the hollowing out of Russia's domestic innovation and production base has led to soaring prices and consumer angst,” the report said.

“Putin is resorting to patently unsustainable, dramatic fiscal and monetary intervention to smooth over these structural economic weaknesses, which has already sent his government budget into deficit for the first time in years and drained his foreign reserves even with high energy prices – and Kremlin finances are in much, much more dire straits than conventionally understood,” the Yale economists said.

Sanctions

Further sanctions - The US has added Vladimir Putin's partner Alina Kubayeva and several oligarchs, including the owner of the second-largest estate in London, to its sanctions list over Russia's invasion of Ukraine.

Also on the list are four officials named by Russia to administer occupied territories in Ukraine, and about two dozen high technology institutes and companies, including key state-backed electronics entities.

Putin associate and billionaire Andrey Guryev owns Witanhurst, second in size only to Buckingham Palace in the UK capital. He is the founder and former deputy chairman of PhosAgro, a major supplier to global fertilizer markets.

Natalya Popova, the wife of Kirill Dmitriev, the manager of the Russian government's massive sovereign wealth fund, is also blacklisted. She works for the technology firm Innopraktika, run by one of Putin's daughters.

Dmitriev conferred with Donald Trump's associates — including Rick Gerson, a close associate of Trump's son-in-law Jared Kushner, and Erik Prince, founder of the mercenary firm Blackwater — in early 2017 on a plan for close relations between Trump and Vladimir Putin.

Russia is Europe's biggest energy supplier - but the US is sending more gas by boat than Russia is by pipeline - Russia's invasion of Ukraine has redirected energy deliveries around the world, and one result has been that the US is now sending more gas to Europe by boat than Russia is by pipeline, ICIS data shows, according to the WSJ.

Since 1967, Gazprom's pipelines in West Siberia and the Yamal peninsula have delivered huge amounts of gas to Europe but that precedent has been turned on its head in recent months.

In July, US liquefied natural gas accounted for 13% of total supply to Europe, compared to 10% from Russian pipelines. Pipelines from Norway were the top source of gas to the continent, while other sources include North African pipelines and Qatar liquefied natural gas supplies, as well as domestic production.

Over the last six months, European wholesale gas prices have tripled as Moscow continues to tighten natural gas flows. State-run Gazprom, citing technical issues, cut Nord Stream 1 natural gas deliveries to Germany to 20% down from 40%.

Russia finds a new route to oil market via a tiny Egyptian port - Russia appears to have found a new means of getting its oil to market with western sanctions looming for Moscow.

A cargo of about 700,000 barrels of Russian oil was delivered to Egypt's El Hamra oil terminal on its Mediterranean coast early on July 24. A few hours later, another vessel collected a consignment from the port -- which may have included some or all of the Russian barrels -- according to vessel-tracking data monitored by Bloomberg.

The unusual move makes the cargo's ultimate destination harder to track, adding to a trend of Russian oil shipments becoming increasingly obscured since European buyers began to shun them following the nation's invasion of Ukraine.

El Hamra, operated by Egypt's Western Desert Operating Petroleum Co., has six storage tanks, able to hold 1.5m bbl of crude, and a single buoy mooring facility for loading and unloading. The terminal was built to handle crude produced in Egypt's western desert, creating possibilities to blend the Russian barrels with local volumes.

The owner of the El Hamra terminal did not respond to multiple attempts to contact it by phone.

A few hours after the first tanker -- the Crested -- left El Hamra another one, the Chris, arrived. It had already been at the terminal for several days but moved off the mooring to allow Crested to dock, the tracking data show.

When Chris finally left El Hamra on July 28, its cargo tanks were almost full, the tracking data show. It is now moored at the Ras Shukheir oil terminal on Egypt's Red Sea coast. This terminal, too, offers possibilities to blend Russian crude with Egyptian barrels.

As Russia strangles gas flow, Canada has 'responsibility' to step up on LNG: Freeland - Canada has a "political responsibility" to step up as Russia strangles flows of natural gas to European allies — and that includes a role for Ottawa in advancing a potential East Coast LNG plant, says Deputy Prime Minister Chrystia Freeland.

Speaking with journalists from Saint John, N.B., on Wednesday, Freeland was asked about whether Canada should be doing more to supply European countries with LNG — liquefied natural gas — as those countries rapidly scale back their dependence on Russian fuel following its invasion in Ukraine.

"I do think that energy security today, more than ever, is a question of security full-stop and Canada's really lucky. We have a lot of energy. It is a political responsibility for us as a country to support our allies with energy security," Freeland said in response.

"This is a very tough moment for many European countries right now as they shift from their dependence from Russian oil and gas and I think it's very important for Canada to step up and say, 'We're going to help you.'"

Russian sanctions have been working in an unexpected way, and history says the West will come out on top in the economic struggle - With Russia showing signs of benefitting from a volatile and chaotic energy trade since its invasion of Ukraine, some have wondered if Western sanctions on the country have backfired — but measures to choke Russia's economy have been working in an unexpected way, top economist Paul Krugman says, and history suggests the West that will come out on top in the economic struggle.

