

CED POLICY BRIEF
The Weekly Round-Up:
Developments on Ukraine
May 13, 2022

1. DEVELOPMENTS ON UKRAINE

The week began with Russian President Putin giving a [Victory Day speech](#) in Moscow in which he did not call for greater mobilization but predicted victory: “All plans are being fulfilled. A result will be achieved – on that account there is no doubt.” But many observers noted the lack of specificity in Putin’s speech, and UK Defence Secretary Ben Wallace [responded](#) by stating that Russia is “repeating the errors of the last century’s totalitarian regimes” and “mirroring fascism and tyranny.” European Council President Charles Michel spent Victory Day in Odesa with Ukrainian President Zelensky. Fighting continued this week with battles near Kharkiv and a prolonged bloody battle for Mariupol; the US [assessed](#) that Russia is about two weeks behind its schedule in the Donbas conflict.

The director of the Defense Intelligence Agency [testified](#) to Congress that “[t]he Russians aren’t winning, and the Ukrainians aren’t winning, and we’re at a bit of a stalemate here,” while Defense Secretary Austin [said](#) that Russian use of hypersonic weapons in the conflict is “not a major game changer to this point. [Putin] can launch a cyberattack, he can employ chemical weapons ... but I don’t think this necessarily takes him to the use of a nuclear weapon.” Director of National Intelligence Avril Haines testified that Putin would continue to threaten nuclear conflict and would not restrict his war aims to eastern and southern Ukraine. In careful language, she [noted](#) that Putin would likely not use a nuclear weapon without seeing an existential threat to his regime, but that “[w]e do think that [Putin’s perception of an existential threat] could be the case in the event that he perceives that he is losing the war in Ukraine, and that NATO in effect is either intervening or about to intervene in that context, which would obviously contribute to a perception that he is about to lose the war in Ukraine [.]”

Commerce Secretary Gina Raimondo [testified](#) that sanctions are having an effect on Russian production of military supplies, particularly from banning Russia from importing computer chips: “U.S. exports of technology to Russia have fallen by nearly 70 percent since we imposed these export controls.”

Finland’s President and Prime Minister said that “Finland must apply for NATO membership without delay” -- a move warmly welcomed by France, Germany, and many central and eastern European NATO members. NATO Secretary General Jens Stoltenberg [called for](#) a “smooth and swift” accession process. 76 percent of Finns now support joining NATO. Russia called the decision a threat to its security and is [reportedly](#) considering cutting off gas to Finland. The UK signed [military mutual support agreements](#) with Finland and Sweden [formalizing](#) that “in the event of an attack on either of us, we will come to each other’s support upon request.” NATO also conducted its “Swift Response” exercise in five countries from Norway to North Macedonia, involving 19,000 troops.

In a [speech](#) in which he claimed that over 500,000 Ukrainians have been deported to Russia, President Zelensky identified Ukrainian war aims to include the return of refugees, restoring Ukraine’s borders

before the invasion, and joining the EU. He declined to address the fate of Russian President Putin, [saying](#) that “I do not care what happens to some leaders and where they end up. For me what matters is Ukraine’s victory, and by Ukraine’s victory I mean something that belongs to us.” Russia, for its part, vowed to keep southern Ukraine “[for ever ... There will be no return to the past.](#)” Another official [said](#) “the city of Kherson is Russia ... there will be no referendums”; instead, newly installed pro-Russia leaders will simply apply to include Kherson in Russia. Ukraine began a [war crimes trial](#) of several Russian soldiers accused of murdering civilians.

President Biden signed the [Lend-Lease Act of 2022](#) into law, which will help speed military aid to Ukraine; President Zelensky [welcomed](#) the new law, responding that “lend-lease is a scheme to give us everything we need for defense.” The House passed a [\\$40 billion aid package](#) for Ukraine -- \$7 billion more than the President requested -- on a bipartisan basis but Senator Rand Paul (R-KY) stymied quick action in the Senate by objecting to the bill, claiming it would “[doom](#)” the US economy. The House bill [includes](#) almost \$15 billion in military equipment, training and intelligence support; about \$14 billion for the State Department including humanitarian support for refugees, and about \$5 billion, mostly for USAID, to address global food insecurity, as well as other items.