"Russia is having no problem selling stuff, [but] it's having a lot of trouble buying stuff," Krugman wrote in an op-ed for the New York Times on Tuesday, noting that although Western nations have fixated on capping Russian exports, limitations on Russian imports have been wreaking havoc on Moscow's economy.

It's a departure from the intent of the original plan, which aimed to curb Russia's war revenue through energy bans and a possible a price cap on Russia energy, which Western leaders are looking to propose by year-end.

But that hasn't gone according to plan, and data shows Russia pulled in \$24 billion in energy exports the first three months of war alone and has been limiting supply to Western nations to drive up energy prices, tipping economies in Europe close to a recession.

But import side of the equation tells a different story. Bans on selling to Russia have lowered Russia's trade volume with sanctioning countries by 60% and non-sanctioning countries by 40%, Krugman pointed.

That's led to a dramatic decrease in Russia's industrial production and relatedly, its GDP. According to the Peterson Economic Institute, production in the country has fallen as much as 50% for goods ranging from plastic to coal to household appliances. "So economic sanctions against Russia appear to have been surprisingly effective, just not in the way everyone expected," Krugman said.

He added that historically, previous attempts at economic warfare have been unsuccessful, unless they involved a military effort, such as the US sinking Japanese merchant shipments in World War II, causing the Japanese economy to tank.

That provides some optimism as Russia continues to slash energy supplies from Europe — suggesting that despite the attempts at retaliation, the country will struggle to come out on top against the West.

But Krugman acknowledged the fight would be affected by factors like inflation and high recession risks, which currently have the West in a difficult position. The Federal Reserve issued a 75-point rate hike recently to combat inflation running

at 41-year highs, and the European Central Bank issued an aggressive half-point hike a few weeks ago to combat sky high prices and weakening economic sentiment.

However, Europe in particular still faces even greater difficulties ahead as the continent braces for winter without the normal flow of Russian gas supplies.

Escalation

Russia vows to hit Britain and Europe with higher gas and oil prices in chilling threat - Staunch Putin supporter Yevgeny Popov vowed to hit the UK and the rest of Europe with soaring energy costs unless "moron" leaders in the West stop "antagonizing" the Kremlin over the Ukraine invasion

He made crystal clear on state TV that the Russian leader is seeking to force the West to change tack on Ukraine by blackmailing over the prices of gas and oil.

And he stressed the Kremlin playbook is to trigger a revolt by people across Europe against their leaders who are arming and supporting Ukraine.

If not, Putin would tighten the screw on oil and gas prices as winter approaches, he made clear.

In his latest rant, Popov flailed his arms and declared: "No need to make excuses. Brits, it was us who created the high energy prices.

Russia vows to fight for China if it goes to war with Taiwan sparking World War 3 fears - A top Russian senator has pledged his country's support if China goes to war over Taiwan, sparking fears of a massive escalation and World War 3. Vladimir Dzhubarov said he sees "no grounds to refuse to help China," as tensions in the region have risen after the visit of US Speaker Nancy Pelosi.

In his role as first deputy chairman of the international committee in Russia's Federation Council, he said he hopes help for China would be "a two-way movement" as Russia continues its war in Ukraine.

"It means that we should have some benefits from this cooperation," he added. "I am convinced that in this case China hopes for a certain assistance from Russia."

Chinese state media, meanwhile, called Pelosi's visit an "opening salvo of war."

China

Only three nations come out in support of China as tensions escalate over US House Speaker Pelosi's Taiwan visit - Iran, Russia & Pakistan back 'One China Principle' - Among nations that came out in support of the 'One China Principle' was its all-weather friend Pakistan which said that it supported "China's sovereignty and territorial integrity."

"Pakistan is deeply concerned over the evolving situation in the Taiwan Strait, which has serious implications for regional peace and stability. The world is already reeling through a critical security situation due to the Ukraine conflict, with destabilizing implications for international food and energy security. The world cannot afford another crisis that has negative consequences for global peace, security and economy," the country said in a statement.

China considers Taiwan as its territory under the One China principle.

Iran and Russia, the other two countries which have put their weight behind China also shared strained relations with US. Earlier, Moscow expressed "solidarity" with China's stance on Taiwan.

Putin

The miscalculations and missed opportunities that led Putin to war in Ukraine - When Clinton telephoned Putin on New Year's Day, 2000, to congratulate him on his appointment as acting President, Putin told him: "There are certain issues on which we do not agree. However, I believe that on the core themes we will always be together." Clinton was equally upbeat. Putin, he said, was "off to a very good start."

Later it would be said that the American President had been naïve and that Putin's protestations of friendship with the West were a masquerade from the start. But Clinton was not alone in seeing the Russian President as a valuable partner in the post-Cold War world. Britain's Tony Blair thought "Putin admired America and wanted a strong relationship with it. He wanted to pursue democratic and economic reform." US Secretary of State Albright pronounced him 'a Russian patriot' and Clinton's successor, George W. Bush, found his support after 9/11 simply "amazing... He even ordered Russian generals to brief their American counterparts on their experiences during their Afghanistan invasion in the 1980s... I appreciated his willingness to move beyond the suspicions of the past."

On both sides, however, those suspicions never entirely went away. The Warsaw Pact had been dissolved and the Soviet Union no longer existed. "But NATO still exists," Putin complained. "What for?" From the Kremlin's standpoint, it was a fair question. "We all say," he went on, "that we don't want Europe to be divided, we don't want new borders and barriers, new 'Berlin Walls' dividing the continent. But when NATO expands, the border doesn't go away. It simply moves closer to Russia."

The bureaucracy on both sides had a lot to answer for. The Pentagon, under Donald Rumsfeld, was allergic to anything which might constrain America's freedom to act as it wished. The Russian General Staff was obsessed with the idea that NATO was planning to deploy troops along Russia's borders. Putin himself acknowledged that "many things that seem fine in negotiations often end up bogged down in practice." But even if the blame were shared, the West often gave the impression of deliberately dragging its feet. Francis Richards, who at that time headed GCHQ—the British equivalent of the U.S. National Security Agency—remembered: "We were quite grateful for Putin's support after 9/11, but we didn't show it very much. I used to spend a great deal of time trying to persuade people that we needed to give as well as take . . . I think the Russians felt throughout that [on NATO issues] they were being fobbed off. And they were."

The result was a growing sense among the Russian elite that Putin was being played. Vladimir Lukin, who had been Yeltsin's first ambassador to the U.S., protested: "One sided steps cannot be taken forever . . . Decisions should go both ways. They should not end just in smiles and encouragement." There was grumbling, not only in the army and navy but also within the Presidential Administration, at what was termed a "policy of concessions" which brought Russia no tangible benefit.

Putin held firm. Russia had made "a strategic choice," he said: "Russia today is cooperating with the West not because it wants to be liked or to get something in exchange. We are not standing there with an outstretched hand and we are not begging anyone for anything. The only reason that I pursue this policy is that I believe it fully meets [our] national interests . . . A rapprochement with the West is not Putin's policy, it is the policy of Russia."

By the end of his first presidential term, in 2004, that position became more difficult to defend. Russia had done everything Bush had asked for and more: it had shared intelligence, given the Americans overflight rights and encouraged its allies to provide base facilities. But what had it got in return? America had insisted on abrogating the Anti-Ballistic Missile Treaty, rather than modifying it as the Russians had proposed; it had gone ahead with plans for a national missile defence programme over Russian objections; NATO enlargement was continuing apace and would soon reach Russia's borders; and Russia's concerns about America's invasion of Iraq, which were shared by many of America's own allies, had been summarily dismissed. The final straw had been U.S. support of the Orange Revolution in Ukraine, which to the Kremlin was tantamount to promoting regime change on Russia's borders.

American officials saw things rather differently. They focused instead on Russian backsliding over human rights and democracy issues. But few Russians thought that that was any of America's business. Even liberals who excoriated Putin's regime jibbed at heavy-handed foreign criticism. Putin spoke for a wide segment of Russian society when, commenting on American criticisms of the Russian elections, he said: "we are none too happy about everything that happens in the United States either. Do you think that the electoral system of the USA is perfect?"

On the surface, the relationship remained correct. But there were worrying undercurrents. Bush's administration, Putin felt, wanted to keep Russia down and was prepared to go to almost any lengths to do so. Whether, or to what extent, that was true was almost beside the point. What mattered was perception, and the leaders' perceptions of each other's goals were starting to diverge.

When Putin finally gave vent to his grievances in public in a vituperative speech at a security conference in Munich in February 2007, American officials were stunned. In fact, he said little that he had not said before. What had changed was the tone. What Putin liked to call the "false bottom" to U.S.-Russian relations—the pretence that all was well and that Russia and America were solid, strategic partners with just a few trifling tactical problems—had been discarded. In simple terms, as Bill Burns, then U.S. Ambassador in Moscow, put it in a cable to the White House, the message was: "We're back, and you'd better get used to it!"

America, Putin had concluded, was not listening to Russia's concerns and would not do so until given a salutary shock. "It doesn't matter what we do," he told a group of Russian journalists a few days later. "Whether we speak out or keep silent – there'll always be some pretext for attacking Russia. In this situation, it is better to be frank." The West saw itself as "shining white, clean and pure" and Russia as "some kind of monster that has only just crawled out of the forest, with hooves and horns."

Reflecting, a decade after these events, on the steady, seemingly ineluctable deterioration of relations between the U.S. and Russia after Putin came to power, Burns concluded that both countries had been deluding themselves all along. "The Russian illusion," he thought, "[was] that somehow they were going to be accepted, even though the power realities had changed enormously, as a peer, as a full partner." The American illusion was that "we could always manoeuvre over or around Russia. There was bound to be a time when they were going to push back . . . A certain amount of friction and a certain number of collisions were built into the equation."

In retrospect, what is surprising is not that Russia's relations with America finished up as a train wreck, but that it took so long to happen. Putin was not a natural liberal, but he was a realist and, contemplating the available alternatives after the collapse of the Soviet Union, he concluded that cooperation with the West was the only sensible policy.

Culturally, spiritually and, in part, geographically, Russia belonged with Europe. It had nowhere else to go. The Russian elite did not send their children to study in Beijing or Shanghai. They sent them to British or American schools and universities. Russian oligarchs did not park their ill-gotten gains in Seoul or Bangkok, they invested in London or New York and bought property in Knightsbridge or Chelsea, Manhattan or Miami.