The EU failed to agree on a sanctions package to ban Russian oil, though work was still continuing on the measure. Russian oil revenues are expected to “[increase significantly to more than \\$180 billion,](#)” 45 percent higher than in 2021, given recent price spikes, according to research firm Rystad Energy. By 2030, however, the firm estimates that Russian production will fall by 2,000,000 barrels per day. Similarly, another firm estimated that Russian crude oil exports have fallen by [at most 20 percent](#), with an average of 13 tankers per day leaving Russian ports, while the [International Energy Agency](#) estimated Russia is exporting about 8,000,000 barrels per day, about 43 percent of which is going to EU countries. [India](#) and China have also been large purchasers of Russian oil since the invasion. China is storing much of the oil it purchases, which has “[offset](#),” to a large extent, the release of oil from the U.S. Strategic Petroleum Reserve and boosted prices in the United States and Europe — just when leaders trying to block Russian oil also seek to keep retail prices at the pump within reach of consumers.”

In other energy news, Ukraine’s national gas company Naftogaz [suspended transit](#) of Russian gas -- up to one-third of exports -- that comes through the Donbas in eastern Ukraine, stating that “Ukraine no longer bears responsibility for the transmission of Russian gas through Ukrainian territories under Russian military occupation,” because Ukraine cannot “perform uninterrupted and effective operational and technological control” of the pipelines in these areas.

German Economy Minister Robert Habeck [said](#) that under certain circumstances, Germany might be able to handle a cutoff of Russian gas this winter: “If we have full storage facilities at the turn of the year, if two of the four floating LNG tankers we have leased are connected to the grid, and if we make significant energy savings, we can to some extent get through the winter if Russian gas supplies collapse,” though he also called for conservation measures to reduce gas usage by 10 percent.

Special Climate Envoy John Kerry said that impacts on energy markets from the Russian invasion of Ukraine threaten the goal of limiting global warming to 1.5 degrees Celsius. Recognizing that gas imports to Europe will make up for Russian hydrocarbons instead of coal, Kerry [stated](#) that “I’d take a gas-fired

power plant in the near term — I emphasize near term — over coal or oil any day of the week. But for the long run, gas is going to have to abate and live up to low emissions standards [.]”

In agriculture, [satellite images suggest](#) that Ukraine’s wheat harvest may fall by up to 35 percent, with the country producing a maximum of 21 million metric tonnes of wheat rather than 33 million. Before the war, Ukraine was the sixth-largest exporter of wheat. Russian [attacks on and blockade of](#) the port of Odesa also raise fears that Ukraine may not be able to export wheat later this year. President Zelensky [called](#) for “immediate measures” to end Russia’s blockade of grain exports and “prevent a food crisis in the world.” The G7 foreign and agriculture ministers are [considering](#) measures to break Russia’s blockade of grain exports, particularly through moving grain through Romania and the Baltic states, as President Biden noted the urgent need “to get this food out into the world so that it could help bring down prices.” A Russian ship carrying stolen Ukrainian grain [docked](#) in Syria.

2. COMMERCE DEPARTMENT EXPANDS SCOPE OF SANCTIONS AGAINST RUSSIA

The Department of Commerce is [expanding sanctions](#) against certain Russian industrial sectors, publishing a list of new license requirements for exports, reexports, and in-country transfers to additional items already subject to Export Administration Regulations. Commerce notes that it is taking this step to “further restrict Russia’s ability to withstand the economic impact of the multilateral sanctions, further limit sources of revenue that could support Russia’s military capabilities, and to better align with the European Union’s controls.”

3. CHINA AND INDIA GRAIN HARVESTS

China, the world’s largest wheat producer, and India are both facing concern over their upcoming harvests. [Exceptionally heavy rains in China](#) last fall prevented some wheat from taking deep root, and China’s agriculture minister had warned in March that the crop size could fall. USDA, however, has estimated that China’s wheat crop will only be three percent smaller than last year. In India, a strong heat wave has forced the government to [reduce](#) its estimate of the wheat harvest by 5.7 percent to 105 million metric tonnes for the crop year ending in June. Each reduction will have some impact on already stretched global food supplies after the Russian invasion of Ukraine.

4. CHANGE IN STATE DEPARTMENT LANGUAGE ON TAIWAN

China has sharply [criticized](#) the State Department for changing its wording about Taiwan on its website. According to Reuters, the website has “removed wording both on not supporting Taiwan independence and on acknowledging Beijing’s position that Taiwan is part of China.” China’s Foreign Ministry termed the change “a petty act of fictionalizing and hollowing-out the one-China principle. This kind of political manipulation on the Taiwan question is an attempt to change the status quo in the Taiwan Strait [.]” The website also now includes information on the 1982 “Six Assurances” to Taiwan, declassified in 2020, including the fact that the US has no date for ending arms sales to Taiwan, does not consult with Beijing before arms sales, and has not agreed to revise the 1979 [Taiwan Relations Act](#).