There was another more personal reason for Putin's reluctance to abandon the rapprochement with the West. In trying to promote cooperation with Russia's former adversaries, he had overridden the reservations of many of his closest colleagues. The siloviki, the state bureaucracy and the military had been dubious from the outset about the wisdom of trusting Western governments to engage with Russia as genuine partners. Putin was in no hurry to admit that they had been right and he had been wrong.

The U.S. was equally disappointed. The belief that Moscow would become a partner, if not an ally, espousing Western values in an American-led world, which had animated U.S. policy towards Russia since the early 1990s, had proved vain. American exceptionalism found to its surprise that it was facing a Russian exceptionalism which was no less tenacious.

Could it have been done differently? In theory, at least, the answer must be yes. Were there missed opportunities, which, had they been taken, might have set relations on a different road? No doubt. Would the outcome then have been different? Perhaps, but not necessarily; there is no way to be sure. In practice the ideological convictions of the Bush administration, shared not just by Cheney and Rumsfeld and Wolfowitz but also by Bush himself, made agreement all but impossible. By 2008, as Putin ended his second four-year term as Russia's leader, the rift had become too deep to heal.

Over the next ten years, Putin's disillusionment with the U.S. deepened. Most of his foreign policy initiatives during his third term, from 2012 to 2018, were payback for what the Kremlin regarded as anti-Russian moves by the West.

Russia's annexation of Crimea was payback for Kosovo, which, with Western support, had seceded unilaterally from Russia's ally, Serbia. To Putin, that was the first of the West's three cardinal sins—the others being NATO enlargement and America's withdrawal from the Anti-Ballistic Missile Treaty—that had destroyed both sides' hopes of building a better, more peaceful world after the collapse of the Soviet Union.

The decision to grant asylum to Edward Snowden in 2013 and the ban on Americans adopting Russian children were payback for the Magnitsky Act, which allowed America to impose sanctions on Russian officials suspected of corruption or human rights abuses.

Russia's intervention in Syria in 2015 on behalf of that country's brutal President, Bashar al-Assad, was payback for U.S. intervention in Libya and Iraq.

Russia's interference in the U.S. presidential election in 2016 was payback for America's efforts to spread—or “impose,” as Putin preferred to say—its own system of values to other nations.

But payback was not an end in itself. It was part of a broader response to the economic and military pressures which the U.S. and its allies were exerting on Russia. Above all, it was an attempt to assert Russia's place as an independent actor in an increasingly multipolar world in which, in Putin's view, the United States was destined to lose its role as the dominant power.

Over the course of his third term, Putin's thinking about Russia's relationship with the West crystallised, forming, in his mind at least, a coherent picture of all that had happened in the 25 years—the “wasted years,” as he now put it—since the Soviet Union's demise.

The relationship had started going wrong from the very beginning, Putin thought. Instead of establishing a new balance of power in Europe, the West had created new divisions. Its claim that NATO had no choice but to accept new members from Central and Eastern Europe was phoney, Putin argued. It was true that other countries had the right to apply, but that did not mean that the existing members were obliged to accept them if they thought it was contrary to their own interests. “They could have said: “we are pleased that you want to join us, but we are not going to expand our organisation because we see the future of Europe differently” . . . If they had wanted to, they could have [refused]. But they didn't want to.”

Putin was not wrong. The NATO Charter says only that the member states “may invite any other European state in a position to . . . contribute to the security of the area.” There is no obligation to do so.

But for Washington, NATO enlargement was a means of consolidating America's hold over its European allies, even though it implied obligations which, were war ever to break out, the U.S. might be reluctant to fulfill. For countries like France and Germany, the advantages were less obvious. It was hard to see how their security would be enhanced by a commitment to defend the Baltic States, let alone Georgia or Ukraine, from possible Russian aggression. But in the early days, amid the euphoria which marked the end of the Cold War, when the West assumed that Russia was destined to become part of the American-led world and Moscow was far too weak to resist, none of America's partners thought it worthwhile to object. The result was that NATO's military infrastructure arrived at Russia's borders.

What would America have done, Putin wondered, if it had been the other way round—"If Russia had placed missile systems on the U.S.–Mexico border or the U.S.–Canadian border?" The answer was self-evident. When Khrushchev had attempted to install Soviet missiles in Cuba in 1962, the world had been brought to the brink of nuclear destruction and the issue remained so fraught that, 60 years later, the US continued to subject the island to an economic blockade.

American officials reject such comparisons. The United States, they say, supported NATO enlargement not to threaten Russia but to reassure America's European allies. The reality was more galling and more prosaic. The U.S. acted as it did because it could.

"Our biggest mistake," Putin told a western scholar, "was to trust you too much. Your mistake was to take that trust as weakness and abuse it." It was a lesson, he said. If a bear stops defending its territory, "someone will always try to chain him up. As soon as he is chained, they will tear out his teeth and claws . . . When that happens, . . . they will take over his territory . . . and then, perhaps, they will stuff him . . . We must decide whether we want to keep going and fight . . . Or do we want our skin to hang on the wall?" In Putin's metaphor, the bear's teeth and claws were Russia's nuclear arsenal. But it was also intended in a wider sense. When he looked back over the previous two decades, he saw—or claimed to see—an America which, from the outset, had set out to dupe Russia.

As Russia's relationship with the West became increasingly hostile, the backsliding on democracy at home, which American officials had been complaining about ever since Putin's first term, became more pronounced. Pro-western liberals were excluded from decision-making. Those advocating democratic values were marginalized. The result was a vicious circle. The more the siloviki were in the ascent, the more internal repression intensified and the worse relations with the West became. Starting in 2018, the regime transitioned from a relatively free authoritarian system to a closed dictatorship, not quite totalitarian but close.

Putin's rhetoric changed, too. The West, he charged, had backed "an international terrorist invasion of Russia... This is an established fact and everybody knows it." It was the language of Soviet propaganda from the 1960s and '70s. Even though it was transparently untrue, it fitted the Kremlin's narrative of a hostile western world, headed by a waning hegemonic power, which was trying by fair means or foul to tear Russia apart as it struggled to fight off its own inexorable decline.

By 2019, Putin was starting to think seriously about a political transition to a new generation of Russian leaders. He introduced constitutional changes giving himself the possibility of remaining in power almost indefinitely. But that was a feint to prevent a struggle for the succession. He had no desire to die in harness, but nor did he want to preside over the squabbles of his entourage vying for influence against the day when he might step down.

In the meantime, there was one last piece of unfinished business he wanted to resolve: the status of Ukraine.

Putin had had a fixation on Ukraine since long before he became President. In 1991, it had been Ukraine's insistence on declaring independence that had triggered the break-up of the Soviet Union. Twelve years later, in 2003, Ukraine had dealt him the first serious political defeat of his presidency when the Orange Revolution prevented the election of the pro-Russian Viktor Yanukovich as Ukraine's head of state.

After the annexation of Crimea, in 2014, Putin had hoped that the Minsk accords would lead to the creation of a federal system to effectively guarantee the country's neutrality. But that had not happened. Instead Ukraine became a military outpost of the western alliance, not formally a member but in practice a close partner, hard up against Russia's border.

That was the pretext, though not the fundamental reason, for the war that Putin launched on February 24. It was not just a matter of bringing Ukraine to heel. It was to show that the U.S. was powerless to prevent it

As the Russian Foreign Minister, Sergei Lavrov, put it: "This is not actually, or at least, not primarily, about Ukraine at all. . . It reflects the battle over what the [future] world order will look like. Will it be a world in which the West will lead everyone with impunity and without question or will it be something different?"

This was partly spin. Portraying the conflict as a proxy war in which Russia was fighting on behalf of the non-aligned nations of the world to end American hegemony made it a much easier sell to Russian public opinion as well as to countries like China and India which favoured a multipolar global system. If Russia succeeded, Putin believed, it would fatally undermine the structures of European security which had been built up under American leadership since the end of the Cold War.

The Biden administration insisted that Ukraine was a special case because it was not a member of the alliance and that, were any NATO state attacked, America would rush to its defence. But how much reliance could countries like Poland and the Baltic States place on such assurances when NATO was so risk-averse that it refused to establish a no-fly zone to protect Ukrainian cities for fear of nuclear escalation? Putin's charge that the West was happy to fight to the last Ukrainian was dismissed as propaganda in America but it gave pause to leaders in Eastern Europe. Would the US really risk nuclear annihilation to defend Warsaw or Tallinn? The question was not new but the invasion of Ukraine put it in a harshly different light. To Putin, even if Russia had failed to prevent NATO enlargement, it might yet sow doubt about the alliance's reliability, undermining faith in America's support for other states on Russia's borders, NATO members or not.

Putin plays a long game. Throughout his time in office, whenever he was faced with what he saw as an existential choice between antagonizing the West and preserving his own power and Russia's position in the world, the latter always prevailed. That was so when he clamped down on the oligarchs in 2003 and when he annexed Crimea a decade later. On each occasion, he accepted the economic damage to Russia as the price to be paid. In 2022, the invasion of Ukraine followed the same pattern.

At first sight, it appeared that he had grossly miscalculated. The West emerged with a new sense of purpose. Ukraine's President Zelensky proved an inspirational leader. Russia's economy was battered by sanctions, though less severely than the West had hoped. More worrying for Washington, the global South hedged its bets. Of the world's ten most populous countries, only one—the US— unequivocally backed Ukraine.

The Biden administration recognised the danger. America's goal, said the National Security Adviser, Jake Sullivan, was 'a free and independent Ukraine, a weakened and isolated Russia and a stronger, more unified West'. The deputy Secretary of State, Wendy Sherman, put it more succinctly. America, she said, wanted to inflict on Putin a "strategic failure."

It was déjà vu all over again. The West was returning to the old policies of containment that it had honed during the Cold War, but this time with a more radical objective: not merely to contain Russia but to leave it so diminished that it can never threaten its neighbours again.

If, in the process, a new Iron Curtain descends across the continent, its purpose will be different from that imposed by Stalin to subjugate Eastern Europe. This time the goal is to keep Europe free and the Russians out. Unlike Stalin's Iron Curtain, it will be enforced by economic weapons rather than watchtowers and barbed wire—a memorial to a Europe that might have been but never came to fruition because leaders on all sides failed to grasp the opportunities offered by the Soviet Union's demise. (Adapted from Philip Short's new biography, Putin. Published by Henry Holt.)

Putin's Courting of Israel Fades as Ties Turn Bitter on Ukraine - After three decades of increasingly friendly ties, tensions over President Vladimir Putin's invasion of Ukraine are triggering the worst rift in relations between Russia and Israel since the Soviet Union's collapse.

An attempt by the Justice Ministry in Moscow to close the office of the Jewish Agency, an organization affiliated with the Israeli government that aids Jews to emigrate from Russia, is bringing matters to a head. A Moscow court held a preliminary hearing last week on the application to halt the agency's activities that began in Russia in 1989 when then Soviet leader Gorbachev opened up the country.

Israeli Prime Minister Lapid has warned Russia that shuttering the agency would be a “grave event” that damages diplomatic relations. Still, Israeli delegates who’ve visited Moscow to discuss the case have made no progress in averting the threat, said two officials in Israel, speaking on condition of anonymity because the matter is confidential. The next court session is set for Aug. 19.

The push to close the Jewish Agency is a warning to Israel not to align itself with the US and its allies against Russia over the war in Ukraine, according to two people in Moscow close to the government.

The falling-out between Israel and the Kremlin represents a remarkable turnaround after Putin cultivated ties with Israeli leaders for years as part of a wider Russian push for Middle East influence. As recently as 2020, he was feted in Jerusalem at a ceremony marking the 75th anniversary of the liberation of Nazi Germany’s Auschwitz death camp by the Soviet Red Army.

Geopolitics

Is the dominance of the US dollar as the world’s reserve currency being eroded? - In June at the 14th BRICS summit, the international grouping that brings together Brazil, Russia, India, China and South Africa, Putin announced the association’s intention to develop a new international reserve currency.

The move is likely intended to target the US dollar’s status as the world’s premier currency, a state of affairs that has persisted for almost 80 years.

Russian leaders have made no secret of their suspicion of this status quo with foreign minister Sergei Lavrov suggesting recently that the dollar’s days of being top dog are numbered.

“The reliance on the dollar as the instrument supporting the world economy is not very promising, frankly speaking,” he said during a recent trip to Ethiopia.

“It is not by incident that more and more countries are shifting to using alternative currencies, shifting to use national currencies more and more, and this process will be gaining momentum,” he added.

But to understand what is at stake, we need to look at how reserve currencies function and why the dollar’s unique position has given the US what former French president Valery Giscard d’Estaing famously termed its “exorbitant privilege” in world affairs.

Today, most financial transactions, international debt and global trade invoices are denominated in dollars and close to 60 per cent of global foreign exchange reserves were held in dollars as of 2021.

“Unlike other countries, the United States can meet their international obligations by printing money,” explained Luca Fantacci, an economic historian at the University of Milan (Università degli Studi di Milano).

“Meaning that they have no budget constraints in making expenditures, loans or even grants abroad”.

US dollar hegemony dates back to the Bretton Woods conference held in 1944 when 44 Allied nations during World War II agreed on the establishment of a new international monetary system.

There, the group of nations committed to pegging their currencies to the US dollar which in turn would be pegged to gold at a rate of \$35 to 1 ounce (280 g) of gold.

Why do countries hold foreign currencies in reserve?

According to Fantacci, nations hold foreign exchange reserves for two main reasons. The first is so that countries can meet their foreign liabilities. "They have to meet obligations with foreign banks and other economic actors. And the foreign exchange reserves are an instrument to meet those obligations," he explained.

The other reason countries hold foreign exchange reserves is to prop up their own currency when needed.

"Whenever there is a threat of a devaluation of a currency, what the central bank does is purchase its own currency on international markets," Fantacci told Euronews Next.

"In order to do that, they have to have a reserve of foreign exchange that is used widely on international markets, like the dollar, like the euro and other major currencies, to prop up their own currency".

Sanctions on Russia's Central Bank

In February 2022, dollar dominance allowed the US to unleash a powerful economic weapon against Russia in retaliation for their invasion of Ukraine.

Together with its allies, they froze the Central Bank of Russia's reserves, effectively cutting off the country from roughly half of a war chest worth almost \$630 billion (€598 billion) - hence removing the country's means of stabilizing their currency by purchasing rubles with dollars on foreign exchange markets.

Some warn, however, that the act may have a negative effect on dollar hegemony going forward.

As Fantacci explains, if a country runs the risk of holding dollars of having them seized precisely when those dollars are needed to meet foreign payments or prop up their currency it - "provides an incentive not only to Russia but to other countries that have been hit by similar provisions in the past to diversify and to move their reserves and into other currency areas".

Efforts to dilute US dollar dominance

According to Fantacci, there have already been significant maneuvers by global powers, both US allies and non-allies alike, to dilute the power of the dollar.

The establishment of the euro was partly conceived as a means of protecting the EU economy from foreign exchange shocks and limiting dependence on foreign currencies. At present, the euro constitutes the second largest share of global currency reserves at almost 20.6 per cent.

Additionally, at the beginning of March, the Eurasian Economic Union - which brings together Russia, Armenia, Kazakhstan, Kyrgyzstan and Belarus - reached an agreement on the need to develop a new international currency.

"What these countries want to do is to free themselves from the use of the dollar in a situation where they have restrictions on the use of the dollars for foreign payments," said Fantacci.

Back in 2009, the governor of the Central Bank of China, proposed a reformation of the international monetary system based on a commodity-backed currency - an idea that was originally developed by renowned British economist John Maynard Keynes as part of Britain's post-World War II planning.

The idea was backed by other BRICS countries - a grouping of emerging economies comprising Brazil, Russia, India, China, and South Africa - but was nevertheless rejected by western nations.

Towards a new international monetary system?

Still, despite these efforts, it is perhaps premature to declare the reign of the dollar over. The US remains the country with the deepest capital markets in the world and even in times of crisis, like during the COVID-19 pandemic, investors have rushed to put their money in US dollars, considering it a safe bet for capital flows.

While China remains the largest exporter in the world and is coming close to challenging the US in terms of the size of its economy, it accounts for a relatively modest share of global currency reserves. This is largely due to the capital controls employed in the country.

"Unlike the dollar or even the euro, the renminbi does not have free and deregulated capital markets where it can be invested and where the assets denominated in renminbi can enjoy liquidity, which is essential for financial markets and not just central banks that invest in these assets," Fantacci explained.

Fantacci, however, does not exclude the possibility of a reordering of the international monetary system that could permit the renminbi to become much more powerful as a reserve asset.

"What we will see is possibly something that never has happened in history, and that is a fragmentation of the international monetary system with several currency areas that compete and several strong currencies that maintain local, regional hegemony," he said.

According to Fantacci, a future monetary system could involve different ways of interpreting the function of international money by different currencies.

"To put it simply, the dollar could specialize in providing a reserve asset for the financial system thanks to its liquidity, whereas the renminbi could specialize in providing a monetary instrument for the payments in the real economy, for trade, for the supply chains and the commodity markets," he said.

"And I think this is definitely not an encouraging perspective for the United States and the West in general".

NATO and the EU can turn Kosovo border crisis into an opportunity to put more pressure on Russia - An old dispute over a decision by the government of Kosovo in September 2021 to enforce the use of Kosovo-issued license plates for Serbs in the northern municipalities – rather than allowing them to continue to use plates issued by the Serbian government in Belgrade – has flared up again and threatens to escalate into conflict between the two countries.

Local residents in northern Kosovo are also incensed that the Kosovo government now requires – in addition to an ID card – an entry/exit permit for visitors from Serbia.

The decision on number plates was announced, and then suspended, in October last year after protests from ethnic Serb residents in northern Kosovo – where approximately half of all Kosovo Serbs live, and which has been a flashpoint for years. The reinstatement of the policy prompted protesters to build roadblocks, triggering the closure of two border crossings over the weekend. Protesters also allegedly fired at Kosovo police.

The unrest led to Nato issuing a statement that it was ready to intervene to stabilize the situation. The EU and US also urged calm. As a result, the government of Kosovo has agreed to delay the implementation of the new rules on license plates and mandatory entry/exit permits until the beginning of September.

Serbia's president, Aleksandar Vučić, denounced the attempted implementation of the new rules as a violation of previous EU-mediated agreements on freedom of movement. Unsurprisingly, Russia sided with the Serbian position. Russian foreign ministry spokeswoman, Maria Zakharova, accused the government of Kosovo and its western allies of violating the rights of ethnic Serbs and of trying to provoke violence.

But it's not clear whether Russia had an actual hand in the protests, or merely exploited them in a continuing effort to discredit the west. Tensions in the Balkans are clearly welcome to Russia, and Moscow has previously been accused of fomenting instability and unrest – whether in an attempted coup in Montenegro in 2016, or in the endless saga of the future of Bosnia and Herzegovina, especially the status of its ethnic Serb entity, which is home to approximately one million ethnic Serbs (equivalent to 85% of the region's total population).

The priority for western policy in the Balkans should be to further curtail Russian influence. The potential for Moscow to escalate tensions in the region is already limited by the high level of Euro-Atlantic integration that these countries have achieved since the break-up of the Soviet bloc in the 1990s. Slovenia and Croatia are members of the EU. Albania, North Macedonia, Montenegro and Serbia are official candidate countries in various stages of accession negotiations. Bosnia and Herzegovina and Kosovo are potential candidate countries.

At the same time, all the EU member states in the region are also members of Nato. And the EU and Nato, respectively, maintain a security presence in Bosnia and Herzegovina and Kosovo.

Yet, it is important for the EU and Nato not to be complacent about Russian influence in the Balkans, and not to create openings for the Kremlin to exploit. This requires a clear continuing commitment by Nato to stability in Kosovo and the region more generally. The EU needs to recharge membership negotiations with the region's candidate countries – including Serbia. EU engagement is also required in the dialogue between Serbia and Kosovo, which needs to be infused with new momentum to help both sides make the necessary concessions and compromises to resolve the current crisis and avoid any future escalation.

Russia might be tempted to escalate tensions in the western Balkans in an effort to put pressure on the west against the backdrop of the war in Ukraine. In the absence, for now, of negotiations between Russia and Ukraine and between Russia and the west, deterring it from doing so might necessitate a different kind of signaling to Moscow. There needs to be an unambiguous message that any attempts at destabilization would not go unanswered, and that Russia itself would be vulnerable to western pressure in Syria, Belarus, and its de-facto statelets in Transnistria in Moldova, and in Abkhazia and South Ossetia in Georgia.

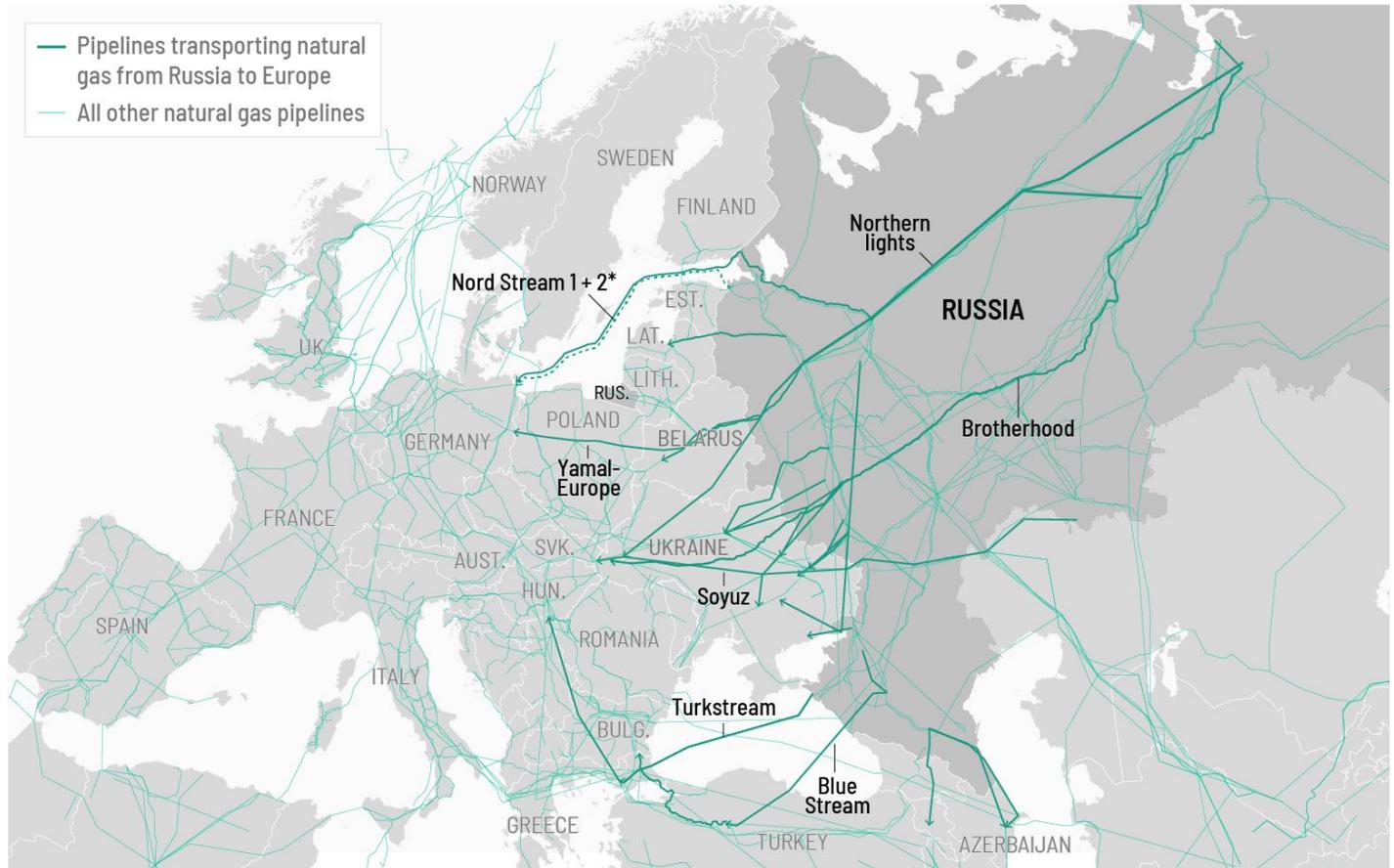
Together with continued military, economic and political support for Ukraine and sanctions on Russia, such a calibrated western strategy will ensure that the Kremlin does not overplay its hand in the Balkans. (Scott White of theconversation).



How Russia's gas reaches EU

How Russian gas reaches Europe

The European Union is the biggest consumer of natural gas from Russia, which has built several major pipelines into Europe since the 1960s.



* Nord Stream 2 is fully built but was awaiting certification to begin operating. Germany halted that process just before Russia's invasion of Ukraine.

Source: Global Energy Monitor
Graphic: Henrik Pettersson and Natalie Croker, CNN